Savings Choices

Read how saved money can be invested to grow over time.

SS.4.FL.5.1 "Explain that after people have saved some of their income, they must decide how to invest their savings so that it can grow over time."

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Underline each choice Malik could make with his savings. Circle the words or phrases that explain what he should think about before choosing an investment.

Malik Makes a Plan

1 Malik earns money by walking neighbors' dogs and helping at a plant shop. He saves part of each payment in a bank account. After several months, he has $120. Saving helped Malik keep money for a future goal. Now he must decide what to do with the savings so they may grow over time. He discusses the choice with his family.

2 Malik learns that people can invest saved money in different ways. One choice is a savings account that pays interest. Another choice is a government bond, which is a loan to the government. A stock is a small share of a company. Each choice can grow money over time, but the amount of growth and risk can differ.

3 Before choosing, Malik thinks about his goal, how long he can leave the money invested, and how much risk he can accept. A savings account may be easier to use soon, while other investments may need more time. Investments do not always grow as planned. Malik compares choices, asks questions, and chooses an investment that fits his goal.

2 ANSWER WITH EVIDENCE

Use the passage

1. After Malik saves $120, what decision does he need to make?

2. Name three choices Malik learns about for investing saved money.

3. What three things should Malik think about before he chooses an investment?

4. Are investments certain to grow as planned? Use information from the passage to explain.

3 YOUR TURN

Your own words

Imagine you have saved $60 for something you want in about one year. Write four sentences that name your goal, choose an investment, explain how it may help your savings grow, and tell why the choice fits your time and risk needs.

Savings Choices

PART 1 · READ AND MARK

Underline each choice Malik could make with his savings. Circle the words or phrases that explain what he should think about before choosing an investment. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	After Malik saves $120, what decision does he need to make?	**He needs to decide how to invest his savings so the money may grow over time.**
2	Name three choices Malik learns about for investing saved money.	**A savings account, a government bond, and a stock.**
3	What three things should Malik think about before he chooses an investment?	**His goal, how long he can leave the money invested, and how much risk he can accept.**
4	Are investments certain to grow as planned? Use information from the passage to explain.	**No. The passage says investments do not always grow as planned, and their growth and risk can differ.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

I saved $60 from my allowance for a bicycle I want next year. I would put it in a savings account because I may need the money soon. The account can pay interest, so my savings may grow over time. This choice fits my goal because I want a lower-risk place for my money.

Accept equivalent descriptions of the three investment choices and of the factors Malik should consider. For the open response, accept any sensible investment choice if the student connects it to a goal, time, possible growth, and risk.