

<h1>How to Save Money When You Don't Have Much</h1>

It's difficult to save money when you do not have much to save. Those with limited income need all those funds to pay for living expenses.

However, there are ways to save even if you don't have much money. Budgeting and identifying unnecessary expenses are solid first steps to saving money this year.

<h2>Budget and Savings</h2>

The first step to start saving when funds are low is to create a budget. Breaking down necessary and unnecessary expenses will allow you to see where money is currently being spent and where it can be saved.

Monitoring necessary expenses like rent, mortgage, food, and utilities will help track those expenses and keep them at current levels. Creating a budget will also allow you to reevaluate these "fixed" expenses and find potential ways to reduce them.

For example, a car payment is a necessary expense, but you may be able to reduce that payment or downsize on the vehicle. The same goes for rent or a mortgage. Moving to another home or neighborhood could provide an avenue for real savings.

Tracking potential unnecessary expenses, such as eating out and streaming subscriptions, will target areas to reduce spending and start saving even further. With a budget, you can better visualize which areas are needed and which are not.

Banking apps track spending and can help with creating a budget. Free budgeting apps and software are also available to track expenses and start creating savings.

<h2>Funds Out and Savings In</h2>

The best area to target for savings is smaller expenses that add up to bigger money going out. Going out to a restaurant or ordering takeout food comes first in terms of identifying those expenses. Yet, other less noticeable areas should be reviewed.

Reviewing grocery items, buying products on sale, and using coupons are hidden costs that provide a way to save money. Not buying coffee out of the house or going to the movies are other areas that add up over time. You could save anywhere from \$200 to \$600 per month on these purchases alone.

Not buying new clothes, shoes, electronics, or books, and restricting or eliminating online shopping will move money to savings. Combining cable, Internet, and phone services into one bundle will also help stop funds from going out and allow savings to accumulate.

Other less noticeable expenses include buying single-use plastic water bottles, magazine subscriptions, and gym memberships. Using reusable water bottles, reading online publications, and exercising at home offer ways to reduce or eliminate these expenses.

Reducing the amount of funds going out creates a way to redirect that money into savings.

<h2>Savings Accounts and Credit Cards</h2>

It sounds simple enough, but many people do not take this step: start a savings account. Anyone can set up an account with their existing bank.

Get in the habit of placing a set amount, about 5% to 10% of income, into the savings account each month. Set up automatic transfers from a checking account into a savings account to ensure that this happens.

Or, set up a separate savings account that provides a higher interest rate, such as a Citizens Bank online savings account with a 4.5% APY. Online money-saving apps are another option. Acorns, for example, allows you to invest spare change or from a paycheck.

On the spending side, stop using credit cards and focus on paying down credit card debt. One method is to pay down higher interest cards first. A second option is to transfer balances to cards offering low-interest rates or no APR for a period of time. These steps will help pay off debt sooner and allow more funds to go into a savings account.

Another option is to consider a debt consolidation loan that allows a person to combine credit card balances at a lower interest rate and make one monthly payment. This is a pathway to getting free from credit card debt and placing that money into savings.

<h2>Start Saving This Year</h2>

Even with limited income, saving money is possible. Start with a budget and analyze expenses. Making it a priority to save this year will go a long way to a better financial future. To learn more about how to save and get financial advice, visit _____.