

## Emergency savings

# Pay yourself first: make saving the first bill you pay

Move a little money to savings before the bills get to it. Set it up once, start small, and let each payday do the saving for you.

6-minute read • Updated October 2026 • Checked against its sources



### The short version

- ✓ Paying yourself first means moving money to savings on payday, before the bills and spending, instead of saving whatever is left.
- ✓ Saving what's left is the most common plan. But in one survey, people who saved regularly were about half as likely to struggle with a bill.
- ✓ Start small, and raise the amount when your pay rises. A few dollars a paycheck is a real start.

From a nonprofit. Every volunteer adviser is a fiduciary, which means they must put your interests first. We never sell your information.

### Rather talk it through?

A volunteer financial adviser can help with your situation, one-on-one, for free.



Point your phone's camera at the code, or go to:

**[go.advisersgiveback.org/start](https://go.advisersgiveback.org/start)**

## 1

### Why saving what's left often falls short

Most of us plan to save the same way. Pay the bills, get through the week, and save whatever is left. The trouble is that there often isn't much left. In 2025, only 41% of adults said they always or often had money left over at the end of the month.<sup>1</sup>

Even so, saving what's left is the most common plan. In a 2019 survey by the Consumer Financial Protection Bureau (CFPB), more people said they save that way than any other way.<sup>2</sup>

36%

of people said their household saves whatever is left at the end of the month, with no regular plan

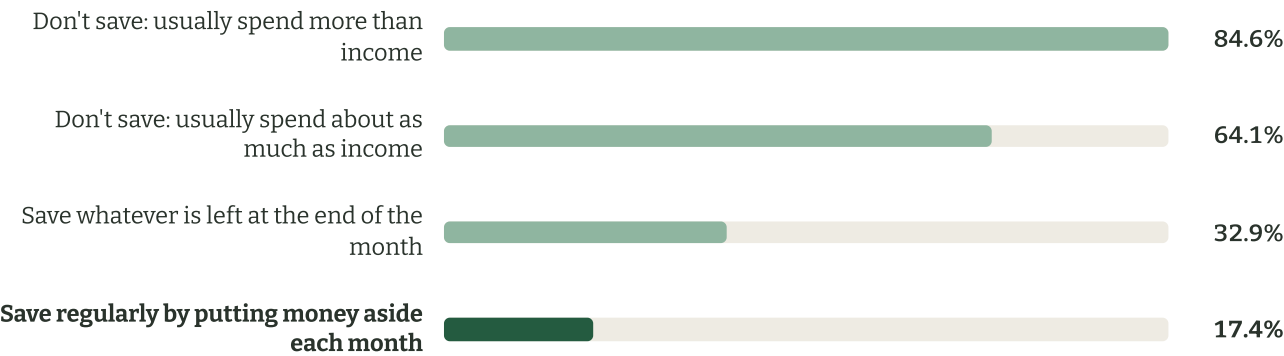
It was the most common answer. Another 32% said they save regularly, putting money aside each month.

Source: Consumer Financial Protection Bureau, Perceived Financial Preparedness, Saving Habits, and Financial Security (September 2020)

A regular plan seems to matter. In the same survey, people who saved regularly each month were about half as likely to have had trouble paying a bill in the past year as people who saved whatever was left: 17% compared with 33%. <sup>2</sup>

Regular savers were the least likely to struggle with a bill

Adults who had trouble paying a bill or expense in the past year, by how their household saves, 2019



From the CFPB's Making Ends Meet survey in summer 2019. It shows a pattern, not proof that saving prevents money trouble.

Source: Consumer Financial Protection Bureau, Perceived Financial Preparedness, Saving Habits, and Financial Security (September 2020)

That doesn't prove that saving regularly prevents money trouble. People who can save every month may have more room in their budgets to begin with. Still, people who saved, either way, were less likely to struggle with a bill than people who didn't save, at every income level. <sup>2</sup> Paying yourself first is a way to make sure the saving happens.

2

Make savings the first bill you pay

Paying yourself first flips the order. On payday, before the bills and before any spending, you move a set amount into savings. Then you live on the rest. The CFPB puts it simply: pay yourself first by putting part of each paycheck into savings automatically. <sup>3</sup>

Automatic matters. The CFPB calls saving automatically one of the easiest ways to make your savings consistent.<sup>3</sup> Once the transfer is set, saving is the default, and skipping it takes effort. Our guide [Let automation do the work](#) explains the research behind that. Here's how to set it up:

Online: [advisersgiveback.org/resources/let-automation-do-the-work/](https://advisersgiveback.org/resources/let-automation-do-the-work/)

### 1 Pick a home for it.

Use a savings account that's separate from the one you spend from. Our guide to [building an emergency fund](#) covers where to keep it.

Online: [advisersgiveback.org/resources/not-if-but-when/](https://advisersgiveback.org/resources/not-if-but-when/)

### 2 Pick an amount.

Choose a dollar amount or a share of each paycheck. Make it small enough that you won't be tempted to cancel it. Even \$5 or \$10 a week is a start. At \$10 a week, you'd save \$520 in a year.

### 3 Pick the day.

Choose payday, or the day after your pay arrives, so the money is there when the transfer runs.

### 4 Pick the route.

Ask your employer to split your direct deposit, so part of each paycheck goes straight to savings. Or set up a recurring transfer at your bank or credit union.<sup>3</sup>



#### Try this before your next payday

Log in to your bank or credit union, or call them. Set up a recurring transfer to savings for the day after payday. Then give the account a name that says what the money is for.

## 3

## Decide which goal gets paid first

"Yourself" can mean more than one account. Most of us have a few goals at once: a cushion for surprises, money for later in life, and sometimes a debt to pay down. You don't have to fund them all at once. Here are the trade-offs to weigh:

- **A cushion for surprises.** With a few hundred dollars set aside, a small surprise doesn't have to go on a credit card. Our guide to [building an emergency fund](#) shows how to build one in steps.

Online: [advisersgiveback.org/resources/not-if-but-when/](https://advisersgiveback.org/resources/not-if-but-when/)

- **Your future self.** If your job offers a retirement plan, money can go in straight from your paycheck, before you see it. If your employer matches what you put in, that match is part of your pay. Our guide to [investing, step by step](#) explains how to start.

Online: [advisersgiveback.org/resources/investing-first-steps/](https://advisersgiveback.org/resources/investing-first-steps/)

- **High-interest debt.** Paying down a credit card is a way of paying yourself, too. In the second quarter of 2026, the average rate on bank credit cards that charged interest was 22.15%. <sup>4</sup> Each dollar of balance you pay off stops costing you that interest. Our guide [Three debt payoff plans](#) compares ways to do it.

Online: [advisersgiveback.org/resources/three-debt-payoff-plans/](https://advisersgiveback.org/resources/three-debt-payoff-plans/)



#### **A cushion first, or retirement?**

You don't have to pick just one. A small cushion can keep a surprise from pushing you to pull money out of a retirement account, and that costs more than it looks. Most withdrawals are taxed as income. Before age 59½, you'll usually owe an extra 10% federal tax on top, unless an exception to that extra tax applies. <sup>5</sup> If you live in California, the state usually adds an extra 2.5% tax on the part that's taxed as income. <sup>6</sup> If your employer matches what you put in, weigh that too. The order is a good question to talk through with an adviser.

## 4

### **Start small, then turn it up**

The amount you start with matters less than the habit. The CFPB suggests saving a specific amount, and adding more when you can. <sup>3</sup> Once saving runs on its own, raise it a little at a time.

A raise is a good moment. Say your pay goes up by \$40 a paycheck. If you send \$20 of it to savings, you still take home \$20 more than before. And you never get used to spending the part you save. When you finish paying off a debt, do the same: keep making that payment, to yourself.

Watching your balance grow helps, too. The CFPB suggests checking your progress now and then, and celebrating when you reach a goal. Then set the next one. <sup>3</sup>

*Unlike rent or utilities, this bill pays you.*

Over time, small, steady amounts add up, and money you set aside for the long term can grow. The calculator shows an example. Its rates are for money invested for years, which can also lose value. A savings account pays far less: the national average was 0.37% in September 2026. <sup>7</sup>



## What steady saving can grow to

### Worked example

Scan the code to try your own numbers, or go to [advisersgiveback.org/resources/pay-yourself-first/](https://advisersgiveback.org/resources/pay-yourself-first/)



Put in each month **\$50** For **30 years** If it earned, each year **5%**



**\$18,000**

what you put in

**\$23,613**

what it earned

**\$41,613**

at the end

## 5

## When money is tight

Paying yourself first can feel impossible when every dollar already has a job. Start smaller than you think you need to. A transfer of \$5 a week still builds the habit, and you can raise it later.

A few guardrails help:

- **Protect your checking account.** Keep an eye on your balance, so an automatic transfer doesn't cause an overdraft fee. A balance alert or a calendar reminder can help. <sup>3</sup> In 2025, 12% of adults with a bank account said they had paid an overdraft fee in the past year. <sup>1</sup>
- **Adjust, don't quit.** If your income changes, you can always change the amount. <sup>3</sup> Pausing for a month beats canceling for good.
- **Save extra in good weeks.** If your income goes up and down, use the weeks when more comes in to move a little extra into savings. And think about saving all or part of a tax refund or a cash gift. <sup>3</sup>

Paying yourself first works best next to other money tasks that run on their own. See [Let automation do the work](#) for making saving the default, and [Protect your energy](#) for putting bills on autopilot.

Online: [advisersgiveback.org/resources/let-automation-do-the-work/](https://advisersgiveback.org/resources/let-automation-do-the-work/)

Online: [advisersgiveback.org/resources/protect-your-energy/](https://advisersgiveback.org/resources/protect-your-energy/)

Not sure how much to pay yourself first, or which goal should come first? A volunteer adviser can help you work out an amount and an order that fit your budget, one-on-one and for free.

### Questions to bring to your adviser

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## A volunteer adviser is ready when you are.

A volunteer adviser can look at your numbers with you and help you decide what to do first.

**[go.advisersgiveback.org/start](https://go.advisersgiveback.org/start)**



### Sources

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Updated October 2026. This guide is general information, not advice for your situation. We check every number against its source; if something has changed, tell us at [advisersgiveback.org/contact](https://advisersgiveback.org/contact). Read it online, with its calculators and videos, at [advisersgiveback.org/resources/pay-yourself-first/](https://advisersgiveback.org/resources/pay-yourself-first/). Advisers Give Back is a 501(c)(3) nonprofit (EIN 84-4685390), and we never sell your information.