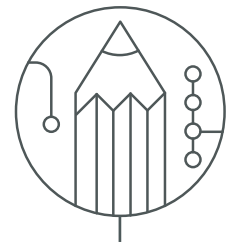


Lesson Plan: Saving

Approx. 75 minutes + 45 minutes of homework



Strategy for this lesson:

<input checked="" type="checkbox"/> Experiential Exercise	Grade Level: 9-12
<input type="checkbox"/> Problem Solving Group Work	Topic: Savings
<input type="checkbox"/> Response Group	Standard: See EverFi's Financial Literacy Standards Alignment at www.EverFi.com/Standards
<input type="checkbox"/> Skill Builder	Common Core Alignment: See below. For more information about EverFi's CCSS Alignment, visit www.EverFi.com/Standards
<input type="checkbox"/> Visual Discovery	
<input checked="" type="checkbox"/> Writing for Understanding	

Overview: In this lesson students will learn the importance of savings and budgeting as a primary tool to achieve personal goals and financial success. Students will recognize and understand important financial terms associated with savings and budgeting including compound interest, The Rule of 72, principal, capital and types of savings vehicles. Students will learn to accurately and appropriately categorize different types of income and expenses. Students will then create a monthly budget for anticipated and current expenses like insurance, student loans, utilities, transportation, housing, food, entertainment, and charitable donations. Additionally, students will understand interest and compound interest by calculating compound interest earned on a principal amount given the number of years it would take her or him to save for a car.

Materials Needed	<ul style="list-style-type: none"> • Anticipation Interview launch activity (attached) • Student Budget Simulation • Guided Writing Questions (attached) • EVERFI Module 1: Savings
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Part 1: Preview (Launch)

<p>Lesson <i>Teacher Directed</i></p>	<p>Duration: 10 - 15 minutes</p> <p>In this launch activity students are asked to consider and record a personal or professional goal they have for their future. This goal can be short term or long term, large or small. Students are then asked to consider and record the prerequisite steps to achieving their goal as well as a date by which they hope to have this accomplished. Reiterate to students the importance of these details, which although they can be amended, are an important part of the process in helping to achieve their goal. Have students then interview each other about their respective goals and ask questions. This will help students understand the process of goal setting and thus the importance of saving and budgeting as a fundamental tool in achieving personal or financial success.</p>
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Part 2: Develop Purpose (Focus/Essential Questions)

<p>Lesson <i>Teacher Directed</i></p>	<p>Through this lesson students will understand the role of savings and budgeting to achieve their personal financial goals. Students will be able to create and organize a budget, and will be able to calculate rates interest.</p>
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Part 3: Gather Information/Reading Notes

<p>Module <i>Student Centered and Self-Pacing</i></p>	<p>Duration: 35 - 45 minutes</p> <p>Students will enter the EVERFI Financial Literacy module “Savings”. Students will complete the Savings module and earn a score of 70% or higher. In this module, students learn the important habits of saving and budgeting. They will learn how to interest fuels savings accumulation and what vehicles can augment this process for individuals. Topics covered include interest, compound interest, The Rule of 72, principal, capital, budgeting and managing expenditures to create a savings plan, and types of savings vehicles. Students learn to create a monthly budget for expenses like insurance, student loans, utilities, transportation, credit card payments, rent, food, and entertainment. They participate in an interactive budgeting game in which they must first place various purchase receipts and bills into categories. Students are then asked to make tough choices to reduce their monthly expenditures by \$500. In this exercise, a major component focuses on food, eating out, packing a lunch and other everyday financial management scenarios. Additionally, students learn the specifics of interest and compound interest by calculating compound interest earned on principal and the number of years it would take to save for a large purchase like a car.</p>
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Part 4: Production/Process

<p>Activity</p>	<p>Duration: 25 - 45 minutes</p> <p>Discuss as a class/review the types of expenses that are typical for a recent high school graduate. Have students create a list or copy and display the expenses from <u>Monthly Future Budget-1</u>. Have students decide the frequency of each type of expense (weekly, monthly, etc.) and if those expenses will apply to their anticipated personal situation. Read the instructions and have students complete the <u>Simulation: Monthly Future Budget</u>.</p>
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Part 5: Closure

<p>Closing <i>Teacher Facilitated</i></p>	<p>Duration: 15 - 20 minutes</p> <p>Ask students to share the results of their monthly future budgets. Have students work in their groups and review and discuss the discussion questions from the <u>Saving and Budgeting Discussion Questions</u>. Ask students to write a detailed response explaining the role of savings as a tool for their future success (see prompts).</p>
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Lesson Plan: Savings

Anticipation Interview



Name _____ Date _____ Class Period _____

Write a goal you have for your future. It could be related to something you want, your career, your family or anything that you're interested in achieving in the future. Then complete the rest of the activity.

My future goal is to _____.
I plan to achieve this goal on or before this date: _____ (month) _____ (day), 20 ____.

Some important, short-term steps I need to take to achieve my goal are:

1. _____

2. _____

3. _____

4. _____

Interview two other students and ask them to describe their goals. Ask them to explain (in detail) how they plan to achieve their goal. Ask questions regarding their plans and steps to work toward their goal. Offer advice or other important steps they may not have considered.

Student #1 Goal:

Student #2 Goal:

Question: In the next lesson you are going to learn about savings and budgeting. Why do you think you are being asked questions about your goals? How do you think your goal relates to savings and budgeting your money?

Monthly Future Budget - 1



Name _____ Date _____ Class Period _____

Review the typical expenses from below. Based on your future goals decide which expenses will likely pertain to you. Add expenses to the lists that you feel should be included. Transfer your expense categories onto the appropriate place on the Monthly Future Budget Sheet.

Monthly Expenses These are the typical expenses you might have in a given month. These are usually fixed expenses (the amount does not change too drastically)	Weekly Expenses These are the typical expenses you might have in a given week. These are usually variable expenses (the amount may change from week to week)	Education Expenses These are the typical expenses you might incur if you continue your education after high school.	Other Common Expenses The following expenses could vary greatly between individuals. Consider how often (weekly, monthly, school year, yearly etc.) these expenses will occur for you.
<ul style="list-style-type: none"> • Housing • Phone • Cable • Internet • Utilities (electricity, gas, water, sewer) • Insurance (Auto, Health, Home) • Auto Payment • Debt Payment 	<ul style="list-style-type: none"> • Groceries • Fuel • Transportation 	<ul style="list-style-type: none"> • Tuition • Books • Meal Plan • Housing • Transportation 	<ul style="list-style-type: none"> • Charitable Donations • Gifts • Clothes • Entertainment • Vacations • Eating out • Savings • Health • Beauty • Electronics

Lesson Plan: Savings

Simulation: Monthly Future Budget



Name _____ Date _____ Class Period _____

Directions: Using the Internet and interviews with adults, friends and family, research the estimated cost for you to live on your own for one month after high school. Fill in your expenses in the chart below.

Expenses	Amount in \$	Paid Monthly	Sub-Totals
Weekly expenses: Fill in the types of expenses you would incur in a typical week based on your future plans after high school. Fill in the corresponding amount and then multiply all weekly expenses times four as there are 4 weeks in a month.			
Other-Unplanned expenses	\$10	X 4	
		X 4	
		X 4	
		X 4	
		X 4	
		X 4	
		X 4	
		X 4	
		X 4	
		X 4	
		X 4	
		X 4	
		X 4	
Monthly Expenses: Fill in the types of expenses you would incur in a typical month based on your future plans after high school. Fill in the corresponding amount and then multiply all monthly expenses times one as this is a monthly budget.			
Other- Unplanned expenses	\$30	x1	
		x1	
		x1	
		x1	
		x1	
		x1	
		x1	
		x1	
		x1	
		x1	
		x1	
		x1	
		x1	
		x1	
		x1	
		x1	
		x1	
School Expenses: Fill in the types of expenses you would incur based on your educational plans after completing high school. Fill in the corresponding amount and then divide all educational expenses by ten as you typically attend school for ten months.			
		/10	
		/10	
		/10	
		/10	
		/10	
		/10	
Yearly Expenses: Fill in the types of expenses you would incur only a few times a year. Fill in the corresponding amount and then divide the expense by 12 so as to distribute it as a monthly expense.			
		/12	
		/12	
		/12	



Lesson Plan: Savings

Savings and Budgeting Discussion Questions and Written Response

TMS
Total Monthly
Spending:

Name _____ Date _____ Class Period _____

1. Share the results of your *Simulation: Monthly Future Budget*. Which expenses were surprising to you? How much money would you need every month to maintain the lifestyle that you want?
2. Consider and discuss the role of savings and charitable giving in a budget. What is a reason someone would want to include savings in a budget? What is a reason someone would consider charitable giving, or donating a portion of his/her money to a charitable cause?
3. **DISCUSS:** Do you think establishing and maintaining a budget important? What are some (2-3) benefits of effective saving and budgeting? What are the disadvantages? When do you feel it would be most important to start to establish and maintain a budget? Do you feel this is a practice you would realistically carry out? If so to what extent (how often, how thoroughly, through what means)? If not why not?

Response Prompt: **Based on your understanding of this lesson and your responses to the questions above, write a detailed, well-written essay with supporting details explaining the role of savings as a tool for your future success. Write your response on a separate piece of paper.**