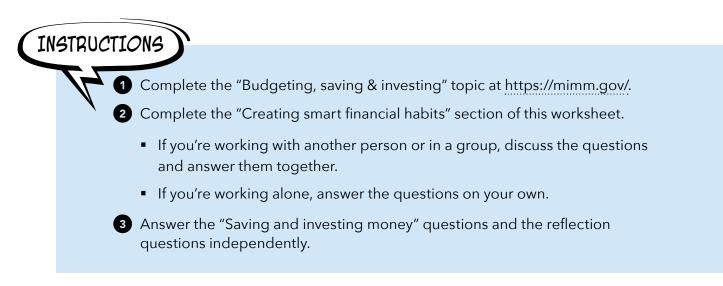
_ Date: _____ Class: __

S BUILDING BLOCKS STUDENT WORKSHEET

Miya builds her wealth

Building wealth involves getting spending under control. It also involves saving and investing for tomorrow. Planning and budgeting help people take charge of their money.





Creating smart financial habits

Reflecting on whether something is a need or a want is a habit that can help you control spending.

1. Look at some of Miya's expenses. Consider which are needs or wants, and then reflect on ways she can reduce her spending.

ltem	Cost	Need or want?	How can Miya reduce or eliminate these costs?
Smoothie (one each day)	\$4.50		
Computer	\$800		
Dinner out with friends	\$25		
Groceries	\$100		
TV/Internet package	\$90		
Cell phone (per month)	\$70		
Lunch on the base	\$8		
Total	\$		·

- 2. How can deciding whether something is a need or want help Miya spend less money?
- 3. What are other things people can do to increase their savings?

Saving and investing money

- 4. After paying her required expenses, Miya has \$300 left over each month to put into her savings account. If she doesn't spend her savings (and excluding any interest), how much will she have in one year? \$_____
 Three years? \$_____
 Five years? \$______
- 5. To reach long-term financial goals (which may take five or more years to achieve), Miya may want to consider investing some of her savings. Imagine that after two years of saving money (when she is 25), Miya invests \$3,000 in a mutual fund that has returned an average of 6.5% a year over the past few years. Miya knows that past performance is no guarantee of future returns. Each year she invests an additional \$1,200 of her savings (\$100 per month) into the mutual fund.

Use the compound interest calculator at https://www.investor.gov/financialtools-calculators/calculators/compound-interest-calculator to figure out how much she'll have in 10 years. \$_____

6. Name and describe one of the special financial services or tools available to servicemembers mentioned in the challenge at the end of Miya's story. (You may need to do additional research.)

Reflection questions

7. What are two strategies that would be easiest for you to use to control your spending?

8. Why is it a good idea to save and invest money?