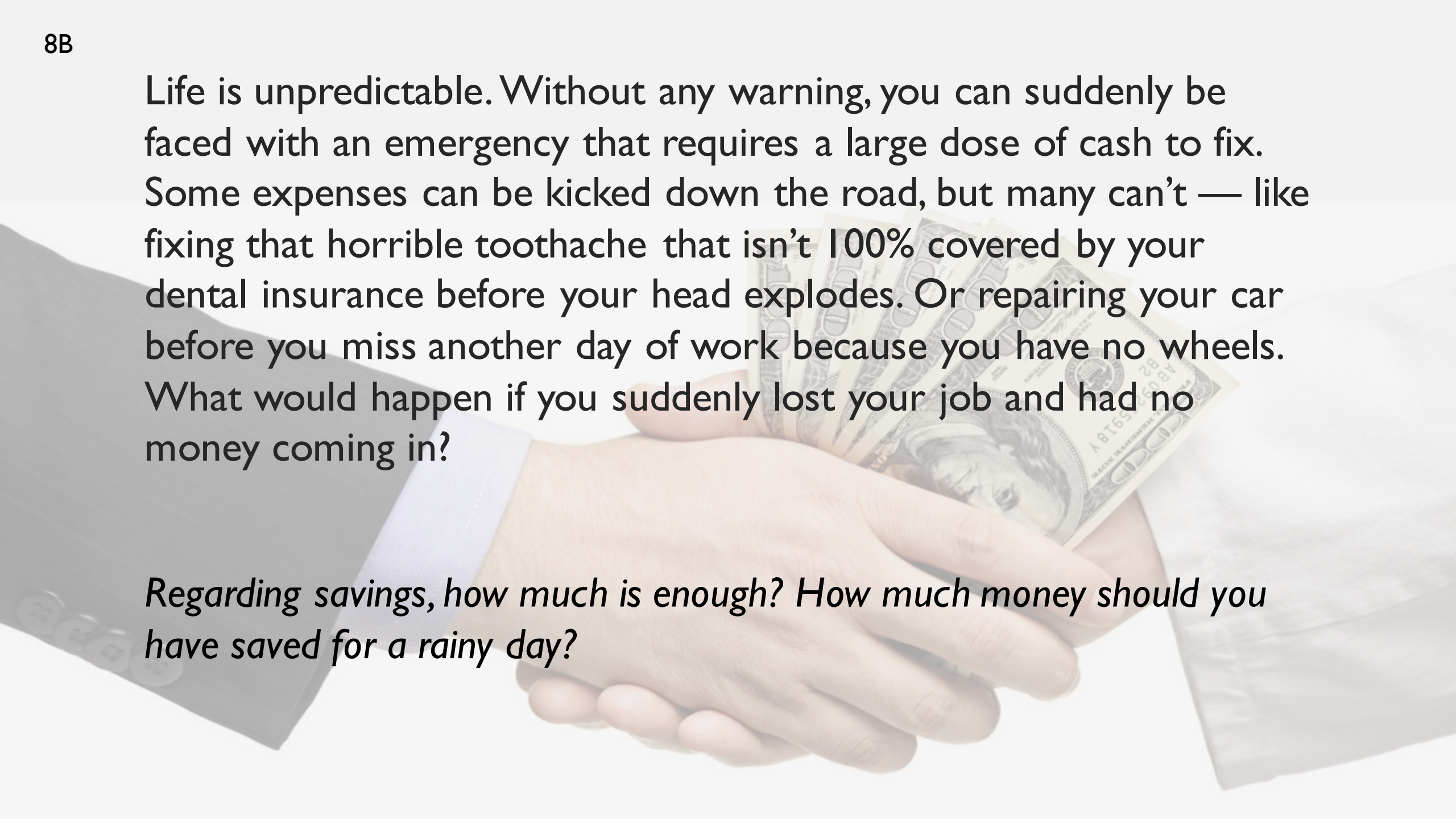


SUPER-SIZE YOUR SAVINGS

Lesson 8

A close-up photograph of a hand holding a stack of US dollar bills. The hand is positioned in the center, with the fingers gripping the edges of the bills. The bills are fanned out, showing various denominations including \$100 and \$50 bills. The background is a soft, out-of-focus grey, suggesting a professional or business setting. The lighting is even, highlighting the texture of the paper and the details on the currency.

Life is unpredictable. Without any warning, you can suddenly be faced with an emergency that requires a large dose of cash to fix. Some expenses can be kicked down the road, but many can't — like fixing that horrible toothache that isn't 100% covered by your dental insurance before your head explodes. Or repairing your car before you miss another day of work because you have no wheels. What would happen if you suddenly lost your job and had no money coming in?

Regarding savings, how much is enough? How much money should you have saved for a rainy day?

I. SAVING ACCOUNTS

- The Great Savings Decline.
 - The Federal Reserve Bank, the U.S. Commerce Department's Bureau of Economic Analysis (BEA), and private economists carefully track the personal savings rates and habits of Americans because they are indicators of the nation's economic health.
 - 76 percent of American households live paycheck to paycheck and have no savings set aside for an emergency.

II. HOW MUCH SHOULD YOU HAVE IN EMERGENCY SAVINGS?

1. The Savings Safety Net.
2. Liquidity.
3. Dependents.
4. Comfort level.
5. Lifestyle changes

III. SAVING VS. INVESTING

- Set Real Life Financial Goals.
- Set Time Lines and Priorities.
- Save First, Invest Next.

IV. GROWING YOUR MONEY

- Simple Interest.
- Compound Interest.
- The Universal Power of Compounding.



V. HOW TO DEVELOP A SAVINGS HABIT

- Start early.
- Pay yourself first.
- Automate Your Savings.
- Enroll in a Round Up Program.
- Save your raises.
- Budget your savings.
- Take advantage of all savings tools.

THE BIG PICTURE

- The rate at which Americans save money has declined precipitously, with many people living paycheck to paycheck. Don't be one of them. Develop the savings habit early in life. Have an emergency fund of 3-6 months of living expenses tucked away in a savings account, then set your short term and long term financial goals and begin saving and investing to achieve them. With regard to building wealth, time is a powerful ally. Through compounding, small savings with regular deposits grow substantially. Use automated savings, retirement accounts, and round up programs to build wealth.

PONDER & PREDICT

- One day in the not too distant future, you will be responsible for putting a roof over your own head. Is housing an expense or an investment? Can it be both?