

Savings & Investing Tips

Savings Suggestions & Tips

Controlling Expenses

- Learn to live below your means and save the difference (save early and save often).
- Spend money only on things that are important to you (unforgettable purchase), avoid spending money on things easily forgotten (the credit card purchases you made last month).
- Cash is king (use it to negotiate lower prices on major purchases), invest the money you save.
- Debt is hazardous to your retirement health, pay cash, avoid paying unnecessary interest expense on purchases, the money you save can build your retirement.

Maximizing Savings

- You can never save too often or too much. The price you enjoy for too much savings is early retirement and financial independence.
- Increase retirement savings with each pay increase (save your pay raise, you won't miss it).
- Use your 457 (b) Deferred Compensation Plan payroll deduction (when your savings is automatic, you won't miss it).
- Any time you eliminate a monthly payment, take the opportunity to boost your monthly savings.
- Use tax deferred savings plans (Deferred Compensation, IRA's, etc.) to reduce your current Federal & State taxes, defer the taxes on earnings and increase your compounded growth.
- Never cash out & spend your retirement account when changing employers. The taxes and penalties will devastate your retirement future with a 35% to 40 % or more loss in value.

Pledge to Save

- Start by setting short-term savings goals, such as setting aside \$20.00 a week or a month rather than long term savings goals, such as \$200 over a year. You will be more successful when you keep the short-term goal in sight.
- Take the "pledge" – "I pledge to save money, reduce debt, and build wealth for my future. I will encourage my family and friends to do the same!"

Investing Suggestions & Tips

- Define your goals. Do you want to save money for the purchase of a home, your child's education or save for retirement or just have a financial cushion to handle the unexpected expenses or the loss of income.
- *Learn the difference between "fixed" investments and "equity" investments.* This knowledge will help you understand how to best control the gains and losses & the risk and reward of your investment portfolio.
- Invest with longer time frame in mind (5 – 10 years), ride out the down turns in the market, don't speculate and try to time the market.
- Review your investments annually, rebalance when necessary, plan to change your asset allocations as you get closer to retirement or if your financial circumstances and goals change.