

Growing Money with Compound Interest

Name: _____

Date: _____

Coach Instructions: Watch the [No-Frills Money Skills Episode 1](#) YouTube video with your team and review the discussion questions below.



1. What is the best plan for building your saving?
Pay yourself first.
2. What is the price people pay for using someone else's money?
Interest
3. What is the money deposited into a bank account that will earn interest called? *Principal*
4. Why do banks pay interest?
Because they use the deposits to make loans to other customers; the interest is their cost of using someone else's money for the loans.
5. When was the young woman in the video better off — when she started saving early or when she waited to save? Why?
When she started saving early. By saving early she had a longer time to earn interest on her deposits.
6. How did she earn more interest?
By receiving a higher interest rate.
7. How did saving regularly benefit her?

Saving regularly allowed her to have more money in her account on which to earn interest.