

Want to Build Your Savings Faster?



First, you need to know your current financial situation. Check out the following articles to help you determine if you're making the best financial decisions for your unique financial situation.

- Why track your spending habits?
- How do you build a financial plan?
- What is your net worth and what does it mean?

Once you understand your financial position and have a sense of how much you can save, consider the following tips to help you build your savings faster.

Tip #1: Pay Yourself First

Sound familiar? Probably because it's true. Generally we only consider how much we can afford to save after we've paid all of our obligations. Often times we know how much we can save but allocate those funds elsewhere first and only save what is remaining. If we turn that idea around and pay ourselves first, you can save more, faster.

Tip #2: Stick to Your Budget

Once you establish a personal or household budget, stick to it. There will always be something that comes up and requires additional funds, so plan for it in your budget. Use an allocation for "unexpected expenses". This way you can still manage your monthly expenses and if it is not needed, the extra funds can be directed toward additional savings.

Tip #3: Set Up a Pre-Authorized Plan

One sure way to save on a regular basis is to set up monthly, bi-weekly or weekly pre-authorized payments from your account to a savings or investment account. This takes the pressure off managing the deposit schedule on your own and allows for higher interest payments on amounts deposited sooner than if a lump sum payment was deposited less often.

Tip #4: Spend Less than You Earn

This is an extremely important lesson. If you can't spend less than you earn, you will not be able to save money, ever. This is cash flow. You have to spend less than you earn. Use cash, instead of credit. Track your spending. Put extra cash flow toward debt. It sounds easy, but for many it's not. Make this a priority and you'll be well on your way to saving more, in no time.