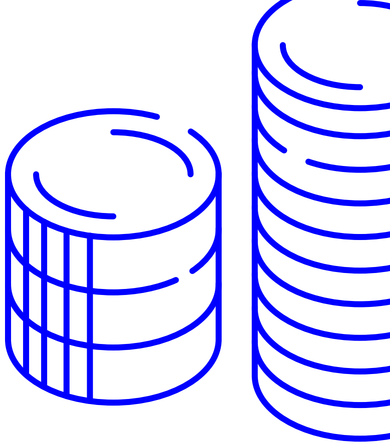
Begin

Should you be saving or investing your money?

Bank of Ireland



Should you be saving or investing your money?

Despite the financial uncertainty caused by market turbulence, you still need to be putting money aside for the future. Depending on how near your savings goal may be, you could decide to stay with a simple deposit savings product, or if your goal is longer-term, then an investment product might be a preferable option.

Saving means putting money aside, gradually, in a bank deposit or regular savings account and earning interest. People generally save for a particular goal - a new car, a deposit for a house, or to build up a rainy day fund, knowing that their capital is not at risk.

Investing typically means committing your money for a longer period of time in the hope of getting a better return than you would by saving in a deposit account. There is risk involved, but you can choose the level of risk you are comfortable with. There is usually no guarantee that you will get a return on your money or that you will get all of your capital back. However, depending on how your investment performs, you could potentially get a higher return from investing than you would from a deposit account.

Saving and investing are both good ways to grow your money - but they are quite different.

How do you decide whether to save or invest?

Ask yourself these questions:

Will you need to access your money within 5 years?

Are you happy to invest your money for more than 5 years, or do you think you might need it sooner? If you think you might need it within 5 years, you might want to consider a deposit savings account instead of an investment.

Can you leave your money untouched for more than 5 years?

If you can commit to investing for more than 5 years, there are a range of investment options for you to choose from which could potentially provide better long-term returns than deposits. This could be important if you want to you achieve longer term goals such as building a child's education fund. Finding which approach is right for you is important.

When should you consider investing?

You may want to consider starting to invest after you have built up some savings in a 'rainy day' fund, paid off any high-interest debts and committed to a retirement plan.

Have you built-up your rainy day fund?

Before investing, try to save at least 3 to 6 months of living expenses so that you are covered if you suddenly have to pay for an unexpected event such as a gap between jobs or having to replace a car.

Set up a direct debit or standing order to pay money into a deposit account or a regular saving account as soon as you get paid. You can start from as little as you like a month - the most important thing is to start.

Have you paid off any high-interest debt?

If you have a high-interest loan or a credit card debt, you are usually paying interest payments as well as repaying the capital. By paying off the high-interest debt in full as soon as possible, you'll reduce the total amount you owe faster, freeing up money to put toward savings or investing later on.

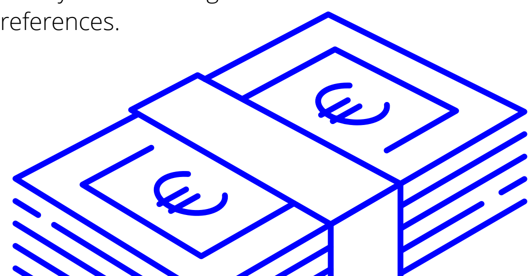
Are you making pension contributions?

If one of your long-term goals is a comfortable lifestyle in retirement, you should contribute the maximum amount you can afford into your pension plan.

Are you putting money aside towards kids' college expenses?

It is important to start putting money aside for your children's 3rd level education as early as possible if you can. If these expenses are more than 5 years away, you may want to consider the investment options available.

Investing in funds is straightforward and accessible. Whether you're new to investing or a more experienced investor, you can choose an approach to suit your financial goals and preferences.



Saving and investing compared	
Saving	*Investing*
Access A savings or deposit account gives you access to your cash when you need it. Some deposit accounts have restrictions on the amount, frequency or notice required to make withdrawals.	**Access** Investments can usually be accessed immediately subject to some restrictions but it's recommended that you invest for a minimum period of 5 years.
Risks Little or no risk to your capital Inflation may mean the real value of your money is eroded over time.	**Risks** Your funds are subject to the normal risks of investment in the stock market. You invest in assets such as equities, property, bonds and commodities. The value can rise and fall on a daily basis and you could lose some or all of your investment. If you invest in funds with exposure to different currencies, the value can be affected by changes in currency rates.
Return You can earn interest by putting money in a savings account, but savings accounts may earn little or no levels of return depending on current interest rates.	**Return** Investments have the potential for higher returns than deposits. The value of your investment will depend on the performance of your funds.
Guarantee Your funds are covered, subject to limits, by the deposit guarantee scheme.	**Guarantee** Generally your capital is not guaranteed, unless you choose an investment with a capital guarantee.

Warning: If you invest in this product you may lose some or all of the money you invest.
Warning: The value of your investment may go down as well as up.
Warning: These funds may be affected by changes in currency exchange rates.

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