U.S. Financial Diaries

Saving for Sooner

How and Why Short-Term Savings Matter

This is
Brandi and Frank.

Annually, **they make $36,000.**

An average of $3,000 monthly.

But Brandi and Frank don't actually earn $3,000 each month.

In January they earned $1,500

Due to weather, Frank's job site got shut down for three weeks

In May they earned $5,000

Both Brandi and Frank picked up some overtime hours

In September they earned $2,500

Brandi was sick and missed a few days of work

UNSTEADY INCOMES
More than five months a year, the average USFD family's income is 25% above or below their median income.

Brandi and Frank can't predict their monthly income, **so budgeting and saving isn't easy.**

But that doesn't mean they aren't saving.

Brandi and Frank withhold **extra from their paychecks**

They repair their car **when the tax refund arrives**

Brandi gives some money to her mother to hold

They buy school supplies **in the fall**

Frank puts money into a savings account **every month**

In a month of lower than average income, Frank draws down **his savings account**

So despite saving all year, end-of-year balances are very low.

MORE GOING IN THAN STAYING IN
For the average USFD household, total flows into savings accounts are four times larger than year-end balances.

What would help Brandi and Frank get ahead?

- Savings policies **that help families build short-term savings, not just retirement and long-term savings.**
- Workforce policies **that focus on steadier incomes, not just higher incomes.**

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To learn more about the U.S. Financial Diaries and how working families save, visit **www.usfinancialdiaries.org**