1. **SAVINGS BASICS**
	1. **Savings -** is the portion of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ not spent on consumption
	2. **Savings Account -** provides an easily accessible place for people to store their money for long
	 term and short term needs.

		1. **Short-Term Savings Needs Examples –**
		2. **Long-Term Savings Needs Examples -**
2. **HOW YOUR MONEY GROWS!**
	1. **Principal –** \_\_\_\_\_\_\_\_\_\_\_\_\_\_ amount deposited into a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
	2. **Time (term) –** amount of time money is invested. Usually in \_\_\_\_\_\_\_\_\_\_\_\_\_\_ or \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
	3. **Interest (rate) -** money the financial institution pays or charges
		1. **Simple Interest Formula = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_x \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_x \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
		2. **Annual Percentage Yield (APY)-** Actual interest rate paid per year with compounding included
* **NOTE! -** Truth in Savings Act states APY must be disclosed so that consumers can easily compare products/rates offered between various lending institutions

	+ 1. **Compounding Interest-** bank pays money on principal **PLUS** previously earned interest
* The more times compounded, the more time, **the more money you make.**
1. **BASIC SHORT TERM SAVINGS OPTIONS**

|  |  |
| --- | --- |
| * 1. **Savings Accounts -**
		1. Pros –
		2. Cons -
 | * 1. **Checking Accounts -**
		1. Pros –
		2. Cons -
 |
| * 1. **Money Market Account-**
		1. Pros -
		2. Cons –
 | * 1. **Certificate of Deposit (CD)-**
		1. Pros -
		2. Cons –
 |

1. **WHEN SELECTING A SAVINGS PLAN CONSIDER…**
	1. **Liquidity**  =
	2. **Other Factors = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
2. **SAVING TIPS**

1.

2.

3.