

Exploring savings habits

Students learn about the benefits of forming their own savings habits and explore what it looks like to save a percentage of income.

Learning goals

Big idea

Establishing a savings plan may make it easier to get in the habit of saving money and can help people reach their savings goals.

Essential questions

- What are savings habits?
- How do personal savings habits help people save money?

Objectives

- Become familiar with habits that can help people save money
- Put specific saving habits into practice to build savings

NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

KEY INFORMATION

Building block:

-  Executive function
-  Financial habits and norms
-  Financial knowledge and decision-making skills

Grade level: Middle school (6-8)

Age range: 11-14

Topic: Save and invest (Choosing how to save)

School subject: CTE (Career and technical education), Math

Teaching strategy: Direct instruction, Simulation

Bloom's Taxonomy level: Understand, Apply

Activity duration: 45-60 minutes

National Standards for Personal Financial Education, 2021

Saving: 4-1, 4-2, 8-1

Spending: 4-2, 8-1, 8-2

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

What students will do

- Brainstorm helpful personal savings habits.
- Review scenarios to practice the habit of saving a certain percentage of earnings.
- Answer reflection questions to build their personal connection to savings habits.

Preparing for this activity

- While it's not necessary, completing the "[Using idioms to promote saving](#)" activity first may make this one more meaningful.
- Consider displaying the poster, "[What's your money style?](#)" before doing this activity.
 - You can order the poster for free here: <https://pueblo.gpo.gov/CFPBPubs/CFPBPubs.php?PubID=13467&PHPSESSID=l8gil4mt21qf1d88rqd901emgj>
- Print copies of all student materials for each student, or prepare for students to access them electronically.
- Make sure students have access to calculators.

What you'll need

THIS TEACHER GUIDE

- Exploring savings habits (guide)
[cfpb_building_block_activities_exploring-savings-habits_guide.pdf](#)

STUDENT MATERIALS

- Exploring savings habits (worksheet)
[cfpb_building_block_activities_exploring-savings-habits_worksheet.pdf](#)
- Calculators

Exploring key financial concepts

Saving money is a good habit to develop. People who make a habit of saving regularly, even saving small amounts, are working toward their own financial future. It's important to open a bank or credit union account so it will be simple and easy for you to save regularly. Then, make your own savings plan to prepare for life events and so you can be ready for unplanned or emergency needs. One

good savings habit is to pay yourself first. That means each time you earn or receive money, before you are tempted to spend it, put some (maybe a certain percentage) in a savings account. The important thing is to develop your own good habits and create your own savings rules to live by.

Teaching this activity

Whole-class introduction

- Tell students that they'll learn about strategies for saving money.
- Begin by asking students to talk about why it's important to save money.
 - Be sure they explore how saving money helps you reach financial goals or manage costs related to unexpected events or financial emergencies.
- Explain that people can create their own habits and plans to follow in order to help them save money.
 - Savings habits or plans can be personalized for your own situation and goals.
- Ask students to share a few ideas about savings habits that could be helpful to them.
 - Be sure the conversation covers:
 - People who make it a habit to save, even if they only save small amounts, are working toward their own financial future.
 - Set short- and long-term savings goals.
 - Creating a savings plan may help you achieve your savings goals.
 - When you spend more money on things you need rather than things you want, it can help you spend less and save more.
 - Setting aside a specific percentage of what you earn or receive can be a helpful habit.
 - Think about how you can spend less so you can save more money.
 - Plan for how you can make more money so you can save more.
- Be sure students understand key vocabulary:
 - **Long-term goals:** Goals that can take more than five years to achieve.
 - **Savings:** Money you have set aside in a secure place, such as in a bank account, that you can use for future emergencies or to make specific purchases.

TIP

Visit CFPB's financial education glossary at consumerfinance.gov/financial-education-glossary/.

- **Savings account:** An account at a bank (sometimes called a share savings account at a credit union) used to set aside money and that pays you interest.
- **Short-term goals:** Goals that can take a short time, or up to five years, to reach.
- Tell students that they'll explore the habit of saving a certain percentage of earnings.
 - Explain that there is no one right rule to use for savings. One person may save four percent of the money they earn and someone else may save 15 percent.
 - Let them know that they're going to see what happens when a person sets out to save 10 percent of what they earn.
- Demonstrate for students how to calculate 10 percent of an amount.
 - An example could be a student receiving \$25 for his birthday.
 - Write on the board: What is 10 percent of \$25?
 - Ask students how we can express 10 percent as a decimal. Then, continue the calculations:
 - What is 0.10 of 25?
 - $x=0.10 \times 25$
 - $x=2.5$
 - $x=\$2.50$
 - 10 percent of \$25 is \$2.50.
- Distribute the "Exploring savings habits" worksheet to the class.

Individual work

Students will work independently to complete the scenarios and the reflection questions on the worksheet.

Wrap-up

- Bring the class back together and discuss any questions students may have after the activity.
- Remind students that each person needs to decide for themselves how much money to save and what habits they'll practice to make saving money part of their regular routine.
- Leave students with the understanding that when you set a savings rule for yourself, this should serve as a minimum goal because another great habit is to save more than our minimum goals.

Suggested next steps

Consider searching for other [CFPB activities](#) that address the topics of saving and investing, including choosing how to save, saving for long-term goals, or saving for short-term goals. Suggested activities include [“Visualizing a savings goal”](#) and [“Contrasting long-term and short-term savings goals.”](#)

Measuring student learning

Students’ answers on their worksheets and during discussion can give you a sense of their understanding.

This answer guide provides possible answers for the “Exploring savings habits” worksheet. **Keep in mind that students’ answers to the reflection questions may vary**, as there may not be only one right answer. The important thing is for students to have reasonable justification for their answers.

Answer guide

1. Eric should put \$8 in his savings account each week. He’ll have \$72 left.
2. Devante should put \$5 in his savings account. He’ll have \$45 left.
3. Abigail made \$120 for the month. She should put \$12 in her savings account each month.
4. Hana will need to save for 17 weeks in order to buy the cell phone.