



# Savings Strategies

## 1. Pay Yourself First (Foundational Strategy)

**Best for:** Anyone who struggles to save consistently

**How it works:**

- Automate savings immediately after income hits
- Treat savings like a non-negotiable bill

**Targets:**

- 10–20% of income (start with 1–5% if needed)
- Split into emergency, short-term, and long-term savings

---

## 2. Tiered Savings Buckets

**Best for:** Goal-driven savers

Create separate buckets:

- **Emergency Fund:** 3–6 months of expenses
- **Short-Term Savings:** travel, home, car, education
- **Long-Term Savings:** retirement, investments

**Why it works:** Reduces temptation to “borrow” from savings

---



### 3. Starter Emergency Fund Strategy

**Best for:** Clients with debt or tight cash flow

**Steps:**

1. Save \$1,000–\$2,500 first
2. Pause aggressive savings
3. Attack high-interest debt
4. Rebuild emergency fund to 3–6 months

**Prevents:** Credit card reliance

---

### 4. Zero-Based Budget + Savings Target

**Best for:** Structure and control

**Method:**

- Every dollar assigned a job
- Savings is a line item—not an afterthought
- Surplus dollars redirected to savings automatically

---

### 5. Incremental Savings Increases

**Best for:** Income growth or raises

**Approach:**

- Increase savings by 1–2% every 3–6 months
- Apply bonuses, tax refunds, and commissions directly to savings

**Result:** Lifestyle inflation is avoided

---



## 6. Sinking Funds (Expense Planning)

**Best for:** Irregular or annual expenses

Create savings funds for:

- Car repairs
- Insurance premiums
- Holidays & gifts
- Home maintenance

**Outcome:** Fewer financial surprises

---

## 7. High-Yield Savings Optimization

**Best for:** Maximizing idle cash

**Tips:**

- Use high-yield savings for emergency & short-term funds
- Keep checking account lean
- Separate spending money from savings

---

## 8. No-Spend & Low-Spend Challenges

**Best for:** Short-term savings boosts

**Examples:**

- 7-day no-spend challenge
- 30-day low-spend reset
- “Pause before purchase” rule (24–48 hours)

**Great for:** Breaking impulsive habits

---



## 9. Reverse Budgeting (Anti-Budget)

**Best for:** High-income or busy clients

**How it works:**

1. Automate savings first
2. Pay fixed expenses
3. Spend what remains guilt-free

---

## 10. Purpose-Based Savings

**Best for:** Motivation & consistency

**Technique:**

- Name each savings account (e.g., “Freedom Fund,” “Legacy Fund”)
- Attach emotional goals to numbers

**Behavioral win:** People save more when savings has meaning

---

## 11. Business Owner Savings Strategy

**Best for:** Entrepreneurs & self-employed

**Buckets:**

- Taxes
- Operating reserves (3–6 months)
- Owner pay buffer
- Growth investments

**Rule:** Separate personal and business savings

---



## 12. Windfall Protection Strategy

**Best for:** Preventing money leaks

Apply windfalls using a rule:

- 50% savings
- 30% debt reduction
- 20% guilt-free spending