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MANY AMERICANS FAIL TO TAKE CARE OF FINANCIAL BASICS

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No business would operate without a budget, and balancing income and expenses is also a crucial ingredient for personal financial success. Yet according to a study by Princeton Survey Research Associates International, fewer than half of Americans keep a close eye on what they spend.

People often are living beyond their means without a plan for the future. Since the economy will always fluctuate, having a plan in motion to protect your assets will provide a healthy and viable financial future.

Two out of five people surveyed said they closely track expenses. That leaves 58 percent of those surveyed who claimed either to have a "somewhat good idea" or "little or no idea" of how much they spend. This sloppiness about spending extends to overall credit management, with more than half of those surveyed saying they had never ordered copies of their credit reports, and almost three in 10 did not know they were entitled to one free copy of the report each year.

In addition, almost one-third of survey respondents said they fail to meet monthly credit card minimums, incurring penalties and higher interest rates and adding to increased debt ratios.

What of those who are mindful of what they spend? How did they get that way? Typically, these individuals learned financial basics at home, when they were young. The Princeton study shows a clear link between having an early grounding in financial management principles and exhibiting positive money habits later in life.

Financial responsibility as an adult starts in childhood. Teaching your children how to manage their money wisely and making sure they understand what may happen if they don't, can be one of the best gifts you ever provide.

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