

10 Ways to Build Wealth

About 71% of people have financial worries, and 31% of them say their biggest concern is not having enough savings, according to a survey by the National Foundation for Credit Counseling. Here are some simple steps you can take for more financial peace.

1. Pay yourself first.

One of the best ways to boost wealth is with consistent savings. This can be done by setting up automatic transfers from your checking account into a savings/investment account on a monthly basis.

2. Start saving as soon as possible.

The earlier you start saving, the more effective your consistent savings and compound interest will have. It also helps to make saving money a habit.

3. Maintaining a healthy lifestyle may save you a substantial amount of money on health care costs.

HealthView Services' data shows that in 10 years, considering estimated health care costs, inflation and social security cost of living adjustments; the average healthy retired couple could expect to pay approximately \$421,000 in today's dollars for health care related costs.

4. Have a financial plan.

Everyone has different dreams of what their retirement will look like. A general rule of thumb is to save 15% of your annual income for retirement; however, this may not be enough depending on the lifestyle you choose in retirement.

5. Consider using a Roth IRA/401k.

With a Roth IRA/401k product you take the tax hit now to benefit from tax free withdrawals later. This is important because we don't know what tax rates will do in the future.

6. Invest your bonus.

It's tempting to spend your payouts immediately but saving your extra payout or bonus is worth the reward later.

7. Avoid unnecessary debt.

Avoid carrying credit card balances. If you have a large purchase approaching start saving for it now.

8. Everyone needs accessible cash reserves.

Having 6 to 9 months of your monthly income in a readily available account will save you from having to take out a loan or make purchases on a credit card when unexpected expenses arise.

9. Modify your mortgage.

You can save thousands of dollars by simply paying extra towards your monthly mortgage payment. This will reduce the amount of interest you pay and shorten the term of your loan. In some cases if you have a 30 year mortgage you may refinance into a 15 year mortgage, potentially decreasing your interest rate and saving you money.

10. Don't set it and forget it.

If you've started saving for retirement make sure you review your account annually to ensure you have the proper mix of stocks, bonds, etc. As you near retirement your portfolio should become more conservative.

