



TEACH CHILDREN TO SAVE

Building a generation of savers.

3 Steps to Begin Saving

ABA Education Foundation

You've just won the lottery and have your choice of two grand prizes: \$1,000 an hour for 24 hours for 30 days or a penny doubled every day for 30 days. Which would you pick? If you understand the power of compound interest, you'd choose the penny. The first prize would total \$720,000, but the second prize would total a whopping \$5,368,709.12! How is that possible?

Invest a little for a long time and you end up with a lot. Compound interest is just that simple, but to get there you have to choose saving over spending. It's important that you learn how to save when you're young because that's when you form habits that last a lifetime. Just like learning to ride a bike, many skills are easier to master when you're young than when you're an adult. Get started by setting a budget, starting a savings account and making deposits regularly. Then sit back and watch your money grow!

- 1. Set a budget:** A budget is a plan that helps you keep track of the money that you earn and the money that you spend. Take a look at our [Beginner Budgeting Tips](#) to learn more.
- 2. Start a Saving Account:** Many banks offer kids' saving accounts. These accounts have no minimum balance and charge no fees. Your parents or a trusted adult can help you open an account at your local bank branch. Your bank doesn't offer a kids' account? Ask them to start one!
- 3. Make Deposits Regularly:** Once you have an account, make sure you use it! The bank is the safest place for your money, safer than your piggy bank. Plus, your money will earn interest. Interest is the money a bank pays depositors, like you, for using your money.