



## Bank on Your Future

Be a \$mart \$aver.

### Pay yourself first.

You're worth it! Every time you receive money as a gift or get paid for a job well done, set aside some portion of that money as savings before you spend.

### Focus on a goal.

Keep your reasons for saving money top of mind. Post the goal on a mirror so you will see it often.

### Comparison shop.

Compare prices on the same or similar items at several stores to make sure you're getting the best deal and a good value for your money.

### Track your spending habits.

Keep a listing of everything you purchase, from bubble gum to shoes and CDs. It will help you see where your money goes and where to cut costs.



## The Power of Saving!



You've just won the lottery and have your choice of two grand prizes: \$1,000 an hour for 30 days or a penny doubled every day for 30 days. Which would you pick? If you understand the power of compound interest, you'd choose the penny. The first prize would total \$720,000, but the second prize would total a whopping \$5,368,709.12! How is that possible?

Invest a little for a long time and you end up with a lot. Compound interest is just that simple, but to get there you have to choose saving over spending. It's important that you learn how to save when you're young because that's when you form habits that last a lifetime. Just like learning to ride a bike, many skills are easier to master when you're young than when you're an adult. Get started by setting a budget and starting a savings account. Then sit back and watch your money grow!

## Beginner Budgeting for Every Age

The best way to reach your saving goal is to start with a budget. A budget helps you keep track of the money you have coming in — your allowance or birthday money — and the money you have going out, including spending, saving and possibly donating. A good way to learn budgeting is to divide your money into four clear jars labeled: Sharing, Spending, Short-term Saving and Long-term Saving. The following guidelines will help you decide how much to put in each jar.

### Sharing

**10 percent of your income, or \$1 for every \$10.**

Are you concerned about helping children or animals, protecting the environment or supporting a local food bank? Choose a cause that you're interested in and donate regularly. You'll feel good and the charity will benefit from your generosity!

*(continued on page 3)*



### Teach Children to Save

Throughout the year, local bankers visit classrooms to talk about saving. They are part of the Teach Children to Save program, which has helped thousands of bankers teach millions of kids like you since 1997. When a banker visits your school, be sure to ask lots of questions!

# Make Saving a Family Affair

Whether your family is planning an outing to a baseball game or a once-in-a-lifetime trip, suggest that you set a saving goal and work together to reach it. As a group, figure out how much the trip will cost. Include admission fees, travel expenses, food, souvenirs, etc. Then talk about ways everyone can contribute so you'll reach your goal.

Can you save money on your family's weekly trip to the grocery store by helping cut coupons or pointing out less expensive brands?



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**Putting off your wants now for a future reward is the key to reaching your goal. It will be a lot easier to save your money if you know what you're saving for.**

Or maybe you can rent a movie or video game instead of going to the movies or buying a new game. Is there a neighbor who needs help raking leaves or shoveling their driveway? Odd jobs around the neighborhood can be a great source of income, with your parent's permission.

Putting off your wants now for a future reward is the key to reaching your goal. It will be a lot easier to save your money if you know what you're saving for. The more saving success you have early in life, the easier it will be to save as an adult for a house, a college education and even retirement. Use the worksheet below and start saving today!



## Family Saving Goal Worksheet

Goal: \_\_\_\_\_ Amount Needed: \_\_\_\_\_ Target Date: \_\_\_\_\_  
*(e.g. a family purchase or event)*

	Cost-cutting Measures <i>(coupons, savings from comparison shopping)</i>	+	Family Donations <i>(spare change put in a jar, then deposited in the bank)</i>	+	Anticipated Saving	Actual Amount Saved
Week/Month 1	_____		_____		_____	\$ _____
Week/Month 2	_____		_____		_____	\$ _____
Week/Month 3	_____		_____		_____	\$ _____
Week/Month 4	_____		_____		_____	\$ _____
Week/Month 5	_____		_____		_____	\$ _____
Add Weekly Anticipated Saving to determine <b>Total Anticipated Saving</b>					=	_____

**Grand Total Saved**  
\$ \_\_\_\_\_

Have you met your savings goal in the "Anticipated Saving" column? If yes, congratulations! If no, consider ways to expand your cost-cutting measures and/or increase family member donations. Then re-enter the new figures in the appropriate spaces above. Good luck with your family saving goal!

Adapted from Parent Resources in the **Teach Children to Save** program.

# Beginner Budgeting

(continued from the cover)

## Spending

**30 percent of your income, or \$3 for every \$10.**

This money can be used at any time for small purchases, like a baseball or a CD. Ask your parents for guidelines on how you can spend this money, and then make your own decisions!

## Short-term Saving

**30 percent of your income, or \$3 for every \$10.**

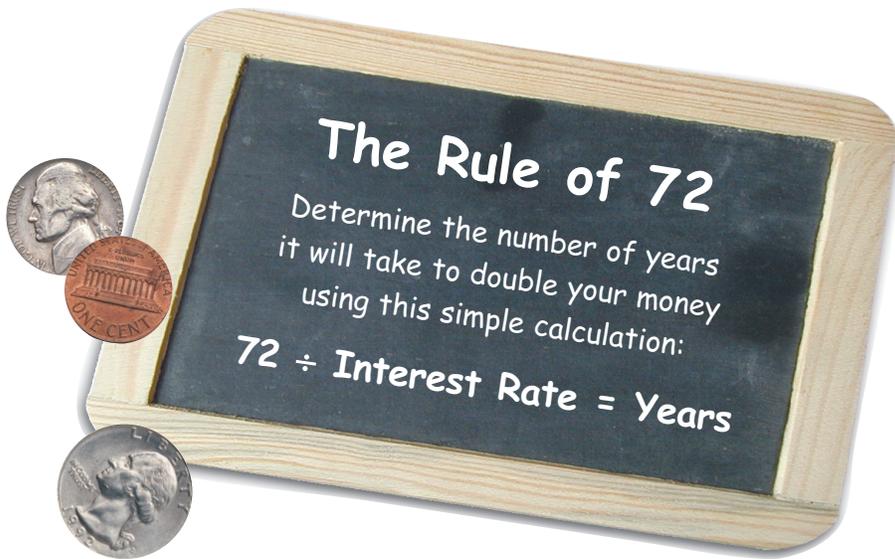
You may need to save several months for larger purchases, such as a video game or an iPod. This jar will help you save for some cool stuff!

## Long-term Saving

**30 percent of your income, or \$3 for every \$10.**

This is where you'll save for the future. Someday you'll want to go to college or buy a car. These expenses require a lot of planning and saving!

Once your money has started to add up, ask a parent or trusted adult to help you open a savings account at a bank. The bank will make sure that your money is safe, and they'll even pay you while it's there. Your local banker can help you open an account and learn more about other ways to save.

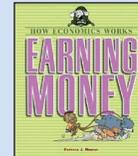


## Growing Your Savings by Investing

These days, you hear a lot about the stock market on television and the radio. Investing is a good way to grow your money for the long haul, but there is some risk involved. Learn the ins and outs of investing at [www.younginvestor.com](http://www.younginvestor.com). You can learn about different investments for different saving goals, how the stock market works, and how Wall Street got its name.

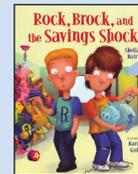
## Check out These Books!

Visit your local library or bookstore ...



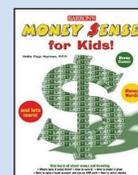
**Earning Money: How Economics Works**  
(Ages 9-12)  
*Patricia J. Murphy*

This book will teach you how to earn money, either by requesting an allowance or starting a kid-run small business. The author also discusses how to keep track of earnings, budget and set goals.



**Rock, Brock, and the Savings Shock**  
(Ages 4-8)  
*Sheila Bair, FDIC Chairman*

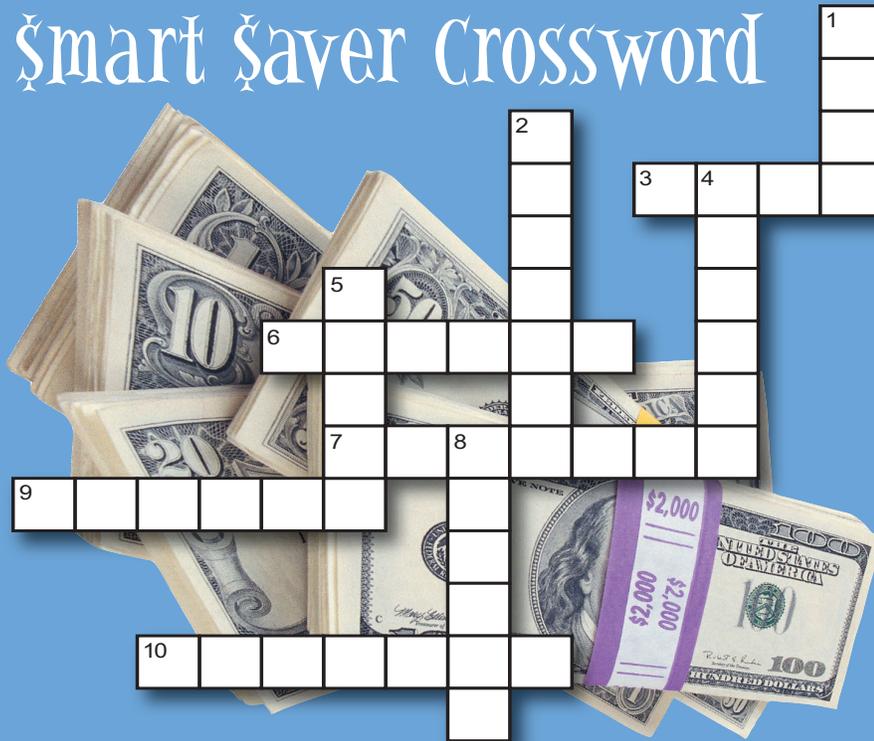
Are you a spender or a saver? In this book, Rock is a spender, while Brock is a saver. When the twin boys' grandfather gives them the opportunity to earn some extra money by doing chores, they find out just how different their money personalities are.



**Money Sense for Kids!**  
(Ages 9-12)  
*Hollis Page Harman*

Do you know the complicated path money takes to get from the U.S. Mint to consumers like you? This book will tell you that and more as you learn about earning, saving and growing money. There are even fun "Money Games" you and an adult can play together.

# Smart Saver Crossword



## ACROSS

3. There is a \_\_\_\_\_ when you invest your money.
6. \_\_\_\_\_ is the easiest way not to spend money.
7. Money a person pays out to buy something.
9. The official currency of the United States.
10. Add money to your bank account.

## DOWN

1. The safest place to save your money.
2. The amount of money in a bank account.
4. Money a person gets or receives.
5. It's wise to be a smart \_\_\_\_\_.
8. The result of having more income than expenses.

## Glossary of Banking Terms

**Allowance** – an amount of money parents give children, often in exchange for completing chores.

**Balance** – the total amount of money you have in your bank account.

**Bank** – a business that keeps money for customers, makes loans and provides other money-related services.

**Bank account** – a safe place to keep your money, where it will earn extra money (interest).

**Budget** – a plan you create to control spending and manage your personal finances.

**Check** – a method of payment in which money is drawn from an account.

**Checking account** – a bank account that uses checks or debit cards against the balance to make payments.

**Deposit** – adding money to your bank account.

**Expense** – money a person pays to buy an item or pay for services.

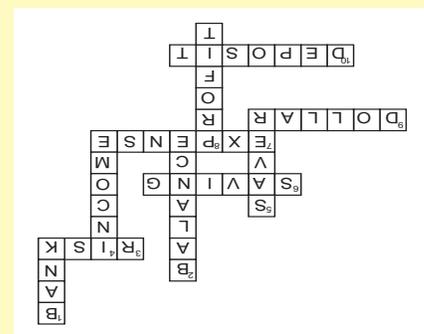
**Goal** – something you work toward or hope to achieve in the future.

**Income** – money a person earns or receives.

**Interest** – the money a bank pays depositors for using their money, or the money a person pays when borrowing money.

**Rule of 72** – A math formula that determines the number of years it will take to double your money at a given interest rate. Divide 72 by the interest rate. For example, money invested at 10 percent interest rate will double in 7.2 years.

**Withdrawal** – taking money out of a bank account.



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