

WEEKLY HIGH SCHOOL LESSON

#KEEPLearning



Junior
Achievement®
of Oregon & SW Washington



Week Three: Long Term Savings Goals and How to Get There

Overview: This lesson is intended to help students understand the importance of saving money for the future, different types of savings, the ways that savings can compound over time, goal-setting and how to get there.

Preparation: Review the activity and session materials. Make sure your student has all the needed materials to complete the lesson.

Recommended Time: 30-45 mins

Materials:

Computer/Tablet with Internet

Printer (recommended but not required)

Paper

Writing Utensil

1) Presentation: Ask your students about saving money. Do they think saving money is important? What sorts of things do we need to save money for? What are some different forms of saving money? Discuss with your students various expenses they might have to think about saving for. Talk about both short term and long term savings. Ticket to prom? A concert ticket? A new gadget (iPad, Nintendo Switch, etc.)? A vacation? A car? College tuition? Discuss with your students the large expenses that you save for or have saved for during your life. Emergencies? Vacation? Retirement? A new car? A down-payment on a house?



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High School
Week Three

Have your student come up with at least one item they want to focus on saving for. Then, use the below worksheet to get your student thinking tangibly about savings. Have your student write the item they chose to focus on saving for in the middle section. Next, in the top left section, have your student fill in any money they are making right now (or in general day-to-day life, not during stay-at-home), including allowance, wages from a job, etc. Third, in the top right section, have your student fill out the pie chart with a guess as to where they are spending that money. Next, in the bottom left section, have your student come up with some ways they could shift that money from spending to savings, coming up with ways to "pay yourself first". Finally, in the bottom right section, have your student write where they are currently keeping their money and think about other ways they could be.

[Click here for savings goals worksheet](#)

2) Vocabulary:

With your student, go over each of these vocabulary words and discuss the definition.

- **Savings:** money put aside to use at a later date
- **Debt:** money you owe
- **Interest:** the cost of using somebody else's money
- **Pay Yourself First:** automatically saving a portion of your income for future needs
- **Savings Account:** an interest-bearing account where people put money for future use -- often part of a typical bank account
- **Invest:** To commit money to gain a profit or earn interest
- **Principal:** original sum of money borrowed in a loan or put into an investment
- **Inflation:** a sustained increase in the general price level of goods and services in an economy over a period of time. When the general price level rises, each unit of currency buys fewer goods and services it reflects a reduction in the purchasing power per unit of money. Inflation can be assumed to be somewhere around 3% per year over the long term.
- **Roth IRA:** an individual retirement account allowing a person to set aside after-tax income up to a specified amount each year. Both earnings on the account and withdrawals after age 59½ are tax-free
- **Certificate of Deposit (CD):** a certificate issued by a bank to a person depositing money for a specified length of time
- **401(K):** a qualified retirement plan that allows eligible employees of a company to save and invest for their own retirement on a tax deferred basis. Only an employer is allowed to sponsor a 401(k) for their employees
- **Opportunity Cost:** The next best alternative given up when making a financial choice

3) Watch: Have your students watch the video How Much Should I Save?

[Click here to watch video](#)

4) Activity: Retire 4 Real

Your students will play an interactive activity to learn about income, money management, and working towards long term savings goals.

- Go to this **website**.
- Click "sign up" next to "Don't have an account?"
- Have your students type in their first and last name, an email address they'd like to use, and create a password. Don't worry, this account information won't be used for anything besides creating a profile for this activity.
- After you've created a login, return to this website and type in the credentials you just created.
- Once you are in the Retire 4 Real game, follow the onscreen directions for how to play the activity.
- Make sure your students are reading through the onscreen messages and lessons that come up, as they have valuable information about savings and personal finance. In the game, you'll have a job and make an income. You'll prioritize putting money towards retirement, giving to charitable donations, or putting funds towards living everyday life. The goal of the game is to achieve financial goals through prioritization.

[Click here for Retire4Real](#)

5) Discussion:

Ask the following questions. You can ask them verbally or have them write out their answers.

- Do you think it's important to save money?
- What are different methods of saving money?
- How much money do you think you'll need to retire?
- Should you only save money with a specific purchase or item in mind?
- When do you think you should start saving for retirement?

The Money JAR - A subject near and dear to our heart is teaching kids about money. We want kids to save and invest, so let's dive into investing with some plain language and clear advice from Roger Young, a senior financial planner and contributor to MoneyConfidentKids.com. **[Click here](#)** to listen to this week's episode of the Money JAR podcast - **The Very Basics of Getting Started Investing**.

Bonus Activity! Create a Savings First Aid Kit

Extended Activity: 30 min

Materials:

Computer/Tablet with Internet

Printer (recommended but not required)

Paper

Writing Utensil

Activity: Open the Creating a Savings First Aid Kit Worksheet below and follow the directions on the worksheet.

[Click here for Create A Savings First Aid Kit Worksheet](#)