FLY-IN
Financial Literacy for Young Women

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Module 3: Short term savings

Event and place

dd/mm/yyyy

Name of the presenter
Name of the organisation
E-mail of the presenter

2020-3- SE02-KA205-003003

Remember – Group Agreement

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- respect people's confidentiality
- be non-judgemental
- be patient when others are speaking
- respect other's opinions
- work according to the scheduling
- work to understand cultural and professional differences

- everyone has the right to be listened to
- to have fun and enjoy the course
- to make mistakes
- to be respected
- to share ideas
- Be active!
- Be positive and creative!

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Module 3: Introduction

- Aims & Objectives
- Module content

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Aims & Objectives

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- Understanding of the meaning of short term savings
- Learn how to save money
- Analyse the options regarding short term savings
- Money saving tips in *Country of Residence*

Module Content:

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What short term savings is

Learn how to save money, invest and identify risks

Money savings techniques

My first purchase…

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I remember that I was saving money to buy…

This is how I succeed to save those money…

Introduction exercise

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What do you think short term savings is?

Brainstorming

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Introduction to Saving

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Saving involves **decreasing current consumption and investing** in a future standard of living.

- Incorrectly view is seeing savings as what is remaining after current wants and needs have been satisfied.
- The future is an unknown risk for people one of many reasons why they have such difficulty saving money.

Without developing a **savings and investing plan** and **making savings a priority** by paying yourself first, individuals:

- will not have the financial means to meet future financial goals!

Introduction to Saving

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Savings accounts:

- provide an accessible place to store money, to meet daily living expenses and to have money for emergencies.
- yield a lower interest rate than investments but are more secure

Financial experts recommend:

- a minimum of 3 to 6 months of salary in a savings account.

Saving money:

- should be viewed as a fixed expense.

A popular adage describing this is “**pay yourself first**,” which means to take out a portion of a pay check for saving or investing before using any of the check for spending.

Each time a person receives money, it should be divided by the **70-20-10 rule**!This implies spending 70% of the money, saving 20% of the money, and investing 10% of the money.

Short-term savings

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What are short-term saving goals?

When you plan to use the money **within the next five years**.

Examples:

- holidays, a new TV or smartphone, saving up money for a deposit on a property.

Think:

- emergency savings as a short-term goal
- Put your money in an account with a bank or building society.

What makes a good short-term savings account?

→ **Easy access to the money**!

Make sure your money has kept someplace where:

- Withdrawing, it doesn't require a lot of advance notice
- Held in cash or can be converted into without significantly affecting its value.

The best interest rates are typically available if you tie your money up for 5 years or more, **which isn't ideal when you're saving for the short term**.

Types of savings accounts:

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Easy-access savings account:
- start off with a small initial deposit
- very low-interest rate
- well suited for emergencies

Notice savings accounts:
- slightly higher interest rates
- a warning to the bank need to be sent for a withdrawal
- **Not** suitable for emergencies

Regular savings account:
- commit to saving fixed amount of money every month and for a specific period of time

High interest current accounts:
- safe and easy to access
- require a payment of a min. amount, and at least two direct debits each month

Flexible cash ISAs:
- flexibility upon money/ withdrawal every month
- any interest you earn, money as well is tax-free
- **Works best**: use the entirety of your savings all in one go

Fixed-rate cash ISAs:
- invest your money for a while without accessing it
- put away a lump sum, and not be able to access it for the length of the investment

Investing your money

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If you're wanting to make money quickly, you might be tempted to put your cash in a risky investment – i.e. an investment with high-interest rates.

Making an investment, when you're saving for the short term is unlikely to be worth the risk.
In a long-term savings strategy, you'd have more time for your investments to recover.

High interest rates:

- with short-term savings, the pot of money you start with is relatively small and is unlikely to grow that much within 5 years.
- with a long-term investment, your pot continues to grow as you add more money over overtime. You'll also earn interest on both the amount you originally saved and the interest you've built up. This means the high-interest rates are more likely to start to earn you some serious money.

Key highlights:

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1
Any goal you want to achieve in 5 years or less is usually considered a short-term savings goal.

2.
Bank accounts usually work best for short-term savings goal. Some types of investments can also work well for short-term savings.

3.
Short-term savings accounts rarely offer the best return on investment. If you want a better return, you'll typically need to tie up your money for longer or take on more risk.

4
In the short term, how much you save - and how regularly - is usually more important than where you put your money.

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Quick Money Savings Tips

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Shop "home brand"

Pantamera

Buy second hand

Bike and Walk

B.Y.O
Bring your own!

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Thank you for attending!

Please don't forget to fill out your evaluation forms

www. projectwebsite

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