



## Lesson Ten

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# Saving And Investing

name: \_\_\_\_\_

date: \_\_\_\_\_



# setting your financial goals

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## Short-range goal (within 1 month)

Goal: \_\_\_\_\_

Estimated Cost \$ \_\_\_\_\_

Target Date \$ \_\_\_\_\_

Monthly Amount \$ \_\_\_\_\_

## Medium-range goal (2-12 months)

Goal: \_\_\_\_\_

Estimated Cost \$ \_\_\_\_\_

Target Date \$ \_\_\_\_\_

Monthly Amount \$ \_\_\_\_\_

## Long-range goal (more than 1 year)

Goal: \_\_\_\_\_

Estimated Cost \$ \_\_\_\_\_

Target Date \$ \_\_\_\_\_

Monthly Amount \$ \_\_\_\_\_



# calculating interest



## directions

Calculate the interest earned in the examples below.

1. You put \$200 in a savings account that pays 5% simple interest each year. How much interest will you earn in five years?

$$\underline{\hspace{2cm}} \times \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

**Deposit x Interest Rate x Number of Years = Interest Earned**

What will the total value of your account be? \_\_\_\_\_

2. You put \$150 in a savings account that pays 6% compounded yearly. How much interest will you earn in three years?

$$(\underline{\hspace{2cm}} + \underline{\hspace{2cm}}) \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

**(Deposit + Earned Interest) x Interest Rate = Interest Earned**

$$(\underline{\hspace{2cm}} + \underline{\hspace{2cm}}) \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

**(Deposit + Earned Interest) x Interest Rate = Interest Earned**

$$(\underline{\hspace{2cm}} + \underline{\hspace{2cm}}) \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

**(Deposit + Earned Interest) x Interest Rate = Interest Earned**

What will the total value of your account be? \_\_\_\_\_

3. You put \$1000 into a savings account that pays 6.5% simple interest rate each year. How much will you have in your account at the end of twelve years?

$$\underline{\hspace{2cm}} \times \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

**Deposit x Interest Rate x Number of Years = Interest Earned**

What will the total value of your account be? \_\_\_\_\_



## savings choices

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### directions

In the space provided, write the letter of the savings account or savings method the statement represents. You may use a letter more than once.

1. \_\_\_\_\_ A combination of a checking and savings account. Interest rates vary with the size of the balance.
2. \_\_\_\_\_ Combines the benefits of a checking and savings account. Interest is paid each month on unused money in the account.
3. \_\_\_\_\_ Interest rates are usually the same as passbook account.
4. \_\_\_\_\_ Bank pays a fixed amount of interest, on a fixed amount of money, for a fixed amount of time.
5. \_\_\_\_\_ Interest rate is usually lower than passbook or statement accounts.
6. \_\_\_\_\_ Penalty is usually charged if money is withdrawn before expiration date.
7. \_\_\_\_\_ A booklet must be presented for every deposit or withdrawal.
8. \_\_\_\_\_ The account holder can only write a limited number of checks each month.

- A. Passbook account
- B. Statement account
- C. Interest-earning checking
- D. Certificate of Deposit
- E. Money-market account



## lesson 10 quiz: saving your money

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choose the correct answer.

1. \_\_\_\_\_ **“Paying yourself first” refers to:**
  - a. saving money on a regular basis.
  - b. buying what you want when you get paid.
  - c. putting money in a checking account to pay bills.
  - d. putting your whole paycheck into savings immediately.
  
2. \_\_\_\_\_ **Which of these are not factors to consider when choosing a savings account?**
  - a. interest rates
  - b. fees, charges, and penalties
  - c. balance requirements
  - d. passbook prices
  
3. \_\_\_\_\_ **The lowest interest rate is usually earned on a:**
  - a. money-market account.
  - b. passbook account.
  - c. certificate of deposit.
  - d. checking account.
  
4. \_\_\_\_\_ **The highest interest rate is usually earned on a:**
  - a. money-market account.
  - b. passbook account.
  - c. certificate of deposit.
  - d. checking account.
  
5. \_\_\_\_\_ **An advantage of putting savings in a Certificate of Deposit (CD) is that:**
  - a. there is no access to the money during a set period of time.
  - b. it is risk-free.
  - c. it is very risky but pays high interest.
  - d. it has a penalty to withdraw money early.



## lesson 10 quiz: investing your money

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choose the correct answer.

1. — How many years would it take money earning 6 percent interest to double? Use the rule of 72.
  - a. 6 years
  - b. 8 years
  - c. 9 years
  - d. 12 years
  
2. — The amount of money received from an investment is called:
  - a. a portfolio.
  - b. the return.
  - c. an individual retirement account.
  - d. all of the above.
  
3. — Which of these pays investors a fixed interest rate for a fixed period of time?
  - a. Stocks
  - b. Bonds
  - c. Mutual funds
  - d. IRAs
  
4. — Which of these allows an investor to own a part of a company?
  - a. Stocks
  - b. Bonds
  - c. Mutual funds
  - d. IRAs
  
5. — Professionally-managed portfolios made up of a variety of investments are called:
  - a. Stocks.
  - b. Bonds.
  - c. Mutual funds.
  - d. IRAs.