



# The Benefits of Saving

## Core Standard Alignment:

- **Utah Core Standard (Economics):** ECONOMICS Standard 2.4.1: Explain the benefits of personal savings.
- **Financial Literacy Concept:** Understanding the purpose and advantages of saving money (Goal setting, security, and future purchasing power).

## Learning Objectives:

Students will be able to:

1. **Identify** at least two different reasons why people save money (benefits).
2. **Differentiate** between a short-term and a long-term savings goal.
3. **Explain** how saving money helps them reach a goal.

## Time Required:

40–50 minutes

## Materials:

- Anchor Chart or Whiteboard labeled "Why We Save"
- Two small, clear jars or containers labeled "**My Savings Jar**" and "**My Spending Jar**".
- Worksheet: "**My Savings Goal**" (or a simple drawing sheet).
- Plastic coins or tokens for a brief demonstration.



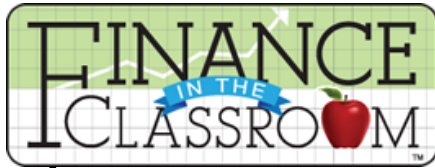
**Procedure:**

**1. Introduction: What is Saving? (10 minutes)**

- **Ask:** "What is saving? Where do you put money when you save it?" Discuss places like piggy banks, banks, or saving jars.
- **Demonstrate:** Show the two jars. Explain: When you get money, you have a choice. You can put some in the **Spending Jar** (to use now) and some in the Savings Jar (to use later).
- **Introduce the Question:** Pose the main question "**Why would you choose to save money instead of spending it right now?**"

**2. Identifying the Benefits of Saving (15 minutes)**

- **Brainstorm:** Lead a discussion to help students uncover the main benefits, recording answers on the "Why We Save" chart. Guide them toward three key benefits:
  1. **Benefit 1: To Buy Big Things (Goals)**
    - *Ask:* "If you wanted a big toy that costs a lot, but you only have a little money right now, what must you do?" (Save!)
    - *Explain:* Saving helps you reach big goals because you can wait and use all your small amounts of money together.
  2. **Benefit 2: For Unexpected Help (Security)**
    - *Scenario:* "Imagine your favorite toy breaks, or you lose your lunch money. If you have some money saved, you can use it to fix the problem.
    - *Explain:* Saving gives you **security**—money for things you didn't plan for, sometimes called an **emergency fund**.
  3. **Benefit 3: Money Can Grow (Simple Interest)**
    - *Analogy:* "Sometimes, when you keep your money in a bank, the bank gives you a tiny extra bit of money just for keeping your money safe there. It's like your money is having 'babies!'"
    - *Introduce:* This is called interest, and it means your saved money can get bigger without you doing extra work.



### 3. Activity: Setting a Savings Goal (15 minutes)

- **Define Goals:** Explain the difference between Short-Term Goals (things you can save for in a few weeks, like a small book) and Long-Term Goals (things that take a long time, like a bicycle or a family trip).
- **Worksheet/Drawing:** Hand out the "My Savings Goal" sheet. Have students:
  1. **Draw/Write** one thing they would like to save money for (their goal).
  2. **Circle** if it is a Short-Term or Long-Term goal.
  3. **Write** the benefit: "I need to save for this because..." (e.g., "It's a big goal," or "It will make me feel safe").
- **Share:** Have 2-3 students share their goals and which benefit of saving their goal relates to most.

### 4. Conclusion (5 minutes)

- Review the main reasons to save: To buy big **goals**, for **security** (emergencies), and so your money can **grow** (interest).
- Reiterate: Saving requires making a choice now (not spending) to enjoy a **benefit** later.

#### Assessment:

- **Informal:** Observe student participation in the discussion and their ability to list benefits of saving on the "Why We Save" chart.
- **Formal:** Collect the "My Savings Goal" worksheet. Check that the student has identified a goal and provided a valid explanation for **why** saving is necessary for that goal (linking back to one of the three benefits discussed).

# My Savings Plan

Name: \_\_\_\_\_

Date: \_\_\_\_\_

## **1. What is one thing you want to save money fo**

Draw a picture of your goal in the box below:



Circle one:

Short-Term Goal (a few weeks) Long-Term Goal (a long time)

## **2. I need to save for this becaus**

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***Saving helps me because (circle one or more):***

- It helps me buy big things (goals).
- It helps me be ready for emergencies (security).
- My money can grow in a bank (interest).