

[Golden1 podcast: Saving With Purpose content bundle]

## "Savings Goal Strategies"

HOST

Hi, welcome to this episode of the Golden1 podcast!

Today we're going to dive into the topic of "Saving With Purpose." Specifically, we'll talk strategies for achieving your savings goals.

Now, the whole idea behind saving with purpose is that you put some intention into your money. Instead of spending it on whatever and whenever you want, you save it for the things that really matter. These things are called savings goals because you don't have the money for them today. You have to work to achieve them. But like any other kind of goal, the work is worth it.

If you're not exactly sure what your savings goals are yet, that's okay. Not only will I help you figure them out, I'm going to give you tips for accomplishing them. To start, think about things you want to do with your money in the short, medium and long term.

Short-term goals tend to be less expensive things that you can achieve in the next 12 months. A great example is creating an emergency savings account. Experts recommend that you save three to six months of your essential housing and living expenses. This may take longer than 12 months, but that's okay. If you need to adjust your timeline, having money on hand for sudden, unexpected emergencies is worth it - it'll keep you from going into debt. But savings isn't your only short-term option. Other examples might be a new computer, back-to-school supplies or clothing.

For more expensive items or major life-events, file these under mid and long term goals. Mid-terms usually take between one to five years to achieve, and include things like paying off debt, saving for a down payment on a vehicle, or taking a big family vacation. Long-term goals take a lot of dedication over many years. Think "retirement." They perhaps require the biggest sacrifice, but also have the biggest pay-off.

Okay, I've given you some examples of goals. Now comes the trickier part: how do you achieve them? Don't worry, there are strategies and tips you can try to make it easier.

First, if you're the kind of person who thrives with a little friendly competition, you can turn your goal into a game. It works like this... Ask a family member or friend to choose their own savings goal. The goals should be a similar amount of money, and take roughly the same length of time to accomplish. It also helps if you're both in a similar financial situation, so if you're struggling to create a savings account, you probably don't want to go head to head with your friend who's a billionaire.

Competition is helpful because it motivates you along the way. If you feel like giving up or get tempted to splurge on a shopping spree, you'll be more driven to stay on course and win the prize -- whatever that might be ("bragging rights" are always fun.)

The game strategy typically works best for short-term goals. For those of you who are on a longer track, another strategy is putting your money into a special savings account like a Share Certificate, which is also sometimes referred to as a Certificate of Deposit or CD.

These have higher interest rates than other savings accounts, and the terms range from one month to five years. So you can park your cash for as long as you think it'll take you to nail your goal. Meanwhile, you'll be earning money on your money as long as you don't withdraw it before the term is up.

For a long-term goal like retirement, you should consider an account such as a 401(k) if your employer offers it, or an Individual Retirement Account, which you can get on your own through a financial institution or mutual fund company. These are smart options because the money you contribute is invested and can generate earnings for you over many years. For more details on these types of accounts, talk to a financial advisor.

When setting savings goals, it's important to remember that the goal itself is its own reward. You don't want to get in the habit of buying a bunch of stuff constantly as a way to pat yourself on the back for your hard work. That kind of defeats the whole point. However, to stay motivated, it's

okay to set milestones or mini goals along the way. Let's say your goal is to save \$1,000 over eight months. Once you hit, say, \$300, maybe you treat yourself to dinner out, or buy a new video game or dress - whatever you're into. As long as it's affordable and doesn't set you back, mini-goals can help you stay focused.

And finally, I'd be lying if I said savings goals are totally easy. There may be times when you get discouraged, fall off track, or want to quit. This is normal. Just remember that your goal is worth it, and your dedication *will* pay off. It also helps to put your goals in context. If you're saving for a laptop, visualize how much more convenient and fun it's going to make your life. Saving for retirement? Think about the trips you want to take later in life, or the extra time you'll get to spend with your family and friends. It's all possible if you stick to your plan.

Are you ready to get started with your savings goals? Good, because we've reached the end of the show. Thanks for listening to this episode of the Golden1 podcast!

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