

Save \$1,000

## Description

Now that you have at least [a basic budget created](#), it's time to save \$1,000.

## Why do this?

If you're at an early stage of taking control of your finances, it's important for you to have some cash set aside. This isn't a full emergency fund, but it's a step in that direction.

Having \$1,000 set aside won't cushion for major financial earthquakes, like being without a job for an extended period, but it can help with smaller things — like fixing your car, replacing a failing refrigerator, or having to make a last-minute unforeseen trip. Without any cash set aside, expenses like these are what send people into debt.

And if you are struggling with debt currently, setting aside this \$1,000 is still important, maybe even more so. That's because it can help you break the cycle of taking on debt. Though it does mean that you aren't getting started immediately on paying down your debt, it makes sure that you have the buffer to meet small-to-moderate unexpected expenses without taking on new debt. This can help ensure that when you do start paying down debt, you're on the path to being done with debt for good.

## How can you get started?

Pick a date to have your \$1,000 saved and work backwards on how much you need to save per week. For instance, if you want to be done in three months, you'll need to save roughly \$84 per week.

Doing this makes this savings goal concrete. Yes, it may mean that you have to forgo some takeout (and cook at home instead) or maybe even cancel a streaming service (not a bad idea if you have multiple!). But if you're serious about getting on the path to financial independence, making some tough choices early on can pay big rewards down the road.

One special note: set up a separate account for this money. This could be a second pot within your current bank account or it could be a totally separate account. You don't want this mixed in with your normal, day-to-day spending money, because it isn't your normal, day-to-day spending money.

## How will you know when you're done?

This part is really easy: You'll have \$1,000 saved!

## Do you need to wait before moving on?

Yes and no. The next step after this is to [cut your expenses](#). You're welcome to move on to that while

saving your \$1,000. It's probably even a good idea to move on to that while you're saving your first \$1,000, since lowering expenses can help you save \$1,000 even faster.

However, don't move on to the step after that — paying down high-interest debt — until you've saved this \$1,000. Paying down “bad” debt is very important. But if you jump to that without having any savings cushion at all, then even one medium-sized unexpected expense can push you back into the cycle of debt.

## Resources to help you

- [How to save \\$1,000 quickly](#)

[Back to the checklist](#)

---

### Date

2025/08/16

### Date Created

2021/04/09

### Author

tmfkopp

default watermark

default watermark