

## Saving 101: Start 2019 By Saving

By Jasmin Vazquez

New year, new you right? Here is something we can all do more of every year: save money. Jeff Rose, a Certified Financial Planner, would rather “hit himself in the face instead of cutting coupons”. I agree. The things we seem to have to do to save money are unattractive. For that reason, he put together five money hacks that can help you make millions in the long term.



His first recommendation is to make sure you are properly protected. If you are paying too much for any insurance, whether life, car or home, it is taking away from your ability to save. Why would anyone pay choose to pay more if they had an option to do better? My business actually does just that; help every middle class family save for their goals. Jeff’s second recommendation is to avoid big purchases. If you are looking to get a new car, it doesn’t have to be ‘new’; you can buy ‘used’ and save the difference each month. In the video, Jeff shows you how putting that \$400 a month into a high-yield savings vehicle for his adult life (41 years) with a 10% average interest would have given him \$2.8 million for retirement. In reality, \$400 a month over 41 years in your bank’s savings account (<1% interest) would have left you with \$243,352 at age 65. Who would prefer to be in the second scenario? *The answer is no one.* Isn’t it clear that average families need to change the way they save? I encourage you to check out the rest of Jeff’s recommendations for shifting how you approach the topic of saving money.

Now that you know how important it is to save money in the right places, you need to know the most important factor in saving money: time. The person who saves \$20 a month in his/her twenties and then stops contributing at age 30 will have more money set aside for retirement than someone who starts saving at 30 and does not stop until 65. Compounding interest is an incredible economic force. It's the same force that keeps you from paying off the principal balance on your debt. This year, motivate yourself to take advantage of compounding interest to make the most of your present. Taking care of business now will guarantee a less stressful future.