<u>Simple steps to start saving</u>

Everyone knows how important it is to regularly put money into savings, but research shows that 25% of Americans have no emergency savings at all.

Don't let this be you! If you're ready to start saving, but you don't know where to begin, here are some simple steps that can get you on the fast track to building your nest egg today:

Step 1: Set a goal

It's always a good idea to work backward when setting up a plan.

Take a few minutes to think over your long-term and short-term savings goals. These can include saving for retirement, a dream vacation or covering a large purchase like a recreational vehicle or a new phone. Make sure to assign a dollar value for each goal.

It's important to note that when you actually start putting money into savings on a regular basis, it's best to start with building an emergency fund that includes three to six months' worth of living expenses before moving on to other saving goals. Outlining your more personal goals before you get started will help motivate you on your journey toward saving.

Step 2: Start tracking your expenses and income

Determine exactly how much money you need to get through each month. For three months, keep a paper or digital record of each of your expenses and all streams of income.

As you complete this step, be sure to include seasonal and occasional expenses. Calculate an estimated annual expense amount for these costs and then divide it by 12. Add this value when factoring your monthly expenses.

At the end of the three-month period, review your expenses and income to see how much money you really require to live on each month.

Step 3: Trim your expenses

If you find that your income exceeds your expenses by a generous amount, you're in a good place and you can skip to the next step.

If your expenses are greater than your income or the numbers are too close for comfort, it's time to scale back. Look for ways to trim your expenses without feeling the pinch. Start with your biggest non-fixed expense, and move from there, cutting costs wherever you can.

The money you trimmed from your expenses can be used for savings.

Step 4: Create a budget

With your newly trimmed expenses, you're ready to create a monthly budget. Using your list of monthly expenses and income, designate an appropriate amount for each monthly expense. Be sure to include savings in your budget — as if it were actually an expense.

Step 5: Choose your savings tools

With your numbers all worked out, you can move on to choosing a place to park your savings.

It may be a good idea to choose a separate location for your long-term and short-term saving goals.

For long-term savings, look for a savings option that offers an attractive interest rate, like a share certificate at or an IRA for retirement savings. Keep in mind that you may not be able to open a long-term savings account immediately if you don't have the amount of funds required for your minimum initial deposit.

Short-term savings are better off in an account that allows for easy access and some monthly transactions if needed, like a checking account or money market account.

Step 6: Make it automatic

You've got your numbers worked out, and if all goes well, your savings should start growing today.

Unfortunately, though, impulses can sometimes get in the way of our best intentions, holding us back from reaching our goals. Keep this from happening to your savings by making them automatic. Ask us about setting up an automatic transfer from your checking account to your savings account so you never forget to feed your savings again.

Step 7: Review and adjust as necessary

Your savings plan is good to go! Remember, the earlier you start, the more interest your funds will accrue.

While you may have automated your savings, that doesn't mean you can set it and forget it. Be sure to review your budget every now and then and to check whether you should adjust the amount allocated for savings.

Following these simple tips should get you started on the road to savings!