



Saving to Build Wealth

Overview:

- Building an emergency savings fund
- Setting personal financial goals
- Growing money with interest-bearing accounts

What do you hope to get out of this seminar?

Getting started

- What is wealth?
 - Wealth is the sum total of assets (things that you own) that give you financial security. The word *wealth* carries the idea of abundance and security.
- What is net worth?
 - Net worth is what is owned minus what is owed.

Needs versus Wants

- Needs are things required to live
- Wants are things you would love to have but can live without

Barriers to saving

- Overspending
- Credit cards
- Debt payments
- Social pressure
- High cost of living
- Lack of discipline
- Lack of financial education

Emergency savings

- Emergency savings is cash set aside for unplanned expenses or life events.
- A good goal to set for an emergency savings account is 3-6 months of expenses
- Remember: You can't build wealth overnight.

Ways to build emergency savings

- Set up automatic deposits to a savings account out of every paycheck through your payroll.
- Turn on Round Up Savings or a similar savings program.
- Utilize savings apps such as Envie and Elevault

Liquid money

- Money that is easily available is said to be liquid.
- Money in a savings account is liquid because you can withdraw it at any time
- Money in stocks is not liquid because you have to sell the stocks to get cash

Setting financial goals

- Financial goals are personal benchmarks that you set for yourself throughout life.
 - Short term goals
 - Long term goals

Dream Your Goals

- What are your dream goals?
- This activity will help you put an approximate price tag on your financial goals.
- This price tag will help you break your goals into short and long term goals.

IDAs

- Individual development accounts (IDAs) are matched savings accounts for income eligible families.
- IDA's match what you save up to a set amount.
- Save toward a specific goal outlined by the program.

Insured accounts

- Savings accounts and bank CDs that are insured by the FDIC offer a smaller return because they are safer.

Savings accounts

- Savings accounts are accounts at financial institutions designed to keep your money safe and help it grow.

Opening an account

- Shop around for good terms
- You will need identification (ID)
- Initial deposit
- Our Opportunity card requires no minimum deposit
- Shop around for accounts that do not require a minimum deposit

Interest

- Your bank pays you when you leave your money in the account.
- Annual percentage yield (APY): the amount your money would earn in one year.

Two kinds of interest

- Simple – interest is paid on the principle deposit.
- Compound – interest is paid on the principle deposit and the interest you've earned

CD or Time Deposits

- Certificates of deposit (CDs) are a safe way to make your money grow.
- Credit Builder CD-Money grows and builds credit.

CDs - Any downside?

- Your money is off limits until the CD matures.
- If you cash out a CD before the maturity period ends, you'll pay a penalty.

Employment retirement plans






- Employers usually match the funds that you contribute to your retirement plan at work.
- Speak with your HR department or an investment professional to help with this decision.

Your feedback

- Please fill out the Seminar Evaluation Form and leave it on your way out.



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