week 4:

saving and investing

milkXP

Name	Date	Grade

a) vocabulary sheet

Directions: Add the correct term with the corresponding definition. Additionally, add an example of the term from your own life (spending, saving, or bank account context).

Terms: interest · interest rate · compound interest · savings account

Term	Definition	Example
	Extra money you earn because you saved or lent money.	
	The percentage of your money you earn as interest (often shown per year).	
	Interest that earns interest over time (you earn interest on the original money and on past interest).	
	A bank account that stores money safely and usually pays a small amount of interest.	

b) growth over time

Directions: Complete the table below and answer the pattern questions.

Year	Add $5 Each To The Total After Each Year	Add 5% Compound Growth After Each Year
0	$100.00	$100.00
1	$105.00	$105.00
2	$110.00	$110.25
3		
4		
5		

1. What pattern do you notice in the “Add $5 Each Year” column?

2. What pattern do you notice in the “5% Compound Growth” column?

3. By Year 5, how much more money do you have with compound growth than with adding $5 each year?

c) keep or save?

Direction: For each item, decide whether to keep (buy) or save. Then explain your reasoning.

Item	Price	Keep (buy) OR Put Into Savings?	Reason (1–2 sentences)
Burrito blanket (example)	$35		
Gaming headset	$80		
Concert tickets	$150		

Reflection: Why might someone choose to save money instead of spending it right away? Give one example.



extra credit: milk question

According to the teacher's *very disclosed* milk ad, milk has nutrients that can help you do what?

a. Focus
b. Read minds
c. Become the most disclosed person on the internet

answer:





teacher reference — answer key

a) vocabulary sheet

Directions: Add the correct term with the corresponding definition. Additionally, add an example of the term from your own life (spending, saving, or bank account context).

Terms: interest · interest rate · compound interest · savings account

Term	Definition	Example
Interest	Extra money you earn because you saved or lent money.	You earn $3 because the bank paid you interest.
Interest Rate	The percentage of your money you earn as interest (often shown per year).	A savings account pays 5% interest per year.
Compound Interest	Interest that earns interest over time (you earn interest on the original money and on past interest).	Your balance grows faster each year because interest is added to the balance.
Savings Account	A bank account that stores money safely and usually pays a small amount of interest.	You keep your emergency fund in a savings account.

b) growth over time

Directions: Complete the table below and answer the pattern questions.

Year	Add $5 Each To The Total After Each Year	Add 5% Compound Growth After Each Year
0	$100.00	$100.00
1	$105.00	$105.00
2	$110.00	$110.25
3	$115.00	$115.76
4	$120.00	$121.55
5	$125.00	$127.63

1. What pattern do you notice in the “Add $5 Each Year” column?

Sample answer: It increases by a constant amount ($5) each year, resulting in a smaller total than you get at 5% compound growth.

2. What pattern do you notice in the “5% Compound Growth” column?

Sample answer: The increase gets slightly larger each year because you earn interest on the previous interest, resulting in a larger total after 5 years than simply just adding $5 a year.

3. By Year 5, how much more money do you have with compound growth than with adding $5 each year?

Sample answer: About $2.63 more ($127.63 − $125.00 = $2.63).

c) keep or save?

Direction: For each item, decide whether to keep (buy) or save. Then explain your reasoning.

Item	Price	Keep (buy) OR Put Into Savings?	Reason (1–2 sentences)
Burrito blanket (example)	$35	Save	Not a need; I'd rather build savings first.
Gaming headset	$80	Keep	I use it daily and already have money set aside for it.
Concert tickets	$150	Save	I want to go, but $150 is a lot; I'd save for a few weeks first.

Reflection: Why might someone choose to save money instead of spending it right away? Give one example.

Saving helps you reach bigger goals and handle emergencies.
For example, someone might save $20 a week to build an emergency fund instead of spending it on snacks.



extra credit: milk question

According to the teacher's very disclosed milk ad, milk has nutrients that can help you do what?

a. Focus



assessment rubric

Vocabulary: clear understanding of vocabulary	5 pts
Calculations accurate	4 pts
Comparison reasoning sound	3 pts
Written explanation clear and uses vocabulary	5 pts

