Where Your Money Can Grow

Saving vs. investing, a first taste of compound interest, and what a credit score even is.

Name: _____ Date: _____

OBJECTIVE

Where Your Money Can Grow

	Saving	Investing
Risk	Very low	Can go up or down
Where it goes	A bank or credit union savings account	Stocks, bonds, or funds
Best for	Money you need soon	Money you won't need for years

COMPOUND INTEREST

$100 saved at 5% interest becomes $105 after 1 year. The next year, you earn interest on $105, not just the original $100. Over many years, this snowballs.

If you saved $10 a week starting today, how much would you have after one year, before any interest? Show your math.

DISCUSS

What's something you're saving for right now? Is it worth waiting for?

Your first credit score	What it means
Credit score	A number that shows lenders how reliably you pay back money.
On-time payment	Paying at least the minimum by the due date, every time.
Credit utilization	How much of your available credit you're actually using.