

Opening a savings account

Students answer questions about opening a savings account at a bank or credit union and complete a sample savings account application.

Learning goals

Big idea

You need a secure place to store your money.

Essential questions

- How do you apply for a savings account?
- What types of personal identification do you need to open a savings account?

Objectives

- Understand what you need to apply for a savings account
- Become familiar with a savings account application

What students will do




- Answer questions about opening a savings account.
- Practice filling out a savings account application.

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
-  Financial knowledge and decision-making skills

Grade level: Middle school (6–8)

Age range: 11–14

Topic: Save and invest (Banking options, Choosing how to save)

School subject: English or language arts, Social studies or history

Teaching strategy: Direct instruction, Simulation

Bloom's Taxonomy level: Understand, Apply, Create

Activity duration: 45–60 minutes

National Standards for Personal Financial Education, 2021

Saving: 4-1, 4-2, 4-5, 8-3, 8-4, 8-6, 12-2

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.

Preparing for this activity

- While it's not necessary, completing the "[Saving for unexpected events](#)" activity first may make this one more meaningful.
- Consider displaying the poster, "[Safe ways to store your savings](#)" before doing this activity.
 - You can order the poster for free here:
<https://pueblo.gpo.gov/CFPBpubs/CFPBpubs.php?PubID=13468>
- Print copies of all student materials for each student, or prepare for students to access them electronically.

What you'll need

THIS TEACHER GUIDE

- [Opening a savings account \(guide\)](#)
[cfpb_building_block_activities_opening-savings-account_guide.pdf](#)

STUDENT MATERIALS

- [Opening a savings account \(worksheet\)](#)
[cfpb_building_block_activities_opening-savings-account_worksheet.pdf](#)

Exploring key financial concepts

If an emergency happened today and you had to pay a large bill, do you have enough money saved to afford it? Some people don't and might end up borrowing money and paying interest or putting the bill on a credit card. It's important to have a savings account to save money for a rainy day. A savings account is a secure place to keep your money. When your money is in a savings account, you can still access it easily.

A savings account pays interest and will allow your money to grow. When you choose a savings account, you may want to think about which one is right for you. For example, how much interest will the account earn? Can you bank online or on your phone? And how long will it take you to get to the nearest branch of the bank or credit union? The money you put in your savings account is protected (up to \$250,000) through the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA) in the event the bank or credit

TIP

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

union fails or goes out of business. Putting money into your savings account, even if it's a small amount, can help you manage unexpected expenses and reach your financial goals.

Teaching this activity

Whole-class introduction

- Explain that students will explore the process of opening a savings account.
 - You can read the “Exploring key financial concepts” section to the class to give students more context.
- Pass out the “Opening a savings account” worksheet.
- Be sure students understand key vocabulary:
 - **Interest:** A fee charged by a lender, and paid by a borrower, for the use of money. A bank or credit union may also pay you interest if you deposit money in certain types of accounts.
 - **Interest rate:** A percentage of a sum borrowed that is charged by a lender or merchant for letting you use its money. A bank or credit union may also pay you an interest rate if you deposit money in certain types of accounts.
 - **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.
 - **Savings account:** An account at a bank (sometimes called a share savings account at a credit union) used to set aside money and that pays you interest.
 - **Social Security number:** The nine-digit number on a Social Security card, an important piece of identification issued by the federal government that you'll need to get a job and collect government benefits.

TIP

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

Individual and group work

- Students can work individually or with a partner to answer the questions on the worksheet.
- Students will work independently to complete the savings account application on the worksheet.

Wrap-up

- Bring the class back together to review their responses to the worksheet questions.
- Ask students to share what they learned from practicing filling out a savings account application.

Suggested next steps

Consider searching for other CFPB activities that address the topic of saving, including choosing how to save. Suggested activities include “Visualizing a savings goal” and “Learning about budgets.”

Measuring student learning

Students’ applications and responses to the worksheet questions can give you a sense of their understanding.

This answer guide provides possible answers for the “Opening a savings account” worksheet. **Keep in mind that students’ answers may vary, as there may not be only one right answer.** The important thing is for students to have reasonable justifications for their answers.

Answer guide

1. Why is having a savings account a good idea?
Answers will vary. Students’ responses may include answers such as being able to save for something you want or need or for an emergency.
2. As a middle school student, you probably won’t be able to open a savings account on your own. Is there an adult you could ask to be on the account with you? Describe why this person would be a good banking partner.
Answers will vary. Typical responses may include a parent or guardian, a grandparent, or an adult sibling.