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| **TEXAS CTE LESSON PLAN**  [www.txcte.org](http://www.txcte.org) | |
| **Lesson Identification and TEKS Addressed** | |
| **Career Cluster** | Human Services |
| **Course Name** | Dollars and Sense |
| **Lesson/Unit Title** | Saving for the Future |
| **TEKS Student Expectations** | **130.273. (c) Knowledge and Skills**  (3) The student demonstrates management of financial resources to meet the goals of individuals and families across the life span. The student is expected to:  (D) collect evidence and data related to implementing a savings program, the time value of money, and retirement planning |
| **Basic Direct Teach Lesson**  (Includes Special Education Modifications/Accommodations and  one English Language Proficiency Standards (ELPS) Strategy) | |
| **Instructional Objectives** | **Students will:**   * Identify savings opportunities and financial planning * Compare methods of savings concepts * Understand how money is compounded |
| **Rationale** | Financial planning is the process of managing financial resources (money!) so one can achieve goals and dreams. It involves dealing with financial limitations that come with every stage of life. Financial planning is a journey, not a destination! If you have ever asked the question, “Where did my money go?”, you have experienced the results of not having a financial plan. Why is it important to save for the future? Saving allows an individual to put aside money for immediate needs and build an emergency cushion. Investing is for long-term goals, such as educating children, wealth building and retirement. |
| **Duration of Lesson** | Four 45-minute class periods |
| **Word Wall/Key Vocabulary**  *(ELPS c1a, c, f; c2b; c3a, b, d; c4c; c5b) PDAS II (5)* | **Certificates of Deposit (CDs):** CDs are accounts where you leave your money for a set period of time, such as six months, one, two or five years, called a term. You usually earn a higher rate of interest than in a regular savings account. The longer you promise to keep your money in a CD, the higher the interest rate. Be sure to think about your cash needs before opening a CD because you will pay a penalty if you withdraw your money early  **Financial opportunity:** Relates to a good chance for financial advancement, such as an investment opportunity  **Individual Retirement Account (IRA):** An individual account set up with a financial institution, such as a bank or a mutual fund company. Under Federal law, individuals may set aside personal savings up to a certain amount, and the investments grow, tax deferred. In addition, defined contribution plan participants can transfer money from an employer retirement plan to an IRA when leaving an employer. IRAs also can be part of an employer plan  **Interest:** Money paid regularly at a particular rate for the use of money lent or for delaying the repayment of a debt  **Liquidity:** Refers to the ease with which an asset (a thing of value) can be turned into cash without losing its value. For example, cash is the most liquid; a certificate of deposit (CD) may be liquidated, but you pay an early withdrawal penalty; a house might be your least liquid asset because it takes time to sell  **Money market accounts:** An account that usually pays a higher rate of interest than a regular savings account. Money market accounts usually require a higher minimum balance to earn interest, but they pay higher rates for higher balances  **Mutual fund:** A professionally managed collection of money from a group of investors. A mutual fund manager invests your money in some combination of various stocks, bonds, and other products. The fund manager determines the best time to buy and sell the products in the fund. By combining your resources with other investors in a mutual fund, you can diversify even a small investment, which should reduce risk  **Passbook savings accounts:** Accounts similar to statement savings accounts. The difference is the record keeping. Instead of receiving a quarterly statement, all transactions are recorded in a passbook. You have to take your passbook to the bank when making transactions. The teller will update your account information when you go to the bank  **Personal finance:** Financial issues that can affect an individual  **Savings account:** An account where you can place money to be saved and it will earn interest  **Stocks:** When you buy stocks (shares), you become part-owner of the company. If the company does well, you might receive periodic dividends. Dividends are part of a company’s profits it gives back to you when you own stock in the company. If the company does poorly, you might lose your money  **United States savings bonds:** They are one type of Treasury securities. They are a long-term investment option backed by the full faith and credit of the United States government. Purchasing these bonds is an easy way to save small amounts of money and are often purchased for a child’s education; however, they may be used for any purpose. Savings bonds can be purchased at a financial institution for as little as $25.00 or through payroll deduction  **U.S. Treasury Securities:** They are debt instruments. When you purchase a Treasury security, you are loaning money to the government. Treasury securities are backed by the full faith and credit of the U.S. government, which means the government guarantees interest and principal payments will be paid on time  **Vested benefits:** Those benefits that the individual has earned a right to receive and that cannot be forfeited |
| **Materials/Specialized Equipment Needed** | **Equipment:**   * Computer with projector for PowerPoint presentation * Computers with Internet access (be sure to follow district guidelines for Internet access) * Presenter remote   **Materials:**   * Calculators * Checkbook covers * Insurance policies * Nursing home brochures * Piggy bank * Play money * Retirement plans   **Supplies:**   * Colored pencils * Copies of all handouts   **PowerPoint:**   * Saving for the Future * Presentation Notes for Saving for the Future   **Technology:**   * Free iPad Apps:   + Budgets for iPad free<https://itunes.apple.com/us/app/budgets-for-ipad-free/id400848995?mt=8>   + Don’t Break the Bank<https://itunes.apple.com/us/app/dont-break-the-bank/id537450041?mt=8>   + GoalGetter – Financial goal planner<https://itunes.apple.com/us/app/goalgetter-financial-goal/id465208727?mt=8> * Infographic:   + Infographic: Physical vs. Financial Resolutions For 2014 Budget-conscious Americans says their financial health is more important than their physical fitness in 2014, according to the most recent online poll from American Consumer Credit Counseling. Nearly 59 percent of those surveyed said they are more concerned with their finances than their fitness, while 41 percent said fitness goals are most important to them in the New Year.<http://www.consumercredit.com/financial-education/infographics/infographic-physical-vs-financial-resolutions-for-2014-consumercreditcom.aspx> * TED Talk:   + My year of living without money: Carolien Hoogland at TEDxErasmusUniversity Carolien Hoogland is an Action Researcher, meaning she co-operates with communities to facilitate problem solving of these communities. Her training was in Environmental Studies, using the social sciences to understand sustainable behavior. Her PhD in Environmental Psychology (Vrije Universiteit Amsterdam), using classical research methods, boosted her motivation to understand change through new methods such as participatory research.<https://youtu.be/nhC0T8ScOu0>   **YouTube:**   * How to Teach the Rule of 72 to Children Teaching Children about the Rule of 72<http://youtu.be/ShwCeTeKWOI>   **Graphic Organizers:**   * Note Taking: Saving for the Future   **Handouts:**   * 20 Things Kids Need to Know to Live Financially Smart Lives * Amelia and Joe: Saving for the Future * Amelia and Joe: Saving for the Future (Key) * Before You Invest * Deciding Where to Save * Financial Planning: A Good Start! * Financial Planning: A Good Start! Activity * Financial Planning: A Good Start! Activity (Key) * Financial Planning Pyramid * How Money Grows * Lesson Closure – Saving for the Future * Saving and Investment Opportunities * The Basics of Saving and Investing |
| **Anticipatory Set**  (May include pre-assessment for prior knowledge) | **Prior to class:**  Note to Teacher: More information on finances can be found in these courses:  **Interpersonal Studies**  Financial Obligations Throughout the Family Life Cycle  **Dollars and Sense**  Take It to the Bank  Personal Money Management  Managing Your Finances  Refer to Practical Money Skills for grades 9-12 for additional lesson plans, resources, and activities. Educators can use the 22 free, standards-aligned lessons in sequence or on an individual basis.<https://www.practicalmoneyskills.com/foreducators/lesson_plans/highschool.php>  Display as many of the lesson related supplies that you have available on a table in front of the room.  Become familiar with PowerPoints, handouts, and activities.  **Before class begins:**  Allow students to observe the supplies and ask them the following questions:   * What is a savings plan? * How many of you save money on a weekly basis? Monthly basis? * What are you saving for? * What is the best description of a budget? * Why are banks considered safe places to keep money? * What is retirement? * What is compound interest? * Why are long-term investments part of a sound financial plan? * What will it take to become a millionaire by the time you are 65 years old?   To estimate the aspects of their possible financial future, use this interactive calculator What Will It Take to Become a Millionaire? at: <http://calculators.northwesternmutual.com/tools/northwesternmutual/savings01/tool.fcs>  Students will determine their financial needs and the importance of having a savings budget. Ask the students for their input to determine how much they would need to invest starting at age 17 until age 65. Change the following inputs:   * Desired age to be a millionaire * Amount you have invested * Amount you can save monthly * Your savings rate * Your federal tax rates * Your state tax rate * Inflation rate will stay at one percent   Allow for questions and discussion. |
| **Direct Instruction \*** | Introduce lesson objectives, terms, and definitions.  Distribute handout Note Taking: Saving for the Future. Students will be expected to take notes while viewing the slide presentation. Teacher will determine the notes which will be recorded by students.  Introduce PowerPoint Saving for the Future and begin the discussion with students. Allow for questions and answers to check for understanding.  After viewing the slide presentation, students will work together with a partner to complete the activity in the box on the second page of the Note Taking: Saving for the Future handout. They will have an opportunity to reflect, review and respond to the information pertaining to the PowerPoint. They will write a summary of questions, topics or statements which reflect the information from the lesson:   * Discuss the topic * Write down your thoughts * Make a real-world connection to the lesson * How is this going to help you in the future?   Allow for questions and answers to check for understanding.  Distribute How Money Grows handout. Use this handout to help students picture how money grows through compounding over a period of years. Lead students to draw inferences from the data shown such as how much more money an individual will accumulate by starting even a small savings program early in life and how significant accumulations begin to mushroom later in the savings period. Allow students time to answer the questions on the handout.  You may also review the Rule of 72. The Rule of 72 states that you can see how long it will take for money to double simply by dividing 72 by the interest rate. For example, if you want to see how long it will take $200.00 to double if it is put into an account earning 6 percent interest per year, divide 72 by 6. The answer is 12. In 12 years the money will have doubled to $400.00. Demonstrate the math problem on the board and include other mathematical scenarios if you wish.  Allow for questions and answers to check for understanding.  YouTube video included in the PowerPoint:   * How to Teach the Rule of 72 to Children Teaching Children about the Rule of 72<http://youtu.be/ShwCeTeKWOI>   *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*   * checking for understanding * providing a copy of slide presentation |
| **Guided Practice \*** | Divide the class into groups of four. Distribute Saving and Investment Opportunities. Assign each group one or more category of savings and investments to research. As groups present their findings, lead students to discuss each savings and investment opportunity and fill in their charts for all.  Distribute Deciding Where to Save, Before You Invest, and Financial Planning Pyramid to support discussion points.  Allow for questions and answers. Check for understanding.  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*   * allowing students extra time to complete the assignment * providing fill in the blank note handouts for students to follow and fill in during the lesson * pairing students with elbow partners who can assist them with verbal and written responses to the lesson |
| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | Divide the class into groups of four. Distribute Financial Planning: A Good Start! and Financial Planning: A Good Start! Activity. Distribute a set of colored pencils to each group. Allow students to read the story about Amelia and Joe using Financial Planning: A Good Start! As they read the story, using Financial Planning: A Good Start! Activity, they are to underline the appropriate parts of the story with colored pencils as it correlates with the questions and answer the following:  Blue pencil – Where do Amelia and Joe work? Red pencil – What financial difficulties are Amelia and Joe experiencing? Orange pencil – How many children do they want to have? Green pencil – How are the financial difficulties causing marital tensions between Amelia and Joe? Purple pencil – What are the three steps to develop their financial plan? Yellow pencil – What are their personal assets? Brown pencil – What are their short-term goals? Black pencil – What are their long-term goals?  Financial Planning: A Good Start! Activity (Key) has been provided for you. Allow for questions and answers. Check for understanding.  Distribute Amelia and Joe: Saving for the Future. In the same groups, students will research five ways Amelia and Joe can improve their financial habits in the following categories:   * Spending * Savings * Borrowing * Investing * Protecting against financial crisis   Amelia and Joe: Saving for the Future (Key) has been provided for you to use. Allow for questions and answers. Check for understanding.  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*   * shortened, simplified instructions * repeated instructions * opportunity to repeat instructions * written instructions |
| **Lesson Closure** | Review lesson objectives, terms, and definitions.  Students will complete Lesson Closure – Saving for the Future handout. This will be their exit pass. Student must answer the questions about what they learned before being allowed to leave the room. |
| **Summative/End of Lesson Assessment \*** | The students will write a one-page summary analyzing the importance of a financial plan. Students will reflect on how the lesson, activities and information will assist them in the future. The reflection and various handouts will be submitted for assessment.  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*   * encouraging participation * extended “wait time” * working with a peer tutor * highlighted materials for emphasis |
| **References/Resources/**  **Teacher Preparation** | **Images:**   * Microsoft Clip Art: Used with permission from Microsoft.   **Textbook:**   * Lowe, Ross. *Consumer education and economics*. 6th ed. Glencoe/McGraw Hill, 2006. Print.   **Websites:**   * Learnfree.org Managing a Savings Account.<http://www.themint.org/teens/balance-your-checking-account.html> * MyMoney.gov This is the U.S. government’s website dedicated to teaching all Americans the basics about financial education. <http://www.mymoney.gov/Pages/default.aspx> * Northwestern Mutual Interactive Calculators<http://www.northwesternmutual.com/learning-center/calculators/> * Practical Money Skills for Life  To help consumers and students of all ages learn the essentials of personal finance, Visa has partnered with leading consumer advocates, educators, and financial institutions to develop the Practical Money Skills program.<https://www.practicalmoneyskills.com/foreducators/lesson_plans/lev9-12/S> * TheMint.org About Savings Accounts and how to manage them.<http://www.themint.org/teens/about-savings-accounts.html> * TheMint.org The Rule of 72 Calculator and how it works.<http://www.themint.org/teens/power-of-72.html> * Tips to Help You Save Money Merrick Bank<http://www.merrickbank.com/Financial-Education/Savings/Money-Saving-Tips.aspx>   **YouTube:**   * How to Teach the Rule of 72 to Children Teaching Children about the Rule of 72<http://youtu.be/ShwCeTeKWOI> |
| **Additional Required Components** | |
| **English Language Proficiency Standards (ELPS) Strategies** | * Ask students to repeat your instructions back to you to be sure they know what is expected of them before each phase of the lesson. * Discuss vocabulary in detail and make sure everyone has a firm grasp on it before moving forward with the lesson. * Use graphic organizers and visuals to explain the lesson in detail. |
| **College and Career Readiness Connection[[1]](#footnote-1)** |  |
| **Recommended Strategies** | |
| **Reading Strategies** | Current Events: Assign students to read about the importance of saving for the future. Information can be found in newspaper articles, magazines, journals, and online print. Suggestions:   * 20 Things Kids Need to Know to Live Financially Smart Lives * Tips to Help You Save Money Merrick Bank<http://www.merrickbank.com/Financial-Education/Savings/Money-Saving-Tips.aspx> * My Money 10 Things You Need to Know About Compound Interest<http://money.usnews.com/money/blogs/my-money/2012/09/20/10-things-you-need-to-know-about-compound-interest> * Saving Savings can help you achieve any financial goal.<http://www.practicalmoneyskills.com/personalfinance/savingspending/saving/> |
| **Quotes** | The first rule in making money is not to lose it. **-Steven J. Lee, *The Money Plan: Creating Personal Wealth for a Secure Future***  If you want to reap financial blessings, you have to sow financially. **-Joel Osteen**  A big part of financial freedom is having your heart and mind free from worry about the what-ifs of life. **-Suze Orman**  Earn Nicely!!! spend Wisely!!! live happily!!! **-Auliq Ice** |
| **Writing Strategies**  **Journal Entries + 1 Additional Writing Strategy** | **Journal Entries:**   * I will have adequate financial provisions for the future because \_\_\_\_\_\_\_\_\_\_\_\_. * My money will help me achieve my financial goals by \_\_\_\_\_\_\_\_\_\_\_\_\_\_. * The benefits of having an overall financial plan include \_\_\_\_\_\_\_\_\_\_\_\_. * An investment is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.   **Writing Strategy:**  RAFT Writing Strategy   * Role – Financial advisor * Audience – College graduate * Format – Newspaper article * Topic – Financial Roles and Responsibilities for the Future |
| **Communication**  **90 Second Speech Topics** | * Some things I would like to see happen during retirement years for me and my family are\_\_\_\_\_\_\_\_\_\_\_\_\_\_. * Income sources I expect to have in retirement are\_\_\_\_\_\_\_\_\_\_\_. * Saving for the future is important because \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. * It is important to make sure your money is safe because \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. |
| **Other Essential Lesson Components** | |
| **Enrichment Activity**  (e.g., homework assignment) | * Have students write a paper describing the “ideal life” of an older, retired individual. In the paper, have students discuss financial planning steps that had to occur along the stages of the life cycle in order to achieve that ideal life. * Have students read references to learn about Social Security benefits (for example, who accrues Social Security benefits, what determines the amount of benefits received, who receives benefits and when). Point out the importance of periodically checking your personal earnings and estimated benefits.   **Note**: Personal Earnings and Benefit Estimate Statements can be obtained through the Social Security Administration at 1-800-772-1213 or <http://www.ssa.gov>  Dollars and Sense Math Assessment Problems:  Question 8. Joseph recently opened up a free checking account at a local bank and also opened a free savings account. He is paid $450 every two weeks and decides to put 2% into savings every two weeks. If he continues this for an entire year and the savings account promises 2.5% growth each year, how much can he expect to have in savings after one year?  a. $108.00 b. $234.00  c. $240.00  d. $323.00  Answer: C   * TED Talk: TEDx is a program of local, self-organized events that bring people together to share a TED-like experience. At a TEDx event, TEDTalks videos and live speakers combine to spark deep discussion and connection in a small group. These local, self-organized events are branded TEDx, where x = independently organized TED event.  The video below is related to this lesson. Allow students to view the video and lead a discussion concerning the TED Talk.   My year of living without money: Carolien Hoogland at TEDxErasmusUniversity Carolien Hoogland is an Action Researcher, meaning she co-operates with communities to facilitate problem solving of these communities. Her training was in Environmental Studies, using the social sciences to understand sustainable behavior. Her PhD in Environmental Psychology (Vrije Universiteit Amsterdam), using classical research methods, boosted her motivation to understand change through new methods such as participatory research.<https://youtu.be/nhC0T8ScOu0> |
| **Family/Community Connection** | * Invite a professional, experienced in financial planning, to speak to the class about the basics of savings and investment opportunities. Use questions to guide the speaker’s presentation such as those on The Basics of Saving and Investing. Give both the speaker and students a copy of the identified questions, and have students record answers to the questions as they are covered. The handout can later be used for review and to guide further research into answering basic questions about savings and investment opportunities.   Note: It is important that students be given realistic examples, such as savings of $10.00 weekly rather than $1000.00 a month.   * Ask students to interview an older adult to obtain advice regarding financial planning. If possible, have students videotape the interviews to share with classmates. * Ask students to interview one or more family members about where they keep their money and why. If they keep their money in a bank, what factors did they consider in choosing that institution? |
| **CTSO connection(s)** | **Family, Career, and Community Leaders of America (FCCLA)**  <http://www.fcclainc.org>  **National Program:**  The FCCLA Financial Fitness national peer education program involves youth teaching one another how to make, save and spend money wisely. Through FCCLA’s Financial Fitness program, youth plan and carry out projects that help them and their peers learn to become wise financial managers and smart consumers. |
| **Service Learning Projects** | Successful service learning project ideas originate from student concerns and needs. Allow students to brainstorm about service projects pertaining to lesson.<http://www.ysa.org/>  Have students develop and disseminate a brochure summarizing community resources available to help families learn financial management skills, deal with financial crises, or seek professional resources at appropriate times. |

1. Visit the Texas College and Career Readiness Standards at <http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>, Texas Higher Education Coordinating Board (THECB), 2009. [↑](#footnote-ref-1)