HOW TO BUILD A FINANCIAL STRATEGY AS A YOUNG PERSON

If you're a millennial or a member of Gen Z, there's a good chance that your financial needs are very different from those of your parents or other generations.

Learning how to build a financial strategy based on your realities and expectations is important. Here are some helpful tips and approaches to consider when planning your financial future.

CREATE YOUR BUDGET

We all understand the importance of living below our means, but very few people take the time to build a monthly budget—let alone stick to one. For young people who do, however, the benefits can add up quickly. This is especially true if, as your salary grows over time, you can bank or invest the difference.

But before you begin planning, think about what you want to accomplish with your money. Do you want to travel, start your own business, or champion an important social cause? If those are priorities in your life, be sure to factor them into the equation.

Then draw up a realistic, detailed budget that tracks all money going in and coming out, including debt repayment. There are many budgeting methods out there, so choose one that works well for you.

AUTOMATE YOUR SAVINGS

Once you've established a budget and figured out how much you can afford to save, set up automated contributions to your savings. It's easier to build your savings when you don't need to actively think about transferring the money every time you get a paycheck. There are also apps and digital products that help automate your savings across different accounts or by rounding up small amounts of money on purchases you make.

Discretionary income that's not needed for expenses should go toward savings, but you can do more than that. Your goal should be to free up as much money as you can and begin funneling it into savings.

One thing to be aware of is that time is one of the most important pieces in your savings plan. Start now—and start small if you must. But wherever you start, you will soon be watching your savings grow.

SAVE FOR RETIREMENT

Retirement may seem to be a long way off, but it's important to start planning for it when you're young. Many financial experts advise that you should have twice your annual salary saved for retirement by age 40. There are good reasons for this number, but for many people it seems absurdly out of reach.

Even if you make much higher retirement contributions later in life, you'll have a hard time catching up on the compound interest growth that you will miss during your earlier career years. That's why you should commit to contributing to your retirement fund now—even if it's only a small amount.

The simplest place to start is by educating yourself about different approaches to saving for retirement. You can also talk to a financial professional about retirement solutions that align with your debt management and income level.

PROTECT YOUR FINANCES

Building a financial plan takes dedication and consistency. But what if you lose a crucial source of income through illness, injury, or death? Could you or your family keep the economic plan on track without outside help?

Fortunately, you can protect your finances from these worst-case scenarios by purchasing group term life insurance and group term disability insurance with your ACS membership. Visit **acsplans.com/all-plans** for more information.