

# Creating a savings first aid kit

Students learn the importance of developing an emergency savings fund to deal with unexpected challenges and unplanned expenses.

## Learning goals

### Big idea

Planning ahead for unexpected events makes it easier to face financial challenges.

### Essential questions

- How can I prepare myself financially for unexpected events?
- How can I start to build an emergency savings fund?

### Objectives

- Determine what a financial emergency looks and feels like
- Make an action plan to save money for an emergency fund

### 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

**Grade level:** Middle school (6-8), High school (9-12)

**Age range:** 11-14, 13-19

**Topic:** Save and invest (Banking options, Building emergency savings, Choosing how to save, Saving for long-term goals, Saving for short-term goals)

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

**Teaching strategy:** Personalized instruction, Project-based learning

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

**Activity duration:** 45-60 minutes

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### National Standards for Personal Financial Education, 2021

Saving: 8-1, 8-2, 12-9

Spending: 8-1, 12-1, 12-9

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

- Use the “Creating a savings first aid kit” worksheet to figure out what a financial emergency looks and feels like.
- Create a plan for building an emergency savings fund.

## Preparing for this activity

- While it’s not necessary, completing the “[Storing my savings](#)” activity first may make this one more meaningful.
- Print copies of all student materials for each student, or prepare for students to access them electronically.
- To support Spanish-speaking students, there is a Spanish version of this activity.
  - You can use just the worksheet available at [https://files.consumerfinance.gov/f/documents/cfpb\\_building\\_block\\_activities\\_como-crear-un-kit-de-ahorro\\_tabla.pdf](https://files.consumerfinance.gov/f/documents/cfpb_building_block_activities_como-crear-un-kit-de-ahorro_tabla.pdf).
  - A Spanish version of the guide is available at [https://files.consumerfinance.gov/f/documents/cfpb\\_building\\_block\\_activities\\_como-crear-un-kit-de-ahorro\\_guia.pdf](https://files.consumerfinance.gov/f/documents/cfpb_building_block_activities_como-crear-un-kit-de-ahorro_guia.pdf).

### What you'll need

#### THIS TEACHER GUIDE

- **Creating a savings first aid kit (guide)**  
[cfpb\\_building\\_block\\_activities\\_creating-savings-first-aid-kit\\_guide.pdf](cfpb_building_block_activities_creating-savings-first-aid-kit_guide.pdf)

#### STUDENT MATERIALS

- **Creating a savings first aid kit (worksheet)**  
[cfpb\\_building\\_block\\_activities\\_creating-savings-first-aid-kit\\_worksheet.pdf](cfpb_building_block_activities_creating-savings-first-aid-kit_worksheet.pdf)

# Exploring key financial concepts

Whether it's a trip to the hospital or a broken-down car, financial emergencies can happen at any time. They can also cost a lot of money. Having money set aside for an unexpected expense can save you money in the long run. An emergency fund is a cash reserve that's specifically set aside for unplanned expenses or financial emergencies, such as car repairs, home repairs, medical bills, or a loss of income. The practice of saving money requires planning, goal setting, and the ability to delay immediate gratification for later rewards. As part of planning and money management, people often store their savings in an account that keeps their money secure and provides easy access to these funds at any time. Saving money is a financial habit that can help you reach your financial goals.

## TIP

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Because financial 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

- Have the class brainstorm unexpected expenses that they or someone they know might face.
  - Write their ideas on the board for the class to see.
- Read the "Exploring key financial concepts" section to students to explain financial emergencies.
- Be sure students understand key vocabulary:
  - **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.
  - **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.

## TIP

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

## Individual and group work

- Distribute the "Creating a savings first aid kit" worksheet, or have students access the worksheet electronically.
- Have students work in pairs or small groups and choose at least five expenses from the list on the board.
- Ask the pairs or groups to determine which ideas are actual financial emergencies. The questions in part 1 of the worksheet will help them do that.
- Have students complete parts 2 and 3 of the worksheet individually.

## Wrap-up

If time allows, ask students to share:

- Examples of non-essential expenses they can do without to build their emergency savings
- Their plan to build a savings first aid kit

## Suggested next steps

Consider searching for other CFPB activities that address the topics of saving and investing, including banking options, building emergency savings, choosing how to save, saving for long-term goals, and saving for short-term goals. Suggested activities include "Creating your own savings rules" and "Setting a SMART savings goal".

## 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.