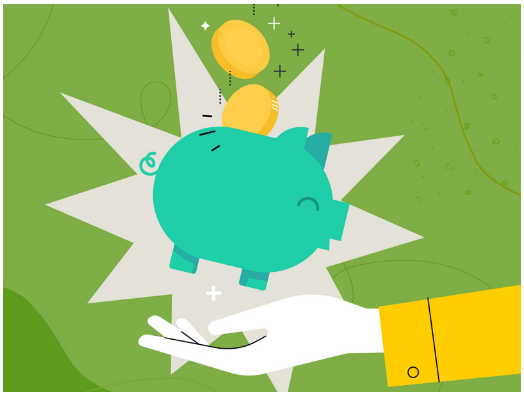
Create Your Savings Plan

A REAL SECRETS OF MONEY™ Worksheet

Use this worksheet to start a savings plan that guides you toward financial health and moves you closer to your personal finance goals.

Follow the instructions below to develop a personalized savings plan that incorporates an emergency fund, short-term and long-term savings goals.

Emergency Fund



Your emergency fund is an essential part of a solid financial plan. Make it a part of your monthly budget. Keep the funds in an easily accessible savings account, checking account or cash on hand.

The basic rule is to save 6 months' worth of your total bills. Narrow your expenses down to the most important parts of your life that you would have to fund to maintain a basic standard of living.

The standard of living you maintain is your personal decision to make, however. Some may be willing to cut your spending by a lot, while others may not be able to cut much at all. The choice is up to you, but the more you spend for your lifestyle, the more you must set aside for an emergency.

Adding Up Your Expenses

In the tables on the next few pages, enter your monthly expenses in the "Current" column. Make sure you are entering each amount as monthly figures. Divide any bills paid annually by 12 and any paid quarterly by 3 to make sure you are entering the correct number.

If you do not own or pay for one of the items on this list, leave it blank. If you are not entirely sure about one of these amounts, a rough guess will work.

If you have already completed the Real Secrets of Money Budgeting Worksheet, you may skip this section and start again at the "Setting Your Target Goals" section below the following tables. Use the total expenses you calculated from that worksheet to complete your savings plan.

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Fixed Expenses	Current
Mortgage or rent	
Second mortgage or rent	
Property taxes	
HOA fees	
Renter’s or homeowner’s insurance	
Car payments	
Auto insurance	
Life insurance	
Disability insurance	
Other insurance	
Credit cards	
Student loans	
Personal loans	
Childcare	
Child support	
Alimony	
Gym membership	
Subscriptions	
Other	
SUBTOTAL	

Flexible Expenses	Current
Food	
Home maintenance	
Electricity	

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Gas	
Sewage	
Garbage	
Cable	
Phone	
Internet	
Car maintenance	
Gas	
Public transit	
Ride sharing	
Clothes and shoes	
Medical visits	
Dental visits	
Prescriptions	
Eye care	
Tuition and education expenses	
Pets	
Laundry or dry cleaning	
Health and personal care	
Entertainment	
Dining	
Hobbies and random purchases	
Donations and charities	
Fees and charges	
SUBTOTAL	

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Business Expenses	Current
Dining	
Travel	
Office rent and overhead	
Mileage	
Matching Taxes	
Other	
SUBTOTAL	

TOTAL CURRENT EXPENSES:	

Setting Your Target Goals

Now that you have an estimated total of your current monthly expenses, simply multiply the number in the box above by 6. This new number is your target emergency fund total:

Your 6-Month Target Emergency Fund Total: ________________

Now that you know your target total, set up a direct deposit that automatically sends a certain amount each month to your emergency fund. Automating this process not only simplifies saving but will also help keep you on track toward your savings goals.

Make sure your monthly deposit amount is achievable and realistic. You don't want to withdraw so much money each month that your lifestyle suffers. Set a time-oriented goal to help you stay focused.

Please fill in the following statements based on your goals:

- I will save **$** ____________ (amount) every month.
- By _____________ (date) I will have **$** _____________ (amount).

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Short-term Savings

Short-term saving goals may include paying off credit card debt, saving for a down payment or planning a vacation. Planning ahead for future expenses will ensure that you have money set aside in advance.

Answer the following questions to calculate how much you need to set aside monthly for future purchases:

- What major expenses do you have coming up (new children, new car, college tuition, buying a home)?
- How much do you currently have saved for this goal?
- When do you need the money?

Start planning early by completing this worksheet:

Goal	Start Saving Date [MM/YY]	Target End Date [MM/YY]	Total Amount to Save	Number of Months Saving	Target Saved per Month

Example: You want to buy a used car in 24 months, which will cost $15,000. You already have $5,000 saved toward the purchase. To ensure that you have enough money saved in advance, you should save $416.67 per month. Here's how to calculate that:

$15,000 (cost of item) – $5,000 (current savings) ÷ 24 (number of months saving) = $416.67.

Then, take this number and plug it into your monthly budget. If it takes too much out of your monthly cash flow, you will need to choose a longer time frame and try again; if it takes barely anything out of your monthly cash flow, you can consider shortening the time frame to achieve your goal faster.

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Keep this money in a **savings account**, a **money market account** or a **CD**. Online bank accounts pay a better interest rate. Pay yourself first by setting automatic transfers of your target amount from your checking to your savings account or having some of your paycheck directly deposited into savings. Use financial tools to help track and set your goals.

Remember to set a realistic, achievable goal. If you fall short or run into unexpected expenses, you may have to pause — but don't quit. Stick with your plan, and you will achieve your goal.

Long-term Savings

Saving for retirement is the most common long-term saving goal, but other long-term goals include saving for college or buying a vacation home. Long term goals can take about 5–20 years to achieve.

Answer the following questions:

- What are you saving for?
- How much do you need?
- When do you want to reach your goal?

Years ____________________ Months ____________________

Work toward saving at least 10% of your income for investments and long-term goals. You should be able to put at least 20% of your net income aside for retirement, but 10% is the minimum amount you should strive to save. Investing your money in a safe vehicle that withstands market fluctuations is the best strategy.

Remember to set a realistic, achievable goal. If you fall short or run into unexpected expenses, you may have to pause — but don't quit. **Stick with your plan, and you will achieve your goal.**