

Savings: The Cornerstone of Financial Health

One of my favorite banking industry slogans is “We, The Savers.” Launched in 2008 by the cutting edge online bank ING Direct, it pokes fun at our nation of non-savers. Three out of every four people in the United States don’t have the recommended six months of expenses saved. One out of every four don’t even have one month of reserves according to a study by Bankrate.com in 2013. We all know we should, but few of us do.

When we hear these statistics barked from the media, most of us hear them as just that: statistics. We don’t stop to think about how it impacts our lives. Our car breaks down, and we have no personal safety net to get it repaired. That sounds so matter of fact, but if that has ever happened to you, you know that underlying the fact is a boatload of emotion, frustration, shame, annoyance or fear. And the impact comes not just from when we let it happen to ourselves, but we also have to feel some of the brunt of it when it happens to our children, coworkers, and other family and friends. There’s no faster way to a bad day than a sudden expense you were unprepared for.

Do you save money? What’s the first thing you remember ever saving up for and buying? Have you saved and bought so many things, that it’s just the fabric of how you live? Or have you never successfully saved money for something you wanted? Or are you a spendthrift, and would never even consider waiting to buy something; why not just get it now?

The idea that savings is the foundation of our financial health is ingrained in just a few of us. Most of us know we should have savings, but few of us actually do. **If you are ready to make your life better, savings is the most important thing you must do. But you already knew that.**

Knowing you should save is miles away from doing it, and experiencing the feeling that you get the first time you have a financial emergency, and you are able to save yourself, because you saved; the first time you look at your reserves account and realize you have amassed three months of income; the first time a financial planner sits across a table from you and says “you’re retirement savings is on track.”