

Train Your Brain to Save



So you're naturally thrifty? Congrats, go hang over there with the morning people and the chocolate haters. The rest of you, make these painless little changes to turn yourself into a saver.

BY KATE ROCKWOOD

1 Pick One Goal at a Time

A new car...a bigger place...the list of things you want goes on, so you need to save for all of them, right? Not so fast. Focusing on one goal at a time is key, according to a 2011 study in the *Journal of Marketing Research*. Otherwise, you risk losing focus and coming up short on everything. To start, stash a couple hundred bucks in a high-yield online savings account—search Bankrate.com for the best deals. Then check in on it monthly. Seeing your balance grow is motivating.

2 Put It in Pen and Tell a Friend

Before you put a penny in the bank, grab a notebook and write down your goal. A Dominican University of California study showed that people who wrote down a goal, including financial ones, were 42 percent more likely to accomplish it than people who didn't. Those who also shared weekly progress reports with a friend had a 78 percent higher success rate. Talking money is still considered taboo, says Kristen Robinson Darcy, SVP of women and young investors at Fidelity Investments, but doing so increases your likelihood of following through.

3 Name Your Bank Account

Keep your savings in a generic account and you'll be more tempted to dip into it, Darcy warns. "A name is more motivating than an account number because it helps you visualize where your money is going," she says. Many online banks will let you open multiple savings accounts and give them personalized names, making it much easier to keep Backpacking in Europe separate from Worst-Case Scenario Fund.

4 Dust Off Your Piggy Bank

To foster a penny-pinching mentality, set aside your small change or even \$1 bills. Fishing loose change out of your wallet every night won't generate big cash, but the small ritual of collecting your coins "puts you in a savings mind-set," says Greg McBride, a senior vice president and chief financial analyst for Bankrate.com. "You'll even be more likely to look for bargains when shopping or to question whether you really need a purchase."

5 Save for Each Season

Instead of waiting to save when inspiration strikes, start at familiar, recurring points in time. For example, begin saving for a big expense, like your summer vacation, each spring. Or for more immediate savings, go on a shopping fast the first week of each month. A study in *Psychological Science* showed that people who adopted a cyclical mind-set—like building a monthly or seasonal savings habit—saved on average 78 percent more money than those with a more arbitrary plan. ■