

Objectives and goals

Measurable means

1

2

Aspirations

People who focus too much on satisfying wants

Savings: The basics

-

-

-

-

Compound interest



Interest paid =



Topic 3 Planning for the future

AER means

Length	Timescale	Details/actions	Example
Short term			
Medium term			
Long term			

Objectives and goals

Measurable means

- 1 what we want to achieve is clear
- 2 we know when we have achieved it

Aspirations

People who focus too much on satisfying wants **at the expense of needs can struggle financially**

Savings: The basics

- Paid interest on money deposited
- Great if you want access to money in the near future
- Protected up to £75K if bank gets into financial trouble
- Long term rewards not great

Compound interest



Interest paid =



Topic 3 Planning for the future

AER means Annual Equivalent Rate

Length	Timescale	Details/actions	Example
Short term	Up to 12 months	Budget plan of money in and out each month. Help see the pressure points and take action to prevent problems	Weekend away New dress/suit
Medium term	1 to 5 years	Depends on age as if 60 retirement isn't long term. Low risk investments might be an option so not tied up. Deposit in savings a good option so easily accessed and less risk with money	Getting married Buying a sports car
Long term	5 years and over	20-30 years to pay off a home Instant access not an issue so investments in shares and property become more suitable	Family home Adventurous retirement