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COMPARING SAVINGS ACCOUNTS STUDENT DIRECTIONS

Overview

In today's activity, you will be using **Mint**, an online platform and mobile app to learn about savings accounts and interest. The financial tool – **Mint** – is used by millions of people to manage their own finances. Since every person's financial information is private, when you log in to **Mint**, you will be looking at fictional data for a person named Scott. Read about Scott below.

Scenario:

Scott is a 24-year-old who graduated from college and works as a sound engineer. When Scott was young, he liked filling his piggy bank with coins. Scott got his first savings account when he was 9 years old and always went with his mom to the bank to deposit money he received. Scott has excellent savings habits; he always puts a part of his paycheck into savings. However; he never pays attention to the details of the account – specifically the interest rate. Scott's friend told him he needs to make sure he is earning as much interest as possible to help his money grow.

Directions

Follow the steps below to begin exploring the financial tool **Mint**.

Please note: For additional assistance screenshots are attached after your worksheet questions.

1. Follow your instructor's directions for logging into Mint.
2. Find the **Overview** and **Ways to Save** tabs on the Dashboard.
3. Investigate Scott's current savings account and then explore two alternative accounts for Scott in order to answer questions posed on the "**Comparing Savings Accounts**" worksheet.



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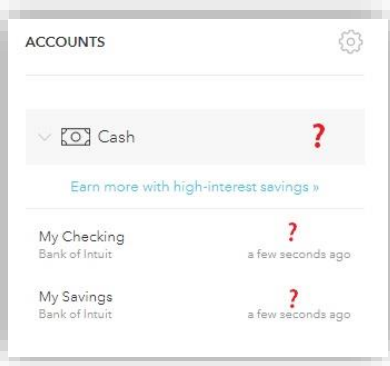
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COMPARING SAVINGS ACCOUNTS STUDENT WORKSHEET

Name(s): _____

Directions: To complete this activity, you'll look at Scott's savings, accessed from the **Overview** tab. Then, you'll investigate alternative savings accounts on the **Ways to Save** tab.

PART 1: SCOTT'S SAVINGS



From the Mint **Overview** tab, on the left side, we can see that Scott has both a Savings & Checking account. Together, they represent Scott's money – in Mint it is summed as 'Cash'.

1. What is Scott's total cash?

2. What is Scott's saving's balance?

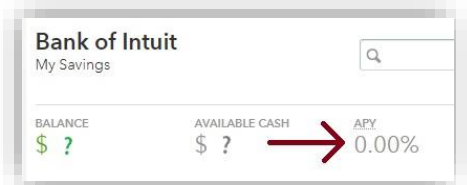
3. Does Scott have more money in Savings or Checking?

Savings Checking

Click on **Scott's Savings account**, you will see more information specifically about that account.

4. Scott's Savings balance is increasing from two different types of transactions that occur each month. What are they?

For the purpose of this simulation, the Savings account interest rate appears as 0.00%. **This is not correct, Scott earns 1% interest.** The next questions are about Scott's 1% interest.



5. How much was Scott's recent monthly interest payment?

6. Scott's interest payment is increases each month as his balance increases. Hypothesize the amount of Scott's next interest payment.

7. Estimate how much interest Scott will earn in one year
(Note: a full 12 months, not just the rest of this year)

8. If Scott could get his savings balance up to \$5000, based on a 1% interest rate, what would he receive as a monthly interest payment?

Hint: $Interest = Principle * Rate * Time \text{ in Years}$

PART 2: WAYS TO SAVE



Savings

Now, switch to the **Ways to Save** tab, then click on the Piggy Bank icon for Savings accounts. Below you will see offers for other Savings accounts. These are possible accounts that Scott could open.

9. Choose any two (2) offers and complete the grid below. Click on “*See Full Details*” of any offer to get necessary information.

	Account A	Account B
Bank Account Name		
APY (%)		
Minimum amount needed to open an account		
Monthly fee?		
Is the bank FDIC insured (may say “Member FDIC”)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Free Bill Pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Free ATM use?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Comes with a debit card?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Use the account with the highest APY for the next questions.

10. From #7 on the last page, we estimated that Scott would earn approx. _____ interest in **one full year**. Re-record here:

Same as #7 on prior page

\$

11. Using the account from above with the higher APY, and using Scott’s current balance, calculate how much interest Scott could earn if he had this new savings account **in one full year**.

\$

12. Subtract the two above answer to determine the additional interest Scott could earn from switching to this new savings account.

\$

PART 3: CRITICAL THINKING

13. Most of the banks that offer 2% or higher APY are not ‘brick-and-mortar’. They are internet-only banks, with no physical location. What do you think are a couple negatives about an online bank for a customer?