1. Mai and Rebekah were friends since high school. They were similar in many ways although they had very different approaches towards saving. They both started working part time at the local newsagent at 14.

* Mai saved $50 per week from age 14 to 22, accumulating $20,000. Mai deposited this money into a high interest savings account on her 22nd birthday, with an interest rate of 3%, compounding annually. Making no further deposits into this account, Mia left the account to accrue interest until she turned 50.
* Preferring to spend her money rather than save it, Rebekah did not open her high interest savings account until age 30 with an initial deposit of $1,000. She deposited $1,000 into this account at the end of every year for 20 years. The account had an interest rate of 3%, compounding annually.

**Use the MoneySmart** [**savings calculator**](https://www.moneysmart.gov.au/tools-and-resources/calculators-and-apps/compound-interest-calculator) **to complete the table:**

|  |  |  |
| --- | --- | --- |
| **Question** | **Mai** | **Rebekah** |
| What was the total amount of money deposited by each person? |  |  |
| How much interest was earned by each person? |  |  |
| What was the savings account balance at age 50? |  |  |
| Explain the difference in the final amount each of the friends has available in savings at age 50. |  | |
| What could each of the two friends have done differently to maximise the balance of their savings account at age 50? |  | |

**Read this infographic before continuting to Question 2.**



1. It’s time to make a plan to become a millionaire. It’s easier to achieve than most people think!

Using what you now know about the best strategies to grow your money, you’ll need to decide on how often you should save, a realistic amount that you think you can save regularly, and at what age you’d like to achieve your goal. You will most likely need to adjust your strategy several times in order to come up with a realistically achievable plan.

**Use the MoneySmart** [**savings goal calculator**](https://www.moneysmart.gov.au/tools-and-resources/calculators-and-apps/savings-goals-calculator) **to see how long it will take you to save $1,000,000** at 4.00% interest.

|  |  |
| --- | --- |
| **Question** | **Answer** |
| My starting balance (money I currently have in savings): |  |
| Time to reach $1,000,000: |  |
| Amount of money I need to save each month: |  |
| Age I will achieve my goal: |  |