

Saving and Peace

By Betina Ramsey

Saving is such an important piece of your financial life. Think about savings in terms of peace of mind. Savings gives you peace of mind. How? It allows you to plan for larger purchases, retirement, and helps you deal with extra purchases and problems as they arise.

Saving allows you to be prepared. Preparedness allows you to manage things without worry. How much weight does peace carry in your financial world?

How do you start? You put savings into your budget. Make sure you set aside money each month for short term and long-term saving. If you really want to consider what you should set aside write down why you want to save. What are your short-term goals? What are your long-term goals?

Short-term goals are goals you want to reach quickly. What do you want to accomplish in one year? What about two years? Think even longer out. What do you want to reach in the long run?

A short-term goal could also be an emergency savings. These dollars are meant to help with the unexpected things that come up. You could use this for car repairs, home repairs or other unplanned expenses. Beyond that, what other goals do you have that you need to save for? Maybe you need to buy a new vehicle or a down payment on a house... planning for those will help you be more prepared.

Long term goals are for those items that you don't expect to need anytime soon. Maybe you want to put money back for your child's college fund or you want to make sure you are prepared for retirement.

It helps to write down your goals. When you write things down and plan it helps with follow through. Make your savings a part of your budget. If you want to make it even easier set up automatic transfers into your savings. It is never too late to set a savings goal. Also keep in mind that there's no right answer for everyone. Find what is right for you and stick to working to reach your goals.