

What Crisis? Young investors are counting time on their side

FIVE REASONS TO START INVESTING NOW

Reason Four: Starting to save now is habit-forming, in a good way.

When it comes to saving, finance professionals say it's important to start young, even if you start small, because money habits you form in early adulthood tend to stick with you for life.

Financial planner David Fieldhouse said it's important for young adults to start thinking of savings as a living expense that's just as important as rent or groceries. "Try to engineer it so that you pay yourself first," said Fieldhouse. "That's not buying a car or boat, that's putting it into some kind of savings. Ultimately you're the one who's going to benefit."

Fieldhouse says most people can find a way to start saving something, even if it's a small amount. "If they're young, I ask them, 'could you save \$1,000 a month?' fully expecting them to say no. Then I ask, 'could you save one dollar a month?' They say 'of course.' Then we keep going up and down until we figure out what they can do."

He recommends targeting a certain percentage of your income to save – he suggests you try to get to 10 percent. That way, once you've gotten used to setting aside some money, your contributions will automatically grow as your lifestyle changes. "If the percentage stays constant, it goes up as your income goes up," said Fieldhouse.

And it's easier to save once you see your money start to work for you. "It's sort of like losing weight," he said. "Once the pounds start coming off, it encourages you to try harder."