



# *How Interesting*

# TOPIC FOUR: HOW INTERESTING



## How Interesting

### HOW INTERESTING OVERVIEW

This topic covers the concept of saving – the reasons to save, where we put our savings and how our savings grow over time, with interest. Both simple and compound interest are explained. Borrowing is also covered in this topic.

**Time needed: Minimum 1 hour 10 minutes**



## Learning Goals

### KEY LEARNING GOALS

1. Guides understand that money can be saved for future needs and wants and recognise
  - ▶ the trade-off between saving and spending
  - ▶ how savings grow with interest
  - ▶ the importance of time when saving money
2. Guides understand that anything borrowed must be returned and that there is a cost for borrowing



## Materials

### MATERIALS

**Guide units will need to provide the following items for program activities:**

- ▶ Sticky notes – 2 per Guide
- ▶ Smarties/M&Ms - 110 smarties/M&Ms (1 x 200g packet of Smarties/M&Ms)
- ▶ Bell – to signal rounds in the game
- ▶ Bowls - 3 per unit with 20 Girl Guides or less. Double for larger units.
- ▶ In Return cards
- ▶ Pens, textas, coloured pencils
- ▶ Packets of stickers or stars – for this topic enough for one for each Guide

### SETUP

To play the Three Little Pigs game, three tables will need to be set up across the room, with a chair on one side of each table and space for 5-10 girls to line up on the other side of each table. Larger Guides Units will need 6 tables so that they can replicate the game setup to ensure all Guides actively participate in the game.



HOW INTERESTING

# ACTIVITY SHEETS 1 & 2

ACTIVITY

1

## INTRODUCTION

 5 MINUTES

Recap briefly on the last Guide your Money session that you completed in your unit. Introduce this topic, during which girls learn more about the benefits of saving, how interest can make their savings grow and what happens when we borrow money.

## ACTIVITY 1: HEADS AND TAILS

### Instructions:

If you answer 'yes' to the following statements, put your hands on your head. If your answer is 'no', put your hands on your 'tail'.

- ▶ I understand what 'interest' is
- ▶ If I put my money in the bank, it will grow
- ▶ If I borrow money from the bank, I will have to pay it back plus some extra
- ▶ It's a good idea to spend all my money on things I want now
- ▶ It's a good idea to save some money for later

Record the number of girls who answer 'yes' and who answer 'no' to each question on the worksheet provided.

**NOTE:** You will need to do this activity again at the end of the meeting as part of your evaluation.

ACTIVITY

2

## REASONS TO SAVE

 10 MINUTES

Give each girl two sticky notes. Each girl writes on a sticky note:

- ▶ one idea about saving money e.g advantages, disadvantages, why do it, etc
- ▶ something that they would have to (or like to) save for

Put the notes the board/wall in two separate groups/places.

Let all the girls look through the ideas.

Afterwards discuss what they have written and what they notice about others' comments

### Discussion prompts:

- ▶ How do you feel/what do you think about saving?
- ▶ Why do we save?

- ▶ Have you ever waited a long time for something, because you decided to save up for it?
- ▶ How did you feel when you reached your savings goal/ were able to get the thing you wanted?

Look at the things you would like to save for:

- ▶ Do you think it would take a short or long time to save for them?
- ▶ What do you think would help you to save for these things?
- ▶ What might make it more difficult to save for them?

# HOW INTERESTING LEADER'S NOTES



## Leader's Notes

### LEADER'S NOTES

**Before you start this topic, you may wish to refresh your understanding of compound interest.**

Visit the ASIC Money Smart page on Savings and compound interest at <https://www.moneysmart.gov.au/managing-your-money/saving/compound-interest>

#### Recap – why it is important

Girls will build on their financial literacy learning throughout Guide Your Money. Recapping on previous learning will help girls' memory retention and support them to build on what they learn at each stage. This is particularly useful where there has been a time gap since the last topic but is valuable whether your unit does a topic each week or less frequently. The wording of the introduction will need to be adjusted to reflect the Guide Your Money topics that your Unit has covered so far.

The **heads and tails activity** will also be completed at the end of the meeting as part of the evaluation. It is a benchmark setting activity to support the evaluation of learning outcomes.



## Leader's Notes

### REASONS TO SAVE

Through this activity, Guides learn about reasons for saving and the trade-off between saving and spending.

Guides learn that saving allows them to plan for future needs and wants. There is a trade-off between spending and saving. By saving, they are delaying spending now, to be able to achieve something in the future. By spending now, they are giving up the opportunity to save for something in the future.





HOW INTERESTING

# ACTIVITY SHEET 3

ACTIVITY

3

## ALL ABOUT INTEREST - 3 LITTLE PIGS GAME

 35 MINUTES

Ask the girls to explain 'what is interest?' Answers might include:

- ▶ You can earn interest on money you save in the bank.
- ▶ If you borrow money from a bank, the bank will charge you interest

### Activity set up

You will need three girls or adult helpers to volunteer to be bankers for

- Piggy Bank
- Simple Bank
- Dollar Bank
- ▶ Give each bank a plastic bowl.
- ▶ Give the banker for Dollar Bank the Smartie Payment Schedule (see Rules of the game) and make sure each banker knows which schedule applies to their group
- ▶ Divide the Guides into three groups – '3 little pigs'.
- ▶ Give each Group a gift of 20 Smarties and a record sheet.

### Rules of the 3 Little pigs game

The game is played over five 3-minute rounds. Each group will be given a 'deposit' of Smarties and must follow the rules and schedule for depositing or eating the Smarties.

In each round Groups go to their respective banks to make their deposit, collect their interest payment of Smarties (as per the guide for each group below) and complete their record sheet.

- ▶ Signal the beginning and end of each round using a bell or ringtone
- ▶ Groups go to their respective banks to make their deposit and collect their interest payment of Smarties according to the deposit and interest guide (printable sheet in topic appendices)
- ▶ At the end of each round, Groups 1, 2 and 3 record how many Smarties they were paid, how many they ate and how many they have left for that round, using the recording sheets.

- ▶ After 5 rounds bring the groups back together so the Guides can compare the results.

### Afterwards

Ask each Group how many Smarties they had at the end of 5 rounds and how they felt about the process and how their results compare to the other groups.

- ▶ Group 1 - this will vary according to how many Smarties they ate
- ▶ Group 2 - this will vary according to how many Smarties they ate, but Simple Bank paid 20 Smarties to Group 2
- ▶ Group 3 had 50 Smarties – the 20 they were given and 30 Smarties paid by Dollar Bank as interest. Dollar Bank paid Smarties interest on the Smarties earnings. Also, the longer Group 3 left the Smarties at Dollar Bank, the more Smarties were paid.

Explain to the girls how the game shows how different kinds of interest work. We can think of interest as a reward for saving. Explain the difference between simple and compound interest - simple interest is only paid on the amount deposited, while compound interest is paid on the amount deposited and the interest we earn along the way.

Ask the girls which type of interest rate they would prefer for their saving account?

### More discussion prompts:

- ▶ How did your group play the game? Did you 'trade-off' any of your options so that you enjoyed the game more? Saved more Smarties?
- ▶ What were your results?
- ▶ Do you think this experience of the Smarties bank is anything like real banking and real life?
- ▶ How could you apply what you have learned here to your saving?
- ▶ Has anyone put money into the bank and seen how it earned interest (themselves or in a group for a project)?

# HOW INTERESTING LEADER'S NOTES



## Leader's Notes

### 3 LITTLE PIGS GAME

Through playing the 3 Little Pigs game, Guides learn how interest works. The game will help them understand how savings grow with interest, and the importance of time.

Guides understand that savings could be stored in different places. If they store it in a financial institution, such as a bank, they earn interest that adds to the savings. Interest is the reward for saving.

Guides develop their understanding of simple and compound interest. Guides learn that savings grow faster with compound interest than simple interest. Guides learn that the longer they save, the more money they will earn. Explain that earning interest is a reward for saving—the more we save (and leave it in the bank) the more interest we can earn.

This game “3 Little Pigs” will help to show how interest on our savings works.

The game illustrates the difference between simple and compound interest - simple interest is only paid on the amount deposited with the bank (principal), while compound interest is paid on the principal and the interest we earn along the way. The game instructions for Group 3 demonstrate compound interest, - i.e. you earn interest on your savings and as they continue to grow the longer time you save, the more your money grows.

Note: If there are a lot of Guides in the unit, the game could be duplicated so that all Guides have an opportunity to participate. Double the quantity of materials such as bowls and Smarties if the game is duplicated.







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# ACTIVITY SHEETS 4 & 5

ACTIVITY

4

## IN RETURN

Guides work in patrols. Use the In Return cards game templates. Lay the response cards out so everyone can see all the cards. Put the scenario cards in a stack, facedown. Girls take turns to pick up a scenario card and read it out.

 15 MINUTES

When it is read out, the other girls must compete to grab the right response card. The girl who draws the card and reads cannot compete in that round. When all the scenario cards are picked up, girls discuss the options they chose.

ACTIVITY

5

## CONCLUSION - HEADS OR TAILS

 5 MINUTES

If you answer 'yes' to the following statements, put your hands on your head. If your answer is 'no', put your hands on your 'tail'.

- ▶ I understand what 'interest' is
- ▶ If I put my money in the bank, it will grow
- ▶ If I borrow money from the bank, I will have to pay it back plus some extra
- ▶ It's a good idea to spend all my money on things I want now
- ▶ It's a good idea to save some money for later

Record the number of girls who answer 'yes' and who answer 'no' to each question on the evaluation worksheet provided

### Wrap up the session

Take a few moments to conclude the session by recognising that the girls have learnt about saving, earning interest and borrowing. Refer back to the Heads and Tails game and ask whether the girls changed their answers from the first round and why. You may also wish to let girls know what topic you will look at next time you do Guide Your Money program activities.



# HOW INTERESTING LEADER'S NOTES



## Leader's Notes

### IN RETURN

This activity helps Guides to appreciate that anything borrowed must be returned.

Use the In Return cards provided in the game templates. Print and cut out one set of cards per patrol. Note that there are more word cards than scenario cards.

Guides understand the difference between a gift and something that is borrowed. A gift is not returned, but a borrowed item must be returned.

Guides who want to understand more about borrowing, learn that money can be borrowed to meet their needs and wants.

When they borrow from a bank, girls must return the money that was borrowed and pay interest on it. Interest is the price of borrowing money. By paying interest, Guides understand they repay more than the amount originally borrowed.



## Leader's Notes

### HEADS AND TAILS

Repeat the **heads and tails** activity that the girls did at the start of the meeting. The outcomes of the repeated activity provide an understanding of the learning outcomes achieved in this topic.

Leaders who want to learn more about saving or borrowing can access the Australian Security and Investments Commission's MoneySmart website which is an independent source of financial information. The link to their website is: <https://www.moneysmart.gov.au>

Look for saving or borrowing in their menu items, or do a site search.

#### Wrapping up – why it is important

This is an important step that will help to reinforce the learning and create memory pathways for the knowledge that has been acquired. You will be prompted to recap again at the start of your next topic session and throughout the program, because this will continue to strengthen memory pathways and assist girls to retain and build on what they learn.

#### Record girls' participation

Be sure to complete the Record of Participation. This will provide evidence for girls to gain a Guide Your Money badge.







## HOW INTERESTING

# EVALUATION WORKSHEET



### Evaluation Template

## HOW INTERESTING

Date		
No. of Guides	Age Range	No. of Leaders

## KEY LEARNING GOALS

- Guides understand that money can be saved for future needs and wants and recognise
  - the trade-off between saving and spending
  - how savings grow with interest
  - the importance of time when saving money
- Guides understand that anything borrowed must be returned and that there is a cost for borrowing

### ACTIVITY 1: HEADS AND TAILS

Record the number of girls who answered yes (heads) and no (tails)– at the START of the meeting and at the END of the meeting.

Statement	START of Meeting		END of Meeting	
	YES (heads)	NO (tails)	YES (heads)	NO (tails)
I understand what 'interest' is				
If I put my money in the bank, it will grow				
If I borrow money from the bank, I will have to pay it back plus some extra				
It's a good idea to spend all my money on things I want now				
It's a good idea to save some money for later				

If girls responded differently at the start and the end of the meeting, why did they answer differently? Please record the girls' responses here.

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Based on your observations and the activities during the session, what proportion of Guides...

**a. participated actively?** (tick one)

Fewer than half     Half to two thirds     Around three-quarters     All/Almost all

**b. understood the main messages?** (tick one)

Fewer than half     Half to two thirds     Around three-quarters     All/Almost all



Printable  
Template

## THREE LITTLE PIGS GAME GUIDES

### DEPOSIT GUIDE FOR GROUPS 1, 2 AND 3

Group one rules	Group 1 – you can decide how many Smarties to eat in each round and how many to deposit in the bowl at Piggy Bank
Group two rules	You must deposit your gift of 20 Smarties in the bowl at Simple Bank. You may take out the Smarties paid as interest by the Simple Bank and eat them if you wish.
Group three rules	You must deposit your Smarties in the bowl at Dollar Bank. You cannot eat the Smarties paid as interest and must put your interest payment back into the Dollar Bank each round.



Printable  
Template

### INTEREST PAYMENT GUIDE

After the bell rings to signal the end of each round, the Bankers pay each group the correct number of Smarties:

- ▶ Piggy Bank pays 0 Smarties to Group 1
- ▶ Simple Bank pays 4 Smarties to Group 2
- ▶ Dollar Bank pays Smarties according to this payment schedule:

Dollar Bank Smartie Payment Schedule	
Round	Payment
1	4
2	5
3	6
4	7
5	8



## HOW INTERESTING

# APPENDIX 3

## IN RETURN WORD CARDS

Print and cut up one set per patrol.

**THANK YOU!!** In return

**THE BORROWED BOOK** In return

**THE BORROWED BOOK PLUS A FINE** In return

**YOUR FRIEND'S JUMPER** In return

**SPORTS EQUIPMENT** In return

**\$5** In return

**\$10 AS SOON AS YOU SAVE IT UP** In return

**YOUR CAR** In return

**BOX OF CHOCOLATES** In return

**ONE OF YOUR OWN BOOKS** In return

**\$5000 + INTEREST** In return

**AN OLD JUMPER** In return

**A NEW JUMPER** In return

**THANK YOU!!** In return

**\$10 NEXT YEAR** In return

**\$5000** In return

# IN RETURN SCENARIO CARDS

Print and cut up one set per patrol.

In return  
You get a \$10 advance on your pocket money from your parent this month to buy a ticket to a concert. What does your parent expect in return?

In return  
You borrow a jumper from a friend. What does your friend expect in return?

In return  
When you are older, you go to the bank and borrow \$5,000 to buy a car. What does the bank expect in return?

In return  
You borrow a book from the library and finish reading it. What does the library expect in return?

In return  
You are saving up for a new game and are nearly there. Your grandpa takes you shopping gives you the last \$20 that you need to buy it. What does he expect in return?

In return  
You rake up some leaves for your elderly neighbour who is not feeling well. What do you expect in return?

In return  
Your school lends you the sports equipment you need to play goalie for the school hockey team. At the end of the season, what does the school expect in return?

In return  
A friend gives your Mum a \$2 lottery ticket as a small present for helping her. Your Mum wins \$5000. What does her friend expect in return?

In return  
You receive a birthday gift from your friend. What does your friend expect in return?

In return  
You borrow a book from the library and only remember to return when it is one month overdue. What does the library expect in return?

In return  
You go to the shops without your wallet and borrow \$5 from your sister to buy something you really like. What does your sister expect in return?

In return  
Your friend forgets her pencil case so you let her borrow your really special pencils and textas, just for today. What do you expect in return?

In return  
You go to the movies with a friend but she does not have enough money for here ticket. You give her your spending money so you can both see the movie. What do you expect in return?

In return  
Your Dad helps out at a fundraiser for your school. What does he expect in return?

In return  
A neighbour asks your Mum to do her a big favour and she agrees. What does your Mum expect in return?

In return  
Your friend leaves her jumper at your house and you borrow it and damage it. What does your friend expect in return?