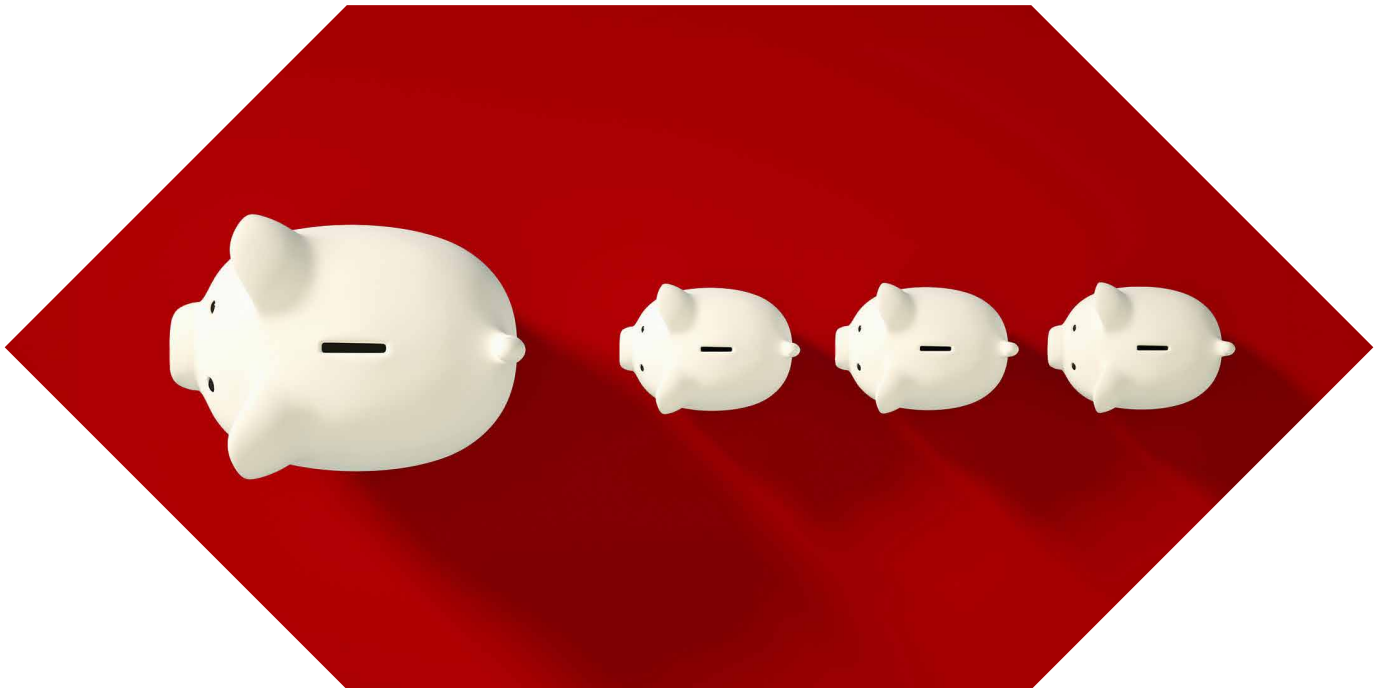


Financial education for pre-teens

Saving



HSBC

| Opening up a world of opportunity

How to save money as a teen

Saving money may feel like a challenge, but it doesn't need to be.

Here are some tips for getting started.

1 Open a savings account



A savings account gives you somewhere to keep the money you want to save – reducing the temptation to spend it.

The savings accounts offered by different banks may have slightly different features or offers. It's worth finding out about these before you open a savings account, so you can choose the type that suits you best.

If you're under 18, your parent or guardian may need to come with you when you open a savings account.

2 Work out what you can save



When you receive money, it can be tough to work out what to save and what to spend. That's totally up to you, but you could set yourself limits. For example, you might want to put 20% of your money into your savings and keep 80% for spending on things like transport or eating out. Or perhaps you want to split it 50-50. The more you can save, the faster you'll reach your goal.

3 Set a savings goal



Setting a specific goal for your saving can help you stay on track. There are apps that can show you how much you need to save each month to achieve your target by a specific date. When setting a savings goal, make sure it's realistic so you don't leave yourself short or have to miss out on events with friends.

To help keep your goal at the front of your mind and remove the temptation to dip into your savings, you could try writing your goal down and keeping it somewhere you can see.

If there's nothing in particular you want to save for, you could try setting yourself milestones to hit. For example, you could aim to save HKD200 and then increase this to HKD500 or HKD1,000 when you've hit your target.

4 Make changes to your spending



If you want to save more to reach your goal quicker, you could try tracking what you currently spend. A budget will show you where your money is going and where you could cut back to save more.

You can also consider a method called 'round-up savings'. Say you stop at your local coffee shop for a coffee to go. It costs HKD25. You then round up the price to HKD30, with HKD25 going to the merchant and HKD5 going to your savings. Making small changes like this can have a big impact on your savings over a couple of months.

5 Keep saving



It may feel hard to get into the swing of saving money at first, but it's important not to get disheartened if you forget to save one week or if you save a bit less than usual. Putting away a small amount is still useful and will help towards your overall goal.

If you reach your target, whether it's to buy a new item or hit a milestone, you don't have to stop saving. You can carry on saving for another item on your list, or aim for a new milestone.

