

The Importance of Saving Money

Open a savings account early in life so you get into the habit of saving. Later you may choose to invest in stocks and bonds. Opening a savings account (now or within the next year or so) is a critical first step to a secure future.

Planning and Setting Goals

A good financial plan will make you feel good now thinking about what you will **be** able to do with your savings in the future. One of the best ways **to** save is to deposit money from your allowances or earnings as soon as you receive them. The idea behind this is that saving becomes a top priority.

You will be more successful at saving when you set financial goals. The goals may relate to a major purchase. Your goal might be to **buy** a musical instrument, sports equipment, or a computer.

Earning Interest

When you save regularly, the interest will help your money grow. You will earn interest on the original investment and on the interest earned. This is known as compounding interest. It is an important part of any savings plan.

Helping the Economy

Besides helping you reach goals for the future, saving also helps the economy. Your savings are returned to the economy to increase the flow of money. Thus, your savings may be used to help build a school, home, or highway that, in turn, helps many other industries prosper.