

# Decalogue

## Ten rules to follow for making financial decisions



Comitato per la programmazione  
e il coordinamento delle attività  
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## Ten rules to follow for making financial decisions

### **1. Take care of your money**

Spend time and attention on checking your finances, noting income and expenditure, and evaluating purchases. In general, treating this subject with the attention it deserves is a good habit that will give you a greater sense of peace of mind today and may save you problems tomorrow.

### **2. Start saving as soon as possible and make good use of the time resource (it is scarce)**

Even small savings, if made consistently from the very beginning of one's career, can give rise to large capital through the importance of long-term compound interest. Timeliness and consistent provisioning are essential for saving and growing wealth in the long run.

### **3. Analyse your needs well before making a financial decision**

Before making a financial choice (e.g., consuming or saving, how much to save, taking out a loan, which financial instruments to invest your savings in), try to understand what your needs are, consider for example your age (near or far from retirement?), your income profile (fixed or variable), your attitude to risk (degree of risk aversion).

### **4. Before buying, compare several products to pay less and get better services**

Before making purchases, carefully assess the options in front of you, inform yourself about the features of the products and their prices. Also do this every time you look for a financial product: compare it with others, either by doing it yourself or through professionals. Choosing well takes time, but it is worth it!

### **5. Don't put all your eggs in one basket to avoid losing everything at once**

If you put all your eggs in one basket, you run the risk that they will all break if the basket falls. The same applies to investments: concentrating them in one instrument exposes you to a higher risk of suffering high losses. To reduce the risk of breaking all the eggs, you have to put them in different baskets. To diversify the risk, you have to invest them in different instruments.

**6. As prices rise over time, let your savings also grow over time so as not to become impoverished**

When saving, consider the level of interest rates, especially low ones, inflation and the risk of keeping all, or most, of your money liquid.

If the prices of goods you normally buy increase over time, your spending capacity decreases. In this case, money left under the mattress loses value. In order to maintain or hopefully increase the purchasing capacity of money over time, if you have savings, you can invest them, either by informing yourself appropriately or by consulting an expert, in financial instruments that have positive interest rates.

**7. Do not sign anything if you have not understood it: read, understand and only then sign!**

Whenever you are offered a banking, financial, insurance and retirement product or service, do not feel obliged in any way to sign if there are things that you haven't understood or that seem unclear to you: your signature has a value. You may reserve the right to take some time to find your information and clarify any doubts before proceeding.

**8. The more you earn, the more you risk**

Do not be lured by assumptions of easy gains without thinking it through. Remember that promises of higher interest rates also represent a higher risk. Are you willing to take this risk to earn more?

**9. When making a purchase or a transaction, inform yourself of all costs and commissions to be paid**

Ask, research and read. These days, it is easier to access all kinds of information. In banking, finance, insurance and social security, one has to look for reliable sources such as institutional and official channels and read contractual documents carefully. And always ask yourself a few more questions: it's better than finding yourself with a little less money!

**10. Protect yourself from risks**

In life, you are constantly exposed to risks that can affect your health, your assets, your family. With an insurance policy, you can transfer risks to an insurance company for a fee, which is the price of your peace of mind. Remember to always look at the contractual clauses to check which risks are covered and which are excluded from the insurance guarantee.