Saving
(1.5 – Saving)

1. This the part of our income that we choose not to spend.
2. It is also known as deferred Income – as we put the money aside to spend it sometime in the future.
3. These are generally low risk

1

Investing
(1.5 – Saving)

This is putting money aside to try at get a return on it in the future. There is a greater risk

For Example, buying property, art and company shares

2

Liquidity
(1.5 – Saving)

This means how quickly you can get your money when you need it

3

Saving Accounts
(1.5 – Saving)

1. This type of account will give you a dividend at the send o the year.
2. You can put money into this account at any time

4

Dividends
(1.5 – Saving)

1. This is a payment to shareholders.
2. The amount received depend on the number of shares you have.

5

Deposit Account
(1.5 – Saving)

There is a competitive rate of interest offer on this type of account, but they are subject to DIRT.

6

Simple Interest
(1.5 – Saving)

1. This is also known as flat rate of interest and is the money earned by investing money (principal).
2. A percentage of the principal is added to the principal to make it grow (Interest)

7

Compound Interest
(1.5 – Saving)

1. This is when the interest in added to the savings and that added interest also earns interest from them on.
2. The saver is getting interest to their saving and interest on their interest. You will get more of a reward from compound interest than from simple interest

8

Annual Equivalent Rate
(1.5 – Saving)

1. This shows the real interest you well get on savings at the end of the year.
2. It shows you what you will earn in a year if you leave you money in for the year – but you don't have too.
3. It is useful for comparing the return on savings.

9

Factors to consider for saving
(1.5 – Saving)

1. Risk
2. Reward
3. Liquidity
4. Taxation
5. Convenience
6. Future Benefits
7. Terms and Condition