



New Year's Financial Resolutions: Nearly 61% Plan to Save More in 2021

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A new MoneyRates survey identifies 3 money goals people make annually and offers an action plan to stick to them

Foster City, CA – Dec. 29, 2020 – “I need to be better with money.” This New Year's resolution ranks with quitting smoking or losing weight as a favorite each year. Americans often vow to spend less and save more in the coming year. Since few ultimately attain their goal, [MoneyRates.com](https://www.moneyrates.com) offers an action plan for success.

A new survey from the personal finance site reveals three specific money resolutions that many make at the start of each year but struggle to keep. In a survey of 3,000, a majority list their financial priorities as: save more, spend less, reduce debt.

Find the full survey and guide here: [Long on Resolutions, Short on Results? How to Actually Reach Your Money Goals.](#)

Scads of well-intentioned people leap into the new year armed with multiple financial goals, but some simple tweaks to these resolutions could make all the difference in 2021.

“I want to save more money”

MoneyRates' survey shows 60.7% of respondents intend to save more in the next 12 months. Results reveal this to be more of a pressing issue for those 55 or older - but unfortunately, saving large sums of money becomes more difficult after age 50.

Of the respondents, 38.4% report creating a budget with a specific savings amount as the primary approach to saving, followed by setting up automatic deposits into savings accounts.

“It's concerning that 28.1% of those who say they plan to save more don't identify any specific steps for how they plan to do so,” explains Richard Barrington, MoneyRates' senior financial analyst and spokesperson. “On the positive side, over a third of people who intend to save more plan to start by creating a budget. Having a budget is the single most important step to boost savings. It creates a specific savings goal but also ensures that more money is coming in than going out.”

“I must get out of debt!”

Nearly 55% in the new survey say they hope to pare down how much they owe in the year to come. Respondents say they plan to minimize discretionary spending and bump up monthly payments as a strategy to climb out of debt.

While it makes good sense to spend less and increase monthly payments, there could be a few missing elements that create speed bumps to success.

Having an emergency fund should be a top priority. Using this as a building block, it could prevent turning to credit cards or loans for unexpected expenses. [High yield savings accounts](#) can be a good place to store that emergency fund.

It's also important to focus on lowering interest rates. Tossing minimum payments to a high-interest card barely chips away at new interest charges. Money stretches farther by using a balance transfer or 0% APR card.

“Prioritizing debt so you pay down the highest interest debt fastest is the most cost-effective way to reduce debt,” continues Barrington. “It helps if you can reduce the interest rate on some of your debt balances. However you prioritize your payments, though, always make sure to meet the minimum monthly requirement for each debt.”

“I should start saving for retirement”

One of the best ways to save for retirement is to spend less on other expenses. What went into one jar now fills the other. This concept is on most people's radar, with the MoneyRates' survey finding nearly 60% plan to spend less in 2021. Primarily, respondents say they'll create and stick to a budget in order to spend less.

Creating a budget outlines an exact strategy as to where money is going and where cuts can be made, with excess money then funneled into a 401(k), IRA or other retirement account. To achieve this, however, it pays to be familiar with retirement planning concepts first. Another recent survey reveals that many Americans lack investor aptitude and don't know how to adequately manage retirement finances. It [can be beneficial to work with a financial advisor](#) to devise the ideal plan.

Making a money resolution is the first step for success in the new year but pulling all the pieces together into a solid plan is what brings on the fireworks.

Seven essential steps to achieve financial resolutions

1. Create a budget
2. Build an emergency fund
3. Open a savings account
4. Start a debt snowball
5. Get a balance transfer credit card or 0% APR credit card

6. Talk to a financial advisor
7. Check in throughout the year

“Attaining financial resolutions is mainly a matter of getting organized,” concludes Barrington. “The process doesn’t have to be overwhelming if broken down into smaller steps.”

Barrington is available to elaborate on how people can achieve success when setting financial goals.

About MoneyRates

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Since 1998, MoneyRates has served as a personal finance resource designed to help readers make the most of their money. In addition to a variety of financial calculators, MoneyRates.com researches and tracks CD, savings, and money market rates offered from over 400 financial institutions across the country to offer expert advice on banking, investing and retirement planning.

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