

A Savings Plan for Parents

Notes:

Learner Outcomes

Outcome #1: Participants will be able to explain how to develop a savings plan.

Outcome #2: Participants will be able to explain one difference between a savings account and a checking account.

Outcome #3: Participants will be able to describe how saving is part of a personal budget.

Target Audience

Parents

Materials

1. Flip chart and markers or a dry-erase board and dry-erase markers
2. Name tags (downloaded for free from the Bank It Web site), one for each participant
3. A pen or pencil for each participant
4. Something to track time
5. Evaluation #3-SA-PT for each participant
6. Bank It Notes #3-SA-PT for each participant
7. Optional: PowerPoint Presentation PDF #3-SA-PT
8. Optional: Handout #3-SA-PT for each participant

Timing

1 hour

Want more background and training tips?

See the free, downloadable Bank It Leader's Guide at www.bankit.com.

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1. Welcome and Overview (5 minutes)

Arrive early. Highly consider using the optional PowerPoint Presentation PDF and the optional Handout. Both will greatly enhance your sessions. If you're using the PowerPoint Presentation PDF, show the "Welcome to Bank It" slide as participants enter the room. Greet each participant individually and learn their names as they arrive. Have them create a name tag with their first name only.

Give participants a copy of the Bank It Notes #3-SA-PT and either a pen or pencil. Have them sit in clusters of about four people. If possible, have them sit at tables. Then welcome the whole group to the session.

Say: Welcome to Bank It. Bank It delivers real-world financial topics and tools for parents and teens that make it easier to understand, talk about, and manage your money. Bank It was developed by Capital One and Search Institute. I'm glad each one of you is here.

Today we will focus on a savings plan for parents, and we plan on meeting three goals. One: By the end of this session, you will be able to explain how to develop a savings plan. Two: You will be able to explain one difference between a savings account and a checking account. Three: You will be able to describe how saving is part of a personal budget.

Feel free to use your Bank It Notes to write what you learn as we go along. At the end of the session, we will take time to complete a short evaluation. (If this session is not the first session you're presenting to this group, consider briefly discussing the optional challenge that you may have given participants at the end of your previous session.)

2. Activity: Which Way Do You Lean? (15 minutes)

Say: Today we're going to talk about a savings plan. A savings plan is a plan to save. Some people like to think of it as a map that guides them to their savings goal. Let's do a quick activity. I'm going to name a few statements.

If you agree with the statement, lean to the left. If you disagree with the statement, lean to the right. (Have participants practice the movements. It's often helpful as the leader to face away from the group and lean in the same direction with them to demonstrate.)

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Once participants are ready, say statements such as these: *I have had a savings goal in the past.* (Pause and give participants time to respond. If you wish, note which answer is most common. Then name other statements, one at a time, giving participants time to respond.)

I have a savings goal right now. I have been able to save for something I wanted and got it. I think saving is important. I think it's important to have a savings goal. I find it hard to save. I wish I knew how to save better. End the activity and debrief it.

Say: *To develop a savings plan, you first need a savings goal. A goal is something you want—something you're aiming for. What if you owe a bunch of people money?*

How do you set a savings goal? (Give participants time to respond. Ideally, you want participants to see that when they owe people money the first savings goal should be to pay them back. Then once the debts are cleared, they can set a savings goal for something they want.)

Say: *Too many people end up getting into money trouble because they keep borrowing money from people when they need it—and not saving their money for the future.*

3. Present: Savings Accounts (15 minutes)

On a flip chart, write the three major places to open a savings account. 1. *Commercial bank.* 2. *Savings and loan.* 3. *Credit union.* Ask: *Why do many people have a savings account away from home?* (Give participants time to answer.)

Say: *If you save money in a place that's not easy to get to, it can help you save.* On a flip chart, write differences between a savings account and a checking account.

Under "Savings," write: 1. *Purpose: To deposit and watch money grow.* 2. *Limited withdrawals. (Taking money out of the account.)* 3. *No ATM/debit card.* 4. *Earns interest. (Earns money while in the account.)*

Under "Checking," write: 1. *Purpose: To use money for living.* 2. *Frequent withdrawals. (Taking money out of the account.)* 3. *ATM/debit card. (This makes*

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it easy to take money out.) 4. Most accounts don't earn interest unless you have a large balance.

A balance is the amount of money you usually keep in the account. Ask participants if they have any questions so far, and address them. Then say: If you want to open a savings account at a bank, savings and loan, or credit union, it's important to know what to ask.

On a flip chart, write these five questions: 1. How much do I need to deposit to open a savings account? 2. How much money do I need to keep in the account to avoid fees? Say: A fee is a charge that a bank deducts from an account for certain reasons. Make sure you understand all the reasons why a bank may charge a fee.

3. Is there a fee for closing the account? 4. How much interest does the account earn right now? Say: Interest is the money a bank pays you for keeping money in your savings account.

5. Is the account FDIC insured? Say: The FDIC insures accounts so that if the bank were to ever go bankrupt, your money—up to a certain amount—would still be safe.)

Ask participants if they have any questions. Talk through key points that may be confusing, particularly if you have participants who are unfamiliar with savings accounts.

Then say: Even if you have a savings account, and even if you have a savings goal and a savings plan, you're more likely to succeed when you include saving as part of your personal budget. What is a personal budget? (Give participants time to respond.)

A personal budget is a way to track your money to ensure that the amount you spend doesn't exceed the amount you earn. (Note: If you've done any of the modules on Budget Well, remind participants about that.)

A budget has two parts: A part that lists the money coming in and another part that lists the money going out. In the part that lists the money going out, it's important to include savings as one of those items.

What if you don't include saving in your budget? What happens? (Give participants time to respond.) Say: When we don't make saving a part of our

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budget, it's easy to spend all our money and not save anything. When we make saving a part of our budget, we are much more likely to save money.

If you plan to distribute the optional handout, use it at this time.

4. Discuss (10 minutes)

Say: Take some time to talk to the people near you. Talk to about two or three people. I want you to do two things: 1. Say your first name. 2. Name steps you think you should take when creating a savings plan. Start with the person who has been sick most recently. Then have each person take a turn.

5. Review and Evaluate (10 minutes)

Review what was accomplished during this session. Ask: *What is a savings plan?* (Answer: A savings plan is a plan to save. Some people like to think of it as a map that guides them to their savings goal.)

Ask: *How do you develop a savings plan?* (Answers: 1. Know what you owe. 2. Set a savings goal. 3. Include savings in your budget—or make sure you save some money every time it comes in. 4. Have a safe place to keep your money. 5. Make sure your plan is working.)

Ask: *What is a difference between a savings account and a checking account?* (Answers: 1. A savings account's purpose is to deposit and watch money grow. A checking account's purpose is to use money for living. 2. A savings account has limited withdrawals. A checking account is set up for money to move in and out often. 3. A savings account does not have an ATM/debit card. A checking account does. 4. A savings account earns interest. Most checking accounts don't.)

Ask: *Which places offer a savings account?* (Answers: 1. Commercial bank. 2. Savings and loan. 3. Credit union.)

Ask: *How is saving a part of a personal budget?* (Answer: It's an item in the "money going out" or expense category. When you save every time money comes in, you're more likely to save.)

At the end of the review, distribute Evaluation #3-SA-PT to each participant. Give participants time to fill out the evaluation. Collect all the evaluations after

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participants finish so you can find out the measurable outcomes for the session.

6. Close (5 minutes)

Say: Cup your hands together. Imagine your hands filling up with money. This isn't something magical. It's called saving. Every time you save money, you're putting away money for you, for your dreams, for your future. A savings plan works best when we make a plan and then follow it.

Ask yourself: How much money will I save every time money comes in? Challenge participants to talk to family members about this topic, which is listed under the Talk about It section of their Bank It Notes. Thank participants for coming and for being involved.

Optional Activities

- 1. Distribute Handout #3-SA-PT: Creating a Savings Plan.** Give participants the handout to complete. Afterward, discuss their answers.
- 2. Show the PowerPoint Presentation PDF #3-SA-PT.** Use the presentation to accompany the one-hour session.
- 3. Give Participants a Challenge.** Encourage participants to use the next week to talk to their teenagers about creating a savings plan. (If you wish, follow up during your next session to find out how the challenge went.)

Questions? Looking for more ideas? Visit www.bankit.com for answers and more resources.

For More Information

- *National Standards in K–12 Personal Finance Education* (Washington, D.C., Jump\$tart Coalition for Personal Financial Literacy, 2007), standard 1 in the area of Planning and Money Management.
- *An Asset Builder's Guide to Youth and Money* by Jolene Roehlkepartain (Minneapolis: Search Institute, 1999).