

Using Your Savings Wisely Can Help Improve Your Financial Picture

Economists say the American worker is taking a new look at the importance of their savings habits. They are reviewing their income, their spending, making adjustments to their savings and to their retirement planning.

Many are having larger amounts of their paychecks go directly into a savings account. This becomes a depository for unexpected expenses, or a source of building up dollars for other savings uses....perhaps to purchase a short term certificate of deposit paying a slightly better rate of interest than the savings account. Or some of the money going into the savings account might be used for an Individual Retirement Account certificate. An IRA might also carry a better rate than the savings account and have tax benefits as well.

Those looking for a way to reduce taxes in 2009 may want to consider an additional donation to their 401(k) if the plan permits it. It is important to consult a tax advisor for your particular situation.

For the first time in a long time, Americans are taking a much closer look at their financial position. Statistics show that by 2007, the average household owed \$1.33 for every \$1 of disposable income.

In addition to increasing savings as much as possible, many are learning the importance of managing their debt. Budgeting as much as you can toward paying off the most expensive debt first is another way you can 'save' your future income!

The best use of one's income today can make finances in the future easier to handle.