



# HOW MUCH IS ENOUGH WHEN IT COMES TO SAVING MONEY?

What is the best approach to saving for retirement?

Saving money and preparing for retirement is something that all of us hear about practically from the time we start working. Yes, it's important, but for many young people that date seems very far away. Paying for housing, cars, kids, groceries, taxes, and all of the other expenses leaves little room in the budget for retirement savings, and it's easy to convince yourself that it's something you'll start later.

Starting your retirement savings plan later rather than sooner is a big mistake. The earlier you start saving and investing your money the more time it has to grow. Put a little away today, add a little to it each month, and you'll soon see the power of "compounding". That's when the interest you've earned starts earning interest, and over time it's the secret to increasing your principal. The later you start the less time your money has time to grow, so start early.

The second thing to remember is that this money is for retirement, not for a new car, or other "wants". Force yourself to leave it alone and allow it to grow. Your budget, and yes, you should have a family budget, is the place to allow for those expenses. Create a fund for each of the major expenses, as well as an emergency fund, and use that money for your needs, wants, and emergencies.

Of course, this all sounds fine if you make enough money, right? Look at your income and expenses, cut out the waste, and start small with your savings. Even a dollar a day will make a difference over time.

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