



Cents for Teens - Saving and Investing

Name: _____

1. Let's say you deposited \$25000 in a savings account that offers a 5% interest rate that compounds daily. Can you calculate the amount of compound interest you would earn at the end of 3 years?

$$A = P\left(1 + \frac{r}{n}\right)^{nt}$$

2. Which checking account will you choose?

1	2	3
Basic checking 24/7 banking No paper checks	Regular Checking 24/7 banking Unlimited check writing	Full-service banking 24/7 banking Unlimited check writing No fees at out of network ATMs when balance requirements met
MONTHLY SERVICE FEE	MONTHLY SERVICE FEE	MONTHLY SERVICE FEE
\$10 or \$0 when you: Make 1 direct deposit (or) 1 qualifying bill payment per statement period (or) Maintain a combined average monthly balance of \$1,500+	\$12 or \$0 when you: Make 1 direct deposit and 1 qualifying bill payment per statement period (or) Maintain a combined average monthly balance of \$1,500+	\$25 or \$0 when you: Maintain a combined average monthly balance of \$10,000+



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3. Which savings product will you choose?

1	2	3
Savings Fee-free online savings account 3.4% APY No Fees No Minimum Balance FDIC Insured	Money Market High yield money market account 4% APY No Fees Minimum \$25000 Balance to earn APY FDIC Insured	Certificate of Deposit Special rate CD 5% APY on 12 month CD Early withdrawal penalty No Minimum FDIC Insured