

5. Borrowing & Saving

5.1 Saving money



If you have some money left that you don't need to spend, you can save this money.

Money that you have saved up is called your **savings**

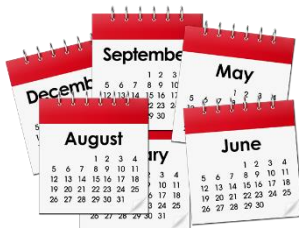
It is good to put money you don't need into a safe place.



A safe place could be a savings account at your bank or the credit union.

How to save money

When you get paid your benefits, put a little bit of money in your savings account.



Do this every month if you can.

You can use savings to pay for things that cost a lot of money:



- Like going on holiday
- Buying people presents at Christmas
- A new TV



Sometimes you might need your savings to pay when things go wrong

For example:

- if your washing machine breaks you can use your savings to pay for a new one.



If you don't have money saved up to pay for a new machine, you might have to go to the laundrette to wash your clothes.



Or, you might borrow money to buy a new washing machine.

But you will have to pay the money back.

And you will have to pay to borrow the money

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5.2 Where to keep the money you save



There are different places to save your money

Think about:

- How to get your money out
- Keeping your money safe so you don't spend it by mistake
- Making sure that other people can't spend your money if you don't want them to





You can open a **savings account** with your bank



Good

You will get a little bit of extra money for keeping your money in the bank.

This extra money is called interest.
Think about:



How to get your money out of the bank.

Some savings accounts will not let you get money out unless you go into the bank



You can save money with the credit union



Good

Some people find it easier to open a credit union account than a bank account.

You can also get a loan if you keep some savings in the credit union.

Think about

It is sometimes harder to get your money out of the credit union. You will normally have to go to the credit union.

You can save money yourself at home

Good

It is very easy to put the spare change from your pocket or your purse into a jar

You can see how much money you have got

Think about

It is very easy to take money out from a jar at home. This might make it harder for you to save money.

Other people might take your money.



Keep your jar in a safe place where other people can't see it.

Do not keep lots of money at home. It is not safe



Some people give money to their friends or family to save



This can cause arguments



You might not get your money back because:

- The person has spent your money by mistake
- The person has spent your money on purpose