# Money for Later

How saving creates choices, protection, and progress.

**SS7E10.c** “Understand the reasons and benefits of saving.”

NAME ______________________ DATE ______________

## 1 READ AND MARK

Read it twice

**YOUR JOB** Underline each reason a person or family might save money. Circle each benefit that saving can provide.

### Why People Save

1 Saving means setting aside some money now instead of spending all of it. In Japan, many families use bank accounts to keep savings secure. A student who receives money for helping at a shop might save part of it each week. The reason is not simply to collect coins or bills. Savings give people choices when they later need to pay for something important, such as school supplies, transportation, or training for a job course fee.

2 Saving can also protect a household from surprises. In South Korea, a family's washing machine might stop working, or a parent might miss work because of illness. Without savings, the family may need to borrow money. Borrowing can solve an urgent problem, but loans often must be repaid with extra cost, called interest. Money already saved can help a family handle an emergency while avoiding, or reducing, debt. This benefit can make a stressful event less harmful to the family's budget.

3 People also save for goals that take time to reach. In India, a teenager may want a bicycle for traveling to school or work. By deciding on a goal, estimating its cost, and regularly saving a small amount, the teenager can work toward buying it without borrowing. Saving may also earn interest in some bank accounts, so the balance can grow. Even when interest is small, the habit of planning, delaying a purchase, and tracking progress helps people make careful decisions about money.

## 2 ANSWER WITH EVIDENCE

Use the passage

1. How can savings give a person choices later?

2. What might happen if a family has an emergency but no savings?

3. Why can using saved money for an emergency be better than borrowing money?

4. What three actions can help a teenager save for a bicycle or another long-term goal?

## 3 YOUR TURN

Your own words

Create a savings plan for one realistic goal you have. Write three sentences that name your goal, explain how you will save regularly, and describe one benefit of saving instead of borrowing.

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## PART 1 · READ AND MARK

Underline each reason a person or family might save money. Circle each benefit that saving can provide. Accept any marking that follows this job and points at the right text.

## PART 2 · ANSWERS

| # | QUESTION | ANSWER |
|---|---|---|
| 1 | How can savings give a person choices later? | **Savings provide money to pay later for important needs or opportunities, such as school supplies, transportation, or job training.** |
| 2 | What might happen if a family has an emergency but no savings? | **The family may need to borrow money, and a loan may have to be repaid with interest.** |
| 3 | Why can using saved money for an emergency be better than borrowing money? | **Using savings can help the family avoid or reduce debt and the extra cost of interest.** |
| 4 | What three actions can help a teenager save for a bicycle or another long-term goal? | **Decide on a goal, estimate its cost, and regularly save a small amount.** |

## PART 3 · YOUR TURN (SAMPLE ANSWER)

I want to save $60 for a pair of sports shoes. I will save $5 from my weekly allowance for twelve weeks and track my total each week. Saving will let me buy the shoes without borrowing money or paying interest.

Accept equivalent explanations that connect saving with future choices, emergencies, avoiding debt or interest, and reaching goals. For Part 3, accept any realistic goal and regular saving plan that correctly states a benefit of saving rather than borrowing.