Why Save

Explain how you can benefit from saving regularly

Describe strategies you can use to meet your savings goals

Benefits of Saving

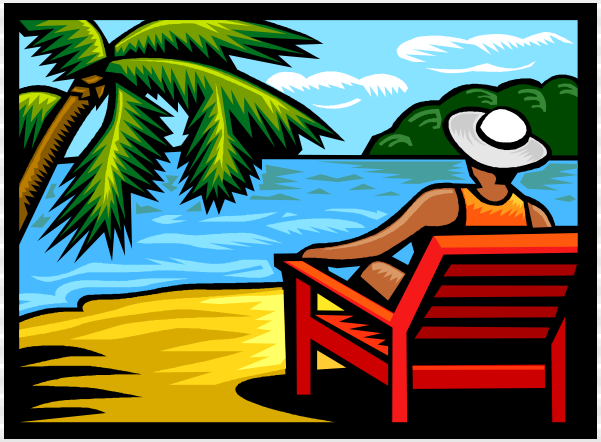
- Saving is a trade-off
  - You trade spending now for the ability to spend in the future
  - The purpose of saving is to cover future expenses whether you can see them coming or not.

Benefit of Saving-1

- Save for the Unexpected
  - Accidents Happen
  - Things Break
  - Job Loss

Benefit of Saving-2

- Save for opportunity
  - Allows you to take advantage of opportunities
    - Unexpected opportunities can occur. If you have the savings, you can take advantage of them if you choose
      - Vacation
      - Car



Benefit of Saving-3

- Save for Major Purchases
  - If you want something expensive, you may have to save
    - Car, computer, house, education, etc.

Benefit of Saving-4

- Save for Flexibility
  - Savings can give you flexibility in your life choices.
    - Quit a job you don’t like
    - Plan for the future
    - Make choices

Benefit of Saving-5

- Save to Achieve Your Goals
  - Long term goals often involve large sums of money
  - Sooner you start saving, the better your chances of achieving your goals
  - Saving is easier if you have a reason that is important to you.

Savings Strategies

- 1- Pay Yourself First
  - Make a saving deposit when you pay your bills/cash your paycheck
    - Consider this a required payment
    - If you don't have easy access, you are less likely to spend
- 2-Save by the Numbers
  - Save a certain percentage each week/month

Savings Strategies-cont

- 3-Reward Yourself
  - Give yourself a little reward each time you deposit into savings
    - Make sure rewards are inexpensive (a walk, a nap, a chocolate, etc.)
- 4-Payroll Deductions
  - Employer deducts from paycheck and deposits in your savings account

Savings Strategies-cont

- 5-Checking Account Transfers
  - Banks transfers specified amount from your checking to your savings each week/month

Review

- Complete Concept Review (handout)