

# Prioritizing Financial Goals

We all know we need to save, but sometimes it's hard to figure out where to start. Often times, it makes sense to divide your budgeted savings amount toward multiple goals. Here are a few tips to help you decide what order might best help you reach your financial goals.

First, let's make sure you minimize debt. Start a list of what you owe including how much you owe and the interest rate you're paying. By paying extra on your payments, it will save you money in the long run. As you pay off the debt, shift the amounts you were paying to other savings goals.

Next, you want to make sure you have emergency savings. Many financial experts recommend three to six months of your take home pay in emergency savings. Determine your goal by looking at your take home pay for three to six months. Then decide how much you can afford to save from each paycheck and start putting that amount into a savings account. You should only touch this account in an emergency.

Next, focus on longer term goals, such as retirement. Use resources available on your benefits website to determine what might be a good target for your retirement needs and how much to contribute. Also, check to see what savings plan options your employer offers.

Finally, focus can shift to other personal priorities, like saving for a house, college or vacations. Anything extra you have budgeted for savings can go toward these goals.

*Source: Alight Solutions*