

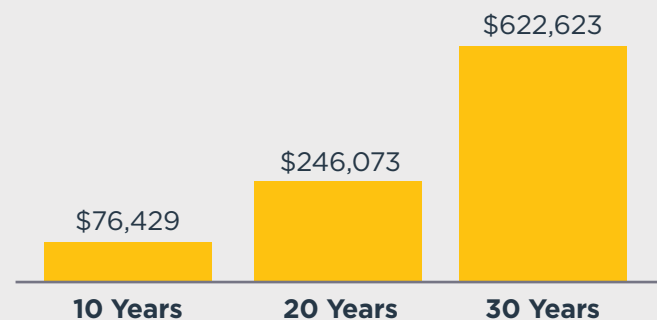
# Spending Tips to Help Achieve Your Financial Goals

With a tight budget, how does anyone set aside enough money each month to build an emergency fund, add to a retirement account, fund a college savings plan — or achieve any other financial goal? It all starts with getting control of your spending to help free up the money you need. Here are seven easy ideas for generating an extra \$415 a month to start building toward the future.

Expense Cutting Tip	Monthly Savings
1. Cut out the morning coffee run	\$80
2. Drop cable and consider streaming services that offer movies and shows you really care about.	\$80 (basic cable)
3. Cut out eating out one night a month	\$80 (family of four)
4. Install a programmable thermostat	\$25
5. Make a list before going food shopping, and stick to it	\$50
6. Invite friends for a potluck and play board games	\$50
7. Buy staples in bulk, such as trash bags, laundry detergent, paper products, diapers, and cut down on weekly trips to the store to buy these items	\$50
<b>TOTAL MONTHLY SAVINGS</b>	<b>\$415</b>

## Being Frugal Can be Fruitful

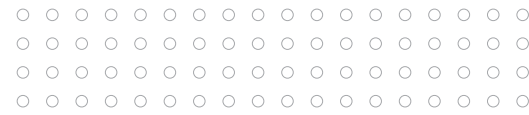
\$415 each month invested at 8% could be worth...



Scenario assumes a monthly investment of \$415 earning an annual return of 8% (compounded monthly) in a tax-deferred account. It is neither based on any specific investment or savings strategy, nor predictive of returns, which are not guaranteed. Most retirement investments move up and down with the market over time, producing better or worse actual returns for you. Savings totals do not reflect any fees/expenses. Accumulations shown would be reduced if these fees had been deducted.

Source: Kmotion 2023





## Build a Foundation For Financial Wellness

Now that you've got some good ideas to help improve your spending habits, it's time to start thinking about funding your financial goals. Here are some tips to get you started on building a foundation of financial wellness:

### Pay Yourself First

Paying yourself first is an important mindset to have when it comes to building financial wellness. It's about determining a savings amount and considering it a bill, the same as any other bill, like electricity or rent. Whether it's \$100 a month, or \$50 or even just \$25, it all adds up (and small amounts can be increased over time). Make sure to take advantage of any automatic savings features offered by your bank, so you don't even have to think about it.

### Build an Emergency Fund

It's important to have the cash available for when something unexpected comes up, such as a car, refrigerator or dishwasher breaking down. Here are the key features of an emergency fund:

- Aim to have 3-6 months of living expenses saved
- Keep separate from your checking account
- Account should have no (or low) transaction fees; no penalties for withdrawals
- Interest earnings on the balance (a little something is better than nothing)

### Increase Your Retirement Account Contribution

Your 401(k) account is the perfect example of making saving automatic and paying yourself first. You should be looking at your account once a year and seeing if you can improve how you're saving for the future. For example, are you contributing enough to get the full employer match? The longer you put off increasing your retirement savings, the more you miss out on the benefit of compound interest. As a hypothetical example, a \$50 per month increase in retirement savings has the potential to grow to nearly \$75,000 over 30 years, assuming an 8% annual rate of growth, compounded monthly.



### Pay Off Debt

While it's easier said than done, reducing the amount of debt you have will help you reduce your monthly payments, freeing up money for funding financial goals. Paying off your debt can also improve your credit score by reducing your credit utilization ratio, which is your total debt divided by your total available credit. A higher credit score could help improve your chances of qualifying for a mortgage or getting a favorable interest rate.

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