

## Pay yourself first

A convenient way to set aside savings or reduce debt is to develop the habit of paying yourself first. The easiest way to do this is through payroll deduction. Here are some ideas to make paying yourself first work for you:

- Set a goal for how much you'd like to pay yourself each pay period. This will involve knowing how much you'll need to pay for your required living expenses between pay periods. Having a monthly budget will help you estimate how much you can set aside each pay period.
- Once you know how much to set aside each pay period, find out if your employer will allow you to devote the savings amount to a separate bank account through payroll deduction. Many employers will let you establish an additional payroll deposit account.

### Paying yourself first for retirement savings

The most important long-term goal is to save enough for retirement. The good news is that we're living longer and many of us will spend decades in retirement from full-time employment. The challenge is having enough savings to support a retirement that will hopefully last a long time. Here are ideas to start or continue saving for retirement:

- If your employer offers a retirement benefit, find out if there is an employer match. Most employers will offer some type of a matching contribution only *if* you contribute. *Always* contribute enough to receive the full employer matching contribution. The employer contribution is essentially a free contribution to help you fund your retirement savings. Don't let it go away by not contributing to your retirement plan.
- Invest for the long-run by choosing investments that will deliver long-term growth. Don't focus on the daily financial market changes. Select a mix of investments that are appropriate for your age and tolerance for risk. Most employers will offer a target-date fund for consideration. This type of fund typically aligns its investments based on the approximate date you plan to retire. It's an option worth considering for growing your retirement account over time.
- If you choose a health insurance plan that qualifies for a health savings account, consider funding this account through payroll deduction to save on income taxes and build savings to pay for qualified medical expenses not covered by your medical plan. Some employers will offer a matching contribution for funds you contribute to this account, making this option something worthy of consideration. This account can be used during retirement to pay for qualified health care expenses free of income taxes.

*The information in this document is intended only as an educational tool and for general informational purposes. It is not intended to, nor shall it, constitute specific financial advice or services. You should seek the advice of your own financial consultant or other expert consultants regarding your individual financial wellness condition and what steps could possibly be taken to improve it.*

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