

Saving Your Money

Notes:

Learner Outcomes

Outcome #1: Participants will be able to name one advantage and one disadvantage to saving.

Outcome #2: Participants will be able to explain ways that people can cut spending to save.

Outcome #3: Participants will be able to identify a savings goal.

Target Audience

Teenagers

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 website), one for each participant
3. A pen or pencil for each participant
4. Something to track time
5. Evaluation #1-SA-T for each participant
6. Bank It Notes #1-SA-T for each participant
7. Optional: PowerPoint Presentation PDF #1-SA-T
8. Optional: Handout #1-SA-T 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 #1-SA-T 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 teens and parents 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 saving money, and we plan on meeting three goals. One: By the end of this session, you will be able to name one advantage and one disadvantage to saving. Two: You will be able to explain ways that people can cut spending to save. Three: You will be able to identify a savings goal.

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: When Have You Saved Money? (15 minutes)

Have participants turn to talk to the people near them. Encourage them to talk to about two or three people. Begin by having everyone say his or her first name to the small group. Then begin the activity. Say that you want each group to talk about when (if ever) they have saved money and what their experience was like.

After about five minutes, ask each group to share what they learned from each other's experiences. Have each group report to the larger group. Ask: *Why does saving matter?* (Give participants time to respond.)

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Say: *When we save well, we have money for special things, such as a ticket to a concert or a new pair of shoes. Savings can also help us with unexpected situations, such as losing a cell phone or having your MP3 player break. Even though saving is a good thing, there are advantages and disadvantages.*

Let's list those on a flip chart. (Give participants time to respond. Advantages could include: 1. You have money to buy something special. 2. You can reach a dream or a goal. 3. You have money for an emergency. Disadvantages could include: 1. You have less money to spend. 2. The money is for the future, not for right now. 3. Depending on where you save your money, you might not be able to get to it if there's an emergency.

3. Present: The Sad State of Saving (15 minutes)

On a flip chart, show a downward trend from one end to the other. Say: *When we look at the average annual savings per household from 1975 to today, we see this. Savings go down, down, down.¹ In 1975, the average annual household had saved \$7,136.² By 2008, the average annual household had saved \$392.³*

Why is this happening? On the same flip chart, use a different colored marker to make an upward trend over the downward trend. The reason is debt.

What is debt? Debt is the amount of money that people have borrowed and have not paid back. In 1975, the average annual debt per household was \$37,883.⁴ By 2008, the average annual debt per household had grown to \$117,951.⁵ Debt has gone up, up, up. Savings has gone down, down, down.

But just because most Americans are making poor money choices doesn't mean we need to be. We can make positive money choices. We can work on reducing our debt. And we can work on saving money.

But how? How can people save money? (Give participants time to answer the question. Write their responses on a flip chart. Make sure they mention cutting spending. Making a savings goal. Having a savings account or a piggy bank.)

One key suggestion that financial experts have is to pay yourself first in order to save. What does that mean? It means that every time you get money, whether it's from an allowance or from a gift, you set aside some of the money for savings before you do anything else.

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Why would saving money first make it easier to save rather than seeing what money is left over at the end? (Answer: There usually is no money left over at the end.) Ask: How do you know how much money to set aside? (Give participants time to answer.)

When you first start saving, you need to experiment. Try a small amount at first and see how it goes. Then see if you can save more. Saving is easier when you have a savings goal.

What is a goal? (Answer: A goal is something we aim for. It's something we want. For example, a savings goal could be saving money to go to college. Or it could be something smaller such as saving for a new video game or a pair of jeans.)

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 a savings goal you would like to have, and why. Start with the person who has watched a sports game most recently. Then have each person take a turn.

5. Review and Evaluate (10 minutes)

Review what was accomplished during this session. Ask: *Why does saving matter? (Answer: When we save well, we have money for special things, such as a ticket to a concert or a new pair of shoes. Savings can also help us with unexpected situations, such as losing a cell phone or having your MP3 player break.)*

Ask: *What are advantages to saving? (Answers: 1. You have money to buy something special. 2. You can reach a dream or a goal. 3. You have money for an emergency.)*

Ask: *What are disadvantages to saving? (Answers: 1. You have less money to spend. 2. The money is for the future, not for right now. 3. Depending on where you save your money, you might not be able to get to it if there's an emergency.)*

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Ask: *What are ways that people can cut spending to save?* (Answers 1. Pay yourself first whenever you get money. 2. Eat out less. 3. Only spend to buy what you need, not what you want.)

Ask: *What has been the savings trend in the United States since 1975?* (Answer: Savings have gone down, down, down.)

Ask: *Why is paying yourself first a helpful savings strategy?* (Answer: Because there's always money at the beginning. Rarely at the end.)

Ask: *What are examples of a savings goal?* (Answer: College. Refrigerator. A wedding. A car.)

At the end of the review, distribute Evaluation #1-SA-T to each participant. Give participants time to fill out the evaluation. Collect all the evaluations after participants finish so you can find out the measurable outcomes for the session.

6. Close (5 minutes)

Say: *Before we close, I want to hear from those of you who have saved for something. What did you save for? How long did it take you?*

(After each person says something, affirm that person. After about three people have given examples, then stop. If no one has any examples, be prepared to say examples that you have heard of, such as these: One teenager bought something from a vending machine only once a week. She bought new clothes only once a year. Over time, she had saved enough money to pay for part of her college tuition. Another teenager saved money to buy a used car. Another teenager saved money to buy a gaming system.)

Say: *Saving is one way we can realize our dreams. When we save, we are planning for the future.* 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.

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Optional Activities

- 1. Distribute Handout #1-SA-T: Saving: 10 Ideas.** Give participants the handout to complete. Afterward, discuss their answers.
- 2. Show the PowerPoint Presentation PDF #1-SA-T.** 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 parents about saving for something special. (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

¹ The statistics on savings and debt trends are from the Bureau of Economic Analysis of the U.S. Department of Commerce. The bureau publishes a monthly report on personal income and outlays at www.bea.gov/newsreleases/national/pi/pinewsrelease.htm.

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ Ibid.