

Planning for life events and large purchases

Planning makes it easier to achieve long-term goals, like buying a car or having a wedding. This tool helps you think about what you want to achieve and how you can get there.

Think about the life events you are likely to experience and the large purchases you might need to make. For most people, saving and starting early can make it easier. If you, like some people, end up borrowing money to make a big purchase, you can save in interest and fees if you have savings to cover some of the costs. You can also think about creative ways to save money.

What to do:

- **Brainstorm a list of expenses** using the categories at the top of the tool as a guide. Consider when you are likely to experience various life events (like a graduation party or having a child) or when you expect to make large purchases.
- **Research and estimate the actual costs.** Add in any associated expenses (like the interest you might pay on a car loan). If the life event or purchase is likely to happen more than five years from now, remember that the cost of almost everything increases over time, so add some extra money to the cost to cover this.
- **Identify how much you might borrow versus how much you'll need to save.** Many large purchases require a combination of borrowing and paying a portion up front.
- **Identify ways to keep the costs as low as possible.** For example, for a large party, you could save by asking family and friends to help you prepare food rather than hiring a catering company. You can also research when items are most likely to go on sale or ask for discounts. It may only be 5% or 10% off, but these can add up!

A step further

After you've thought about your plan, see Module 2: Saving to create a savings plan so you know how much to save each week or month to achieve your goal.



Planning for life events and large purchases can help you save for them

1. Brainstorm a list of expenses and when they're likely to happen.
2. Estimate the costs of these expenses.
3. Identify potential ways to pay for the expenses.

Common life events and large purchases to help you brainstorm:



Buying a car



Birth or adoption



Marriage



Tools for work



Birthday or rite of passage



Buying a house



College or training

| Future purchase or life event I want to plan for | Timeframe | Cost | Amount I want to save | Amount of credit I'll need |
|--|-----------|------|-----------------------|----------------------------|
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