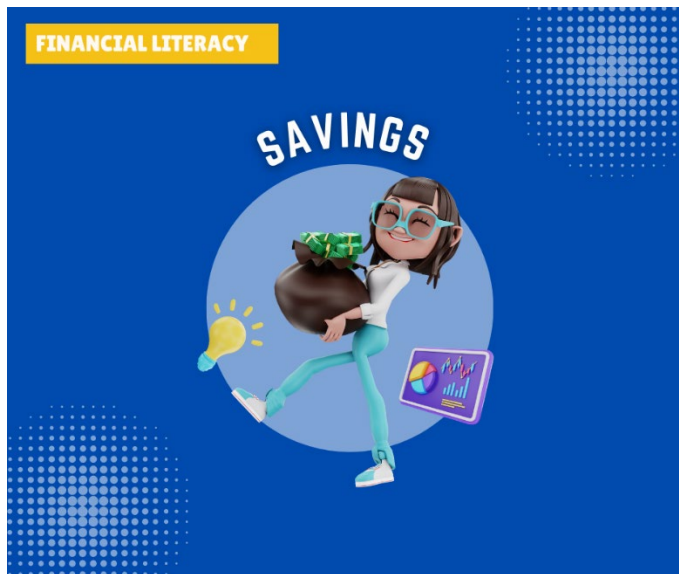


Saving



Saving is an essential component of good budgeting. Using a savings account allows you to prevent emergencies from draining the money you need for monthly bills and slowly build a reserve for making large future purchases. This reserve can be used for car repairs, apartment deposits, unplanned surgeries and other medical needs and even gathering funds for a home down payment.

Some facts about saving:

- The average amount of personal savings dropped 15% from \$73,100 in 2021 to \$62,086 in 2022.
- People ages 30 to 49 are the least likely to have emergency savings.
- 60% of Americans don't have enough savings to cover a \$500 or \$1,000 unplanned expense.
- 1 person out of every 5 people near retirement age has zero money saved.

Make a financial commitment that you can keep, even if it means starting small, like \$50 from every paycheck or cutting out your gym membership for an extra \$100 a month. Remember, this account isn't for splurging on the latest Apple product or a Michael Kors purse. Be intentional about only using your savings for needs. Whenever you take money out, do your best to quickly replenish the withdrawal.

Developing consistent savings habits allows you to leverage time, your age, your current resources, compounding interest, investments and tax-advantaged savings.

Saving tips:

- DO set up a portion of your paycheck to automatically go to savings.
- DON'T leave a savings account as your last financial priority.

Work cited: Ritchie, A. (2022, December 22). *Financial Literacy*. Annuity.org. Retrieved January 27, 2023, from <https://www.annuity.org/financial-literacy/>