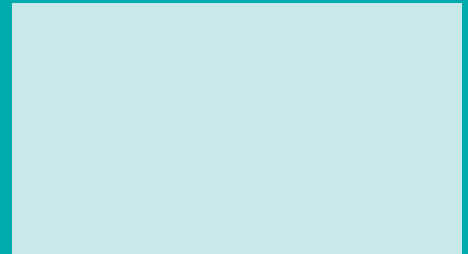




MONEY WISE

VALUING PEOPLE. VALUING MONEY.
MANAGING IN TOUGH TIMES INITIATIVE



VOLUME 7 ISSUE 9

THIS MONTH'S TOPIC: SAVING FOR BIG TICKET ITEMS

For many consumers, purchasing a big-ticket item such as a new home theatre system, appliances, or furniture involves swiping a credit card or taking out a loan. Unfortunately, these buying strategies often contribute to an endless cycle of debt. Saving up for a significant purchase is an important step toward staying out of debt and ensuring your future financial success. If you are considering a big-ticket item purchase now or in the future, consider the following tips for saving:

- **Establish a goal.** Once you determine that you would like to purchase a big-ticket item, establish the purchase as a goal. Doing so will encourage you to avoid making an impulsive purchase and allow you to save for the purchase.
- **Determine how much you will need to save.** Do your research to determine how much money you will need to save. The Internet is a great place to conduct this research and will allow you to compare competitor prices to





Assignment Of Savings Account
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guarantee that you get the best deal. Also, keep in mind that for some big-ticket items such as a car, there will be additional fees to take into account in addition to the purchase price.

- **Make a plan.** Look at your budget to determine how much you will be able to save each month. Determine what expenses, if any, you are willing to cut out in order to save for the big-ticket item. Keep in mind that you will most likely have to save for months, or perhaps years, before you are able to make the purchase!
- **Set up a savings account.** You can use an existing savings account or open a new savings account for your big-ticket item purchase. If you are using an existing account, consider automating your savings – most financial institutions now offer automated services. Automating your savings involves electronically transferring a predetermined amount of money to a savings account. If you are opening an account, be sure to open an interest-earning account.
- **Take advantage of unexpected income.** If you receive a raise, bonus, tax refund, or any other unexpected income, consider placing

this money directly into your big-ticket item savings account.

- **Be patient.** Once you have met your savings goal, consider taking the time to shop around for the best deal. Prices may have changed since you originally researched costs. If you can hold off your purchase, you may save significantly!

Remember, a big-ticket item purchase should be carefully planned rather than an impulsive purchase. With careful planning, you will remain debt free, avoid financial stress, and enjoy your purchase. As the old saying goes, the best things come to those who wait!

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