Teacher Answer Key

Case Study

1. Her returns earned returns of their own. By 30 she had put in $7,800 but the account held $15,000, so growth had roughly doubled what she contributed without her adding anything extra.

2. It gave the money almost fifty years to grow. Starting at 17 is what turns $600 a year into more than $375,000 by 65, which the reading notes is over 48 times what she actually put in.

Multiple Choice

1. C

2. B

3. A

Matching

1-C, 2-E, 3-D, 4-A, 5-B

Fill-in-the-Blank

1) Roth, 2) Compound, 3) High-yield savings

Short Answer (Sample Responses)

Q1: Starting early gives compound interest more time to grow your money, resulting in significantly larger savings with smaller contributions.

Q2: A Roth IRA allows your money to grow tax-free, and withdrawals during retirement are also tax-free, making it a cost-effective savings tool.

Q3: Automating your savings ensures consistent contributions and eliminates the temptation to skip months, helping you build long-term financial discipline.