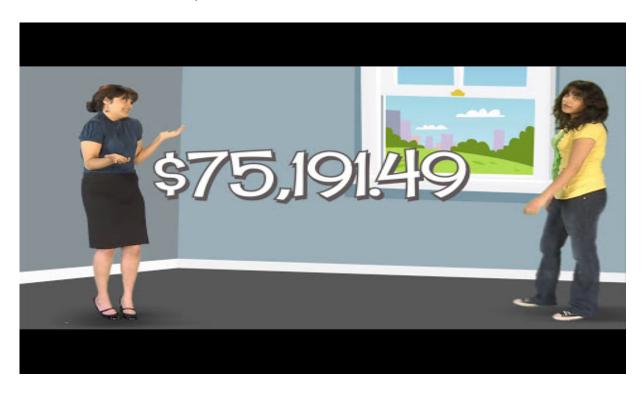


Growing Money with Compound Interest

Name:	Date:

Coach Instructions: Watch the <u>No-Frills Money Skills Episode 1</u> YouTube video with your team and review the discussion questions below.



- 1. What is the best plan for building your saving? Pay yourself first.
- 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.

