

Saving More Money, Now & Later

You could save today & tomorrow, often without that penny-pinching feeling.

Directly & indirectly, you might be able to save more per month than you think. Hidden paths to greater savings can be found at home and at work, and their potential might surprise you.

Little everyday things may be costing you dollars you could keep. Simply paying cash instead of using a credit card could save you four figures annually. An average U.S. household carries \$9,000 in revolving debt; as credit cards currently have a 13 percent average annual interest rate, that average household pays more than \$1,000 in finance charges a year.¹

The typical bank customer makes four \$60 withdrawals from ATMs a month — given that two or three are probably away from the host bank, that means \$5-12 a month lost to ATM fees, or about \$60-100 a year. A common household gets about 15 hard-copy bills a month and spends roughly \$80 a year on stamps to mail them — why not pay bills online? Automating payments also rescues you from late fees.¹

A household that runs full loads in washing machines and dishwashers, washes cars primarily with water from a bucket, and turns off the tap while shaving or brushing teeth may save \$100 (or more) in annual water costs.¹

Then, there are the big things you could do. If you are saving and investing for the future in a regular, taxable brokerage account, that account has a drawback: you must pay taxes on your investment income in the year it is received. So, you are really losing **X** percent of your return to the tax man (the percentage will reflect your income tax rate).²

In traditional IRAs and many workplace retirement plans, you save for retirement using pre-tax dollars. None of the dollars you invest in those plans count in your taxable income, and the invested assets can grow and compound in the account without being taxed. This year and in years to follow, this means significant tax savings for you. The earnings of these accounts are only taxed when withdrawn.^{2,3}

How would you like to save hundreds of dollars per month in retirement? By saving and investing for retirement using a Roth IRA, that is essentially the potential you give yourself. Roth IRAs are the inverse of traditional IRAs: the dollars you direct into them are not tax deductible, but the withdrawals are tax free in retirement (assuming you abide by IRS rules). Imagine being able to receive retirement income for 20 or 30 years without paying a penny of federal income taxes on it in the years you receive it. Now imagine how sizable that income stream might be after decades of compounding and equity investment for that IRA.⁴

Many of us can find more money to save, today & tomorrow. Sometimes the saving possibilities are right in front of us. Other times, they may come to us in the future because of present-day financial decisions. We can potentially realize some savings by changes in our

financial behavior or our choice of investing vehicles, without resorting to austerity. [Contact us](#) to talk about saving more now and later.

CEFCU Investment Services & Wealth Management is a marketing name used by CEFCU. Securities sold, advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor. Trust services available through MEMBERS® Trust Company (MTC). CBSI and MTC are under separate contracts with the financial institution to make securities and trust services, respectively, available to members. Not NCUA/NCUSIF/FDIC insured, May Lose Value, No Financial Institution Guarantee. Not a deposit of any financial institution. FR-1099166.1-0115-0217

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. All information is believed to be from reliable sources; however we make no representation as to its completeness or accuracy. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

Citations.

- 1 - realsimple.com/work-life/money/saving/money-saving-secrets [7/13/17]
- 2 - investopedia.com/articles/stocks/11/intro-tax-efficient-investing.asp [8/5/16]
- 3 - blog.turbotax.intuit.com/tax-deductions-and-credits-2/can-you-deduct-401k-savings-from-your-taxes-7169/ [2/7/17]
- 4 - cnbc.com/2017/05/15/personal-finance-expert-do-these-6-things-to-save-an-extra-700-per-month.html [5/15/17]