Session 4: Saving and Growing Money

Before we start

In Session 3, we made a budget. We saw that some money should go into savings every month. Now let us ask a more interesting question. Once we save money, what can we actually do with it? Can it grow on its own? The answer is yes. And this session will show you how.

Session objective

By the end of this session, you will be able to:

Understand why saving regularly matters, Know safe saving options available in India, Understand what SIP and mutual funds are and how they are connected, Understand how money grows through compounding, Connect saving with a personal goal.

A small story

Asha is 17 years old and lives in a Child Care Institution. She has started getting a small monthly stipend of ₹2,000 after a training programme. At first, she wants to use the money on snacks, clothes, and a few small treats. But she also wants something bigger. She wants to buy a tablet one day so she can study better and attend online classes. A staff member tells her, "You do not need a big amount to start. You only need a regular habit." Asha decides to set aside ₹500 every month. Slowly, she learns that saving is not only about keeping money safe. It is also about preparing for the future.

Part 1: Why do we save?

Saving means keeping money aside for later. We save for emergency needs, study expenses, buying something important, future plans, and peace of mind.

Quick check: Saving is not only for rich people. It is for anyone who wants to be ready for what comes next.

Part 2: Case study - Asha's Plan

Asha's first saving plan

Asha gets ₹2,000 every month. She decides to save ₹500 every month. Her goal is to buy a tablet for study. What is happening here?

She is not saving everything. She is not spending everything. She is building a regular habit with a clear goal.

Instructions: Read the case study and answer the questions below.

Question	Your answer
What is Asha saving for?	
How much is she saving every month?	
Why is her plan useful?	
What other goal could Asha save for?	

Instructions: Talk and share with the group based on the prompts below.

Prompt	Your answer

If you had ₹500 extra, what would you do first?	
What is one thing you would like to save for?	
What makes saving difficult sometimes?	

Part 3: Safe saving options in India

There are different ways to save money. For CCI youth, simple and safe options are better to begin with. Here are some options that are available across India.

Option	Simple meaning	Why it may help
Savings bank account	Money stays safely in a bank	Easy to keep and use when needed
Post Office Savings Account	A savings account through India Post	Safe, government-backed, available in most areas
Recurring Deposit	A fixed amount deposited every month	Good for building a regular saving habit
Fixed Deposit or Time Deposit	Money kept for a fixed period of time	Useful when money is not needed immediately
Monthly Income Scheme	A savings option that gives regular income	Helpful when someone wants steady returns

Instructions: Match the saving option with the most suitable use based on the table above.

Saving option	Best use
Savings bank account	
Recurring Deposit	
Fixed Deposit	
Post Office Savings Account	

Part 4: What is a mutual fund?

A mutual fund is like a common money pool. Many people put their money together in one place. A trained professional called a fund manager handles that money. The fund manager then invests it in different places such as company shares, bonds, and other assets. SEBI, which is the Securities and Exchange Board of India, regulates all mutual funds in India to make sure they are safe and transparent.

Part 5: What is SIP?

SIP means Systematic Investment Plan. SIP is not a separate product. SIP is simply the way you invest into a mutual fund. Instead of putting a large amount at one time, SIP lets you invest a small fixed amount every month. This makes investing regular, affordable, and easy to maintain as a habit.

Topic	Simple meaning
Mutual fund	A common money pool managed by a professional
SIP	The way you invest into a mutual fund, in small regular amounts
Savings account	Money stays safe and easy to take out anytime

One line to remember: SIP is the method. Mutual fund is where the money goes.

SIP Investment Calculation

If you invest 500 every month for 2 years:

Step	Calculation	Amount
Monthly amount	₹500	₹500
Number of months	2 years = 24 months	24
Total invested	500 x 24	₹12,000

Instructions: Fill this yourself. If you invest 500 every month for 2 years, how much will you have invested in total?

Step	Calculation	Amount
Monthly amount	₹500	₹500
Number of months	2 years = 24 months	
Total invested	500 x 24	

Part 6: What is compounding?

Compounding means earning interest not just on the original amount, but also on the interest you have already earned.

Filled example: How compounding works over 2 years

If you invest 20,000 at 10% interest per year:

Year	Amount at start	Interest earned	Amount at end
Year 1	₹20,000	10% of 20,000 = ₹2,000	₹22,000
Year 2	₹22,000	10% of 22,000 = ₹2,200	₹24,200

Instructions: Fill the table yourself. If you invest 20,000 at 10% interest per year, complete the table for 2 years.

Year	Amount at start	Interest earned	Amount at end
Year 1	₹20,000	10% of 20,000 =	
Year 2		10% of 22,000 =	

Part 7: Your own goals

Instructions: Write down your own short-term and long-term saving goals.

Type of goal	Your answer
Short-term goal within 3 years	
Long-term goal after 5 years	
How much do you want to save every month?	
Which saving option would you like to use?	

Reflection

Which saving option feels most simple to you?

What is the difference between saving and investing?

Why is regular saving better than waiting until you have a large amount?

Quick Recap

Topic	Key Takeaways
Saving Tools	Use safe options like Savings Accounts, RDs, and FDs to keep money secure.
SIP & Growth	SIP into mutual funds and compounding help your savings grow over time.

One line to remember

Save regularly, even if it is a small amount, to reach your big goals.

Closing thought

Saving is the first step. Investing is the next step. Both can help us move towards a safer and stronger future. Even ₹100 kept aside every month is a beginning.

Revision #1

Created 2026-08-22 08:12:38 UTC by Yeshwanth

Updated 2026-08-22 08:14:56 UTC by Yeshwanth