

Savings Accounts

Notes:

Learner Outcomes

Outcome #1: Participants will be able to identify places where they can open a savings account.

Outcome #2: Participants will be able to list advantages to saving money in a savings account.

Outcome #3: Participants will be able to identify what percentage of young people open up a savings account when they learn about savings accounts.

Target Audience

Elementary-age kids (grades 3 to 6)

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. A kitchen timer, clock or watch to track time
5. Evaluation Pretest #2-SA-E for each participant
6. Evaluation Posttest #2-SA-E for each participant
7. Take-Home Notes #2-SA-E for each participant
8. Optional: PowerPoint Presentation PDF #2-SA-E
9. Optional: Handout #2-SA-E for each participant

Timing

1 hour

Want more background and training tips? See the free, downloadable Bank It Elementary Quick Start Leader's Guide at www.bankit.com.

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Notes:

1. Welcome and Overview (5 minutes)

Arrive early. We highly recommend that you use the optional PowerPoint Presentation PDF and the optional handout. Both will greatly enhance your session. If you're using the PowerPoint Presentation PDF, show the "Welcome to Bank It" slide as participants enter the room.

Greet participants individually and learn their names as they arrive. Have them create a name tag with their first name only.

Give participants 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 kids and parents that make it easier to understand, talk about, and manage 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 savings accounts, and we plan on meeting three goals. One: By the end of this session, you will be able to identify where you can open a savings account. Two: You will be able to list advantages to saving money in a savings account. Three: You will be able to identify what percentage of young people open up a savings account when they learn about savings accounts.

If this session is not the first session you're presenting to this group, consider briefly discussing the challenge you may have given participants at the end of your previous session.

2. Pretest and Activity (15 minutes)

Say: The first activity we'll do is a short pretest. The pretest has only six questions, and I don't want you to worry about how well you'll do on it. We'll take this exact test again at the end of our session after we have learned about the money concepts on this test.

What matters most is how much you learn and how well you do on the test at the end of our session, not on how well you do on this test.

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Distribute the Evaluation Pretest #2-SA-E to each participant. Give them time to complete the pretest. Then collect the pretests when they have finished. The Evaluation Key #2-SA-E has all the answers for your information.

Ask: *What is a savings account?* Give participants time to respond. The answer is: A savings account is held at a financial institution, where you can save and withdraw money.

Ask: *Where can you open a savings account?* Give participants time to respond. Make sure they list these three institutions: bank, savings and loan, and credit union. Write those three financial institutions on a flip chart and name them for the group.

Ask: *What is the difference between saving money in a savings account, such as at a bank or a credit union, and saving money in a piggy bank at home?* Give participants time to respond.

Answers could include: It's easier to spend the money you try to save at home. You go to a bank, savings and loan, or credit union to save money. You can earn money if you have an interest-bearing savings account.

Once participants understand the difference between saving money at home and saving money in a savings account at a financial institution, say that you're going to do a quick activity called "Savings Account or Piggy Bank?"

Explain that you're going to name different saving situations. Ask participants to stand. If participants think they would save their money at home in a piggy bank, have them place their arms at their sides. If they think they would save money in a savings account at a bank or credit union, have them hold their arms out to their sides at shoulder length.

Say: *You get money that you'll save until tomorrow.* Give participants time to respond. Encourage them to look around the room to see how others responded.

Give other examples, one at a time, giving participants time to respond. Use examples such as these: *You get money that you want to save for a year or more. You get money that you want to save for next week. You get money that you want to save for next month. You get money that you don't know what to do with yet.*

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Have participants take a seat. Say: *The way we save money affects how we use our savings. It's easier to spend money that we save at home.*

3. Present (15 minutes)

Explain that there are advantages to saving money in a savings account at a bank, savings and loan, or credit union. On a flip chart, write 1. You can earn money with the right kind of account. 2. You know where your money is. 3. Your money is safe in an insured account.

Ask: *How can you earn money with the right kind of account?* Give participants time to respond. Do not be surprised if no one knows the answer. Explain that a savings account that earns interest is the same as earning money on your savings. Note, however, that not all savings accounts earn interest. That's why it's important to ask about an interest-bearing savings account.

Ask: *How do you know if an account is insured?* Give participants time to respond. Do not be surprised if no one knows the answer. On a flip chart write: FDIC insured. Explain that money is insured at an FDIC-insured financial institution. That means if the bank goes out of business at an FDIC-insured financial institution, up to \$100,000 of your money (and each depositor's) will be safe.

If you want participants to become more active in the learning process, consider doing the Savings Account Advantages Activity listed under Optional Activities at the end of this session.

Ask: *What percentage of young people open up a savings account when they learn about savings accounts?* Give participants time to respond. On a flip chart, write the correct answer: 57%.¹

Ask: *What percentage of young people open up a savings account when they do not learn about savings accounts?* Give participants time to respond. On a flip chart, write the correct answer: 44%.²

Point to the two numbers. Explain that when young people learn about savings accounts, they are much more likely to open up a savings account. That's why it's important to learn about savings accounts.

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Explain that when young people open up a savings account in their own name, researchers say it gives young people a sense of empowerment, which is an important factor to help them succeed in school.³

Young people under the age of 18, known as minors, need a parent or other adult to open up the savings account with them. These are called custodial accounts, and many children have these types of savings accounts.

If you want participants to become more active in the learning process, consider doing the Opening a Savings Account Activity listed under Optional Activities at the end of this session.

Ask: *What do you call the money earned on a savings account?* Give participants time to respond. The answer is: Interest.

If you plan to distribute the optional handout, use it at this time. Walk through the different aspects of the savings statement so young people understand what one looks like and how to read one.

Ask: *How can you find out how much money you can earn on a savings account?* Give participants time to respond. The answer is: Look at the annual percentage yield earned. (If you're using the optional handout, point out this information on the handout.)

4. Discuss (5 minutes)

Say: *Take some time to talk to the people near you. Talk to about two or three people. Take turns. I want you to do two things: 1. Say your first name. 2. Explain why you think having a savings account is a good idea. Start with the person who exercised or played a sport most recently. Then have each person take a turn.*

5. Review and Evaluate (15 minutes)

Review what was accomplished during this session. Ask: *Where can you open a savings account?* (Answer: 1. At a bank. 2. At a savings and loan. 3. At a credit union.)

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Ask: *What are advantages to saving money in a savings account?* (Answer: 1. You can earn money with the right kind of account. 2. You know where your money is. 3. Your money is saved in an insured account.)

Ask: *What percentage of young people open up a savings account when they learn about savings accounts?* (Answer: 57%.) *What percentage of young people open up a savings account when they do not learn about savings accounts?* (Answer: 44%.) Encourage participants to remember these percentages since they both appear on the evaluation.

Ask: *What do you call the money earned on a savings account?* (Answer: Interest.)
 Ask: *How can you find out how much money you can earn on a savings account?* (Answer: Look at the annual percentage yield earned.)

At the end of the review, distribute Evaluation Posttest #2-SA-E to each participant. Give participants time to fill out the posttest. Collect all the posttests after participants finish so you can find out the measurable outcomes for the session. The Evaluation Key #2-SA-E has all the answers for your information.

6. Close (5 minutes)

Do a short activity for the closing. Explain that you’re going to name places where participants can open a savings account. If they believe that the place you named is a place to open up a savings account, they should stand up. If they don’t think so, they should stay seated.

Have participants start by sitting. Say: *You can open up a savings account at a savings and loan.* Give participants time to stand (for yes) or remain seated (for no). The correct answer is stand for yes.

Say: *You can open up a savings account at a department store, such as JCPenney or Macy’s.* Give participants time to stand (for yes) or sit (for no). The correct answer is sit for no.

Say: *You can open up a savings account at a credit union.* Give participants time to stand (for yes) or sit (for no). The correct answer is stand for yes.

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Say: *You can open up a savings account at a discount store, such as Walmart or Target.* Give participants time to stand (for yes) or sit (for no). The correct answer is sit for no.

Say: *You can open up a savings account at a bank.* Give participants time to stand (for yes) or sit (for no). The correct answer is stand for yes. Then invite all the participants to sit.

Say: *A savings account is a helpful way to save money.* Distribute the Take-Home Notes #2-SA-E. Challenge participants to talk to family members about this topic, which is listed under the Talk about It section of their Take-Home Notes. Thank participants for coming and for being involved.

Optional Activities

1. Distribute Handout #2-SA-E: Savings Statement. Give participants the handout. Use Handout Key #2-SA-E to explain the handout to them.

2. Show the PowerPoint Presentation PDF #2-SA-E. Use the presentation to accompany the one-hour session.

3. Do the Savings Account Advantages Activity. Have young people sit. Explain that you're going to name different aspects of savings accounts. If the statement you say is an advantage to having a savings account, participants are to jump up as high as they can and stand. If the statement is not an advantage, participants are to sit.

Have young people stand up. Encourage them to bend over in an in-between position of standing and sitting. Explain that they'll take this position in between each statement you say.

Say: *The savings account is insured.* Give participants time to jump up and stand or sit. The correct answer is jump up and stand. Say: *The savings account is at a bank.* Give participants time to jump up and stand or sit. The correct answer is jump up and stand.

Say: *The savings account is empty.* Give participants time to jump up and stand or sit. The correct answer is sit. Say: *The savings account earns interest.* Give

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participants time to jump up and stand or sit. The correct answer is jump up and stand.

Say: *The savings account is really far from your home.* Give participants time to jump up and stand or sit. The correct answer is sit. Say: *The savings account is at a place you do not trust.* Give participants time to jump up and stand or sit. The correct answer is sit.

Say: *The savings account has money in it.* Give participants time to jump up and stand or sit. The correct answer is jump up and stand.

4. Do the Opening a Savings Account Activity. Have young people each find a partner. If you have an odd number of participants, allow one group to have three people in it. Give each person a piece of paper and something with which to write.

Explain that there are four aspects of opening a savings account. Ask young people to write their names at the top of their papers. Then have them write a number one.

Say: *Number one: You need a parent or an adult to open up a savings account. Which parent or adult would you ask? Write that person's name after your number one.* Then give participants time to talk about what they wrote with their partner.

Say: *Number two: You need the name and address of the bank, savings and loan, or credit union where you will open up your account. If you can think of the bank, savings and loan, or credit union that one of your parents use, write that name after your number two. Otherwise write: Ask Mom (or Dad) for the name of bank, savings and loan, or credit union.* Then give participants time to talk about what they wrote with their partner.

Say: *Number three: You need a way to get to the bank, savings and loan, or credit union. Will you go by bus, subway, or car? Write how you'll get there after your number three.* Then give participants time to talk about what they wrote with their partner.

Say: *Number four: You need money to put into your savings account as your first deposit. How much money will you put into your savings account for the first time? Write that amount after your number four.* Then give participants time to talk about what they wrote with their partner.

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Say: *These four things will help us be prepared to open up a savings account. Your parents often will also need your address, your social security number, and your parent's social security number.* Encourage young people to write those two items at the bottom: your address and yours and your parent's social security numbers.

5. Give Participants a Challenge. Encourage participants to use the next week to ask their parents about savings accounts. (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 Saving and Investing.

An Asset Builder's Guide to Youth and Money by Jolene Roehlkepartain (Minneapolis: Search Institute, 1999).

Sources

¹Boys and Girls Clubs of America and Charles Schwab Foundation, *Report from Boys and Girls Clubs of America and Charles Schwab Foundation Shows Increased Knowledge Among Teens Leads to Positive Behavioral Change*, January 27, 2009.

²Ibid.

³William Elliott III and Sondra Beverly, "The Role of Savings and Wealth in Reducing 'Wilt' between Expectations and College Attendance," Center for Social Development Research Brief, Washington University in St. Louis, January 2010.