



## SAVING ADVICE LETTER

### Steve Spender

Directions: Steve Spender does not understand the concept of saving and needs some advice. Read his letter below and write a response letter to answer his questions. The letter should be neat and organized. Please use proper grammar and punctuation. Remember to answer all of the questions presented by Steve in his letter.

Dear Saving Expert,

My name is Steve Spender, and I am rather confused about the concept of saving. My friends tell me I should save money, but I do not understand why. What is savings, and why do I need to save money?

I enjoy playing basketball, and I really need a new pair of shoes before basketball practice starts next week. With new shoes I could be so much faster on the court! I asked my grandma if I could have a new pair of shoes, and she told me that I would have to save money in order to buy a new pair. Why is this? I need the new shoes right away. Why can't my grandma buy them for me now?

I am also confused about how I should save my money. I have a pickle jar that I place my loose coins in every night, but my friends say this is not the best method for me to save money. My friends tell me I should consider saving my money at a depository institution. What is a depository institution? Why would saving my money at a depository institution be better than saving money in my pickle jar?

The coins in my jar seem to be accumulating really slowly. At this rate I am never going to have enough money to purchase my basketball shoes! I don't understand why this is. I only use the money in my pickle jar to buy a pack of gum every week. How can I save money faster?

I hope you can answer my questions, because I really need those new shoes!

Sincerely,

*Steve Spender*

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