



** This news release from K-State Research and Extension is available online at www.ksre.k-state.edu/news/stories/2021/02/america-saves-week.html

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Expect the unexpected - No better time to start saving than 'America Saves Week'

Feb. 22-26 marks annual effort

MANHATTAN, Kan. – If ever there was a year to drive home how important saving for emergencies is, 2020 was it. The sudden loss of income linked to COVID-19 caught people off guard. Businesses closed or reduced operations, leading to job losses or smaller paychecks.

That makes the messages behind [America Saves Week](#), Feb. 22-26 that much more compelling, said Kansas State University personal financial management specialist, Elizabeth Kiss.

America Saves is a national campaign to encourage Americans to increase their savings and decrease their debt. America Saves Week is a time to think about goals and consider setting, or renewing, a savings goal, Kiss said. Among the week's themes this year are, saving automatically and saving for the unexpected.

"I really see those as going well together, because saving automatically is when you take a 'set it and forget it' approach, which means you decide how much you want to save – and it doesn't have to be huge amounts – even saving \$10 a paycheck or \$20, \$25 or \$50 a paycheck will add up over time – setting it aside on a regular basis," she said.

Saving automatically is relatively easy with most financial institutions, she added, but people can set their own routines to make transfers themselves online or at the ATM.

It's helpful to have a separate account – a separate "bucket" – Kiss said, from one's daily operating account and maybe even separate from long-term savings.

A common rule of thumb, she said, has been to save 10% of your income, but Kiss prefers to encourage people to save what they can, especially for emergency savings: "Every bit that you can save ahead of time, probably that's less than what you'd have to put on a credit card or have to borrow from friends or family."

She cited the [U.S. Financial Capability Survey](#) that said about 52% of Kansans have a "rainy day" fund that would handle expenses for about three months.

That's another way to look at how much to save, to consider building enough savings to pay for three or more months of expenses, which would help in the event of job loss or if you had to take time from work to act as a caregiver or became ill yourself.

Another approach is put enough away to cover your insurance deductibles. That might be \$1,000 for instance, for a claim on your vehicle insurance. Deductible amounts vary by type of insurance, so it is a good idea to regularly review your insurance policies for the details.

"Again, whatever we can put aside is better than nothing," Kiss said.

Emergencies can run the gamut, including an interruption in work, an illness, or a natural disaster. A flooded basement, for instance may require several days off work to deal with the cleanup, plus expenses related to the cleanup and possible replacement of lost items.

Kiss said this topic hit home for her family personally when a tree fell on her husband's car.

Dealing with the financial implications of a broken refrigerator, water heater or washing machine are easier if you have an emergency or "rainy day" fund.

"Another way to think about it is the 'sleep at night test,'" she said. "If you worry about not being able to comfortably respond and recover from unexpected events, then taking action to increase the amount in your emergency fund could be an important financial goal."

Not sure where to squeeze money for saving from your budget? Kiss suggested taking a hard look at where your money is going and identifying what she calls spending leaks: "Those smallish regular purchases that we tend to make on auto-pilot, such as routine purchases at the vending machine or stopping for coffee or going out for lunch on a regular basis."

"It doesn't mean we have to eliminate them from our spending but think about other ways to enjoy the feeling that comes with making those purchases. With lunch, for instance, consider eating out one fewer day per week and instead making your lunch. Take the money – even if it's \$5 – and put in in your emergency fund," she said. "Five dollars a week is \$20 a month. Over time, it adds up."

Years ago, Kiss said she started a goal of saving \$40 a month in an emergency fund: "I'm finally making some progress. It's got some heft now. Sometimes I've had to spend from that account, but I keep doing it regularly and it does add up."

"We talk about 'expect the unexpected' and that is so true. Just when you think your life has some equilibrium, or is on an even keel, something will come along and we'll think 'oh, wow, I didn't even see that coming. And that's why we call it 'save for the unexpected,'" she said.

Each day during America Saves week has a theme, including "Make it Automatic" and "Save for the Unexpected." Other themes this year are "Save to Retire," "Save by Reducing Debt" and "Save as a Family."

[Kansas Saves](#), coordinated by K-State Research and Extension, is the statewide campaign to encourage Kansans to save by pledging to increase savings or reduce debt.

By doing that, Kiss said, Kansans improve their financial health.

Kiss was recently featured [in a segment on the weekly radio program, Sound Living](#), during which she spoke about America Saves Week. Further information on saving is available in the K-State Research and Extension fact sheet [Spend Some, Save Some, Share Some](#).

More information on emergency preparedness, financial and other, is available on the [Prepare Kansas blog](#).

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FOR PRINT PUBLICATIONS: Links used in this article

America Saves Week

<https://americasavesweek.org/#:~:text=America%20Saves%20Week%20is%20February%2022%20%2D%2026%2C%202021>

Kansas Saves <https://americasaves.org/local-campaigns/kansas-saves/>

Sound Living (America Saves Week), <https://soundlivingksu.libsyn.com/making-a-pledge-to-save>

Spend Some, Save Some, Share Some <https://bookstore.ksre.ksu.edu/pubs/MF3306.pdf>

Prepare Kansas blog <https://blogs.k-state.edu/preparekansas/>

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