

Saving and setting money goals

Follow these easy steps to start saving and reach your money goals sooner.

Start small

The easiest way to start saving is with something small and fun.

Pick something that doesn't take long to save for, such as a weekend away or spa day.

This makes saving a positive experience and gets you ready to set bigger goals.

Set a savings goal

Setting a savings goal helps you stay focused.

It doesn't matter how big or small your goal is. Just make a start.

To set your goal, ask yourself:

- What is your top priority?
- How much will it cost?
- When would you like to achieve it?

Putting aside even a small amount regularly adds up over time.

For example, suppose you want to create an emergency fund for unexpected big bills. Saving \$25 a week becomes \$1,300 in a year.

Use the savings goal calculator on moneysmart.gov.au to work out how long it will take to reach your goal.

Look for ways to reduce your spending

If you'd like to save faster, look at your expenses to see where you can make quick savings.

Look through your bank statement for the last two months and cut back on anything that isn't essential. This could be things like subscriptions, memberships or eating out.

Also look for ways to save money on your fixed costs like insurance, mobile phone or energy bills. Compare suppliers to make sure you're getting the best deal.

Then put any savings towards your money goals.

Make your savings plan

Now you're ready to make your plan. Be specific about:

- what you want to achieve
- how much you intend to save, and
- by when.

If you want to save for several goals at once, work through the details for each goal. Make sure this is realistic and affordable.

Share your plan with family or friends to stay motivated. Put up a picture of your goals as a daily reminder.

Celebrate each step along the way.

Automate your savings

To stay on track, make saving as easy as possible.

Transfer part of your pay into a separate savings account. If you're saving for more than one goal, consider setting up an account for each.

Ask your employer to transfer the money for you, or set up a direct debit. This way, you're saving without having to think about it.

The sooner you start, the more you'll save.

Case study:

Maria saves for a holiday

"I am planning to go for a beach holiday. I've worked out what it will cost, but don't have enough saved yet.

I used the savings goal calculator to work out how long it would take to get there. I tracked my spending for a fortnight, then cut back on a few things.

I've set up a direct debit, so I'm now saving \$100 a fortnight towards my trip. Sun and sand, here I come!"