



Strategies to Save
Student Activity Packet
UNIT: BANKING

Name:

Students will be able to:

- Identify various rules of thumb and strategies to save money
- Brainstorm short, medium and long-term savings goals
- Explain what an emergency fund is for and how much to save up

NOTE: Vocabulary for this unit can be found in the [NGPF Personal Finance Dictionary](#)



INTRO

ACTIVITY: CREATE: Your Savings Goals

Follow the directions on the worksheet to complete Part I of this activity.



LEARN IT

VIDEO: How Much Should I Save?

After you establish your savings goals, it's time to start saving! What's a reasonable amount to save from your paycheck? Watch this video on general guidelines for how much to save. Then, answer the questions.

- 1. How much does the video recommend you save?**
- 2. What categories encompass the portion of your paycheck that is designated for saving?**
- 3. Why does it make sense to start saving or investing right now?**

INFOGRAPHIC: [50/30/20 Infographic](#)

ARTICLE: [Your Guide To The 50/30/20 Budgeting Rule](#)

The 50/30/20 budgeting rule is a well known rule of thumb and considered easy to follow. Use the infographic and article to answer the questions.

1. **True or False: When calculating the percentages for each budget category, you should use your pre-tax income.**
2. **Fill in some examples of items that would fit into each budget category.**

50% Needs	
30% Wants	
20% Savings	

3. **When might the 50/30/20 rule not be the best saving strategy to use?**
-

EDPUZZLE: [Pay Yourself First](#)

Automating your saving can make it even easier for you to save! Watch this video and follow your teacher's directions to answer the questions either in your student activity packet or within the EdPuzzle itself.

NOTE: EdPuzzle videos shuffle answer choices and do not always match the order provided in the lesson here.

1. Which strategy will help you save the most money?

- a. Wait until the end of the month and add any money that you have not spent to your savings account.
- b. On the last day of each month, deposit a fixed \$10 to your savings account.
- c. As soon as you receive your paycheck, put a fixed amount or percentage of your money directly into your savings.
- d. Wait to deposit into your savings account only when you have a large lump sum of money.

2. What is the benefit of automating your savings account contributions?

- a. You can change the amount you deposit each month.
- b. The fees are relatively small to enroll in this service.
- c. Your money will be transferred automatically and guarantees you will be contributing to your savings.
- d. Your employer will contribute additional money to your savings account if you enroll in this service.

3. What does it mean to "pay yourself first"?

- a. Deposit money into your savings account before spending on anything else.
- b. Purchase an item you want before something you need.
- c. Pay all of your mandatory expenses before paying for optional expenses.
- d. Obtain an additional job to supplement your income.

4. (Not in EdPuzzle) Why might some people still prefer *manually* saving their money (e.g. manually transfer or deposit money into their savings account)?

VIDEO: [3 Things You Need to Know about an Emergency Fund](#)

Another core saving strategy is to build an emergency fund for yourself. Watch this video to learn how much you should save for your emergency fund and when to use it. Then answer the questions.

1. Why do you think it is recommended that you save 3-6 months of expenses in your emergency fund?

2. Why might it be better to keep your emergency fund money in a separate account?

3. Which of these is the best reason to tap into your emergency fund?:

- Pay your cell phone bill
- Buy books for college
- Pay \$500 deductible after a car accident

Explain why you made your choice.

4. You want to start building an emergency fund. What is one challenge you anticipate that could get in the way? What is a possible solution?



DO IT

ACTIVITY: CREATE: Your Savings Goals

Now that you've learned about different strategies to save, we can look back at your Savings goals from the Intro. Follow the directions on the worksheet to complete Part II of this activity.



EXIT TICKET

Follow your teacher's directions to complete the Exit Ticket.