

Comparing places to save money

Students compare saving money at home to saving money at a bank or credit union and then act out stories to explore which option they would choose.

Learning goals

Big idea

Saving money at a bank or credit union protects your money.

Essential questions

- How can I save money?
- Would I rather save my money at home or in a bank or credit union?

Objectives

- Identify places to save money
- Understand how a bank or credit union can protect money

What students will do

- Discuss the benefits and risks of saving money at home and in a bank or credit union.
- Act out stories about saving and where to save money.

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: Elementary school (K-1, 2-3, 4-5)

Age range: 5-7, 7-9, 9-11

Topic: Save and invest (Banking options, Choosing how to save, Saving for long-term goals, Saving for short-term goals), Protect (Managing risk)

School subject: Fine arts and performing arts, Social studies or history

Teaching strategy: Cooperative learning

Bloom's Taxonomy level: Understand, Create

Activity duration: 45-60 minutes

National Standards for Personal Financial Education, 2021

Earning Income: 4-4, 4-6

Saving: 4-2, 4-4

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.

Preparing for this activity

- While it's not necessary, for grades K-1, completing the "Learning about coins" activity first may make this one more meaningful.
- Consider displaying the poster, "Learn about coins and dollar bills" before doing this activity.
 - You can order the poster for free here:
<https://pueblo.gpo.gov/CFPBPubls/CFPBPubls.php?PubID=13473>.
- Print a copy of the "Places to save money" page to show the students and cut apart the images.
 - You also can prepare to display the images on the page electronically.
- Print a copy of the "Savings stories and guidelines" in this guide for yourself or access them electronically.
 - For grades 2-5, you also can print a copy of the "Stories about saving" page at the end of this guide for each student who's acting out a story.

What you'll need

THIS TEACHER GUIDE

- Comparing places to save money (guide)
cfpb_building_block_activities_comparing-places-save-money_guide.pdf
- "Places to save money" page (in this guide)
- Savings stories and guidelines (in this guide)

STUDENT MATERIALS

- "Stories about saving" page (in this guide) (optional for grades 2-5)

Exploring key financial concepts

You can choose to save your money in many places. At home, you may save your money in a piggy bank. But the safest option you can choose is to save your money in a bank or credit union. Banks and credit unions can protect your money from risks. That's because the federal government will usually insure your deposit up to \$250,000. This means that if something happens to your bank or credit union and they can't give you your money, usually the federal government protects your

deposit up to \$250,000. Choosing a bank or credit union can be an important decision. Knowing as much as you can about where to save money can help you pick the option that works for you.

Teaching this activity

Whole-class introduction

- Ask students if they save money at home.
 - Ask if any of them save money in a bank or credit union.
- Tell students that they'll learn about the differences between saving money at home and saving money in a bank or credit union.
 - Note: If you're working with younger students who may not be able to identify different denominations of coins and bills, you may want to take a moment here to show students real or pretend money.
- Ask students to share why they think it's important to save money.
- Display the two images, one at a time, from the "Places to save money" page in this guide.
 - Note: You can project these images using a projector or smartboard or print them and hold them up.
- As you show each image, ask students the associated question:
 - Piggy bank
 - Can someone tell me what this is?
 - What might this be used for?
 - Why do you think people choose to save money here?
 - Bank or credit union building
 - Does anyone know what this building is?
 - Do you or an adult in your life save money in a building like this?
 - Why do you think people choose to save money here?
 - Has anyone ever seen an adult use their phone or computer to deposit or get their money?

TIP

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

- Make sure students understand key vocabulary:
 - **Bank:** A financial institution and business that accepts deposits, makes loans, and handles other financial transactions.
 - **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.
 - **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:** 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

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

Group work

- Tell students that they'll act out stories about saving money.
- Ask for volunteers to act out each story in the "Savings stories and guidelines" in this guide.
 - For grades 2–5, you also can give a copy of the "Stories about saving" page at the end of this guide to each volunteer.
- For grades 2–5, after students complete each story, start a discussion using the discussion points in each story's guidelines section.

Wrap-up

- Ask students why they think it may be a good idea to save some of their money.
- Ask students to complete an exit ticket (a short, ungraded quiz) to choose where they would keep their savings.
 - Younger students can draw a picture.
 - Older students can write their answer.
- You may ask them to explain their choice.

Suggested next steps

Consider searching for other CFPB activities that address the topics of saving, including banking options, choosing how to save, saving for long-term goals or saving for short-term goals, and protection, including managing risk. Suggested activities include "Experimenting with saving."

Measuring student learning

Students' answers on their exit tickets 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.

Places to save money

Print the images below or display them electronically. Present the images one at a time as you ask the students the questions in the “Whole-class introduction” section of the guide.



Savings stories and guidelines

Ask for volunteers to act out each story. Read each story aloud. Then give age-appropriate guidelines for acting out the story. Give students in grades K-1 two minutes and students in grades 2-5 five to seven minutes to act out each story. After students in grades 2-5 complete each story, start a discussion using the discussion points in each guideline section.

Story 1 (Two students: Brandon and a parent)

Brandon does his chores each week and earns an allowance of \$1 for each chore. Last week he earned \$6. He decides to spend some and save some.

Guidelines for acting out story 1

- All grades: Ask students to act out chores (sweeping, dishes, etc.), getting an allowance, and Brandon's decision to save and spend (What does he spend his money on? Where does he put his savings?).
- Grades 4-5: Students can add specifics such as that Brandon decides to save half and spend half (\$3 each) or save a third and spend the rest (\$2 for saving, \$4 for spending).
- Discussion points for grades 2-5: Ask students to discuss the benefits and drawbacks of how much Brandon chose to save and where he chose to save. Have them consider what good savings habits were used.

Story 2 (Four students: Melinda, Tye, two customers)

Melinda and her brother Tye open a drink stand (they can decide if this should be lemonade or hot chocolate). They split up the tasks they need to do to make and sell the drink. Their goal is to save \$10 each time they sell drinks at the stand. They sell the drink for \$1 a cup. On their first day, they make \$16.

Guidelines for acting out story 2

- All grades: Ask students to act out the tasks they'd need to do to make and sell drinks at their stand and then the steps of earning money and deciding how and where to save.
- Grades 4-5: Students may add specifics such as that Melinda and Tye choose to save \$10, which was their goal, and spend the rest; or they decide to save 75% and spend the rest (\$12 for saving, \$4 for spending).
- Discussion points for grades 2-5: Ask students to discuss the benefits and drawbacks of how much Melinda and Tye chose to save and where they chose to save. Have them consider what good savings habits were used.

Story 3 (Three students: Tyler, Jordan, grandparent)

Tyler and Jordan are twins. They both got \$20 from their grandparent for their birthday. Tyler decides to put all of the money into savings for something special. Jordan decides to spend most of the money.

Guidelines for acting out story 3

- All grades: Ask the students to act out getting money for their birthdays, deciding where to save the money, what to save the money for, or what to spend the money on.
- Grades 4-5: Students may add specifics such as Jordan decides to set a savings rule to spend 80% of the money and save 20% and Tyler decides to save everything to meet a specific goal.
- Discussion points for grades 2-5: Have students discuss the benefits and drawbacks of the choices the twins made about how much to save and where to save their money. Have them consider what good savings habits were used.

Stories about saving

Story 1 (Two students: Brandon and a parent)

Brandon does his chores each week and earns an allowance of \$1 for each chore. Last week he earned \$6. He decides to spend some and save some.

Story 2 (Four students: Melinda, Tye, two customers)

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