



## **New Year's Resolution- Start Saving**

The New Year brings with it a time of renewal, reflection and the perennial resolutions. We all have at some point made New Year's resolutions, whether it is to lose weight, further our education or be more productive. A number of people fail however, mainly because of lack of planning and preparation.

For those of you who have taken the route of not making a resolution and those who have not yet started we would like to suggest opening a savings account and starting a savings habit as your New Year's resolution. Savings is important and with the present world economic situation putting some money aside is a good idea. If you were to lose your job today how long would you be able to sustain yourself and family? Would you be able to pay your bills for the next two months? The convention is that one should have enough to sustain him or herself for at least six months.

It is with this in mind that opening a savings account and starting a savings habit is important. Like any other resolution planning and discipline is the key to achieving success. Most people have savings accounts but they use them like chequing accounts i.e. their salary goes in and they spend all the funds on the account, this cannot be considered a savings account. So to assist you in starting your savings account we would like to give you a few guidelines.

The first thing which has to be done is to create a budget. Most people do not save because they are of the view that they do not have enough money. This is usually a misconception which is a result of improper allocation of funds. In creating a budget we can see clearly where our hard earned finances are going and then decide where we can cut back and save. An amount should also be included in the budget for savings, one can start with a small amount and increase it as they are able to better control spending.

After the budget is set and an amount earmarked as savings one should open a separate account for savings. Do not use your regular savings account as you may be tempted to use it. To assist you and make sure that you save ask your bank to set up a standing order debit to transfer the funds from your regular to savings account. This will ensure that the funds are transferred.

Banks and other financial institutions offer a wide variety of savings products targeted at savings for different needs. One of the newest products on the market is a retirement investment account. This type of account allows you to save for retirement while giving

you the benefit of tax relief. Another savings product allows you to save towards your deposit on your mortgage.

For savers who have a bit more to put away financial institutions offer a bevy of Certificate of Deposit or Fixed deposit products. These products though not as flexible as regular savings allows greater control since the account is opened for a specific period. The account holder cannot withdraw from the account before a stipulated period has elapsed. One of the benefits of opening a Fixed Deposit is that the interest rate is usually higher than the normal savings account rate.

So for the New Year start a savings habit, start by putting a little aside. With a proper budget you will be able to determine what your expenses are and control it when necessary. As we mentioned earlier the world is facing a recession, this will and in some cases have already affected us right here in Saint Lucia. The only way we can ensure that we remain financially secure is to save.

To find out what savings accounts are available to you please call the Customer Service Department at Bank of Saint Lucia at 465-6000 or visit us at [www.bankofsaintlucia.com](http://www.bankofsaintlucia.com) .