



PesaPlan Learning Hub – Saving Guide

Introduction to Saving

Saving is the act of **setting aside money for future use**. Unlike investing, savings prioritize safety and liquidity over growth.

- **Why it matters:** Emergency funds can prevent you from falling into debt when unexpected expenses occur.
 - **Example:** If you lose your job, having 3–6 months of expenses saved can keep you afloat.
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Types of Savings

1. **Emergency Fund:** A must-have buffer. Keep it in an accessible account.
 - Example: A boda boda rider keeps Ksh 30,000 in a mobile savings wallet for emergencies.
 2. **Goal-Based Savings:** For school fees, vacations, or business capital.
 - Use mobile banking or locked savings accounts.
 3. **High-Yield Accounts:** Banks like Co-op Bank offer higher rates than regular current accounts.
 4. **Mobile Savings:**
 - M-Shwari, KCB M-Pesa, or Absa Timiza.
 - Convenient but watch out for withdrawal limits.
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Step-by-Step Guide: Building a Savings Plan

1. **Identify your purpose:** Is it emergencies, a car, or education?
 2. **Budget your income:** Apply the 50/30/20 rule — 50% needs, 30% wants, 20% savings.
 3. **Automate savings:** Standing orders or mobile auto-deductions ensure consistency.
 4. **Track progress:** Use apps or a simple spreadsheet.
 5. **Review bi-annually:** Adjust for inflation or lifestyle changes.
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Tips for Success

- Pay yourself first: Save at the start of the month, not at the end.
- Reduce expenses: Cut unnecessary subscriptions or eating out.
- Reward milestones: Celebrate hitting savings goals, but modestly.
- Think long-term: Saving is about habit, not amount.