

# Save for More than Just a Rainy Day

INVEST IN YOUR FUTURE

Money doesn't grow on trees, but it can grow when you save and invest it wisely.

## FIRST, IDENTIFY WHAT YOU WANT TO SAVE FOR

- Emergency funds? (Plan for three to six months of expenses.) Holiday expenses? Vacations? A house? College for your kids? Retirement?
- Rank order your goals.

## REVISIT YOUR BUDGET

- Pay off credit card or high interest debts first. Then use some or all of the payment money for your savings plan.
- Put aside whatever you can in savings accounts, checking accounts, and certificates of deposit.
- Look for additional ways to save from <http://investor.gov/sites/default/files/Saving-and-Investing.pdf>
- Decide the best ways you are likely to save money.
  - Have your paycheck automatically deposited in your bank and have some go directly into one or more savings accounts.
  - Save money you get from tax refunds, work bonuses, and extra income.

**Action Step**  
Beware of investments that promise high returns with little or no risk. If it sounds too good to be true, it usually is. Check out red flags for financial abuse from [www.cfp.net/downloads/CFPBoard\\_Financial\\_Self\\_Defense\\_Guide.pdf](http://www.cfp.net/downloads/CFPBoard_Financial_Self_Defense_Guide.pdf).

## INVEST, BUT DO NOT PUT ALL YOUR EGGS IN ONE BASKET

Diversify with stocks, bonds, mutual funds, IRAs, real estate, and commodities, such as gold and silver. Find out more about investing from [www.mymoney.gov](http://www.mymoney.gov). Things you can do on your own:

- If your employer has a retirement plan, such as a 401(k), have as much deducted from your pay as possible, especially if your employer matches some or all of the amount you contribute.
- Get resources on planning for retirement and long-term care from [www.csrees.usda.gov/fsll](http://www.csrees.usda.gov/fsll).
- Check out "529" prepaid tuition and savings plans for college from [www.collegesavings.org](http://www.collegesavings.org). These offer tax-saving advantages.
- Get professional investment advice from employer sponsored programs or from your financial planner. Find a certified professional from the Association for Financial Counseling and Planning Education at [www.afcpe.org](http://www.afcpe.org).