Savings Rate Checklist

Find your number in ten minutes, plug the leaks, and make the margin automatic. Roadmap stage: CONTROL.

Step 1: Calculate your savings rate

Your savings rate is the share of your gross income that goes to your future instead of this month. It predicts your financial future better than any investment pick. Fill in the last 12 months, or one typical month multiplied by 12.

Line	Item	Annual amount
A	Gross income (salary + bonus + other, before tax)	$ ____________
B	Your retirement contributions (401(k), IRA, HSA, etc.)	$ ____________
C	Employer match or contributions	$ ____________
D	Other investing (brokerage, real estate, business)	$ ____________
E	Cash saved for goals or reserves (net of withdrawals)	$ ____________
F	Extra principal paid on debt (beyond minimums)	$ ____________
	Total saved = B + C + D + E + F	**$** ____________
	Savings rate = Total saved / A	_______ **%**

Count the employer match: it is part of your compensation and it is going to your future. Do not count minimum debt payments or a mortgage principal you would pay anyway; they are the cost of what you already bought.

Step 2: Read the number

There is no single right rate; it depends on your age, income and goals. As a rough guide for someone with a strong income and decades ahead: under 10% means the paycheck is doing all the work; 10 to 20% builds slowly; 20% and above is where ownership starts to compound visibly. If you started late or want work to be optional early, higher rates get you there sooner. The useful question is not "am I good enough" but "what would move this five points?"

Step 3: Plug the leaks

- [ ] List every subscription and recurring charge from the last two statements. Cancel the ones you had forgotten.
- [ ] Find your three largest discretionary categories (eating out, travel, shopping). Decide a monthly ceiling for each rather than cutting them to zero.
- [ ] Check whether you are capturing the full employer retirement match. Missing match is a pay cut you chose.
- [ ] Look at insurance premiums and interest rates once a year: auto, home, mortgage refinance, credit card balances.
- [ ] Identify one "lifestyle creep" expense that arrived with your last raise. Decide if it earned its place.
- [ ] Move the tax refund, bonus or any windfall into savings the day it arrives, before it becomes normal money.

Step 4: Make it automatic

- [ ] Set retirement contributions as a percentage of pay, not a fixed dollar amount, so they rise with every raise.
- [ ] Schedule an automatic transfer to savings or brokerage the day after payday. Pay your future first, then live on the rest.
- [ ] Turn on the auto-increase feature in your retirement plan (1% per year) if it exists.
- [ ] Rule for raises: keep at least half of every raise as savings before touching the lifestyle side.
- [ ] Rule for bonuses: decide the split (for example 70% saved, 30% enjoyed) before the bonus lands.
- [ ] Put your target rate somewhere you will see it. Recalculate in three months and again at year end.

What to do next

Take the Financial Builder Score at buildtomultiply.com to confirm your Roadmap stage, then read the Savings Rate playbook. If your rate is where you want it, the next stage is PROTECT: the Emergency Fund Planner is in the Builder Library.