

# Saving Is Smart!

## Lesson: Saving and Investing

Imagine this situation: You're driving down the highway when suddenly you hear a loud whooshing sound coming from the front left tire. Your tire is flat. A trip to the tire store reveals all of your tires need replacing. Do you have the funds to cover a new tire or tires without having to put it on a credit card? According to recent studies, 40% of Americans can't cover a \$400 unexpected expense.

Why do you think it's so hard to save? As humans, we often have an "I want it NOW" mentality that takes discipline to overcome. Having savings goals can help encourage us to save, rather than spend.

### Objective

Understand the costs and benefits of saving and investing.

### Activity

Draw or project the chart below on the board.

Short-Term Goals 1-12 Months	Medium-Term Goals 1-3 Years	Long-Term Goals 3-5 Years

Inform students they will establish savings goals, and establish a time frame to reach those goals.

1. Have students draw the chart shown above.
2. Instruct them to think of things they want or need to save for.
3. Based on when items are needed, have students list them in the appropriate short-term, medium-term, or long-term column. Ideas might be saving for a concert ticket, a laptop, a car or college.
4. Have them write an estimated cost for each item listed.

### Reflective Questions:

1. Which goal motivates you MOST to save?
2. If you were able to save \$300 a month, how would you distribute it among your goals?