

# Strategize Your Savings

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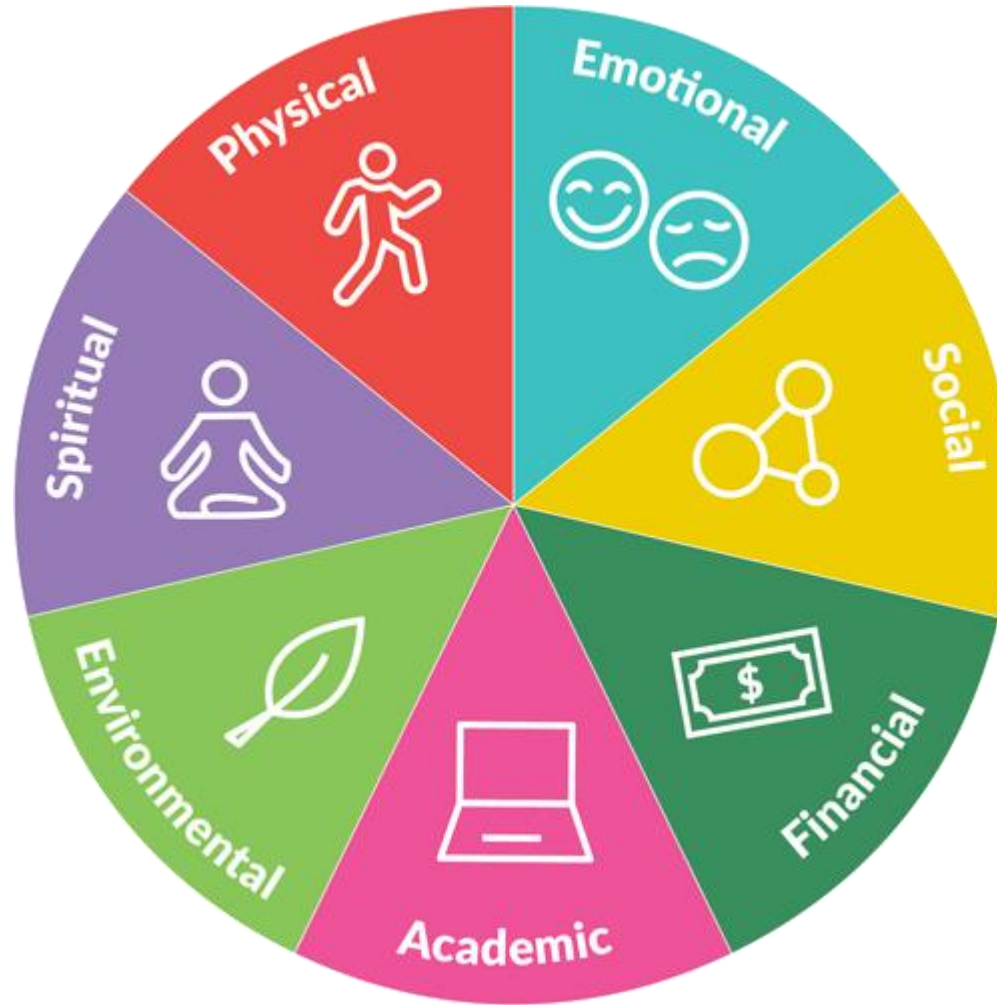
# **UW Credit Union**

***Improving the Financial Well-Being of People***

# Today's Learning Objectives

- Establishing a spending and savings plan
- Methods for tracking and sticking to your plan
- Tips on prioritizing your money
- Savings tools

# Opportunity...



# Steps to a Solid Financial Foundation:

1. Understand and Plan
2. Act
3. Fail Proofing





# Step One

## ***Understand and Plan***

- Financial Snapshot
- Goal Setting
- Create a Saving and Spending Plan

# Financial Snapshot

- Gather information about expenses
- Determine household income
- Understand debt payments and liabilities
  - Interest rates
  - Due dates
- Know your assets
  - List of bank accounts
  - Retirement accounts
  - Home equity
  - Durable goods

# Financial Goal Setting

- SMART Goals
- Create Momentum
  - Short-, Medium-, and Long-Term Goals

## Short Term

- Create a Spending/Saving Plan
- Establish an Emergency Fund, Save \$50 per pay period
- Check Credit Report
- Family Vacation

## Midrange

- Increase Income: Side hustle
- Pay off Credit Card Debt
- Incrementally increase savings each month
- Down payment savings

## Long Term

- Retire at age 65
- Pay off home loan



## Set Your Own SMART Goal

- Goal Title \_\_\_\_\_
- Specific Description: \_\_\_\_\_
- Measurable:
  - Dollar amount needed \$\_\_\_\_\_?
  - Outcome
- Attainable
  - Step by step plan
  - \$\_\_\_\_\_ savings per month for \_\_\_\_\_ months.
- Realistic
  - Trade offs? Opportunity Cost? Consequences?
- Timebound:
  - Date of completion: \_\_\_\_\_

# Spending and Saving Plan

## What is it?

- A roadmap for how you will spend money on needs and wants

## Why create a spending plan?

- Have enough money for needs and wants
- Save for expenses and emergencies
- Credit history will develop and improve with on-time bill payments
- Peace of mind – less stress and worry

# Step Two

## *Act*

- Track and follow spending and savings plan
- Manage Debt
- Make Changes

# Methods to Track Spending and Saving

- Follow online accounts
- Keep all of your receipts
- Envelopes for expenses
- Balance your “checkbook”
- Write it down – notebook
- Try an online program
- Automate Savings

**Be  
Ready to  
Adapt!**



**Prioritize your money...**

**Emergency  
Savings**

**DEBT**

**Retirement**

**Savings  
Goals**

**FUN**

## Prioritizing: General tips

- An Emergency Fund will prevent debt and provide financial stability
- Think about interest on debt and investments
- If your 401K/403B offers a match, this is free money and should likely be prioritized
- All plans should allow for a bit of fun

# Pay Down Your Debt

- **Two schools of thought:**
  - Lowest balance accounts first
  - Highest interest rate accounts first
- **Continue applying payments toward other accounts once debts are paid off**
- **Send payments to savings when debts are paid**

# Examine and Eliminate Unnecessary Expenses

- Purchases outside your spending plan
- Fees and charges you could avoid
- Things you don't use
- Wasteful behaviors



# Step Three

## ***Fail-Proof***

- Share your plan
- Encourage yourself
- Seek resources and ask for help

# Communicate your plan...

- Share your goals with members of your household
  - Discuss spending plan with family members
  - Agree on family goals
  - Set clear expectations
- Say “no.”
  - Stick to your plan and say no to things that deviate from it
  - Consider sharing your goals and plan with friends and extended family
- Share your plan with an accountability partner

# Encourage yourself

- ☐ Post goals in a place you'll see everyday
- ☐ Plan ahead when you're going to spend money
- ☐ Review your plan regularly
- ☐ Track expenses
- ☐ Celebrate your success!
- ☐ Change is a cyclical process

# Questions?

Thank you for coming today!

If you have any further questions, please contact:



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