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Enhance Your Savings Strategy by Visualizing Your Ideal Future

There's a simple mental shift that could help you enhance your savings strategy, and it has nothing to do with willpower or trying to be more disciplined. Research suggests that the way you think about your savings goal can influence 1) whether you start saving, 2) how much you commit to your financial goals, and 3) whether you stick to your plan over time.

The key, according to several studies, seems to be thinking about your savings goals in terms of future experiences — like travel, time with family, or learning something new — and not in terms of material purchases.

In one experiment, bank customers received one of two emails. One featured a bucket list of experiences, like a beach vacation. The other highlighted a wish list of material items, like a designer watch. Within three days of receiving the messages, customers who saw the experience email were more likely to initiate savings by opening a new savings account.

Another study reinforced that people tend to be more committed to savings goals tied to experiences. When given the option to spend their savings on a smaller purchase now instead of continuing to save for a larger goal, those saving for an experience were significantly more likely to stay on track than those saving for a material item.

Research also suggests that people are more protective of savings tied to experiences. When faced with an emergency expense, those saving for an experience withdrew less from their savings account than those saving for a material goal.

If you want to level up your strategy for saving for retirement or other future financial goals, try picturing the experiences or the overall lifestyle you want to live in retirement. A clearer vision of your desired future life could help you identify and maintain the savings habits that can get you there.

Source:
https://www.tiaa.org/content/dam/tiaa/institute/pdf/insights-report/2025-01/tiaa-institute_the-life-you-save-for_experiences-dominate-goods-in-motivating-savings_ti_yin_jan-2025.pdf

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