

Get Better at Saving

Saving money wasn't a priority for many Americans over the last decade. But the recession seems to have inspired change: The national personal saving rate jumped from almost zero in early 2008 to nearly 7 percent as of May 2009. Your financial advisor can help you decide the best ways to boost your savings, which may include the following:

Track Your Expenses

Gather recent bank and credit-card statements to look for recurring expenses for services you don't actually use—for example, gym memberships or online subscriptions—and cancel them. Ask providers for better rates on services you do use, such as telephone, Internet and cable. Are there sacrifices you could make, like limiting frequent restaurant meals or impulsive purchases on clothes, toys or non-essentials?

Trim High-interest Loans

Paying down high-interest debts means you won't have as much money to save in the short run. But reducing or eliminating your balances will increase your long-term saving power, because you'll spend less of your future income on interest payments.

Establish an Emergency Fund

Set aside several months' worth of expenses in a cash account to pay for unexpected costs—so that you won't have to dip into retirement savings. Your advisor can help you determine a precise savings target.

Save Smart

Talk to your advisor about the types of accounts that can help make the most of your money, and appropriate investments. For emergency savings and other short-term funds, you could select stable, easily accessible vehicles, such as money market funds. For college and retirement savings, take advantage of tax-sheltered accounts such as 529 college savings plans, IRAs and workplace retirement plans. In general, it's wise to hold short-term savings in cash, intermediate-term savings in bonds, and long-term savings in stocks.

Saving requires discipline and persistence. Your advisor can help you throughout this process by identifying potential ways to cut expenses, and by creating a plan that balances saving and debt reduction, builds emergency savings and deploys your money as effectively as possible. Together, you can create a more secure financial future for your family.

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