



Save Automatically

The easiest and most effective way to save is automatically. This is how millions of employees save through 401(k) and other retirement programs at work. If you're intimidated, remember what we say at America Saves: "Start Small, Think Big."

How to Save Automatically:

Automatic savings means you have a process in place to save at regular intervals, whether that's monthly, weekly, or daily. There are two modes to save automatically: digital and analog.

If you want to save automatically, we suggest one of these three strategies:

- Instruct your employer to direct a certain amount from your paycheck each pay period and transfer it to a retirement or savings account (or both). Traditionally, you can set this up using your employer's direct deposit, ask your HR representative for more details and set this up today.
- Every payday, your bank or credit union transfers a fixed amount from your checking account to a savings or investment account. Talk to your local bank or credit union to set this up.
- Choose a day of the month or a regular interval, such as every 2 weeks, to transfer a set amount from your checking account to a savings vehicle. We particularly recommend this method for people with inconsistent income or those who access their pay frequently. Consider picking a lower dollar amount or a time of the month when many other automatic payments aren't happening. Set this up with your bank or credit union.

Intimidated by digital automatic savings? Save automatically- the analog way:

- Save your loose change. Every day, put all of the loose change from your pocket or purse into a jar, and don't spend it. If that jar starts to look tempting, take it to your bank or credit union once a month to cash and deposit into a savings account. However, if you've got a big jar: there's no harm in watching your automatic savings pile up- literally!

Why Automatic Savings Works:

Over time, these automatic deposits add up. For example, \$50 a month accumulates to \$600 a year and \$3,000 after five years, plus interest that has compounded. Soon you will be able to cover many unexpected expenses without putting them on your credit card or taking out a high-cost loan.

Once you've reduced your debt, everyone has the ability to start to save up. At America Saves, we say "Start Small, Think Big." You can start with only a small amount, and you can save daily, weekly, or monthly. Over time, your deposits will add up. Even small amounts of savings can help you in the future.