

# Savings, Investments & Wealth Building



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# Consortium



# Introduction

- The goal of FinaLY is to make young people smarter with financial decisions
- Young adults begin making key money choices like saving and spending, in a financial world full of risks and opportunities
- Many young adults in Europe don't fully understand basic financial topics like saving, budgeting, or using credit
- According to an international study by the OECD in 2020, about half of EU adults struggle with financial knowledge



# Objectives

By the end of this presentation, we will be able to:

- Understand why it's important to start saving early
- Explore different types of savings accounts and options
- Learn the basic principles of investing
- Recognize and assess risks when investing
- Spot scams and unsafe financial products
- Know how to research and evaluate financial opportunities



# Importance of saving early

- Saving from a young age helps build long-term financial security
- It allows individuals to take advantage of the power of compound interest.
  - Compound interest grows your money **exponentially**
- The earlier you start, the greater the benefits over time.
  - Saving even small amounts early can lead to **significant returns**



# Importance of saving early

Example: **€50** per Month Saved

Starting Age	Monthly Saving	Interest Rate	Value After 30 Years
Age 20	€50	4% annually	<b>Over €35,000</b>
Age 30	€50	4% annually	<b>Less than €20,000</b>

**Key Insight:** Starting 10 years earlier can result in **almost double** the amount saved!

# Saving Options



## Types of Saving Options

- There are several tools available to help build savings, with different levels of accessibility and interest rates
- **Savings Accounts:** Easy access, low interest rate
- **Fixed-Term Deposits:** Locked for a specific period, higher interest rate
- **Digital Saving Platforms:** Use mobile apps to save small amounts automatically (e.g. round-up savings)

Choosing the right option depends on your long term goals and financial habits



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# Saving Options



## Example: Imperceptible savings

- Marios uses an app that **rounds up** his daily purchases and saves the change
- In just 6 months, he saved **€120** without realizing it
- Digital tools make saving **effortless and consistent**



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# Introduction to Investing



- Investing is a way to grow your money over time
- Even simple investment options can offer better returns than traditional saving accounts
- **Stocks:** Higher risk, potential for high returns
- **Bonds:** Lower risk, provide regular and stable income
- **Mutual Funds:** Diversified mix of investments, managed by professionals in the field



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# Introduction to Investing



## Example: Diversified investments

- Anna invested **€1000** in a **mutual fund** that includes both **stocks** and **bonds**
- After 2 years, her investment yielded a **+6% return**
- Diversified investments help balance risk and reward



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# Spotting Risks and Scams

- Not all investment opportunities are safe or legitimate
- Scams often promise quick and unrealistic returns
- Learn to recognize the red flags
- **Common scams:**
  - **“Guaranteed 20% profit in 1 month”** investment offers
  - Emails/texts from “bank employees” asking for personal details or **login information**
  - **Fraudulent cryptocurrency platforms** promising quick profits without effort
  - Platforms that ask you to **invite friends** to “cash out”



# Spotting Risks and Scams

## Tips for staying safe

- **Never share** personal or banking information via email or phone, even if it is marked as “urgent” or “important”
- Always check if a company or platform is **licensed** (e.g., **CySEC** in Cyprus)
- Don't invest in something **you don't fully understand**  
- if it sounds too good to be true, it probably is.



# Evaluating Opportunities



- Before investing, it's important to **verify the offer** and assess the potential risks
- **Rushed decisions** can lead to losses or falling victim to scams
- Careful evaluation builds confidence and financial security



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# Evaluating Opportunities

## Investment opportunity checklist

- ✓ Is the company **well-known** or officially recognized?
- ✓ Are the **terms & conditions** clear and transparent?
- ✓ Is there **customer support** or contact information available?
- ✓ Are there multiple positive **user reviews** over a long time?
- ✓ Have I **compared** it with other available options?



# Risk Evaluation

- Every investment involves some level of **risk**
- Risk refers to the possibility of **losing part or all of your money**
- Understanding the risks helps you make smarter financial decisions
  - **Low Risk:** Government bonds - stable and predictable returns
  - **Medium Risk:** Diversified mutual funds - moderate fluctuations
  - **High Risk:** Shares of new tech startups - potential for high gains but also high losses



# Risk Evaluation

## Investment Types vs. Risk Levels - Summary Table

Type of Investment	Risk Level	Brief Description
<b>Savings Account</b>	<b>Very Low</b>	Bank-supported; an account where you deposit your money with low interest and can transact freely
<b>Government Bonds</b>	<b>Low</b>	Backed by the government; steady and predictable returns
<b>Fixed-Term Deposits</b>	<b>Low</b>	Bank-guaranteed; low return but capital is protected
<b>Mutual Funds (Conservative)</b>	<b>Medium</b>	Diversified; managed by professionals with moderate fluctuations
<b>Corporate Bonds</b>	<b>Medium–High</b>	Higher return than government bonds, but with credit risk
<b>Stocks (Startups/Tech)</b>	<b>Very High</b>	High risk of failure but also high growth potential
<b>Cryptocurrencies</b>	<b>Very High</b>	Extreme price swings; highly speculative and unregulated



# Risk Assessment

## High vs. Low Risk: the differences

- Investments vary in **risk, potential return, and liquidity** (how easily money can be accessed)
- **Low-risk** options offer safety but lower returns
- **High-risk** options can offer high returns, but with the chance of significant losses



# Risk Assessment

## Investment risk, returns and liquidity comparison

Type of Investment	Risk Level	Potential Return	Liquidity
<b>Savings Account</b>	Very Low	Low	High
<b>Fixed-Term Deposit</b>	Low	Low–Medium	Medium
<b>Government Bonds</b>	Medium	Medium	Medium
<b>Mutual Funds</b>	Medium–High	Medium–High	Medium
<b>Stocks</b>	High	High	High
<b>Cryptocurrencies</b>	Very High	Very High	High

# Unsolicited Communications

## “Too Good to Be True” Offers

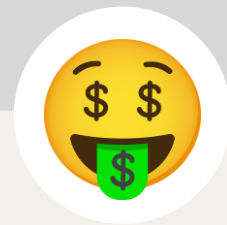
- **Scammers** often use promises of quick and unrealistic profits to lure victims
- These offers usually mention **no risk, promote urgency,** and utilize **anonymous communication channels**
- Recognizing **red flags** can protect you from serious financial loss



# Unsolicited Communications

## Example: Potential scams

You can give me €100 and I will give you €500 next week!



Sign up at this link, they give free money! They sent me €200!! 🤪

<https://scam.com>



Unknown number

If you had €1000 right now, how would you spend it? 😊



Instagram

make.money.fast has sent you a message.



# Unsolicited Communications



## Tips for staying safe

- If something sounds **too good to be true**, it **probably is**
- Always ask for a **second opinion** from a licensed financial advisor
- **Don't rush** - take time to **research and verify** before making any investment
- **Do not engage** with unsolicited communications promising financial returns



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# Balancing Risk and Goals



- Your investment risk should align with your **age, needs,** and **financial goals.**
- As your life stage changes, so should your investment strategy.
- The right balance helps maximize growth while protecting your savings.



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# Balancing Risk and Goals

Matching risk with life stage

Age Range	Main Goal	Acceptable Risk Level	Suggested Investments
20-30 years	Focus on capital growth	High	Stocks, ETFs, startup investments
40-50 years	Combine moderate and safe options	Medium	Mutual funds, government bonds
60+ years	Priority is on safety and liquidity	Low	Fixed-term deposits, savings account
Adjust gradually - as age increases, shift more funds from high-risk to lower-risk assets.			



# Balancing Risk and Goals



## Key takeaways

- No one-size-fits-all investment approach
- Review your financial goals regularly and adjust your portfolio accordingly
- The goal is not to avoid all risk, but to **manage it wisely** based on your personal situation



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# Regulation and Safety Nets

- **Regulatory authorities** aim to protect consumers and ensure market transparency
- They **supervise** financial institutions and **enforce** compliance
- However, **no system is 100% foolproof** - awareness is key

## What Regulators can't do

- Regulators **cannot prevent all scams** or poor investment decisions
- Consumers must stay **informed** and **cautious** of current issues
- Shared responsibility - authorities provide safeguards, but personal vigilance is essential



# Regulation and Safety Nets



## Key Supervisory Authorities

- **Cyprus:** Cyprus Securities and Exchange Commission (**CySEC**)
  - Monitors financial organizations and protects investors.
- **European Union:** European Securities and Markets Authority (**ESMA**)
  - Ensures transparency and investor protection across EU markets.



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# WRAPPING UP



# Training Seminars

**All participants are entitled to register for FREE training:**

## **Participation:**

- Physical (Cyprus and Ireland)
- Online

## **Sessions:**

- 4 online webinars
- Physical Hands-on workshops
- Discussions
- Certification of participation

\* Each participant should complete a feedback form at the end of each bootcamp



# Feedback and courses



We would be grateful for your feedback, in order for us to improve future training sessions



The class365 platform contains all educational material in Greek and English, including recordings, resources and tools

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