

Access Your Potential®
Financial Literacy

Choosing to Save Money

A lesson on saving for grades 3–5

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Preview

Lesson description

In this lesson, students will learn that choosing to save money requires giving up the opportunity to spend it. The lesson begins with students considering several different scenarios in which individuals make different choices about how to save or spend their money. In small groups, students discuss the scenarios and share their conclusions with the class. Students then learn about the components of a savings plan and answer questions related to an individual savings goal. At the conclusion of the lesson, students are encouraged to consider what might help them stay focused on their savings goal.

Objectives

Students will be able to:

- Name what is given up when people choose to save money
- Describe various approaches to saving and spending
- Identify a savings goal
- Explain elements of a savings plan

Lesson at-a-glance

Section	Purpose	Approximate time
Introduction	Introduce the presenter and the topic of the lesson	5 minutes
Activity: Balancing act	Students work in groups to analyze and discuss a scenario in which a person makes choices between spending and saving	15–20 minutes
Activity: Setting a savings goal	Students think about what they would save money for and learn about the components of a savings plan	10–15 minutes
Closing	Students are encouraged to set money aside for the future and develop a savings plan	5 minutes
		Total time 35–45 minutes

Prepare

Materials: *Arrive prepared.*

- **Balancing act handout**—cut apart in advance—one scenario per small group of three to four students (It is likely that more than one group will have the same scenario.)
- **A plan to save handout**—one copy per student
- **Choosing to Save Money post assessment**—one for each student (OPTIONAL)

Background: *Understand the topic.*

At the elementary school level, students should understand that people have choices about how to use the money they earn or receive. In general, they can spend it or **save** it. Donating money is another option.

When people choose to save money, they are putting the money aside for use in the future. As a result, they are giving up the opportunity to use it now. Whatever is given up is considered the **opportunity cost**.

Setting a **savings goal** is one way that people can be encouraged to save money. If students consider the future use of their money, it can make it more desirable to give up current spending. A **savings plan** helps people to achieve a savings goal. A plan traditionally has several components: the goal, an amount, a timeline, and ways to earn the money that is needed.

Vocabulary: *Use grade-appropriate definitions.*

- **Interest:** Money a borrower pays to a lender or that a bank pays to someone who deposits money there.
- **Opportunity cost:** The next best thing you give up when you decide to do or buy something else.
- **Saving:** Putting money aside to use at a later time.
- **Savings goal:** An amount of money a person wants to set aside for a specific purpose.
- **Savings plan:** Specific action steps a person plans to take to meet a savings goal and a timeline for completing them.

Delivery: *Decide on the format.*

This lesson can be conducted with an entire class or in small groups. For each activity, there are several facilitation options provided. Be sure to review the options in advance and determine which one will work best given the setting, number of facilitators, etc. In some cases, the facilitation option you select will influence the number of handouts needed.

Differentiation: *Be aware of your audience.*

When conducting a lesson on saving, it is important to consider the students and their experiences. Be prepared to acknowledge the range of experiences and backgrounds. Touch base with your classroom teacher in advance to inquire about the student population you will encounter. In particular, keep in mind that students whose families have limited incomes may find it hard to find money to save. Individuals with disabilities and others may also face special considerations when it comes to saving. For example, some

government programs limit the amount of money a person or family may save while receiving certain benefits or participating in certain programs. In addition, some students may come from families that distrust financial institutions or are hesitant to save money at a bank.

Tips for PwC facilitators: *Make the most of your time in the classroom.*

Before facilitating this lesson for the first time, consider the following:

- Read through the entire lesson in advance.
- Touch base with the classroom teacher to make sure you know when to arrive, the process for entering the building, the room setup, photo release protocol, and any available technology. For example:
 - Where should you park? Where should you enter the building? Will you find your own way to the classroom or will someone meet you?
 - What is the room set up (individual desks, tables and chairs, etc.)? Will you have access to a whiteboard?
 - Are you allowed to take photos during the lesson? Remember, you are required to get specific written consent from parents/guardians before taking photos of minors. How will you handle the students whose parents/guardians have not given consent?
 - If you opt to use the post-assessments, should students take it using paper and pencil or online with school-provided devices? Will the teacher want to collect the assessments and forward the results, or should you collect them?
- If you will be presenting with another facilitator or team, consider each person's strengths when deciding who will lead various sections of the lessons, how students will be organized during the lessons, and who is responsible for preparing the materials.
- Remember that adults in most high schools are addressed formally using their title (Mr./Mrs./Ms.). Plan to address the teacher and any of your colleagues in this manner, even if you would normally call each other by first names.

Educator insights: *Adapt this lesson for your classroom.*

PwC is pleased to offer these lessons for use by classroom teachers to support or augment their financial education efforts. Please recognize that the materials were designed for employees to use as facilitators when visiting a class. Therefore, some sections (such as the introduction) may be unnecessary. Feel free to adapt the materials in whatever way makes the most sense for your classroom including the optional extension activities at the end of the lesson.

Teach

Opening (5 minutes)

- Thank the teacher and **introduce yourself** to the class. Explain to the students that PwC is a professional services firm that is committed to providing all students with financial literacy education through its program, *Access Your Potential.*[®] In simple terms, explain what you do at PwC and how it relates to what the students will be learning during the lesson.

- Let students know that you are there to help them learn more about money and the **choices people make when they receive it**.

Activity: Balancing act (15–20 minutes)

Set up

- Ask students if they have **ever been faced with a choice of how to use an amount of money**. For example, did they ever have to **choose between spending money now or waiting to spend it** in the future? Have they ever had to decide whether or not to donate some of their money?
- Challenge students to answer the question, “**What is a word that described waiting to spend money until the future?**” Let students know this is called **saving**.

Implementation

- Let students know that they will be **working in groups to consider a scenario** in which a person is faced with a financial choice.
- Direct students to **form small groups** of three students and assign the following **roles** to members of the group:
 - **Reader:** the person who will read the scenario when it is given to them
 - **Notetaker:** the person who will listen carefully and take notes
 - **Reporter:** the person who will share what the group discussed with the class
- Distribute a scenario from the **Balancing act handout** to each group and allow students several minutes to **read and discuss the scenario**. It is okay if more than one group receives the same scenario.
- Invite each group to **briefly share** their conclusion. **Did they agree or disagree with the person’s decision? What might they have done differently?**

Conclusion

- Inform students that **when people choose to save money, they are giving up the opportunity to spend that money now**. Whatever they are giving up the chance to buy or get now is called the **opportunity cost**.
- Ask students what they would be giving up if they choose to save more money.
- Direct students to consider **where they would keep money they save**.

Activity: Setting a savings goal (10–15 minutes)

Set up

- Let students know that many people find it easier to save money or develop a habit of saving money if they have a specific **savings goal in mind**. The savings goal might be to buy something or do something or a set dollar amount they want to have in savings.
- Challenge students to **consider something they might set as a savings goal**.
- Share with students that savings goals have a number of things in common with **goals in sports**. How do teams score points or win at football, soccer, hockey, or basketball? They make goals. The goals rarely happen just by luck, though. More often, **they require a plan**.

Implementation

- Ask students what **elements should be in a savings plan**. Make sure students address the following:
 - Their **savings goal**—the reason they are saving
 - An **amount** they need or want to save
 - A **timeframe** that indicates how long they will be saving and/or when they need to have reached their goal
 - Ideas for **how to earn** the money
- Distribute a copy of the **A plan to save handout** to each student.
- Allow time for students to **read and answer** each of the questions.

Conclusion

- Ask students if they think it will be **easy or hard to reach their savings goal**.
- Challenge students to consider what could **make it easier** to achieve their goals. For example, would it be easier if they created a **visual reminder** of their goal? Would someone **checking on their progress** be helpful?

Closing (5 minutes)

- (OPTIONAL) Distribute a copy of **Choosing to Save Money post assessment** to each student. Direct students to answer the questions. Inform them that they do not need to put their name on the assessment unless the teacher wishes to keep a copy for grading purposes.
- **Thank** the students and the teacher for letting you come and talk to the class about saving money.
- Encourage students to **discuss their savings goals and plans at home or with a trusted adult or friend**.

Extend

Teacher-led follow up ideas

Bulleted list of ways the educator can extend the lesson once the facilitator leaves. Each list will include a mention of a corresponding module from the Digital Classroom, such as:

- Use *Robot Game* module in the beginner level of the [Earn Your Future® Digital Classroom](https://app.pwcfdearnyourfuture.org/) (<https://app.pwcfdearnyourfuture.org/>) to help students learn even more about income and careers. This resource made possible by the PwC Charitable Foundation, Inc.®, is designed for students in grades 3–12 and can be delivered in multiple formats (classroom, small group, or individually) and has accompanying educator resource guides to assist in delivery. Students can engage with financial literacy concepts through innovative self-paced modules featuring custom videos, animations, and interactive activities. A free teacher login is required to access the modules.
- Invite students to visit a local financial institution such as a bank or credit union and find out what is needed to open a savings account.
- Challenge students to consider a character in a book they have read recently and write a paragraph about a savings goal he or she might set. They should explain why this is a goal the character would select and how the character might earn money.
- Direct students to write a letter to a friend encouraging him or her to become a saver, including reasons they should set money aside for the future.

Connect

Standards correlation

This lesson is correlated to the National Standards for Financial Literacy from the Council for Economic Education available at <http://www.councilforeconed.org/resource/national-standards-for-financial-literacy/>. Standards are classified as primary or secondary. Primary standards are addressed directly and thoroughly. Secondary standards are addressed indirectly or partially.

Primary
<p>Saving:</p> <ul style="list-style-type: none">• Income is saved, spent on goods and services, or used to pay taxes.• When people save money, they give up the opportunity to spend that money to buy things now in order to buy things later.• People set savings goals as incentives to save. One savings goal might be to buy goods and services in the future.• A savings plan helps people reach their savings goals.

Choosing to Save Money

Balancing act handout

<p>Scenario 1: Some days after school, Miguel works as a math tutor. He is paid by the parents/guardians of the children Miguel helps with their homework or test preparation. Miguel earns \$10 for every hour that he tutors. Every time he gets paid, he brings his money home and puts it somewhere safe in his room. At the end of the month, his mom takes him to the bank where he deposits all of the money into his savings account. His mom always asks him if he is going to use some of it to buy things he wants, but Miguel insists that he is saving it until he really, <i>really</i> wants something.</p> <ul style="list-style-type: none">• Do you agree with how Miguel chooses to use his money?• Would you make the same choice as Miguel? Why or why not?• In this scenario, what is Miguel giving up?	<p>Scenario 2: Aidan has a strict rule. Every time she gets money—either from a job or as a gift—she always splits the money up. Part of it she puts in her wallet. She calls it her “fun money.” That is the money she takes with her when she goes shopping or out with her family or friends. The rest of the money goes into her savings account at a local bank. Sometimes she asks her parents to help her split her money by trading big bills for smaller ones. For example, if she gets a \$20 bill, she will trade them for a \$10 bill and two \$5 bills. Then, she puts \$15 in her “fun money” and \$5 in savings.</p> <ul style="list-style-type: none">• Do you agree with how Aidan uses her money?• Would you make the same choice as Aidan? Why or why not?• In this scenario, what is Aidan giving up?
<p>Scenario 3: Last week was Tessa’s birthday. Her mom suggested that she come up with a plan before using any of the money she received from friends and relatives. Tessa told her mom that she already had a plan for it. She wanted to go to the store and find stuff to buy. Her mom told her the money was going “burn a hole in her pocket” if she wasn’t careful.</p> <ul style="list-style-type: none">• Do you agree with how Tessa plans to use her money?• Would you make the same choice as Tessa? Why or why not?• In this scenario, what is Tessa giving up?	<p>Scenario 4: Jayden’s grandmother gave him a piggy bank when he was younger. She told him that he should always “feed his pig” before spending any money he receives. Whenever he gets money, he puts at least half of it into his piggy bank for safe keeping. He isn’t sure how much is in it, but he knows it isn’t completely “full” yet.</p> <ul style="list-style-type: none">• Do you agree with how Jayden uses his money?• Would you make the same choice as Jayden? Why or why not?• In this scenario, what is Jayden giving up?

Choosing to Save Money

A plan to save handout

What do you want to save money to buy or do?

How much money will you need?

When do you want to do or buy this?

How can you earn money to help reach your savings goal?

Choosing to Save Money

Post-assessment

Section 1: Please select the correct answer for each of the following questions.

1. The opportunity cost of saving is not being able to _____ now.
 - a. earn more money
 - b. spend it
 - c. set a goal
 - d. have a money management plan
2. Which of the following is **not** an element of a savings plan?
 - a. Goal
 - b. Timeline
 - c. Amount
 - d. Risk
3. What is a word that describes waiting to spend money until the future?
 - a. Opportunity cost
 - b. Saving
 - c. Spending Plan
 - d. Goal

Section 2: Please choose the number on the scale that best indicates how strongly you agree or disagree with the following statements:

	Strongly disagree				Strongly agree
I understand the opportunity cost of saving money.	1	2	3	4	5
I feel confident making decisions about saving my money.	1	2	3	4	5
I am interested in learning more about saving.	1	2	3	4	5

Section 3: Circle your grade level.

K 1 2 3 4 5 6 7 8 9 10 11 12

Choosing to Save Money

Post-assessment | Answer key

Section 1: Please select the correct answer for each of the following questions.

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 - a. earn more money
 - b. **spend it**
 - c. set a goal
 - d. have a money management plan
2. Which of the following is **not** an element of a savings plan?
 - a. Goal
 - b. Timeline
 - c. Amount
 - d. **Risk**
3. What is a word that describes waiting to spend money until the future?
 - a. Opportunity cost
 - b. **Saving**
 - c. Spending Plan
 - d. Goal