

# 3. Save More Money

**M**any people assume that building wealth starts with having a big income. While that makes it easier to build up a financial cushion, there are plenty of examples of people with modest incomes who generate a sizable nest egg thanks to self discipline.

If you want to put your finances in better shape, it starts by looking in the mirror. By paying attention to your money, avoiding debt and making a commitment to save money, you'll be able to have a more financially prosperous future.

## AVOID DEBT

People who study the habits of wealthy people say they share a common trait: they choose to get out of debt and stay out of debt, which helps them build a foundation for their financial future.

If you want to follow their steps, commit this year to reducing your debt load. By paying off your credit cards and avoiding loans, you'll leave more of your income free to save because it won't all be tied up in monthly payments.

This is much easier said than done. But if you commit to it now, you can start researching the steps and methods to reduce the debt burden over time.

## MAKE SAVINGS A HABIT

Another trait of good savers is that they make saving money an automatic habit, not something they'll consider some time in the future.

Following a written budget is a good first step, and your budget should always include some saving — no matter how big or small your income.

Even if it's just a small amount, regular savings every month will add up to a significant nest egg over time. And the earlier you start, the easier it will be to grow that nest egg as you age.

If you're not doing it already, consider setting up an investment account that automatically deducts savings from your bank account every month. It should become something that you don't even notice because it happens without any thought, and you'll adjust your household spending as a result.

And if you're already saving money, think about upping the amount you contribute every year. A small, 1 percent increase in savings each year will barely be noticeable in your budget, but it will add up to a much nicer income in your retirement.

