

# UNDERSTANDING MONEY



*"Honour the Lord with your wealth and with the first fruits of all your produce."*

*~ Proverbs 3:9*

## PURPOSE

To learn about money and finances that we might become wise stewards and make faithful choices with the resources God has entrusted to us.

## LEARNING

1. According to Deuteronomy 8:18 and Haggai 2:8, who does our money belong to?

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2. What dangers are always present when it comes to money? Read Ecclesiastes 5: 10-11 and 1 Timothy 6:10 to guide your answer.

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3. What is the difference between a need and a want? Give one example for each.

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4. What does God promise us in Philippians 4:19? What does He warn us of in Luke 12:15?

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5. Besides spending, what other two things can we do with our money?

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6. Why should we save our money? Use Proverbs 21:20, Luke 16:10, Proverbs 22:7 and Proverbs 13:11 to guide your answer.

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7. Why should we give money away? Use Luke 6: 30-35, 1 John 3:17, and 2 Corinthians 9: 6-7 to guide your answer.

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8. How should we give? Use Matthew 6:1-4, 2 Corinthians 9:6-7, and 2 Samuel 24:24 to guide your answer.

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9. What are the benefits and potential dangers of using a credit card? Refer to Proverbs 22:7 in your answer.

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10. Match the following terms with their definition.

_____ Savings Account	<i>a</i>	Automated teller machine that lets you deposit or withdraw money
_____ Chequing/Checking Account	<i>b</i>	Money you take out of your bank account
_____ ATM	<i>c</i>	Percentage of your money that you earn when you save or pay when you borrow
_____ Withdrawal	<i>d</i>	Money you borrow that you have to pay back later
_____ Deposit	<i>e</i>	Money that people and businesses pay to the government
_____ Loan	<i>f</i>	Bank account used for everyday spending
_____ Interest	<i>g</i>	Money you put into a bank account
_____ Principal	<i>h</i>	Extra money you earn when you save or pay when you borrow

Money	<i>i</i>	Bank account where you keep your money safe and earn interest
Interest Rate	<i>j</i>	Commodity accepted by general consent as a medium of economic exchange
Taxes	<i>k</i>	Original amount of money you borrow or save
Direct Deposit	<i>l</i>	Money is sent straight into your bank account electronically

11. Explain the difference between simple and compound interest.

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12. Explain the difference between a bank and a credit union. Which is more popular and why?

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13. An education savings plan is a special account where families save money for a child's post-secondary education. Governments give extra help with grants or tax benefits. These grants can boost savings, but keep in mind they may come with conditions or restrictions on use. What is the name of the education savings plan in your country?

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14. Retirement saving are ways to save for retirement using accounts that give tax breaks. What is the name(s) of the retirement saving accounts available in your country?

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Why do you need retirement savings?

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15. One method of saving is through a secure investment. Money is put into an account for a set amount of time (ex. 1 year or 5 years) and you promise not to take it out during that time. In return, the bank pays you interest as a "reward" for leaving it alone. What is this called in your country?

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16. What are the three basic forms of taxes that we pay and give a brief definition for each.

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### APPLICATION

1. If you haven't already, set up a savings account at a bank or credit union of your choice with your parent's assistance. Remember to take all the information along that you may need including your social insurance number or social security number, address, date of birth etc. Which institution is your bank account at:

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Month and year your account was opened:

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2. a) If you put \$500 in an account in January of 2026, how much money will you have in January of 2030 if you assume the following: you don't put any more money into the account, you don't take any money out of the account, the interest rate stays at 4% each year, and it is based on simple interest. Show your work.  
Hint: Interest = Principal x rate x time.

b) How much would you have if it was based on compound interest? Show your work.  
Hint: Amount = Principal x (1 + annual interest rate)<sup>4</sup>

3. The cost of groceries is increasing. What are some concrete ways you can try to save money on a grocery bill? Include at least 7 ways.

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4. Here's your challenge: plan a day with \$40. You have an imaginary \$40 to spend for one fun Saturday. Tax is included in the price list. You need to plan your lunch and snacks, transportation costs for there and back, activities, and giving and/or saving. You cannot spend more than \$40. Write a short paragraph outlining your plan and subsequent total cost. Reflect on your choices. Was it hard to choose, did you decide to save or give, what would you do differently next time etc.

Price List:

Bus ride (one way)	\$2	Hike or beach	free
Taxi (one way)	\$10	Movie ticket	\$8
Bike rental (half day)	\$7	Art workshop	\$6
Souvenir	\$4	Trampoline park	\$10
Mini golf	\$8	Juice or pop	\$2
Bowling with shoe rental	\$10	Water bottle	\$1
Pizza slice	\$3	Hamburger and fries	\$7
Ice cream cone	\$3	Donut or muffin	\$2
Sandwich	\$4	Full meal at restaurant	\$15
Donate to charity	ANY	Put in your savings	ANY

**COUNSELOR SIGNATURE** \_\_\_\_\_

**DATE** \_\_\_\_\_