

A Penny Saved

Vocabulary Match

	Term	Definition
1	Savings	a. The original amount of money invested or deposited
2	Interest	b. Money set aside for future use
3	Principal	c. Money earned from savings or paid for borrowing
4	Simple Interest	d. Interest earned only on the principal
5	Compound Interest	e. Interest earned on both principal and past interest
6	Rate	f. The percentage charged or earned on an amount of money
7	Rule of 72	g. A formula to estimate how long it takes money to double

Savings Scenarios

1. Simple Interest Write the formula:
 - Principal: \$800
 - Rate: 4%
 - Time: 5 years
 - Answer:
2. Compound Interest (annual) Write the formula:
 - Principal: \$1,200
 - Rate: 5%
 - Time: 3 years
 - Answer
3. Rule of 72
 - Interest rate: 6%
 - How long will it take to double?
 - Answer
4. Use the online investor.gov calculator to find:
 - How much \$1,00 grows to at 3% for 10 years compounded annually.
 - Answer