Lesson Three
Saving and Investing
savings alternatives

directions
Do some research on different options for saving your money. Call or visit local banks and ask about the details of opening an account. Then fill in the following chart so you can compare the accounts.

<table>
<thead>
<tr>
<th>Institution/account</th>
<th>minimum balance</th>
<th>interest rate</th>
<th>compound or single</th>
<th>when paid</th>
<th>limited withdrawal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**directions**

The longer your money sits in the bank, the more money it will earn for you. The money earned is called interest. The higher the interest rate, the more money you earn. Fill in the chart below, assuming you are figuring out the money earned on a deposit of $1 (for simple interest).

Future Value of money: $1.00

<table>
<thead>
<tr>
<th></th>
<th>5%</th>
<th>8%</th>
<th>10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 years</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
tracking stocks

directions
Pick a company’s stock, and chart its value daily for a month. You will see that stock values change over time.

Company:
Symbol:
Month:

<table>
<thead>
<tr>
<th>$100</th>
<th>$90</th>
<th>$80</th>
<th>$70</th>
<th>$60</th>
<th>$50</th>
<th>$40</th>
<th>$30</th>
<th>$20</th>
<th>$10</th>
<th>$0</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>week 1</th>
<th>week 1</th>
<th>week 1</th>
<th>week 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>day#</td>
<td>1 2 3 4 5</td>
<td>6 7 8 9 10</td>
<td>11 12 13 14 15</td>
</tr>
</tbody>
</table>
lesson 3 quiz: investing

circle the correct answer for each question.

1. Placing money into a savings account can increase my money.
   True
   False

2. The longer my money is in a savings account, the more money it will earn.
   True
   False

3. Different savings accounts pay different amounts of interest.
   True
   False

4. If the price per share of stock increases, I can sell it for more money than I paid for it.
   True
   False

5. Compound interest makes money grow faster.
   True
   False

6. Which of the following increases the value of my money in stocks?
   a. Increase in price per share
   b. Dividends
   c. Stock splits
   d. All of the above

7. Owning shares of stock:
   a. can increase the value of my money
   b. can decrease the value of my money
   c. can provide income from dividends
   d. all of the above

8. Which of the following is the best way to increase the value of a savings account?
   a. Make few withdrawals from the account
   b. Make regular deposits into the account
   c. Leave the money in the account for as long as possible
   d. All of the above

9. Which of the following is not a place to find information about stocks?
   a. annual reports
   b. newspaper financial page
   c. cookbook
   d. internet

10. The best way to grow my money is to:
    a. make a variety of investments
    b. save my money is a closet
    c. loan it to a friend
    d. buy new clothes