



Consumer **Credit Counseling** Service

How to Save Money

We all talk all the time about having a savings account or nest egg to fall back on. It is even more important to have a savings you can fall back on if you work in a layoff-prone industry. But with the cost of things today, how do you save?

That is the mistake millions of people make - that it is impossible to save. It isn't. You just have to decide you want to save some of your money more than you want to spend it. Then you need to decide how much you can realistically save. Even small amounts of money will add up over time. Even \$5 or \$10 per week will make a difference over time. The basic formula is simple – pay yourself first. Put money in a savings account before you do anything else. You'll be surprised how easy it becomes after the first few times.

Here are some other suggestions on ways to begin to or increase your saving. Pick out a few of these tips that fit your lifestyle:

- **Save your change**
- **Save your income tax refund**
- **Save your overtime pay**
- **Save your year-end bonuses**
- **When you get a raise, save it.** Continue to live on what you made before.
- **Save any gifts of money** (birthdays, Christmas, etc.)
- **If you eliminate an expense, save it.** For example, if you quit smoking, save what you would have spent on cigarettes
- **If you pay off a loan, continue making the payments to yourself.**

In order to save you have to become a better spender. Develop a budget and stick to it.

Then you have to decide on where to save it. Unfortunately, banks sometimes penalize small savers. They charge monthly fees if your balance falls below a certain amount. You might avoid these fees by looking into a “package” account, where the bank offers several services in a package for one set fee (or even no fee). Credit Unions, internet banks, and government savings bonds are other alternatives.