



## Module 4

### Session 8 M4SC8



# Stretch Challenge: Interest Rates

Using a comparison website or your own bank, research AER for the following products:

Regular Saver	
Cash ISA	
2 Year Fixed Bond	
Easy Access Saver	

In 2021, banks offered Cash ISA's earning only 0.1% AER

How much interest would you earn on your savings if you had a lump sum of £2000 in 2021 compared with if you were investing in a Cash ISA today?

Year 2021: Cash ISA 0.1%	
Current Year: Cash ISA	

In 2017 The Bank of England standard variable rate hit 0.25%. How do you think this affected people’s savings? Could there be any benefits from the lower interest rates? Think about your upcoming financial milestones, would you prefer interest rates to be higher or lower?

