

### **Section 3—Financial Security**

**Title of Lesson/Subject:** The Value of Saving

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**Time Allotment:** 1 – 55 minute class period

**Grade Level or Target Audience:** Junior High (Introductory Unit)

#### **ND Standards Competencies:**

CONTENT STANDARDS

2.0 CONSUMER AND FAMILY RESOURCES

Evaluate management practices related to the human, economic, and environmental resources.

2.1 Demonstrate management of individual and family resources.

2.4 Describe interrelationships between consumer actions and the economic system.

2.5 Demonstrate management of financial resources to meet the goals of individuals and families across the life span.

**Key Economic Concepts:** Saving Money

**Brief Description:** Students will be using a handout and web site calculators to understand the value of saving money for future purchases or goals

#### **Learner Objectives:**

- Recognize the value of managing one's own money.
- Understand the concept of interest as a savings tool.

#### **Introduction:**

I will be using the Today's Teen textbook by Glencoe, McGraw-Hill and adding this lesson to supplement the information from chapter 20, Managing Money.

#### **Materials Needed:**

- Brochure
- Web site access for calculators

#### **Audio/Visual Equipment Needed:**

- Access to the computer lab would be helpful
- If only one computer is used, an overhead projection device could be added

#### **Lesson Outline:**

- Review information on Budget & spending habits

- Introduce Savings with a question & Answer

Ask: How can you keep your money and make it grow?

Ask: How do you prepare for large purchases?

Ask: What do you do with extra cash that you have?

Discuss: What do students think a savings account is and what it used for.

-Define:

Savings

-An account that increases the amount of money you deposit by pay you interest.

Interest

-money a financial institution pays you at regular intervals for the use of your money.

-Hand out, Read and discuss

The Magic of Compounding pamphlet ([www.choosetosave.org](http://www.choosetosave.org)) can be printed as a pdf file

- Introduce students to on-line savings calculators

(there are many available on-line, here are some websites that contain them. Check the websites for changes, and review to find one that works for your needs before the class lesson)

<http://www.asec.org>

<http://www.aba.com/>

<http://www.tcalc.com/tvwww.dll?user?tmpl=tvsuite.htm&cstm=sccpapc>

<http://www.eldoradosavings.com/calculators.html>

-Calculators and Interest

Students will work in groups of individually to use the calculator to:

Ask students what they want to spend/save money for. Use the discussion to formulate a set of questions to have them answer using the on-line calculators. Do at least one example with them in class before they begin.

Some examples of questions might be...

-How long do you need to save to buy a car if you can save 50 dollars each month?

-Find out how long it will take to be come a millionair

-How long does it take to double 100 dollars in a savings account

-How much do you need to save each month to.....

**Resources:**

Textbook :Today's Teen

Brochure: The magic of compounding

Websites

**Activities:**

Discussion  
Reading  
Web calculator

**Application/Assignment:**

Students will complete the assignment as directed.