



# The Journey of Unemployed Adults from Financial Literacy to Entrepreneurship

Financial Literacy Curriculum Content

# MODULE 1: Finance For All

## Lesson 6: Accumulation

# Lesson 1: Accumulation

*Accumulation is that putting money aside for future use.*

In other words, the money you set aside as soon as you receive your income is Accumulating. If you reserve money while spending, then you are Accumulating your money.

Turning savings into accumulation is an important skill for all of us. Applying valuable assets and planning disciplines and managing our resources is an essential part of vital planning.

# Lesson 1: Accumulating begins in your mind

After answering the questions why and how much, we can focus on the question of ***how to accumulate***.

The first thing you need to do is set expectations and goals. “I’m accumulating this money, but what will I use it for” is a question that you need to answer as soon as possible.

You can increase your motivation for saving by making short, medium and long-term plans that can be accessible. The money you will accumulate for a holiday you will go on during the holidays is at least as valuable as the money you set aside for the private pension fund. Of course, if you don't mind to prioritize your accumulations.



# Lesson 1: Accumulating begins in your mind

In addition to setting goals that are attainable, it is also important to save money at the beginning of the month or when you receive income.

After spending their money, the vast majority of people look into putting aside money for accumulation, and then they complain about their inability to do so. Creating a budget based on zero by listing your accumulations next to your expenditures is a useful strategy in this regard.

*Thinking of your accumulations as an expense item will enable you to make healthier decisions while making your next expenses.*

***Budget planning, might be the first step you  
can take towards accumulation.***

# Before you can manage something, you must measure it.

Keeping track of the amounts entering and leaving your bank account will allow you to concentrate on your purchases, allowing you to assess which expenses are necessary and which are unnecessary.

***We must plan our accumulations strategy.***

One of the most effective strategies is to set aside a portion of your monthly income as "sacrosanct" rather than viewing the remainder of your monthly expenses as accumulating. You can even "forget" about this money by opening a separate bank account and separating the intended amount from the start. Adding excitement and motivation to your accumulations by doing so for a specific reason.

# Accumulation

**We should start accumulation as soon as possible. If the prerequisites are met, let's not delay that.**



# Not at the end, but the beginning



Designating a portion of your monthly income as "inviolable" rather than conserving the rest is one of the most effective tactics.

Opening a separate bank account and splitting the set amount from the start lets you "forget" this money. The enthusiasm and motivation will boost your savings.

Let's save at least the inflation rate and not undervalue 20 and 50 euros. If we saved 50 euros per month this year and inflation is 10%, save 55 euros each year. Thus, we can save 50 euros in real purchasing power annually.

# Why should we save?

There is no single correct answer to the question of how much to accumulate. But the more you can collect, the better. You can give the best answer in this regard by looking at your own budget. By paying attention to the balance plan you have established, it is possible to set aside money for your savings by never forgetting the difference between "needs" and "desires".

Although it differs from person to person, need to need, income to income, we can say that a healthy accumulation target should be between 10 percent and 20 percent of your monthly income. If these rates do not coincide with the accumulations targets you have set for yourself, you may need to revise your accumulations rates by making changes in your budget. Again, no one is stopping you from accumulating more!

# Retirement Plan

Our population will grow to 100 million in 2050 over the next 30–35 years.

However, the 65+ population will rise from 7% to 18%, making us an ageing society.

On those of us who will retire at 65, we should plan on an average lifespan of 85. The twenty-year retirement term is long, and unprepared retirees will struggle.

No matter our age, we must plan for retirement, start accumulating today, and invest these accumulations productively. Financial planning approaches that demand discipline and patience can easily generate enough funds for a pleasant retirement.



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