Introduction

There are different types of savings in South Africa ranging from simple to complex products. The starting point is to speak to an authorised financial services provider, who will do needs analysis and advise you in accordance with your financial needs and goals.

There are different types of investments and savings products in South Africa and our financial services industry is regulated by the FSCA which oversees these products and how they are marketed.

1. Savings vs. investments

Saving	Investing
Savings are more goal orientated	Investments focus on wealth creation
Savings are funds that can be available when you need them – you would save money for a specific purpose within a given timeframe and would not want to attach unnecessary risk.	Investing is for the purpose of building wealth, translating into putting it away for a longer period and could involve higher risk.
Short term: Ready to go Saving is for shorter-term goals like going on holiday, having money for an emergency or saving for education.	**Long-term: Achieve major goals** Investing can help you reach bigger long-term goals, e.g. Starting your own business.
Ready access to cash Saving in a typical savings account (e.g. cheque account and savings account) gives you access to ready cash when you need it.	**Harder to access cash** When you have invested your money, it's usually not easy to get your hands on it quickly as compared to a savings account. E.g. (fixed account) 32 days' notice account
Minimal risk If your money is in a savings account, there is minimal or no risk that you will lose all the money you have invested.	**Involve risks** There is always a possibility that you may lose some or all of the money you invest, depending on the investment product in which you are invested. Consult an authorised financial adviser who will help you to identify investment products which are aligned with your risk appetite.
Earn interest You can earn interest by putting money in a savings account, but savings accounts generally earn a lower return than investments.	**Potential for profit** Investments have the potential for higher returns than a regular savings account. Your investments may fluctuate in value over time. Selling shares, for example, at a higher price than what you bought them for will make you a profit.

Note: Although there is a difference between investments and savings, investing also includes elements of savings and one cannot really have the concepts work in isolation of one another. Especially when it comes to investment and banking products as one cannot say the one is mutually exclusive of the other.