

Saving money

What's the point of saving money?

Suitable for ages 7-12



How to use this activity sheet: These activities look at how and why we save money and the different ways that this can be done. They look at the benefits of earning interest, debate differing views to saving and offer an opportunity to gather data on how people save.

There are five fun exercises. You can work through each of the activities in order or you can pick and choose what you would like to get stuck into.

Title of task	Page	Summary of the task	What you'll need to provide	The outcome
What do you think?	2	Thinking about how saving makes them feel initially, students then respond to a cartoon with pros and cons for differing saving methods. They then decide on their preferred method.	Pen and paper	Students reflect on how saving makes them feel and whether they associate it in a positive or negative way.
Interested?	5	Students will practise calculating percentages in preparation for working out interest on savings held in a bank account. They will begin to look at compound interest and how this is earned.	Calculator, pen and paper	Students revise methods to calculate percentages and apply to a range of contexts. Students develop their existing knowledge in order to expand understanding to calculate compound interest.
Interest Relay	9	Students will work out how long it will take them to save enough money for desired item. This will be based on depositing a set amount of money in a savings account with 5% interest and leaving it there. They will combine this with a physical relay!	Calculator, pen and paper, Two separate spaces, a pre prepared written table to show growing interest in the savings account (template provided), a supporting adult	Students discover that compound interest is accumulative. Students calculate answers to multi-stage maths problems. Students evaluate the impact of compound interest on a savings plan.
Interest in Saving	12	Students will consider conflicting ideas about saving and put themselves into the position of the person deciding which is preferable. They will format this as a playscript using the key features.	Pen and paper	Students understand that people hold differing opinions on the best way to save. Students decide their preferred way of saving. Students utilise the key features of playscripts.
My savings	14	Students will conduct research into how and if people save money. They will decide on the question to ask, create choices for respondents, gather the data in a tally chart and then represent it in a graph of their choosing.	Pen and paper, Squared paper/ruler	Students decide on research focus. Students gather and present data in a clear way. Students interpret this data and explain the story it tells.

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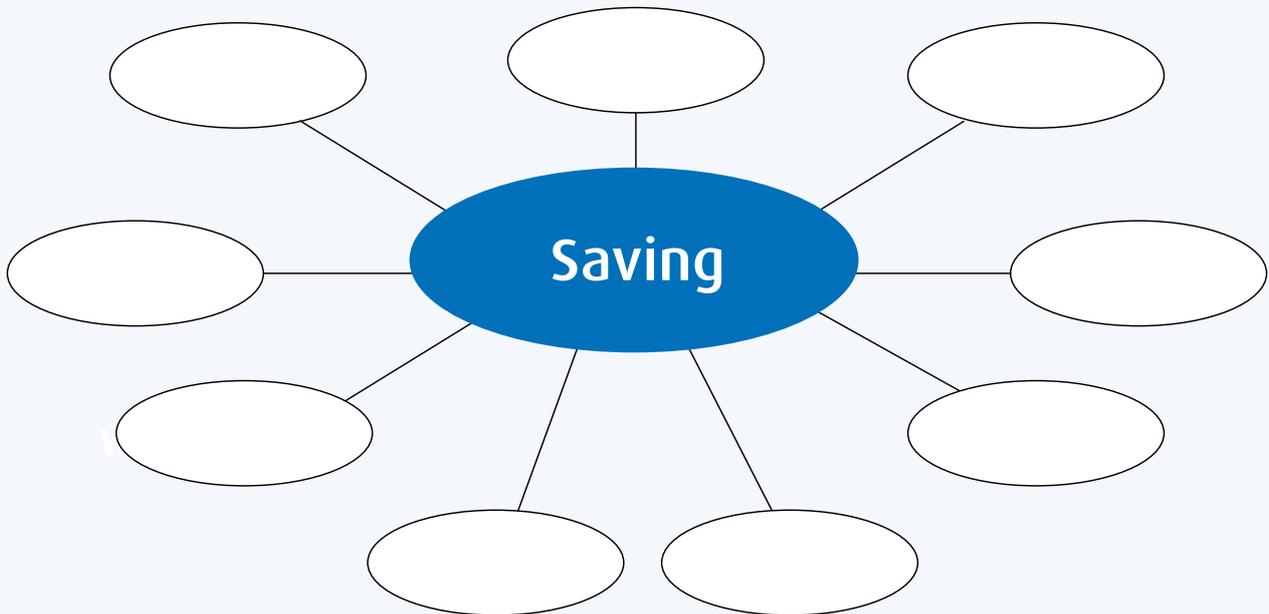


Exercise 1

What do you think?



Brainstorm all the things that come to mind when you think about saving or investing. This could be the places you can save money, what you could invest in, what you can and can't do with savings and feelings you have about saving or investing money.



Once you have done that, colour code each of the words you associate with positive feelings in one colour and those that you associate with negative feelings with another colour.

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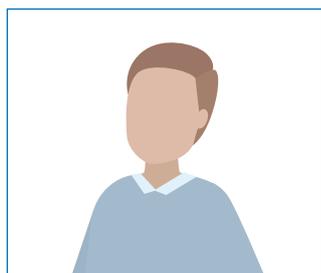


What do you notice about your words? Are they mostly positive or mostly negative? Explain why that is

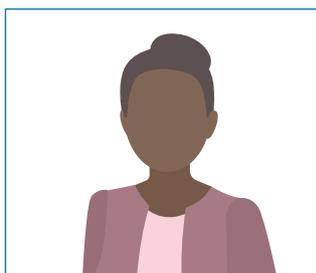
Whether you think saving is a good or a bad thing, we all know what it is like to want something that we can't afford straight away. This is why we have to save our money in order to buy the things we really want.

Look at the cartoon below. Read each of the people's opinions carefully.

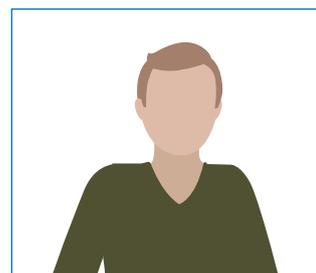
There are three very different ideas on how to save money.



I think the best place to save money is in my piggy bank.



I prefer to keep my money under my mattress.



I disagree, it's much better to put your money in a bank.

After you have read it over, complete the table on the next page to show the Pros and Cons of each of these ideas. Whilst doing this, think about Inflation. How might inflation affect what your savings are worth in each of the three different places? Factor this in when compiling your list.

Inflation: The cost of items increase over time and this is called inflation. You can learn more about inflation in the '**Spending: How and why we spend money**' worksheet, which you can download from our website.

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Idea	Pros	Cons
I think the best place to save is the piggy bank		
I prefer to keep my money safe under the mattress		
Put your money in the bank		

Once you have completed a list of pros and cons for each of the options, decide on the person that you agree with. Explain why you thought that their idea was best here:

Do you save money? Draw a picture below of where you save your money or where you would like to.



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Exercise 2

Interested?

When you put your money in banks to save, they will often pay you interest. Different banks and accounts will offer different options.

The reason that they can do this is because you are allowing banks to use your money for a while.

Therefore, you get a percentage back of the amount you allow the bank to have and therefore they give the interest rate as a percentage.

In order to calculate the interest that can be earned in the next task, we're going to practise percentages.



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Example:

If I have 100 jellybeans, and I can get 5% more if I put them in a special jar to be looked after by someone else, I will receive 5 more jellybeans!

$$5\% \text{ of } 100 = 5$$

See the working below:

Step one: The total you have of the item
(this changes according to the calculation you are doing)

Step two: x the interest you are getting
(this changes according to the calculation you are doing)

Step three: $\div 100$
(this always stays the same as per cent means out of one hundred)

Therefore:

Step one: 100
(jellybeans)

Step two: x 5
(the interest you are receiving)

Step three: $\div 100$
(as per cent means out of one hundred)
= 5 more jellybeans

Therefore:

$$100 \times 5 = 500$$

$$500 \div 100 = 5$$

If I add this to the 100 I had already, I now have 105 jellybeans!



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Answer the questions below to work out the new totals. You can use a calculator. You can also use the space below to do your working or help you lay it out like we have done above.

1. 10% of 200 =
2. 50% of 600 =
3. 30% of 900 =
4. 45% of 1000 =
5. What is 75% of a 200m running race?
6. What do I have if I get 50% more jellybeans, when I already have 200? (Don't forget to add this to the number of jellybeans that you had previously to get the new total)
7. If I buy 2m of fabric to make a t-shirt and can get 50% more for free, how much fabric will I get?
8. If I have a chocolate bar that is 100g, and the supermarket is offering a deal where I get 25% extra, how much does this new chocolate bar weigh?

Space for working out:

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Space for working out:

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Exercise 3

Interest relay

For this task, you are going to need a clear space to do some moving around and an adult to help you. You could use an outside space if you would prefer to.



After reading the advice from the cartoon, we're going to put our money in a savings account in a bank and see how much interest we can earn.

Firstly, think of something that you would **REALLY** like to own.

Draw a picture or find a picture of it to insert here.

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In this world, your most desired item is worth 60 ducats.

Challenge: If we chose a savings account that paid interest at 5%, and we paid 40 ducats in and left it, how long would it take us to earn enough to buy your dream item?

Instructions to play Interest relay:

1. Draw up a table like the one below. You will need to add on rows as you go, as you don't know how many you will need to begin with.

Year	Total in savings account	Interest raised (in ducats)	Running total
2020	40	2	42
2021	42		

2. Put this table in one room in the house with your supporting adult, along with a pen and some paper, which you will need later.
3. Base yourself in another room with a calculator.
4. When in this room by yourself, you will need to work out how much your 5% of interest will earn you each year. (**We've done the first one for you on the table above.**)
5. Once you've worked this amount out, you will need to race to the room where your family member is looking after the table and write in the amount of interest earned in the **Interest raised column**. Do this as quick as you can.
6. You will then need to add this onto the total in the savings account for the year and write the new total in the **Running total column**.
 - a. You should try to do this addition sum without a calculator, so use some paper to do your working out or you could even challenge yourself to do in mentally!

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- b. Remember that you are dealing in money so that means that you running totals should always be a maximum of 2 decimal places.
- 7. Ask your family member to check that your addition is correct.
- 8. Once they have confirmed your calculations are correct, you will need to race to your working space – make sure you remember this new total, you’ll need it for the next step!
- 9. Using your new total, E.g 42, calculate the interest you would earn for the next year. Remember that it is 5% of this **new** total.
- 10. Once you have your new amount, you will need to repeat stages 5-9 until you reach a total of 60 ducats or more. This is a relay so try to do this task as quick as you can!

Remember that here you will always earn 5% interest but you earn more interest every year as it accumulates.

Once you have finished your relay and got to 60 ducats, answer the following questions:

Based on this version of saving, where you have deposited a set amount and then left it alone: How long would it take you to buy your desired item if you deposited the 40 ducats this year?

If you had wanted to buy your desired item this year, when would you have had to start your savings account?

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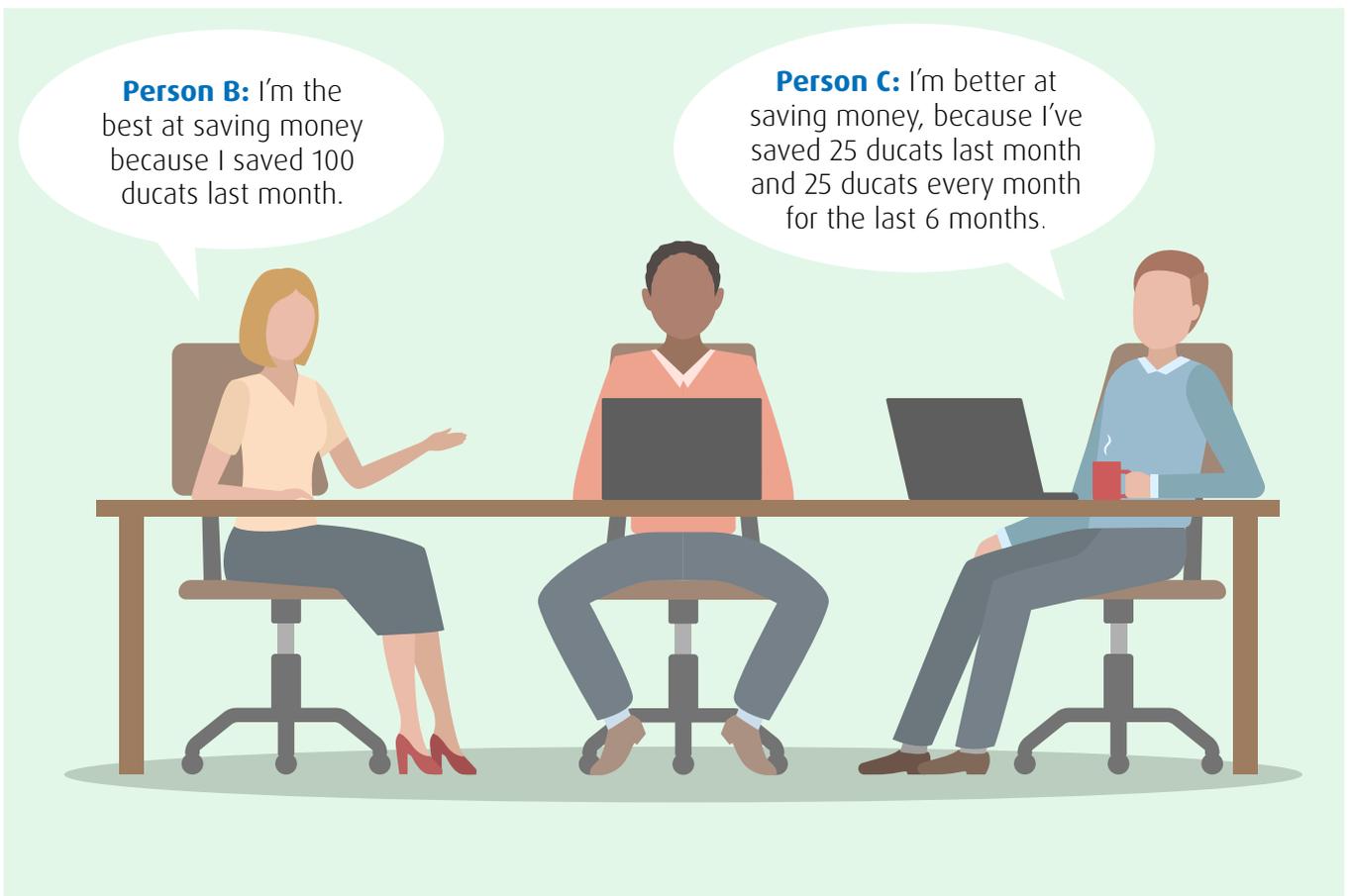


Exercise 4

Interest in Saving



In this image, the person in the middle (A) is being given different perspectives on saving money from the person on the left (B) and the person on the right (C). They need to make up their mind, which one is right?



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Is Person B or C better at saving money?

Write out the rest of the conversation between the three of them to explore the different ideas and the questions that the person in the middle might have. You could imagine that you are this person and ask the questions that you would like answered. Make sure to give your characters names.

Don't forget to use the key features of a playscript to do this.

Key features of a playscript

- description of the setting at the beginning;
- names of characters on the left-hand side;
- colon between names and dialogue;
- stage directions in brackets;
- character's entrances and exits included
- no speech punctuation
- stage directions are written in present tense

Which of them did you think was better at saving?

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Exercise 5

My savings and investments

Find out how people in your life save and invest their money by conducting research with at least 5 people. Try to ask a range of people, of different ages and with different ideas of saving and investing.

1 Firstly, decide what you would like to find out. For example:

- how often do they save or invest;
- how much do they save or invest;
- where do they save or invest their money;
- what are they saving or investing for

Then, once you have decided what you would like to ask, you will need to offer your respondents a series of multiple-choice answers.

E.g. If you are asking how often they save or invest, you could offer time periods (yearly, monthly, fortnightly, weekly, daily) or less specific responses (sometimes, rarely, always, never).

2 Next, you will need to create a tally chart of their responses.

Do this by drawing up a chart and marking with tally marks the number of people who chose that option.

3 Finally, transfer your data into a graph or chart.

You could use any of the following:

- A pictogram
- A bar chart
- A pie chart

Don't forget to: Clearly label your axis, what do they represent? Ensure that the numbers on the axis are evenly distributed – you might want to use squared paper or draw out even squares with a ruler.

- Use a ruler to draw your sections on the pie or the bars to make the data clear. If you are using a pictogram, ensure that the images are simple and clear and can easily be replicated.
- Title your chart or graph appropriately. What does it represent?

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Once you have represented the data, what is the story you can tell from it? What do most people do, why do you think they do that, what does it tell you about the people you asked?

You can also...

Do some research on the best children's savings accounts out there. Ask an adult to help you do that, this might be a good place to **start**.

Build a glossary of the frequently used words about savings and investing. Using everything that you have done in this set of tasks, a dictionary or the internet, find definitions to help other children learn about saving and investing. You could start with the following words but add as many as you like: saving; investing; compound interest; inflation; percentages.



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