Module 2 Activity

Improve Your Saving Habits

Who You Surround Yourself With Influences Your Saving

External influences such as peers, family and social media can have a powerful impact on personal savings decisions. Peers can be a major factor in how individuals decide to save or spend their money; for example, if someone's close friends are all spending their hard-earned cash on expensive items, that individual may also be more likely to do the same.

Family members can also guide an individual's attitude towards savings: parents may encourage their children to save up for something special or valuable, while siblings may influence them to spend it quickly. Social media is another influential factor: what people see in the media can shape their perception of the importance of saving, leading them to make decisions based on these perceived norms.

Additionally, external pressures such as advertising and marketing campaigns make it difficult for an individual to save; they often promote spending money quickly and impulsively rather than taking the time to build up savings. Furthermore, rising costs of living and stagnant wages mean that many individuals are unable to put money away each month due to limited resources and finances. This often leads people into a cycle of debt and financial hardship which makes it hard to break out without support from outside sources.

How To Manage Obstacles To Saving

Managing psychological and emotional obstacles to saving can be a daunting task, but it is a necessary one in order to ensure long-term financial stability. There are several strategies that people can use to manage the psychological and emotional roadblocks they may face when attempting to save money.

The first strategy is to be mindful of underlying emotions when making budgetary decisions. People should take stock of their emotions, both positive and negative, when budgeting or considering spending choices. For instance, if someone feels anxious about parting with their money or has an underlying fear that they'll never be able to save, these feelings should be addressed before spending decisions are finalized.

The second strategy is to have a plan and create achievable goals for oneself. This will help set up expectations for how much money should be saved each month, week, or year. Having a plan makes it easier for someone to stay on track with their savings goals instead of letting emotions dictate decisions. Additionally, breaking down big savings goals into smaller ones will help make it seem more attainable and keep someone from becoming overwhelmed by the task at hand.

Thirdly, having an accountability partner can help motivate someone to stick with their financial plans and stay on top of saving objectives. Having someone who understands the importance of saving money can provide support during times of hardship or weakness Ultimately, this person can help provide perspective when navigating through difficult financial times or periods where savings feel too hard due to emotional reasons such as anxiety or sadness associated with budgeting choices which could de-motivate someone from continuing on their path towards successful saving outcomes

Finally, setting up regular reminders such as calendar alerts or automatic transfers into savings accounts can also help someone stay committed to their savings plan by ensuring that they are staying disciplined over time even if motivation wanes due to psychological roadblocks that arise from making difficult monetary decisions.

And Remember To Always Pay Yourself First

The "pay yourself first" saving strategy is a great way to help individuals achieve their saving goals. This simple approach involves setting aside a budgeted amount of money each month into a savings account before paying other bills. The idea behind the concept is that by committing to saving the predetermined amount at the beginning of each month, people are more likely to follow through with their plans and reach their goals.

In order for this strategy to be effective, it is important for individuals to create realistic budgets and savings goals that can be easily followed from month-to-month. Setting up automatic transfers from checking accounts into savings accounts makes it easier for individuals to stick with the plan and not be tempted by other expenses during the month. This makes it easier for the individual to stay motivated and continue reaching towards their goal. It also eliminates any extra effort involved in manually transferring funds each month.

The "pay yourself first" approach has many advantages over traditional methods of saving money such as waiting until the end of the month or making deposits whenever there are extra funds available. By putting away money on a regular basis each month, individuals are able to minimize their risk of impulse spending as well as build up larger pools of funds faster than if they were relying on sporadic deposits throughout the year.

Furthermore, this strategy can help individuals maintain discipline over their finances because they will always know how much they are saving each month. They will be less likely to break their budget or undershoot their savings goals due to inconsistent deposits or unexpected expenses.

STANDARDS: 12.9a, 12.9b, 12.9c, 12.9d