



ON MY OWN

News For Young Adults from InTouch Credit Union

Second Quarter 2021 Newsletter



How to Save Money Automatically



Even though Consolidated Credit®* loves to spread the good word about strong personal finance skills, we won't try to tell you that budgeting and saving are fun. We know it can be boring and stressful.

Thankfully, this is the 21st century. There are easy ways to make saving money automatic with a few clicks or touchscreen taps. Here are some of our favorites.

- **Split your paychecks.** When you start a job, you often set up direct deposit to your main checking account. But this isn't your only option. You can also **split percentages of your paycheck among multiple accounts.** This makes it easy to save a set percentage each month because that amount simply never enters your checking account. Experts usually suggest saving 20 percent of your monthly income or more. This can

be too high for some people, especially those paying off debt. Start as small as you need to while still being able to cover your monthly expenses. Then slowly work your way up to higher percentages.

- **Set up recurring transfers to a savings account.** If you don't want to split your paycheck, you can also set up a recurring transfer between your accounts. You can start with something simple like a flat \$100 or \$200 per month. Or, you can calculate a percentage of your paychecks on your own and use that amount. Like splitting up your paycheck, this ensures that your money goes straight to your savings account before you ever have the chance to spend it.
- **Set up direct debit payments to a retirement account.** If you have a 401(k) account through your employer, some of your income is already deposited there each pay period. However, you can also consider using an IRA or Roth IRA to save even more for your retirement. (See a tax professional about the pros and cons of opening an IRA if you already have access to a 401(k).)

Saving is easier than you think. Consider using one or more of these strategies to start making saving easy, cut down on stress, and financially prepare for your future.

*(*Consolidated Credit provides ITCU members with the Knowledge of Financial Education, or KOFE, portal and resources. Articles like this one can be found in the KOFE portal for ITCU, or at the Financial Awareness page of the ITCU.org website.)*



For even more young adult financial literacy, visit: itcu.org/arrivalguide

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