

Retirement

Summary

Students will understand the financial preparation for retirement, including financial resources needed, characteristics of retirement plans, and the role of individual responsibility in planning for retirement.

Main Core Tie

Adult Roles and Financial Literacy

[Strand 7 Standard 4](#)

Materials

- [Let's Talk Retirement Worksheet](#)
- [Picture This Retirement](#)
- [Retirement Essay Prompt 1](#)
- [Retirement Essay Prompt 2](#)
- [Retirement Grid Worksheet](#)
- [Retirement Lecture Notes](#)
- [Retirement Plan Transparency](#)
- [Social Security Calculator Assignment](#)
- [Vocabulary Worksheet and Key](#)

Supplementary Resources:

The Lure of Money Video on Investment Scams for Retirement. You can order a free DVD of The Lure of Money online [here](#) or call 1-888-OUR-AARP (1-888-687-2277) and ask for stock number C2342 (C2344 for Spanish). Share a copy with a friend. Gather your family or co-workers to watch. Make arrangements to show *The Lure of Money* to your local volunteer group or service club.

Instructional Procedures

Vocabulary

Use the [Vocabulary Worksheet and Key](#) (pdf).

Primary Vocabulary

Employer Sponsored Retirement Plans (403b & 401k)
Individual Retirement Plans
Traditional Individual Retirement Plan (IRA)
SEP IRA
Simple IRA
Self Directed IRA
Roth IRA
Social Security Retirement Plan
Social Security

Supplementary Vocabulary

Bond
Compounding Interest
Fixed Interest Rate
Inflation
Interest
Interest Rate

Investing
Liquidity
Mutual Fund
Simple Interest
Tax-Deferred
Fixed Interest Rate
Time Value of Money

Introduction

Motivator

Create a discussion about retirements and costs involved. What do you know? What do you want to know? What have you learned about retirement? Use the [Let's Talk Retirement KWL worksheet](#) (pdf).

Content Outline, Activities and Teaching Strategies

(All options do not necessarily need to be taught. Select ones to cover standards and objectives and according to your district policies.)

Option 1: Motivator

[Picture This Retirement Activity](#) (pdf) - Using magazines/paste or creating a list or drawing pictures, have students begin to illustrate what they want when they retire (ex. Home, vacations, clothes, jewelry, memories, boats, investments, children, boats, yachts, cabin). Once they have illustrated what they want, have them begin to assign a price tag to all the items and come up with a total cost in order to retire the way they would like to. Once finished you can lead into a discussion on how to properly plan and the importance of planning early for retirement so they can someday be able to retire the way they have dreamed.

Option 2: Lecture/Discussion on Retirement

How much money will you need when you retire? Many people stay healthy and active for 20 years or more after they retire. If you start planning and investing soon enough, you can spend those years enjoying yourself instead of worrying about paying the bills. Use the [Retirement Lecture Notes](#) (pdf) in order to have a class discussion.

Option 3: Types of Retirement Plans

Use the [Retirement Grid Worksheet](#) (pdf) and the [Retirement Plan Transparency](#) (pdf) in order to have a class discussion.

Option 4: Retirement Essay

This is used as a pre-assessment or assessment to see how realistic the students are about their retirement. The following are the two different writing prompts: [Retirement Essay Prompt 1](#) (pdf) and [Retirement Essay Prompt 2](#) (pdf).

Option 5: Social Security Benefits Calculator

How much money will you need when you retire? One of the basic sources of retirement income is Social Security. Could you live comfortably on Social Security benefits only? Go to: <http://www.socialsecurity.gov/OACT/quickcalc/>. The benefit estimates depend on your date of birth and on your earnings history. For security, the "Quick Calculator" cannot access your earnings record; instead, it will estimate your earnings based on information you provide. So benefit estimates made by the Quick Calculator are rough and may not match those provided by your Social Security Statement. Although the "Quick Calculator" makes an initial assumption about your past earnings, you will have the opportunity to change the assumed earnings (click on "See the earnings we used" after you complete and submit the form below).

How much money will you need when you retire? Have the students complete the Social Security Benefits Calculator Worksheet.

Have the students write a paragraph reaction to the saying, "I'll just live on Social Security."

Option 6: Article

Using the following article found on the following website:

<http://www.urban.org/url.cfm?ID=307048&renderforprint=1&CFID=30744208&CFTOKEN=90966887>, have students read through the costs associated with taking care of the elderly, primarily health costs & Medicare, and discuss how as a society we can begin to plan better for these rising costs.

Option 7: Investment Fraud and Investment Swindlers

Oral Presentation -- Have students present in class or on video various investment situations for retirement. Discuss if these are legitimate or fraudulent investment opportunities and how secure an individuals retirement would be.

Web Activity - Have students obtain investment fraud information at:

- <http://www.nasaa.org/home/index.cfm>
- <http://www.fraud.org/>
- <http://www.ftc.gov/>

Option 8: Hands on Banking Web Resources

Go to the following website: <http://www.handsonbanking.org/en/>. (You can print off a guide or you can use the information in order to have a hard copy of one.)

Unit Five: Smart Investing

Section Two: Individual Retirement Accounts (IRA's) - P. 98 -- IRA and Retirement Worksheet

Section Three: Other Investments (Stocks, Bonds, Real Estate, Mutual Funds)

P. 103 -- Stock Dividend Worksheet

P. 106 -- Capital Gains Worksheet

P. 109-110 -- Extra Activities Source: Practical Money Skills

OR, have the students do the count down to retirement activity found at:

<http://www.practicalmoneyskills.com/games/countdown/countdown.html>. A great web activity that allows the student's to assume the role of an individual person and prepare for their retirement. *You will need computers for every one of your students.

Summary/Evaluation

Planning for retirement is your responsibility! Traditional employer-funded retirement plans are disappearing. Social Security benefits may not insure a comfortable lifestyle. Without a retirement plan, you could face a future of financial uncertainties and hardships.

Authors

[CTE LESSON PLANS](#)