

# Your savings journey

**Whether it's saving for a house or a rainy day**

We've got tips and hints to help you get there



# Helping you save for the future

Building your savings is important, even when interest rates are low. So, whether you're saving for your future or you're saving up for something in particular, this toolkit will help get your savings and budgeting journey started.

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# How to pick the right savings account for you

With so many savings accounts on the market, it can be hard to know which ones will suit you best. Here's a few pointers to help you pick one that's right for you.

**1**

## **Check how much you've got available to start with**

Most savings accounts have a minimum amount you need to put in at the start. So make sure you know exactly how much you've got to spare, to get things up and running.

**2**

## **Can you afford to top up every month?**

With some savings accounts, you'll need to put a certain amount of money into them every month. If you don't, the account could close, and you'll lose your interest.



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### How long can you save for?

If you think you'll need that money in a tight spot, then choose an **Instant Access account**. You'll be able to take your money straight away, with no penalty.

Can you afford to wait a few months? Then go for a **Notice Account**. You'll have to let the bank know beforehand if you plan to withdraw.

If you're willing to wait a little longer then opt for a **Notice or Fixed-term Account**; you'll usually be offered better interest rates. Bear in mind, if you do want to withdraw your money before the end of the fixed period you might not be able to – even if you can, you'll probably lose some or all of the interest you've built up. It's best to check the terms and conditions before you open the account to see what options are available.

[For more information, visit our savings hub](#)

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### You can save for your children, too

You can open and put money into special savings accounts for your children. They can offer better interest than usual savings accounts, but there's an age cut-off limit – usually 18 years old.

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### Compare your options

Now you've got a better idea of what you're looking for, check comparison websites, like Money Super Market and Compare the Market to find the best option for you.



# Money management masterclass: the ultimate budgeting template

## Starting out

Organisation is key to budgeting. Our **budgeting template** makes budgeting simple, intuitive and highly effective.

Fill in the details about your incomings and outgoings and calculations will be made automatically.

It will help you see what's coming in and going out each month, giving you the opportunity to review your spending.



## Be realistic, not joyless

Two related things to keep in perspective:

- 1.** Try a long-term approach when setting yourself goals and targets. If you're budgeting with your partner or other people in your household, motivate each other to feel collectively empowered about taking control of your money.
- 2.** Try not to sacrifice too much at once. The worst thing you can do is cut out everything you enjoy.

Life is for living; don't deprive yourself of all pleasures.

It can make a huge difference if you try and automate as much of your money management as possible, while retaining the ability to have spontaneous fun. Here are some tips on how to best approach budgeting:

**Set up two accounts**, one for bills and another for personal spending.

**Arrange all your regular payments to come out of your bills account.**

Be honest with yourself and ask three questions of each: do I need this, do I want this, can I get it cheaper?

**Put some WAM (that's 'walk about money') into your life.** That means using the money in your personal spending account to pay for all your weekly variable spending like groceries, drinks, haircuts etc. Work out how much you need (or have left) to spend in a month after your bills, divide it by four, that's your weekly WAM.

**Set up a payment once a week** for this amount from your bills account to your spending account.

**Your WAM is your allowance** – it's finite. Don't dip into your bills account for more. It's not too long to wait for next Wednesday.

## Three questions that may transform your finances

On the budgeting template you'll be asked to itemise all your regular expenditure from mortgage payments to mobile phones, TV package to transport costs. And for each one, ask yourself three small questions that add up to a huge impact:

- 1** Do I need this?
- 2** Do I want this?
- 3** Can I get the same for less elsewhere?

[Find out more on money management](#)

# Why having emergency savings is important

Research from Aviva highlighted that just over 38% of UK adults felt not very confident or not confident at all about their personal financial situation.\* Building an emergency fund as a safety net in case of a financial crisis such as losing your job, an emergency repair or an unexpected cost could help reduce any anxiety or stress that could be caused by events such as these. And it doesn't take much to get your emergency savings started either:

First, figure out how much money you have left each month. The simplest way to do this is subtract the monthly outgoings from your income. Once you have this number, decide on a percentage you'd like to save.

## Where should you keep your savings?

A good option would be to keep your emergency savings in an instant access account separate to your other money. But that doesn't mean you can't reap the benefits of interest while it's sitting in the bank.

Keep an eye out for introductory rates for new customers. They usually offer a guaranteed rate for a specific period but take note of the end date and switch to avoid getting stuck with a poor rate.

## Other ways to save money

If you're struggling to save as much as you'd like, reassess your outgoings. There are some bills you can't reduce easily, such as council tax or your rent. But, there are plenty you can such as subscriptions such as gym memberships, music streaming, TV and broadband.

While some are essential, you can revisit the packages you have and downgrade if necessary. Read more about [managing your paid subscriptions here](#).

[Find out more on emergency savings and how to get started](#)



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