

Money Math: Lessons for Life**Activity 1-2****Uncle Mort Makes It Better**

On the first day of 8th grade you receive the following message from Uncle Mort. "I am proud that you have been saving. I will pay you 10% on the balance that you saved in the 7th grade and 10% on the balance of your saving at the end of each year." You add \$360 to your savings each year. Answer the following questions.

1. Calculate how much money you will have at the end of each year, including Uncle Mort's 10%. Please show your work (on the back is OK).

GRADE LEVEL	SAVINGS
7th grade	
8th grade	
9th grade	
10th grade	
11th grade	
12th grade	

2. If A = previous year balance, write a formula to represent the the amount of savings accumulated at the end of each year.
3. How do the amounts you've calculated compare to yesterday's savings calculations?
4. Define the following words.
 - a. **incentive**
 - b. **interest rate**
 - c. **interest**
 - d. **compound interest**