



STOP LIVING PAYCHECK TO PAYCHECK

What would happen if you lost your job today? What if you needed money for a medical emergency? Most people would be in trouble. Living paycheck to paycheck has become a way of life for most Americans. You do not have to live this way. Saving money is easy if you just follow a few simple steps.

List Your Expenses

If you do not know where your money is going, you are in big trouble. It is impossible to save until you write out your monthly expenses. Look at your past months bills to see where your money went. Chances are that you will find that you wasted much of your money on unneeded expenses. Did you really need to buy those movies for \$20 each when you could have rented them for \$5. How many days a week do you eat out? If you do not have receipts for all of your expenses, estimate what you spent.

Write a Budget

List your necessary monthly bills and budget a set amount for variable expenses like entertainment. Be sure to include savings into your budget. One or two hundred dollars a month will add up over time. If you have credit card debt, budget higher than your minimum payment. If you only pay the minimums, you will never get out of debt.

Set Goals

Set a series of savings goals. Make them realistic, do not make your first goal to save a million dollars. Set a goal to save \$2000 dollars, then to save \$5000, etc, etc. You will soon see that saving is addictive and you will enjoy watching your savings account grow.

Automate Your Savings

You cannot spend what you do not see. If your company offers it, have them deduct money from your check and put it into savings. If they offer a 401K program, take full advantage of their matching contribution.

Put Unexpected Money Into Savings

If you get a bonus from work, inherit money or make any unbudgeted cash, put it into savings. You don't need it to pay your bills so put it up for a time when you do need it.

Put Away The Credit Cards

Pay cash for purchases. If you cannot afford to pay cash for something, do not buy it. Credit card fees will eat you alive. You could very well end up paying for that pizza for 5 years.

Know How Much Money You Have

Balance your checkbook daily. When you think you have more money in your account, you tend to spend more. Be careful with checkcard purchases. It is easy to forget to record them and they do not always show up on your online banking statement immediately.

By following the steps above anyone is capable of breaking the paycheck to paycheck routine. It doesn't matter if you can save \$500 a month or \$50 a month. Eventually you will get there. All you need is a little patience and a bit of discipline.

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