

Title:

Yes! You Really Can Save Money

Word Count:

402

Summary:

Sometimes, saving money may seem impossible. You buy groceries on Monday, pay bills on Tuesday, and by Wednesday your paycheck has disappeared. However, if you establish a savings plan, you'll "find" money in places you've never thought to look!

If you're like most American families, you wait for "extra" cash to save. However, by creating a plan, most people find they can save regularly—and reach their long-term financial goals.

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Keywords:

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Article Body:

Sometimes, saving money may seem impossible. You buy groceries on Monday, pay bills on Tuesday, and by Wednesday your paycheck has disappeared. However, if you establish a savings plan, you'll "find" money in places you've never thought to look!

If you're like most American families, you wait for "extra" cash to save. However, by creating a plan, most people find they can save regularly—and reach their long-term financial goals.

In the beginning, the amount you save is less important than the fact that you're starting to save regularly. It's O.K. to start out small, but make the amount you decide to save each week or month a commitment—it's very important to "pay yourself first." Begin with an amount that you are sure you can set aside so that you build a sense of accomplishment rather than frustration. Giovanna Masci, money management expert at ACCION suggests the following to establish a savings plan.

- Distinguish between wants and needs: Real needs are items that are necessary to sustain you and your family such as shelter, food, clothing, and

transportation. All the items that enhance or possibly improve your family life, like new electronics and meals out, are wants that could be eliminated from your budget.

- Set realistic and achievable savings goals. Experts suggest you place 10 percent of your income into savings. That's a good goal, but don't give up if you can't save that much. Establish a savings habit and save consistently—it's better than putting aside a big sum just once.
- Set up a separate savings account using automatic deposit. If you mingle your savings account with your checking account, you'll dip into your savings and may never pay it back. If possible, have your employer deduct a set amount from your paycheck each pay period and deposit it directly into your savings account—after a few weeks, you won't even miss the money!
- Put your savings goals in writing. Writing down your savings goals can have a motivating impact on your savings habits. It makes your goals real and concrete. Write down your short, medium, and long-term goals along with your projected timeframe to achieve them. Make sure the goals are attainable and realistic and review them regularly.

For more helpful tips about managing your money and to improve your financial literacy, visit Your Money and You (<http://yourmoney.accion.org>).