

Advice Column

Name _____

Date _____

Class _____

Directions: Sammy Spender does not understand the concept of saving and needs some advice. Read his letter below and answer his questions in the space provided. Your response letter should be written in a neat, organized manner using proper grammar and punctuation. The letter should answer all of the questions presented by Sammy in his advice letter.

Dear Saving Expert,

My name is Sammy Spender, and I am rather confused about the concept of saving. My friends tell me I should save money, but I do not understand why. What is savings, and why do I need to save money?

I enjoy playing ice hockey, and I really need a new pair of hockey skates before hockey practice starts next week. With new ice skates I could be so much faster on the ice! I asked my grandma if I could have a new pair of skates, and she told me that I would have to save money in order to buy a new pair of ice skates. Why is this? I need the new skates right now. Why can't my grandma buy them for me now?

I am also confused about how I should save my money. I have a drawer that I place my loose coins and dollars in every night, but my friends say this is not the best method for me to save money. My friends tell me I should consider saving my money at a depository institution. What is a depository institution? Why would saving my money at a depository institution be better than saving money in my piggy bank?

The money in my sock drawer seems to be accumulating really slowly. At this rate I am never going to have enough money to purchase my ice skates! I don't understand why this is. I only use the money in my sock drawer to buy a pack of gum every week. How can I save money faster?

I hope you can answer my questions, because I really need those new hockey skates!

Sincerely,

Sammy Spender

Sammy Spender





Dear Sammy Spender,

[illegible]

Sincerely,

Saving Expert