

Title:

How in the World Do People Save Money?

Word Count:

613

Summary:

Saving money is a hard task to master. It always seems that when things come up, there goes your savings. Many people I know never have any savings to start with.

Keywords:

save money,finance

Article Body:

Saving money is a hard task to master. It always seems that when things come up, there goes your savings. Many people I know never have any savings to start with.

Saving money is the cornerstone of a successful money management plan. Without an emergency savings when my husband recently was laid off, we would have been up a creek. Even with the emergency savings, things were very tight and we had to call our bank for assistance.

Now we face the task that many people face. Starting over with our savings.

It seems simple to say. You just put your extra money into savings. Wrong.

There really isn't such a thing as extra money. You may have found that out by now. If you are spending, you have no extra money. If you have debt, you have no extra money.

Where you find savings money is through having a simple budget. Your budget will identify money for savings. It is hard to start saving. But once you start, you form a habit that lasts.

Start with identifying why you want to save money. Set short-term and long-term financial goals. In the short-term, you may want to buy a new couch. In the long-term, you might want to retire early. These are the goals that make saving worth a little sacrifice.

Give your goals dollar amounts and time frames. When you know that you only need

to put back \$100 a month, it is much easier than focusing on the \$3,000 you need to save. Write down your goals and refer to them at least once a week. Track your progress and keep it as your number one priority.

You will eventually find that when you go to buy things, you are thinking that if you don't spend as much, you will be closer to your goal. What a nice thought that is. You will find that not spending feels better than being guilty after spending.

Make sure you have a separate savings account. We like to tell ourselves that we can leave a cushion amount in our checking. We can't. If it is there, we spend it. If you put your savings in your checking, you will dip into it. Have your savings in a separate account that you can watch grow.

If you don't already have a budget, you need to make one. You will be able to identify areas where you can cut back your spending.

A lot of people have trouble identifying how much they should put into savings each month. This simply depends on your goals and finances. If you have a lot of debt that you need to pay down, you may be saving less. If you have your debt paid off, you may be saving more. Look to how much your budget says you can save. Don't get caught up in percentages. The only time I use them is when we have bonus or unexpected money. In that case, we get a small percentage as free spending money. The rest goes into savings.

The best way to set up your savings habit is to not have to even think about it. Have the saving amount automatically debited from your checking and deposited directly into your savings account. You don't ever see the money, which makes the temptation disappear.

There are no real secrets to saving. You simply have to find a method that works for you. It is hard to live with no savings. Especially the emergency savings that protect you from broken down vehicles, financial mistakes and job losses. We are frantically trying to build our savings back up, because we know how important they really are.