

## Worksheet: Saving and Investment Products

|                         | <b>Savings</b>  | <b>Investments</b>                                  |
|-------------------------|---|---|
| <b>OBJECTIVE</b>        | Short-term needs or emergencies   | Long-term growth                                    |
| <b>PRODUCTS</b>         | Savings account, money-market account, CD   | Stocks, bonds, mutual funds                         |
| <b>RISKS</b>            | None on capital if FDIC insured (limits apply — contact local institution), but there is inflation risk | Varies, depending on investment product             |
| <b>SOURCE OF RETURN</b> | Interest paid on money deposited  | Interest, dividends, or capital gains or losses     |
| <b>KEY BENEFIT</b>      | Money is safe and accessible  | Returns have outpaced inflation over the long term  |
| <b>KEY DRAWBACK</b>     | Returns historically have not outpaced inflation over the long term                                     | Risk of losing money if securities decline in value |