



7 Ways to Automate Your Savings

by Camilla Cheung, [Wise Bread](#)

Sometimes, building a healthy cushion of savings can seem like a daunting task. We all know how easy it is to make a late credit card payment, or to end up spending all of your paycheck without remembering to save part of it. One easy way to get started on saving this [America Saves Week](#) is to automate your savings. Having technology work to save money for you takes much of the effort out of the equation, saves time, and makes it easier for you to achieve your goals.

1. Automate Retirement Contributions

If your employer matches retirement contributions to your 401K or retirement plan, be sure to take advantage of the free money! Sign up for retirement contributions to be automatically taken out of your paycheck. This saves you money in several ways. First, it contributes money before you even see your paycheck and get an opportunity to spend that money; and second, it saves you money on taxes as it is withdrawn from your pre-tax income.

Even if you don't have a retirement plan with your employer, you can still schedule your account to contribute automatically to your own retirement plan. Scheduling your contribution a day or two after you receive your paycheck ensures that saving for retirement is a priority.

2. Transfer Money to Savings Accounts

To prioritize savings, schedule an automatic transfer of a certain amount of your monthly income into a savings account. Your savings will benefit from being set aside from your regular spending, as well as benefitting from a higher dividend rate. Eventually, even just a small amount set aside every month can translate into a healthy buffer of savings to hold you over on a rainy day.

If you are self-employed or a freelancer and you have to pay quarterly or yearly taxes on your income, sending the estimated tax you owe to a separate account every month will help you to avoid an unpleasant surprise at tax time.

3. Pay Bills Automatically

Avoid late fees by paying your bills automatically. Some bills can be put on your credit card, whereas others can be set up to be paid directly from your bank account.

It's also a good idea to set up your credit card bill to be directly paid from your bank account. That way, you avoid late fees as well as costly interest on overdue amounts. Be sure, however, that you have enough money in your account to avoid overdrawing your account and incurring additional fees.

4. Get Money Back With Credit Card Rewards

There are many no-fee credit cards that offer cash back or rewards points. Use your card for all your regular purchases (and your monthly bills), and you'll earn free rewards or cash back for your spending. If you plan to spend money on travel, rewards points that allow you to buy airplane tickets or hotel stays can also help save you money. Choosing the right credit card can also net you additional perks like car rental and travel insurance when you pay with your card.

It's important to [use your credit card responsibly](#), so be sure you can pay your balance in full every month to avoid extra fees.

5. Use Technology to Cut Energy Costs

If you spend a lot on heating and cooling costs, investing in a smart thermostat can automatically save you energy and money, by reducing your energy usage during hours that you are away from home or at night. Many thermostats can also set different zones of your house to heat and cool differently depending on your needs, making your energy usage more efficient.

When your appliances are in need of replacement, replace them with energy-efficient models that will automatically reduce your energy usage every time you use them.

6. Simplify and Save While Shopping

Many people can't be bothered to cut out physical coupons and fiddle with all those little slips of paper at the store, but with smartphones, it's much easier to automate the couponing process. Many grocery and big box stores have apps that allow you to choose the coupons you need from the app, and then apply them all by scanning your phone at checkout. Other apps aggregate coupons from many different retailers.

For regular purchases of things like diapers, toilet paper, and other necessities, consider joining an online subscription service, which will deliver your purchases to your door regularly, as well as offer a discount in the process. That way, you won't be stuck paying full price when you have to run out and buy these items at the last minute.

7. Keep an Eye on Your Accounts

Staying aware of the activities in your accounts helps you to track your spending, as well as detect any fraudulent activity. But it can be a bit of a pain to sign into each individual credit card and bank account separately. Instead, tie your accounts into an app (such as Mint.com) that allows you to see your transactions at a glance. This will help you to rein in your spending if needed, transfer money to savings or investment accounts, as well as save time keeping track of your accounts.

By setting your finances to automatically save for you, you'll quickly be on your way to saving both time and money.

*What will you do during **America Saves Week** to automate your savings?*

[Wise Bread](#) is an online personal finance and credit card education magazine. It has won best of the web awards from PC Magazine, Kiplinger, and About.com.