



Three Keys To Successful Saving

Celebrate America Saves Week
February 25 – March 2, 2013

This resource brought to you by
Family and Consumer Sciences Educators
of the Cooperative Extension Service




United States Department of Agriculture
National Institute of Food and Agriculture



**Set a Goal. Make a Plan.
Save Automatically.**



Set a Goal

Why set a goal to save?

- To set aside money you could spend today...so you can spend it tomorrow!
- What would happen if...
 - You lost your job?
 - Got sick?
 - Had an emergency?
- How will you pay for big purchases?
- Will you be able to retire?

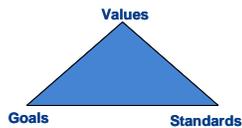
What are you willing to work for?

- Think about your perfect life, what can you do to make sure it happens?
- What are the most important things on your wish list?
- Which things do you need someone else to share to make your dream come true? Who?



Values

- Those things you were willing to work hardest for are based on your values
- Values are personal and important to us
- What are your values?
 - Interesting work
 - Education
 - Healthy lifestyle
 - Family



Why Set Goals?

- Provides direction and purpose
- Identifies needed changes
- Improves planning
- Defines priorities
- Guides decision-making
- Increases chances of success



Factors In Goal Development

- Consider available resources
- Contemplate time required
- Make goal personal
- Make goal positive
- Write it down!



Types of Goals

Long Term	Purchase a home
Intermediate	Pay off credit card
Short Term	Purchase an appliance

SMART Goals

- **S**pecific
- **M**easurable
- **A**daptable
- **R**ealistic
- **T**ime Bound



SMART Goal Chart

Goal	\$ Amount	Start Saving	Buy Date	Number Months	\$ Per Month
Buy a new Toyota Camry	\$3000 down payment	March 1, 2013	May 31, 2013	3	\$1000

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Buy a new Toyota Camry	\$1000 down payment	March 1, 2013	May 31, 2013	3	\$334

SMART Goal Example

- **S**pecific — New Toyota Camry
- **M**easurable — \$3,000 down
- **A**daptable — Yes, if an emergency arises I could choose to save less per month and postpone buying the car
- **R**ealistic — Yes, save \$300 monthly
- **T**ime — Start saving in March. Buy in December or January.



SMART Goal Examples

- *Will establish a \$5000 rainy day fund by saving \$138 a month for 36 months.*
- *Will reduce credit card debt by paying an extra \$15 a month (above the minimum payment) for twelve months.*



Make a Plan

Savings Plan – A roadmap to help you reach specific financial goals

- Develop or review your spending plan to plug leaks
- Choose a saving technique to boost savings
- Identify your spending leaks
- Increase income and save some



Spending Plan Steps



Make a Plan

- Include spending categories for basic needs first, then allocate funds for the goals that have been identified
- Prioritize goals
- Carefully consider how much money to allocate to each category
- Make tracking income and expenses a habit



Make a Plan

Find money to save by cutting back on expenses such as:

- Eat out less often & cook at home more
- Land line vs. cell; review cell plan
- Shop at thrift stores and garage sales
- Reduce energy use



Make a Plan

- Shop with a list and stick to it
- Re-examine bundling of services (e.g., cable, internet, phone)
- Use clothing longer
- Plan “frugal fun”
- Carpool, public transportation



Make a Plan

- Buy products in bulk
- Use retailer discounts, promo codes and coupons
- Try generics
- Pay more than minimum on cards to reduce interest costs
- Comparison shop insurance



Make a Plan

Boost savings with a “saving technique”

“Crash Saving Diet”
Gifts and Refunds



“Extra” Paychecks
Review Income Tax Withholding



Collect Change
Break Costly Habits

Make a Plan

Do you have a spending leak?

Routine	Daily	Weekly	Monthly	Yearly
Lunch out	\$8	\$40	\$160	\$1920
Vending machine snacks	\$2	\$10	\$40	\$480

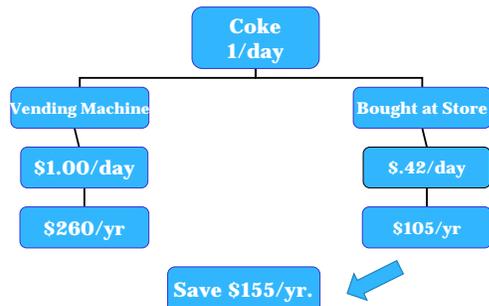
Make a Plan

Identify YOUR spending leaks

- Daily or weekly routine that costs you money
- Calculate the annual cost
- Will you...
 - Continue spending on this routine?
 - Stop "cold turkey"?
 - Reduce frequency?
 - Find cheaper way?



Make a Plan



Make a Plan

Find Money to Save - Earn Extra Income

- Volunteer to work overtime
- Prove your worth – Ask for a raise or promotion
- Take on a part-time or second job
- Sell surplus items at a garage sale or online
- Start a business





Save Automatically

- Pay Yourself FIRST!
- Direct deposit to savings or investment account through your payroll department
- Pre-authorized transaction to a savings or investment account
- Online bill-pay recurring payment



Save Automatically

- Is your goal less than 10 years in the future?
- Concerned about risking your money?
- Will you need to retrieve your money quickly?

You are a saver!

Save Automatically

- Statement Savings
- Club or Special Goal Account
- Money Market Deposit Account
- Certificate of Deposit

Comparison shop APY at banks, credit unions, online

Save Automatically

- U.S. Savings Bond (TreasuryDirect Payroll Savings)
- Money Market Mutual Fund (brokerage account)



Save Automatically

Is your goal more than 10 years in the future?

You are an investor!

- Your principal is at risk, but...
- Return is usually greater over longer periods of time than savings products

Save Automatically

Two ways to reduce the risk of investing:

- Diversify
- Dollar cost averaging



Save Automatically

- Is your goal for retirement?
 - **Use a tax-advantaged account**
- 401k / 403b / 457 or Thrift Savings Plan
- Traditional IRA
- Roth IRA
- Self-employed plans SIMPLE, SEP

Save Automatically

Is your goal for college saving?

- **Use a tax-advantaged account**
- 529 Investment Account
- 529 Pre-paid Tuition Plan
- Coverdell
- Roth IRA

Save Automatically

Learn more by taking the online course
Investing For Your Future
at <http://www.eXtension.org>



Turn Dreams to Reality

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Make a Plan.
Save Automatically.



Questions?

Please complete the evaluation form

Celebrate America Saves Week
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Become a Saver today!

<http://www.americasaves.org>



This resource brought to you by
Family and Consumer Sciences Educators
of the Cooperative Extension Service

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