FINANCIAL FITNESS:

LEVEL UP

FUNDING YOUR FUTURE

Whatever you want to achieve, a specific goal or just building up a rainy day fund, understanding the options with saving and investing will help get you there. They are similar in that they can both help you grow your money, but there are some important differences to be aware of.

	SAVING	INVESTING
HOW IT WORKS	You can choose to save a fixed amount on a regular basis, or lump sums as and when you can afford. Savings earn interest over time, adding to the amount you save.	Similarly to saving, the aim of investing is to put money aside to increase in value. An investment may see a greater return than savings, but it usually comes with a greater element of risk.
RISK FACTOR	With cash savings, you can plan and predict the amount you put away, and be sure that the value won’t drop.	The value of investments can go down as well as up, so you may get back less than you invest. There is an element of risk in investing but potentially the higher the risk, the greater a return.
OPPORTUNITY	Your money will grow in line with the interest rate on your account - less risky than investing, but with low interest rates, savings accounts may not offer the same returns.	You don’t need to have a large amount to start investing. You can begin today by investing just £50 per month, so have a look around at what best suits your needs.
TIME FRAMES	You can set up an instant access account, or commit to save over a fixed period of time, minimising temptation as there will be penalties to withdraw. Savings can be used for short, medium and long term goals ie. Holidays, car, unexpected bills.	There’s no fixed term and your money can be accessed at any time. However, you should aim to invest for at least 5 years.

HSBC UK

TOP TIP You should always aim to have 6 months of living expenses available to cover any bumps in the road.