# **Saving Money Discussion Guide (for use during or after reading)**

1. What are expenses? What is income? (Saving Is Wise, p. 6-7)
   1. Expenses are the cost of goods or services. Income is the money received through work or investments.
2. What are some examples of major purchases people often save their money to make? (Saving for a Major Purchase, p. 8-9)
   1. Some major purchases people save for include education, homes, and cars.
3. What is a savings plan? (Making a Savings Plan, p.10-13)
   1. A savings plan is a budget designed with the goal of saving money. It often includes a goal amount and specifies how much money to put into savings. It also often explains how long it will take to reach that savings goal.
4. Revisit pages 14-19. What does Piggy Bank consider when making a weekly budget? (Planning a Budget, p. 14-19)
   1. Piggy Bank considers their income, a budget for needs like rent and food, and how much they can put into their savings account. Piggy Bank also considers how long it will take to reach their savings goal.
5. Why did Piggy Bank decide not to spend extra money on fun things like new animal toys? (Planning a Budget, p. 14-19)
   1. Piggy Bank decided it would be worth it to forgo spending money on other wants in order to save for a major purchase, such as a motorcycle.
6. What is interest and what is an interest rate for a savings account? (What Is a Savings Account?, p. 20-25)
   1. Interest is the amount of money a lender or financial institution charges for lending out money. It is usually expressed as a percentage of the amount borrowed.
   2. An interest rate is the percentage of amount borrowed that is charged as interest on a loan. In a savings account, the bank is borrowing money from the account owner. Therefore, the account owner earns the interest from the bank.
7. What is the difference between a savings account and a checking account? (What Is a Savings Account?, p.20-25)
   1. A savings account is a place to deposit and store your savings. It often collects interest. A savings account is used to keep money safe. Sometimes, it can take a few days to withdraw money from a savings account. Sometimes savings accounts limit how often you can withdraw your money.
   2. A checking account is a place to deposit and store your spending money. People often use their checking account with a debit and/or a credit card. Often, checking accounts do not have as high an interest rate as savings accounts.
8. What is a certificate of deposit (CD)? (Kinds of Savings Accounts, p. 26-37)
   1. A certificate of deposit is a kind of savings account where a deposit earns a set amount of interest as long as it is held over a set period of time. This is a very safe way to grow your savings.
9. What is a high-yield savings account? (Kinds of Savings Accounts, p. 26-37)
   1. A high-yield savings account is a special kind of savings account that offers higher interest rates than traditional savings accounts. However, to get a high-yield savings account, you often must start with a large deposit or have additional restrictions and fees. Not everyone has enough money to afford to open a high-yield savings account.
10. What is a credit union? (Kinds of Savings Accounts, p. 26-37)
    1. A credit union is a cooperative banking association operated exclusively for the benefit of its members.