

# Savings

## Summary

Students will understand the value of savings, identify ways and reasons to save, and how government regulations protect savers.

## Main Core Tie

Adult Roles and Financial Literacy

[Strand 7 Standard 4](#)

## Materials

- [Introduction to Alexander Worksheet](#)
- [Saving Transparencies](#)
- [Spend or Save Story](#)
- [Value of Savings Lecture Notes](#)
- [Value of Savings Worksheet and Key](#)
- [Vocabulary Worksheet and Key](#)
- [Who Protects Savers Transparency](#)
- [Children's Savings Book](#)
- [Age Group Activity](#)
- [Bumper Sticker](#)

## Instructional Procedures

### Vocabulary

Use the [vocabulary worksheet and key](#) (pdf).

### Primary Vocabulary

Savings  
Risk  
Return  
Liquidity  
FDIC- Federal Depository Insurance Corporation  
SAIF- Savings Association Insurance Fund  
NCUA- National Credit Union Association  
Savings Account  
Passbook Savings Account  
Statement Accounts  
Interest -- Earning Checking Account  
Money-Market Deposit Account  
Certificate of Deposit

### Supplementary Vocabulary

Bathtub Analogy  
Compounding Interest  
Fixed Interest Rate  
Inflation  
Interest  
Interest Rate  
Investing

Money Market Account  
Pay Yourself First  
Principal  
Rule of 72  
Savings Account  
Savings Bonds  
Simple Interest  
Time Value of Money

FCCLA Activity Option

Consult the [FCCLA Financial Fitness website](#).

Banking Basics - Conquer bank accounts, credit, and investments

Cash Control - Track and plan personal spending

Making Money - Sharpen on-the-job financial fitness

Consumer Clout - Become a savvy spender

Financing Your Future - Apply financial skills to real life.

Introduction

Motivator

Read the book *Alexander Who Used to Be Rich Last Sunday* by Judith Viorst in order to introduce the concept of savings. While reading the book have the students answer the questions below on their worksheet:

What were some of the options or suggestions that Alexander was given on what to do with his dollar?

What did Alexander actually do with his money?

How did Alexander feel after all his money was gone?

In your opinion, what did Alexander do wrong?

In what ways have you been like Alexander? Give two specific examples. Be prepared to share during class discussion.

Have students answer the questions on the [Alexander Who Used To Be Rich Last Sunday 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: Lecture/Discussion on Value of Savings

Use the [Value of Savings Lecture Notes](#) (pdf) to have a class discussion.

Option 2: Savings Content

Using the [Savings Transparencies](#) (pdf) and [Who Protects Savers Transparency](#) (pdf) (or you can make them into a PowerPoint) present the information on the different types of savings accounts and have students follow along with the [Value Of Savings Worksheet](#) (pdf).

Option 3: Spend or Save Story

Follow the steps on the [Spend or Save Story handout](#) (pdf) to access the saving lesson plan with the story of Penny. Simple story and activities to illustrate the concept of savings.

Option 4: Children's Savings Book

Have the students complete the [Children's Savings Book](#) (pdf) to illustrate the concept of saving or investing that they have learned. They can then be donated to a local elementary school or library.

Option 5: Age Group Activity for Savings

Put [Age Group Titles](#) (pdf) around the room on white paper, laminate them on poster board, or write them on butcher paper. Divide students into small groups and have each group brainstorm activities and events that would require savings for their assigned age group. Discuss the results of each age group and emphasize that savings needs to be a part of our financial plan no matter what age we are.

#### Option 6: Bumper Sticker

Create a [Bumper Sticker](#) (pdf), billboard, or print ad in the box below or on a separate piece of paper encouraging your peers to save. Be creative!

#### Option 7: Hands on Banking Savings Lesson Plans

Step #1: Step #1: Go to the following website: [www.handsonbanking.org](http://www.handsonbanking.org)

Step #2: Click on Teacher Resources, click on Teens.

Unit Three: Savings and Checking Section One: Savings

P. 41 -- Earning Interest -- Simple and Compound

P. 45 -- Savings Deposit Worksheet

P. 48 -- Saving Withdrawal Worksheet

P. 51 -- Saving Register Worksheet

P. 54 -- Saving for Long Term Goals Worksheet

(You can print off a guide or you can use the information in order to have a hard copy of one.)

#### Option 8: Practical Money Skills Savings Lesson Plans

Step #1: Go to the following website: <http://www.practicalmoneyskills.com>

Step #2: Click on At School, then click on Teens

Step #3: Click on Lesson 12 Saving and Investing

Possible Activities:

12-A Pay Yourself (A Little Can Add Up)

12-B Types of Savings Accounts

12-C Money Market Deposit Accounts

12-D Certificates of Deposits (CDs)

12-E How Simple and Compound Interest are Calculated

12-F Choosing a Savings Account

12-G Truth in Savings Act

12-H The Rule of 72

#### Option 9: Survey/Interview

Have students talk to several friends and relatives about the methods they use to save and invest for various financial goals. (What types of saving accounts and investments do they use?)

#### Option 10: Shopping for a Savings Account Field Activity

Have students compare saving rates at various financial institutions at local banks and credit unions.

Summary/Evaluation

Americans are spenders. They have a hard time saving money for emergencies and to meet future financial goals. Saving is difficult for many people because it involves decreasing current consumption and investing in a future standard of living. Individuals incorrectly view savings as what is remaining after their current wants and needs have been satisfied. The future is an unknown risk for people, which is one of many reasons why they have such difficulty saving money. Without developing a savings and investing plan, individuals will not have the financial means to meet future financial goals such as purchasing a car, putting a down payment on a home, and meeting retirement needs.

#### Authors

[CTE LESSON PLANS](#)