



Saving For Your Future

Description

We all know that we should save money. But something so easy to say can be quite difficult to actually do.



Saving money is the basis of building your financial future. However, many consumers are putting it off one more day. Those days turn quickly into years of lost money. Without savings, the chances of meeting long-term financial goals and achieving financial security are quite miniscule.

In order to save money, you have to control your finances. Saving has nothing to do with how much you make. It has everything to do with how you control your money. If you have lots of credit card debt and live paycheck to paycheck, you are not in control of your money. And you aren't saving for the future either.

You have to spend less and save more. The two are tied together. In order to save, you have to start spending less.

And it all really isn't that difficult if you just start doing it.

First, sit down and write down your financial goals. Just ask yourself what you want from your money. Perhaps you would like to have a downpayment for your first home. Maybe you need a new car. Make

long-term goals, such as retirement, and short-term goals, such as new living room furniture.

Give each goal a dollar amount and a time frame. In order to save, you have to know what you are saving for. You have to have a reason to put your money aside.

Get a Savings Account



You will need to set up a separate savings account. You probably know that leaving the money in your checking simply won't work — you will spend it. Have a savings account that you can easily deposit or transfer money into. Many banks will set up an automatic withdrawal to your savings each month. This is a easy way to set it and forget it. It is paid just like any other bill.

Over time, you will see your money start to grow. This is rewarding and exciting. Most people become motivated to save even more. Saving and investing can become addictive in a good way.

You will find that a written budget is almost essential for saving money. You need to know where your money is going in order to make changes to the way you spend. A budget not only tells you where you are spending, but it can help you plan how you spend. Include into your budget a debt reduction plan, and your budget will make the most of your dollars. Budgeting is simple and doesn't require you to

sacrifice your entire lifestyle. It is just a plan to get where you are going.

If you do have a lot of credit card debt, you should focus spending your saving money on eliminating that debt. It would be wise to put a small amount aside for emergencies, but the vast majority of the money you are saving right now needs to be going to your debt. The reason why is simple. Why pay 20% interest on a credit card debt when your savings are earning 2% to 10% in interest. You are spending more than necessary. Wipe out that credit card debt first. It will save you more in the long run.

A lot of people really boost their savings by putting their unexpected money into their savings accounts. Your bonuses, raises, tax refunds and overtime can really pump up your savings. You aren't having to spend even less or cut back more, but you are seeing your account balance rise.

There is no real secret to saving money. You simply have to start doing it. That is often the hardest thing — the first step. But once you see your finances begin to change and the interest start working for you, you will be hooked on saving for your future.

Category

1. Finance

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