

INSIDE GRUNDY COUNTY
By Bill Arndorfer
Butler-Grundy County Extension Educator
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Last week I wrote about ways that you can use to help track where your money is being spent. Once you have that information, you are able to decide if your money is being spent on things or in ways that are consistent with your needs and wants. If the money is not being spent in ways that are important to you, then you may want to set goals that will help guide your spending in the future. To give you some ideas on how to set goals, I am including an article that was written by Brenda Schmitt, ISU Extension Family Finance Program Specialist that offers a starting point for establishing financial goals.

In her article, Brenda describes strategies that can be followed that will help people reach their goals. It has several good tips that I thought you might be interested in learning about. Brenda wrote: Financial stability and reaching financial goals involves hard work and discipline. While it's easy to earn money, it's oftentimes more difficult to save consistently. Making smart choices and setting goals is important.

When setting financial goals, you should set up a self-rewarding plan. If you exceed the target savings goal amount, reward yourself by spending the extra savings on something useful or special. Pay with cash when possible; people who use cash tend to spend less, in addition to avoiding interest payments on loans or credit cards.

Take on a save-first attitude. Before spending your paycheck on bills, groceries or buying items on credit, put a portion of your paycheck into a savings account or investment. Consider making the habit automatic by having a percentage of your paycheck automatically deducted and invested into savings bonds, CDs, mutual funds or other saving plans. You can also have your bank set up an automatic transfer on a periodic basis.

Different strategies may work for meeting different financial goals. An account that is FDIC insured will provide safety. Think about how liquid an account is. Can the funds be converted to cash quickly and easily? What will be the return on your investment? What will be the interest rate your investment earns over a certain time period? Is this an account that will be simple to use and requires no minimum balance? Are there special services, such as 24-hour banking online or at ATMs, or investment management services? What are the tax considerations of different savings vehicles, or *how*, *when*, and *how much* of your investment is affected by taxes? If you're not comfortable comparing saving strategies yourself, or would like advice on establishing savings or investments, Brenda suggests that you speak with a financial adviser or counselor.

For more information, contact the Grundy office of ISU Extension at 319-824-6979 and ask for PM 1462 Saving and Investing -- Money Mechanics.