

BETTER MONEY HABITS MIDDLE SCHOOL LESSON: CREATE A SAFETY NET FOR LIFE'S UNEXPECTED EVENTS

LESSON 4 -- SETTING GOALS

LESSON DESCRIPTION AND BACKGROUND

This lesson uses the Better Money Habits video Create a Safety Net for Life's Unexpected Events (www.bettermoneyhabits.com) to reinforce student understanding of setting short-term, medium-term, and long-term goals. It is designed to be used as a companion to Lesson 10: Why Save? in Financial Fitness for Life, Grades 6-8. The video is about 6 minutes in length, and the estimated time for this activity plus the lesson is two 45 minute class periods. This supplement to Lesson 10 provides the opportunity for students to classify their own personal goals.

BETTER MONEY HABITS VIDEO

Saving and Budgeting: Saving for What's Ahead: Create a Safety Net for Life's Unexpected Events (6:00)

FINANCIAL FITNESS FOR LIFE CONNECTION, GRADES 6-8

Lesson 10: Why Save?, Financial Fitness for Life

ECONOMIC AND PERSONAL FINANCE CONCEPTS

- Short-term, Mid-term, and Long-term goals
- Saving
- Budgeting

NATIONAL STANDARDS FOR FINANCIAL LITERACY

Standard 3. 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.

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OBJECTIVES

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

- Classify goals as short-term, mid-term, or long-term.
- Recognize the importance of saving for large purchases.

TIME REQUIRED

Two 45 minute class period, including Lesson 10

MATERIALS

Handout 4.1: Setting Goals

PROCEDURE

1. Complete Procedures 1, 2, 3, and 4a in Lesson 10: Why Save?
2. Replace Procedure 4b with the Better Money Habits video and the worksheet in this supplement.
3. Distribute copies of Handout 4.1 to all students. Give directions and allow time to complete the worksheet.
4. Discuss the worksheet.
 - Which financial goals are short-term, mid-term, and long-term?
(Short-term: creating a budget, saving \$5/day. Mid-term: saving \$100, saving 1 month of income, creating an emergency fund. Long-term, saving 9 months of income, saving \$10,000).
 - Which personal financial goals are short-term, mid-term, and long-term?
(Short-term: paying for a field trip next week. Mid-term: saving \$100. Long-term: saving \$1,000, paying for prom, buying a car, buying a house, paying for college.)
 - What are examples of short-term, mid-term, and long-term financial goals that you have in your life?
(Answers will vary.)
5. Conclude Lesson 10: Why Save?

CLOSURE

Refer to Lesson 10: Why Save, Financial Fitness for Life Teacher Guide, Grades 6-8.

ASSESSMENT

Refer to Lesson 10: Why Save, Financial Fitness for Life Teacher Guide, Grades 6-8.

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EXTENSION

Refer to Lesson 10: Why Save, Financial Fitness for Life Teacher Guide, Grades 6-8.

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HANDOUT 4.1 – SETTING GOALS

Complete this handout after watching the video, Better Money Habits: Saving for What's Ahead – Create a Safety Net for Life's Unexpected Events (www.bettermoneyhabits.com).

1. Classify these financial goals mentioned in the video as short-term, mid-term, or long-term goals by writing the goal in the appropriate circle on your goal-setting page.
 - Creating a budget
 - Saving \$10,000
 - Saving \$100
 - Saving 1 month of income
 - Saving 9 months of income
 - Creating an emergency fund
 - Saving \$5/day

2. Read over the goals listed below. Imagine these are your personal financial goals and determine how you would classify them (short-term, mid-term, or long-term goals). Write your goals in the appropriate circle.
 - Paying for a field trip next week
 - Save \$100
 - Save \$1,000
 - Pay for prom
 - Buy a car
 - Buy a house
 - Pay for College

3. In the space below, write a short-term, a mid-term, and a long-term goal you have for yourself. Now add each goal to the appropriate circle.

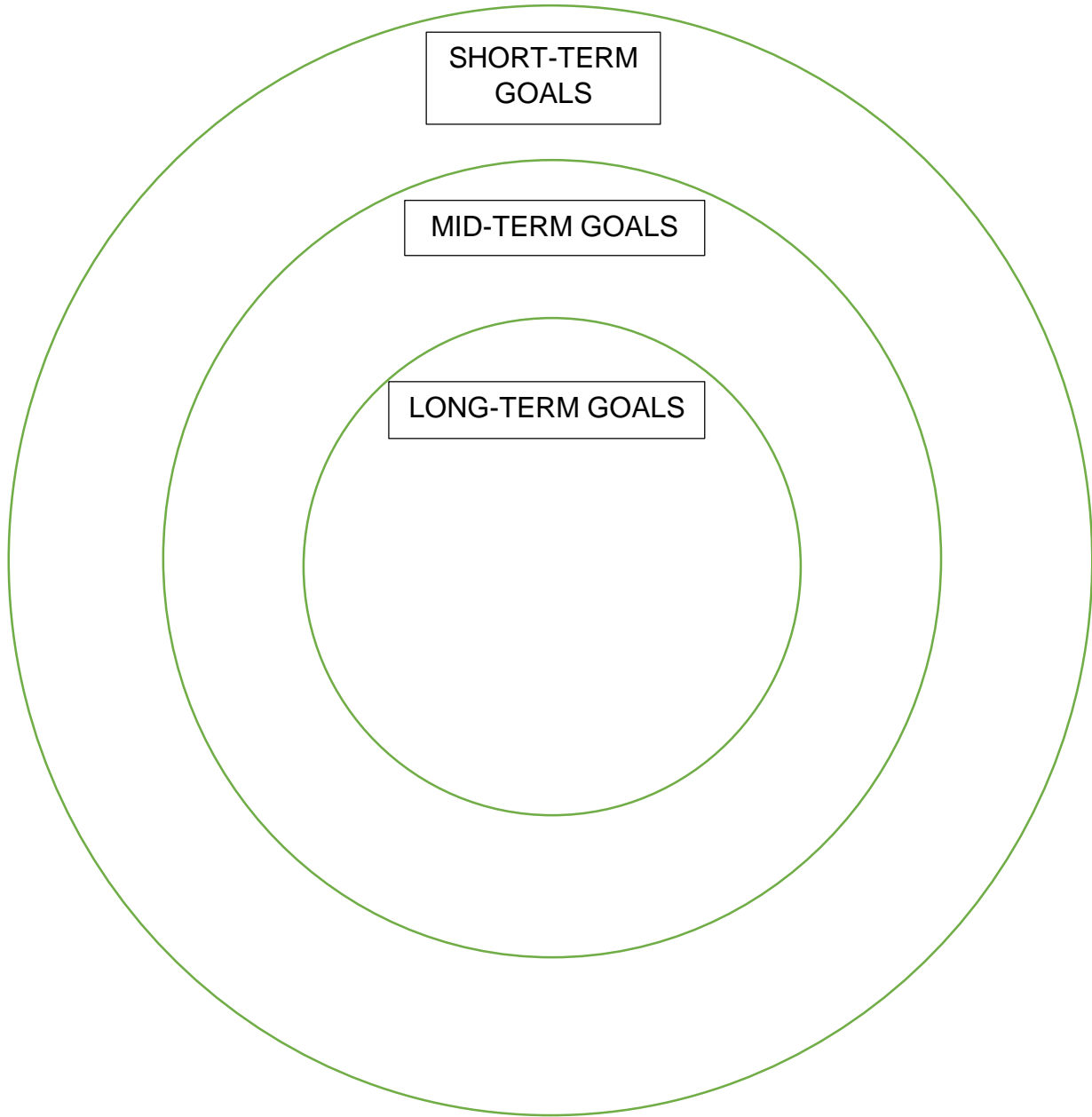
My Short-term goal _____

My Mid-term goal _____

My Long-term goal _____

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TYPES OF FINANCIAL GOALS



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HANDOUT 4.1 ANSWERS

Short-term Goals

Video:

Creating a budget
Saving \$5/day

Student:

Paying for a field trip next week

Mid-term Goals

Video:

Saving \$100,
Saving 1 month of income
Creating an emergency fund

Student

Saving \$100

Long-term Goals

Video:

Saving 9 months of income
Saving \$10,000

Student:

Saving \$1,000
Paying for prom
Buying a car
Buying a house
Paying for college