

## GETTING STARTED

# Savings plan

Making a weekly savings target helps make saving easier by breaking it up into manageable pieces. This can help you reach your goals and deal with unexpected expenses.

There are many benefits to having a savings plan.

- Your plan builds your own personal safety net one week at a time. As you build savings, you can have peace of mind knowing you have a little money set aside for the unexpected—and that means you'll spend less on late fees for missed bill payments and the costs that come with borrowing money to cover expenses.
- As you watch small amounts add up, you'll build confidence and move closer to reaching your goals.

## What to do

- **Pick a reason for saving.** Consider starting an emergency fund or use the tools in Module 1: Setting Goals to come up with a SMART goal.
- **Figure out how much money you'll need to save for that goal and how many weeks you have to save.**
- **Divide the amount of money you want to save by the number of weeks you have to save it.** That's your weekly savings target.
- **Brainstorm some ways to decrease spending or increase income** to meet your weekly savings target.

## A step further

Use the "Find a place for savings" tool to identify the best place to keep your savings.



# Creating a **Savings plan** can make it easier to save

1. Write down the goal you're saving toward.
2. Figure out the total amount you need to save to reach that goal.
3. Decide how many weeks you have to save.
4. Divide the total amount by the number of weeks. That is your savings target.
5. Think about ways you can cut expenses to match the total amount you need to save per week.

## Create a savings target.

	EXAMPLE	YOUR INFORMATION
Savings goal	Save \$1,000 for an emergency fund within 10 months (about 40 weeks)	
Total amount needed	\$1,000	
Weeks to reach goal	÷ 40	÷
Weekly amount to save	= \$25	=

## Brainstorm strategies for saving.

	EXAMPLE	YOUR INFORMATION
Strategies for saving and amount saved per week	Switch from premium cable to basic (\$40/month = \$10/week) + \$10	
	Cut down on eating out + \$15	
Total projected savings per week	= \$25	=

This tool is included in the Bureau of Consumer Financial Protection's Your Money, Your Goals: A financial empowerment toolkit. The Bureau has prepared this material as a resource for the public. This material is provided for educational and information purposes only. It is not a replacement for the guidance or advice of an accountant, certified financial advisor, or otherwise qualified professional. The Bureau is not responsible for the advice or actions of the individuals or entities from which you received the Bureau educational materials. The Bureau's educational efforts are limited to the materials that the Bureau has prepared.

This tool may ask you to provide sensitive information. The Bureau does not collect this information and is not responsible for how your information may be used if you provide it to others. The Bureau recommends that you do not include names, account numbers, or other sensitive information and that users follow their organization's policies regarding personal information.