SAVE SPEND INVEST: VOL 1 2019

2019



BACK TO BUSINESS



how to hit your saving goals this year.

WRITE DOWN THE VISION



Lucy was three years into her life after college. She had a decent paying job making £2100 p/m but always seemed to come up short with her savings. She was getting frustrated with living paycheque to paycheque so she decided to change things.

in an investment bank and was meant what she said, or if it saving up to 30% of his income was merely just a wish she until he met Lucy, who had an wanted to make a reality. expensive taste.

So imagine how thrilled he was Lucy decided to put pen to when Lucy texted him saying she wanted to hit some major saving goals this year. But what seem more real. was she going to do to get there? Lucy had become obsessed with shopping for the she needed to survive - her latest clothes and spending money on eating out with her friends regularly.

On again, off again: Sam works Sam wondered if she really

paper as she believed that if she wrote down her goals, it'll

She made a list of all the things essentials included rent (which she contributed £300), groceries (£50 since mum did most of it) and her car finance and insurance (£350 in total). She also got a new phone costing her £60 each month. Everything else was her discretionary spending.

After calculating her after tax income and deducting her basic needs, Lucy figured if she cut down her spending by just 20% she could comfortably save £420 towards her financial goals. 10% would go towards clearing her debt while the other 10% towards building up an emergency fund.

She got excited with the idea that by the end of the year, she would have eliminated £2520 out of her £4,000 debt (£3100 loans, and £900 overdraft).

She decided to take this a step further by automating the process.

Lucy opened up a savings account with a different bank and named that account 'Funding my Freedom'. She set up a standing order from her current account to her savings account. So on every 2nd of the month, Lucy automated £420 to go out of her current account to Fund her Freedom.







AUTOMATE THE PROCESS

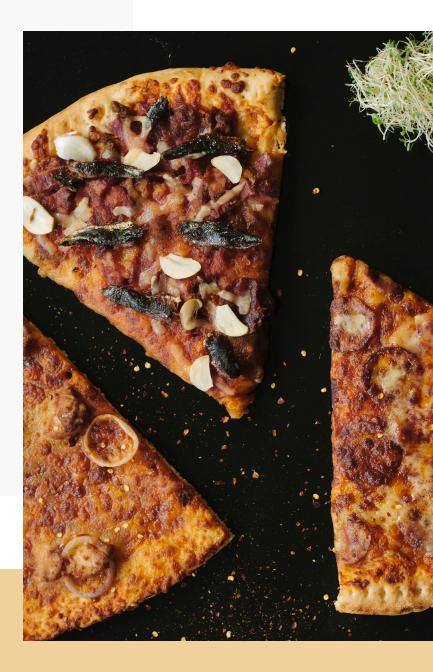
CREATE MINI GOALS

After taking into account her essentials and savings, this left Lucy with still enough money to shop and travel.

However she wanted to start saving incrementally for her trips so she didn't always have to pay everything up front with her current paycheque every time she travelled. She also decided it was time to start planning for her longer term future.

She decided she could still save an extra 30% being 20% towards her shorter term goals like buying a designer handbag or travelling and then 10% towards her pension contribution at work.

All of this and Lucy still had enough money to hang out with her girls, although now that she had started saving she realised there was no need to spend as much money as she used to before. Just because she was fortunate to live at home didn't mean she should spend all her money. In 2019, her goal is reach up to £5,000 in total savings.



The Save Spend Invest letter is a curated feed to help you understand and improve your money habits by sharing fiction stories to inspire you to take real action from today.