



PLANT YNG NGHYMRU
CHILDREN IN WALES

Money- putting money aside

A young person's guide

Resource 4 of 12



You may also like to read these resources:

- Budgeting
- Money- I need some
- Keeping my money, possessions and myself safe

Getting Ready Project



To increase your chances of being able to save money, make sure you are getting all of the money you can from other places.

Grants

Depending on your current income from benefits or a job, you may be able to get access to a grant. A grant is money you receive to help you pay for a specific item. You do not have to pay a grant back

- See our resource for parents if you have a child
- See our resource on benefits and entitlements to see what you may be able to get towards energy costs
- Speak to your personal advisor to see if you can get any grants from the local authority
- The Princes Trust offer grants towards some basic costs of training or a new job
- Capston Care Leavers Trust offer grants to care experienced young people for essential items

Selling items

If you have some things you no longer use such as clothes or computer games try selling them to raise much needed money.

Places you can try selling items include:

- eBay
- Facebook- buy/sell groups
- Shpock
- A local computer game exchange store

Junior ISA/ Child Trust Fund

- If you were born between 01/09/2002 and 02/01/2011 you will have a Child Trust Fund
- If you have been in care for over 12 months a Junior ISA may have been set up for you by the local authority
- Once you turn 18 you can get this money if you need it
- However if you don't need it now, how about carrying on saving the money so you have money when you need it

Employment

If you are in work and you need more money you may want to try:

- Asking if there is any overtime available in the coming weeks
- Checking you are receiving what you are entitled to by going to our Benefits and Entitlements- employment resource.
- Checking whether you can claim some benefits at the same time as working. See our resource on employment or contact your local Citizens Advice

Benefits

Whether you work or not, you may be able to claim some benefits.

To check you are getting what you are entitled to see our:

- Benefits and entitlements resources
- Speak to your local Citizens Advice
- Speak to your Job Centre Work Coach

Examples of savings accounts

Easy Access:

- Post Office - 3.4% AER
- Leeds Building Society- 3.4% AER

Regular Saver: (more than £25 per month - no more than £300 per month)

- First Direct- 7% AER
- Lloyds Bank Club Monthly saver - 6.25% AER

Limited Access:

- Nationwide Building Society- 3.2% AER (only 3 withdrawals a year)

Examples given are not considered the 'best' accounts but are just used for illustrative purposes. Many banks and building societies offer savings accounts

Interest rates above are correct as at May 2023

TYPES OF SAVINGS



There are different ways you can save money, depending on how quickly you need to get your hands on it. This guide will briefly look at a few of the options.

Easy Access

- As the name suggests, this type of savings account means you can get your money quickly and with no penalties.
- These accounts are easy to set up
- You can usually put in as much or as little as you want each week/month
- You can usually take out money as often as you want through the year
- The interest you gain is likely to be less than other types of savings

Did you know?

- You can open a savings account with any bank you want, not just the one where you have your current account.
- So make sure you shop around for the best one.

Regular Saver

- A savings account where you have to pay in a set amount each month
- The amount is usually between £25 and £250 per month
- Some accounts may 'penalise' you for taking money out
- The interest rate may be fixed for a year. This means it reduces a lot at the end of 12 months

Check out www.moneysavingexpert.com for up to date advice.

AE What?

- AER. Annual Equivalent Rate.
- This is the actual amount of interest per year that will be earned for putting money in savings.
- It is your reward for saving money

Help to Save

- If you are on Universal Credit and in work you can use Help to Save
- You can save between £1 and £50 per month
- You receive a bonus at the end of the second and fourth year.
- This bonus is worth 50p for every £1 you save (assuming you don't take money out of the account) which is much higher than any interest you will get from saving with a bank
- To apply go to

<https://www.gov.uk/get-help-savings-low-income>

Limited Access

- For this type of savings you will only be able to take money out on a couple of occasions each year
- This may be between 1 and 4 times per year.
- If you have to take money out more often the bank will lower the interest rate



With changes in technology come new ways to save. Here are some examples with and without technology

Examples of how your money could grow

Easy Access (3% AER example):

- Save £5 per month
- After 12 months you will have saved £60
- Plus £1.80 interest

Regular Saver (6% AER example)

- Save £25 per month
- After 12 months you will have saved £300
- Plus £18 interest

Limited Access (3% AER example)

- Save £10 per month
- After 12 months you will have saved £120
- Plus £3.60 interest

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1p savings challenge

- A way to save over £650 per year
- Save 1p on the first day
- On the next day add an extra penny and so on
- Money Saving Expert have a tool to keep track of your saving
- <https://www.moneysavingexpert.com/team-blog/2019/12/the-1p-365-day-savings-challenge/>



Envelopes

- Use a bank or app that allows you to automatically set aside money into 'envelopes' or 'pots' for example Monzo
- This way money will automatically be taken out of your main account and put into a savings 'envelope' or an envelope for your essential bills.
- This will allow you to save money while barely noticing

Save the change

- A number of banks are now offering this scheme
- When you pay with a card, they will round up the amount to the nearest pound and save the difference
- So if the item costs £3.60 you will be charged £4 with 40p going into a savings account
- You can set this automatically through your online banking if your bank has this functionality

Did you know?

- You can open a savings account with any bank you want, not just the one where you have your current account.
- So make sure you shop around for the best one.

Standing orders

- You could also set up your own savings accounts
- Then set up standing orders to go out the day your money comes in
- That way you won't spend it first!

OTHER
WAYS
TO SAVE

Further information

For further information on what banks, building societies and credit unions have to offer including the differences between different savings accounts go to:

- <https://www.moneyadviceservice.org.uk/en>
- <https://www.moneysavingexpert.com/>

CREDIT UNION SAVINGS



An alternative to the usual banks and building societies on the high street are credit unions. Here we will discuss what they have to offer.

Credit Union

There is a credit union near you. They offer a number of different things:

- Simple savings
- Loans
- Current accounts



Caerphilly

- Smart Money Cymru Credit Union
- 02920 883751

A credit union works by using lots of people's (members) savings to help loan people money



- Putting money aside to save for that thing you really want is very rewarding.
- You will really feel like you have earned that item!

Savings

- Opening a savings account is designed to be very straightforward
- You can save as little or as much as you want each week or month
- You can take out money as often as you need
- Once you have an account you become a 'member' of the credit union.

Interest

- Instead of getting interest on your savings, you earn a dividend each year.
- A dividend is an amount given each year.
- The amount split between the members is based on the 'profit' the credit union makes

- The easiest way to save money is to put some aside as soon as your wage or benefits come into your account.
- This way it removes the temptation to spend it!!

