

# Saving for now and later

Students learn about the importance of saving, explore the difference between short-term and long-term goals, and then set their own savings goals.

## Learning goals

### Big idea

Some things take a long time to save for, while others take a shorter amount of time.

### Essential questions

- What's the difference between long-term and short-term goals?
- How can a savings goal help us save money?

### Objectives

- Understand the difference between long-term and short-term goals
- Create personal long-term and short-term goals

### 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:

-  Executive function
-  Financial habits and norms
-  Financial knowledge and decision-making skills

**Grade level:** Elementary school (2-3, 4-5)

**Age range:** 7-9, 9-11

**Topic:** Save and invest (Saving for long-term goals, Saving for short-term goals)

**School subject:** English or language arts, Math

**Teaching strategy:** Direct instruction, Simulation

**Bloom's Taxonomy level:** Understand, Apply

**Activity duration:** 45-60 minutes

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### National Standards for Personal Financial Education, 2021

Spending: 4-1, 4-3, 8-1

Saving: 4-1, 4-2, 4-3, 8-1, 8-2

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

- Discuss the difference between long-term and short-term goals.
- Review pictures of items to buy and sort them into long-term and short-term goals.
- Write personal long-term and short-term savings goals.

## Preparing for this activity

- While it's not necessary, completing the "Starting small and saving up" activity first may make this one more meaningful.
- Print copies of all student materials for each student.
- Print a single-sided copy of the "Short-term and long-term savings cards" page in this guide for each group of students.
  - Cut into individual cards so each group has a deck.

### What you'll need

#### THIS TEACHER GUIDE

- Saving for now and later (guide)  
[cfpb\\_building\\_block\\_activities\\_saving-now-later\\_guide.pdf](#)

#### STUDENT MATERIALS

- Saving for now and later (worksheet)  
[cfpb\\_building\\_block\\_activities\\_saving-now-later\\_worksheet.pdf](#)
- Short-term and long-term savings cards (in this guide)

## Exploring key financial concepts

What do you want for yourself in the near future? What do you want 10 years from now? Many of the things we want in life cost money. Having a goal for what we want can help us save money to reach that goal. Some savings goals, like buying a new game or book, might take only a few weeks to reach. These are short-term goals. Other things we want in life may take us longer to save for, like a car. These are long-term goals. Setting short-term and long-term goals can make you more motivated to save money.

#### TIP

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

# Teaching this activity

## Whole-class introduction

- Ask students to share their ideas about saving money.
  - Why do they think it's important to save money? What kinds of things do people save money for?
  - Be sure they talk about how long it takes to save for something, which is often related to the item's cost and how much someone earns.
- Explain that having a plan helps us save for something we want, or a savings goal.
  - A plan may help us keep track of how much we want to save each week or month and how long it'll take us to meet our goals.
- Be sure students understand key vocabulary:
  - **Earn:** To receive money in exchange for goods or services.
  - **Goal:** Something, such as an outcome, you wish to achieve or accomplish in a specific amount of time.
  - **Long-term goal\***: Something you want to achieve in the future, such as in one year, five years, 10 years, or more.
  - **Money:** You can use money to buy goods and services. Money looks different in different places around the world.
  - **Save:** Setting something, like money, aside to use in the future.
  - **Savings goal:** The amount of money you plan to put aside for a specific purpose.
  - **Short-term goal\***: Something you want to achieve soon, such as in two weeks or a few months.
  - **Spend:** The act of using money to buy goods or services.

### TIP

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Visit CFPB's financial education glossary at [consumerfinance.gov/financial-education-glossary/](https://consumerfinance.gov/financial-education-glossary/).

\* These definitions are from the Federal Deposit Insurance Corporation (FDIC) and differ from the published CFPB financial literacy glossary. They're included here because they're more age-appropriate.

## Individual work

- Divide students into small groups.
- Give each group a set of the "Short-term and long-term savings cards."

- Tell students to work together to sort the cards into two piles.
  - One pile should be for short-term goals, which may take a few weeks or months to save for.
  - The other pile should be for long-term goals, which may take a year or more to save for.
  - Explain to the students that there are no right or wrong answers for sorting the cards.
    - The important thing is for them to talk with their groups about why they think something is a long- or short-term goal.
- Distribute the “Saving for now and later” worksheet to each student.
- Students will complete the worksheet independently.
- Tell students that they’ll pick one long-term goal and one short-term goal from the piles they made.
  - For each goal, they’ll create a plan for saving on the worksheet.
- Guide students through the worksheet’s initial steps and introduce them to the example to be sure they understand what to do.
- After completing their plans, students will answer the reflection questions.

## Wrap-up

- Bring students back together.
- Ask volunteers to share some of their choices.
- Ask them to share how they decided if something was a short-term goal or a long-term goal.
- Ask students to discuss how they may achieve their goals faster.
  - Be sure students begin to understand that they can meet their goals faster if they can save more money and save more frequently.
- Ask volunteers to share their answers to the reflection questions.

## Suggested next steps

Consider searching for other CFPB activities that address the topic of saving, including saving for long-term goals and saving for short-term goals. Suggested activities include “[Creating a song about saving](#)” and “[Experimenting with saving](#).”

## 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.

# Short-term and long-term savings cards

Print enough copies of this sheet single-sided for each group to have one set of cards.  
Cut the cards out on the dotted lines.



**Guitar**  
\$100



**School mascot  
T-shirt**  
\$14



**Soccer ball**  
\$25



**Movie tickets**  
\$15



**Book**  
\$12



**Backpack**  
\$30



**Bicycle**  
\$130



**Computer**  
\$300



**Amusement  
park tickets**  
\$80



**Video game  
System**  
\$250