KeeslerFederal CREDIT UNION

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How to Start Saving Now

Saving money is hard for Americans. Over half of the population has less than $5,000 stashed away, and 10% have no savings at all.[1]

Saving money is one of the best ways to sustain your financial health. It can help you make bigger financial moves, like buying a home or starting a business. It can help mitigate frivolous spending. And it can help you stay afloat when financial difficulties arise, like job loss or medical emergencies.

The best part about saving is that you can start at any time! It's a lifelong practice that can be adapted based on your life's trajectory and immediate needs. Like all good habits, once you've established it in your normal routine, it tends to stick better, even when life gets out of control.

Let's look at some of the most common ways to save money.

Traditional Savings Account

When people start saving money, they usually open a standard savings account and add a little bit to it at a time.

These are interest-bearing deposit accounts found at every major financial institution.

Interest-bearing[2]: A type of bank account that pays users interest for keeping their funds at the bank.

The credit union or bank "pays" you for your savings account in annual percentage yield (APY).

Annual Percentage Yield[3]: Refers to the annual return on your money with compounded interest.

Depending on the financial institution and the account requirements, your savings account will increase incrementally over time just by sitting there.

Another important aspect of traditional savings accounts is that they are federally insured for up to $250,000 per user. If the credit union or bank fails, you'll receive your savings up to the insured amount.

One small downside is that while there aren't strict limits on accessing your funds, there are penalties for withdrawing too often, usually in the form of a small fee to the account.

Learn more about Keesler Federal's savings account options

Saving As You Spend

Any financial guru will tell you that saving money isn't about putting large quantities of money aside. Instead, small, incremental deposits over time can make all the difference.

But what if you could save money *while spending?* Credit Unions and other financial institutions have developed programs that round up your purchases to the next dollar, then move the difference into a savings account, like Keesler Federal's Smart Change program.

Here's an example: You spend $5.25 on your favorite latte. This program would round the charge up to $6.00 and transfer 75 cents to your savings account. Now, imagine that you bought that latte three times a week. That's $2.25 saved after just a week. And after a year, you would have saved $117 just by enjoying your favorite coffee drink.

Learn more about Smart Change at Keesler Federal

Cashback Programs

Smart savers always find ways to make their money work harder by tapping into cashback programs. These programs offer users a chance to earn cash for the money they spend, either in the form of a credit back towards their credit card bill, directly to their checking account as "free money," or in the form of points towards other purchases.

The most common cashback programs are through credit cards. You can apply for credit cards that give you cashback or a points program towards something specific, like airlines or gas for your car. Other credit cards offer cashback on a handful of consumer goods each month. And others offer cashback on every purchase, no matter what it is.

You can also take advantage of a cashback checking account. These accounts provide an opportunity to earn money back on your everyday purchases, allowing you to maximize your spending power without the use of a line of credit. For example, Keesler Federal offers the Kasasa Cash® and Kasasa Cash Back® programs.

- **A Kasasa Cash® account**[4] pays up to 5% APY on all balances up to a certain amount. It even comes with its own savings account!
- **Kasasa Cash Back®**[5] pays you 3% cash back on debit card purchases up to a certain amount.

Learn more about Keesler Federal's checking account options

Certificates

A certificate, or share certificate, is a great way to super-charge your savings without the risk of investing in the stock market. A certificate account that earns fixed interest for a set period.

Unlike other savings accounts, though, there will be a loss of dividend penalty if you withdraw part or all of the certificate funds prior to the maturity date.

Certificates are great for savings goals that are more long-term, like a down payment on a house, tuition for higher education, or even an emergency fund.

Learn more about Keesler Federal's certificate options

HIMMA

A high-interest money market account, or a HIMMA, is a cross between a certificate and a traditional savings account. It earns higher dividends on your savings but doesn't have a fixed term and still allows access to your funds.

Most HIMMA options require a higher deposit than others, so it's a great option for large amounts of money, such as gifts from family members or inheritance money.

Learn more about Keelser Federal Credit Union's HIMMA options

Saving money is a life-long skill that will get you through life's financial highs and lows. Get the guidance and support you need by speaking with one of Keesler Federal's financial advisors. They can help you define your goals and identify realistic steps you can take to meet them.

Reach out now

Sources

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