

# Growing your nest egg

August 2014 Newsletter



Would you like to save up for a house? A new car? Your kids' college costs? Retirement?

Starting or building up your nest egg can be hard. Whatever your goals, you've got your work cut out for you. Let's face it: Knowing you need to save is one thing. Doing it is another!

## Tips for saving

Here are some basic tips about budgeting and saving:

- **Start now.** Have you been wishing, planning and talking about saving for a while? Once you "officially" get started, it can actually get easier because you'll have taken the first step. Get started today.
- **Try to live on your last raise.** If you get a raise or a bonus, see if you can put all or most of the increase into your savings.
- **Have money deducted from your paycheck.** Set up an automatic transfer of a certain amount from your paycheck to your savings account. That way you never have to "touch" your nest egg contribution.
- **Create a realistic budget.** Make a list of your monthly expenses. Think about your costs of living, including monthly car payments, housing, utilities, child care, health care, clothing and fun.

Include an extra amount — up to 10% of your budget — for unplanned expenses<sup>1</sup> Total up these costs for an idea of a realistic monthly budget.

- **Use the envelope method.** Set up an envelope for every category in your budget. Label each one. When you cash your paycheck, put the budgeted amount into each envelope. Put all the envelopes in a safe place.

Now, let's say you put \$300 in the "grocery" envelope. When you go to the supermarket, make sure to take the money you need out of that envelope.

Once the envelope is empty, don't borrow from another envelope or from your savings account. If you run out of money, try to stick with leftovers or make some meals from what you already have in the house.

Consider whether you spent too much on groceries or whether you budgeted too little. Change your budget — or your next grocery list — accordingly.

- **Only use credit cards when you have to.** Finance charges and debt add up quickly. Try paying with cash as often as you can.
- **Get help.** A qualified financial advisor can help you with paying down credit card debt, creating a budget, planning for college, retirement and more. You can also find saving and budgeting ideas online.

<sup>1</sup>[www.automaticfinances.com](http://www.automaticfinances.com)