

CAROLINA'S INVESTMENT STORY: THE START OF DIGITAL INVESTMENT



LIFE STORY BASED ON STORYTELLING

Developed by the Acción Laboral (Spain)

About me

My name is Carolina and I am 34 years old. I was born in a village and then I moved to a city because I wanted to study. Now I am a nurse in a hospital in a rural area, I am working in the department for surgery and traumatology. I am happy because I can help rural people improve their health.

My story of safe investment

How do you manage your finances? Do you use digital financial tools?

I mainly do it through digital tools with my mobile device. Due to my shift work and my schedule, I cannot go to the bank office in person, and digital tools give me access 24 hours a day and from anywhere.

The main tool I use is my bank's app, which allows me to make multiple transactions and check all movements. But I also use other personal financial management tools such as "Splitwise" to keep track of expenses with my partner. With regards to investment, I usually use the app "investing.com" where I can see information on the Ibex 35 (Spanish Stock Market), stock exchange, shares, currencies and

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much more. This app offers different financial tools, with various local and global investment instruments.

Do you know how to invest digitally? What types of safe investment do you know??

Yes, I do. I know how to invest digitally and I know different types of investment but not so much about safe investment. I know how to invest digitally in the stock market using the tools I have mentioned. However, this would not be a safe investment.

From what I know, I think the best example of a safe investment that fits here is the savings funds that banks give you. You put your money in the fund and the bank gives you an annual or monthly interest rate. It is a risk-free way of making your money profitable, but it is important to take into account all the legal clauses, as they can ask you, for example, not to withdraw your money for 5 years.

Do you invest? Do you have someone that could help you in this sense or are you autodidactic? Could you tell us what type of investment you practice?

Yes, I do. I have been investing for a few years. Now I think that I am autodidactic, I read about investment and I try to stay informed. But when I wanted to start investing, I went to my bank office to ask and they guided me. Initially, they did a survey about my profile and knowledge on the subject and then they told me what steps I had to follow. In this case, the steps to follow were done through my bank's application.

I have been investing in shares in the stock market for some years. So I buy and sell shares depending on how I see the market' state. I currently do this through my bank, I give them the orders to execute in respect of my shares and the bank executes them for me, obviously charging a fee.

Would you like to get more support in safe investing? If yes, how should that support look like?

Yes, I would like it. I think that there is a lack of information about this topic in the general population and the information that exists is ambiguous, confusing and sometimes difficult to access. Personally, I would like to receive more clear information about it.

I think that it is necessary that someone tells you directly which benefits each product has and what costs or risks you run with it. Often, you find that the benefits are very clear, but the requirements or costs that you will have with it are not clear. For example, in the case I mentioned of the savings fund, they may tell you clearly the interest they will give you, but they do not inform you, how long you will have to keep the money there or that perhaps the first year the interest will not be effective, etc.

Lessons learned/experience gained from this situation/benefits

What is your opinion on the role of digital finance and safe investing options, especially in your area?

I think that digital finance is the best opportunity to manage your finances, especially when, like me, you do not have the time to go to a bank in person or the timetable does not suit you. An increasing percentage of the rural population is using digital tools to manage their finances for many reasons. The first is because of mobility problems or difficulties, the second because of time flexibility and the third because you have many more options. Although I think in my area, which has a lot of elderly people, you can see that they are still in the process of getting on this train, but they are getting further and further on their way as well.

Unfortunately, regarding safe investing options I think the opposite is happening. Few people have enough information to be able to make safe investments, so they do not try these options. Safe investment is an option to make your money profitable and therefore could play an important role. However, it is a fact that in the rural population only some of the young people invest.

What disadvantages and complexities in safe investing could you name?

The disadvantages, for example, include that if you choose a safe investment fund, you may be required to save the same amount every month, which may not be feasible depending on your circumstances.

Another disadvantage is that the tax authorities will deduct a part of your investment earnings every year. And if, like me, you invest in the stock market, the risk of loss is higher, as any global event or factor can have an influence.

Do you want to share some valuable lessons you have learned about safe investment recently?

Yes, I would like to share the experience. Recently, I invested money in shares that were supposed to go up in the near future, but in the end the opposite happened. I saw on social media and in certain market commentaries that these shares would go up, and I ordered the bank to buy these shares. Now, the reality is that these shares are generating losses for me because they have gone down and I do not know if they will go up again. You cannot trust these comments because many times they are wrong, they do not give you all the information, or they have their own interests behind them. This could be applied to all other types of investments, not just the ones I do.

In summary, the lesson learned is that: in the end, the most important thing is to verify that the information is truthful and authentic before you get carried away by trends or emotions when making financial decisions.

Recommendations, wishes

What recommendations can you give to those who have the same difficulties regarding safe investing?

Regarding safe investment, although I do not currently practice it, what I recommend is to be well informed about the requirements you will have to meet, so that you do not have any surprises after signing them.

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On the other hand, with regard to investment in shares, I think that investing in bank stocks is safer. You may not be able to sell soon, but they will give you dividends for having money invested in those shares and waiting to sell when they go up. My recommendation to invest in shares is to do it short-term, that is to say not to wait too long to sell if you are already making a profit, and then buy again when it goes down again, and so on.

Self-reflection questions

These questions can serve as prompts for introspection and self-assessment, helping individuals gain insight into their financial habits, values, and aspirations.

1. What do you think about Carolina's comments on the importance of information being clear, truthful, and easily accessible?
2. What steps can you take to inform yourself from a reliable source and start investing with knowledge and analytical thinking?
3. What can you learn from Carolina's recommendations about investment?
4. Do you think that if the information barriers Carolina mentioned were removed, you would be able to make a safe investment?
5. Do you need more support? Where would you look for it?