## Year 5 Home Learning

Date: Wednesday 15<sup>th</sup> July

Financial Literacy
Numeracy and Literacy in one!



# Savings, spending and need vs. want

#### **Saving Money**

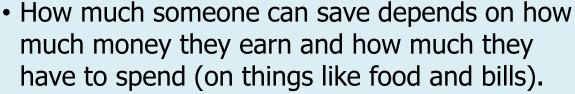
What do we mean when we say we're saving money? What are we saving it from?

And why is it so important?



#### **Saving Money**

- Saving money is when we put some money to one side to spend later. We keep it safe in some way so that we don't spend it.
- We can save money by keeping it in a piggy bank, somewhere else safe at home, or in a bank.
- Sometimes we might save our money for something in particular, like a new game or a car.
- Other times, we might not know what we're saving for. Some people save "for a rainy day"- just in case they need that money one day.
- Some things might take weeks to save up for; others might take years!
- The earlier you start saving, the more money you will be able to save!
- A recent study found that if you had deposited £1 into a bank account 200
  - years ago, it would be worth about £1000 today!





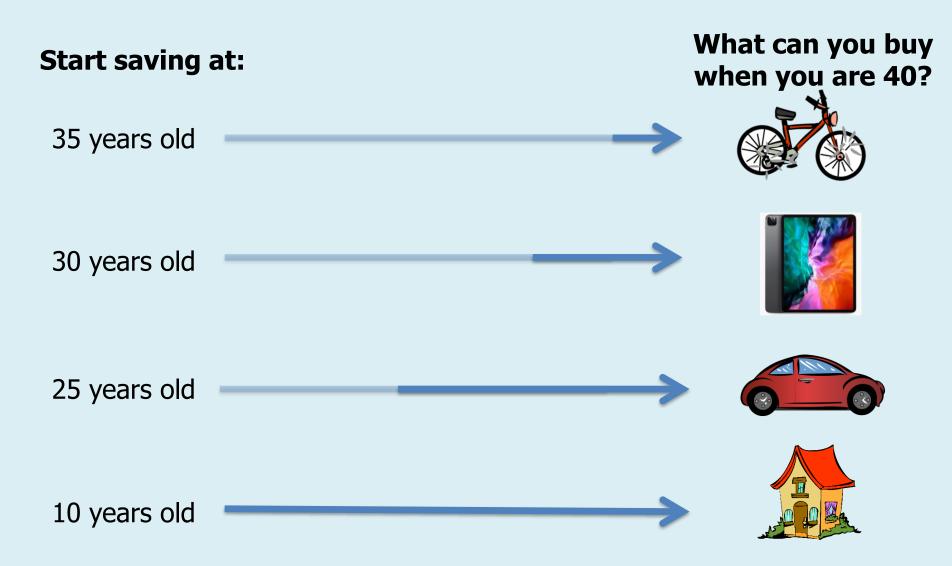




- When people save money in a bank, they can expect to get their money back plus interest. We'll look at this a little more next lesson.
- Different banks offer different deals to encourage people to save with them.
   It's always a good idea to compare the different deals they are offering to see which is best.
- Banks want you to save your money with them, as this means they can lend more money to other people and make more profit.



### What could you get if you start saving early?



The longer you save for, the more you will save.

#### Your Task

- 1. James gets £3 a week pocket money. If he saves all of it, how much would he have after:
  - a. one month?
- b. one year?
- c. He also receives £50 for his birthday and £20 from each of his three uncles at Christmas. How much does he now have?
- 2. If you saved £1 a week from the age of 10, how much would you have in savings at age:
- a. 20?

b. 30?

- c. 40? d. 50?

- e. 60?
- 3. Phil would like to buy a new PS4 game. It costs £21.99. He receives £4 pocket money each week. How long will it take Phil to save up for the game?
- 4. Richard wants to buy a new car. He's chosen a new Ford Focus which costs £25,000. He has a good job and earns £2500 a month, but has to pay his rent (£600 a month), bills (£250 per month) and buy food (£200 each month). What is the shortest amount of time it will take him to save up for the car?
- 5. What would you like to save up for? Think about 5 things you could do to help you earn money so that you can save up more quickly.

#### **Answers**

1. a. £12

b. £156

c. £266

2. a. £520

b. £1040

c. £1560

d. £2080

e. £2600

3.6 weeks

4. 18 months

5. Answers will vary