

Comparing Savings Accounts

Answer Key



1. The balances are listed in the table below. *Note: Mint is a live simulation, there are transactions that change the balances Isaiah's checking and savings on a daily basis.*

ACCOUNT	ACCOUNT NAME	BALANCE
Cash	Checking	Balance varies daily (ranges between \$1000 and \$3000)
Cash	Saving	Balance varies monthly (increasing by \$100 plus interest each month)

2. Isaiah transfers \$100 early each month from checking to savings.
3. Answers will vary based on the current savings balance. With an interest rate under 1%, Isaiah's monthly interest deposit will be under \$2.00
4. Isaiah spends money daily so answers will vary. Isaiah has large expenses early in the month (i.e. rent is \$750) so the first week may have the highest spending.
5. On average each month, Isaiah spends \$2500 - \$3000.
6. Answers will vary:
- With current spending, does not have 3-6 months' expense in savings.
 - He currently has less than 1 months' expenses in savings.
 - Isaiah needs about \$7500 in savings to have 3 months' expenses in savings.
 - By adding \$100 monthly to savings, Isaiah is years away from this goal.
7. Answer are:
- Isaiah earns about \$3000 per month in income.
 - \$100 is not 10% of \$3000.
 - Isaiah needs to save about \$300 per month to save 10% of income.
8. Answers will vary, but Isaiah spends quite a bit on eating out (Dunkin', Chipotle, Subway, etc.). Students may identify this as a way to reduce spending.
9. See sample answer on following page. *Note: The savings account offers in Mint change during the year.*

CRITERIA	ACCOUNT
Bank Account Name	Discover
APY (%)	1.01%
Minimum amount needed to open an account	\$0
Monthly fee?	\$0
Is the bank FDIC insured (may say "Member FDIC")	Yes
Free Bill Pay?	No
Free ATM use?	Yes
Comes with a debit card?	No

10. Students may identify: An internet-only bank may be less personal and convenient and students may have questions about how to deposit or withdrawal money if this is their only savings account.