FALL 2023

Pathway to Financial Success
In Schools

Unit 5 Educator Guide

Paying Yourself First

HIGH SCHOOL

DISCOVER

Discovery EDUCATION

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Unit 5 Overview

Unit 5: Paying Yourself First provides students with the tools and best practices to save money, set savings goals, and grow their savings through interest. The unit begins with an exploration of why people save money in which students are encouraged to reframe the way they think about saving—urging them to consider it as spending in the future. Students then learn how setting savings goals can help encourage them to save. Next, students learn about strategies to save more money and compare technology-enabled services that encourage people to save. Students then learn about the impact that earning compound interest makes on a person's savings and the difference it makes to start saving at a young age. The unit concludes with an exploration of various options for saving money and a comparison between saving and investing.

Below are the five topics in this unit:

1. Deciding to Save Money
2. Setting Savings Goals
3. Finding Money to Save
4. Growing Savings Through Interest
5. Choosing a Savings Method

As with all units in the Pathway to Financial Success in Schools high school program, each topic has an associated self-paced module. There are also several classroom activities, a family connection, and interactive student capture sheets. Each resource is described in further detail on the pages that follow.

To see how this unit fits into the entire Pathway to Financial Success in Schools program, download the High School Program Educator Guide.

When teaching this unit, be sure to consider your students' ages and backgrounds. Students who are not yet earning an income are likely to have a more difficult time finding money to save. Also, it is important to recognize that some students may not be familiar or comfortable with mainstream financial institutions such as banks and credit unions. If their family members are "unbanked" or "underbanked," this unit may help to point out the benefits that such institutions have for consumers.

Students of certain cultural backgrounds may also be familiar with other approaches to saving. For example, individuals or families may participate in an informal, rotating saving group. These systems go by different names (tanda in Latin America, susu in West Africa and the Caribbean, dhukuti in Nepal, etc.), but they all work in a similar fashion. Each member of the group contributes a certain amount of money at each meeting, and one member takes the entire amount. If students are familiar with these saving alternatives, they could share their experiences with the class.

Topics and Resources

Unit 5 All Topics	**Family Connection** **Individual and Family Savings Goals** Families are encouraged to discuss savings goals and take action to help young people find ways to save money, establish savings goals, and establish savings accounts. **Interactive Student Capture Sheets** **Paying Yourself First** Students use this digital notetaker—either electronically or in print form—to take notes, respond to prompts, and access additional resources for the entire unit. The content reinforces the self-paced modules and concludes with unit wrap-up materials.
Topic 1	**Self-Paced Module** **Deciding to Save Money** Students are encouraged to save at least some of the money they receive or earn. **Self-Paced Module** **Spend Now or Spend Later?** Students create timelines that represent their futures and consider how they will earn and spend money 5, 25, and 50 years from now.
Topic 2	**Self-Paced Module** **Setting Savings Goals** Students explore different ways that people can think about savings goals, including various categories in which they might fall, how long they will take to achieve, and how to balance multiple savings goals.
Topic 3	**Self-Paced Module** **Finding Money to Save** Students learn about the importance of saving and strategies to help them save more. **Self-Paced Module** **Saving Made Easy** After sharing how likely they would be to save money they receive, students work in groups to research technology services that claim to help people save money more easily. Groups present their findings to the class and make comparisons between the services described.
Topic 4	**Self-Paced Module** **Growing Savings Through Interest** Students examine how savings can grow through the power of compound interest.
Topic 5	**Self-Paced Module** **Choosing a Savings Method** Students consider various savings methods, including savings accounts, certificates of deposit, and money market accounts.

Self-Paced Modules

This section provides strategies for incorporating the five self-paced modules into instruction and tips for facilitating discussions before, during, and after each module. For a more general overview of what self-paced modules are, how they work, and the technology requirements for using them, please see the Pathway to Financial Success High School Educator Program Guide.

Topic 1
Deciding to Save Money

Launch the Module

Overview

What are good money habits and how can you build them? In this module, students are encouraged to save at least some of the money they receive or earn. The module begins with students attempting to rank common financial regrets experienced by adults. Students examine the concept of opportunity costs and learn strategies to help reframe their decisions about spending and saving money. By examining a graphic of individuals at different life stages, students develop an understanding of why many people put off saving for retirement. Finally, students are encouraged to begin saving early and explore ways to grow their money through interest.

Key Learning Objectives

Students will be able to:

- identify the opportunity cost given a person's choice and decision.
- cite common reasons people put off saving for retirement and the potential consequences of waiting to save.
- explain the impact inflation can have on people who are saving.

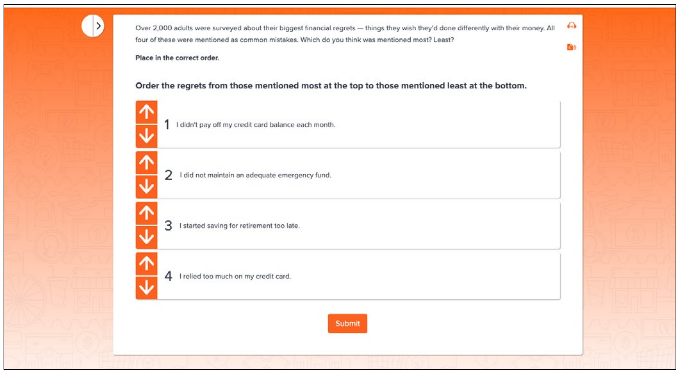
Setting the Stage

Before the module, engage students by discussing one or more of these questions:

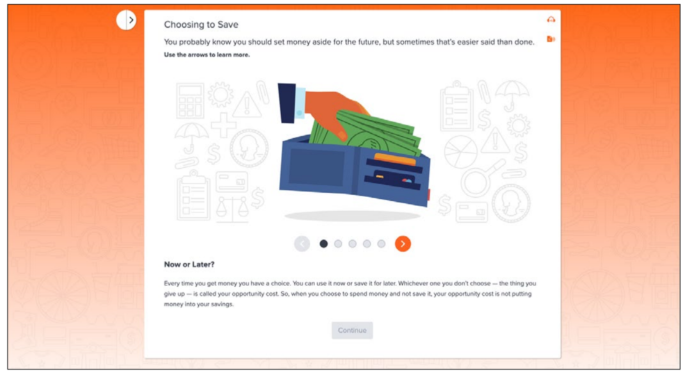
- What are some reasons that you have saved money for in the past?
- How have you been encouraged to save money?
- What strategies have you found that help you to save?

Section-by-Section Educator Tips

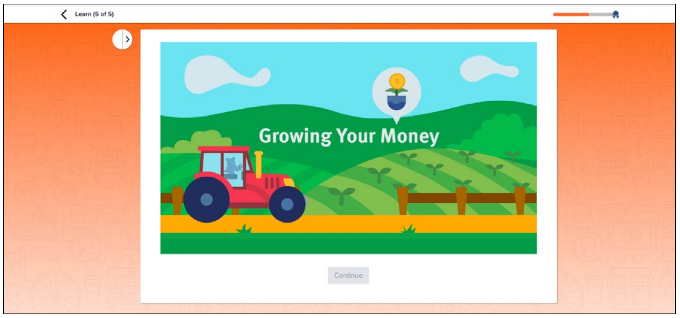
- **Prepare:**
    - **Setup:** The module begins with a short animation that shares common money regrets, including ones related to spending, saving, and donating. Invite students to consider a regret they have about a financial decision. Ask students which category their decision falls into: spending too much, saving too little, or "other." Invite one or two students to share their regret and what they took away from the experience.



- **Biggest Financial Regrets:** Students are informed that 2,000 adults were asked about their biggest financial regrets and are asked to take their best guess at ranking the respondents' answers. The survey was conducted by New York Life and its results include additional information about the average age at which people made the mistake and how long it took them to recover from it. Ask students if the "correct" ranking surprised them. Why or why not?
- **Show What You Know:** The pre-test consists of three questions. Students have one opportunity to answer each question correctly. The correct answer is visible once an answer is submitted, and feedback is provided for both correct and incorrect answers. If using the module in a classroom setting, consider having students vote on answers or call on different students to provide ideas for each question before the students submit their answers.



- **Learn:**
  - **Choosing to Save:** Students are introduced to the concept of opportunity cost and encouraged to reframe their approach to savings. Ask students if thinking about saving as "future spending" could help them to save more in the future. What "future spending" will they think about to help them focus on saving?
  - **Financial Cause and Effect:** Students explore four common financial decisions and their effects: not putting money aside for an emergency fund, buying a large item on credit, waiting to save for retirement, and wishing they'd saved more. Ask students if they know individuals who have or might confess to some of these decisions. Do they think they regret these decisions?
  - **About Retirement Savings:** Students explore people at five different life stages and their thoughts on saving for retirement. Share with students that many people wait for years—even decades—to begin saving for retirement and that waiting can have significant impacts. Challenge students to create a response to one or more of the characters in which they challenge the person's approach to saving for retirement.
  - **Starting Today:** This section delves into benefits of saving from an early age, including getting in the habit of saving, taking advantage of fewer expenses and more tax advantages, and earning interest. Ask students if they are familiar with IRAs which are mentioned as an account type that can offer tax advantages. Briefly explain that there are two types of IRAs—traditional and Roth—and that each has its own rules.



    - **Growing Your Money:** Through a video, students consider how money can grow by earning interest and the importance of earning more in interest than the rate of inflation. Remind students that the cost of goods and services tends to rise over time. Ask students to identify items that have increased in price and what might happen if an individuals' savings didn't keep up with inflation. Challenge students to explain the relationship between interest rates and inflation rates in their own words as it applies to saving for the future.
- **Reflect:**
    - Following a short wrap up, students are asked to rank how strongly they agree or disagree with the following statement: I can describe multiple reasons to save some of my money. Did more students agree with the statement after completing the module than before? If students still disagree at the end, ask them what they need to know in order to agree with the statement.
- **Challenge:**
    - There are five post-module challenge questions. Students are encouraged to review the information in each section, if needed, before beginning the challenge.
    - Students will encounter a variety of question types including matching, multiple choice, classification, and fill-in-the-blank.
    - For each question, students have two opportunities to answer correctly. Full credit is given for correct answers on the first try. If students answer incorrectly, they are given an opportunity to try again or skip and continue to the next question. No additional points are given to students who either do not retry the question or retry the question and still answer incorrectly. Partial credit is given for students who correctly answer a portion of a multi-part question or who give the correct answer on a second try. The total number of available points in this module's challenge section is 70.

Interactive Student Capture Sheets

The Unit 5 Interactive Student Capture Sheets contain prompts, reflection opportunities, graphic organizers, and more. They are provided in Google Slides and offer a way for students to capture their notes while progressing through each of the self-paced modules. Additionally, they can serve as a means of assessing student progress and comprehension. Below are the prompts included for this topic:

- Describe a decision you have made about money and later regretted. What was the decision about? What made you regret it later? What might have been the outcome if you'd made a different decision? (Slide 4)
- Complete the table with information about opportunity costs. (Slide 4)
    - Define the term.
    - Give an example.
    - How does it apply to savings?
- Why might picturing yourself at a future age help you save? (Slide 4)
- Name three strategies for reminding yourself of a savings goal. (Slide 5)
- What is the effect of each action? What effects can you think of that aren't mentioned in the module? (Slide 5)
    - Not putting money in an emergency fund
    - Buying a large item on credit
    - Waiting to save for retirement
    - Wishing you'd saved more

- Describe five ways your thoughts on saving for retirement might change over time? (Slide 6)
- List four advantages of starting to save at an early age. (Slide 6)
- Corresponding to the module's animation, Growing Your Money, students are asked to identify three interesting facts and two reasons the information in the video is important. They also write a one-sentence summary of what they learned. If your school has access to the Discovery Education platform, you can assign a version of this activity within Studio. (Slide 7)
- What are your personal thoughts on saving money? Do you already put money aside for the future? Is that hard to do? Explain where you stand now when it comes to saving and whether this is something you want to change. (Slide 8)
- Consider the learning objectives for this module. How do you feel about each one after completing it? (Slide 8)
  - I can identify the opportunity cost of a choice or decision I have made.
  - I can cite common reasons people put off saving for retirement and the potential consequences of waiting to save.
  - I am able to explain the impact inflation can have on my savings.

Extending the Module

Once students complete the module, consider one or more of these extension activities:

- Use the Spend Now or Spend Later? classroom activity to have students consider their potential spending and saving choices and the power of compound interest in growing savings.
- Challenge students to write a letter to their "future self" as a means of encouraging themselves to save. The website FutureMe allows individuals to create an email that will be sent to themselves at a specific point in the future. The site can be used by individuals for free, or educators can try a teacher account for free. Paid versions are also available and allow educators to track which students have or have not sent themselves a message.
- Invite students to research both traditional and Roth IRAs. What do the two account types have in common and how are they different? How much can a person invest each year in these types of accounts and what other information should someone know before deciding to save money in these accounts for retirement?
- Encourage students to explore their options for saving money and earning interest. The Individual and Family Savings Goals Family Connection can be used as a springboard for further conversations with a parent or guardian about opening an account.
- Inflation rates vary over time as do the rates people can expect to earn on savings accounts. Invite students to conduct online research to compare the rate of inflation with the amount of interest offered on savings accounts over time. The Federal Reserve's Economic Data (known as FRED) provides tables and charts that students can manipulate for both inflation and interest rates. Challenge students to create an argument for why inflation might be a reason that people are encouraged to invest a portion of their retirement savings in order to earn a higher rate of return than a typical savings account.

Standards Correlation

The following standards are addressed in this module.

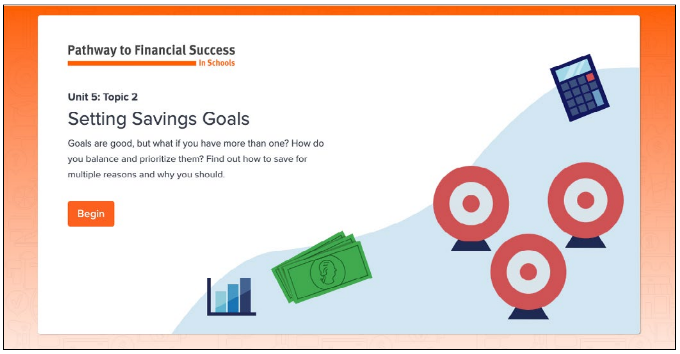
National Standards for Personal Financial Education from the Council for Economic Education and Jump$tart Coalition for Personal Financial Literacy

- III. Saving 8-2 Savings decisions depend on individual preferences and circumstances, and can impact personal satisfaction and financial well-being.
- III. Saving 8-3 Financial institutions pay interest to depositors and loan out the money to borrowers who pay interest on their loans.
- III. Saving 8-5 Compound interest is interest on both the original principal and previously earned interest, as compared to simple interest which is only interest on the original principal.

- III. Saving 12-1 Financial institutions offer several types of savings accounts, including regular savings, money market accounts, and certificates of deposit (CDs), that differ in minimum deposits, rates, and deposit insurance coverage.
- III. Saving 12-4 Inflation can erode the value of savings if the interest rate earned on a savings account is less than the inflation rate.
- IV. Investing 8-1 Investors in financial assets expect an increase in value over time (capital gain) and/or receipt of regular income, such as interest or dividends.
- IV. Investing 8-2 Common types of financial assets include certificates of deposit (CDs), stocks, bonds, mutual funds, and real estate.
- IV. Investing 8-6 Different types of investments expose investors to different degrees of risk.
- IV. Investing 8-7 The benefits of compounding for building wealth are greatest for people who invest regularly over longer periods of time.
- IV. Investing 12-1 A person's investment risk tolerance depends on factors such as personality, financial resources, investment experiences, and life circumstances.
- IV. Investing 12-4 Because inflation reduces purchasing power over time, the real return on a financial asset is lower than its nominal return.

National Standards for Business Education from the National Business Education Association

- Personal Finance IV.1.1 Describe motivations for saving and the means by which they save.
- Personal Finance IV.1.2 Identify the opportunity costs of saving.
- Personal Finance IV.1.3 Differentiate between saving and investing.
- Personal Finance IV.1.8 Analyze the power of compounding and the importance of starting early in implementing a plan of saving and investing.
- Personal Finance IV.1.11 Explain why individuals should change their savings and investing plans throughout their life cycles.
- Personal Finance IV.1.20 Contrast the impact of simple interest vs. compound interest on savings.



Topic 2

Setting Savings Goals

Launch the Module

Overview

Goals are good, but what if you have more than one? How do you balance and prioritize them? In this module, students explore different ways that people can think about savings goals, including various categories in which they might fall, how long they will take to achieve, and how to balance multiple savings goals. The module begins with students considering their own personal savings goals. Students learn about common types of savings goals and review examples of each. Through a video, students consider the difference between short- and long-term goals and why many people save for more than one purpose at a time. Finally, students learn strategies that can help them reach and balance their savings goals.

Key Learning Objectives

Students will be able to:

- Give examples of savings goals people might set for themselves.
- Describe how setting short-term goals might help a person reach a longer-term goal.
- Evaluate a person's savings goals and recommend strategies to reach them.

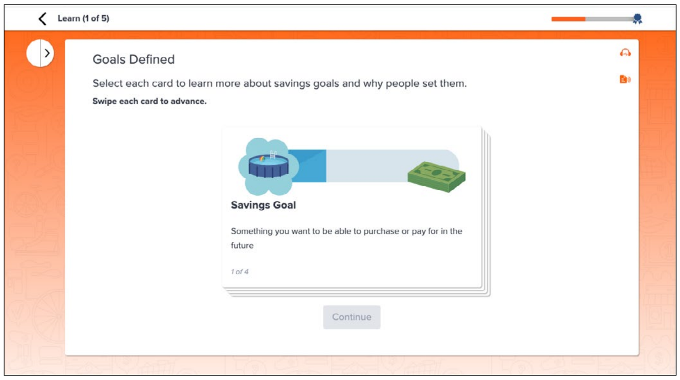
Setting the Stage

Before the module, engage students by discussing one or more of these questions:

- Have you ever set a financial goal? If so, did you accomplish it?
- What goals do you have for your future? Will you need to save money in order to reach them?

Section-by-Section Educator Tips

- **Prepare:**
  - **Setup:** The module begins with a short animation that discusses setting goals for the future. Ask students what types of goals they have set for themselves in the past and/or ones they have set for themselves in the future.
  - **Current and Future Goals:** This short quiz asks students to consider four goals and whether each is a current goal, one they might set in the future, or a goal they don't see themselves setting. Remind students that there are no correct or incorrect answers. This is a matter of personal opinion. Ask students how many of the four they consider to be a current financial goal. Are any future goals? Which goal was selected most as a future goal?
  - **Show What You Know:** The pre-test consists of three questions. Students have one opportunity to answer each question correctly. The correct answer is visible once an answer is submitted, and feedback is provided for both correct and incorrect answers. If using the module in a classroom setting, consider having students vote on answers or call on different students to provide ideas for each question before the students submit their answers.



- **Learn:**
  - **Goals Defined:** Students advance through a series of cards and gather information about goals, including their role in encouraging good behavior (saving money) and discourage poor ones (overspending). Ask students to explain how having a savings goal might discourage a person from spending more money than they should.
  - **Categories of Savings Goals:** Students explore five common categories of financial goals: major purchases, big events, education, emergencies, and retirement. Invite students to consider their own financial goals. Do they fit into one or more of the categories? If not, is there another category that could be added?
  - **Balancing Savings Goals:** Many people save money for more than one reason at a time. Through an animated video, students learn strategies for tackling more than one goal at a time. Ask students to restate the strategies in their own words.
  - **Sample Goals:** Examples of three different people and their savings goals are explored. In one, a person describes saving to replace gear for a pastime. In another, a person is saving for the costs associated with a new pet. Invite students to consider what would happen if a person didn't save money in advance of these expenses. How might they pay for them or would they put them off? Discuss the potential implications, including going into debt or having to wait until they have enough money.
  - **Reaching Your Goals:** Students are presented with four strategies they can use to help them achieve their financial goals. Discuss each strategy and how it can help. For example, budgeting allows people to see where their money is coming from and being spent. Designating money in a budget for saving is good but putting amounts to specific savings goals is even better.
- **Reflect:**
  - Following a short wrap up, students are asked to rank how strongly they agree or disagree with the following statement: I understand how to set and manage multiple savings goals. Did more students agree with the statement after completing the module than before? If students still disagree at the end, ask them what they still need to know in order to agree with the statement.
- **Challenge:**
  - There are five post-module challenge questions. Students are encouraged to review the information in each section, if needed, before beginning the challenge.
  - Students will encounter a variety of question types, including multiple choice, classification, true/false, and fill-in-the-blank.
  - For each question, students have two opportunities to answer correctly. Full credit is given for correct answers on the first try. If students answer incorrectly, they are given an opportunity to try again or skip and continue to the next question. No additional points are given to students who either do not retry the question or retry the question and still answer incorrectly. Partial credit is given for students who correctly answer a portion of a multi-part question or who give the correct answer on a second try. The total number of available points in this module's challenge section is 80.

Interactive Student Capture Sheets

The Unit 5 Interactive Student Capture Sheets contain prompts, reflection opportunities, graphic organizers, and more. They are provided in Google Slides and offer a way for students to capture their notes while progressing through each of the self-paced modules. Additionally, they can serve as a means of assessing student progress and comprehension. Below are the prompts included for this topic:

- What are some financial goals you have for yourself? List at least one current goal and two future goals. (Slide 11)
- Fill in the graphic organizer below with information about savings goals. (Slide 11)
  - Definition
  - Example
  - Reasons to Set Them
  - Types You Can Have
- List five categories of savings goals and examples of each. (Slide 12)
- Corresponding to the module's animation, Balancing Savings Goals, students are asked to complete a graphic organizer with the following: an adjective that describes what they saw, an emotion they felt, a piece of information they found interesting, something that surprised them, and a question they still have about the topic. If your school has access to the Discovery Education platform, you can assign a version of this activity within Studio. (Slide13)
- How does each of the following relate to setting and/or reaching savings goals? (Slide 14)
  - Budgeting
  - Automation
  - SMART Goals
  - Your Why
- Did this module make you think differently about setting savings goals? Why or why not? (Slide 15)
- Consider the learning objectives for this module. How do you feel about each one after completing it? (Slide 15)
  - I can give examples of savings goals I might set for myself.
  - I can describe how setting short-term goals might help me reach a longer-term goal.
  - I am able to evaluate my savings goals and consider strategies to reach them.

Extending the Module

Once students complete the module, consider one or more of these extension activities:

- Invite students to reconsider the five savings goal categories that were described in the module: major purchases, big events, education, emergencies, and retirement. Challenge students to list at least six of their own financial goals and identify the category for each. If a category doesn't fit, encourage students to suggest an additional category. Invite students to share one or more of their financial goals.
- In the module, students are introduced to the FIRE Movement which stands for Financial Independence Retire Early. Invite students to research FIRE and how people manage to retire at unconventionally early ages. Ask students if the sacrifices people make to cut expenses would be worth it to them in order to retire early?
- Setting short-term goals that are related to a long-term goal can help people to attain the long-term goal. Task students with identifying a long-term goal and then breaking it down into multiple shorter-term goals. Ask students if dividing the goal into more "bite-size" pieces makes is easier to achieve. Why or why not?
- Some financial institutions will allow savers to create multiple savings accounts and name each for a specific goal. Encourage students to find out if their financial institutions offer this option and how they can take advantage of it.
- Ask students if they are familiar with the savings goals of their parents or guardians. Are savings goals discussed in their household? Encourage students to use the Individual and Family Savings Goals Family Connection as a way to encourage a discussion about savings goals.

Standards Correlation

The following standards are addressed in this module.

National Standards for Personal Financial Education from the Cuncil for Economic Education and Jump$tart Coalition for Personal Financial Literacy

- II. Spending 8-1 Creating a budget can help people make informed choices about spending, saving, and managing money in order to achieve financial goals.
- II. Spending 12-1 A budget helps people achieve their financial goals by allocating income to necessary and desired spending, saving, and philanthropy.
- III. Saving 4-2 A savings plan is a plan for setting aside money to pay for a future need, goal, or emergency.
- III. Saving 4-3 People differ in their values and attitudes about saving.
- III. Saving 12-9 There are many strategies that can help people manage psychological, emotional, and external obstacles to saving, including automated saving plans, employer matches, and avoiding personal triggers.

National Standards for Business Education from the National Business Education Association

- Personal Finance III.1.1 Identify examples of short-term and long-term goals.
- Personal Finance III.1.9 Construct and apply a personal spending/savings plan and evaluate it according to short- and long-term goals.
- Personal Finance IV.1.18 Develop financial goals for the future based on one's lifestyle expectations and career choices.

Topic 3
Finding Money to Save

[Launch the Module]

Overview

How do you find money to save? In this module, students learn about the importance of saving and strategies to help them save more. The module begins with students considering their personal savings behaviors along with a savings goal. Students learn how to develop a savings plan and tips they can use to find more money to save.

Key Learning Objectives

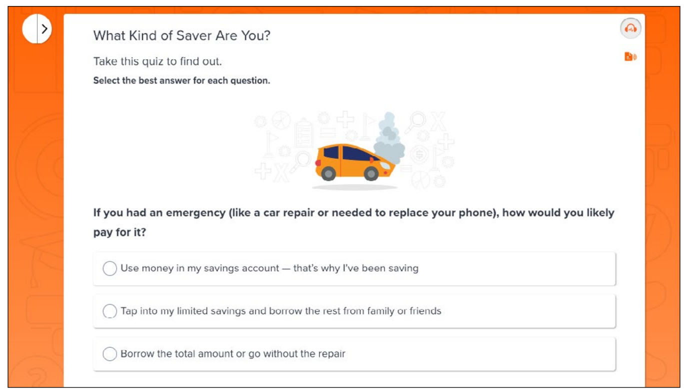
Students will be able to:

- explain reasons people save money.
- identify a personal savings goal and develop a plan to achieve it.
- give examples of ways people can find money to save.

Setting the Stage

Before the module, engage students by discussing one or more of these questions:

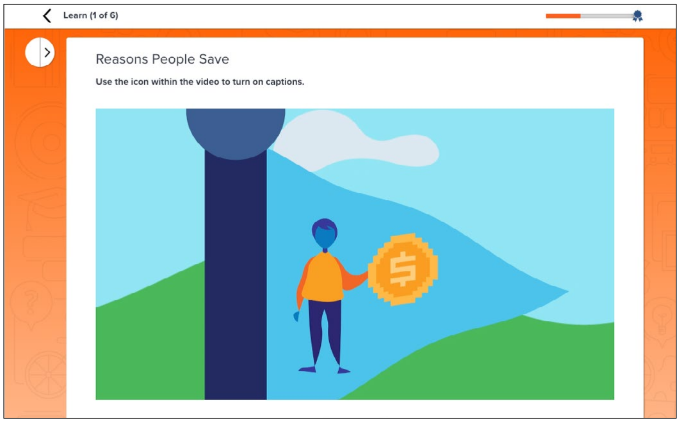
- Do you find it easy or difficult to save money?
- If we asked your family or friends, would they say you are more likely to be a saver or a spender?
- What encourages—or discourages—you to save money?



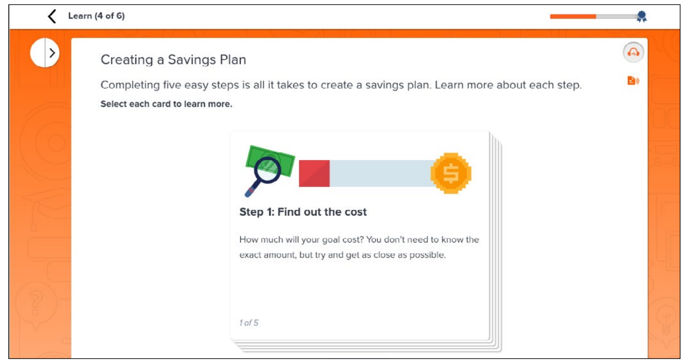
Section-by-Section Educator Tips

- **Prepare:**
  - **Setup:** The module begins with a short animation in which students learn what to expect in the module. Invite students to consider what they already know about saving or would like to know more about.
  - **What Kind of Saver Are You?:** This short quiz asks students what they would do in four different situations. Based on their responses, they are categorized as either a consistent, developing, inconsistent, or unpredictable saver. Compare student results and ask them if they think their results are consistent with what they know about their personal savings habits.
  - **Show What You Know:** The pre-test consists of three questions. Students have one opportunity to answer each question correctly. The correct answer is visible once an answer is submitted, and feedback is provided for both

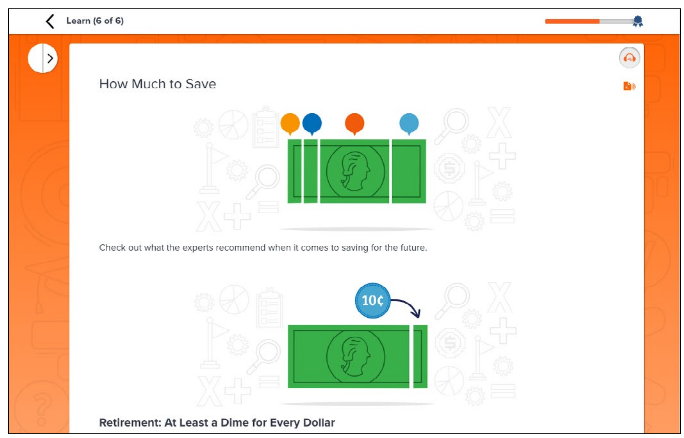
correct and incorrect answers. If using the module in a classroom setting, consider having students vote on answers or call on different students to provide ideas for each question before the students submit their answers.



- **Learn:**
    - **Reasons People Save:** Through a video, students learn about reasons people save their money including for large purchases, higher education, emergencies, and retirement. Students are told that having money set aside for emergencies can prevent going into debt. Ask students to explain the connection between emergency savings and avoiding debt.
    - **Your Savings Goals:** Students choose from four short-term and four long-term savings goals. They are reminded that they might have multiple goals, but it is important to prioritize. Discuss why people might set savings goals that will take them different amounts of time to achieve. Invite students to share other short- or long-term savings goals they might have.

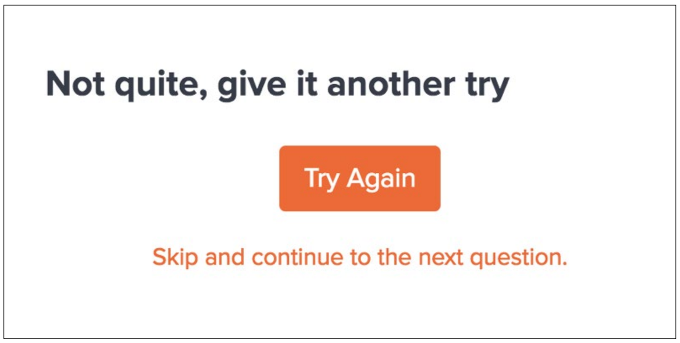


- **Creating a Savings Plan:** Students explore five steps to developing—and implementing—a savings plan. Ask students if they have ever developed a plan to reach a particular savings goal. How might having a plan impact their ability to reach their savings goals in the future?



- **Money Saving Tips:** This section delves into four strategies for finding more money to save, including separating money for savings, making it automatic, paying yourself first, and earning extra income. Challenge students to identify the strategy that might be most realistic for them to try first and identify the first step they would need to take in order to make it happen.
- **How Much to Save:** Students are presented with three “rules of thumb” about savings. Ask students if these recommendations are things they think they can realistically accomplish. Are they easy to remember? What would they need to do to remind themselves of these again in the future?

- **Reflect:**
  - Following a short wrap up, students are asked to rank how strongly they agree or disagree with the following statement: I know at least three strategies I can use to find more money to save. Did more students agree with the statement after completing the module than before? If students still disagree at the end, ask them what they still need to know in order to agree with the statement.



- **Challenge:**
  - There are five post-module challenge questions. Students are encouraged to review the information in each section, if needed, before beginning the challenge.
  - Students will encounter a variety of question types including matching, multiple choice, classification, and fill-in-the-blank.
  - For each question, students have two opportunities to answer correctly. Full credit is given for correct answers on the first try. If students answer incorrectly, they are given an opportunity to try again or skip and continue to the next question. No additional points are given to students who either do not retry the question or retry the question and still answer incorrectly. Partial credit is given for students who correctly answer a portion of a multi-part question or who give the correct answer on a second try. The total number of available points in this module's challenge section is 60.

Interactive Student Capture Sheets

The Unit 5 Interactive Student Capture Sheets contain prompts, reflection opportunities, graphic organizers, and more. They are provided in Google Slides and offer a way for students to capture their notes while progressing through each of the self-paced modules. Additionally, they can serve as a means of assessing student progress and comprehension. Below are the prompts included for this topic:

- Corresponding to the module's animation, Reasons People Save, students decide if they would rather save for an emergency fund or towards the purchase of a specific item and explain their answers. If your school has access to the Discovery Education platform, you can assign a version of this activity within Studio. (Slide 17)
- What are some of your own short- and long-term savings goals? (Slide 18)
- List the steps to creating a savings plan. (Slide 18)
- Describe these four strategies for finding money to save. (Slide 19)
  - Separate Your Money
  - Make Savings Automatic
  - Pay Yourself First
  - Earn Extra Income
- How much do experts recommend saving for each? (Slide 19)
  - Retirement
  - Emergency Savings
  - By Age 30
- Describe your thoughts on saving for each of the following purposes. Do you think it is important? When might you start saving for each? (Slide 20)
  - Emergency Savings
  - The Purchase of a Specific Item
  - Retirement
- Consider the learning objectives for this module. How do you feel about each one after completing it? (Slide 20)
  - I can explain the reasons why people save money.

- I am able to identify a personal savings goal and develop a plan to achieve it.
- I can give examples of ways people can find money to save.

Extending the Module

Once students complete the module, consider one or more of these extension activities:

- Use the Saving Made Easy Classroom Activity to guide students in researching and comparing apps that claim to help people to save more often.
- Challenge students to track their personal spending for a week or two using whatever method suits them best (pen and paper, notes on their phone, mobile app, spreadsheet, etc.). Once the time period has lapsed, invite them to identify any expenses that could have been avoided or decreased. Discuss the impact that spending has on one's ability to save.
- Invite students to research programs that encourage people to save, including tax benefits offered by the government for certain types of savings and matching programs offered by employers.
- Encourage students to discuss their options for opening a savings account with their family. The Individual and Family Savings Goals Family Connection can be used as a springboard for further conversations.
- For students with jobs, encourage them to investigate their options to make saving automatic through their employer. Invite them to ask if their direct deposit can be split between a checking account and a savings account.

Standards Correlation

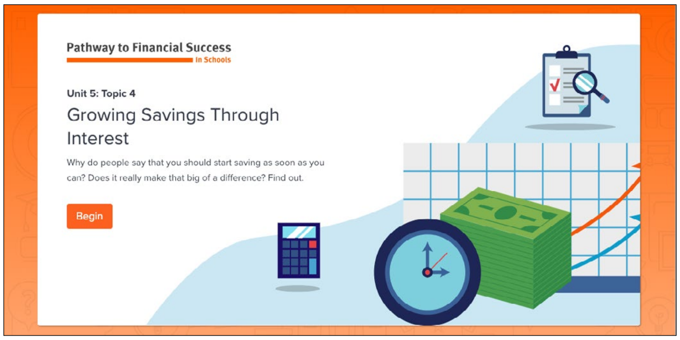
The following standards are addressed in this module.

National Standards for Personal Financial Education from the Council for Economic Education and Jump$tart Coalition for Personal Financial Literacy

- III. Saving 4-2 A savings plan is a plan for setting aside money to pay for a future need, goal, or emergency.
- III. Saving 4-3 People differ in their values and attitudes about saving.
- III. Saving 8-1 People save money for many different purposes, including large purchases such as cars and homes, education costs, retirement, and emergencies.
- III. Saving 8-2 Savings decisions depend on individual preferences and circumstances, and can impact personal satisfaction and financial well-being.
- III. Saving 12-9 There are many strategies that can help people manage psychological, emotional, and external obstacles to saving, including automated saving plans, employer matches, and avoiding personal triggers.

National Standards for Business Education from the National Business Education Association

- Personal Finance III.1.9 Construct and apply a personal spending/savings plan and evaluate it according to short- and long-term goals.
- Personal Finance IV.1.5 Describe the advantages and disadvantages of various savings and investing plans.
- Personal Finance IV.1.11 Explain why individuals should change their savings and investing plans throughout their life cycles.
- Personal Finance IV.1.17 Examine the role of saving and investing in creating a financial plan.



Topic 4
Growing Savings Through Interest

Launch the Module

Overview

Why is it so important to save money early? In this module, students learn how savings can grow through the power of compound interest. The module begins with students considering their lives 50 years in the future and learning that their early savings habits can make a big difference. Students meet two savers who took different approaches to saving and discover the impact that saving early can have. By comparing how much a person would need to save each month to have a million dollars in the future, students realize the difference that interest rates can have on savings. Students also discover the connection between higher risk and higher rates of return.

Key Learning Objectives

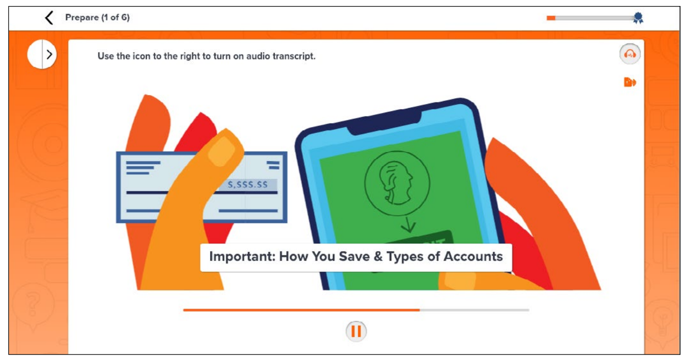
Students will be able to:

- explain what interest is and how it benefits savers.
- cite reasons young people should consider saving money at an early age.
- identify the relationship between risk and rates of return.

Setting the Stage

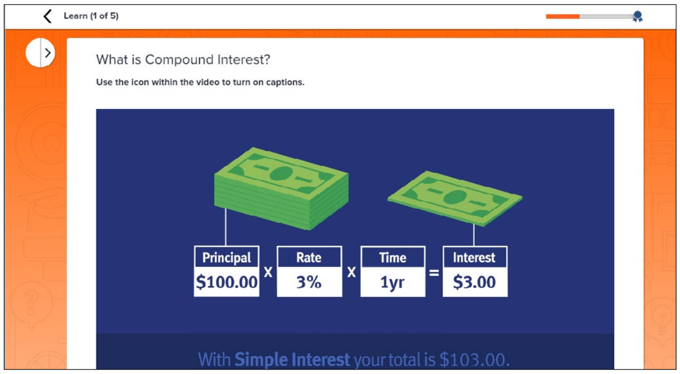
Before the module, engage students by discussing one or more of these questions:

- What have you saved money for in the past?
- What have you done with the money you have saved? Have you deposited in a savings account?
- Why do you think people save money in an account at a bank or credit union?

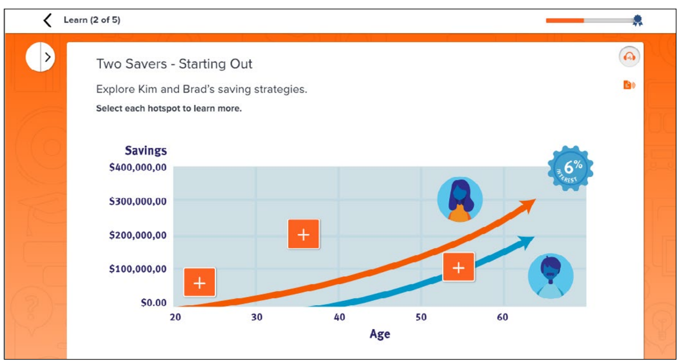


Section-by-Section Educator Tips

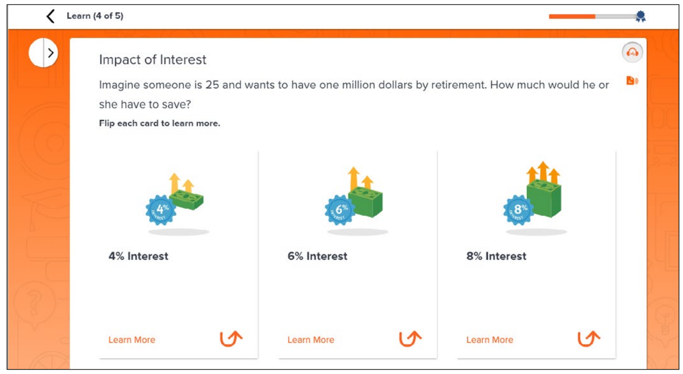
- **Prepare:**
  - **Setup:** The module begins by asking students to imagine themselves 50 years in the future. The purpose is to get students thinking about their future spending needs and how that connects with the importance of saving—especially at an early age. Ask students how they feel about saving money for something like retirement, which is so far in the future.
  - **Show What You Know:** The pre-test consists of three questions. Students have one opportunity to answer each question correctly. The correct answer is visible once an answer is submitted, and feedback is provided for both correct and incorrect answers. If using the module in a classroom setting, consider having students vote on answers or call on different students to provide ideas for each question before the students submit their answers.



- **Learn:**
  - **What is Compound Interest?:** Through a short video, students learn the difference between simple and compound interest. Ask students if they have ever calculated simple or compound interest in math class. Remind students that interest can be owed (such as on credit cards and loans) just like it can be earned through savings.



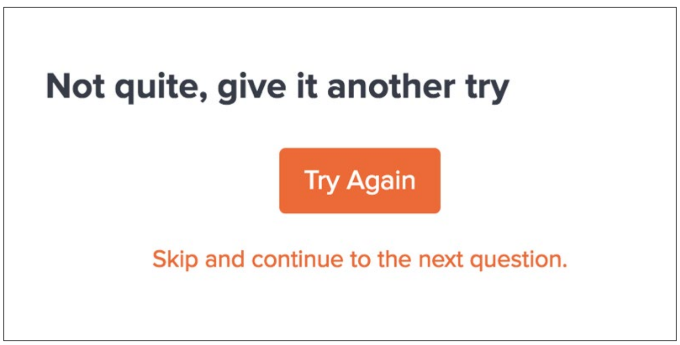
  - **Two Savers—Starting Out:** Students are presented with two savers, Kim and Brad. Kim begins saving at age 20 and adds $200 to her savings account each month for 15 years. Then she stops. Brad, on the other hand, waits to begin saving at age 35. He deposits $200 a month into his savings. Discuss reasons that some people start saving at an early age and others wait. Challenge students to consider why some people never save for retirement.



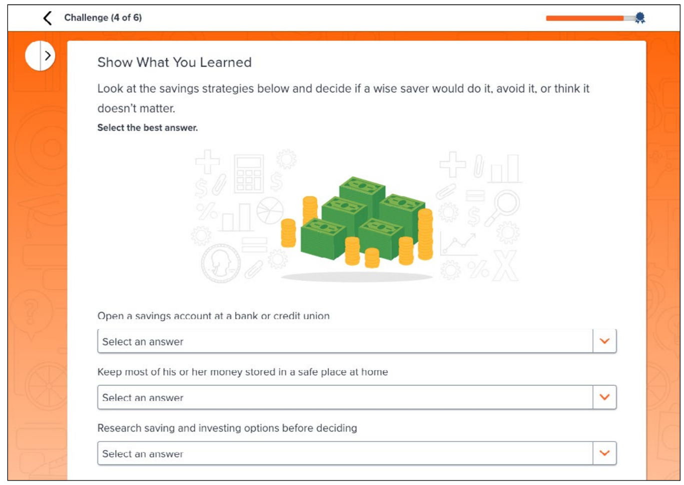
  - **Two Savers—At Retirement:** Students discover that while Kim deposited less money than Brad, she ended up with over $150,000 more than him at age 65. Because compound interest is earned on the principal and any interest that is earned, it pays to start saving as early as you possibly can. Consider pausing the module at this point to explore several other saving scenarios. In a different browser tab, use an online compound interest calculator such as this one from Bankrate. Invite students to offer scenarios for consideration. For example, what would happen if they began saving a certain amount each month now (at their current ages). What would the value be in 50 or 60 years?
  - **Impact of Interest:** In this section, students consider a person who is 25 and wants to have $1 million by age 65. By flipping cards, they discover how much they would need to save at four different interest rates to achieve the goal of $1 million. They learn that at 4% interest, they would need to save $9,174 per year compared to $1,682 at a rate of 10%. Ask students what they think they would need to do to earn a rate of 10% on the money they have saved.
  - **Taking a Risk:** Students explore various options for saving and investing beginning with low risk and low return options such as savings accounts and progressing to ones which involve more risk. Ask students if they are familiar with bonds and stocks. If not, remind students that a bond is a loan to a company or government while

a stock represents ownership in a company. Challenge students to identify what more they would want to know about an investment before choosing to take a risk with it.

- **Reflect:**
  - Following a short wrap up, students are asked to rank how strongly they agree or disagree with the following statement: I can explain the impact of compound interest on savings. Did more students agree with the statement after completing the module than before? If students still disagree at the end, ask them what they still need to know in order to agree with the statement.



- **Challenge:**
  - There are five post-module challenge questions. Students are encouraged to review the information in each section, if needed, before beginning the challenge.
  - Students will encounter a variety of question types including matching, multiple choice, classification, drop down, and fill-in-the-blank.



  - For each question, students have two opportunities to answer correctly. Full credit is given for correct answers on the first try. If students answer incorrectly, they are given an opportunity to try again or skip and continue to the next question. No additional points are given to students who either do not retry the question or retry the question and still answer incorrectly. Partial credit is given for students who correctly answer a portion of a multi-part question or who give the correct answer on a second try. The total number of available points in this module's post-test is 70.

Interactive Student Capture Sheets

The Unit 5 Interactive Student Capture Sheets contain prompts, reflection opportunities, graphic organizers, and more. They are provided in Google Slides and offer a way for students to capture their notes while progressing through each of the self-paced modules. Additionally, they can serve as a means of assessing student progress and comprehension. Below are the prompts included for this topic:

- Where do you view yourself in 50 years? (Slide 23)
- At what age do you hope to retire? (Slide 23)
- What age do you think you need to start saving in order to do that?
- What do you already know about compound interest (before this module)? (Slide 23)

- Corresponding to the module's animation, What is Compound Interest, students identify key ideas and details, list three vocabulary terms, and describe how the information in the video connects with what they already know about compound interest. If your school has access to the Discovery Education platform, you can assign a version of this activity within Studio. (Slide 24)
- Complete the table with information about Kim and Brad's approaches to saving. (Slide 25)
  - Age When Savings Began
  - Amount Saved Each Month
  - Amount Saved Each Year
  - Number of Years They Saved
  - Total Amount Saved
  - Interest Earned
  - Value of Savings at Age 65
- Summarize the differences between how Kim and Brad saved and the results for each. (Slide 25)
- If you set a retirement savings goal of $1 million at the age of 25, how much do you need to save to reach it based on each interest rate: 4%, 6%, 8%, and 10%? (Slide 26)
  - Per Day
  - Per Month
  - Per Year
- Describe the relationship between risk and rates of return. (Slide 26)
- How much risk is involved with saving or investing in each of these methods? (Slide 26)
  - Savings Accounts
  - Government Bonds
  - Stocks
- Would you rather take a small amount of risk and be likely to earn less on your savings or take more risk in the hope that your money will grow even more? Explain your rationale. (Slide 27)
- Consider the learning objectives for this module. How do you feel about each one after completing it? (Slide 27)
  - I can explain what interest is and how it benefits savers.
  - I am able to cite reasons young people should consider saving money at an early age.
  - I can identify the relationship between risk and rates of return.

Extending the Module

Once students complete the module, consider one or more of these extension activities:

- Invite students to use an app such as Aging Booth (Android, iOS) to age themselves and consider their "future selves." Let them know that research by professors at Stanford University has found that when people use technology to age themselves in photos they save at greater rates for the future than those who don't. Challenge students to consider why this might be.
- Challenge students to research the average age of retirement in the United States. Suggest that they explore both the retirement age for social security benefits as well as the predictions about the average age of retirement in the future.
- The interest rates and terms on savings can vary from one financial institution to another. Assign groups of students to investigate the rates offered at different financial institutions and make comparisons. In addition to the interest rate, be sure students find out how frequently the interest is compounded.
- Encourage students to interview friends or family members about their retirement savings. When did they start saving for retirement (if at all)? Do they wish they had done anything differently when they were younger when it comes to saving for the future?

Standards Correlation

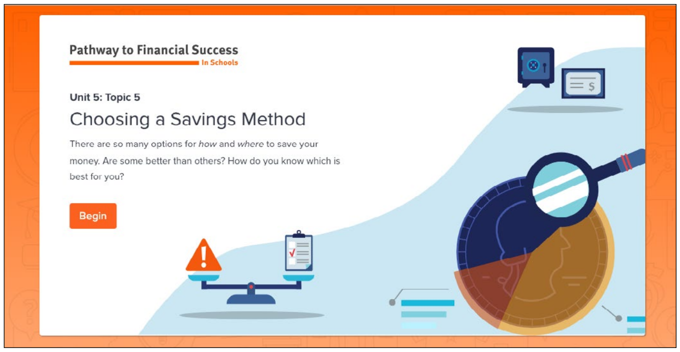
The following standards are addressed in this module.

National Standards for Personal Financial Education from the Council for Economic Education and Jump$tart Coalition for Personal Financial Literacy

- III. Saving 12-2 Deposit account interest rates and fees vary between financial institutions and depend on market conditions and competition.
- III. Saving 12-4 Inflation can erode the value of savings if the interest rate earned on a savings account is less than the inflation rate.
- IV. Investing 4-2 Low-interest savings accounts are commonly used for short-term financial goals and emergency funds because they are low risk. When saving for longer-term financial goals, people often invest in riskier assets to earn higher returns.
- IV. Investing 8-1 Investors in financial assets expect an increase in value over time (capital gain) and/or receipt of regular income, such as interest or dividends.
- IV. Investing 8-2 Common types of financial assets include certificates of deposit (CDs), stocks, bonds, mutual funds, and real estate.
- IV. Investing 8-3 Investors who buy corporate or government bonds are lending money to the issuer in exchange for regular interest payments.
- IV. Investing 8-4 Investors who buy corporate stock become part-owners of a business, benefit from potential increases in the value of their shares, and may receive dividend income.
- IV. Investing 8-6 Different types of investments expose investors to different degrees of risk.
- IV. Investing 8-7 The benefits of compounding for building wealth are greatest for people who invest regularly over longer periods of time.
- IV. Investing 12-1 A person's investment risk tolerance depends on factors such as personality, financial resources, investment experiences, and life circumstances.
- IV. Investing 12-3 Investors expect to earn higher rates of return when they invest in riskier assets.

National Standards for Business Education from the National Business Education Association

- Personal Finance IV.1.3 Differentiate between saving and investing.
- Personal Finance IV.1.4 Compare simple and compound interest.
- Personal Finance IV.1.5 Describe the advantages and disadvantages of various savings and investing plans.
- Personal Finance IV.1.7 Identify the risk/return trade-offs for saving and investing.
- Personal Finance IV.1.8 Analyze the power of compounding and the importance of starting early in implementing a plan of saving and investing.
- Personal Finance IV.1.9 Apply criteria for choosing a savings or investment instrument (e.g., market risk, inflation risk, interest rate risk, political risk, liquidity, and minimum amount needed for investment).
- Personal Finance IV.1.20 Contrast the impact of simple interest vs. compound interest on savings.



Topic 5
Choosing a Savings Method

[Launch the Module]

Overview

How do you keep your savings safe? What savings methods earn more interest? In this module, students learn about the different types of savings methods, including savings accounts, certificates of deposit, and money market accounts. The module begins with students considering how much risk they would consider taking with their money. Students learn that risk is just one of the factors to consider when choosing a savings method. Others include interest rate and the ability to easily withdraw money when needed. Students are also reminded that investing requires taking more risk with their money but can offer higher returns.

Key Learning Objectives

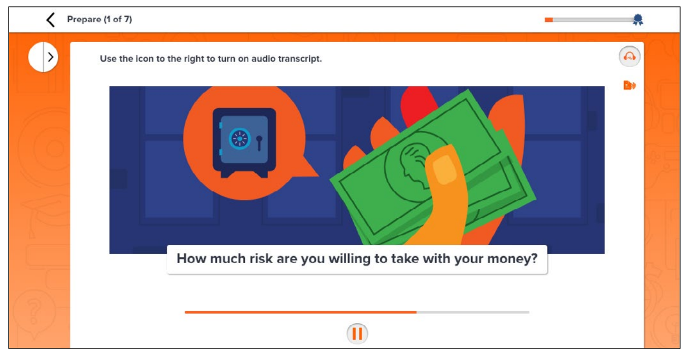
Students will be able to:

- explain the differences between various savings methods including savings accounts, certificates of deposit, and money market accounts.
- identify ways government agencies help to protect savers.
- list factors individuals should consider before choosing a savings method.

Setting the Stage

Before the module, engage students by discussing one or more of these questions:

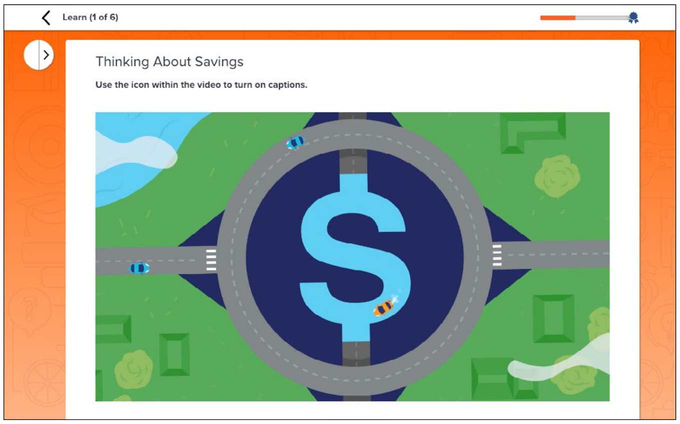
- Do you consider yourself to be a risk taker or someone who is more cautious?
- If you were going to save money to be used in a couple of years, what would you do with it? What would influence your decision about where to keep it?
- How familiar are you with stocks and other forms of investing?



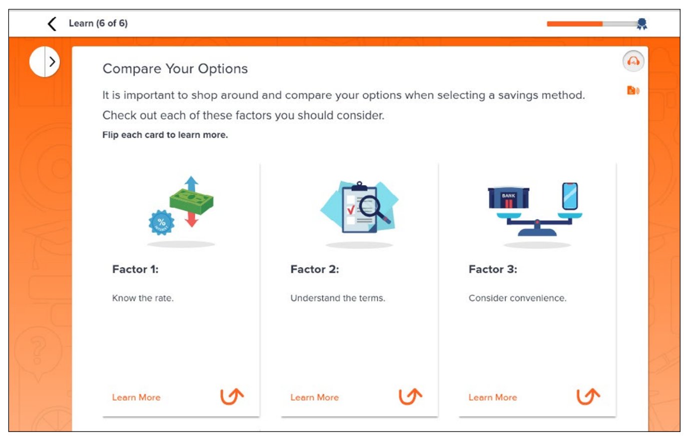
Section-by-Section Educator Tips

- **Prepare:**
  - **Setup:** The module begins with an introduction to factors a person should consider when deciding what to do with their money. One of those factors is risk. Challenge students to consider what might be meant by taking risks with a person's savings.
  - **How Much Risk?:** Students are presented with three statements that relate to risk. For each one, they determine how strongly they agree or disagree. Compare and discuss student responses.
  - **Show What You Know:** The pre-test consists of three questions. Students have one opportunity to answer each question correctly. The correct answer is visible once an answer is submitted, and feedback is provided for both correct and incorrect answers. If using the module in a classroom setting, consider having

students vote on answers or call on different students to provide ideas for each question before the students submit their answers.

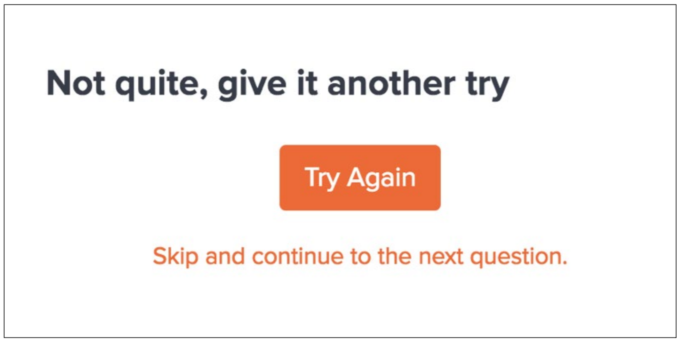


- **Learn:**
    - **Thinking about Savings:** Through an animated video, students learn about factors to consider when selecting a savings method, including how much time they plan to save and if they want their savings to grow through interest. They also learn about the Annual Percentage Yield (APY), fees, and minimum deposit requirements. The section concludes with a reminder to "Know your savings options." Invite students to share any new vocabulary they might have learned during the animation, such as APY (annual percentage yield) or minimum deposit. Discuss what these terms mean. Remind students that they are likely to encounter unfamiliar terms when dealing with new financial matters throughout life. Challenge them to consider how they will continue to learn new information when they need it.
    - **Ways to Save:** Students expand the page to learn more about savings accounts, money market accounts, and certificates of deposit. For each savings method, they review potential benefits and tradeoffs. Finally, they discover how these "safe" savings options vary from riskier investments. Ask students if they are familiar with each type of account. Discuss what circumstances might cause a person to select one savings method over another.
    - **Picking an Account:** Students review a scenario and select the savings method they would choose given the situation and options. Feedback is customized to the student's response. Discuss and compare student responses. Ask students to explain what weighed most heavily on their decision—the APY, minimum deposit requirements, purpose for saving, or another factor.
    - **Role of Government:** Students learn how the government's role in regulating financial institutions helps to keep the risk low for savers. Ask students to put into their own words the role each part of government plays: the legislative branch, FDIC and NCUA, and the Federal Reserve System.



    - **Compare Your Options:** Students flip a set of cards to explore four factors they should consider when deciding how or where to save their money. Discuss how students can access the information they would need to make an informed decision. Ask students if they have heard the phrase, "Always read something before you sign it." Ask them how this would apply in this situation.
- **Reflect:**
    - Following a short wrap up, students are asked to rank how strongly they agree or disagree with the following statement: I know the benefits and tradeoffs of different savings

methods. Did more students agree with the statement after completing the module than before? If students still disagree at the end, ask them what they still need to know in order to agree with the statement.



- **Challenge:**
    - There are five post-module challenge questions. Students are encouraged to review the information in each section, if needed, before beginning the challenge.
    - Students will encounter a variety of question types including classification, multiple choice, ordering and matching.
    - For each question, students have two opportunities to answer correctly. Full credit is given for correct answers on the first try. If students answer incorrectly, they are given an opportunity to try again or skip and continue to the next question. No additional points are given to students who either do not retry the question or retry the question and still answer incorrectly. Partial credit is given for students who correctly answer a portion of a multi-part question or who give the correct answer on a second try. The total number of available points in this module's post-test is 70.

Interactive Student Capture Sheets

The Unit 5 Interactive Student Capture Sheets contain prompts, reflection opportunities, graphic organizers, and more. They are provided in Google Slides and offer a way for students to capture their notes while progressing through each of the self-paced modules. Additionally, they can serve as a means of assessing student progress and comprehension. Below are the prompts included for this topic.

- Corresponding to the module's animation, Thinking About Savings, students identify information they believe to be positive, negative, and interesting about topics in the video. If your school has access to the Discovery Education platform, you can assign a version of this activity within Studio. (Slide 29)
- What does APY stand for and how is it used when comparing savings options? (Slide 30)
- What are some of the benefits and tradeoffs of each way to save? (Slide 30)
    - Savings Accounts
    - Money Market Accounts
    - Certificates of Deposit
    - Investments
- What role does each government entity play when it comes to saving or investing? (Slide 31)
    - Congress and State Legislatures
    - FDIC and NCUA
    - Federal Reserve System
- What should you know about each factor when selecting a savings method? (Slide 31)
    - Interest Rates
    - Terms
    - Convenience
- Why might you have more than one type of savings account or have accounts at more than one financial institution? (Slide 31)
- Describe what you learned in this module about the types of accounts available to savers, the benefits and tradeoffs of each option, and what to consider when selecting accounts. (Slide 32)

- Consider the learning objectives for this module. How do you feel about each one after completing it? (Slide 32)
  - I can explain the differences between various savings methods, including savings accounts, certificates of deposit, and money market accounts.
  - I am able to identify ways government agencies help to protect savers.
  - I can list factors you should consider before choosing a savings method.

Extending the Module

Once students complete the module, consider one or more of these extension activities:

- Interest rates and terms can vary widely from one financial institution to another and even between different account types at the same financial institution. Challenge students to investigate the terms of savings accounts with local or online banks or credit unions. A site such as Bankrate.com can be a useful starting point.
- Challenge students to write scenarios in which a person chooses to save their money using a given method. Direct students to explain how the person's situation influences their decision.
- Invite students to explore how the rates paid to savers have changed over the years for savings accounts, money market accounts, and certificates of deposit. The Federal Reserve Bank of St. Louis' FRED can serve as a source for this information. Encourage them to research the relationship between the interest rates for savers and borrowers.
- Introduce students to the principle of behavioral finance that people often make financial decisions that they know aren't best for them. Invite students to watch the TED Talk, 3 Psychological Tricks to Help You Save Money. Discuss whether or not they think the tips might help them or people they know.

Standards Correlation

The following standards are addressed in this module.

National Standards for Personal Financial Education from the Council for Economic Education and Jump$tart Coalition for Personal Financial Literacy

- III. Saving 8-6 Checking and saving deposit accounts in many financial institutions are insured up to certain limits by the federal government.
- III. Saving 12-1 Financial institutions offer several types of savings accounts, including regular savings, money market accounts, and certificates of deposit (CDs), that differ in minimum deposits, rates, and deposit insurance coverage.
- III. Saving 12-2 Deposit account interest rates and fees vary between financial institutions and depend on market conditions and competition.
- III. Saving 12-4 Inflation can erode the value of savings if the interest rate earned on a savings account is less than the inflation rate.
- III. Saving 12-5 Government agencies such as the Federal Reserve, the FDIC, and the NCUA, along with their counterparts in state government, supervise and regulate financial institutions to improve financial solvency, legal compliance, and consumer protection.
- IV. Investing 4-1 People invest their money so that it can grow over time and help them achieve their long-term financial goals.
- IV. Investing 4-2 Low-interest savings accounts are commonly used for short-term financial goals and emergency funds because they are low risk. When saving for longer-term financial goals, people often invest in riskier assets to earn higher returns.
- IV. Investing 8-2 Common types of financial assets include certificates of deposit (CDs), stocks, bonds, mutual funds, and real estate.
- IV. Investing 8-6 Different types of investments expose investors to different degrees of risk.
- IV. Investing 12-1 A person's investment risk tolerance depends on factors such as personality, financial resources, investment experiences, and life circumstances.

- IV. Investing 12-3 Investors expect to earn higher rates of return when they invest in riskier assets.

National Standards for Business Education from the National Business Education Association

- Personal Finance IV.1.3 Differentiate between saving and investing.
- Personal Finance IV.1.5 Describe the advantages and disadvantages of various savings and investing plans.
- Personal Finance IV.1.7 Identify the risk/return trade-offs for saving and investing.
- Personal Finance IV.1.9 Apply criteria for choosing a savings or investment instrument (e.g., market risk, inflation risk, interest rate risk, political risk, liquidity, and minimum amount needed for investment).
- Personal Finance VI.1.2 List the basic products and services provided by financial institutions (e.g., savings, checking, certificates of deposits, credit cards, loans, safe deposit boxes).
- Personal Finance VI.1.16 Identify the functions of the Federal Reserve System.

Classroom Activities

This unit includes two hands-on classroom activities. The first is in Topic 1: Deciding to Save Money, and the second is in Topic 3: Finding Money to Save. Below are brief descriptions of each activity, along with the learning objectives and the applicable national standards.

Topic 1
Spend Now or Spend Later?

Go to Activity

Overview

What will happen if you don't save money? What are the major reasons young people should save some of their money? Students will create timelines that represent their futures and consider how they will earn and spend money 5, 25, and 50 years from now. Using an online savings calculator, students will explore the impact of saving early and the importance of compound interest. To help encourage regular savings, students will be prompted to think about it as "spending in the future."

Learning Objectives

Students will:

- identify reasons that people save money.
- explain the benefits of starting to save at an early age.

Standards Correlation

National Standards for Personal Financial Education from the Council for Economic Education and Jump$tart Coalition for Personal Financial Literacy

- III. Saving 4-3 People differ in their values and attitudes about saving.
- III. Saving 8-1 People save money for many different purposes, including large purchases such as cars and homes, education costs, retirement, and emergencies.
- III. Saving 8-2 Savings decisions depend on individual preferences and circumstances, and can impact personal satisfaction and financial well-being.

National Standards for Business Education from the National Business Education Association

- Personal Finance III.1.10 Discuss reasons why income and spending patterns change throughout the life cycle for the typical person and family.
- Personal Finance IV.1.1 Describe motivations for saving and the means by which they save.
- Personal Finance IV.1.11 Explain why individuals should change their savings and investing plans throughout their life cycles.

Interactive Student Capture Sheets

The Unit 5 Interactive Student Capture Sheets include the **Future Spending Student Capture Sheet** from this activity.

Topic 3
Saving Made Easy

Go to Activity

Overview

How do you find money to save? How much money should you set aside for the future? After sharing how likely they would be to save any money they receive, students work in groups to research technology services that claim to help people save money more easily. Groups present their findings to the class and make comparisons between the services described.

Learning Objectives

Students will:

- identify their personal savings habits.
- evaluate apps designed to help people save money more easily.

Standards Correlation

National Standards for Personal Financial Education from the Council for Economic Education and Jump$tart Coalition for Personal Financial Literacy

- III. Saving 12-9 There are many strategies that can help people manage psychological, emotional, and external obstacles to saving, including automated saving plans, employer matches, and avoiding personal triggers.
- IV. Investing 12-10 Financial technology can counterbalance negative behavioral factors when making investment decisions.

National Standards for Business Education from the National Business Education Association

- Personal Finance IV.1.1 Describe motivations for saving and the means by which they save.
- Personal Finance IV.1.5 Describe the advantages and disadvantages of various savings and investing plans.

Interactive Student Capture Sheets

The Unit 5 Interactive Student Capture Sheets include the **Savings App Research Student Capture Sheet** from this activity.

Family Connection

A Family Connection accompanies each high school unit in the Pathway to Financial Success in Schools program. Each one features an overview of the unit along with conversation starters and activities the family can do to reinforce the unit's lessons. This unit's family connection is Individual and Family Savings Goals. It offers prompts related to setting savings goals and finding money to save. Families are encouraged to help their children establish savings goals, consider ways to earn money in order to save, and open savings accounts as a way to keep the money they save safe. Additional resources are also provided to further help parents and guardians.

Additional Units

This is the fifth of eight high school units in the Pathway to Financial Success in Schools program. Each one features self-paced modules, interactive student capture sheets, classroom activities, and a family connection. Consider opportunities to use these other resources in your unit or course. Please see the Pathway to Financial Success High School Educator Program Guide for additional program details.

High School Program-at-a-Glance

Educator Unit Guide	Interactive Student Capture Sheets	Family Connection	Self-Paced Module	Classroom Activity

Unit 1: Being Financially Responsible

1.1 Imagining Your Financial Future	1.2 Setting SMART Financial Goals	1.3 Examining Money Habits	1.4 Budgeting for Success	1.5 Spending Wisely

Unit 2: Using Financial Services

2.1 Understanding Financial Institutions	2.2 Deciding Where and How to Bank	2.3 Opening New Accounts	2.4 Using Mobile Banking	2.5 Making Everyday Purchases

Unit 3: Financing Your Future

3.1 Exploring Earning Potential	3.2 Weighing Your Career Options	3.3 Choosing Your Path after High School	3.4 Financing Higher Education	3.5 Understanding Education Financing Options

Unit 4: Getting Paid

4.1 Preparing for Work	4.2 Calculating Different Types of Pay	4.3 Comparing Job Offers	4.4 Paying Taxes	4.5 Creating Your Own Job

Unit 5: Paying Yourself First

5.1 Deciding to Save Money	**5.2 Setting Savings Goals**	**5.3 Finding Money to Save**	**5.4 Growing Savings Through Interest**	**5.5 Choosing a Savings Method**

Unit 6: Using Credit Wisely

6.1 Understanding Credit	6.2 Deciding When to Use Credit	6.3 Checking Your Credit Report	6.4 Improving Your Credit Score	6.5 Managing Debt

Unit 7: Making Major Financial Decisions

7.1 Paying for a Vehicle	7.2 Renting or Buying a Home	7.3 Understanding Insurance	7.4 Choosing an Insurance Plan	7.5 Understanding Your Consumer Rights

Unit 8: Growing and Protecting Your Finances

8.1 Understanding Investing Options	8.2 Building a Diversified Portfolio	8.3 Making Charitable Donations	8.4 Avoiding Financial Fraud	8.5 Getting Help with Financial Decisions

Key Terms

Annual Percentage Yield
The effective annual rate of return taking into account the effect of compounding interest; also known as the APY

Bonds
A loan given to a corporation or government in exchange for an agreed-upon payment of interest

Certificate of Deposit
A certificate issued by a bank to a person depositing money for a specified length of time and interest rate

Compound interest
Interest that is earned or paid on both the principal and previously earned interest

Emergency savings
Money that is saved for unexpected costs in the future; also known as "saving for a rainy day"

FDIC
A government agency that regulates banks and insures money deposited in regulated institutions; stands for Federal Deposit Insurance Corporation

Inflation
A general increase in the price of goods and services

Interest
Money paid at a specified rate for money that is borrowed, deposited in a bank, or owed to a lender

Interest rate
The amount of interest being paid or charged; generally expressed as a percent

IRA
Traditional and Roth IRA accounts offer specific tax advantages for individuals saving for retirement

NCUA
A government agency that regulates credit unions and insures money deposited in regulated institutions; stands for National Credit Union Administration

Opportunity cost
The next best thing that is given up when a choice is made

Principal
A sum of money originally invested or borrowed

Real return
The real return on a financial asset is lower than its nominal return because of inflation

Rule of 72
A simplified formula in which 72 is divided by the expected rate of return to give the number of years it will take an amount of money to double

Savings account
An account with a financial institution that typically pays interest in exchange for limited withdrawals and a minimum account balance

Savings goal
The reason a person saves

Savings plan
A plan used to reach a savings goal; involves determining the cost of the savings goal and how much time the person has to save

Simple interest
Interest that is earned or paid on the principal only; calculated using the formula $I = prt$

Stock
An ownership share in a company that you can sell later