

SAVINGS & INVESTMENTS



Required: Savings (\$50 minimum)

- Pay yourself first! Treat your savings with the same urgency you treat your other bills. Build a “Rainy Day” fund for emergencies. Set aside money for large purchases and special events like vacations and holidays.
- Every penny counts. Small lifestyle changes can lead to big savings. Where can you cut back?
- A good goal is to try to save 10% of your earnings with each paycheck. However, that may not be possible for those on a tight budget, so start small and build from there.

Standard Savings Account

- ✓ **Low Minimum Balance**
- ✓ **0.40% Interest**
- ✓ **Flexibility** - Withdraw money from your savings account at any time.



High Yield Savings Account

- ✓ **Low Minimum Balance**
- ✓ **4.00% Interest**
- ✓ **Flexibility** - Withdraw money from your savings account at any time.

Account Comparison

	0.40%	4.00%
Starting amount	\$25.00	\$25.00
Number of years to save	5 years	5 years
Additional contributions	\$100 per month	\$100 per month
Annual percentage yield (APY)	0.40%	4.00%
Amount you will have contributed	\$6,025.00	\$6,025.00
Total at end of investment period	\$6,084.89	\$6,660.42

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Optional: Retirement Investment (no minimum)

Many companies offer retirement savings programs to their staff. Employees may choose not to participate in these programs. In order to incentivize participation, many companies offer an employer matching contribution. For this event, we are assuming an employer match of 5% for all participants.

Step 1: Multiply your “Gross Monthly Salary” (line A on page 1 of your Student Status Packet) by 5%.

- You should not include your spouse’s income or child support when making this calculation
- **Example:** My gross monthly salary is \$3,000. ($3,000 \times .05 = 150$)
- My employer will match up to \$150.

Step 2: Decide how much you want to invest.

- **Meet the Employer Match**
Example: I invest \$150 and my employer matches \$150.
- **Invest More**
Example: I invest \$200 and my employer contributes \$150.
- **Invest Less**
Example: I invest \$50 and my employer only matches \$50.
- **Invest Nothing**
Example: I choose not participate in the program and save nothing.

***Note:** you will be recording how much **you** are personally investing; the amount you fill in on your Road Map next to Employee Investment Contribution and deduct from your Transaction Register **does not include your employer’s contribution.**

Things to Consider:

- There are big penalties for withdrawing this money early.
- These investments are tied to the stock market which means you could lose money!
- If you leave the company, you may lose your employer’s matching contribution.

See Retirement Summary Graph for example