



Grades 9-12

Lesson 4

SAVING FOR SPECIAL PURPOSES

Rationale: This lesson is intended for high school students in ninth through twelfth grades during a forty minute time period. The lesson teaches students the concept of saving money for special purposes using a budget. The activities rely on a variety of interactive and visual formats designed to be interesting and fun.

Lesson Objectives: Students will be able to:

- Budget for special purposes.
- Identify monthly income.
- Identify monthly expenses.
- Calculate simple interest.
- Plan a monthly budget.

Materials:

- Resource File: Blank Budget (1 copy per student)
- Classified section (automobile sales) of a newspaper (1 copy per every 3 students)

**Materials not attached to this file may be found in a separate resource file.*

Setting the Stage:

Background Builder #1: Review with students the key points of the previous lesson on budgeting. Make certain that students understand the difference between income and expenses. Ask the students to identify things they would like to have. Guide them toward things like CD Players, in-line skates, a laptop computer, etc. These are items that require saving money.

State the Objective: tell the students what they will be able to do upon conclusion of the lesson.

“At the end of this lesson, you will understand the purpose of budgeting and be able to create your own so that you will be able to save for a special purpose.”

The Lesson Procedure:

Budgeting is the process of making your needs and wants fit with the money you have. It can be difficult at times, but it is the key to making sure you have your money under control.

Distribute Budget Worksheets to students. First, ask students to list monthly income. Second, ask students to list monthly expenses. Finally, have students calculate the monthly total (income – expenses = total).

At this time distribute automobile classifieds. Ask students to select an automobile that they would really like to have, new or used. Saving for special purposes requires planning. It is important to plan your strategy of how you will save the necessary funds to pay for the item or service you have selected.

Students should determine how much money they can save each month toward their new car. Remind students that by depositing the money in an interest bearing savings account their money will grow.

TD Bank, like other banks, allows you to store your savings with us. A bank is the safest place to keep your money, and because we want you to let us protect your money, we give you a thank you gift that we call interest. Interest is money that you earn just by having money in a savings account. It is a percent of the total amount of money that you keep with us. The interest rate and the length of time determine the amount of interest that you leave your money in the bank.

(PLEASE WRITE THIS OUT VERY CLEARLY ON THE CHALKBOARD. KEEP ALL PERCENTS AS DECIMAL AMOUNTS SINCE STUDENTS WILL CALCULATE INTEREST USING THE DECIMAL CONVERSION.) For example, if you save \$100 for one year in an account with a 5% interest rate (write 0.05 on the board) you would have earned \$5.00 for free as a thank you from the bank. Model how you arrived at this answer via the chalkboard and by using the calculator for computation.

At this time students should determine how much time they will need to save the necessary funds for their new car. Have students share their budgets and savings plans in groups of 3-4. Groups should then be given a chance to share with the class.

Closing the Lesson:

Ask students describe how a budget can help them meet their goals of saving for a special purpose that in this case is a car. Additionally, elicit from students that saving money in the bank is not only safe but also profitable because they will earn interest. See the suggestion page for “Ways to End and Review Lessons”, for additional ideas.

National Council of Teachers of Mathematics Principles and Standards for School Mathematics, 2000.

Number and Operations – (Students will) Understand meanings of operations and how they relate to one another.

Number and Operations – (Students will) Compute fluently and make reasonable estimates.

Algebra – (Students will) Understand patterns, relations, and functions.

Problem Solving – (Students will) Build new mathematical knowledge through problem solving.

Communication – (Students will) Use the language of mathematics to express mathematical ideas precisely.

Connections – (Students will) Recognize and use connections among mathematical ideas.

Representation – (Students will) Create and use representations to organize, record, and communicate mathematical ideas.

Ways to End and Review Lessons

Beach Ball Toss: Write end of lesson review questions on a beach ball. When it's tossed the individual who catches it must read and answer the question written under their right thumb.

Sample Questions:

- What are some expenses you may have currently?
- What types of earnings do you gather?
- Define interest.

Interview: In pairs of two, students interview one another with regard to lesson content. When both pupils have had ample time to interview, they must summarize the partner's feedback in either written report or oral format

Sample Questions:

- What item would you be willing to save money for in order to make the purchase?
- Where do you expect to get the money you'll save?
- How much spending money will be available?
- Are there items you'll need to forego in order to save enough money?
- How long will it take you to save enough money for the item you desire?

Quiz the Teacher: Students have the opportunity to flip roles and ask the teacher the questions typically asked of them. Questions need to be generated by each student.

Storyboard/Stretch to Sketch: Have students write and illustrate a storyboard. A piece of paper is folded into six or eight squares, which are filled with a picture and caption for each square. The story should be an example of how saving could be useful in each student's life.

Creative Writing: Develop any of the following items that demonstrate knowledge of lesson content: Advertisement/Brochure/Riddles. Focus on any new piece of information learned. This will differ from one student to another.