

Saving Money

Notes:

Learner Outcomes

Outcome #1: Participants will be able to explain what it means to save money.

Outcome #2: Participants will be able to describe how to use their money by saving, spending, and sharing it.

Outcome #3: Participants will be able to name at least one advantage of saving money.

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 #1-SA-E for each participant
6. Evaluation Posttest #1-SA-E for each participant
7. Take-Home Notes #1-SA-E for each participant
8. Optional: PowerPoint Presentation PDF #1-SA-E
9. Optional: Handout #1-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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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 saving money, and we plan on meeting three goals. One: By the end of this session, you will be able to explain what it means to save money. Two: You will be able to describe how to use your money by saving, spending, and sharing it. Three: You will be able to name at least one advantage of saving money.

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 #1-SA-E to each participant. Give them time to complete the pretest. Then collect the pretests when they have finished. The Evaluation Key #1-SA-E has all the answers for your information.

Ask: *What does it mean to save money?* Write participants' answers on a flip chart. Make sure this point is made: Saving is putting aside money now to use at a later date.

Ask: *What kinds of things do you save for?* Write participants' answers on a flip chart. Encourage them to list as many things as possible.

Say that you're going to do a quick activity called "Save Some or Spend?" Explain that you're going to name a way that young people get money. If young people think they would save some in this instance, they are to clasp their hands in front of them to show that, yes, they would save some of this money. If young people would spend all the money they received in this way, they are to drop their hands to their sides to show that they would spend it all.

Say: *You receive a weekly allowance. Do you save some or spend?* (Give participants time to clasp their hands in front of them if they would save some of this money or to drop their hands to their sides if they would spend it all. Then have participants look around to see how many would save some of the money or would spend it all.)

Then say other scenarios, such as these, one at a time, giving time for participants to signal whether they would save some or spend it all: *You get \$10 for your birthday. You help your uncle with some chores, and he pays you. Your grandma gives you some money to spend. You receive a gift card for a holiday. Your parents give you money for a vacation.*

After you've finished the activity, debrief it. Ask: *How do you decide when to save your money?*

3. Present (15 minutes)

Ask: *What percentage of young people save money when they learn about saving?* Give participants time to respond. On a flip chart, write the correct answer: 72%.¹

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Ask: *What percentage of young people save money when they do not learn about saving?* Give participants time to respond. On a flip chart, write the correct answer: 57%.²

Point to the two numbers. Explain that when young people learn about saving, they are much more likely to save. That's why it's important to learn about saving money.

If you want participants to become more active in the learning process, consider doing the Saving \$100 Activity listed under Optional Activities at the end of this session.

Ask: *When you get money, how should you think about money before you use it?* Give participants time to respond.

Say: *The Jump\$tart Coalition for Personal Financial Literacy suggests we think about using our money in three ways: 1. How to save it. 2. How to spend it. 3. How to share it.*³ Write these on a flip chart.

Ask: *What does it mean to share our money?* Give participants time to respond. Explain that sharing our money is about giving our money to others to help them. We can learn more about giving well through another session. For today, we're focusing on saving.

Ask: *What is an advantage to saving money?* Give participants time to respond. Make sure they identify these two advantages: 1. You can save money for a goal you have. 2. You can plan for the future. Write these on a flip chart.

Ask: *How can you plan for the future by saving money?* Give participants time to respond. Depending on how far into the future they think, they may identify things such as a concert ticket, college, a house, a cell phone, or a car.

Say: *When families save, kids are more likely to think they'll go to college*⁴. *Research shows that saving money helps people dream bigger about their future and work toward their dreams.*⁵

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

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Ask: *How can you save money?* Give participants time to respond. Make sure they name these two points: 1. Spend less money. 2. Put your money in a savings account. Write these on a flip chart.

If you wish, ask how many participants have a savings account. Ask them when they opened their savings account and what their experience is with a savings account. (This helps other young people hear about the advantages of a savings account, which is covered more in Save Well session 2.)

If you plan to distribute the optional handout, use it at this time. The Handout Key #1-SA-E has all the correct answers for your information.

Ask: *When was the last time you saved money?* Give participants time to respond. Encourage them to share success stories of saving money.

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. Name a time when you were proud that you saved money to buy something special. Start with the person who ate breakfast the earliest this morning. Then have each person take a turn.*

5. Review and Evaluate (15 minutes)

Review what was accomplished during this session. Ask: *What does it mean to save money?* (Answer: Saving is putting aside money now to use at a later date.)

Ask: *What percentage of young people save money when they learn about saving?* (Answer: 72%.) Ask: *What percentage of young people save money when they do not learn about saving?* (Answer: 57%.) Encourage young people to remember these percentages since they both appear on the evaluation.

Ask: *When you get money, how should you think about your money before you use it?* (Answer: 1. Think about how much of it you will save. 2. Think about how much of it you will give to help others. 3. Think about how much of it you will spend.)

Ask: *What are advantages to saving money?* (Answer: 1. You can save money for a goal you have. 2. You can plan for the future.)

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Ask: *How can you save money?* (Answer: 1. Spend less money. 2. Put your money into a savings account.)

At the end of the review, distribute Evaluation Posttest #1-SA-E to participants. 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 #1-SA-E has all the answers for your information.

6. Close (5 minutes)

Do a short activity for the closing. Have participants say: *I can save money every time you mention an instance when they get money.*

Say: *When I get an allowance* and encourage young people to say: *I can save money.*

Say: *When someone gives me money as a gift* and encourage young people to say: *I can save money.* Say: *When I get money over the holidays* and encourage young people to say: *I can save money.*

Say: *We can all save money. Saving money helps us make positive money choices.* Distribute the Take-Home Notes #1-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 #1-SA-E: Saving My Money. Give participants the handout to complete. Afterward, discuss their answers. Handout Key #1-SA-E has the correct answers for your information.

2. Show the PowerPoint Presentation PDF #1-SA-E. Use the presentation to accompany the one-hour session.

3. Do the Saving \$100 Activity. Have young people create groups of three or four. Give each group a piece of paper and something with which to write. Give groups time to list all the ways they could save \$100 in one year. Note: Saving \$100 a year is saving about \$8.34 a month or around \$2 a week.

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If you're working with young people from a lower socio-economic background or younger children who don't have as much access to cash, have them identify how they could save \$10 or \$25 in a year.

When groups finish, have them name some of the ideas they came up with to the entire group. Then lead a large group discussion about saving money.

4. Do the Money Goals Activity. Hang up two signs on opposite sides of the room. On one sign, write: Short-Term Goal (Less than \$50). On the other sign, write: Long-Term Goal (\$50 or more).

Before you do this activity, explain the difference between a short-term money goal and long-term money goal. Short-term money goals take a shorter amount of time to get to, and they're often for something that isn't too expensive, such as something less than \$50.

Long-term money goals take a longer time to get to. For upper elementary-age children, a long-term goal can be two months or six months. For adults, a long-term money goal can be two to five years (or more). Long-term money goals tend to be for more expensive things, such as for a car or a house for an adult.

Have participants line up along the wall on one side of the room. Point out the two signs and what they mean. Explain that when you name a money goal, young people are to think about approximately how much it would cost. If it's less than \$50, they should move to the short-term goal sign. If it's \$50 or more, they should move to the long-term goal sign.

Name each of these items, one at a time, giving young people the chance to move to the appropriate sign: *A movie ticket* (Answer: short-term goal). *A cell phone* (Answer: long-term goal). *A video game* (Answer: either short-term goal or long-term goal depending on the type of game). *A fast-food meal* (Answer: short-term goal). *An online game for \$20 a month* (Answer: long-term goal). *A dog* (Answer: either short-term goal or long-term goal depending on the type of dog and where you get it). Explain, however, that caring for a dog actually will end up to be a long-term goal since dogs need food, vaccinations, and possibly dog training.

5. Give Participants a Challenge. Encourage participants to use the next week to ask their parents how they decide when to save money. Ask what their parents

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think about their saving. (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 and 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 Boys 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.

² Ibid.

³ Jump\$tart Coalition for Personal Financial Literacy. *National Standards in K-12 Personal Finance Education: With Benchmarks, Knowledge Statements, and Glossary*. Third Edition. Washington, D.C.: Jump\$tart Coalition for Personal Financial Literacy, 2007, 13.

⁴ William 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.

⁵ Ibid.

