

# Different Decisions

## Key financial ideas

- ★ People have different financial personalities. Some are spenders; some are savers.
- ★ Bank statements show the effects of depositing and withdrawing money.
- ★ If you save your money, you will have more options available to you in the future.

## You need

- ★ a classmate

## Activity

Rebecca has a twin brother, Connor. They do lots of things together, but they usually have different views about what to do with their money. So, when Granny's email arrives, spending money on basketball is the last thing on Connor's mind ...



I bet Connor won't want to spend his money straight away!

I wonder what sort of investment I could make ...?



# BETABANK

- 1 Connor and Rebecca both do paper runs. They put the money they earn from this work into their savings accounts. Discuss with a classmate the differences you notice in the twins' bank statements.

Connor's bank statement:

Date	Transaction	Debit/Withdrawal (\$)	Credit/Deposit (\$)	Balance (\$)
15 Mar	Opening Balance			90.00
31 Mar	CR interest		0.30	90.30
31 Mar	IRD: Tax on interest	0.10		90.20
1 Apr	Direct Credit		40.00	130.20
28 Apr	CR interest		0.43	130.63
28 Apr	IRD: Tax on interest	0.14		130.49
1 May	Direct Credit		40.00	170.49
1 May	Transfer – external		1 000.00	1 170.49
31 May	CR interest		3.90	1 174.39
31 May	IRD: Tax on interest	1.30		1 173.09
1 Jun	Direct Credit		40.00	1 213.09
15 Jun	Closing date	Closing balance		1 213.09



Rebecca's bank statement:

Date	Transaction	Debit/Withdrawal (\$)	Credit/Deposit (\$)	Balance (\$)
15 Mar	Opening Balance			90.00
31 Mar	CR interest		0.30	90.30
31 Mar	IRD: Tax on interest	0.10		90.20
31 Mar	IRD: Tax on interest		40.00	130.20
1 Apr	Direct Credit			45.20
2 Apr	Withdrawal	85.00		15.20
5 Apr	Withdrawal	30.00		15.25
28 Apr	CR interest		0.05	15.23
28 Apr	IRD: Tax on interest	0.02		15.23
28 Apr	IRD: Tax on interest		40.00	55.23
1 May	Direct Credit			5.23
1 May	Withdrawal	50.00		1 005.23
1 May	Transfer – external		1 000.00	1 008.61
1 May	Transfer – external		3.38	1 007.48
31 May	CR interest			1 007.48
31 May	IRD: Tax on interest	1.13		1 047.48
31 May	IRD: Tax on interest		40.00	1 047.48
1 Jun	Direct Credit			1 047.48
15 Jun	Closing date	Closing balance		1 047.48

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Use the bank statements to answer these questions:

- How much money did Connor and Rebecca each have to begin with?
- Each twin made four deposits. How much was each for?
- How often do the twins get paid for their paper runs?
- What are the other credit amounts (for example, 30 cents on 31 March) for?
- What does the 10 cent debit amount on 31 March refer to?
- How many withdrawals did Rebecca make and for how much in total?
- How much less money than Connor does Rebecca have on 15 June?
- Why are the interest amounts at the end of April and May different in Connor's and Rebecca's accounts?
  - What does this tell you about saving?

**Reflective question** ★ Why do some people say "It takes money to make money"?