



Financial Foresight: Savings Plan

Practical tips for developing a savings plan that supports your financial goals after a financial disruption and helps you build a secure future.

Before You Begin

Savings is the process of putting money aside for the future.

It involves setting financial goals based on a future you want to intentionally create or for a situation you might not be able to predict.

A well-crafted savings plan allows you to allocate resources for emergencies or/and purchases and/or future security.

An emotionally sound savings plan allows for you to enjoy the present while also preparing for the future.

An emotionally resilient savings plan provides a safe container for your nervous system to feel secure that you are taking care of your future self.

An emotionally safe savings plan provides a safety net so your nervous system remain calm because it knows you are acting in your best interests.

This is a guide. Not everyone has the same discretionary funds. And while it may not seem like you have the ability to put money aside, your nervous system will thank you for any level of security you can provide.

Savings Plan Tips

Practical tips for developing a saving plan that supports financial goals and builds a secure future.

1. Set Clear and Specific Goals:

- Define short-term, medium-term, and long-term financial goals.
- Examples:
 - Short-Term: Save \$500 for a holiday gift fund.
 - Medium-Term: Build a \$5,000 emergency fund.
 - Long-Term: Save for a home downpayment.
- **Write down the date you did this:**

2. Automate Your Savings:

- Set up automatic transfers from your checking account to savings accounts. Treat savings like a non-negotiable expense.
- **Write down the date you did this:**

3. Prioritize Your Goals:

- Identify and rank the importance of each goal to allocate resources accordingly.
- **Write down the date you did this:**

Savings Plan Tips

4. Use High-Interest Savings Accounts:

- Consider high-yield savings accounts or Certificates of Deposit (CDs) for better interest on saved money.
- **Write down when you opened or plan to open a HYSA and the interest rate:**
- **Write down when you opened or plan to open a CD and the interest rate:**

Savings Plan Tips

6. Cut Unnecessary Expenses:

Identify discretionary spending that can be reduced to boost savings contributions.

Write down the date you reviewed this:

Examples:

Discretionary Spending Categories to Reduce

Dining Out:

Limit eating out at restaurants and ordering takeout. Consider preparing meals at home more frequently.

Subscription Services:

Reevaluate streaming services, magazine subscriptions, and other recurring monthly subscriptions. Cancel or consolidate where possible.

Entertainment:

Reduce expenditures on movies, concerts, or events. Opt for free or low-cost entertainment options, such as community events or outdoor activities.

Hobbies and Leisure:

Assess hobby-related expenses. Try to find ways to enjoy interests more economically, such as borrowing materials from libraries or trading skills and resources with friends.

Savings Plan Tips

6. Cut unnecessary expenses...

Examples:

Discretionary Spending Categories to Reduce

- **Brand-Name Products:**
 - Choose generic or store-brand products instead of premium brands for groceries and household items.
- **Clothing and Accessories:**
 - Limit the purchase of new clothing and accessories. Consider shopping during sales, using second-hand or thrift stores, or organizing clothing swaps with friends.
- **Beauty and Personal Care:**
 - Reduce salon visits and spa treatments by opting for at-home versions when possible.
- **Gym Memberships:**
 - Reconsider gym memberships if they're not used, and explore free or lower-cost alternatives, such as home workouts or outdoor exercises.
- **Travel and Vacation:**
 - Scale back on big travel plans in favor of staycations or nearby day trips that incur fewer costs.
- **Impulse Purchases:**
 - Implement a waiting period for non-essential purchases to avoid impulse buying. This helps assess whether the purchase is necessary.
- **Gourmet Coffee and Snacks:**
 - Reduce the habit of purchasing expensive coffee or snacks by preparing them at home.
- **Gifts and Holidays:**
 - Set a budget for gifts and holidays, and consider creative, personalized alternatives instead of expensive items.
- **Home and Decor:**
 - Delay non-essential home improvements or decor purchases. Focus on DIY projects where possible.
- **Transportation:**
 - Use public transportation, carpool, or walk instead of driving to reduce fuel and parking expenses.
- **Tech Gadgets:**
 - Postpone upgrading electronic gadgets until necessary and evaluate the real need versus want

Savings Plan Tips

6. Cut unnecessary expenses..

Reviewing and cutting back on discretionary spending areas can significantly increase monthly savings potential. Each small change can add up and make a considerable difference.

Your List:

Savings Plan Tips

7. Celebrate Milestones

Acknowledge achievements when you reach savings milestones to maintain motivation.

Ways to Celebrate Savings Milestones

- **Treat Yourself to a Favorite Meal:**
 - Enjoy a special dinner at your favorite restaurant or prepare a delicious meal at home to mark the occasion.
- **Plan a Getaway:**
 - Take a short day trip or weekend getaway to relax and recharge, savoring your accomplishment.
- **Indulge in a Hobby:**
 - Purchase something small that enhances a hobby you love, such as new crafting supplies or a book from a favorite author.
- **Host a Celebration:**
 - Invite friends or family over for a casual gathering. Share the excitement over a homemade meal or a simple get-together.
- **Spa or Self-Care Day:**
 - Dedicate a day to self-care with a DIY spa experience at home or enjoy a professional treatment like a massage.
- **Create a Memory:**
 - Invest in a memorable experience, such as attending a concert, show, or event that you've been wanting to see.
- **Share the Joy:**
 - Donate a small percentage of your savings milestone to a charity or cause you care about as a way to spread positivity.
- **Document Your Progress:**
 - Start a journal or scrapbook to document your financial journey, including milestones achieved and future goals.
- **Buy a Meaningful Item:**
 - Purchase a piece of art, jewelry, or decor item that holds personal significance and will remind you of your achievement.
- **Upgrade a Daily Item:**
 - Invest in a higher-quality version of something you use regularly, like a coffee maker or kitchen gadget.

Savings Plan Tips

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- **Outdoor Adventure:**
 - Enjoy nature with a hiking trip, picnic, or other outdoor activities that bring joy and relaxation.
- **Plan a Fun Activity:**
 - Try something new and exciting, such as a cooking class, pottery session, or dance class.
- **Enjoy a Movie Night:**
 - Have a cozy movie night at home with all your favorite films and snacks for a relaxing celebration.
- **Celebrate with a Toast:**
 - Pop a bottle of sparkling water or your favorite non-alcoholic beverage to toast your success.
- **Acknowledge Yourself:**
 - Reflect on your financial journey and write a letter to yourself expressing pride and acknowledging your hard work and dedication.

Savings Plan Tips

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- **Your list:**

Savings Plan Worksheet

Organize and track your savings goals and strategies.

Use the instructions to get started, then create a notebook to stay on track for reassurance.

Worksheet Sections:

Goal Setting:

Savings Goal #1:

Description: [e.g., Emergency fund]

Target Amount: [e.g., \$5,000]

Timeframe: [e.g., 12 months]

2. Savings Goal #2:

Description: [e.g., Vacation fund]

Target Amount: [e.g., \$2,000]

Timeframe: [e.g., 10 months]

Additional Goals:

Savings Plan Worksheet

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Worksheet Sections:

3. Priority Ranking: Rank your goals by priority- (Number goals from most to least important)

4. Monthly Contribution Plan:

Goal #1 contribution: \$ _____/month

Goal #2 contribution: \$ _____/month

Total Monthly Saving: \$ _____

Savings Plan Worksheet

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5. Strategies for increasing savings:

Identify areas to reduce spending (e.g., dining out less frequently)

Potential increase in Savings Contribution:

\$ _____

Savings Plan Worksheet

Organize and track your savings goals and strategies.

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6. Progress Tracking:

Review Date:

Current Savings Toward:

Goal #1: \$ _____

Goal #2: \$ _____

Goal #3: \$ _____

Review Date:

Current Savings Toward:

Goal #1: \$ _____

Goal #2: \$ _____

Goal #3: \$ _____

Review Date:

Current Savings Toward:

Goal #1: \$ _____

Goal #2: \$ _____

Goal #3: \$ _____

Review Date:

Current Savings Toward:

Goal #1: \$ _____

Goal #2: \$ _____

Goal #3: \$ _____

Savings Plan Assessment Reflection

7. Reflection and Adjustments

Reflection Prompts for Savings Plan Assessment

Evaluating Progress:

What progress have I made towards my savings goals so far?

Reflect on any milestones you have achieved and the factors contributing to these successes.

Identifying Challenges:

What challenges or obstacles have I encountered while trying to stick to my savings plan?

Consider both external factors and internal habits that may have posed difficulties.

Savings Plan Assessment Reflection

Reflection Prompts for Savings Plan Assessment

Adapting Strategies:

What strategies have been most effective in helping me save, and which ones are not working as well as expected?

Reflect on specific habits or tools that either support or hinder your progress.

Behavioral Insights:

How do my spending habits align with my savings goals?

Reflect on areas where spending may exceed the plan and consider adjustments you can make to better align with your savings objectives.

Savings Plan Assessment Reflection

Reflection Prompts for Savings Plan Assessment

Planning Adjustments:

What adjustments can I implement in my savings plan to overcome current challenges and improve success?

Explore both immediate actions and longer-term strategies to enhance savings effectiveness.

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