



## **Savings Savvy Transcript**

Welcome to Money Talks, a series of podcasts developed by Oklahoma Money Matters, the financial literacy initiative of the Oklahoma College Assistance Program and the Oklahoma State Regents for Higher Education.

Today, we'll talk about saving. Whether your goal is next semester's tuition, a new car, a vacation or early retirement, we'll provide you with tips and strategies to achieve your savings goals. Let's get started.

Remember saving money as a kid? You found an item you wanted—a video game or cool toy—and fed your piggy bank until you had enough to buy it.

As an adult, the process of saving money is still the same (minus the piggy bank), but now there's more demand on your money. Want to know the secret to becoming a savvy saver? Pay yourself first. Paying yourself first means making you and your future a financial priority. When you get paid, set aside money to save before you pay your bills. Aim to save about 10% of each paycheck. If that seems impossible, save as much as you can to start, and grow from there. It's making saving a habit that counts. So, what are you saving for? Basically, there are three types of savings goals: emergency, short-term and long-term. We've all heard the saying, "save for a rainy day." That's what an emergency account is...a rainy-day account.

Try to save at least \$500 to have on hand in case an emergency arises. You never know when your car will need repairs, or when your books will cost more than you budgeted for, or when your roommate will decide to move out. An emergency fund can get you through a tough time and keep you from relying on credit, which you'll have to pay back, plus interest.

Short-term savings goals are for purchases you want to make in the near future, like next semester's tuition, a spring break trip or a new suit for your first job interview. The key to saving for short-term goals is to figure out how much money you'll need to save each month to get there. Need \$500 for a trip in 6 months? You'll need to put away around \$80 a month to reach your goal in time.

Don't forget about saving for your long-term goals, like home ownership or retirement. Make it a priority to save early and save often, because the sooner you begin saving, the more your money will grow. For example, if you begin saving \$10 each week at age 20, you'll have nearly a quarter million dollars by age 65!

Now that you know what you're saving for, let's talk about tried and true ways to make saving simpler.

1.) Make savings automatic. When you get paid, have a portion of your paycheck automatically placed in your savings account. It's hard to spend what you don't see!

2.) Stash your extra cash. If you receive cash as a gift, save it, don't spend it! Since it wasn't expected, you know you can live without it.

3.) Sell, then buy. Selling back your books? Don't spend that money... use it to purchase next semester's supplies.

4.) Be a smart shopper. Shop around for the best deal and buy used when you can. Thrift stores and consignment shops are great places to find bargains.

5.) Eat in. Limit eating out. Instead, have a potluck dinner with friends. Ask each buddy to each bring a dish and bag any leftovers for lunch the next day.

Saving money is important and doable, no matter how much or how little you've got. Make small changes in your spending, save early and save often, and watch your money grow!

Thank you for joining us on Money Talks! If you'd like more money saving tips, check out our website, Oklahoma Money Matters dot org. Until next time, make your money matter!