

Title:

Creating Savings From What You Already Have

Word Count:

575

Summary:

Most people, even those without debt, have a hard time saving money.

Keywords:

saving money

Article Body:

Most people, even those without debt, have a hard time saving money.

The plain truth is that most people will spend all of their money every month. They grow to become used to this spending level. It is very, very difficult not to do this.

Financial advisors say it over and over again -- you have to pay yourself first. It is the truth. Those of you with 401(k)s don't miss that money being automatically taken out of your paycheck. You never see it, so you don't miss it. That is the idea of paying yourself first. If possible, have your employer deposit a portion of your paycheck each month into your savings account. Or perhaps your bank will automatically withdraw that amount from your checking to your savings each month. You never see the money and you don't have to make any effort to save. It is perfect.

If you pay yourself first, you won't have a chance to spend the money. When you sit down to write bills out, don't pay the mortgage first. Pay your savings and then pay your bills. See, most people pay their mortgage, cars and other loans first. Then they pay the electric and water. Then they pay what they can on their credit cards. Whatever is left over is spent on living, gas and food.

Then there is nothing left to save. If you wait to pay your savings last, you probably won't pay it. You must pay yourself first. Write a check to your savings first, then pay the bills.

We lose a lot of money in just pennies each month. One of the best ways that my husband and I save money is to never spend our change. In fact, every night we dump out our wallets. Anything less than a ten goes in the money jar. It is

surprising how in just a month, that money really accumulates. We've used the money like a small emergency fund. We grocery shop on it when money is tight or we treat ourselves to a nice evening out. It is an easy way to save.

Another version of this is to put the change you get back from any drive-in in an envelope in your glove box. Do this whether the change is one dollar or ten dollars. When you clean out your vehicle, you will be surprised at how much has accumulated. In fact, it could buy you a tank of gas every once in a while.

When you spend, you can save money as well. Purchase items that grow in value. Extra money lying around? Invest it in the stock market. Invest it in paying off your mortgage early. Use it in ways that make you money. Pay off your debts and invest the rest.

When you save money, the key is to really save it. If you buy something on sale, what happens to the money you saved? You probably spent it on something else. Nothing really went into savings. From now on, when you save \$15 on groceries, put that \$15 in your savings account. When you don't buy a new sweater because you know you need to save, put the cost of that sweater into your savings.

Saving money isn't that hard. It is simply a habit that has to be learned. Experts say it takes two weeks to make an action a habit. So start today, in two weeks it will be easy.