



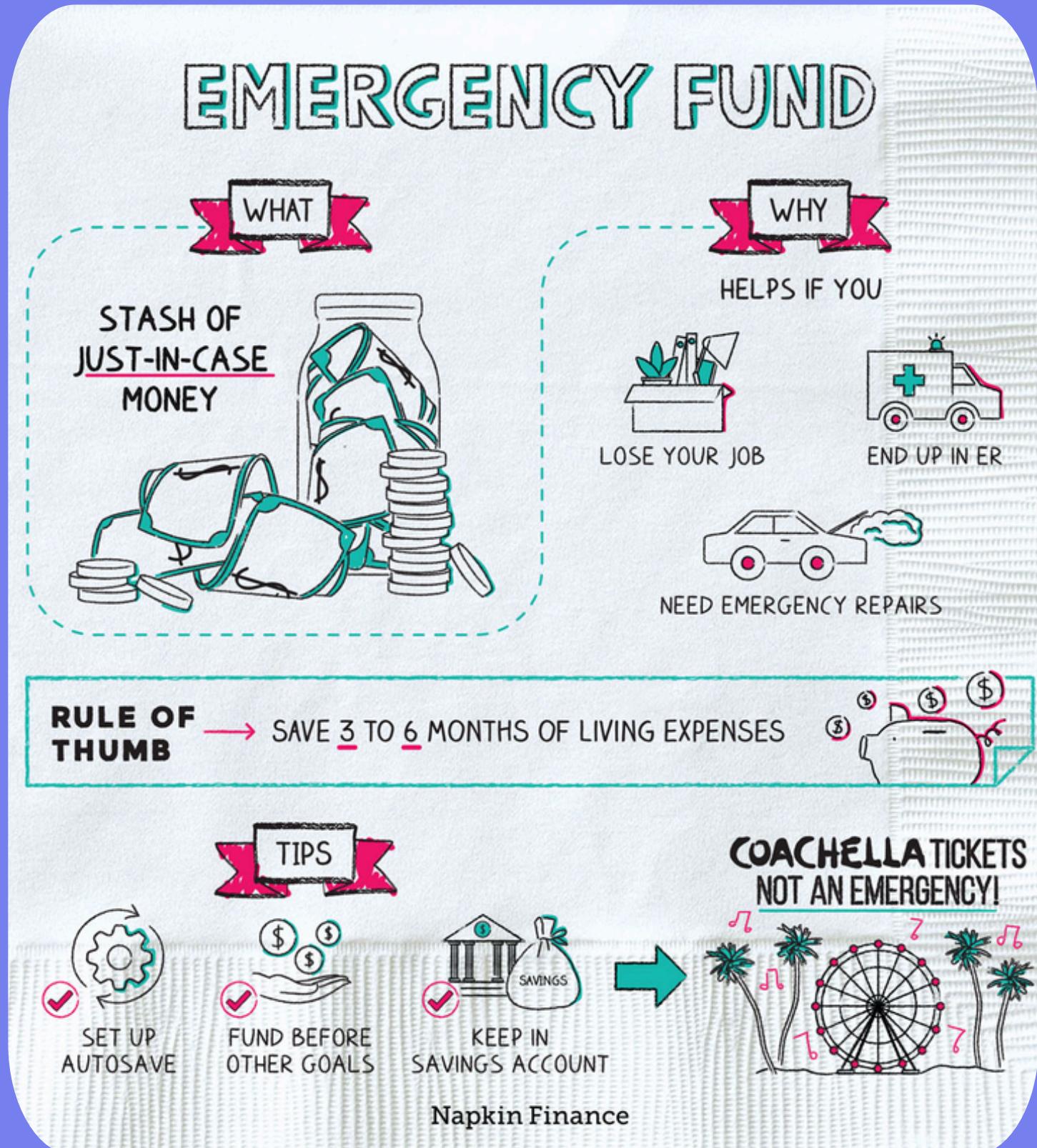
SAVING & INVESTING BASICS FOR COLLEGE STUDENTS

BUILDING YOUR FINANCIAL FOUNDATION

-PALLAVI NAIR(WIL FELLOW'23-24)



UNDERSTANDING SAVINGS!



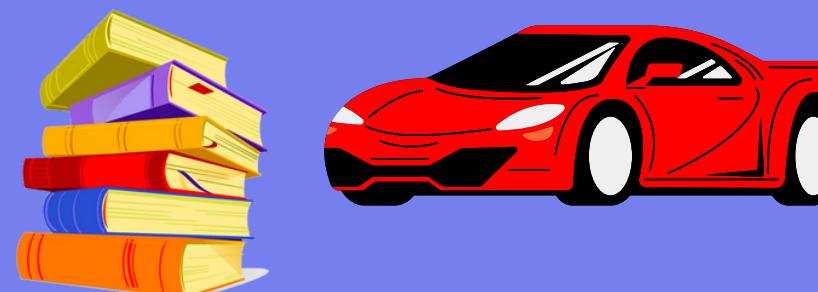
- The concept of an emergency fund?



- Saving for short-term goals?



- Saving for long-term goals ?





PERSONAL

SMALL BUSINESS

CORPORATE & INSTITUTIONAL

ABOUT

Español Customer Service Locations Security

COMPANY PROFILE

CORPORATE RESPONSIBILITY

INVESTOR RELATIONS

CAREERS

SEARCH

SIGN ON

Safety Net Calculator

Establish a savings safety net to help take control of your finances.

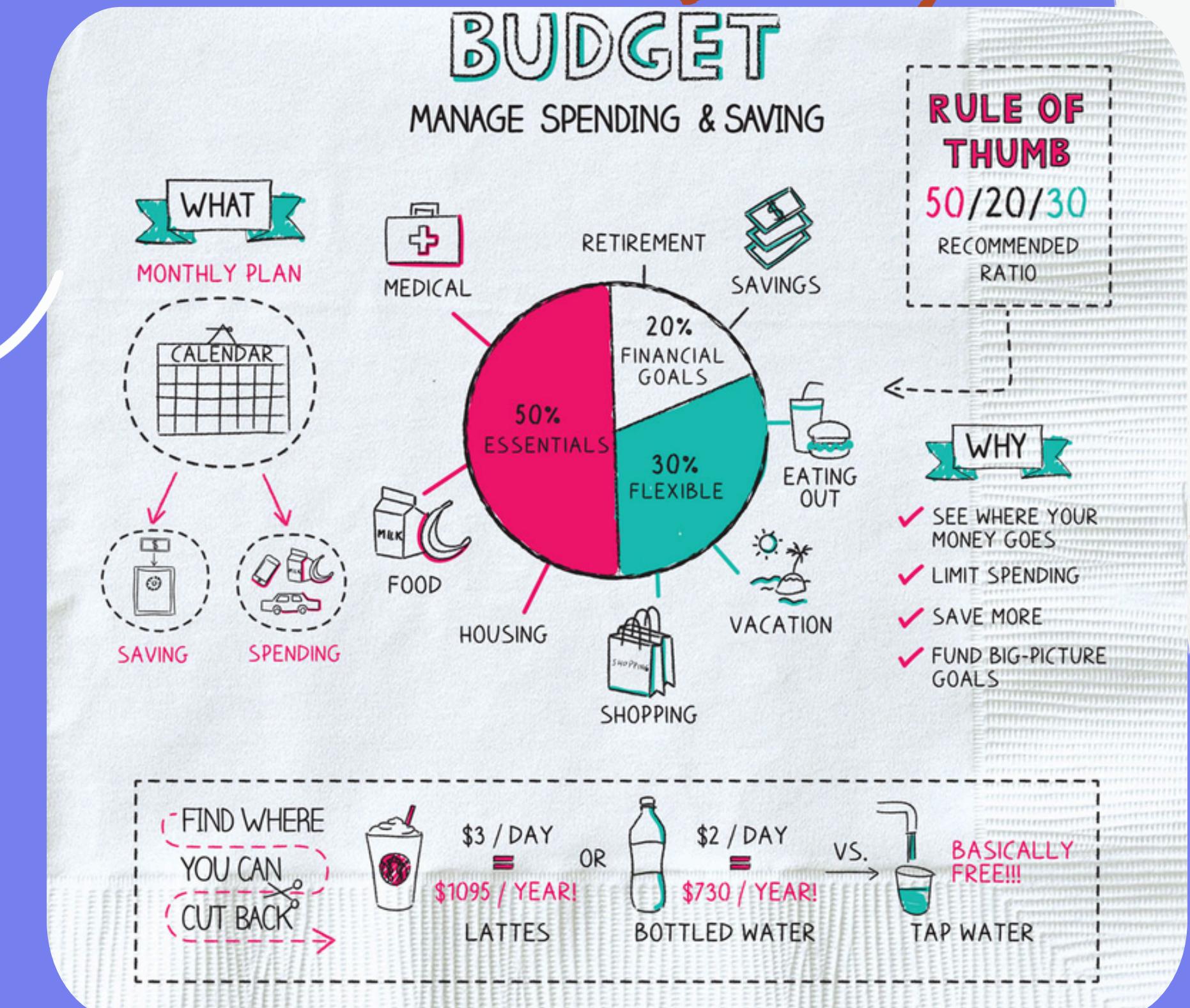


EMERGENCY FUND CALCULATION - EXAMPLE

Expense Categories	Amount (\$)
Rent/Mortgage	800
Utilities	200
Groceries	300
Transportation	100
Insurance	150
Personal Expenses	150
Other	100
Total Monthly Expenses	1800 X 3 ↗ 6
Emergency Fund for 3 Months	5400
Emergency Fund for 6 Months	10800
Current Savings	1000
Amount Needed for 3 Months	4400
Amount Needed for 6 Months	9800

HOW TO SAVE EFFECTIVELY?????

- ✓ Setting savings goals
- ✓ Creating a budget
- ✓ Tips for cutting expenses
- ✓ The role of a savings account





Category	Estimated Amount	Actual Amount	Difference
Income			
Salary/Wages			
Additional Income			
Total Income			
Expenses			
Fixed Expenses			
Rent/Mortgage			
Insurance (Health/Life)			
Debt Payments (Loans/Cards)			
Utilities (Electricity, Water, etc.)			
Internet/Phone			
Total Fixed Expenses			
Variable Expenses			
Groceries			
Transportation (Fuel/Public Transport)			
Dining/Eating Out			
Entertainment			
Personal Spending			
Savings/Investments			
Miscellaneous			
Total Variable Expenses			
Total Expenses			
Net Total (Income - Expenses)			

BUGDETING TIPS

- Be realistic with your estimates.
- Track your spending diligently to identify areas where you can cut back.
- Adjust your budget categories and amounts as needed.
- Consider using budgeting apps or spreadsheets to manage your finances electronically.

COMPOUND INTEREST

Compounding Interest - Your Best Ally

DEFINE
COMPOUND
INTEREST

BENEFITS OF
COMPOUND
INTEREST

COMPARISON OF
DIFFERENT
COMPOUNDING
FREQUENCIES

CALCULATION
EXAMPLE

INITIAL INVESTMENT
INTEREST EARNED

COMPOUND INTEREST: **WHO WILL EARN MORE?**

This example shows how the earlier a person takes advantage of compound interest, the more time that money has to grow.



INVESTOR 1:
-Starts at 25
-Sets aside
\$5,000 a year
for 10 years in
a row.
-No more
investments
after age 34.

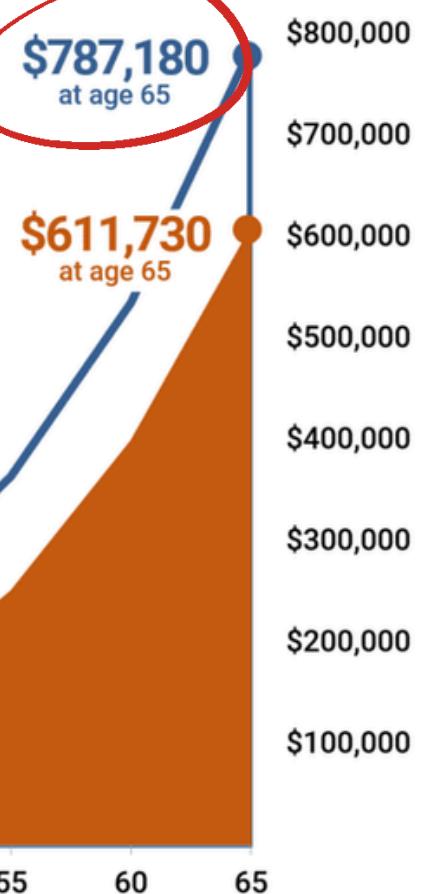


INVESTOR 2:
-Starts at 35
-Invests
\$5,000 each
year for 30
years in a row
until reaching
age 65.



NOTES: Assumes an 8 percent interest rate, compounded annually. Balances shown are approximate.
SOURCE: Author's calculations.

FEDERAL RESERVE BANK *of* ST. LOUIS



BASICS OF INVESTING

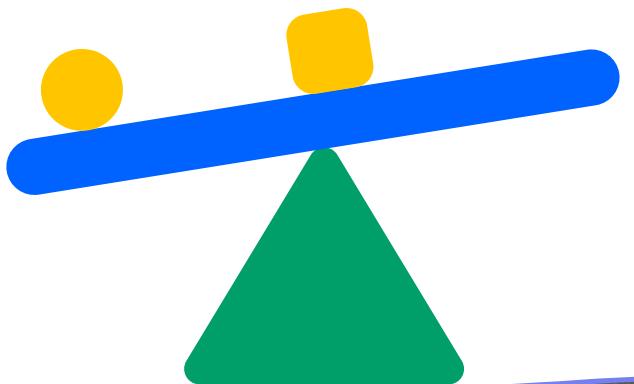
SAVE VS INVEST



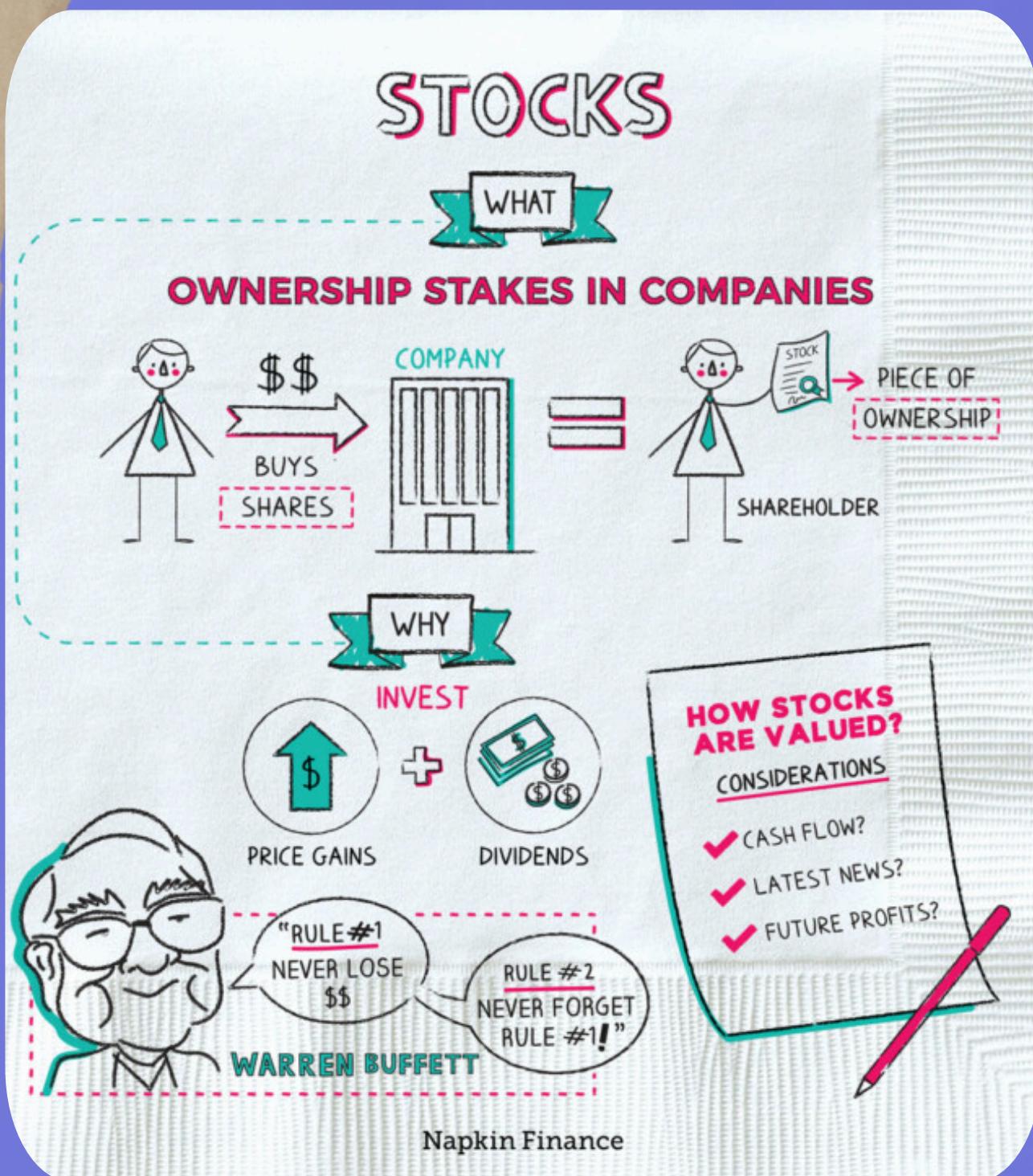
TYPES OF
INVESTMENTS



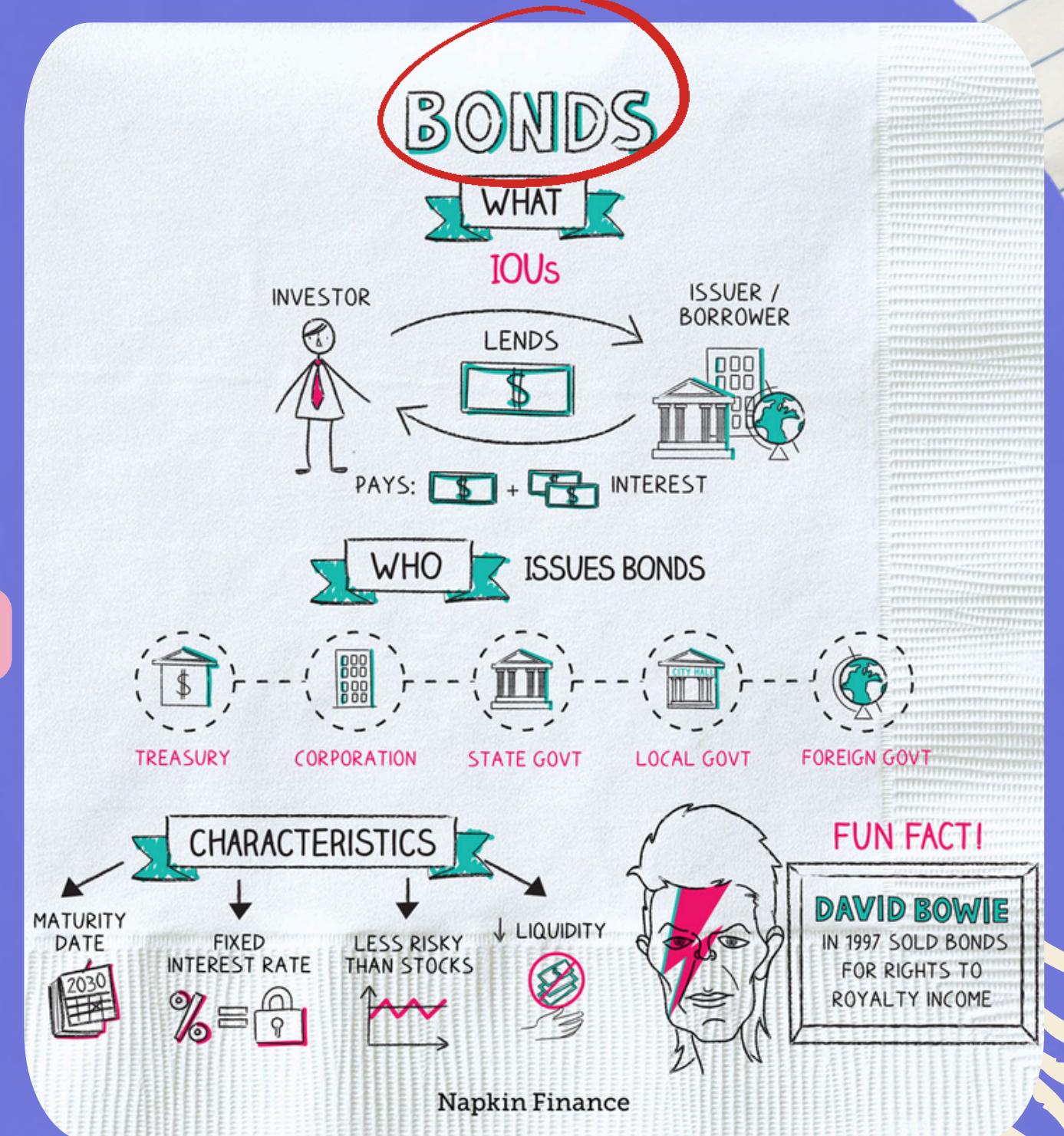
RISK AND RETURN



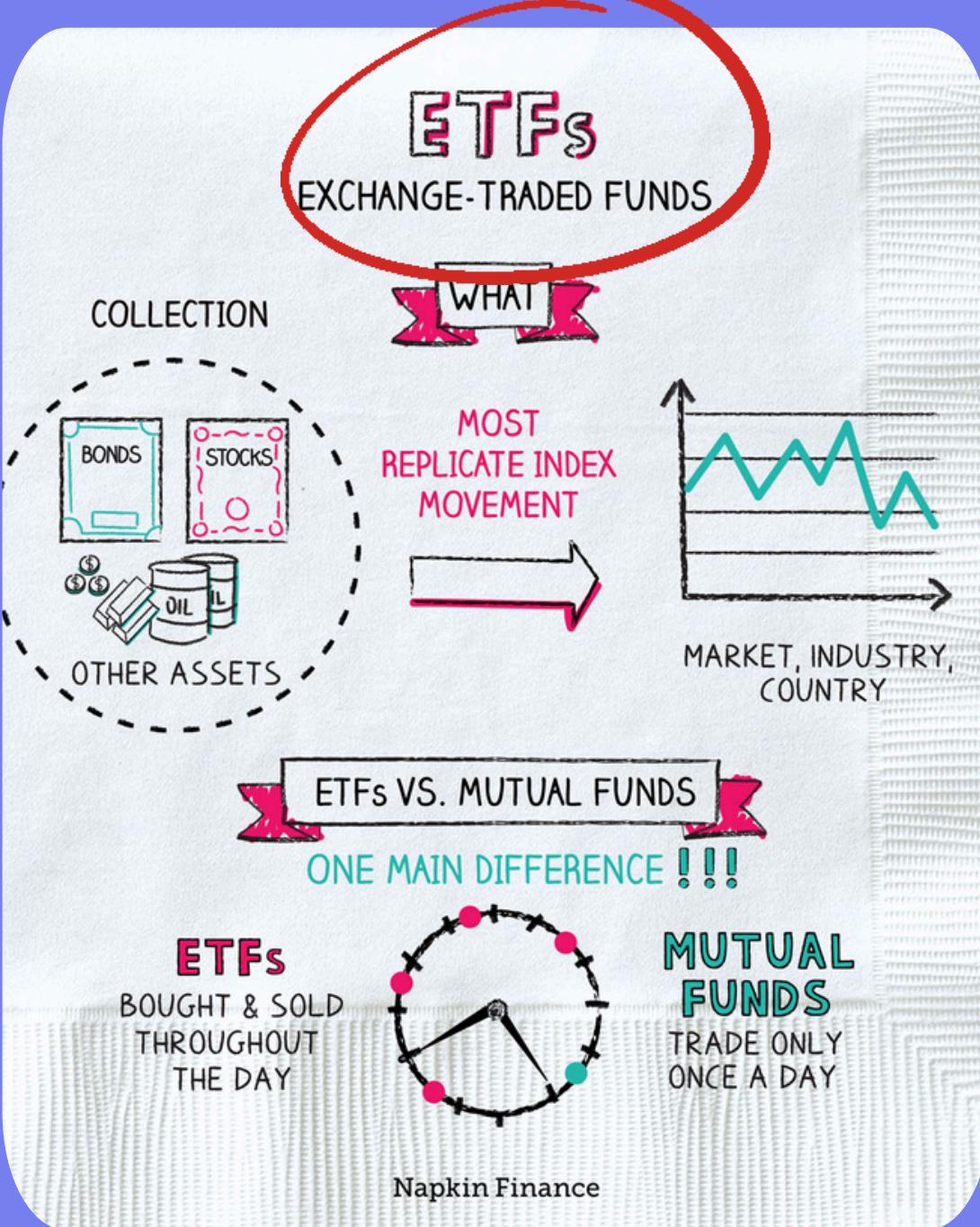
STARTING WITH STOCKS AND BONDS



- What are stocks?
- What are bonds?
- Risks associated with each



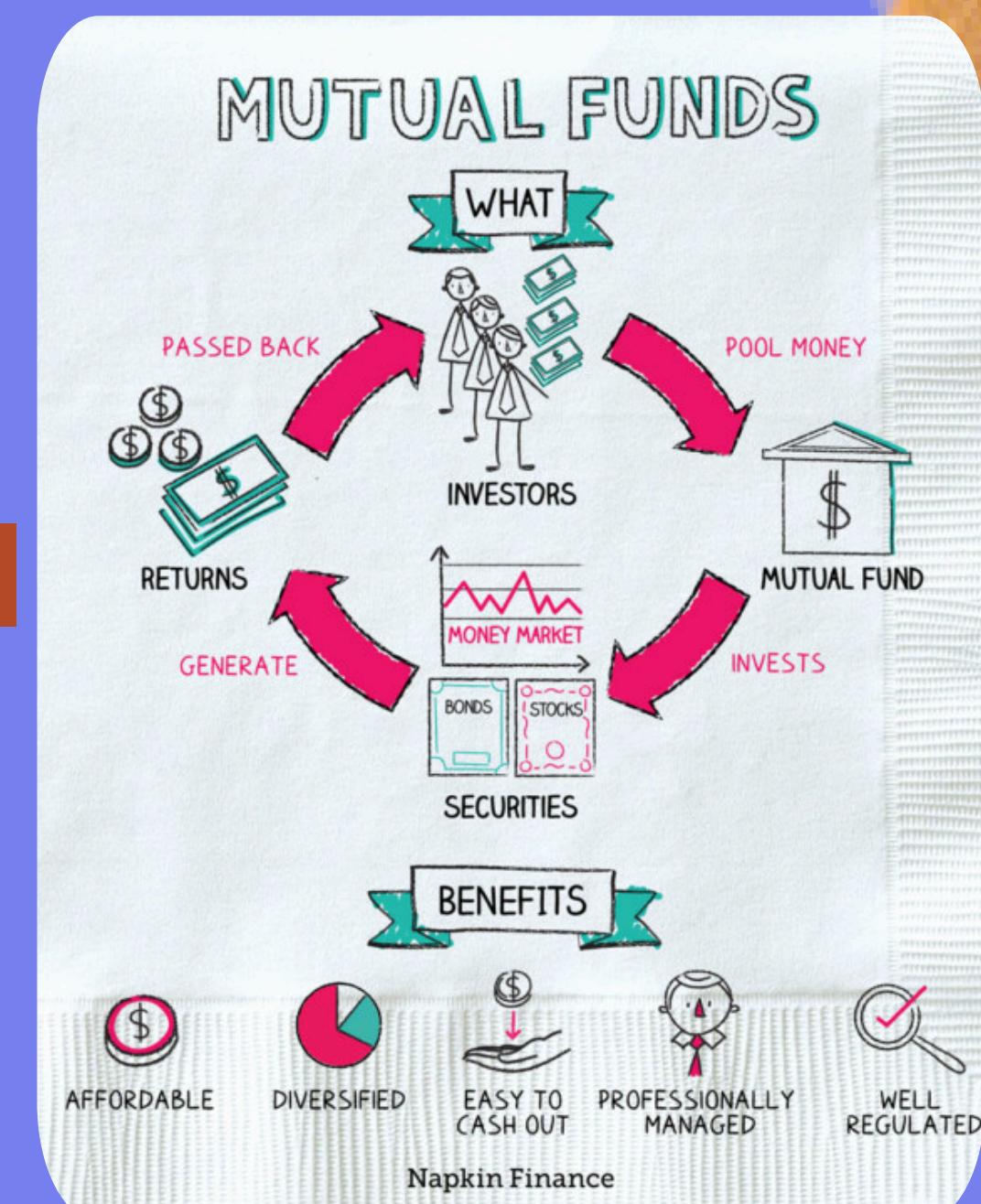
MUTUAL FUNDS AND ETFS



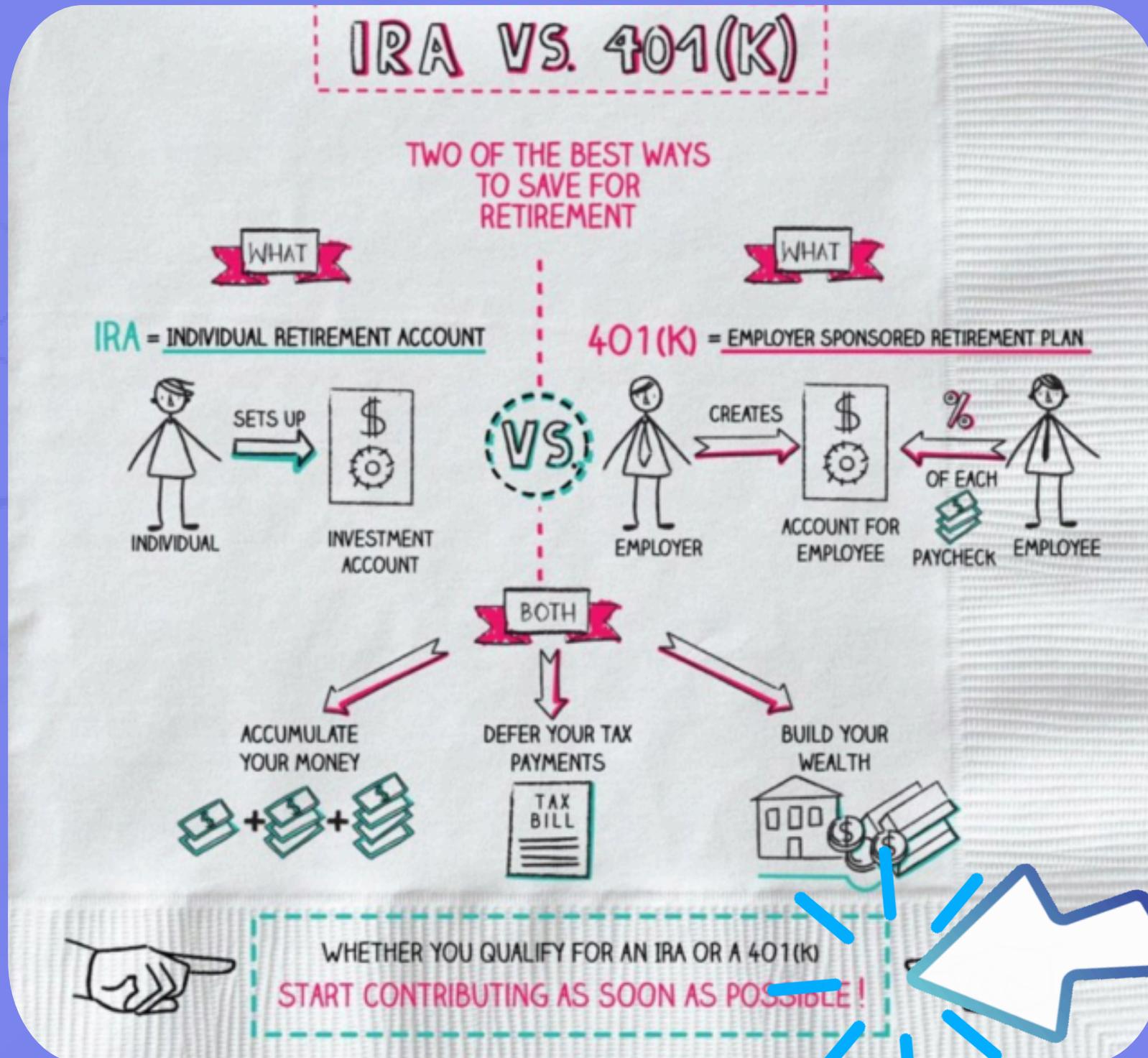
DEFINITION OF
MUTUAL FUNDS
AND ETFS

HOW THEY WORK

BENEFITS OF
DIVERSIFICATION



INVESTING FOR THE LONG TERM



- The benefits of a long-term perspective
- Introduction to retirement accounts (e.g., IRAs for students)
- Time vs. timing the market

Technology in Saving and Investing

Financial apps and tools for saving and investing



Online resources for financial education



The role of robo-advisors

ROBO ADVISOR ARMS RACE



\$1 Billion in Assets Under Management



vs



PERSONAL CAPITAL



charles SCHWAB



Vanguard®



COMMON MISTAKES TO AVOID

"Avoiding these common financial mistakes requires awareness, research, and disciplined decision-making. Educate yourself on the fundamentals of personal finance, actively manage your investments, and continually adapt your strategies to align with your financial goals and market conditions."

NOT STARTING EARLY ENOUGH

OVERLOOKING THE
IMPORTANCE OF AN
EMERGENCY FUND

MISUNDERSTANDING
FINANCIAL PRODUCTS

FAILING TO DIVERSIFY

CHASING HIGH RETURNS
WITHOUT CONSIDERING RISKS

NEGLECTING REGULAR
REVIEWS

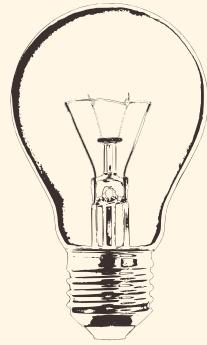
LETTING EMOTIONS DRIVE
DECISIONS

IGNORING FEES AND COSTS





TIPS FOR FINANCIAL SUCCESS



- Stay informed and keep learning
- Start saving and investing early
- Be consistent and patient

