MALI'S MONEY DOUBLES

Financial Literacy Worksheet 8: Compound Interest (Age 13)

Story Time: Mali's Money Doubles

Mali reads a fun fact online: 'With compound interest, money can double in 7 years at 10% growth.' Curious, she decides to test it out. She invests R1 000 in a savings product that gives 10% compound interest per year.

At the end of the first year, she has R1 100. The next year, she earns 10% not just on R1 000, but on R1 100! "So I earn interest on interest? That's powerful!" she tells Kash.

They call it 'magic money growth'—and it makes saving even more exciting.

Comprehension Check

1. How much did Mali invest?

2. What was the interest rate?

3. What is compound interest?

Compound Interest Maths

Mali invests R1 000 at 10% compound interest.

a) End of Year 1: R__________

b) End of Year 2: R__________ *(Tip: Multiply by 1.1 each year)*

c) End of Year 3: R__________

How many years will it take her to double her money?

Answer:__________

Word Bank: Match the Meaning

Match the interest terms to their meanings:

1. Compound Interest	*A. Earning interest on interest*
2. Simple Interest	*B. Earning interest on original amount only*
3. Growth	*C. Increase in value over time*
4. Rule of 72	*D. A trick to estimate how long money takes to double*

Let's Recap

- *Compound interest means earning interest on both your savings and past interest.*
- *It grows faster over time than simple interest.*
- *Even small amounts can grow big if you give them enough time.*

Write It: My Compound Plan

If you wanted to grow your money with compound interest, what would you invest in?______________________________

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Why is compound interest better than simple interest? ______________________________

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