

Storing my savings

Students read descriptions of common places to store their money and weigh the benefits and risks of each to decide which one(s) fits their financial goals.

Learning goals

Big idea

You need a secure place to store your money.

Essential questions

- What are some benefits and risks related to storing your savings?
- What option(s) for storing your savings works for you now?

Objectives

- Understand different options to store your savings
- Compare and contrast different options to store savings, including tools offered by banks and credit unions

NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

KEY INFORMATION

Building block:

 Financial habits and norms

 Financial knowledge and decision-making skills

Grade level: High school (9-12)

Age range: 13-19

Topic: Save and invest (Banking options, Choosing how to save, Investing)

School subject: CTE (Career and technical education), Social studies or history

Teaching strategy: Cooperative learning, Project-based learning

Bloom's Taxonomy level: Analyze

Activity duration: 75-90 minutes

National Standards for Personal Financial Education, 2021

Saving: 12-1, 12-2, 12-4, 12-5

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

What students will do

- Review the “Options for storing your savings” handout to learn about the benefits and risks of different savings options.
- Use the “Storing my savings” worksheet to write down questions they have about each of the savings options.
- Explain why each savings option may or may not be right for them.

Preparing for this activity

Print copies of all student materials for each student, or prepare for students to access them electronically.

What you'll need

THIS TEACHER GUIDE

- **Storing my savings (guide)**
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STUDENT MATERIALS

- **Storing my savings (worksheet)**
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- **Options for storing your savings (handout)**
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Exploring key financial concepts

There are many different places to store your savings, and each one has specific benefits and risks. Many people select secure accounts offered by insured financial institutions that allow you to store savings. These include checking accounts (called share draft accounts at a credit union), savings accounts (called share savings accounts at a credit union), money market deposit accounts, and certificates of deposit.

When choosing an option to store your savings, consider how secure it is, what costs are associated with keeping your money

TIP

Because financial products, terms, and laws change, students should be encouraged to always look for the most up-to-date information.

there, and how easy it is to access and use your money. For example, choosing to store your savings at home means you will not be charged a fee to use it. However, you live with the risk of theft, fire, or floods. Plus, that money earns no interest.

Storing your savings in a bank or credit union offers some protection against these types of threats and could even earn you interest. In addition, almost all deposits at banks and credit unions are insured for up to \$250,000 by two federal agencies. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits.

The National Credit Union Administration insures credit union deposits. This means that if your bank or credit union fails or goes out of business, the federal government will cover any loss of your deposits up to \$250,000.

Teaching this activity

Whole-class introduction

- Ask students if anyone has a favorite piggy bank, glass jar, or other container they use to store their savings. Call on a few students to share their at-home savings solutions.
- Have students turn and talk with a partner about the benefits and risks of some of the options discussed.
- Bring the group together to share their thinking. Expand the conversation by inviting students to talk about times when they were successful or unsuccessful saving money at home and if they had other roadblocks in their progress toward a savings goal.
- Distribute the “Storing my savings” worksheet and “Options for storing your savings” handout, and explain that this activity will help them compare and contrast the benefits and risks of different options for storing their money.
- Be sure students understand key vocabulary:
 - **Bank:** A financial institution and business that accepts deposits, makes loans, and handles other financial transactions.
 - **Benefit:** An advantage; something that is good.
 - **Credit union:** A cooperative financial institution that is chartered by the National Credit Union Administration (a federal independent agency) or a state government and is owned by its individual members.

TIP

Visit CFPB's financial education glossary at consumerfinance.gov/financial-education-glossary/.

- **Depository institution:** A financial institution like a bank or credit union that is authorized to accept checking and saving deposits.
- **Emergency fund:** A cash reserve that's specifically set aside for unplanned expenses or financial emergencies. Some common examples include car repairs, home repairs, medical bills, or a loss of income.
- **Liquidity:** A measure of the ability and ease with which you can access and use your money.
- **Risk:** Exposure to danger, harm, or loss.
- **Savings:** Money you have set aside in a secure place, such as in a bank account, that you can use for future emergencies or to make specific purchases.
- **Savings account:** An account at a bank (sometimes called a share savings account at a credit union) used to set aside money and that pays you interest.

Individual or group work

- Instruct students to work individually or in pairs to review the worksheet and compare and contrast the benefits and risks of each option for storing savings.
- Even if students work collaboratively, they should complete their worksheet individually.
- For each savings option, students should record at least one question they could ask about the option, determine whether it might fit their needs, and explain their answer.

Wrap-up

- Bring students together to review and answer one another's questions.
- Be sure that you thoroughly explain the options for storing savings that students are unfamiliar with so they can deepen their understanding of financial products.
- If time allows, give students five minutes at the end of class to complete an exit ticket using the following prompt:
 - In the next two years, I can see myself using several options to store my savings.
 - These include _____ and _____ because...
 - I will most likely not use _____ because...

Suggested next steps

Consider searching for other CFPB activities that address the topics of saving and investing, including banking options, choosing how to save, or investing. Suggested activities include "Setting a SMART savings goal" and "Saving each payday".

Measuring student learning

Students' answers on their worksheets and during discussion can give you a sense of their understanding. **Keep in mind that students' answers may vary, as there may not be only one right answer.** The important thing is for students to have reasonable justification for their answers.