TAKE CHARGE TODAY
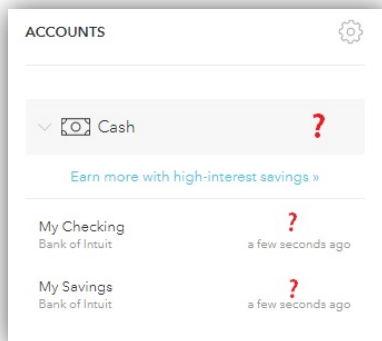*Financial Education for a Better Future*

intuit
mint.

COMPARING SAVINGS ACCOUNTS
STUDENT SIMULATION WORKSHEET

Name(s):_____

> **Directions:** To complete Part 1, use the **Dashboard**, **Transactions**, and **Trends** tab.
>
> Then, in Part 2, you'll investigate alternative savings accounts on the **Ways to Save** tab.

PART 1: SCOTT'S SAVINGS

ACCOUNTS ⚙

∨ 🔲 Cash   **?**

Earn more with high-interest savings »

My Checking
Bank of Intuit   **?**
a few seconds ago

My Savings
Bank of Intuit   **?**
a few seconds ago

From the Mint **Overview** tab, on the left side, we can see that Scott has both a Savings & Checking account. Together, they represent Scott's available money – in Mint it is summed as '**Cash**'.

1. What is Scott's "My Checking" balance?

2. What is Scott's "My Savings" balance?

3. What is Scott's total *Cash* balance?

4. Does Scott have more money in Savings

☐ Savings   ☐ Checking

Balances change daily with transactions. Checking will range from $1300 - $4100. Savings will increase from $1500 by $100 each month. Total cash is the combination of both of the above. Scott may have more in Savings/Checking depending.

Click on Scott's Savings account, you will see more information specifically about that account.

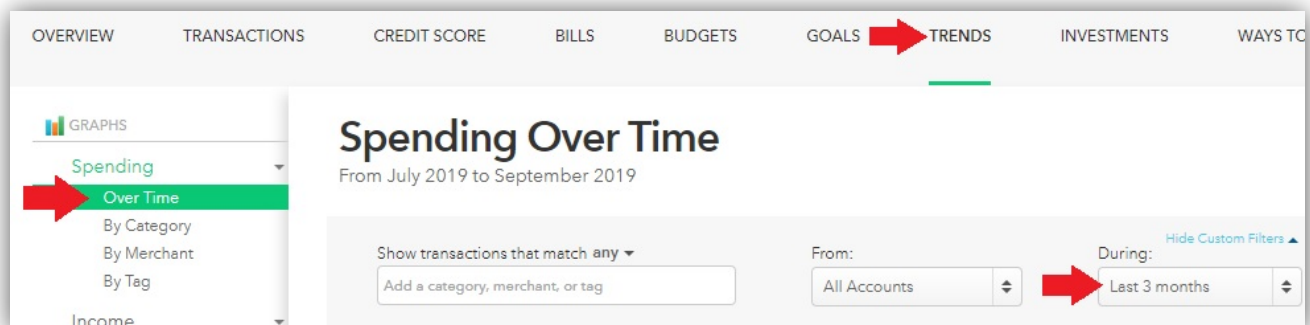5. How much is Scott transferring into his Savings each month? $ 100.00

6. How much interest did Scott earn last month? $ Varies. 1% of balance

Experts suggest a person should have 3-6 months' worth of expenses in savings. *Does Scott?*

Let's investigate. First, click on the **Trends** tab of Mint. In Trends, select the **Spending Over Time** graph and then choose the duration of **Last 3 months**. Since this current month is not yet finished, look at the last previous complete month to analyze the graph.

OVERVIEW   TRANSACTIONS   CREDIT SCORE   BILLS   BUDGETS   GOALS ➡ TRENDS   INVESTMENTS   WAYS TO

📊 GRAPHS

Spending ▾
  Over Time ➡
  By Category
  By Merchant
  By Tag
Income ▾

Spending Over Time
From July 2019 to September 2019

Show transactions that match any ▾

Add a category, merchant, or tag

From:
All Accounts ⇕

Hide Custom Filters ▲

During:
➡ Last 3 months ⇕

7. Looking at the previous complete month, what were Scott's total expenses?

$ Varies. About $2500

8. Based on how much Scott spends in 1 month, for Scott to have 3 months' worth of expenses in savings, he would need a savings balance of approximately:

$ About $7500

9. In other words, Scott has approximately _____ months' worth of expenses in savings currently:

[X] Less than 1 month [ ] 1 month [ ] 2 months [ ] 3 or more months

Experts also suggest a person should save at least 10% of their income. *Does Scott?*

Let's investigate. In the **Trends** tab, switch to **Income Over Time** graph and choose the duration of 3 months. Look at the previous two months to analyze the graph.
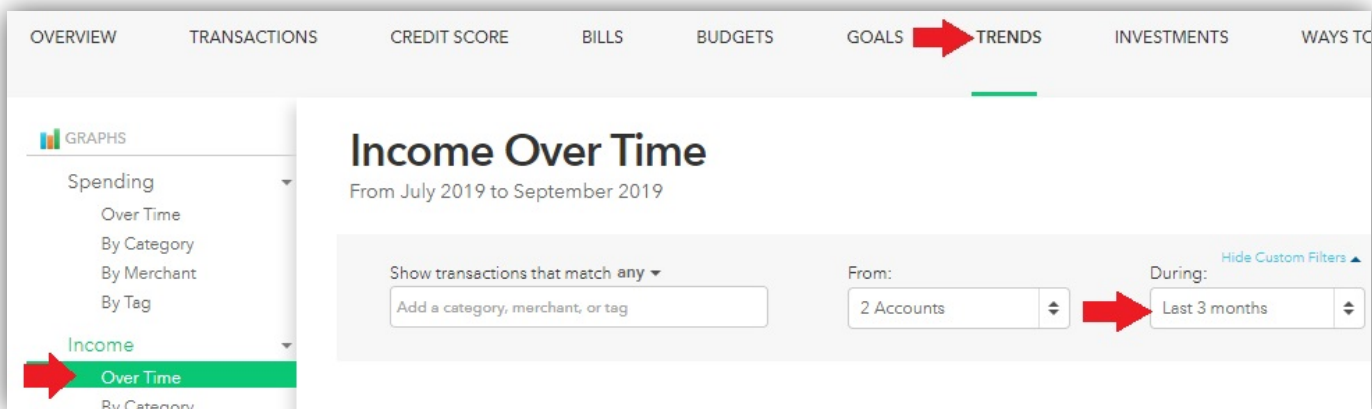
10. What is Scott's average income in the last two months?

$ About $3000

11. Based on how much Scott saves each month (from #5 on the first page), we can calculate that Scott is saving about _____% of his income each month.

$100/$3000 = 3.3%   %

12. In order to save 10%, Scott should save $_____ each month.

$ About $300

Finally, general financial wisdom suggests that when savings is too low, a person should cut unnecessary expenses.

Let's investigate. Switch to the TRANSACTIONS tab. You can scroll down to see all transactions, or use the search bar to find a specific transaction type.


13. Find one example of a transaction of Scott's that appears to be unnecessary.

N Answers may vary, but Scott has 10+ transactions per month on fast food, coffee. Students will hopefully identify this and not RENT or GAS

PART 2: WAYS TO SAVE

Now, switch to the **Ways to Save** tab, then click on the Piggy Bank icon for Savings accounts. Below you will see offers for other Savings accounts.

Savings
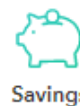
14. Choose any two (2) offers and complete the grid below. Click on "*See Full Details*" of any offer to get necessary information.

	Account 1	**Account 2**
Bank Account Name	Answers will vary, but most of the online-only accounts are offering over 2% (Sept 2019). Many have 0 minimum and no fee.	
APY (%)		
Minimum amount needed to open an account		
Monthly fee?		
Is the bank FDIC insured (may say "Member FDIC")	☐ Yes ☐ No	☐ Yes ☐ No
Free Bill Pay?	☐ Yes ☐ No	☐ Yes ☐ No
Free ATM use?	☐ Yes ☐ No	☐ Yes ☐ No
Comes with a debit card?	☐ Yes ☐ No	☐ Yes ☐ No

Use the first savings account you found (Account 1) from your search to answer these last questions. Scott's current bank account is paying 1% interest.

15. With Scott's current savings balance (see #2 on first page), and an interest rate of 1%, how much interest will Scott earn next month?

$ Varies. Approx $1.00

16. If Scott switches to the savings account you found above, how much interest could he earn based on that interest rate?

$ Varies. Approx $2.50

17. Subtract the two above answers to determine the additional interest Scott could earn from switching to this bank.

$ Varies. Double!

Students must know Interest = Principal * Rate * Time (in months)

PART 3: CRITICAL THINKING

18. Most of the banks that offer 2% or higher APY are not 'brick-and-mortar'. They are internet-only banks, with no physical location. What do you think are a couple negatives about an online-only bank for a customer?

Answers could include not being able to visit in person for questions or needs.
Also, an online-only bank may not have any or as many ATM's.

Application to Real-World	Final Task: New Bank Savings Offer

Exit Slip:

Using a sticky note, index card, plain half sheet of paper, or below, write an answer to one of these questions:

Question Option 1:

A new bank is opening in your city. On the sign out front, in big letters, it reads:

> ## New Customers: 3.5% APY on Savings Accounts!
>
> Only for the first 6 months, then the APY adjusts to 0.25% APY

For a person who plans to save for many years, is this a good offer? Why or why not?

For a person planning to save for many years, only the first 6 months would yield a good amount of interest and after that, the interest would be really low. I would shop around.

Question Option 2:

Scott decides to take wise advice and increase his savings to $300 per month. He sets a goal to increase his savings to $5000. Based on his current balance, and ignoring the little bit of interest he earns monthly, how long will it be until Scott has $5000 in savings?

Answer varies depending on amount currently in savings account. Will be at least $1500.

$5000 - $1500 = $3500

$3500 / 300 = almost 12 months

*Be sure to include your name on your exit slip.