**BONUS ACTIVITY 2**

# SUPERHEROES SAVE

Here's why WordGirl likes to save her money: Many banks pay you for saving your money with them. This fee is called **interest** and it adds up over time!

## WORD UP!

★ **Interest** is a percentage the bank pays you for storing your money with them.

★ Your **balance** is the amount you currently have in your bank account.

**WORDGIRL TIP** If Violet deposits $100 in a savings account with a 5% yearly interest rate, after the first year she will have $105. After the second year she will have $110.25. Here's how it works:
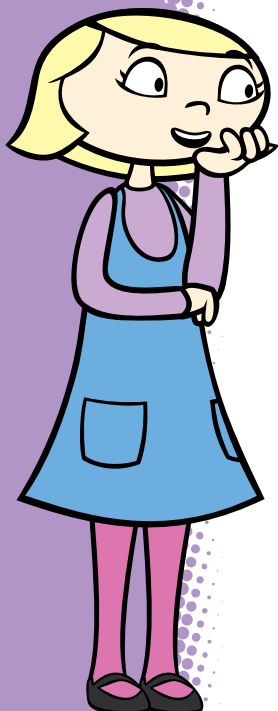
**YEAR 1**
$100 (original deposit) x .05 (annual interest rate) = $5 (Year 1 interest)
$100 (original deposit) + $5 (Year 1 interest) = $105 (Year 1 balance)

**YEAR 2**
$105 (Year 1 balance) x .05 (annual interest rate) = $5.25 (Year 2 interest)
$105 (Year 1 balance) + $5.25 (Year 2 interest) = $110.25 (Year 2 balance)

**WORDGIRL CHALLENGE** How much will Violet have in Years 3, 4, and 5? Fill in the chart below and remember to show your work on separate paper.

| YEAR | VIOLET'S BALANCE |
| --- | --- |
| Original Deposit | $100 |
| Year 1 | $105 |
| Year 2 | $110.25 |
| Year 3 | |
| Year 4 | |
| Year 5 | |

**BONUS CHALLENGE** Graph Violet's balance over time on a separate piece of paper.