



Week 4 of 5

*The Leibowitzes*  
Number of children: 3 (ages 1–8)  
Yearly salary: \$152K

**HOW IT WENT DOWN:**  
It was a good week. We are more than halfway through the savings challenge, and I am confident with my weekly savings skills.

**WHERE I SAVED THIS WEEK:**  
I started school supplies shopping at Dollar Tree. I just discovered that they have school supplies! I am reusing one briefcase from last year, and one of my children is continuing to wear his summer shoes that are in great shape—though these both go against my nature.

**SAVINGS HACK:**  
Be conscious of spending. Ask yourself, do I really need this item?

**TOTAL SAVINGS THIS WEEK: \$100**  
**TOTAL SAVED OVER FOUR WEEKS: \$400**

*The Kaufmans*  
Number of children: 3 (ages 2–6)  
Yearly salary: \$65K

**HOW IT WENT DOWN:**  
Fantastic. It was a great week.

**WHERE I SAVED THIS WEEK:**  
I bought only one coffee this week, a \$20 saving.  
I saved \$10 with the Target Circle loyalty program by buying two boxes of diapers, which should help with my new savings goal: to cut down Target runs to once a month.  
I saved about \$70 at the grocery store!  
I bought a bulk package of rice and used it twice this week.  
I used our WIC benefits for as many groceries as possible.  
I planned my menu around store sales. (I'm not a sale chaser, but if it's in my grocery store, why not take advantage?)  
I also made one low-cost supper this week (more on that later).

**A SPLURGE I COULDN'T RESIST:**  
No splurges this week. I want to finish the savings challenge strong.

**A SAVINGS HACK I WANT TO SHARE:**  
We stayed home for Shabbos and used all the leftover food for Sunday night dinner. For instance, I turned the leftover liver into liver blintzes, the deli into deli salad, and the remaining roasted vegetables into a fun salad. Nothing went to waste.  
In addition, I have been trying to make one inexpensive supper each week. However, healthy and well-rounded meals are still a priority. Some of the low-cost suppers that I have introduced to my family are deli sandwiches with pickles and tomatoes; breakfast for supper; homemade two-ingredient pizza (whole Greek yogurt and self-rising flour) topped with veggies, cheese, and sauce; falafel in pita with Israel salad; and filling soup with veggies, chickpeas, potatoes, sweet potatoes, and homemade croutons.

**TOTAL SAVINGS THIS WEEK: \$100**  
**TOTAL SAVED OVER FOUR WEEKS: \$320**

*The Weissmans*  
Number of children: 7 (age 12–married)  
Yearly salary: \$137K

**HOW IT WENT DOWN:**  
We had a *simchah* in our family this week and were swept off our feet. It made it difficult to maintain awareness. We also took two days off for vacation; however, the expenses come from a different fund than our regular expenses.

**WHERE I SAVED THIS WEEK:**  
I saved the day at the end of the week as my son was arriving at the airport, and we opted out of a car service to pick him up, which saved us close to \$100. Yay!

**A SPLURGE I COULDN'T RESIST:**  
During our mini-vacation, we ate out twice and picked up a bunch of items in the grocery store without being mindful of expenses. But then again, we have a different vacation fund and did not spend that much overall.

**A SAVINGS HACK:**  
I am very conscious when I pick up something in a store to stick to the one or two items I intended to buy, as my husband does the main grocery shopping based on a list and rarely deviates from it. This project is definitely a wake-up call as to how much mindfulness is needed. I didn't expect it to be that challenging,

**TOTAL SAVINGS THIS WEEK: \$100**  
Although we saved \$100 this week, we won't be able to put it away due to our lower income during the month.  
**TOTAL SAVED OVER FOUR WEEKS: \$150**

*The Feinbergs*  
Number of children: 3 (ages 1–4)  
Yearly salary: \$180K

**HOW IT WENT DOWN:**  
It was a very hectic week getting back from out of town. We did not do so well this week. It was hard getting back to normal, and unfortunately, things got out of hand. We could not focus on savings as we were just unprepared for the week ahead.

**WHERE WE SAVED THIS WEEK:**  
We didn't. We overspent by at least \$150.

**A SPLURGE I COULDN'T RESIST:**  
Some clothing, including shoes, got ruined while we were away, so we "splurged" on a partial wardrobe update.

**TOTAL SAVINGS THIS WEEK: \$0**  
**TOTAL SAVED OVER TWO WEEKS: \$625**



**Number of children:**  
4 (ages 1–8)  
**Yearly salary:** \$240K

**HOW IT WENT DOWN:**

This challenge is becoming more of a full-time focus than we expected. Overall we consider it a success.

**WHERE WE SAVED THIS WEEK:**

We continued shopping for produce and flowers in chain stores, saving approximately \$35. We were away for Shabbos, so we only took our cleaning help once last week instead of the usual two days, saving \$105. We had a landscaper cutting our grass every week, but we noticed that the grass was not growing so fast so we cut it down to bi-weekly, saving another \$25.

**SAVINGS HACK:**

We are grateful that this challenge put us in conscious saving mode. We are saving more than the specific examples we record by being more conscious. For instance, we recently realized that we have rarely been buying takeout/lunches recently, which we have often done in the past.

**TOTAL SAVINGS THIS WEEK: \$150**

**TOTAL SAVED OVER FOUR WEEKS: \$720**



**DEAR RIVKA,**

I’ve been enjoying your articles in the *Voice* and am thankful for all the valuable tips and insights you provide. A few months ago, I read an article that you wrote about setting up custodial accounts for kids (like UTMA or UGMA accounts). I’m not knowledgeable about investing, and navigating the internet isn’t my strong suit either. Please help me by providing more detailed instructions on which company to approach and how to contact them.

Thank you,

*A reader*

**Rivka responds:**

Here’s a user-friendly guide on how to go about setting up a custodial account for your children:

**Getting Started: Exploring Custodial Accounts**

A custodial account is like a savings and investment tool for kids, managed by a parent or guardian until the child comes of age (usually 21 years). Think of it as saving and investing for your child’s future. These accounts, often known as Uniform Transfer to Minors Act (UTMA) or Uniform Gift to Minors Act (UGMA) accounts, let you invest on your child’s behalf.

**Choosing a Custodial Account Provider**

Many companies offer custodial accounts, like Vanguard (877-260-2504), TD Ameritrade (800-454-9272), Ally Invest (1-877-247-2559), Charles Schwab (866-663-5247), and Fidelity (800-343-3548). They have experts who can guide you through opening a custodial account and answer your questions. Many other companies also offer custodial accounts. In addition, the Living Smarter Jewish organization ([www.livingsmarterjewish.org](http://www.livingsmarterjewish.org)) can help answer questions you may have.

**9 Easy Steps to Open a Custodial Account for Your Child’s Future**

- 1. Learn about** different types of custodial accounts.
- 2. Choose a good company.** When choosing a company, consider their fees and customer service, such as how they treat you when you reach to them. Some companies have monthly fees while others, like Fidelity, Schwab, and Vanguard, do not.
- 3. Get your papers ready.** Collect papers, like your child’s Social Security number, birth certificate, and your ID (driver’s license or passport). You also need proof that you’re related to the child.
- 4. Fill out an online form.** It’s easy. If you have any problems filling out the form, a customer service representative will be able to help you.
- 5. Add money.** Decide how much money you want to start with and if you want to add more later.
- 6. Choose what to invest in.** Think about where you want to put your money based on what you want to achieve and how much risk you’re okay with.
- 7. Pick a person in charge.** This is usually a parent or someone who takes care of the account until the child grows up.
- 8. Check and sign.** Look at the papers and sign them to finish setting up the account.
- 9. Keep an eye on things.** Watch over the account once it’s ready and you can feel good about planning for your child’s future.

I hope this helps you navigate opening a custodial account for your children. Make sure to do your due diligence and carefully research the funds before making investment decisions. Custodial accounts are not FDIC insured, and the performance of a custodial account can fluctuate just like any other investment. It’s important to carefully evaluate investment options and consider your circumstances before making investment decisions for you or your children.



# Exploring the World of Liquid Investments

RIVKA RESNIK

The Feinbergs, the fourth family in the 500 in 5 savings challenge, had historically done an excellent job allocating money into different accounts, including retirement and *simchah* funds. At this point, the Feinbergs want easy access to their money while recalibrating their financial plan.

If you want to save money and grow your wealth while keeping your money readily accessible, liquid investments might be just what you need. These investments offer the flexibility to convert them into cash or cash equivalents whenever needed. They are a crucial part of any solid financial strategy, allowing you to access your funds without any hassle.

What exactly are liquid investments? In simple terms, liquidity refers to how easy and fast you can turn an asset into cash without significantly affecting its value. When your investments have high liquidity, you can sell them or turn them into cash without delays, providing financial flexibility and security. These investments are great for saving up for big purchases or achieving short-term financial goals.

On the other hand, low liquidity means that it may take longer to turn your assets into cash, which could lead to cash flow difficulties or the need to sell at a discounted price to get quick funds. So, if you want easy access to your money and to maintain financial stability, keeping some of your investments in liquid assets is a smart move.

Let's look a bit more closely at some of the most popular liquid investment options:

**Interest-Bearing Checking Account:** Typically, a checking account is not considered an investment. While a checking account is usually seen as a tool for managing daily expenses, certain interest-bearing accounts can double up as a great liquid investment. With quick access to your funds, these accounts offer high liquidity, and the interest earned can even help your money grow. Since a checking account will give you quick access to your funds, it is as liquid as possible. Plus, the interest-bearing component can at least allow your funds to grow within the account.

**High-Yield Savings Account:** A high-yield savings account is a smart choice to keep your money safe and accessible. It allows you to build your savings low-risk, providing a competitive interest rate to help your money grow.

**Money Market Account:** Combining the features of both savings and checking accounts, a money market account offers limited check-writing and ATM withdrawal privileges. Despite the limit of six withdrawals per statement cycle, it still provides higher yields than regular savings accounts.

**No-Penalty CD:** A No-Penalty CD gives you access to your funds without incurring significant fees or losing interest, making it a viable liquid investment option.

**Stocks:** Stocks are relatively liquid investments but come with market volatility. The stock market, historically, has risen and fallen throughout the years, so you may face a loss if you are forced to liquidate your stock holdings at an inopportune moment.

**ETFs and Index Funds:** These funds offer a diversified investment in multiple stocks, providing the benefits of lower fees and ease of management. Like individual stocks, they can be liquidated relatively quickly, but their value is still subject to market fluctuations. Therefore, because ETFs and Index Funds are not predictable, just like stocks, you may be forced to sell at an inconvenient time.

**Bonds:** When investing in bonds, you earn interest until maturity. However, you can sell them before maturity to access your funds earlier, making bonds a liquid investment vehicle.

**Cash:** While not considered an investment traditionally, holding cash is the most liquid asset. It is a reliable alternative when you need immediate access to funds without selling other investments.

In summary, liquid investments can be an essential part of your financial toolkit, allowing you to access your money when needed. While they might yield lower returns than medium or high-risk investments, which could provide higher returns and serve as a hedge against inflation, their ease of access makes them perfect for short-term goals and emergencies.

Note: While I can provide information and insights on various topics, including finance and investments, I am not qualified to offer personalized financial advice. Investing involves risks, and decisions should be made based on careful research. Always remember that investing carries inherent risks, and it is essential for you to make informed choices to safeguard your financial future. ●

