

 **BUILDING BLOCKS STUDENT WORKSHEET**

Saving for unexpected events

Unexpected events or emergencies can happen at any time. They can also cost a lot of money. This can be hard to pay for if you aren't prepared. Having money saved for emergencies can help you manage unplanned financial burdens and feel more secure.

Instructions

- 1 Read the scenarios.
- 2 Figure out if there's enough money in the savings account to cover the expense.
- 3 If there's enough money, decide whether the expense is an important financial emergency that's worth using hard-earned savings.

Scenarios: Kya and Ashar

Scenario 1. Kya

Kya is 11 years old and she loves to play soccer. For the past three years, Kya has put half of her birthday money into her emergency savings account. Here's how much she saved each year:

9th birthday - \$30

10th birthday - \$20

11th birthday - \$28

After school yesterday, Kya's soccer ball went flat. She looked up the prices of new soccer balls online and saw that she could buy a new ball for \$10.

1. How much money does Kya have in her emergency savings account?



2. How much will she have if she buys a new soccer ball?
3. Do you think Kya should use the money in her emergency savings account to buy a new soccer ball? Why or why not?
4. What do you think Kya can do to save more money in her emergency savings account?

Scenario 2. Ashar

Ashar is 20 years old and works part-time as a school bus driver while he takes classes at his local community college. He brings home \$1,200 a month. Each month, Ashar spends \$750 on rent and utilities, \$50 for his cellphone, \$50 for car insurance, and \$200 to \$275 on groceries and going out with his friends. For the past six months, he has put \$25 a month in his emergency savings account. When he was driving home last night, his car got a flat tire. He put on a spare tire but needs to buy a new permanent tire. That will cost him \$106.

1. How much money does Ashar have in his emergency savings account?
2. How much will he have if he buys a new tire?
3. Should Ashar use his emergency savings to buy a new tire? Why or why not?
4. What do you think Ashar can do to adjust his budget to help save more for unexpected events that will cost him money?