

## FINANCIAL WELLNESS – ONE STEP AT A TIME!

You've already done the legwork on this one by setting goals, creating a budget, reducing expenses, and paying off debt. You're ready to get serious about putting your money to work for you and saving for the future. A good rule of thumb is to allocate 20% of your income for savings. Remember, *you must save money to create wealth.*

### September – Step #9 *Implement a Savings Plan*

#### **Activities:**

**Retirement Accounts:** 401(k) and 403(b)s, Traditional, Roth and SEP IRAs – start contributing to whatever retirement account you have access to. These retirement accounts are designed to give you a tax break on your savings, either up front or further down the road. Gradually increase the amount you contribute until you are contributing the maximum allowed. Employer sponsored programs will often match a portion of your contribution for even more savings!

**Education Accounts:** 529s and ESAs –give your children or grandchildren a valuable gift by supporting their education. These accounts allow you to grow earnings tax deferred and withdrawals can be tax free when used for qualified educational expenses. You can start saving as soon as your loved one has a Social Security number.

**Short-term Investments:** High-yield Savings Accounts, Money Market Accounts and Certificates of Deposit are all options for saving for any special expenses you expect in the next few years (wedding, vacation, down payment on a home, etc.) These accounts are often highly liquid with a lower risk than longer term investments. Determine what you will need for the upcoming event and commit to saving towards that goal every week.

#### **Helpful Hint:**

*Make it easy to save - set up automatic contributions to your savings accounts via employer direct deposits or auto debits from your bank account.*

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