

Name _____

Mastering the Art of Saving and Investing: Your Budget's Best Friends

Open-Ended Response Answer Key

1. To calculate the monthly savings needed for a \$500 vacation in six months:

- Total savings needed: \$500
- Months to save: 6
- Monthly Savings = Total savings needed / Months to save
= $\$500 / 6 = \83.33 (approximately)

Explanation should include each step of the calculation.

2. Personal experiences will vary.
3. A scenario for adjusting the strategy could be a sudden increase in expenses. To adapt, you might temporarily reduce the monthly savings amount until your expenses return to normal.
4. It's important for young people to learn about prioritizing savings and investments because it sets the foundation for financial stability and future wealth building. Understanding these concepts empowers them to make informed financial decisions and achieve their financial goals.

