



12-MONTH
Savings Workbook

Intro

Google “millennial homeownership” and you’ll find a myriad of articles about the decline in homeownership, how rising home prices and increased student loan burdens make it difficult to break into the market, and how few can actually afford their slice of the American dream. Sounds terrifying, right? It doesn’t have to be.

While certain factors do depend on individual circumstances – the price of housing in your area or your personal debts – there is a way to save for a home in a year, if you’re willing to exercise a little creativity.

Use this workbook along with tips to save for your home, step-by-step, in the next 12 months. Throughout the workbook we use a hypothetical example of an average aspiring homebuyer — Emily. Follow Emily’s calculations for additional reference.

Customize the plan to meet your own personal goals. Whether you fill out the workbook as an ideal savings plan, or use it in real time to track your savings contributions, goals become reality once you write them down. Let’s get started!

Disclaimer

This Savings Workbook is provided for informational purposes only and should not be considered investment, tax, or accounting advice. All calculations and information shown here are for illustrative purposes only. All third parties listed in the Savings Workbook are for demonstration purposes only and are not affiliated with LendingHome.

Overview of Emily’s Finances

ANNUAL SALARY

\$50,000

TARGET HOME PRICE

\$180,000

OUTSTANDING DEBT

\$0

DOWN PAYMENT GOAL

20%

SAVINGS GOAL

\$36,000

Automate your savings.

This is a basic first step that can go a long way. At the beginning of the month, sit down and evaluate your budget. Figure out how much you can reasonably save after all other expenses, such as rent, utilities, groceries, and a bit of “fun money.” (We all deserve a little something for ourselves once in awhile!)

If you don't know how much you should be saving, Elizabeth Warren's [50-30-20 method](#) is a great way to start. The 50-30-20 method is meant to evenly separate out take-home income: 50% to fixed expenses (like rent and bills), 30% to discretionary money (like groceries and fun), and 20% to savings (or debt repayment).

1 Calculate your debts

DEBT OBLIGATIONS	
DESCRIPTION	AMOUNT
	\$
	\$
	\$
	\$
D (SUM OF DEBTS)	\$

TIP 1: Make sure to include all monthly debt obligations in your 50-30-20 calculations, so that you get the most accurate estimate of what you'll be able to save each month.

2 Calculate your savings

50-30-20 WORKSHEET		
DESCRIPTION		AMOUNT
50% Living Expenses (Take-home pay x 0.5)	A	\$
30% Discretionary Income (Take-home pay x 0.3)	B	\$
20% Savings (Take-home pay x 0.2)	C	\$
Debt Obligations (Sum of all debts)	D	\$
SAVINGS (C - D)		\$

TIP 2: If amount in Box C isn't big enough after subtracting monthly debt obligations, try flipping the formula where 30% is used for savings and debt and 20% is used for discretionary income.

EMILY'S SAVINGS:

\$50,000 annual salary = ~\$2,600 monthly take-home pay
 20% of \$2,600 = \$520 monthly savings
 \$520 x 12 = \$6,240 annual savings

3 Add it all up

MY ANNUAL SAVINGS:

My automated savings per month: \$ _____,
 which is \$ _____ per year.

Start a savings challenge.

Take saving one step further and institute a 52-week savings challenge, where \$1 goes in a jar on week one, \$2 on week two, etc. We recommend physically putting the money aside in a jar or an envelope (or in an app such as Digit or Qapital) to increase accountability, rather than keeping it in your main checking account.

WEEK	SAVINGS	BALANCE
1	\$1	\$1
2	\$2	\$3
3	\$3	\$6
4	\$4	\$10
5	\$5	\$15
6	\$6	\$21
7	\$7	\$28
8	\$8	\$36
9	\$9	\$45
10	\$10	\$55
11	\$11	\$66
12	\$12	\$78
13	\$13	\$91
14	\$14	\$105
15	\$15	\$120
16	\$16	\$136
17	\$17	\$153
18	\$18	\$171
19	\$19	\$190
20	\$20	\$210
21	\$21	\$231
22	\$22	\$253
23	\$23	\$276
24	\$24	\$300
25	\$25	\$325
26	\$26	\$351

WEEK	SAVINGS	BALANCE
27	\$27	\$378
28	\$28	\$406
29	\$29	\$435
30	\$30	\$465
31	\$31	\$496
32	\$32	\$528
33	\$33	\$561
34	\$34	\$595
35	\$35	\$630
36	\$36	\$666
37	\$37	\$703
38	\$38	\$741
39	\$39	\$780
40	\$40	\$820
41	\$41	\$861
42	\$42	\$903
43	\$43	\$946
44	\$44	\$990
45	\$45	\$1035
46	\$46	\$1081
47	\$47	\$1128
48	\$48	\$1176
49	\$49	\$1225
50	\$50	\$1275
51	\$51	\$1326
52	\$52	\$1378

EMILY'S SAVINGS:
\$1,378 at the end of the year

Add it all up

MY ANNUAL SAVINGS:
With a 52-week savings challenge,
I can save \$_____ in a year.

Ask for a raise.

Is it time for your annual review at work? While asking for (and receiving) an increase in pay may be nerve-racking, it is essential for your financial well-being, and especially helpful when saving for a home. Just be sure to automate any increase you receive into your savings account, so it doesn't get spent each pay period.

Below are a few best practices to help determine what you should be asking for.

1

CALCULATE YOUR VALUE

Compile a list of all your accomplishments in the last year. Pay particular attention to any large projects you led or played a critical role in. Did you handle a project your company was unable to outsource? How much money did they save doing this? If you can, try to quantify (as best you can) each accomplishment with a dollar value. How close is this amount to your original salary? If it's impossible for you to calculate monetary value of all your accomplishments, then ask for between 10 and 20% of your current compensation as an increase.

2

GET CLEAR ON YOUR "ASK"

After doing your research on your dollar value to the company and comparable salaries for your job in your area, get very clear on the amount you want to ask. You can't go in and say, "I'd like a raise between five and ten thousand," because then they might give you the lower range of that spectrum. Ask for the full ten and see what they counter. At minimum, fight for a 3% bump to address the annual rise in cost of living.

3

FIGURE OUT PLAN B

If your company says they absolutely can't give more money, know ahead of time what perks you'll take instead of a dollar amount, in order to feel truly valued and help you save money. Would the opportunity to work from home more often or attendance at a pricey conference do the trick?

4

SCHEDULE A MEETING

If you have an annual review, this meeting is the perfect time to discuss compensation. If your company doesn't have a set review period, get this meeting on the calendar for late in the afternoon during a week when things are a bit slower for your boss, or on a Friday when they have the weekend on their minds.

TIP: *Research comparable salaries for your position online. Try [GlassDoor](#), [PayScale](#), and [Salary.com](#).*

EMILY'S SAVINGS:

Raise: 3% or \$1,500 annually (based on \$50,000 salary)
Savings: \$150 per month for 10 remaining months of the year

Add it all up

MY ANNUAL SAVINGS:

I can get a _____ % raise, which is
\$ _____ annually. This year I can save
\$ _____ (divide your annual raise amount by
10, or the number of remaining months in the year).

Save your tax refund.

While it may be tempting to spend the money or go on vacation, think of tax time as your best shot to give a large one-time injection into your down payment fund. Think of what a difference an extra \$1,000 could do for your down payment savings.

Consider these tax tips:

TREAT YO'SELF

Treat yourself, but do so in a smart way. Agree you'll spend only 5-10% of your tax refund guilt free and earmark the rest for your future home.

HIDE IT AWAY

If you haven't done so already, open a separate savings account just for your down payment. Put your tax refund in there instead of your checking account, so you won't be tempted to spend.

TALK TO AN ADVISOR

If you get a large amount back, talk with a tax professional about how much you're withholding. You may need to swap up your withholding allowances to get more money into your paycheck, meaning you can save more each month instead of waiting for a one-time payout during tax season.

EMILY'S SAVINGS:

Tax refund: \$3,000 (with \$50,000 annual income)

Add it all up

MY ANNUAL SAVINGS:

Last year's tax refund was \$_____.

This year I can save about \$_____, give or take, since circumstances may have changed since last year.

Find unique ways to earn more.

Focus on ways to earn more, so you can save more. From Uber, to Postmates, to Etsy, to online surveys, and selling old items on Ebay — there is no limit to ways you can earn money in your free time. Once you've decided on the best "side gig", get your side hustle on and track how much you make each month, after tax. Supercharge your savings by using this cash only for your down payment fund.

TWO DIFFERENT WAYS I CAN MAKE MONEY THIS YEAR

SIDE HUSTLE 1:	SIDE HUSTLE 2:
ACTION ITEM 1:	ACTION ITEM 1:
ACTION ITEM 2:	ACTION ITEM 2:

TIP: *Whether you participate in sharing economy or work on projects as a freelancer, consider [tax implications](#). Make sure to include self-employment tax when setting your prices.*

EMILY'S SAVINGS:

Gig: Uber driver
 Monthly take-home income: \$500
 Annual savings (7 months): \$3,500

Add it all up

MY ANNUAL SAVINGS:

With my side gig(s), I can save \$_____ per month.

Consider a staycation.

American households spend roughly 5% of their income each year on vacations and travel. Skip yours this year (it's just one year!) and have fun playing tourist in your hometown. Check out your city's local events calendar or hit up the museum you've always wanted to visit, but never had the time. There may be more in your own backyard than you think!

EMILY'S SAVINGS:

Staycation savings: \$2,550

Add it all up

MY ANNUAL SAVINGS:

Last year I spent \$_____ on my summer vacation.

By skipping vacation this year I can save \$_____.

Skip the lattes.

We dislike the tired old "start brown bagging your lunch to save money" advice as much as you do, but for the purposes of saving enough money in a year to buy a home, cuts will have to be made and lattes and lunches are the easiest places to do it. Just think, if you cut out a \$5 coffee five days a week, that's a \$100 savings each month. If you cut out a \$10 lunch 2-3 times each week, that's another \$100 each month.

EMILY'S SAVINGS:

Coffee at home: \$600

Packed lunches: \$600

Total savings: \$1,200 in six months

Add it all up

MY ANNUAL SAVINGS:

By skipping coffee and lunches during the second half of this year I can save \$_____ this year.

Cut unnecessary bills.

When the temperatures and electric bill begin to run high, conduct an audit of all your bills to identify areas of savings. Review every expense: every insurance payment, cell phone bill, automatic subscription, and see where you can save. Use the chart below to stay on track.

BILL	MONTHLY COST	DATE CALLED	NEW COST	MONTHLY \$ SAVED

Total: _____

EMILY'S SAVINGS:

\$250 per month

X 5 remaining months left in the year = \$1,250

Add it all up

MY ANNUAL SAVINGS:

By cutting unnecessary bills, I can save

\$ _____ per month or \$ _____

this year.

Stash your gift cash.

Is it time for your birthday? Maybe a wedding? Or graduation? Save all of the gift cash you get from your family and friends and put it straight into your down payment fund.

EMILY'S SAVINGS:

Birthday gift from parents: \$100
 Graduation gift from grandparents: \$200
 Total savings with gift cash: \$300

Add it all up

MY ANNUAL SAVINGS:

My total amount in cash gifts: _____

Set up a “smart” savings plan.

Get a little bit more creative by using an app (such as Digit or Qapital) to “save the change” from your bank account. The app will analyze your spending to sneak away pennies or an extra dollar that you won't miss (believe us, it adds up). And, depending on how many goals and milestones you enable, you could be on your way to saving up to \$1,000, like [this guy](#) did.

TO DO'S:

- Investigate automatic savings apps
- Set up savings rules
- Determine set amount to save each month
- Invite friends to earn referral dollars

EMILY'S SAVINGS:

App: Digit
 Monthly savings: \$5
 Total savings: \$15

Add it all up

MY ANNUAL SAVINGS:

Total amount I can save per month: \$ _____,
 which is \$ _____ for the remainder of the year.

Focus on Friendsgiving.

11

Thanksgiving is the busiest travel holiday of the year. If you have to travel to spend time with your family, consider celebrating the holiday with your friends in town. While we know it's hard to pass on time with family, offer to host next year – hopefully in your brand new home!

EMILY'S SAVINGS:

\$350 (the average cost of a flight home for Thanksgiving)

Add it all up

MY ANNUAL SAVINGS:

My estimated Thanksgiving Travel Savings:
\$ _____.

Ditch the gifts.

Nobody likes a grinch, but consider instilling a “no gift” policy amongst your friends and family members, just this one year. With the average person spending over \$900 on the holidays (not including travel) the case for opting out is compelling, for you and your loved ones!

Once you've identified your savings, for example, not spending \$40 on the cheese plate for your friend's holiday party, tally up the total. The idea here is to immediately put the money you didn't spend on gifts or on holiday travel into your savings account.

Add it all up

EMILY'S SAVINGS:

\$929+ by skipping gifts

MY ANNUAL SAVINGS:

Last year I spent \$ _____ on holiday gifts.
By skipping gifts this year I can save \$ _____.

ALL TOGETHER NOW

Use this page to find your total savings goal for the year. What can you realistically save if you make a consistent effort all year?

MONTH	SAVINGS
01 - AUTOMATED SAVINGS	\$
02 - SAVINGS CHALLENGE	\$
03 - PAY RAISE	\$
04 - TAX REFUND	\$
05 - SIDE HUSTLES	\$
06 - STAYCATION	\$
07 - SKIPPED LATTES	\$
08 - NO EXTRA BILLS	\$
09 - STASHED GIFT CASH	\$
10 - SMART SAVINGS	\$
11 - FRIENDSGIVING	\$
12 - NO GIFTS	\$
TOTAL	\$

Conclusion

With these little creative changes and small sacrifices, in our example, Emily can save a total of \$22,212 in just 12 months. Though this isn't quite what she will need for the 20% down payment, we hope throughout this workbook you've been able to visualize how much you can save for a home and how close you can be to owning your own place. Even if you can't get close to the desired 20% down payment, by aggressively saving for a year, you now have options.

You can also try the following:

- Simply save for a few extra months, repeating the strategies in the guide.
- Opt for a mortgage loan that allows for less than 20% down payment (such as an FHA Loan, for example).

At LendingHome, our goal is to show you that it is possible to save a significant amount for your dream home in as little as 12 months. Now it's up to you to set a savings plan and stick to it.