

Basics on Saving

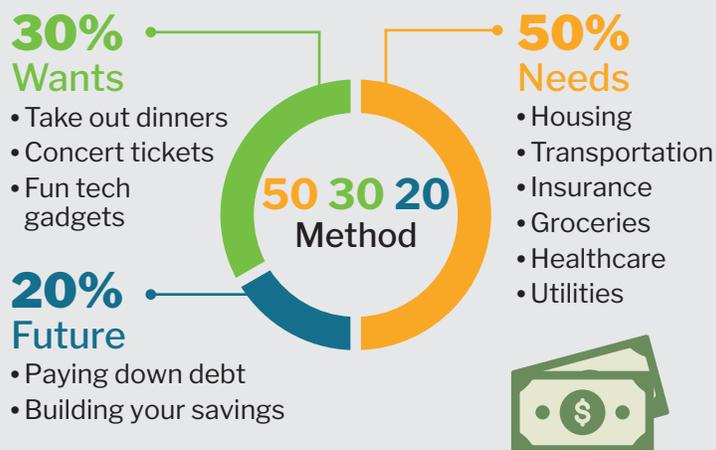
Developing a savings plan and putting it to work can help you reach your goals and become financially secure. Here are simple steps to get started:



Create a Budget

Developing a budget based on your monthly income, expenses and savings is the first step.

- Track your income and expenses to establish financial goals by reviewing your most recent monthly statements. Knowing how you spend your money can help you adjust or eliminate non-essential purchases.
- Use the 50/30/20 budget—spending roughly 50 percent of your after-tax dollars on necessities, no more than 30 percent on “wants,” and at least 20 percent into savings or paying off debts.
- TCU’s Budget Calculator can help you develop a roadmap to make your hard-earned income work for you: tcunet.com/MonthlyBudgetingCalculator
- Stick to your budget plan over time to help reduce debt, cut back on impulse purchases and increase savings for emergencies, large expenses and other financial goals.



Save Early for Retirement

Even a small, regular contribution toward your retirement has the potential to grow into a large nest egg.

- Compound interest (earning interest on interest) over time has a tremendous impact on your long-term retirement savings. Automate the process. If your employer offers a 401(k) plan, take advantage of it, along with the pre-tax savings on your earnings.
- Use a health savings account (HSA) to contribute. You can contribute pre-tax dollars, pay no taxes on earnings, and withdraw the money tax-free now or in retirement to pay for qualified medical expenses.



Build Your Savings

It is important to build up your savings to cover emergencies and to plan for your future. As a general rule, you should maintain enough savings to cover three to six months of your regular expenses.

- Establish a separate savings account for each of your savings goals—contributing a certain amount each pay period. TCU makes it easy by offering Choice Savings accounts. You can open multiple savings accounts and give them names that represent your financial targets (like emergency, insurance or vacation) making it easy to see when you’re closing in on your goals.
- Set up automatic transfers from your checking to each savings account each pay period to stay on track.
- Use TCU’s Round-Up Savings to grow your savings automatically. Every time you make a purchase with your TCU Debit Mastercard®, the purchase amount is rounded up to the nearest dollar and the difference is transferred from your checking to your savings account. You will be surprised how a little change here and there adds up.



TCU is here for you

Call or visit your local service center or book an appointment at tcunet.com/ContactUs.



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