

What Are Savings? | Worksheet



Matching

Match the definition in Column A with the term in Column B.

Column A

- _____ Account designed to earn interest and save money
- _____ Savings for covering unexpected expenses
- _____ Savings for building wealth for the future
- _____ Adding money to a financial account
- _____ Removing money from a financial account

Column B

- a. Deposit
- b. Emergency Fund
- c. Nest Egg
- d. Savings Account
- e. Withdraw

Multiple Choice

1. **What is the benefit of making regular deposits into a savings account?**
 - a. It makes it harder to spend money
 - b. It allows you to withdraw money whenever you want
 - c. It increases your interest rate
 - d. It builds your credit score
2. **Which of the following is NOT a reason to have a savings account?**
 - a. To prepare for financial emergencies
 - b. To save for expensive purchases
 - c. To build wealth for the future
 - d. To pay off debt immediately
3. **How many months' worth of expenses should you save for an emergency fund?**
 - a. 1 month
 - b. 2-3 months
 - c. 3-6 months
 - d. 6-9 months
4. **According to the 50-30-20 rule, what percentage of your income should you put into savings?**
 - a. 50%
 - b. 30%
 - c. 20%
 - d. 10%

Application

Build an emergency fund that will cover you for 3 months. Use a separate page to total up your average monthly expenses, then fill in the calculation below.

$$\begin{array}{ccccccc}
 \$ \underline{\hspace{2cm}} & \times & 3 & = & \$ \underline{\hspace{2cm}} \\
 \text{(your total monthly expenses)} & & & & \text{(your 3-month emergency fund)}
 \end{array}$$



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What Are Savings? | Answer Key

Matching

Match the definition in Column A with the term in Column B.

Column A

- d. Account designed to earn interest and save money
- b. Savings for covering unexpected expenses
- c. Savings for building wealth for the future
- a. Adding money to a financial account
- e. Removing money from a financial account

Column B

- a. Deposit
- b. Emergency Fund
- c. Nest Egg
- d. Savings Account
- e. Withdraw

Multiple Choice

1. **What is the benefit of making regular deposits into a savings account?**
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Application

Build an emergency fund that will cover you for 3 months. Use a separate page to total up your average monthly expenses, then fill in the calculation below. Responses will vary.

$$\begin{array}{ccccccc} \$ \underline{\hspace{2cm}} & \times & 3 & = & \$ \underline{\hspace{2cm}} \\ \text{(your total monthly expenses)} & & & & \text{(your 3-month emergency fund)} \end{array}$$