

# Planning Makes Saving Simple

## Podcast Transcript

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It is easy to get caught up in the impulsive spending culture. Stores advertise all the different ways you can spend money to save money, but really the money is still coming out of your pockets and going into theirs. Saving money isn't as difficult as you might think. Three simple steps and a savings hack will help you secure your savings without a second thought.

Step number one is to examine your spending habits. Look at how much money you have coming in each month. Compare that list with the amount you have going out and pinpoint where your money is going. Take a close look at all of your expenses including what is going to your mortgage or rent, car loans, house hold bills, groceries, gas, insurance premiums, savings deposits and entertainment.

To get a more detailed picture, carry a small notebook around with you for the next month and note all expenses. You'll start to see spending patterns and be able to determine where you might be able to cut back. Did you know you were spending so much on fast food and lattes? How many TV channels do you really need? Maybe you'll save money by packing lunches for work, couponing or staying away from your favorite stores.

Step number two is to set goals. You need a purpose if you are going to change your spending habits. Write down a list of short-term and long-term goals. Some common short-term goals are saving for vacation, purchasing appliances, building an emergency savings account or purchasing a car. Typical long-term goals are saving for retirement, buying a home or saving for future education. Decide which goals are most important and work toward those goals first.

Step number three is to make a plan. Take what you learned from examining your spending habits and your current income, and determine how much money you have left. Decide how much money you are going to save each payday. Even if the amount seems small to you, commit to saving whatever you can and start now. You can always increase the amount later as you have more income. The sooner you start, the more you will save over the long term.

The secret is not to stuff the extra money under your mattress. The savings hack that will help you take your savings from a plan to a reality is to use allotments or a scheduled bank transfer so that your savings automatically transfers to the appropriate accounts each payday. Once that is done, you can dust your hands off — you won't have to remember to save that money until you reach your first financial goal and move on to your next one. It does take some patience and determination to achieve financial goals. But good things do come to those who wait.

Military OneSource financial counselors are available to help you create savings plans, budgets or answer financial questions. Call 800-342-9647 to set up an appointment with a Military OneSource financial counselor today.

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