

Name: _____ Date: _____ Class: _____

BUILDING BLOCKS STUDENT WORKSHEET

Evaluating savings scenarios

There are many tools for storing your savings. Each has benefits and risks, depending on the situation.

Instructions

- 1** Review the “Options for storing your savings” handout to learn about common savings options.
- 2** Review the five savings scenarios on the next page and recommend at least one savings tool that fits the needs and situation. Choose from the following options:
 - CD (certificate of deposit)
 - Checking account
 - With friends and family
 - Health savings account
 - At home
 - Money market deposit account
 - Savings account
 - Savings bond
- 3** Give a clear reason for your choices.




Scenario A

Omar works at a fast-food restaurant. He plans to attend community college part-time in six months but still work. He's been setting aside a little money from his paycheck to help cover some college costs. So far, he's saved \$1,000. He keeps the money in a drawer in his room, but he wants a safer place to put it. He'd also like to earn some interest on the money since he won't need it until he starts college. What savings tool would you recommend?

Recommended savings tool(s)

 CD (certificate of deposit)

 Checking account

 With friends and family

 Health savings account

 At home

 Money market deposit account

 Savings account

 Savings bond

Explain your choice(s)

Scenario B

Shanice's grandmother died recently and left Shanice \$2,000 in her will. Shanice plans to go to graduate school in three years and wants to use her grandmother's money for books. Which savings tool would probably help her earn the highest rate of interest and still give her easy access to the money when she needs it in three years?


Recommended savings tool(s)

 CD (certificate of deposit)

 Checking account

 With friends and family

 Health savings account

 At home

 Money market deposit account

 Savings account

 Savings bond

Explain your choice(s)


Scenario C

A traveling soccer team made \$3,542 selling cookies. They plan to use this money to go to a large national tournament. They're planning other fundraisers to add to this amount. The team realizes this is too much money to keep at one person's home, and they want to put the funds in an insured depository institution. Their coach will need to write a few checks for transportation and meals at the tournament. What savings tool would you recommend for the team?


Recommended savings tool(s)

 CD (certificate of deposit)

 Checking account

 With friends and family

 Health savings account

 At home

 Money market deposit account

 Savings account

 Savings bond

Explain your choice(s)


Scenario D

Calvin and Carly are expecting their first child in two months. They know that with a child, their health care expenses will go up. They're wondering what type of savings tool to use help them pay their increased health expenses and to help save money. What would you recommend for Calvin and Carly?


Recommended savings tool(s)

 CD (certificate of deposit)

 Checking account

 With friends and family

 Health savings account

 At home

 Money market deposit account

 Savings account

 Savings bond

Explain your choice(s)

Scenario E

Brennan is excited about his new summer job as a lifeguard. In the past, he’s mowed lawns and put the money he earned in his bedroom dresser. Now that he’ll be earning more money, he wants a more secure place to store his savings. Brennan will need to pay for gas and lunches and thinks having an ATM card is a good idea. Knowing Brennan needs to withdraw money each week, what tool would you recommend?


Recommended savings tool(s)

 CD (certificate of deposit)

 Checking account

 With friends and family

 Health savings account

 At home

 Money market deposit account

 Savings account

 Savings bond

Explain your choice(s)
