We all want to keep our finances on track, but doing so can be difficult without a clearly expressed plan. Everyone’s strategy doesn’t have to be complex, but it does generally need to cover two major facets: paying down debt and saving money.

If you’re like most Americans, you probably have multiple credit cards, as well as perhaps a mortgage and student loan debt.

The inevitable question becomes:

- Which facet should take priority?
- Should you pay off your debts first, then focus on saving for the short and long term?
- Or should you create a cash reserve before you tackle debt?
- Can you do both at the same time?

The answer depends on you and your situation.

Often, the best first step in figuring out how to develop a personal financial plan for saving versus paying down debt requires an honest, introspective look at how you deal with money. Everyone has a financial personality that has developed over time based on factors such as how you learned about money as a child, current occupational status and risk tolerance.

Think about what you do when you want something you don’t have the cash to buy. Do you buy it anyway using credit, deny yourself the purchase entirely or wait until you’ve saved up the money?

Your approach to spending and saving should point the way to developing a sound strategy that balances controlling debt — or, preferably, eliminating it — and building savings.

Here are some ideas to help get you started.

- Hidden Advantage of a Health Savings Account (HSA)
- College Savings Showdown: 529 vs Roth IRA
- Near- and Long-Term Family Budget Accounting
- Mortgage Pay Down