LESSON DESCRIPTION AND BACKGROUND
This lesson generates a class discussion on the importance of setting financial goals by using the Better Money Habits video Steps to Better Money Habits (www.bettermoneyhabits.com) to expand student understanding of saving and budgeting. To be most effective, this lesson should be used prior to the lessons in Theme 3: Money Management in Financial Fitness for Life, Grades 9-12. The video is 4 minutes, and the estimated time for this activity is one 45 minute class period.

In this lesson, students will be required to set short-term, intermediate and long-term savings goals. These goals will be used to discuss the connection between financial goals and developing a plan for saving and spending in their personal lives.

BETTER MONEY HABITS VIDEO
Saving and Budgeting: Managing Your Money: Steps to Better Money Habits (4:05)

FINANCIAL FITNESS FOR LIFE CONNECTION, GRADES 9-12
Theme 3: Money Management, Lessons 8-10

ECONOMIC AND PERSONAL FINANCE CONCEPTS
- Budget
- Saving
- Goal Setting
- Short-term, Medium-term, and Long-term goals

NATIONAL STANDARDS FOR FINANCIAL LITERACY
Standard 2. Saving, Benchmark Grade 12
1. People choose between immediate spending and saving for future consumption. Some people have a tendency to be impatient, choosing immediate spending over saving for the future.
OBJECTIVES
At the end of this lesson, the student will be able to:
- Identify the four steps to becoming financially savvy.
- Demonstrate the ability to set goals.
- Explain the importance of having a spending and saving plan to meet financial goals.

TIME REQUIRED
One 45 minute class period

MATERIALS
Handout 4.1: The Basics of Saving and Budgeting
Handout 4.2: Putting a Plan in Place

PROCEDURE
1. Ask students to name some of their dreams for the future. For example, what are some of the things they would like to have or like to accomplish? Also, ask them if they have written plans to be sure they can achieve those dreams. Remind them that having financial goals are like having personal goals, and their financial goals can even help them achieve their personal goals.
2. Introduce the video Better Money Habits: Steps to Better Money Habits by explaining that having a spending and savings plan is one of the most important steps to reaching their goals. It also helps them gain financial independence without having to always worry about bills and debt.
3. Distribute Handout 4.1 and ask students to complete it as a guide while viewing the video. They will then use it as a guide to help them complete Handout 2. Be sure they also complete the summary section. Show the video. After viewing the video, review the handout with the class.
4. Distribute Handout 4.2. Read the quotes about goals at the top of the handout and explain the importance of having written goals.
5. Allow students sufficient class time to complete the handout or assign it as homework. After students have completed their goals, ask for volunteers to share their goals and what they have learned from completing the assignment.
CLOSURE
To summarize this lesson, encourage students to discuss the relationship between setting a budget and setting goals. Then, post the following quote: "Set your goals high enough to inspire you and low enough to encourage you." -- Anonymous  Use it as a reminder that setting realistic goals is important, but setting them too low will not challenge them to improve or do better. Setting appropriate personal and financial goals and taking the steps to meet those goals will help them become financially savvy.

ASSESSMENT
Have students write the four steps to better money habits and select one they could start using today. Be sure they explain the reason for selecting that one and what changes they plan to make to apply it.

EXTENSION
Have students search for their favorite quote about saving or goals and write an essay explaining how it relates to their personal life.

View other related Better Money Habits videos (www.bettermoneyhabits.com), including:
- How to Set a Budget and Stick To It
- Steps to Help You Get Out of Debt
- Creating a Safety Net for Life’s Unexpected Events
- Easy Ways to Save on Everyday Expenses
People who are "good with money" don't necessarily have a ton of it. What they have are good habits -- like following a budget and saving. Need a hand getting started? These four steps can help you get smarter about your money and make a positive impact on your financial future. (Source: www.bettermoneyhabits.com)

The Four Steps to Becoming Financial Savvy

Step 1: _________________________________________________________________

Step 2: _________________________________________________________________

Step 3: _________________________________________________________________
   A) _________________________________________________________________
   B) _________________________________________________________________

Step 4: _________________________________________________________________

Summary

Being ________ with money starts with _________ _________ ________.

I can start being smarter with my money by:
Goals that are not written down are just wishes. Anonymous

Without goals, and plans to reach them, you are like a ship that has set sail with no destination. Fitzhugh Dodson

Set your goals high, and don’t stop till you get there. Bo Jackson

1. Think about what is important to you and set a goal that fits your priorities. Write it down.

_____________________________________________________________________

2. Think about what you need to do to reach that goal. Write down at least three steps that will help you get there.

1) _________________________________________________________________

2) _________________________________________________________________

3) _________________________________________________________________

3. Set up a timetable with deadlines for the three steps.

   Step 1 Deadline______________________________

   Step 2 Deadline______________________________

   Step 3 Deadline______________________________

4. Put these deadlines on your phone or tablet calendar as a reminder.

5. Think about a financial goal you would like to reach. Is money needed to accomplish the goal you set above? If so, what steps should you take to get the necessary funds?
6. Goals can be short-term, medium-term, or long-term. Short-term goals can be reached in two months; medium-term goals take three months to three years, and long-term goals are those longer than three years. In the chart below, write a short-term, medium-term, and long-term financial goal. If possible, match these goals with the personal goal you set on page 1. Be sure your goals are realistic so you can actually reach them.

Under My Goal, clearly identify what goal you want or need to reach in the three different amounts of time. For example, in two months you may want to save $20 to buy a birthday gift for a friend. In the next column, write $20; then identify ways to earn or save the $20. And finally, think about what you might have to give up to get that $20. Perhaps you decide to drink coffee one day a week at home instead of going to your favorite coffee shop. Repeat the process for medium and long-term goals.

<table>
<thead>
<tr>
<th>Term</th>
<th>My Goal (what I want or need to achieve)</th>
<th>Amount of Money Needed for My Goal</th>
<th>Potential source of Income for My Goal</th>
<th>What I’m Willing to give up to Reach My Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium-Term</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-Term</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. What have you learned about yourself from completing this assignment?
The Four Steps to Becoming Financial Savvy

Step 1: Set a budget.

Step 2: Get a handle on your debt.

Step 3: Establish a savings goal.
   A) Establish an emergency fund.
   B) Set long-term savings goals.

Step 4: Review and improve your plans whenever you can.

Summary

Being smart with money starts with better money habits.

Answers to Handout 4.2: Answers will vary