



Saving Money

Contact: Blair Bernstein, ABA Public Relations (202) 663-5468 or bbernste@aba.com

Saving money can be challenging, which is why bankers are there to help customers every step of the way.

- Bankers understand the importance of saving money. They're a trusted resource to help you create a plan to reach your financial goals.

Saving can be like dieting. If you try to make drastic changes, your quality of life will suffer and it's not likely that you will be able to sustain your savings plan.¹

- It's best to save frequently in small amounts, without going too far in limiting your lifestyle. The best way to make this lifestyle change is, instead of saving in big chunks, set up an automatic savings plan that transfers small amounts out of your checking account and into a savings account each week or each month.¹

Follow these seven tips to establish good savings habits:

- Pay yourself first. If you wait to see what's left over, you are less likely to save. Determine in advance how much money you plan to deposit each month. If you receive a raise, increase the amount of money deposited into your savings account.
- Take advantage of bank technology. Consider automatic payroll deductions or automatic transfer from checking to savings. Arrange to have a specific amount transferred to your savings account every pay period.
- Pay your bills on time and pay more than the minimum amount. Setting up automatic payments will ensure you never pay late fees.
- Determine needs versus wants. Do you need to eat out every day for lunch? Do you need that gourmet cup of coffee in the morning? By bringing your lunch to work a couple days a week, you can save hundreds of dollars a year.
- Shop around -- whether it be for credit cards, bank accounts, or mortgages. There are thousands of financial services products out there, so make sure you pick the right one for you. Your banker can help you identify which products and services best suit your needs.
- Consider investments. For long-term goals, such as saving for a home or retirement, look into bonds, mutual funds, real estate and stocks.

Insufficient savings is a top financial concern for U.S. adults.

- Approximately 66 million Americans have no emergency savings.²
- In fact, 47 percent of Americans said they either could not afford an emergency expense of \$400, or would cover it by selling something or borrowing money.²
- Only 28 percent have enough saved to cover six months of living expenses.²

The ABA Foundation sponsors three financial education initiatives. **Teach Children to Save** and **Get Smart About Credit** partner students with bankers for personal finance lessons. In 2010, the ABA launched a new program called **Lights, Camera, Save!**, a national video contest where students illustrate the importance of saving.

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Combined, more than 225,000 bankers have reached 8.9 million young people through these signature programs.

In 2015, the ABA Foundation partnered with First Book to provide an avenue for banks to donate financial literacy-related books to low-income schools.

Sources:

¹ *Can Saving Money Be Like Dieting?* Brett Blumenthal. (2014). Retrieved from <http://sheerbalance.com/can-saving-money-be-like-dieting/>

² *66 million Americans have no emergency savings.* CNBC. (June 21, 2016). <http://www.cnbc.com/2016/06/21/66-million-americans-have-no-emergency-savings.html>