



## Story 5

# Spend or Save?

**S**pend or save? A vest or a bike? What should I do?" thought Penny as she sat at her desk in her bedroom. She had been daydreaming all morning about spending the money she had earned. She had so many wants. Her old denim vest looked shabby, and she really wanted a fancy new one to wear with her five-pocket jeans. But she also wanted a new bike to ride with her friends. She had enough money to buy a new vest, but she would have to save for a while to have enough to buy a bike. "If I save for the bike, I can't have the vest. Which one do I want more?" Penny asked herself.

Penny was still thinking about her choice when the telephone rang. It scared her, and she jumped. Her friend, Sally, was on the phone, and she was very excited.

"Hey, Penny!" Sally said. "Guess what my mom just taught me to do? She showed me how to decorate my old denim shirt. It looks fantastic! I can hardly wait to show you. I'll bet you could make your old denim vest look fancy, too, if you decorated it like this. Mom said she would show you how."

"That sounds like fun!" said Penny.

“It is!” said Sally. “I could wear my shirt, and you could wear your vest, and we’d look great together with our new jeans on. What do you think?”

“Wow, Sally! I like that idea. If your mom taught me how to fancy up my old vest, I wouldn’t need to buy a new one. And I could save my money for a new bike.” Penny was so excited she almost shouted into the telephone. “Thank you, Sally. Ask your mom when I can come over to work on the vest, and then call me back.”

After she said goodbye to Sally, Penny thought about her decision. She would decorate the old vest and not buy the new vest she had wanted. Then she could save her money for a new bike. She was getting excited about the bike now, and she reached for a catalog on her desk. She wanted to check out the prices of new bikes. She soon realized that she would have to make another decision—she didn’t know if she wanted a mountain bike, a street bike, or a racing bike. She decided to think about that decision after she had saved more money. Right now she wanted to count her money.



Penny opened her bank and poured the money onto her desk. As she counted the coins, she realized she had already been saving money. All these coins in her piggy bank and the money she had earned from walking Mullido added up to more than she thought. She took out a piece of paper and figured out the total amount. Then she realized that she still would need to save more in order to have enough money to buy a bike.

Mom walked into Penny's room as Penny was putting the coins back into her bank. Mom asked, "Penny, what are you doing with your money spread all over your desk?"

"I was counting it to see how much I had saved and how much I earned from Mr. Lopez. I've decided to save all of it for a new bike," Penny explained.

"I'm proud of you, Penny," Mom said. "I think you've made a decision that will make you happy."

"Mom, where can I put my paper money to save it?" asked Penny. "It doesn't fit in my piggy bank easily. And then it's hard to get it out. I've been keeping some of it in my pockets, but since I've decided to save it, I don't think that's such a good place for it."

"I think you're right, Penny," Mom answered. "I'm going to the bank this afternoon. That's where I keep our family savings. Would you like to go with me?"







At the bank Penny visited with an employee who explained savings accounts. "Penny," he said, "people who want to save money can put it into a savings account. That's called *depositing money*. Then the bank will take care of your money until you want to take it out and spend it. And that's called *withdrawing money*. This is one of the ways people save money, and it's one of the services of a bank. You can open a savings account right now if you would like to."

Penny and her Mom wrote down the information the bank needed to open Penny's new savings account. Then they filled out a deposit slip with the amount of money Penny wanted to deposit in her savings account. Penny took the money and the deposit slip to the teller.

Penny asked, "Do I need to write my name on my money so you will know this is my money?"

The teller smiled and replied, "No, we will keep your money safe for you, but you will not get the same bills or coins back when you take your money out of the bank." She opened her cash drawer and put Penny's money in the drawer. "When you come to withdraw your money," she said, "we will get it from a cash drawer, but it won't be the exact same coins and bills you are giving me today."

"I see," Penny said.

"Thank you for becoming a customer of the bank," the teller said. "We look forward to serving all your banking needs."

Penny smiled. "You're welcome," she said. Then she thought to herself, "I've made a good decision. I'll keep my money safe in the bank. And I'll bring more money that I save and deposit it, too, until there is enough to buy a bike. Then I can withdraw it and spend it to buy a bike. Yes, I've made some good decisions today."