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Have you made your 2018 financial resolutions?

With a new year dawning, it's time to take stock and commit to changing any bad financial habits and welcome a bright future.

2017 has been a tough financial year for many families and small businesses but 2018 doesn't have to be. By identifying your bad habits and committing to new financial goals, the year ahead can be a whole lot easier.

Finance guru David Koch says to get ahead in 2018 you should start by making specific New Year's financial resolutions.

"Write them down, put them in the fridge and stick to them," he says. Koch suggests writing out a budget is the best place to start.

"A new year is a great time to sit down with your partner and create a budget for the year ahead. Budgets need to be updated at least every 12 months to stay relevant. If your figures are out of date there's no way you'll stick to it," Koch says.

Pull out your paperwork, examine your credit card statements and get a grasp on your big monthly outgoings such as utility bills, mortgage and loan repayments. Realistically estimate how much you've got coming in each month and how much you're spending.

"If your income doesn't cover your expenses you need to work out how you can spend less money or boost your earnings," Koch says.

Now you've made your budget, Koch says it is important to stick to it.

"Make a pact with your partner to start living within your means. Keep receipts, make notes and check you're on track each month."

Koch says it's important to resist impulse buys. If something's not in the budget, don't buy it. Curbing your credit card spending is also imperative.

"If you need to make a big purchase save up for it the old-fashioned way instead of using credit."

If you must use your credit card, Koch says take advantage of the interest-free period and be sure to pay your balance off in full each month to avoid accumulating further debt.

"It's also really important you keep track of when your minimum payment is due to avoid costly late payment fees. Look at switching to a debit credit card, which allows you to use credit card facilities but only lets you spend your own money, so you can't go further into debt."

If you are sticking to your budget and being frugal, you should wind up with some surplus cash. Don't go on a spending spree, instead, use the money to pay down your debts.

"I'm talking about paying off credit card debt, personal loans, car loans – everything. If you have any sort of consumer debt you should have no savings and no new investments. There's no point saving for a home deposit or buying shares when you're being charged 20 per cent interest on your credit card debt. Get rid of that first," Koch says.

Once you've wiped your debt, Koch suggests it is time to put a savings plan into place. He says the best savings plan involves a goal such as paying off your mortgage sooner or contributing to your superannuation.

"Commit to saving a set amount each month and top it up with other bonuses or money gifts you receive. Concentrate on the mortgage first, and when that's gone make superannuation the priority. Any extra savings you put into the mortgage are equivalent to investing and earning an 8 per cent after-tax return, which isn't bad for zero risk," he explains.

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