

4. Time is money

SIMPLE/QUICK ACTIVITY

Money magic

- Download the [Money Magic worksheet](#) to see firsthand how compound interest can turn time into money and make savings grow. The worksheet tasks can easily be completed independently, or you could support your child as you work through it together.
- The worksheet tasks are designed to demonstrate the effect of compound interest on savings by using an online calculator and comparing the end results for a range of different savings plans.

Key outcomes of this activity

The reason we've used a worksheet for this rule of thumb is that it's difficult to demonstrate the impact of compound interest with real-life behaviours over a short period of time. By completing this activity your child will:

- See the impact of compound interest on savings over time.
- Identify different strategies to maximise savings.
- See clear evidence of how smart savings habits that begin early in life and continue over the long term will always pay off well.

EXTENDED TIME ACTIVITY

Open another bank account

- Encourage and/or support (for example by matching savings) your child to open a high interest savings account with the intention of making regular contributions over an extended period of time.
- Track progress on the account regularly.

Key outcomes of this activity

Asset growth is a long-term strategy. By completing this activity your child will:

- Have a better understanding of the commitment and time required to grow savings.
- Be prepared for when the time comes to invest in a high value asset like real estate. Not only can your child expect to have an adequate deposit, but a savings history will have been clearly established.

Resources, links & information

[Money Magic Worksheet](#)[Savings & Term Deposit Calculator](#)[Growth Saver Account](#)