SAVING VS. INVESTING

Direction: Choose whether the statement described is SAVING or INVESTING.

Short-term: Ready to go
Typically for smaller, shorter-term goals in the near future (usually three years or less) like going on vacation or having money for an emergency

Long-term: Achieve major goals
Can help you reach bigger long-term goals (at least four to five years away), like for a child's college education

Harder to access cash
Typically not as easy to get your hands on your money quickly as compared to the other

Ready access to cash
Gives you access to ready cash when you need it. But many accounts do limit how often you can take your money out. You need to ask at your bank.

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Minimal risk
If your money is in an FDIC-insured account, it's at minimal or no risk, because your funds are insured by the Federal Deposit Insurance Corporation (FDIC). That means that if anything ever happened to the bank, the FDIC insures each person's money to at least $250,000.

Always involves risk
You may lose some or all of the money you use

Potential for profit
Have the potential for higher return than the other. It may appreciate (go up in value) over time. This increases your net worth, which is the value of your assets (what you own) minus your liabilities (what you owe). If you sell for higher price than you put in initially, you make a profit.

Earn interest
You can earn interest by putting money in this account, but it generally earn a lower return than the other

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