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|  | **Full Year Course****2.1 Saving Basics**Student Activity PacketUNIT: SAVING |

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### Name:

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| In this lesson, you will learn to:  * Explain how saving is linked to overall wealth * Describe how saving and investing are different * Understand fundamentals of saving such as reasons for saving, how much to save, and strategies to enable saving * Acknowledge the role of delayed gratification in saving |

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| **RESOURCES** | QUESTIONS |
| |  |  | | --- | --- | | **1** | [**Discussion Prompts**](https://docs.google.com/presentation/d/1CfD2Vaj6epRQaYkU5d0Pd1rDYY79Lziu5X5IhlIGqW4/edit?usp=sharing)  Discuss this question with your classmates or with a partner. | | *Estimated time: 5 mins*  Have you or your family ever saved money for something?   1. What were you saving for? 2. What strategy(ies) did you use to save? |
| |  |  | | --- | --- | | **2** | [**What is Wealth?**](https://drive.google.com/file/d/0Bwiv_vu1yOHcal9URlA3TDh4elU/view?usp=sharing&resourcekey=0-2L4AbKJcxkBKrEGGUwz3Vg)  Watch this brief video on wealth. | | *Estimated time: 5 mins*  Your friends and you notice a classmate who always has brand new clothes, shoes, and electronics.   1. What would you need to know in order to tell if this classmate’s family is actually wealthy? 2. How are wealth and savings related?   As you move forward with the rest of the lesson, keep in mind how improving your saving habits impacts your overall wealth. |
| |  |  | | --- | --- | | **3** | [**The Difference Between Saving & Investing**](https://youtu.be/LsDKT7P_iws)  Watch this video and use what you’ve learned to answer the questions that follow. | | *Estimated time: 6 mins*   1. Determine whether each action is an example of saving or investing:    1. Putting $20 per paycheck into an account to help pay for books during college    2. Contributing 3% of your paycheck to a RRSP plan offered through your job    3. Buying shares of stock in your favourite clothing company    4. Giving your cousin $5000 to help start his business, in exchange for 5% of his monthly profits    5. Depositing your annual income tax return into an account until you have enough to buy a car 2. Your friend recently got a pay raise and plans on putting more money into his savings account. You know that he does not have any investments and advise him to open a 401k instead. He doesn't understand why he should do so. What do you tell him? |
| |  |  | | --- | --- | | **4** | [**Learn the Most Important Reasons to Save Money**](https://www.thebalance.com/learn-the-most-important-reasons-to-save-money-2386123)  Read this article that gives 7 reasons for why you should consider saving money. Then answer the questions. | | *Estimated time: 10 mins*   1. Which of these types of saving are you already doing? 2. Which of these 7 reasons to save is NOT really an example of **saving**, but rather of **investing**? |
| |  |  | | --- | --- | | **5** | [**How Much Should I Save? Kal Penn Explains**](https://youtu.be/u-gFLH3Epb0)  Watch this video on how much to save, which also gives some examples of what to save for. Then answer the questions. | | *Estimated time: 6 mins*   1. How much does Kal Penn recommend you save? 2. Why does it make sense to start investing *right now?* 3. The previous article and this video have three points of overlap -- retirement, emergency fund, and education. Why do you think it’s SO important to save in these 3 categories? |
| |  |  | | --- | --- | | **6** | [**DATA CRUNCH: How “Financially Prepared” Are Americans?**](https://drive.google.com/open?id=1HbmnZvRPdXkFqCT_1yh4oQfC4DzKo9ykQuUULojo-8Y)  Follow the directions to complete this worksheet. Then answer the questions. | | *Estimated time: 15 mins*   1. Based on the two graphs shown, do you think most Americans are saving the recommended 20% per paycheck? Why or why not? |
| |  |  | | --- | --- | | **7** | [**5 Simple Saving Tricks**](https://docs.google.com/document/d/1qN0dt2RrtqF-SWb7nfKQxrXoA3bLBBT2sIpMYUUshXQ/preview)  Read this article. Then answer the questions. | | *Estimated time: 8 mins*   1. Which of the 5 tricks are you already doing? 2. Which of the 5 tricks would be MOST difficult for you to implement? Why? |
| |  |  | | --- | --- | | **8** | [**Savings Calculator**](https://www.nerdwallet.com/article/banking/savings-calculator)  Use the savings calculator provided to fill in the chart. | | *Estimated time: 7 mins*  You earn $100 per month and want to save 10% in a savings account.   1. How much will your monthly contribution be? Enter your response in the chart. 2. Use the savings calculator to find out how much your total savings would be in 1 year if your account has an annual interest rate of 1%. What would your total savings be in 5 years? 3. You decide to increase your savings to 20%. Fill in the 2nd column.  |  |  |  | | --- | --- | --- | |  | **Save 10%** | **Save 20%** | | **Monthly contribution** |  |  | | **1 year total** |  |  | | **5 year total** |  |  |  1. Based on what you know about saving and investing, would the totals be the same if you had *invested* the money, instead of saving it? Why or why not? |
| |  |  | | --- | --- | | **9** | [**Don’t Eat the Marshmallow**](http://www.ted.com/talks/joachim_de_posada_says_don_t_eat_the_marshmallow_yet)  Watch this video about a famous psychology study often referred to as the "Marshmallows Study". Then answer the questions. | | *Estimated time: 8 mins*   1. When you were four, would you have eaten the marshmallow? 2. Reflect on a moment when you were very tempted to spend money on something. Did you end up spending the money? 3. Why is it sometimes SO hard to resist? |
| |  |  | | --- | --- | | **10** | **Exit Ticket**  Follow your teacher’s directions to complete the Exit Ticket. | | *Estimated time: 5 mins* |