Date _____

2.1 Savings Plans

Focus: percent, using technology, planning, goal setting

Warm Up

1. About how many days are in 6 months? _____

2. What is 10% of

a) 70? _____

b) 120? _____

3. How many pay periods are usually in 1 year if you are paid

a) weekly? _____

b) bi-weekly? _____

c) monthly? _____

4. What is 10% of

a) 238? _____

b) 119.20? _____

c) 473.92? _____

5. What do the following TVM solver abbreviations stand for?

a) PV _____

b) FV _____

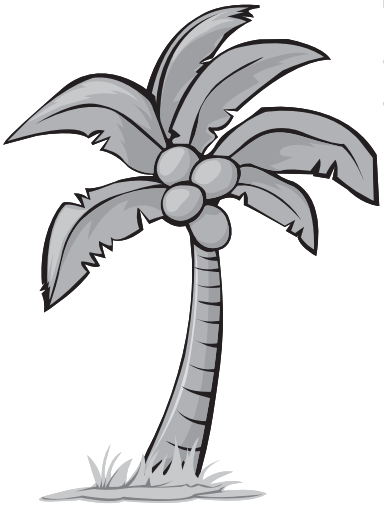
6. Explain the difference between the 2 variables in #5.

_____

_____

_____

_____



Planning for the Future

- Long-term financial goals help you manage your money.
- You need to plan ahead to buy a house, go on vacation, get out of debt, or go back to school.

1. a) What are your financial goals in the next 5 years?

_____

_____

b) What major purchases do you see in your future?

_____

_____

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c) Investigate the cost of 1 of these goals or purchases.

d) List the steps you could start taking right now to reach this goal.

e) Compare your goals and plans with a partner.

2. Jaspreet is saving for a vacation to Halifax with her friends. She puts $2 a day into a glass jar on her night table.

a) Approximately how much will Jaspreet save in 30 days?

b) Approximately how much will she save in 6 months?

c) How much will she have in 1 year?

d) State 1 advantage and 1 disadvantage of Jaspreet's savings method.

3. Jasira is going to college next year to study culinary arts. She has 1 year to save $3000. Calculate the amount she needs to save from each paycheque if she is paid

a) weekly _____

b) bi-weekly _____

c) monthly _____

Date _____

4. Caleb needs to buy snow tires for his truck. They will cost $1000.

a) If he saves $120 each week, will he have enough to buy the tires in 6 weeks?

b) How much will Caleb have to save each week in order to buy the snow tires in 6 weeks?

5. In 9 months, Rob wants to purchase a $1200 snowboard. He has an account that pays 2.5% interest per year, compounded monthly. Use a TVM solver to determine how much he should put in the account each month.

N: _____, I%: _____, PV: _____, PMT: _____,
FV: _____, P/Y: _____, C/Y: _____, PMT: END BEGIN

6. a) Find an article about financial planning on the Internet or in a print resource. Read the article.

b) Describe the attitude of the author toward financial planning.

c) How does the author use statistics to promote the ideas in the article?

Go to pages 45–50 to write the definitions for **gross pay** and **net pay** in your own words.

- **Gross pay** is an employee's total earnings before deductions, such as income tax, are taken off. An employee who makes $9.50/h and works 10 hours has a gross pay of $95.
- **Net pay** is gross pay after all deductions are taken off.

7. Last spring, Rhys started working after school. The table shows the amounts of his first 4 paycheques.

Pay Date	Net Pay	Amount Saved
March 17	$212.98	$21.30
March 31	$244.30	
April 14	$192.09	
April 28	$263.87	

a) Rhys saved 10% of his net pay. Calculate the amount he saved from each paycheque. Write your answers in the chart. The first one is done for you.

b) Estimate the average amount Rhys can save each month.

_____

c) Rhys is saving for a $1500 motorcycle. Use a TVM solver to determine how many months it will take him to reach his goal. He has an account that earns 2% interest, compounded monthly.

N: _____, I%: _____, PV: _____, PMT: _____,

FV: _____, P/Y: _____, C/Y: _____, PMT: END BEGIN

☑ Check Your Understanding

1. Jackson works part-time and earns about $450 every 2 weeks. He wants to buy a $6000 motorcycle. Design a savings plan for Jackson. He wants to buy his motorcycle within 1 year.

N: _____, I%: _____, PV: _____, PMT: _____,

FV: _____, P/Y: _____, C/Y: _____, PMT: END BEGIN