

**SANPAOLO UNDERSTANDING PROJECT
FINANCIAL EDUCATION/INFORMATION PROJECT
“SAVING MODULE”**

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SAVINGS

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There is a very important voice in our family budgets: savings.

Savings are what we manage to put aside from our budget at the end of the month or of the year after paying for all the expenses, fixed and unavoidable ones like bills, variable ones depending on our consumption choices like food, clothing, gym, and occasional or extraordinary ones like a gift that we want to give ourselves!

Savings are our personal “insurance” for the future.

Savings choices

It is possible to save in many ways, making appropriate consumption choices.

Let's consider **fixed expenses**, like electricity bills. Is it possible to save? Of course, with the benefit of also saving the planet. How often have we left the lights on when leaving a room? Or turned the air conditioning to the maximum without turning it off when we go out? And the washing machine or dishwasher: have they been turned on with a full load? Even using electricity in minute amounts, like with the TV on standby, is statistically one of the greatest electricity waste and it can have an impact on the bills we pay!

Variable expenses can clearly be reduced with the choice of less expensive products ([Link to What's the price video](#)). But saving is not necessarily sacrifice, but making intelligent choices, in this case too with positive consequences for our budget. Let's take the example of food. According to European data, families are among those responsible for some of the greatest food waste, because of excess purchases and poor storage. Well planned expenditure can reduce family food costs and global costs in terms of waste of resources.

Occasional expenses are of course the ones on which it is easiest to save, or rather decide to postpone a purchase to allocate part of our income to a more important project: shall I go to the cinema or save the money to be able to buy my brother a birthday present next month?

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Every member of a family can make saving choices, but all must have a good reason to do it.

Responsible and shared saving. Savings are an important issue to discuss in family, in particular with younger members. One of the advantages of economically advanced societies is the availability of consumer goods, in respect of which young people find difficult to understand the need to make choices before spending or to postpone the purchase of something wanted. Also for this reason it is useful to get young children used to manage independently a small sum of money, "pocket money". Of course, it is necessary to establish shared rules and conditions: what are the expenses children are responsible for and needs to be paid out of pocket money? If pocket money runs out, how to behave when wanting to buy something? The purchase is postponed! And next time, more responsible choices will be made. It is always useful to learn from one's mistakes!

But why save?

Savings are made to meet future needs and **projects** (for example, the anticipation of the birth of a child, children at university, a planned holiday, the purchase of a home...). Putting money aside as savings meets this first important need.

But savings are also important for **security**: to deal with unexpected events, such as the washing machine breaking down or, God forbid, an urgent medical need.

Another form of reserve is savings for **welfare**, which require periodical and planned payment, on a voluntary basis, for the subscription to insurance policies and/or pension funds.

We can also put money aside and make it work for us, with **investments** in financial products, from which to derive further sources of income through matured interest, payment of coupons or dividends.

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Where to place savings

For a very long time it has been understood that keeping one's savings "under our mattress" was not very safe nor is it productive to keep savings hidden away, as in "Scrooge McDuck's deposit". Money is safe, it becomes productive, generating interest, creating new wealth, when it is placed in banks, where professional experts make it circulate.

The role of banks, since their origin, was precisely this: to gather savings, use them to make investments that produce an income and grant loans to individuals, companies and public bodies so that they can improve, meet needs and develop.

Every bank decides the details of how they can manage the savings that are deposited with them according to the saver's objectives: projects, security, welfare, investments.

For every item the saver has several options at their disposal, with different costs, advantages, any risks. These are all options whose pros and cons we can analyse today thanks to information provided online and choose responsibly and directly online.

An always available expert. For any doubt, all banks have today developed a dual communication channel: through the internet, also through social media, by telephone, with experts in the branches.

For further information

A particular saving formula is investment in precious objects (gold, precious stones, pictures, sculptures, furs, etc.) and property. These are the "safe havens", chosen to safeguard assets threatened by phenomena such as inflation ([link to What is inflation video](#)).