

Saving for a rainy day

Students explore the importance of saving for unexpected expenses and then draw pictures of what their rainy day savings could pay for.

Learning goals

Big idea

Saving money for unexpected expenses makes it easier to face challenges.

Essential questions

- Why is it important to have an emergency savings account?
- What are unexpected expenses?

Objectives

- Identify unexpected expenses that could happen
- Understand the importance of having emergency savings

What students will do

- Brainstorm different unexpected expenses.
- Draw pictures of those unexpected expenses.
- Answer reflection questions that help them understand and personalize the process of saving for unexpected events.

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:

- Financial knowledge and decision-making skills

Grade level: Middle school (6–8)

Age range: 11–14

Topic: Save and invest (Building emergency savings, Choosing how to save)

School subject: Fine arts and performing arts

Teaching strategy: Direct instruction, Project-based learning

Bloom's Taxonomy level: Remember, Understand

Activity duration: 15–20 minutes

National Standards for Personal Financial Education, 2021

Spending: 4-1, 8-1, 12-1

Saving: 4-1, 4-2, 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.

Preparing for this activity

- While it's not necessary, completing the "[Opening a savings account](#)" activity first may make this one more meaningful.
- Print copies of student materials for each student.
- Gather art supplies such as crayons, colored pencils, or markers for students.

What you'll need

THIS TEACHER GUIDE

- [Saving for a rainy day \(guide\)](#)
[cfpb_building_block_activities_saving-rainy-day_guide.pdf](#)

STUDENT MATERIALS

- [Saving for a rainy day \(worksheet\)](#)
[cfpb_building_block_activities_saving-rainy-day_worksheet.pdf](#)
- Art supplies such as crayons, colored pencils, or markers

Exploring key financial concepts

You'll probably experience some type of unexpected expense in your life. A car repair, a broken cell phone, or lost glasses can be both unplanned and expensive. If you don't have savings, paying for these kinds of unexpected expenses may be difficult to manage. Having money set aside for a rainy day (an unexpected expense) can help you avoid borrowing money. Overall, emergency savings can help make those unexpected situations easier to manage.

Teaching this activity

Whole-class introduction

- Distribute the "Saving for a rainy day" worksheet.
- Ask students to share what they think the idiom "saving for a rainy day" means.
- Give students one or two examples of unplanned expenses, like a bike or a car breaking down.

- It may be helpful to ask them to think about what types of unexpected expenses they might face as compared to what their parents or other adults might face.
- Be sure students understand key vocabulary:
 - **Budget:** A plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time; also called a spending plan.
 - **Financial emergencies:** Expenses that come up unexpectedly, are very important, and need attention right away.
 - **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.
- Ask a few students to give you examples of an unexpected event or emergency that could cost money.
- As students share their ideas, record the list for the class to see.
 - Examples might include car repairs, medical bills, an unexpected trip to see a loved one who is sick, or a broken appliance (such as a refrigerator or oven).
- Explain that students will choose two to five unexpected expenses that they could imagine happening to them in the future - and that they'd want to be sure they could pay for using funds from their emergency savings.

TIP

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

Individual work

- Students will work individually to complete their own worksheet.
- Students will choose two to five items that emergency savings might be used to pay for.
- Students will draw a picture representing these expenses in the box with the umbrella on the worksheet.
 - Note: if students are uncomfortable drawing a picture, they can write descriptive text in the box with the umbrella.
- Students will answer the reflection questions.

Wrap-up

- Bring the class back together and discuss the items they've selected.

- Remind students that one rule to live by for people who are financially independent (pay their own bills) is to have a savings account with three to six months' worth of expenses.
- Address any questions that arise.
- Ask for volunteers to share their responses to the reflection questions and discuss their answers.

Suggested next steps

Consider searching for other [CFPB activities](#) that address the topics of saving and investing, including building emergency savings and choosing how to save. Suggested activities include "[Learning about budgets](#)" and "[Saving for short- and long-term goals](#)."

Measuring student learning

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

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 justification for their answers.