

## Saving For Your Future

### Create savings habits

Get into the habit of saving. This will help you reach your long-term goals and help you handle unexpected expenses. Here are some tips:

- Pay yourself first. Don't wait until you're done spending to save. Make saving your first priority when you get paid.
- Save unexpected income. If you get a gift or a tax refund, put it in savings. You lived without it, so you won't miss it.
- Save regularly and automatically. Even small amounts add up. When you have more income, you'll already be a saver. Ask us how to set up automatic transfers to your savings account.

### Start saving early

Compare these savers who put away \$100 per month earning 3% interest, compounded annually, beginning at different ages through age 65:

Age started saving	Amount invested	Total value at age 65
25	\$48,000	\$92,837.46
35	\$36,000	\$58,419.37
45	\$24,000	\$32,912.28
55	\$12,000	\$14,009.08

Calculator Source: [finaid.org](http://finaid.org)

### Your savings goal

You can set your goal based on the amount you can save each month. Just divide the amount of your goal by the amount you can save each month, and see how long it will take to get there.

For example, if your goal is to buy a new computer that costs \$1,200:

- If you think you can put aside \$30 each month, you'll reach your goal in 40 months (or three years and four months);  $\$1,200 \div \$30 = 40$ .
- If you can save \$100 each month, you'll reach your goal in 12 months;  $\$1,200 \div \$100 = 12$ .

Or, you can start with the amount of time until you need the money. Then divide the amount of your goal by the number of months until you'll need the money to see how much you have to save each month to reach your goal.

- For example, if you're planning to buy a car in two years (24 months) and your goal is to save \$2,400 for a down payment, you'll need to save \$100 each month;  $\$2,400 \div 24 = \$100$ .

# CARROLLTON BANK

## Even small savings add up!

Let's say you could set aside **\$30 each month** in a savings account that earns 2% interest, compounded annually:

- In one year you'll have **\$367.20**
- In three years you'll have **\$1,123.78**
- In five years, you'll have **\$1,910.92**
- In 10 years you'll have **\$4,020.74**

Note: these examples assume no withdrawals

Many people think of savings as an impossible goal. But \$30 is about \$1 a day. So if you start small – giving up that extra trip to the vending machine every day – you can build up more than you might think.