Brought to you by H & H Health Associates

October 2026

How to Save Money

You probably already know it's a good idea to save money. In hard economic times, you need to have savings to fall back on in case you lose your job. It's also important to save money for retirement. You may also want money for travel or need it for unexpected medical expenses.

With tight budgets and rising prices, it may seem harder than ever to save money. Start by setting your goals. These should include:

- Putting money away for retirement. Your total goal is to save enough to equal 70% to 90% of the income you earn now to last for about 20 years.
- Having a nest egg to cover at least 6 months of expenses.

Write down any other important goals. If you have children, for example, you may want to put aside money to help them go to college.

Tips for saving money

- **Pay yourself first.** That means take money from every paycheck and put it into savings, the same way you put money toward rent or a mortgage. Experts recommend setting up an automatic transfer from your paycheck to your savings account as a way to do this.

- **Make other types of savings automatic.** If your employer offers a retirement plan, pay the maximum amount into it, if possible. Have it deducted automatically from your paycheck.

- **Look for a match.** Your employer may have a savings program such as a 401k to which the company will contribute if you do. Even a small amount from your employer adds up in retirement savings over the long run.

- **Every bit you can save counts.** Even if all you can manage is a few dollars here and there, it's a good start.

- **Pay in cash when you can.** It's easier to overspend when you use a credit card.

- **Keep track of all your expenses.** If you aren't sure where your money goes, keep a careful record for a month. You may be surprised where you are spending money instead of saving. Cut back on extras and put the savings into an account. Some ideas for saving include:

  - Make coffee at home instead of stopping for a daily coffee.
  - Pack your own lunch and drinks for work.
  - Cut down on eating out.
  - Find low-cost ways to host social events at home.
  - Shop for kids' clothing at secondhand stores. You can save a lot more if you buy a pair of kids' jeans for $3 instead of $30 or $40.
  - Check out secondhand stores for yourself as well. Many have designer clothes that are in excellent condition.

- **Take a second job.** If your budget is tight, it might be worth taking a part-time weekend job for a while just to boost your savings.

- **Look for interest.** Stashing cash money in a jar may keep it safe, but it also means that your money is not working for you. Find a savings account, CD, or another plan that will earn interest over time.

- **Do your research.** Remember that investments called "high risk" can bring in a lot of money, but that your money can also disappear. Don't invest any money in high-risk investments unless you can afford to lose it.

- **Start young.** Begin saving with your first job if you can. Increase your savings as you earn more. Even if you save $2,000 a year from ages 19 to 26 and then stop saving, with a 10% return on your invested savings along with compounding interest, by the time you are 65 you will have $1,019,148.

- **Don't withdraw from savings.** If you can avoid it, leave saved money in an interest-bearing account. Retirement and college savings programs may charge you a lot of money to withdraw savings early. Make sure you understand how those penalties add up.

- **Downsize.** Think about whether you need as much house as you have. Moving to a smaller home could cut costs and give you more savings. Aim at spending less than one third of your income on housing.

- **Take in a roommate.** This can potentially add thousands of dollars to your yearly savings account. Interview applicants' employers and past landlords and get their written permission to do a background check on them, including a credit and criminal history report. Only after he or she proves to be reliable should you sign a lease with a tenant.

- **Avoid debt.** Keep your total debts down to less than 10% of your assets. Money you spend to pay down debt is money that can't go toward savings.

- **Put most of your bonuses or raises toward savings.** Don't add more expenses. If you make more money than expected, put it into savings rather than spending it.

Stay healthy to save money
Other ways to keep your savings on track are to avoid big unexpected medical expenses that will eat up your hard-earned money. For this reason:

- **Take care of your teeth.** Get your teeth cleaned and brush and floss regularly. Fill any cavities when they are small. If you delay, the cost of getting a root canal or crown is much higher. Work out a dental payment plan if necessary.

- **Stay up to date on vaccinations.** Have your children vaccinated and keep up on your own adult vaccinations, such as the yearly flu shot. If your children get an illness like chickenpox, you may need to stay home for days to care for them. Low-cost and free vaccination programs are available. Check with your doctor to find out more about them.

- **Get health insurance coverage.** If you can't afford private insurance and you aren't covered by your employer, check with your doctor to see what you might be eligible for.

By working on these steps, you'll be able to build your savings over time. Check your savings to see how you're doing every couple of months. Fine-tune your strategy if necessary and enjoy the extra security that savings can bring.