

## Items Needed

- Copies of OKMM's *Your Money Matters* high school guide for each student.
- Blank sheets of paper.
- Magazines.
- Markers.
- Glue or tape.

## Opening Activity/Dialogue

- Would you consider yourself a saver or a spender?
- Are there any "big-ticket" items you're currently saving for?
- What's the biggest challenge for you when it comes to saving?

## Content

For students with limited income and unlimited wants, saving can easily be overlooked. Your students may be tempted to spend every penny they receive, but need to understand that putting money aside for future expenses is an important part of their financial health.

Through this lesson you'll show them:

- Easy tactics for saving.
- The importance of having an emergency fund.
- The benefits of saving for an item versus charging the cost to a credit card.
- How their money grows over time.

Use the content and resources on pages 4 and 5 of the high school *Your Money Matters* guide to educate your students about the importance of saving. Ask your students to read the information on pages 4 and 5 and be prepared to discuss the following questions.

- Why do you think consumers turn to credit instead of saving for large purchases?
- Which expenses and fees could you reduce to meet your savings goals?
- What surprised you most about the figures on the savings growth chart? Do you think saving at least \$10 per week is manageable?
- Are you familiar with compounding interest and the Rule of 72?

**Teachers Note:** Use this opportunity to explain compounding interest. Simply put, compounding interest is interest earned not only on the principal (the money saved), but also on interest already earned. In other words, it's money earned on money earned! Explain to your students that the earlier they begin saving, the more time they have for compound interest to grow. This is why the figures in the savings growth chart are highest for the youngest savers. Yes, more money is contributed over time, but the longer they invest, the more their savings will grow!

When saving and investing, the Rule of 72 is also an important concept. The Rule of 72 is a quick and easy way to determine how long it will take for your initial investment to double based on the interest rate you'll earn. Let's say you save \$1,000 in an account with an 8 percent interest rate. Divide 72 by 8 and you'll see it will take 9 years for your investment to double. If you have Internet access in your classroom, consider visiting [www.moneychimp.com/features/rule72.htm](http://www.moneychimp.com/features/rule72.htm) to explore their Rule of 72 calculator.

## Application

Now that your students are familiar with the benefits of saving, give them a blank sheet of paper. Ask them to cut out images from magazines that represent their savings goals. After taping or gluing them to the page, ask them to write in a dollar amount they're willing to contribute each month toward that goal. If you don't have access to magazines, ask your students to draw their goal on the page.

To request classroom copies of Oklahoma Money Matters' *Your Money Matters* guide, call 800.970.OKMM or email [OklahomaMoneyMatters@ocap.org](mailto:OklahomaMoneyMatters@ocap.org). To learn more about OKMM, visit our website, [OklahomaMoneyMatters.org](http://OklahomaMoneyMatters.org).

