



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?

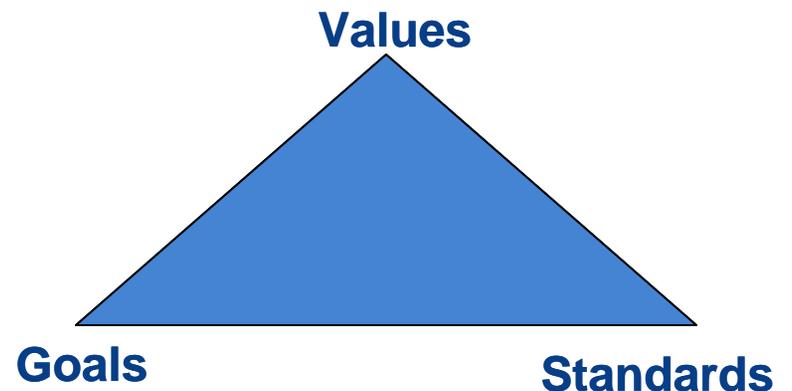
What are you willing to work for?

- 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 |
| | | | | | |
| | | | | | |

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 |
| Buy a new Toyota Camry | \$3000 down payment | March 1, 2013 | Dec. 31, 2013 | 10 | \$300 |
| | | | | | |

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 |
| Buy a new Toyota Camry | \$3000 down payment | March 1, 2013 | Dec. 31, 2013 | 10 | \$300 |
| 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

- 1. Determine values, needs, wants, to set priorities**
- 2. Track spending for a month**
- 3. Set SMART financial goals**
- 4. Determine income**
- 5. Write down spending and saving amounts by category**
- 6. Track actual and adjust as needed**



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



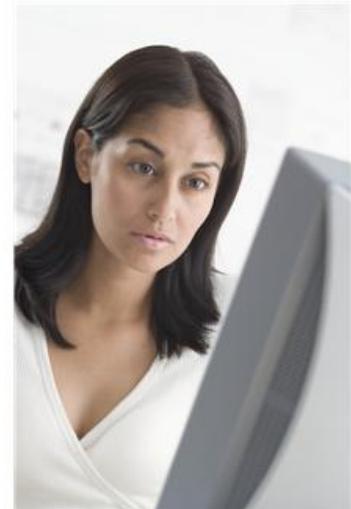
Make a Plan

- 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 |

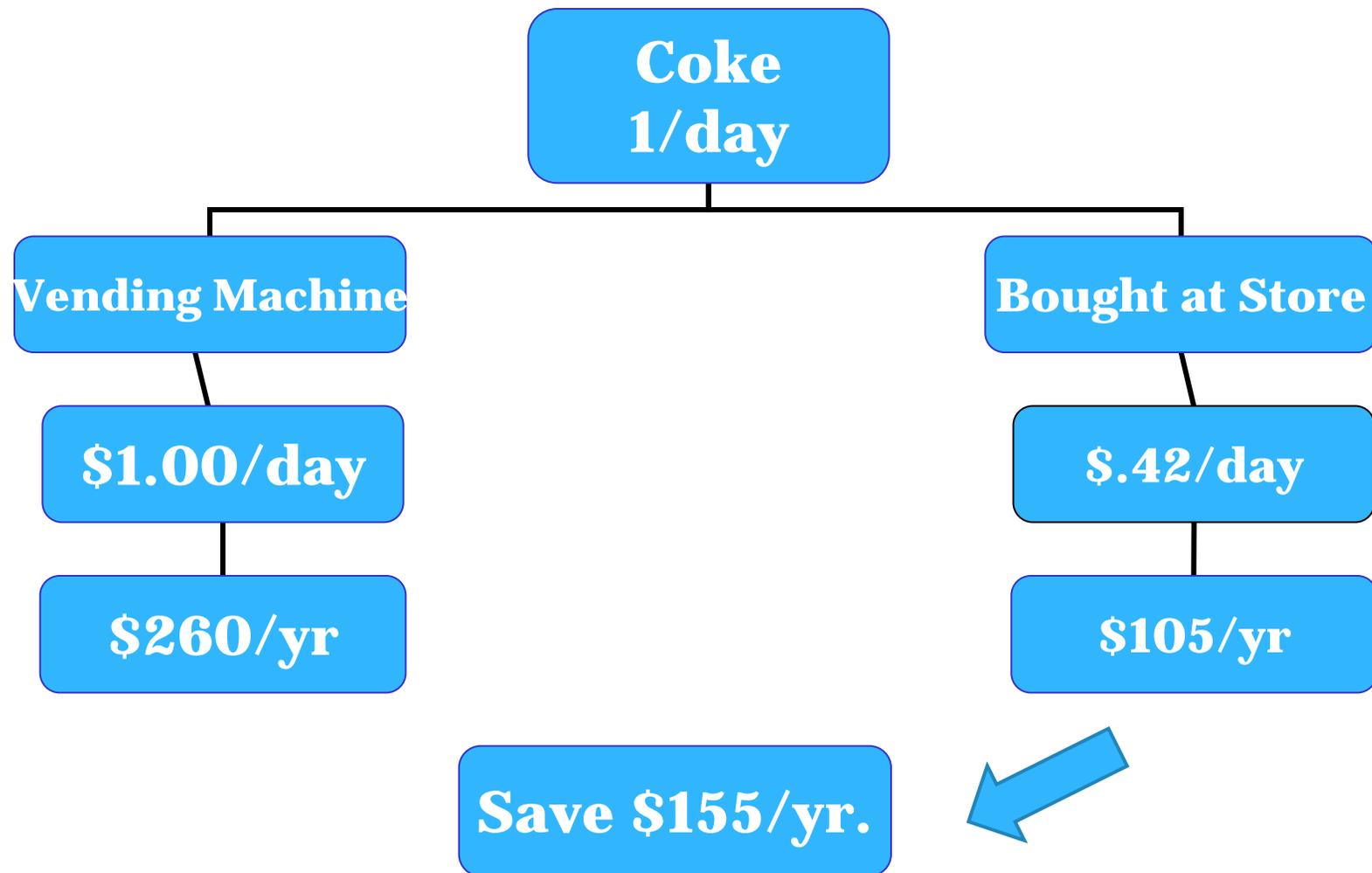
Make a Plan

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?

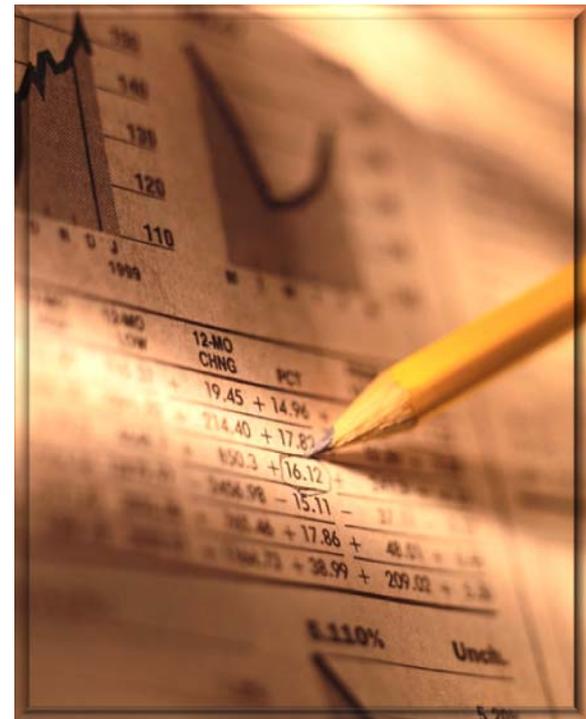
You are an investor!

- 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



Set a Goal.



Make a Plan.



Save Automatically.



Questions?

Please complete the evaluation form

Celebrate America Saves Week
February 25 - March 2, 2013

Become a Saver today!

<http://www.americasaves.org>



**america
saves
week**

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

- **Dr. Carol Centrallo, Alabama Cooperative Extension System, Auburn University**
- **Elaine Courtney, University of Florida Extension - Okaloosa County**
- **Anita McKinney, University of Florida Extension - Duval County**
- **Cathy Rogers, University of Florida Extension – Suwannee County**
- **Lanette Kelly, Virginia Cooperative Extension – Newport News**



United States Department of Agriculture
National Institute of Food and Agriculture