

Your Sherpa, LLC

Audio Session #10

Making Daily Decisions to Save & Build Wealth
What to Do With Savings

Outline for session #10:

Problem:

- General lack of financial literacy

Solution:

- Learn to be financially literate:
 - Learn **why** we must save (session #8)
 - Learn **how** to save (previous session)
 - Learn **what** to do with savings (***this session***)

Outline for session #10:

You saved! Now what?

- Understanding some language and the landscape of savings and investments is enough to decide how to move ahead – managing your own personal finances, engaging professionals, or some combination
- Really, it is ***not*** too intimidating!
- **Disclaimer** - I am providing a high-level overview only. I am not giving personal investment advice. I am not a registered investment advisor or financial planner.

Outline for session #10:

Savings vs. Investments

- Savings (think protection) vs. Investments (think growth)
- To save is to put money aside for the future
 - Some savings are “spent money” for near-term needs
 - Emergency fund savings or near-term needs can’t be put at risk
 - Savings accounts pay a small amount of interest and can be accessed
- To invest is to put some of your savings to work to grow
 - Growth won’t happen in a straight line. Start young to ride out ups & downs

Outline for session #10:

Investment Decisions & Considerations

- Allocation – mix of assets (cash, stocks, bonds, real estate, etc.)
- Diversification – don't put all your eggs in one basket; risk management
- Risk tolerance – your ability to “sleep at night”; ability to handle market/asset price volatility (usually refers to handling declines)
- More risk management – insurance, identity protection, etc.