



SAVING ! with a Purpose ●

Saving with a purpose is the secret to making your goals a reality. This article will help you set concrete savings goals and show you how much you need to save every month to reach them.

What is something you would like to save for?


This objective should be a short-to-medium term goal, like a vacation or a car and not something bigger like retirement or a college fund. Think about how much you need to save to make that goal a reality, and your timeline for making it happen.

In our example savings will we will be to buy a second hand car:

- How much do you need to save to reach AED45,000
- How many months until you want to reach your goal? 24 months

Saving with a purpose means assigning every dirham you save for a specific purpose. It's the difference between saving money and working towards a real and achievable goal. If you're not saving with a purpose, you likely accumulate all your savings into one place. As your savings grow which is good but it will get harder to keep all your abstract goals straight which is not good. You might end up robbing one goal to pay for another—and not even realize it. You need to know how much money you have for each goal to make truly informed decisions.

To save with a purpose, you'll set aside a certain amount of money every month and put it towards your goal. That amount is determined by dividing the total you need to save by the timeline you've set. Since you only have one goal, your savings will be easier to track. But you are still working toward your goal by saving a specific amount each month.

 **Note:** There are multiple ways to manage your saving with a purpose goals, including separate bank accounts, spreadsheets, and savings apps.

If you're going to reach your saving goal within your timeline, you'll need to save AED1,875 each month.

Is that achievable?

Here is your saving with a purpose plan:



Saving Goal
AED1,875 Per Month
for 24 months



Contribution Per Month
Car: AED1,875



Total Saved
AED 45,000

Hopefully, you've caught the vision and are ready to make your lofty savings goal happen.



Remember: Even with a solid plan, you'll need a lot of willpower to sacrifice what you want now for what you want in the future.



Some Savings Tips

- Buy used instead of new
- Keep an eye on your utility bills
- Cook at home rather than eating out

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Sincerely,

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