

ALEXANDER WHO USED TO BE RICH LAST SUNDAY

Discussion Questions

- How much money did Alexander get last Sunday from his Grandma and Grandpa?**
\$1.00
- What could Alexander do with the money he received?**
He could spend it to purchase goods and services. He also could save the dollar or give some or all of it away.
- If people earn money through their work, what else will happen?**
They will have to pay taxes to the government.
- What was Alexander's main problem in the story?**
He simply couldn't keep from spending his scarce money or losing it through unwise decisions.
- Give some examples of the poor decisions Alexander made that kept him from saving his money.**
He bought goods such as gum and a used candle, deck of cards, and stuffed bear. He also purchased services that he later regretted, such as snake rental and magic tricks. He also tried betting and lost, and also was fined by his parents for careless, unkind remarks.
- In the story Alexander said, "Saving is hard." Why is saving hard for many people?**
Saving requires the discipline to forgo current consumption in order to enjoy consumption later on. (Hopefully more consumption, because of the interest earned on savings.)
- Where do people often save their money?**
People often save at a bank or credit union, using savings accounts, money market accounts, certificates of deposit, etc. People also purchase stocks and bonds with their savings in the hope of earning dividends and interest.
- Why do people save their money at a bank or credit union?**
They usually earn interest on their savings deposits.
- What does the bank usually do with the savings deposits?**
The bank usually loans the savings deposits to other consumers or to business people. In the hope of making a profit, the bank charges a higher rate of interest than the interest rate it pays on deposits.