



# piggy bank hunt

## Episode #406, How to Make a Million Bucks

It is possible! If you start early and save consistently, you'll take advantage of the power of compound interest. You can make a million by working hard, spending less than you earn, and by saving, saving, saving. Met a 16-year old with a fashion recycle business, and a track star saving his way to college with a button business.

Visit <http://bizkids.com/episode/how-to-make-a-million-bucks> watch the video clips and then correctly answer the following questions while watching the videos.

### Video Clip: BK Hosts – Compound Interest

Question: What's one of the best ways to make a million dollars?

Answer: \_\_\_\_\_.

Question: What is compound interest and how does it work?

Answer: \_\_\_\_\_.

### Video Clip: Young Entrepreneur – Buttons by Jordan

Question: How much money did Jordan's parents loan him to help pay for his business start-up costs?

Answer: \_\_\_\_\_.

Question: Jordan has a 50/50 savings plan. Half of the money he earns is reinvested back **into** his business. Where does the other half go?

Answer: \_\_\_\_\_.



### Video Clip: Young Entrepreneurs – Pavelka Family

Question: How does the oldest Pavelka daughter “compound her time” and double the money she earns?

Answer: \_\_\_\_\_.

Question: The kids in the Pavelka family have a 10% / 10% / 80% plan when it comes to spending. What does the money go towards in each of these three categories?

10% = \_\_\_\_\_

10% = \_\_\_\_\_

80% = \_\_\_\_\_



Go to <http://www.interestcalculator.org/>

Use the compound interest calculator to find out how much your money could grow in 50 years based according to the following:

Preset Value (Principal): \$500

Annual Interest Rate: 10%

How many years?: 50

What is the “Total Value” after 50 years? \_\_\_\_\_



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