

Lesson Plan 1

FINANCIAL LITERACY

Saving for the Future & Setting Financial Goals: I Want to Go to College

Brief Description: This lesson is a collaborative unit focusing on setting financial goals in conjunction with the 8th–12th grade National Content Standards in Economics, and the National Standards in K–12 Personal Finance Education. The focus of this lesson is to:

- 1) Encourage students to set up personal financial goals.
- 2) Introduce students to researching and understanding relevant financial information.
- 3) Teach digital research skills and encourage critical thinking by teaching students how to browse the Rosen Digital Financial Literacy database.
- 4) Begin the first aspects of creating a financial plan for achieving a particular financial goal.

Activities concentrate on creating and maintaining personal budgets, while demonstrating how various factors shape and affect a personal budget. The lesson helps students plan and meet financial goals even if they do not have plans to attend college after high school. The worksheet *My goal is to save money for...* (Supplement 2) can be used when exploring any financial goal.

While completing the activities, the student will be able to find, evaluate, and apply financial information; set financial goals and plan to achieve them; develop income-earning potential and the ability to save; use financial services.

Prior to teaching this lesson, the Teacher/Librarian will collaborate with the Classroom Teacher to find out the scope of the assignment and learn more about possible college goals students will aim toward (see Supplement 1 – *I want to go to college to study...*). This is a **45-minute lesson** taught primarily by the Teacher/Librarian.

The KWL graphic organizer (see Supplement 2 – *My goal is to save money for...*) will allow the Teacher/Librarian to assess the students' prior knowledge, what the students' goals are, and at the end of the lesson, assess if the students have understood the information conveyed.

Grade Level: 8th to 12th Grade

Materials:

- Rosen Digital Financial Literacy database
- Computers
- Smart Board, iPad, or other computer projection presentation device (optional if Teacher/Librarian wants to demonstrate worksheets and/or have one group worksheet)
- Appropriate Assistive Technology for students with special needs (if applicable)
- Calculators (both of database and personal)

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- Fiction print material (suggested to explore concepts across disciplines):
Beatty, Patricia. *The Nickel-Plated Beauty*. New York, NY: Morrow Junior Books, 1964.
Green, Stephanie. *Owen Foote, Money Man*. New York, NY: Clarion Books, 2000.
Steinbeck, John. *The Grapes of Wrath*. New York, NY: Viking Press, 1939.
- Supplement 1 – *I want to go to college to study...*
- Supplement 2 – *My goal is to save money for...*
- Supplement 3 – *College Budget*
- Supplement 4 – *True or False*

National Standards in K-12 Personal Finance Education, and National Content Standards in Economics:

Income and Careers – Overall Competency: Use a career plan to develop personal income potential¹.

Personal Finance Education Standard 3: Describe factors affecting take-home pay.

National Content Standards in Economics Standard 13: Income.

Student will be able to:

Consider a career choice, research the amount of education required and the median income for this career².

Student will be able to:

Explain all items commonly withheld from gross pay¹.

Student will be able to:

Examine the benefits of employer-sponsored savings plans and other options for shifting current income to the future¹.

Planning and Money Management – Overall Competency: Organize and plan personal finances and use a budget to manage cash flow¹.

Personal Finance Education Standard 6: Develop a personal financial plan.

National Content Standards in Economics Content Standard 11: Money and Inflation.

Student will be able to:

Explain the difference, with examples, between assets and liabilities¹.

Student will be able to:

Explain why deposits in checking accounts are considered money but assets such as stocks and bonds are not. Also explain why a credit card should not be considered money².

Student will be able to:

¹ Excerpt from National Standards in K-12 Personal Finance Education. JumpStart Coalition for Personal Financial Literacy.

² Excerpt from Voluntary National Content Standards in Economics. Council for Economic Education.

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Develop, monitor, and modify a personal financial plan, including goals, net worth statement, cash flow statement, insurance plan, investing plan, and a budget¹.

Saving and Investing – Overall Competency: Implement a diversified investment strategy that is compatible with personal goals.

Personal Finance Education Standard 2: Explain how investing builds wealth and helps meet financial goals.
National Content Standards in Economics Content Standard 12: Interest Rates.

Student will be able to:

Devise a periodic investment plan for accumulating the money for a four-year college education, a wedding, a new business startup, and the down payments on a new car and a house¹.

Student will be able to:

Identify the current rates of interest on different kinds of savings instruments and different kinds of loans².

Student will be able to:

Given rate of return, years, and frequency, use a financial or online calculator to figure (a) the end value of an invested periodic amount and (b) the periodic amount needed to reach a specific investment goal¹.

Procedure:

- 1) Ask students if they have plans to go to college, and how much do they think it costs. Discuss the differences between 4-year and 2-year colleges and trade schools. Students who are unsure of their college plans should still participate in the activity to gain an understanding of financial planning and assessing costs and benefits. Ask students to write the amount they think the cost of college is on the *I want to go to college to study...* worksheet (Supplement 1).
- 2) Ask students to think about three possible ways to pay for college: parents, student loans, part-time jobs, scholarships, financial aid, etc. Ask students to write these options on the *My goal is to save money for...* worksheet (Supplement 2).
- 3) Ask students to list basic college expenses on Supplement 1 (such as tuition, room and board, books and supplies, cell phone, transportation, and entertainment).
- 4) Give the students two scenarios to think about: living at home while going to college or living on their own while they're in college.
- 5) Ask students to write down the expenses for each scenario on the *I want to go to college to study...* worksheet (Supplement 1).
- 6) Have a discussion with students about some of the costs when moving out on their own to go to college (rent, food, gas, entertainment, tuition).
- 7) Ask students if they think keeping a budget during college is useful, and do they plan to use a budget while in college. Ask them to search in the Financial Literacy database all they can about budgets and

¹ Excerpt from National Standards in K-12 Personal Finance Education. JumpStart Coalition for Personal Financial Literacy.

² Excerpt from Voluntary National Content Standards in Economics. Council for Economic Education.

Lesson Plan 1 (cont.)

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write down key words about keeping a budget. After research, student can work out their budget (see Supplement 3 – *College Budget*).

- 8) Using the Financial Literacy database, discuss with students different college offerings that would affect the costs of college: two-year versus four-year programs; living in the dorm versus living off-campus versus living at home; financial aid versus student loans, and the total cost taking into consideration amount, interest rate, etc.
- 9) Ask students to start to research the costs of going to college.
- 10) Students will break up into three groups.
 - a. **Group 1** will use the computers to browse Financial Literacy. The Teacher/Librarian will guide this group closely, to help with digital research skills, and answer questions about research topics and constructing questions.
 - b. **Group 2** will sit at the tables and browse the non-fiction print materials the Teacher/Librarian has placed on reserve. They will be encouraged to collaborate and share ideas within their group to broaden and deepen their understanding of the topics and to construct questions.
 - c. **Group 3** will browse the library to choose a book (fiction or non-fiction and not related to the lesson) to borrow, as per the standard weekly circulation procedure. (If the class is not on a fixed schedule or this lesson is not during their regularly scheduled library time and they will not check out books at this time, then just use the first two groups.)
- 11) After 10–15 minutes, the groups will rotate. Repeat the rotation so each group has had an opportunity to browse Financial Literacy, browse the print materials, and browse the collection to check out a book.
- 12) Collect the worksheets from the students.

Assessment:

Each student will be assessed through a prior knowledge assessment and assessment on understanding the concept of the *My goal is to save money for...* worksheet (Supplement 2) at the end of the period, and the *True or False* worksheet (Supplement 4) to verify for the understanding of the concepts.