

# BETTER MONEY HABITS MIDDLE SCHOOL LESSON: SAVING FOR A LARGE PURCHASE

## LESSON 1 -- MEETING FINANCIAL GOALS

### LESSON DESCRIPTION AND BACKGROUND

DISCLAIMER: IT IS RECOMMENDED THAT TEACHERS PREVIEW THE VIDEO FOR THIS LESSON BEFORE SHOWING TO STUDENTS. ABOUT ONE MINUTE INTO THE VIDEO, THE NARRATOR SUGGESTS SAVING FOR A WEEKEND AT A BED AND BREAKFAST WITH “YOUR SWEETHEART.” BE SURE STUDENTS UNDERSTAND THE VIDEO IS WRITTEN FOR ADULTS BUT HAS GOOD TIPS FOR SAVING FOR OTHER PURCHASES. TEACHERS CAN REFRAME THIS EXAMPLE BY DISCUSSING A COUPLE OR FAMILY GOING ON A WEEKEND VACATION. IT MIGHT ALSO BE A GOOD INTRODUCTION TO AN AGE-APPROPRIATE DISCUSSION ABOUT THE EXPENSES OF DATING.

In this lesson, students learn several basic steps to help them understand the importance of saving to meet future personal financial goals. The lesson is based on the Better Money Habits video Saving for a Large Purchase ([www.bettermoneyhabits.com](http://www.bettermoneyhabits.com)), and is designed to be used as closure to the Lesson 2: Making Decisions in Financial Fitness for Life, Grades 6-8. The video is about 3 minutes and this activity takes one 45 minute class period to complete.

### BETTER MONEY HABITS VIDEO

Saving and Budgeting: Saving for What’s Ahead: Saving for a Large Purchase (3:22)

### FINANCIAL FITNESS FOR LIFE CONNECTION, GRADES 6-8

Lesson 2: Making Decisions

### ECONOMIC AND PERSONAL FINANCE CONCEPTS

- Saving
- Alternatives
- Criteria
- Decision making

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## **NATIONAL STANDARDS FOR FINANCIAL LITERACY**

Standard 4. Saving, Benchmark: Grade 8

8. Different people save money for different reasons, including large purchases (such as higher education, autos, and homes), retirement, and unexpected events. People's choices about how much to save and for what to save are based on their tastes and preferences.

## **OBJECTIVES**

At the end of this lesson, the student will be able to:

- Apply PACED decision making model to own personal financial goals and decisions.
- Identify obstacles to achieving financial goals.
- Evaluate alternatives.

## **TIME REQUIRED**

One 45 minute class period

## **MATERIALS**

Handout 1.1: Meeting Financial Goals

## **PROCEDURE**

1. After completing Lesson 2, tell students they will watch a video that provides additional information about saving to meet their financial goals. Show the video.
2. After watching the video, distribute copies of Handout 1.1 for students to complete. Remind them that having financial goals is important, but they need to be written down with a plan to achieve them; otherwise, their goal is only a dream. Have students complete the worksheet, which requires them to set a goal and develop a savings plan for it using the PACED decision making model in Lesson 2. Allow student sufficient time to complete the handout.
3. Discuss the handout with students.

## **CLOSURE**

To summarize this lesson, review the information included on handouts and the importance of making good choices.

## **ASSESSMENT**

Refer to Lesson 2: Making Decisions

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### **EXTENSION**

Refer to Lesson 2: Making Decisions

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## HANDOUT 1.1 – MEETING FINANCIAL GOALS

Complete this handout after viewing Better Money Habits: Saving for a Large Purchase ([www.bettermoneyhabits.com](http://www.bettermoneyhabits.com)).

<b>Problem</b>	<ol style="list-style-type: none"><li>1. What is your savings goal <b>(in dollars)</b>?</li><li>2. What big purchase are you planning to make?</li><li>3. How long will it take you to save?</li></ol>
<b>Alternatives</b>	<ol style="list-style-type: none"><li>1. What could get in the way of your savings goal?</li><li>2. What else might you spend your money on along the way?</li></ol>
<b>Criteria</b>	<ol style="list-style-type: none"><li>1. Why do you want to make your big purchase?</li></ol>

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<b>Evaluate</b>	1. Why don't you want to spend money on the alternatives?
<b>Decision</b>	1. What can you do to help you meet your savings goal?  2. How can you help yourself not spend money on things you don't want to spend money on?

What have you learned from watching this video and setting this goal?

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## HANDOUT 1.1 ANSWERS

- **Problem**
  1. What is your savings goal? (**answers will vary**)
  2. What is a big purchase you hope to save for and make? (**answers will vary**)
  3. How long will it take you to save? (**answers will vary**)
- **Alternatives**
  1. What could get in the way of your savings goal? (**answers will vary**)
  2. What else might you spend your money on along the way? (**answers will vary**)
- **Criteria**
  1. Why do you want to make your big purchase? (**answers will vary**)
- **Evaluate**
  1. Why don't you want to spend money on the alternatives? (**answers will vary**)
- **Decision**
  1. What can you do to help you meet your savings goal? (**answers will vary**)
  2. How can you help yourself not spend money on things you don't want to spend money on? (**answers will vary**)

What have you learned from watching this video and setting this goal? (**answers will vary**)