

Saving for the future

Activity 5a

This activity will help your child develop a better understanding of saving over a longer period of time, providing them with basic information regarding different saving options.

- 1 Write a list of five things you would like to save for.

_____	_____
_____	_____
_____	_____

- 2 Look at the following list and underline the places where you can save money.

A bank A petrol station A supermarket
A post office A school

There are several different ways you can save your money over a long period of time. These include:

A Savings Account

You put your money into this account and you are paid interest on what you save. If the bank gives you 2% interest a year and you have £100 saved, you will receive £2 interest at the end of the year. If the bank gives you 5% interest then you will get £5 at the end of the year.

A Monthly Saver Account

In this account you save the same amount every month, at the end of the year the interest is added. If you saved £10 a month for 12 months you would have £120 at the end of the year, plus interest.

A Child Trust Fund

Your parents may have opened up a Child Trust Fund when you were born. This is a long-term savings account into which you can save up to £3,600 a year until you are 18. The money can be invested in cash or it can be invested in the stock market. You cannot access the money in a Child Trust Fund until you are 18 and you cannot take any money out of it before then. This is a good way of saving money over a long period of time.