

SAVINGS FOR

LOW-INCOME EARNERS

Saving may seem difficult when you're not earning much, but if you follow a few simple steps, you can do it.

Here are some easy techniques to save money.

1. The 10 % rule

This technique is very easy to understand and put into practice.

Just do the following:

every month, when you get paid, set aside 10 % for savings.

If you can't reach 10 %, save as much as you can, even if it's not much.

Example:

If you earn €700 a month, 10 % is €70.

You can set aside the €70 at the start of the month and put them in a savings account.

If you can't save that amount, you can save €40 or even €20.

Always the amount that works for you.

What's important is to start this monthly habit.

2. Automatic saving

Through your bank's app,
you can order for money to be transferred
from one account to another on a specific day.

You can do it every week or once a month.

You just have to choose a day,
the amount of money you want to save
and order the transfer to your savings account.

You can cancel at any time.

Advantages:

- You'll never forget to transfer the money,
because it will be done automatically.
- You won't be tempted to spend that money
on things you don't need.

3. Goal-based savings

This technique is used when you have a clear goal, i.e. when you need to save up a certain amount of money in a given period of time.

For example, if you want to buy a car, take a trip or renovate your home.

You know how much money you need and how much time you have to save it up.

To achieve your goal, you can save a fixed amount every week or once a month.

And seeing your progress towards your goal motivates you to keep saving.

Example:

You have to pay for a trip that will cost €1,800, and you have 12 months to save up this amount.

That means you'll have to save €150 every month.

4. Rounding up expenses

This useful practice will help you save money without even noticing.

There are apps to help you save money. Every time you make a purchase, the app rounds up the price and automatically saves the difference in a savings account.

Example:

If you buy something that costs €3.50, the application rounds it up to €4.

The €0.50 difference is kept directly in the bank in your savings account.

This way you accumulate small amounts from all your payments and expenses.

5. Review and reduce small expenses

It is important to identify your daily expenses and decide which are necessary and which are not.

Example:

How many cups of coffees do you drink per day?

Do you have to drink 3 cups?

Could you drink just 1?

Do you need to buy breakfast every day?

Could you take it home with you?

When you know which expenses are not necessary, avoid them and put that money in your savings account.

Little by little you'll be able to save a lot.

6. Windfall savings

Sometimes you get money you weren't expecting, such as a gift, overtime pay or a temporary job.

When you get the money, put it in your savings account right away.

That way, you can save without taking money out of your usual budget.



Remember:

Don't worry if you're not able to save a lot. What matters is being consistent and putting aside a certain amount of money in your savings account each month.