

Name:	Date:
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INTRO

WOULD YOU RATHER...?

Have \$50 now?

OR

\$100 next week?

1. Write an explanation of your selection in the box below. Then, discuss your choice and reasoning with a partner.



LEARN IT

ARTICLE: Top 3 Reasons To Save Your Money

You may hear people say saving is important, but do you really know why? Saving your money has several positive benefits! Review three reasons to save your money in the article below.

Top 3 Reasons To Save Your Money

People choose to save their money for a variety of reasons. If you get paid regularly and can afford to pay your bills should you still save? The answer is - yes!

- 1. Save for big purchases.** There are things that you *need* and things that you *want*. Saving for big purchases gives you the opportunity to purchase more of your wants. In the future, let's say you saved up your money to buy a car. When you go to the dealership to purchase your car you can pay for it all at once or put down a large down payment that lowers your loan and monthly payments.
- 2. Save for your college education.** It is statistically proven that graduating from college increases your employment prospects and income. Once you are enrolled in college you have to pay for more than just tuition and books. As a college student, you will also need to pay for housing, food, and more. Saving now can help make college more affordable.
- 3. Save for emergencies.** Things happen and saving money can ensure you are prepared for anything. According to a 2019 Bankrate survey, only 18% of Americans said they could live off their savings for six months. One suggestion is to set a goal of saving \$500 to start (\$100 if you do not have a job).

The next time you have the opportunity to put a little money away, remember these reasons for saving and set a goal!

[Source](#)

1. Think about a big purchase you would like to make. What is your big purchase? How long do you think you will need to save to make that purchase? Why?

2. Based on your answer to #1 create a mock savings schedule for your big purchase.

3. Why do you think only about 18% of Americans have 6 months of savings kept aside?

VIDEO: [Pay Yourself First](#)

Saving doesn't have to be a challenge. In fact, "paying yourself first" is an easy way to make sure you are saving money! Watch this video to learn more about this saving strategy and answer the questions.

1. In your own words, explain what "paying yourself first" means.

2. Your older sister is planning on saving money by paying her bills, spending money on fun, and then saving whatever is left over. Why is this not the best option for saving her money?



DO IT

CREATE: Your Savings Goal

We all know that saving money is good for us. It's also important to identify what you are saving for, as your savings goals can motivate you to save! In this activity, you'll brainstorm and prioritize savings goals for your future.

Step 1: Brainstorm goals you would like to save for. Some of the goals may be big, like saving for college, while others might be small, like saving enough to buy a new pair of sunglasses. They can even be something in between, like saving up for a bicycle. Come up with at least 10 reasons for you to save.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Step 2: Now, sort your savings goals into the following categories:

- a. Short-term goals: ones you would like to achieve within two to six months
- b. Medium-term goals: ones you would like to achieve from within six months to two years
- c. Long-term goals: ones you would like to achieve three or more years out

Short-Term Goals	Medium-Term Goals	Long-Term Goals

1. Which goal, in each category, would motivate you most to save? Explain why.

a. Short-Term

b. Medium-Term

c. Long-Term



EXIT TICKET

1. Explain how paying yourself first can help you achieve your savings goal.

2. Let's say you get an allowance for doing chores around the house and you're able to save \$100 per month from your allowance. How would you distribute the money between your 3 savings goals above?

3. Explain why you chose the strategy above.