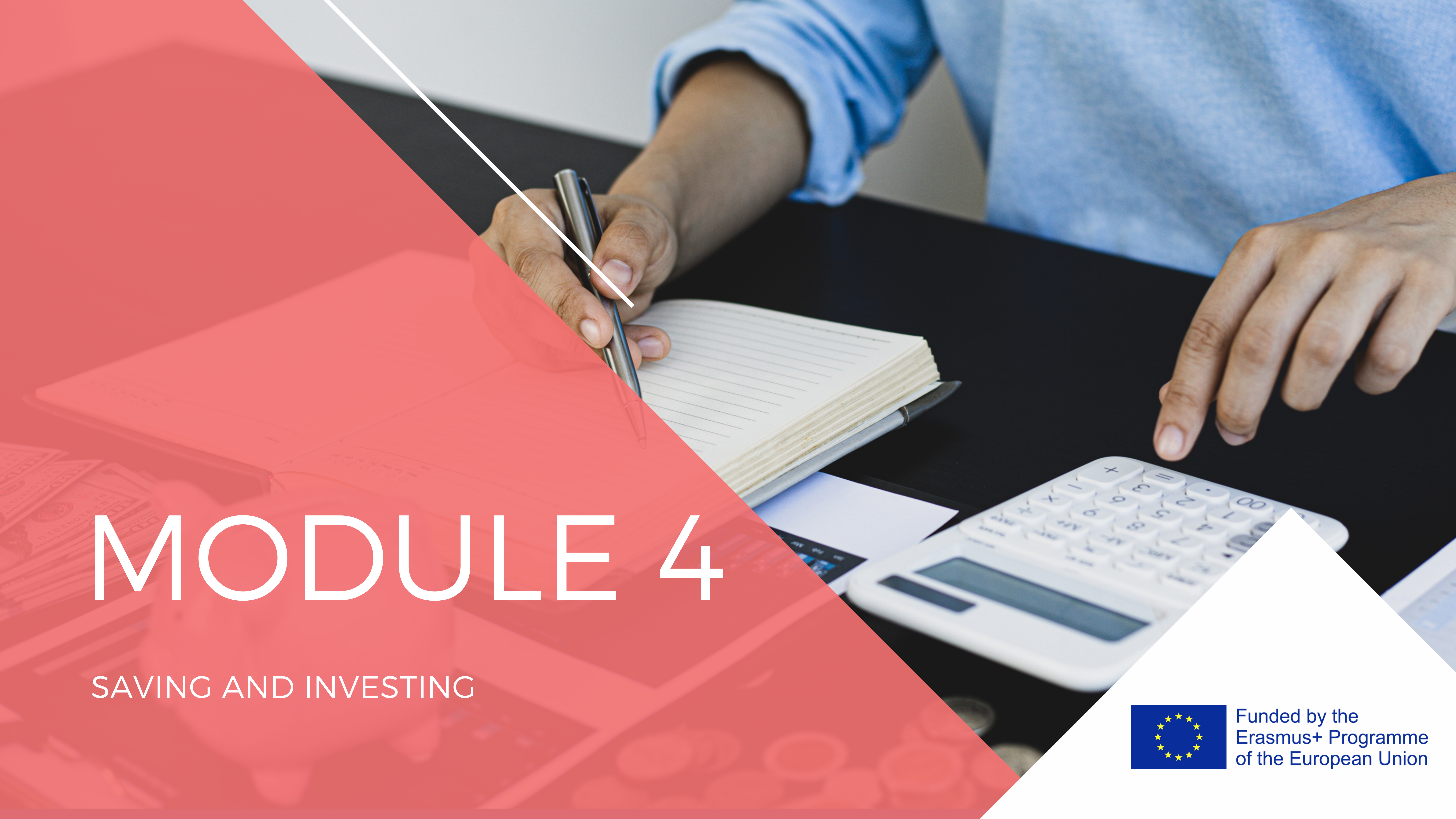

MODULE 4

SAVING AND INVESTING

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Content

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"DON'T SAVE WHAT IS LEFT AFTER SPENDING; SPEND WHAT IS LEFT AFTER SAVING."

WARREN BUFFETT

FLY

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Introduction

Saving and investing are 2 concepts that can have a big impact on everyone's financial future, especially for young people. As the Z Generation Financial Health Join Report showed, young people want to know more about how to start to save money, and how to invest.

Let 's start!

Saving means putting money aside for later use, while investing means putting money into something that can generate more money in the future. Saving and investing are powerful tools that can help you reach your long-term financial goals.

So...

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So...

... why is saving important?

Saving is important because it allows you to establish an emergency fund. An emergency fund comprises savings that are set aside for unforeseen situations, such as illness, emergency home repairs, or job loss. By having an emergency fund, you can feel more secure and prepared to handle unexpected circumstances.
Additionally, saving can assist you in achieving your long-term financial goals, such as purchasing a house or a car. By consistently saving and remaining focused on your objectives, you can reach them more quickly

... why is it important to invest?

Investing can help your money grow over the long term. There are various ways to invest, including the stock market, real estate, mutual funds, and more. While investing involves risks, it also presents an opportunity to earn higher returns compared to simply placing your money in a savings account. It is important to conduct research and gain knowledge about different investment options before making a decision.

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How to start saving and investing?

Set up a budget to determine how much you can save each month. You can begin by saving small amounts, such as a percentage of your salary or a specific amount every week.

1

After accumulating sufficient savings, individuals can begin exploring opportunities to invest their money. A helpful starting point is to consult a financial advisor for personalized guidance and recommendations.

2

Remember, saving and investing are powerful tools for securing your financial future. Begin making wise decisions today, so you can enjoy a prosperous financial future.

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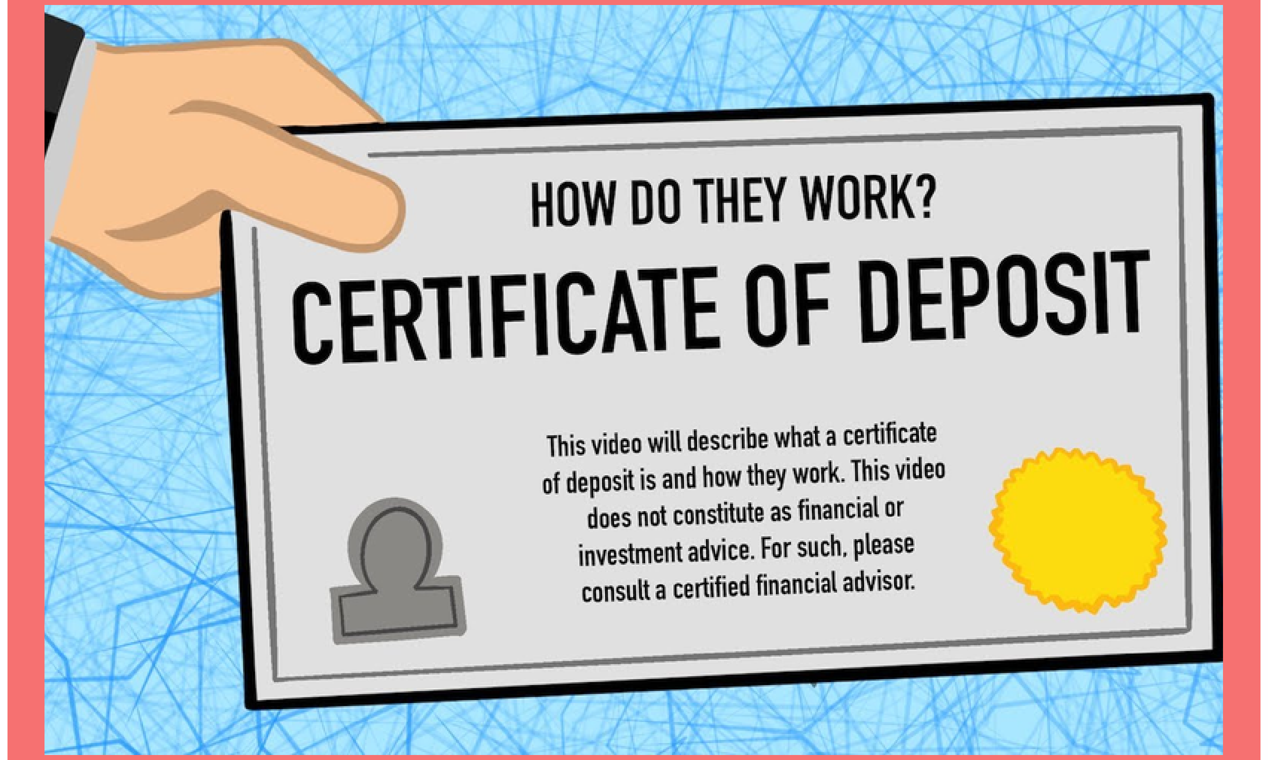
SAVINGS ACCOUNTS

These are bank accounts specifically designed for saving money. Generally, they offer higher interest rates than checking accounts and usually do not have account maintenance fees.



CERTIFICATES OF DEPOSIT (CDS)

These are savings products that provide fixed interest rates for a specific duration. While interest rates are typically higher than those of traditional savings accounts, the funds are locked in for the agreed-upon term.

MUTUAL FUNDS

These are investment vehicles that enable individuals to invest their money in a diversified portfolio of stocks, bonds, and other securities. They offer the potential for higher returns compared to traditional savings accounts, but they also involve more risk.

TYPES OF SAVINGS

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RETIREMENT PLANS

These are retirement savings plans designed specifically for saving towards retirement. Examples include 401(k) plans and pension plans.

EMERGENCY FUNDS

These are savings specifically designated for emergency situations, such as job loss or a medical emergency. It is recommended to have three to six months' worth of expenses in emergency savings.

The most common forms of saving include regularly saving money in a savings account, automatic savings through payroll deductions, utilizing savings apps and tools, and investing in mutual funds or retirement plans. It is important to remember that each person has unique financial needs and goals, and should choose the types of savings that best suit their financial situation.

TYPES OF SAVINGS

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It is important to keep in mind that each type of investment carries different levels of risk and potential returns, and you should choose investments that align with your objectives and risk tolerance.

Before making any investment, it is recommended that you consult with a **financial advisor** for personalized recommendations

TYPES OF INVESTMENTS

1. **Stocks:** Stocks represent ownership stakes in companies and offer the potential for returns through increases in share value and dividends paid by the company.
2. **Bonds:** Bonds are debt securities issued by companies or governments and offer the potential for returns through interest payments.
3. **Mutual funds:** Mutual funds are investment vehicles that allow investors to put their money into diversified portfolios of stocks, bonds, and other securities. Professionally managed, they provide an easy and convenient way to invest in the stock market.
4. **Real estate:** Real estate refers to property purchased for earning rental income or long-term profit from selling. Investing in real estate can be a profitable long-term strategy, but it also carries risks.
5. **Commodities:** Commodities are physical assets like gold, silver, oil, and natural gas that are bought and sold in commodities markets. Investing in commodities can offer diversification and protection against inflation.

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KEY FACTORS TO TAKE INTO ACCOUNT

Before embarking on your savings journey, it is crucial to take the following factors into consideration:

- Income and expenses: Evaluate your monthly budget to determine the amount that can be saved each month. It is crucial to ensure that expenses remain within your income and that savings don't interfere with debt repayments or other significant expenses.

- Savings goals: Establish specific savings goals, whether it's building an emergency fund, pursuing a long-term investment, or achieving short-term objectives like a vacation. Clearly defined goals help maintain motivation and focus.

- Interest rate: Take into account the interest rate offered by the chosen savings account or product. Opt for an account or product with a competitive interest rate to maximize your returns.

- Liquidity: Consider the liquidity of your selected savings account or product. If you require quick access to your savings, choose an account or product with high liquidity.

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KEY FACTORS TO TAKE INTO ACCOUNT

Before embarking on your savings journey, it is crucial to take the following factors into consideration:

- Risk tolerance: Determine your personal risk tolerance as an investor. If you prefer a conservative approach, opt for low-risk investments. On the other hand, if you have an appetite for higher risk, you may consider more aggressive investment options.
- Investment objectives: Set specific investment objectives, such as increasing net worth, generating income, or saving for retirement. Clearly defined objectives provide direction and purpose to your investment strategy.
- Investment timeframe: Consider the investment timeframe, or the duration for which you plan to hold your investments. If you have a long-term investment horizon, you can explore options like equities or real estate, which may be suitable for sustained growth.
- Diversification: Mitigate risk by diversifying your investment portfolio. By investing in different asset classes, you can minimize the impact of negative market events and increase the potential for stable returns.
- Professional guidance: Seek the advice of a financial professional before making significant investment decisions. A qualified financial advisor can assist in selecting appropriate investments tailored to your objectives and risk tolerance.

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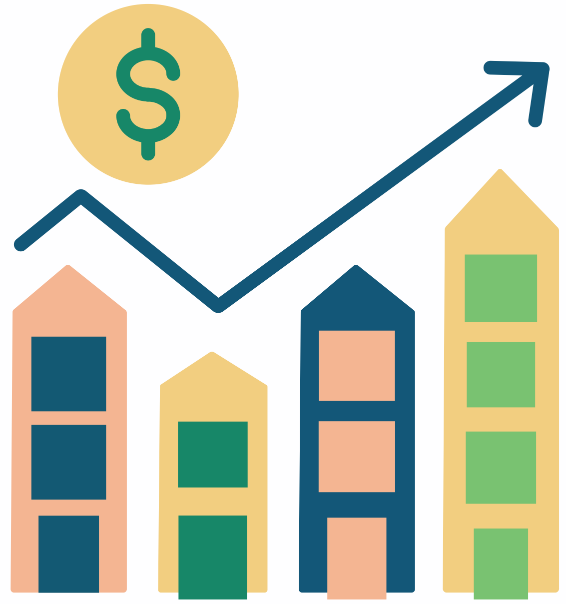
EXPERT TIPS:

Experts offer the following recommendations regarding saving and investing:

- **Saving for retirement:** It is highly recommended to start saving for retirement as early as possible, recognizing that time is a crucial factor in building wealth. Retirement plans, such as Individual Retirement Savings Accounts (IRAs) and 401(k) plans, serve as excellent options for long-term retirement savings.

- **Build an adequate emergency fund:** It is advisable to save a minimum of three to six months' worth of expenses in an emergency savings account to effectively handle unforeseen circumstances.



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- **Diversify investments:** Diversification is an important way to reduce risk in an investment portfolio. Experts recommend investing in different types of assets, such as stocks, bonds, real estate, commodities and cryptocurrencies, to minimise the impact of any negative market events.

- **Maintain a long-term time horizon:** experts recommend investing for the long term and not trying to "time the market" by trying to predict short-term movements. A long-term time horizon allows investments to grow and overcome short-term market volatility.

- **Seek financial advice:** It is recommended to seek the advice of a financial professional before making any major investment. A financial advisor can help select appropriate investments based on the investor's objectives and risk tolerance. They can also provide guidance on long-term financial planning and help maintain focus on financial goals.

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ACTIVITIES MODULE 4

SAVING AND INVESTING

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MODULE 4

ACTIVITY 1: DO I NEED WHAT I BUY?

Learning Objectives

1 Increase the awareness of spending habits

2 Enhance critical evaluation of needs versus wants understanding the influence of marketing and social media

3 Reflection on financial priorities and goals

Duration

1 hour

Level

- ☐ Beginner
- ☑ Intermediate
- ☐ Advanced

Materials /Resources

- Sheets of paper
- Pencils

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Activity 1: Do I need what I buy?

Descriptions

- **Introduction:** Provide a concise overview of the workshop's purpose, which is to foster reflection on spending habits and the importance of making informed financial decisions. Emphasize how our spending habits can impact personal finances in the long run.

- **Spending analysis:** Divide participants into small groups of 3-5 people. Distribute paper sheets and instruct each participant to document their regular expenses from the past month or months. Encourage them to categorize their expenses (e.g., food, transportation, entertainment, impulse purchases, etc.).

CATEGORY	PRICE

Afterwards, have the groups analyze their spending patterns and trends. Prompt them to discuss any unnecessary expenses they identified and areas where they could have saved money. Encourage reflection on whether the purchases they made were truly necessary.

- **Marketing and shopping:** Instruct participants to access a social networking platform (Instagram, Facebook, TikTok, etc.) and note down the first three ads they encounter. Encourage them to discuss within their groups whether these ads are recurrent or if they have seen them before. Guide them to consider whether they genuinely need the products or services being advertised and whether they are inclined to make a purchase.

- **Final reflection:** Gather all participants together for a brief concluding reflection. Provide practical tips to enhance spending analysis and control, such as creating a shopping list, setting savings goals, and avoiding impulsive purchases by planning spending in advance.

Debriefing questions

01

What did they discover about their spending habits? Did any surprises emerge from their analysis?"

02

What aspects would they consider changing in their spending habits? Did they determine the necessity of their purchases? Are they familiar with any savings strategies?

03

How can they implement the insights gained into their daily lives? In what ways does social media influence their spending habits? Do they feel they have a sense of control over their finances?

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MODULE 4

ACTIVITY 2: SAVING SMARTS: A JOURNEY TO FINANCIAL SECURITY

Learning Objectives

1. Recognizing the advantages of saving and defining their individual savings goals
2. Examining various saving strategies
3. Enhancing critical thinking abilities

Duration

90 minutes

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Whiteboard or flipchart
- Paper and posits
- Pencils
- Calculators (optional)

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Description

- **Introduction:** Commence by providing an overview of the concept of saving and its significance in personal finance. Emphasize the benefits of saving, such as financial security, goal attainment, and preparedness for unexpected expenses.

- **Brainstorming Session:** Engage participants in a collaborative brainstorming session to generate reasons for saving money. Document their ideas visually on a whiteboard or flipchart paper, creating a tangible representation of their responses.

- **Savings Goals Exercise:** Distribute handouts featuring examples of savings goals, including buying a car, going on vacation, starting a small business, or purchasing a house. Ask participants to select a goal from the list or create their own. They should record their chosen goal, estimate the associated cost, and set a target date for achieving it. Encourage them to relate the scenario to their current personal situation.

- **Saving Strategies Discussion:** Facilitate a discussion on various strategies for saving money to achieve goals. Explore concepts such as budgeting, distinguishing between needs and wants, expense reduction, and income augmentation. Share practical saving tips, including automating savings, establishing dedicated savings accounts, and leveraging discounts or coupons.

- **Interactive Savings Game:** Introduce an engaging interactive savings game where participants make decisions about saving money. Create scenarios involving common expenses and choices (displayed in two columns on a whiteboard). For example, choosing between buying coffee at a café or making it at home, or selecting a brand-name item versus a generic alternative. Encourage participants to discuss the financial implications of each choice and determine which option aligns better with their savings goals.

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MODULE 4

ACTIVITY 3: EXPLORING SAVINGS AND INVESTMENT OPTIONS

Learning Objectives

1. Promote understanding of the significance of saving and investing while increasing familiarity with various savings and investment options.
2. Improve knowledge regarding the practical application of savings and investment options to real-life financial scenarios.

Duration

90 minutes

Level

- [ ] Beginner
- [x] Intermediate
- [ ] Advanced

Materials /Resources

- Paper
- Pencils
- White board

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Activity 3: Exploring savings and investment options

Descriptions

- **Introduction:** Commence the activity by assembling the participants and providing a concise overview of the workshop's objective: to acquaint them with various savings and investment options. Engage in a discussion about the significance of saving money and its role in accomplishing long-term financial goals, such as purchasing a house, traveling, or attaining a comfortable retirement.

- **Types of investments and savings:** Divide participants into groups of 3-5 people, each group should look up the definition of one of the types of savings: savings accounts, certificates of deposit, mutual funds, retirement plans and emergency funds, and their main characteristics, such as interest rates, terms, risks and benefits.

- Savings accounts: These bank accounts are specifically designed for the purpose of saving money. Generally, they offer higher interest rates compared to checking accounts and typically do not have maintenance fees.
- Certificates of deposit (CDs): CDs are savings products that provide fixed interest rates for a predetermined period. Although their interest rates are usually higher than those of traditional savings accounts, the funds are locked in for the agreed-upon term.
- Mutual funds: Mutual funds are investment vehicles that allow individuals to invest their money in a diversified portfolio of stocks, bonds, and other securities. They offer the potential for higher returns compared to traditional savings accounts, but also entail greater risk.
- Retirement plans: These savings plans are specifically designed to accumulate funds for retirement. Examples include 401(k) plans and pension plans.
- Emergency funds: Emergency funds are savings specifically set aside for unexpected situations such as job loss or medical emergencies. It is recommended to have three to six months' worth of expenses saved in an emergency fund.

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- Each group should research and find the definition of one of the investment types:

    - Stocks: Stocks represent ownership shares in a company and offer the potential for returns through appreciation in share value and dividends distributed by the company.
    - Bonds: Bonds are debt securities issued by companies or governments, providing potential returns through interest payments made to bondholders.
    - Mutual funds: Mutual funds are investment vehicles that enable investors to pool their money into a diversified portfolio of stocks, bonds, and other securities. Professionally managed, mutual funds offer a convenient and accessible way to participate in the stock market.
    - Real estate: Real estate refers to property acquired for the purpose of generating rental income or long-term profits from property appreciation. Investing in real estate can be a lucrative long-term strategy, but it also entails certain risks.
    - Commodities: Commodities are physical assets such as gold, silver, oil, and natural gas that are traded on commodities markets. Investing in commodities can provide diversification benefits and act as a hedge against inflation.

- **Presentation and discussion:** Each group will present and explain the type of savings and investment they have studied to the rest of the participants.

- **Scenarios and decisions:** Assign each group a fictitious financial situation or a common scenario, such as "Saving for a dream trip," "Preparing for retirement," "Managing finances as a young individual earning 1000 euros per month," "Saving to purchase a house," or "Saving to start a business." Instruct the groups to select the savings or investment option they deem most suitable for the given scenario and provide a detailed explanation for their choice.

- **Final reflection and conclusions:** Gather all participants together for a concise final reflection session. Encourage them to reflect on their learning regarding savings and investment options by asking questions such as: What insights did you gain about different savings and investment options?" "How has this workshop influenced your understanding of savings and investments?" "What key takeaways do you have about making informed financial decisions?" "Did this workshop change your perspective on the importance of saving and investing?"

By posing these questions, you can stimulate meaningful discussions and encourage participants to share their newfound knowledge and perspectives.

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MODULE 4

ACTIVITY 4: LEARNING TO INVEST

Learning Objectives

1. Enhancing comprehension of fundamental investing principles and recognizing diverse investment options
2. Promoting critical thinking skills and facilitating effective decision-making in investment matters
3. Cultivating a long-term financial mindset to support sustainable financial planning and growth

Duration

90 minutes

Level

- [ ] Beginner
- [x] Intermediate
- [ ] Advanced

Materials /Resources

- Laptop or device with internet connection
- Papers
- Pencils

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Activity 4: Learning to Invest

Description

- **Introduction:** Begin by introducing the topic of investing and its role in growing money over time to help achieve financial goals. Inform the participants that they will be watching a video titled "Investing 101: How A Beginner Should Start Investing - How To Invest." Emphasize that the video is tailored for beginners and will provide valuable information on starting their investment journey.

- **Watch the video:** Screen the video "Investing 101: How A Beginner Should Start Investing - How To Invest." Encourage participants to take notes on significant points or concepts that pique their interest or generate questions.

- **Discussion:** After watching the video, initiate a discussion with the participants to delve into their thoughts, questions, and key takeaways from the video. Pose open-ended questions such as:
  - What were the main points covered in the video? Did anything surprise you or stand out?
  - How would you explain investing to someone who is unfamiliar with the concept?
  - What are some benefits of investing? Why do you think it is crucial to start investing early?
  - Were there any terms or concepts in the video that you would like more clarification on?
  - Can you think of any examples of investments that you could make as a young person? How do you believe they could benefit you in the future?
  - Do you think saving money is easier now compared to before? Has there been a change in mentality from our grandparents' generation? Would you prefer to save cash or open a savings account in a bank? Why?

- **Wrap up** the activity by summarizing the key points discussed during the conversation. Reiterate the significance of starting early and cultivating healthy financial habits, including investing.

Video

Investing 101: How A Beginner Should Start Investing - How To Invest:
https://www.youtube.com/watch?v=vLsYuFYwydo&t=342s

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MODULE 4

ACTIVITY 5: MONEY MINDFULNESS MEDITATION

Learning Objectives

1. Developing an understanding of the significance of mindfulness in financial management
2. Applying mindfulness techniques to enhance financial decision-making
3. Identifying and exploring personal financial habits and attitudes

Duration

30 minutes

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

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Activity 5: Money Mindfulness Meditation

Description

- **Introduction:** Start by introducing yourself and explaining the purpose of the activity. Describe mindfulness as the practice of being fully present and engaged in the current moment. In the context of managing finances, mindfulness can assist individuals in developing a deeper awareness of their financial habits and attitudes, leading to improved financial decision-making and overall financial well-being.

- **Guided meditation:** Ask participants to find a comfortable seated position, whether on a chair or on the floor. Begin by guiding them through a few deep breaths, encouraging them to release any tension or stress they may be holding onto. Then, lead them through the following steps:

- **Visualization**: Introduce a visualization exercise that involves imagining a tranquil place, such as a beach or forest. Encourage participants to engage their senses and immerse themselves fully in the experience, visualizing the sights, sounds, and smells of their surroundings. This aids in creating a sense of calm and relaxation.

- **Focus on Money:** Direct participants to shift their attention to their relationship with money. Encourage them to observe any thoughts or emotions that arise as they contemplate their financial situation, without judgment or an urge to change them. This cultivates awareness of their current financial state and any underlying emotions that may influence their financial decisions. Has your family faced any financial challenges? How have they been resolved? How can you manage these situations?

- **Reflection:** After a few minutes of focused breathing, invite participants to reflect on their experience. Encourage them to consider their feelings about money, their beliefs or attitudes surrounding it, and how these attitudes might impact their financial well-being. Prompt them to notice any sensations of stress, anxiety, or fear that may have surfaced during the meditation, and to acknowledge these emotions without judgment.

- **Sharing the experience:** Lastly, create an open space for discussion and sharing. Ask participants to share any insights or realizations they had during the meditation, and how they intend to utilize mindfulness to enhance their financial well-being. Encourage them to support and learn from one another's experiences.

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FLY PLAYBOOK

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ASSET TECHNOLOGY

MONOMYTHS – Joyful learning experiences –

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