

MONEY SMART FOR A HEAD START

Small Savings = Big Results

Have you ever gotten to the end of the month and wondered where all your money went? You're not alone. Many people feel like saving is impossible when there's nothing left over.



But saving money just means setting some aside for the future. It could be for an emergency, a vacation, or retirement. If you take a closer look at how you spend your money, you might find small amounts you can save each month. Even a little bit can help you feel more secure over time.

Research from the Consumer Federation of America shows that people are twice as likely to save successfully when they have a clear goal. Reaching that goal might mean changing some of your current money habits and building new ones.

Why Goals Matter

- Motivation and Focus: A clear goal gives you something to aim for and helps you stay on track.
- Prioritizing: When you know what you're saving for, it's easier to choose saving over spending.
- Small Steps: A goal helps you break things down into smaller, doable steps.
- Better Results: People with a savings plan are much more likely to reach their goals.



Pay Yourself First

What if you saved money at the start of the month instead of waiting to see what's left at the end? When you wait until the end of the month, it's easy for unexpected expenses to eat up your money—and then there's nothing left to save.

But if you set money aside at the beginning of the month, you'll have a cushion ready if something unexpected comes up. You might even avoid using a credit card or loan, which saves you money on interest.

Other smart ways to "pay yourself":

- **Treat savings like a bill.**
If you've been making monthly payments on something like a car loan, keep paying that same amount—but to yourself—once the loan is paid off. Put it into savings instead!
- **Make it automatic.**
Set up automatic transfers from your paycheck or checking account into a savings account. Most banks and credit unions offer this for free, and it makes saving easy and consistent.



Ideas to Jumpstart Your Savings

- **Break a habit** - Do you eat out three times a week? Try cutting back to two times and save the cost of the third meal. Skipping one \$8 fast food meal each week could save you \$416 in a year! Start small—choose a habit you won't miss too much and see how it goes. Even little changes can make a big difference over time.
- **Find little ways to save** - Borrow movies from the library instead of paying to stream or rent. Grow a garden—it's fun and helps feed your family. Shop sales for winter clothes in spring or fall. Check out resale shops and garage sales. Enjoy free fun like board games, local parks, or walks in the neighborhood.
- **Save "extra" money** - If you get a gift, tax refund, or overtime pay, try saving some of it. Because it was unexpected, you probably don't have plans for those dollars and can set some aside for your goals.
- **Try the 80-10-10 Rule:** Use 80% for bills, Save 10%, Spend 10% on something fun
- **Keep your goal in sight** - Put a picture or note on your savings jar or piggy bank to remind you what you're saving for.

- **Take charge of your change** - At the end of each day, drop your spare change into a jar. Saving just 25 cents a day adds up to almost \$100 a year!
- **Play the savings game** - Pick something you buy often and ask: Can I buy it cheaper? Can I make it last longer? Can I use it less? For example, try a taste test with your family—see if they notice a difference between brands. If they like the cheaper one, great! If not, maybe buy the more expensive one less often. You may have so much fun reaching your first goal that you set up a second savings goal before you know it!

To Sum it up

-  What amount of savings would help you sleep better at night?
-  The habit matters more than the amount.
-  Set a goal with a dollar amount and a date.
-  Pick a goal that excites you— and get started!

Want to Learn More?

- Visit our website for more financial education resources. <https://finances.extension.wisc.edu>
- Contact your local Extension Educator: <https://counties.extension.wisc.edu>
- For help with balancing your monthly spending plan, contact the nonprofit National Foundation for Credit Counseling (NFCC) at <https://www.nfcc.org> or 800.388.2227.