Math 9 Financial Literacy Finale

1. For each of these types of savings accounts, explain what it is and what the pros or cons of having it is.

Savings account:

Checking account

Guaranteed Investment Certificate/Term deposit:

RESP:

RRSP:

TFSA:

2. Jason has $5000 in a savings account earning 2.5%, how much interest will he earn at the end of the year?

   After the 2nd year, how much interest will he earn?

3. Using this online calculator, determine the difference in the final savings, if you saved a consistent amount each day, week or month for a total of 5 years.

Starting amount: $5000   day: $1   weekly: $7   monthly: $30

	Save $1 /day	Save $7/week	Save $50/month
Starting amount	$5000	$5000	$5000
End of year 1			
End of year 2			
End of year 3			
End of year 4			
End of year 5			

What do you notice?

If the interest rate was 2%, how would the final amounts change?

4. How long will it take your savings to double at the given interest rates? (use this online calculator to determine).

a)   1.1%   b)2.3%   c)   5%   d) 12%

5. From what you have learned about saving your money, describe a budget and savings plan you could implement **today** that would help you save for your future goals.