

Creating your own savings rules

Students explore how creating personal rules for building and managing savings can help them reach their financial goals.

Learning goals

Big idea

Having your own savings rules can lead to habits and choices that help you reach your long-term financial and personal goals.

Essential questions

- How does having your own savings rules help you achieve your long-term financial and personal goals?
- What savings rules can help you reach your long-term goals?

Objectives



- Understand how having savings rules can help them meet long-term financial and personal goals
- Explore their personal priorities and write their own savings rules

NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

KEY INFORMATION

Building block:

-  Executive function
-  Financial habits and norms

Grade level: High school (9-12)

Age range: 13-19

Topic: Save and invest (Saving for long-term goals)

School subject: CTE (Career and technical education), Social studies or history

Teaching strategy: Cooperative learning, Personalized instruction

Bloom's Taxonomy level: Apply, Analyze

Activity duration: 15-20 minutes

National Standards for Personal Financial Education, 2021

Spending: 8-1, 12-1, 12-9

Saving: 8-1, 8-2, 12-9

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

What students will do

- Identify the savings rule(s) reflected in some savings scenarios.
- Write their own savings rules and describe why those rules can help them achieve their long-term financial or personal goals.

Preparing for this activity

- While it's not necessary, completing the "[Setting a SMART savings goal](#)," "[Storing my savings](#)," or "[Evaluating savings scenarios](#)" activities first may make this one more meaningful.
- Print copies of all student materials for each student, or prepare for students to access them electronically.

What you'll need

THIS TEACHER GUIDE

- [Creating your own savings rules \(guide\)](#)
[cfpb_building_block_activities_creating-your-own-savings-rules_guide.pdf](#)

STUDENT MATERIALS

- [Creating your own savings rules \(worksheet\)](#)
[cfpb_building_block_activities_creating-your-own-savings-rules_worksheet.pdf](#)

Exploring key financial concepts

Every person or family has a different idea of the future they want to build. Some of their ideas are focused on the next few weeks or months, while others are long-term. What do you want for yourself in the near future? What do you want to see in the next few years? These ideas about your future are your hopes, wants, and dreams. People often put off saving for large purchases or future events because they feel like they don't have enough money to save or they are busy struggling to make ends meet today. But not thinking about, planning for, or saving for these things may mean that these things don't happen.

Deciding what's important to you and creating your own rules for achieving those things can help you reach your long-term goals and turn your hopes, wants, and

TIP

Because savings products, terms, and laws change, students should be encouraged to always look for the most up-to-date information.

dreams into reality. People who think through and write down their own rules are more likely to adhere to those rules and achieve their goals. Having your own rules for building and managing savings can help you respond to life situations in ways that keep you on track toward your long-term financial and personal goals.

Teaching this activity

Whole-class introduction

- Ask students to share some major things or future events that people save for.
 - Answers may include a home, a car, college, a wedding, or starting a business.
- Read the “Exploring key financial concepts” section to students.
- Be sure students understand key vocabulary:
 - **Emergency fund:** A cash reserve that’s specifically set aside for unplanned expenses or financial emergencies. Some common examples include car repairs, home repairs, medical bills, or a loss of income.
 - **Long-term goals:** Goals that can take more than five years to achieve.
 - **Needs:** Basic things people must have to survive (such as food, clothing, and shelter), resources they may need to do their jobs (such as reliable transportation and the tools of the trade), and resources to help build and protect their money and property so they can meet future needs (such as emergency savings and insurance).
 - **Savings:** Money you have set aside in a secure place, such as in a bank account, that you can use for future emergencies or to make specific purchases.
 - **Short-term goals:** Goals that can take a short time, or up to five years, to reach.
 - **Wants:** Upgrades and other things that would be nice to have but aren’t necessary for living, income, or protecting what you have.

TIP

Visit CFPB’s financial education glossary at consumerfinance.gov/financial-education-glossary/.

Individual or group work

- Distribute the “Creating your own savings rules” worksheet.
- Explain that they’ll match the scenarios on the worksheet with specific savings rules.

- Students can work individually or collaboratively on the scenarios but should complete their own worksheet.
- After they complete the scenarios, ask students to work individually to write down one or two savings rules for themselves.
 - For each rule they create, they should write how and/or why they think the rule will help them reach their long-term financial or personal goals and how they might use the money saved.

Wrap-up

- Bring the class together to discuss their answers to the saving scenarios.
- If there's time, ask students to share some of their own savings rules.

Suggested next steps

Consider searching for other [CFPB activities](#) that address the topics of saving and investing, including saving for long-term goals. Suggested activities include "[Storing my savings](#)", "[Writing a personal savings statement](#)", and "[Picturing your future self](#)".

Measuring student learning

Students' answers on their worksheets and during discussion can give you a sense of their understanding.

This answer guide provides possible answers to the scenarios in the "Creating your own savings rules" worksheet. **Keep in mind that students' answers may vary.** The important thing is for students to have reasonable justification for their answers.

Answer guide

Scenario A: **Rule 4 - Set a specific savings goal.**

Scenario B: **Rule 2 - Save a specific amount every payday.**

Scenario C: **Rule 3 - Build an emergency fund.**

Scenario D: **Rule 5 - Use savings only for things that can help achieve your goals.**

Scenario E: **Rule 1 - Whenever you get extra money, always save a specific amount of it.**