

Title: How Money Grows

Teaching Students About Saving

Grade Range: 4th through 8th grade

Time: 45-minute initial session then 15 minutes of each following visit

Synopsis: Students learn how money can grow from 25 cents to \$2.25 by the end of the year through lessons on interest. Students also learn the importance of saving money for their futures.

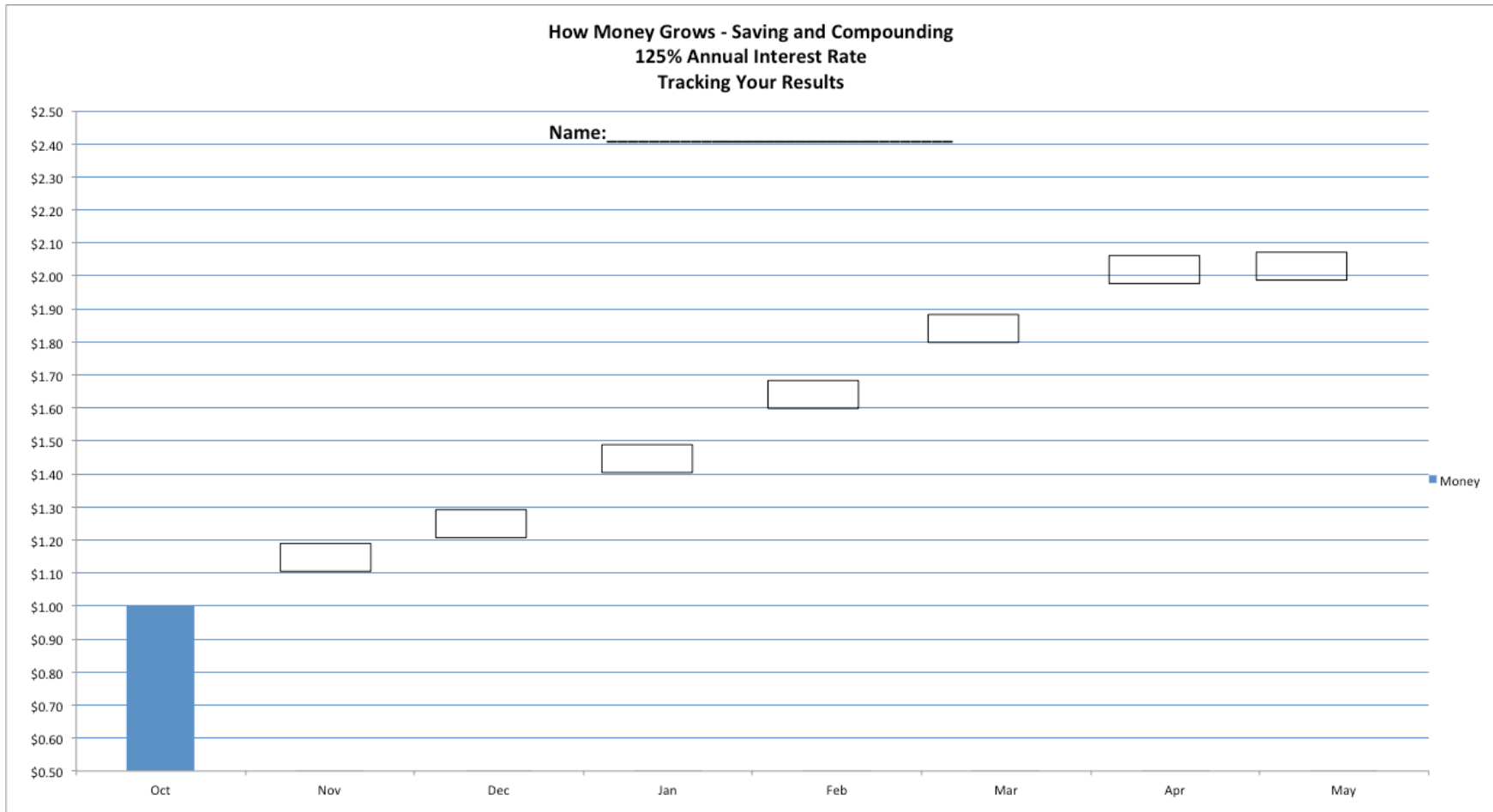
Materials:

- Cardboard banks- made and decorated by students
- Quarters and ongoing monetary needs as interest is calculated and added to the banks every month. Can also use play money that students can trade in at the end of the year for small prizes.

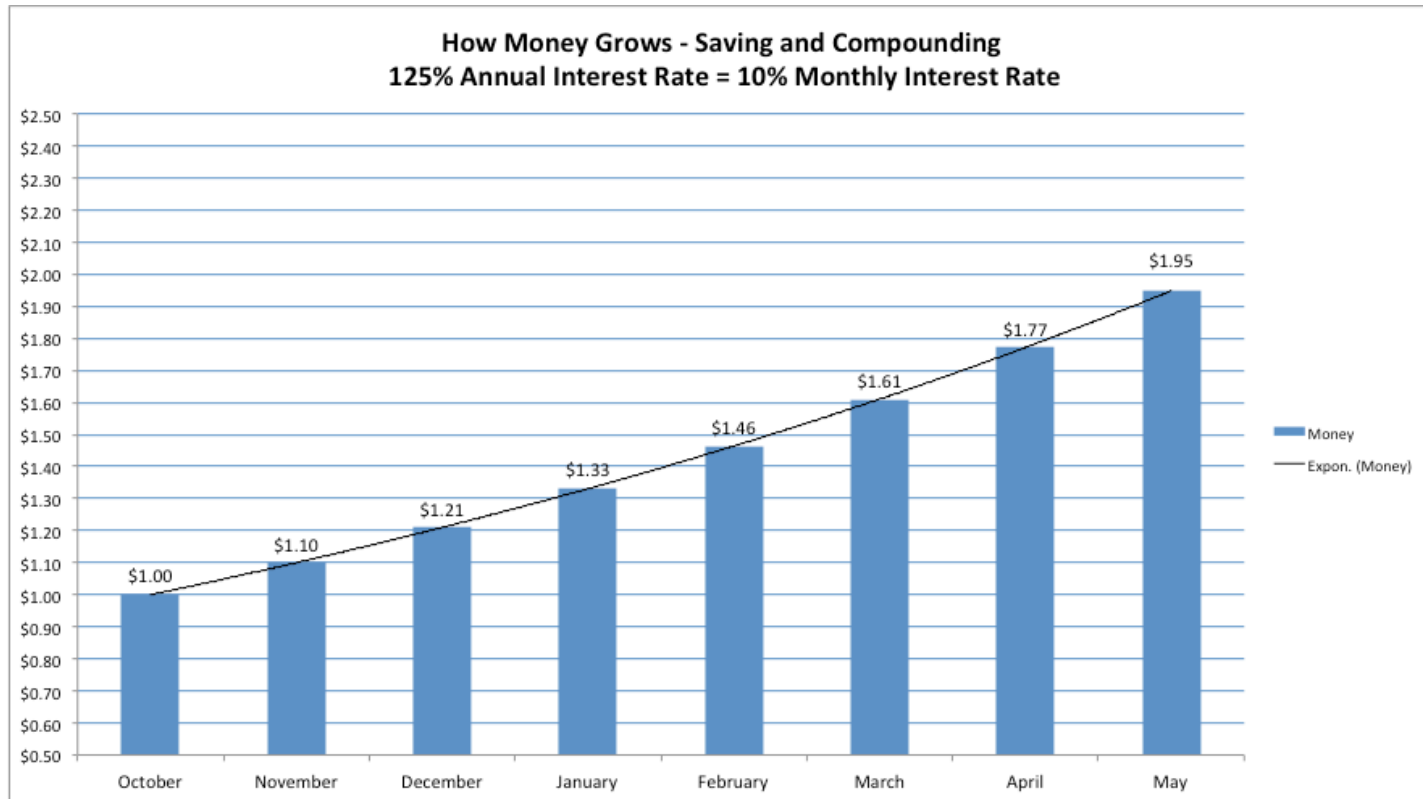
Instructions:

1. In first month, have students assemble a cardboard savings bank. Templates can be found at craft stores or by using scrap cardboard and tape. Students should decorate the bank using crayons, markers, etc.
2. Discuss what items students and their mentors might want to save for such as a bike, books, or even college.
3. Add the initial investment, \$1.00 (or whatever your team chooses). This can be real or play money.
4. Explain to students the concept of saving and how a bank will help them manage their savings via online and in person resources.
5. Hand out to students the blank graph in Graph 1 below. Discuss how this will help them track how their money will grow as interest is added each month. Discuss the graph and answer any questions they may have.
6. Every visit thereafter, the first part of that months activity is for the students to get their banks and spreadsheets (stored on the teacher's shelf), and together to calculate the interest earned (simplify using 10% every month)
7. The students do the math and told "the banker" how much interest to add to their bank. The students need to write their work down to show the banker. Answers are found in Graph 2., below.
8. Then the students fill in their spreadsheet with the new total amount in the bank and colored in the graph.
9. During the last visit of the year, if using play money, students and "buy" small prizes brought in by their mentors with their money. Prizes can include small school supplies, toys, etc.

Graph 1.



Graph 2.



Activity Created and Submitted by:

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