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New Year's Resolutions in order to help people begin 2014 on the right financial foot.

Dec. 30, 2013

With the countdown to resolution season rapidly approaching its end, the leading credit card comparison website CardHub.com today announced 5 Money-Saving New Year's Resolutions in order to help people begin 2014 on the right financial foot.

These resolutions come on the heels of [CardHub's](#) Credit Predictions for 2014, and you can find a brief overview below, along with commentary from CardHub CEO Odysseas Papadimitriou, a personal finance expert who previously served as a senior director in Capital One's credit card division.

1. Get Out of Debt

Odysseas Papadimitriou (OP): "Consumers displayed significant improvement in terms of their spending and payment habits during the third quarter of 2013, adding 8% less debt than during Q3 2012 and 27% less relative to Q3 2011. In fact, consumer credit management has improved relative to the prior year in six out of the last seven fiscal quarters. The problem is, we're still adding debt to our tab – just at a slower pace. We incurred nearly \$11.9 billion in new credit card debt during Q3 2013 and are on pace to finish the year with a \$33.4 billion net increase. Given how corrosive credit card interest is to investing and retirement planning as well as how vulnerable the lack of an emergency fund makes us to the vicissitudes of the economy, paying off amounts owed should be a major priority in the New Year."

2. Build Excellent Credit

(OP): "Anyone who has followed the credit card market in recent years understands the value of excellent credit. In an attempt to bolster their business against future economic turmoil, issuers have been offering eye-catching initial rewards bonuses and 0% financing deals to consumers with above-average credit standing. Such cards have the potential to save users \$400 to more than \$1,000. The importance of a

strong credit track record extends far beyond that, however. From mortgage and

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always starts at home, and parents need to give their kids practical experience managing their own money when they reach high school. We recommend giving your child an allowance on a prepaid card and requiring that they pay for some of their own discretionary expenses. Prepaid cards are great financial literacy teaching tools because they can't be overdrawn and they won't lead to credit score damage or debt. Once your child masters the prepaid card, you can progress to cash, a checking account, and ultimately a student credit card. Such a program will give your child experience budgeting and making transactions with the major financial products used during financial independence.”

4. Start an Emergency Fund

(OP): “If there's one lesson we learned from the Great Recession it's that an emergency fund is extremely important. After all, we've defaulted on more than a quarter of a trillion dollars since the beginning of 2009, and that staggering number would be a lot lower if more of us had emergency funds. That's why when people ask me, 'which should I do first: pay off my debt or build my emergency fund,' I always say that establishing an emergency fund should actually be the higher priority. Say, for example, you pay off what you owe and immediately lose your job. If you don't have an emergency fund, you'll just fall right back into debt, incur significant credit score damage, and have creditors ranging from your doctor to the cable guy showing up at your door. With that being said, the goal should be to have a nest egg equal to roughly a year's salary so that you can stay afloat while handling any financial emergency that may pop up.”

5. Improve Your Health

(OP): “There's actually a strong correlation between your personal health and that of your wallet. Studies show that being overweight or smoking translates to thousands of dollars in additional medical costs over the course of your lifetime, and that doesn't even speak to lost productivity due to a lack of energy, the added insurance

burden, or money wasted on quick-fix health improvement schemes. Mental health

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