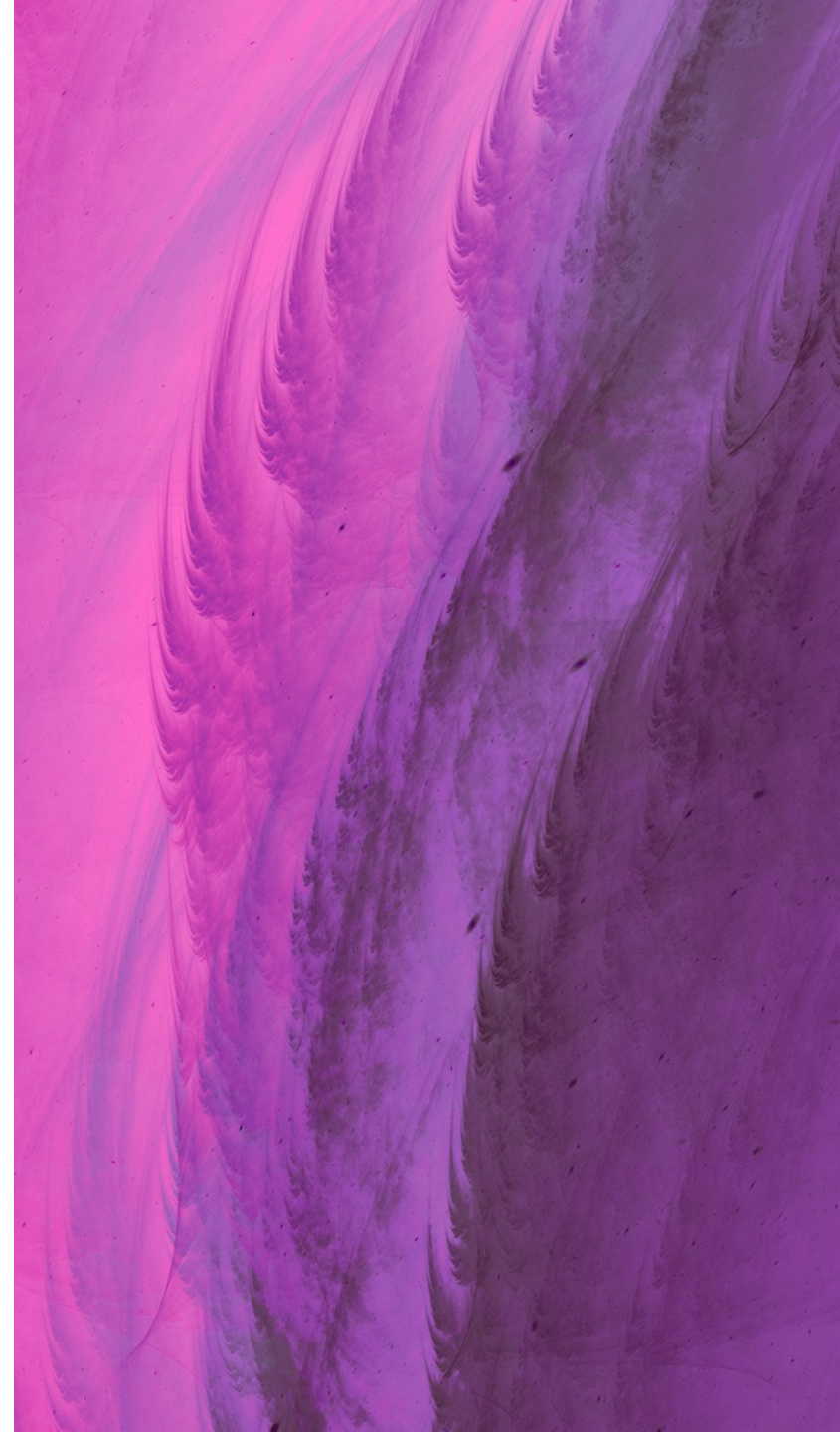


# Getting Started: Savings & Investments

*Establish a firm foundation to begin saving and investing money to achieve your goals.*

**Paige Thompson**  
**The Financial Paiges**

March-8-2021



# Agenda

- **Introduction**
- **Foundation to Saving and Investing:**
  - **Identifying Your Why**
  - **Knowing Your Numbers**
  - **Building a Budget**
- **Getting Started:**
  - **Saving**
  - **Investing**





# Introduction

- Paige Thompson
- Non-profit Justice Researcher in Washington, DC in the United States
- Creator of The Financial Paiges
- Our financial journey
  - Cash-flowed our dream wedding.
  - Paid off \$23,000 USD in debt in 16 months as newlyweds.
  - Saved 6 months of expenses for an emergency fund in 7 months.
  - Since then, we've been saving and investing ~40% of income each month.



# Identifying Your “Why”



# Identifying Your “Why”

## What are your reasons for prioritizing saving and investing?

- **Everyone’s why is different:**
  - Financial security for your family
  - Emergencies
  - Retirement
  - Education
  - Home ownership
  - Travel
  - Wealth- and legacy-building
- **Center your financial journey around your why; your money mantra informs your habits.**
- **Let your why evolve with your needs and personal growth; regularly reassess your why.**
- **Share your why with others; accountability is key.**

# Knowing Your Numbers



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# Knowing Your Numbers

## 9 Numbers to Know as a Beginner

- Monthly Income
- Tax Rate
- Monthly Fixed and Variable Expenses
- Checking Account Balance
- Savings Account Balance (Including Emergency Fund and Sinking Funds)
- Credit Score
- Total Debt
- Savings Rate
- Interest Rates (Debt and Savings)

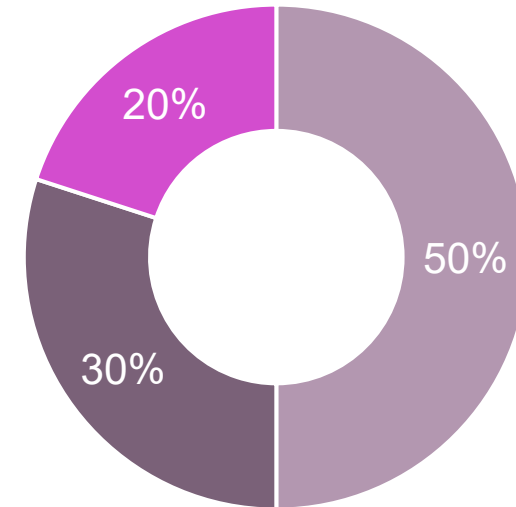
# Building a Budget



# Building a Budget

## Budgeting Guidelines

- Make a budget that reflects your needs, priorities, and goals.
- Use your monthly income, fixed and variable expenses (including debt) to determine how much is left for saving and investing.
- Consider increasing your income, decreasing variable expenses, or using “money hacks” to free up more money to save and invest.
- Choose a budgeting plan.
  - 50/30/20 budgeting
  - Zero-based budgeting
  - Cash envelope system
  - Budgeting apps and software
- Revisit and readjust monthly.



■ Needs ■ Wants ■ Savings

# Saving



## Getting Started with Saving

- Set savings goals (remember your why!)
  - Start small with incremental and implementable strategies.
  - Set a time frame.
  - Track your progress.
- Automate savings or save before you spend.
  - Treat your savings like a bill you must pay.
- Establish an emergency fund first.
  - 3-6 months of expenses
- Consider sinking funds to stay organized.
  - Annual expenses, car purchase, home down payment, home or car maintenance, travel, etc.

# Investing



## Investing for Beginners

- Decide whether you are investing for short-term or long-term.
- Prioritize investing through employer-provided and tax-advantaged accounts.
  - Canada: Registered Retirement Savings Plan (RRSP) and Tax-Free Savings Accounts (TSFA)
  - United States: Roth Individual Retirement Account (Roth IRA) and employer-sponsored accounts with Roth options
- Know investment account income and contribution limits.
- Diversify but resist the urge to modify your portfolio in response to sudden changes in the market.
  - Spread your investments across stocks, bonds, and mutual funds with percentages in each category that suit your risk tolerance and withdrawal timeframe.
  - Pay close attention to fees and expense ratios.
- Consider DIY-investing, passive investing, financial advisors, or a combination.

# Thank you!

Questions or feedback?

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Instagram: @TheFinancialPaiges







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