*Rock, Brock, and the Savings Shock* By Sheila Bair

Discussion Questions

1. Name several ways Rock and Brock are different?

*Rock is clean, eats healthy food, studies, and is a morning person.*

*Brock is dirty, eats junk food, watches TV, and is a night person*

1. How do Rock and Brock handle money differently?

*Rock spends all the money he gets, and Brock saves money.*

1. Grandpa wants to give the twins one dollar every Saturday. Is the money he gives the boys a gift or income from working? How do you know?

*The money is income because the boys have to mow the lawn and wash the car to earn their dollars.*

1. When Rock and Brock are working and earning income, what are they?

*They are producers or human resources.*

1. What incentive does Grandpa give the boys to save the money they earn?

*He offers to double their money each week if they haven’t spent their money from the week before.*

1. Why do you think Grandpa wants the boys to learn to save? Why is saving a good habit?

*Saving helps us to have more money to spend in the future. If we save or invest our money, we can even earn more money through interest or dividends. [See the explanation in the back of the book on interest and compound interest.]*

1. When Rock spends his money at the market, what is he?

*Rock is a consumer when he buys goods in the market.*

1. What is Rock’s opportunity cost of spending?

*His opportunity cost is saving his money.*

1. What are some reasons saving money may be a good idea?

*If you wait, you may find something you want to buy more. Or, you can add more money with it to spend later on something better like a bike or a car or college.*

1. What is Brock’s opportunity cost when he decides to save his money instead of buying the rocket ship with the pop-up hatch?

*His opportunity cost of saving is buying the rocket ship toy.*

1. Rock buys an inflatable moose head, a tsetse fly, green hair goo, wax fangs, and broccoli bubble gum. Are the things Rock buys goods or services?

*Rock buys goods.*

1. When the ten weeks are over, Brock has $512! How did he get so much money? *From the money he earned, saved, and his Grandpa matched. [Using the table in the back of the book, walk students through the math to see how the money adds up quickly.]*
2. What does Brock do with the money that he has saved?

*He spends all but $50 on nice things including gifts.*

1. What does Brock do with the $50 he has left over? Why does he make this choice?

*He puts the money in a savings bank because it will be safe and will earn a little interest. He wants to save the money he has left.*

1. Did Rock learn to be a good saver?

*Yes.*

1. How do Brock and Rock become millionaires?

*They save their money instead of spending foolishly.*

Use the page in the back of the book, *So You Want to Be a Millionaire?,* to explain “interest” and “compound interest” to students. Compound interest is a very valuable concept for students to learn and the book provides a good explanation. Compound interest can be your best friend (when you save money where it earns interest—and interest on your interest.) Compound interest can also be your worst enemy (when you borrow money and have to pay it back with interest and the interest compounds.)