



FINANCIAL LITERACY 101

Deciding how to spend and save your money is not difficult, but when adults talk about spending and saving it might seem like they are speaking a foreign language. They throw around terms like “annual percentage rate” or “compound interest” and it all seems too complicated. However, once you learn what the terms mean, you will find spending, saving and investing your money is not so confusing after all!

Try to guess the correct terms for the basic spending and saving scenarios below:

1. Each week, Erica’s parents give her \$50 to spend on whatever she wants. In exchange, she does chores around the house.

2. Todd really wants to buy a video game, but he does not have enough money. His dad offers to give him some money, but expects him to pay it back.

3. Traciana needs \$500 to buy a new bike. She has 6 months to get the money.

4. Ben does not have any money, so he works odd jobs for people in exchange for things he wants.

5. Victoria’s brother reminds her that she borrowed \$50 from her and he expects her to pay it back, along with a dollar for every day it takes.

6. Mike works many odd jobs and from them all, he earns around \$1000 a month.

- A) Allowance
- B) Barter
- C) Borrow
- D) Savings goal
- E) Income
- F) Debt & Interest