

# Lesson Plan 2

## FINANCIAL LITERACY

### Saving for the Future & Setting Financial Goals: For my Birthday, I Would Like to Buy a...

**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, and setting up personal financial goals.

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 what students want to achieve (See Supplement 1 – *I want to buy...*). This is a **45-minute lesson** taught primarily by the Teacher/Librarian.

The KWL graphic organizer (see Supplement 3 – *To buy or not to buy... on credit*) will allow the Teacher/Librarian to assess the students' prior knowledge, what the students want to learn, and at the end of the lesson, assess if the students have understood the information conveyed about what credit is.

**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)
- Store advertising in newspapers or magazines, catalogs, circulars, etc.
- Fiction print material (suggested to explore concepts across disciplines):  
Brown, Marc. *Arthur's TV Trouble*. Boston, MA: Little, Brown, 1995.  
Wolff, Virginia Euwer. *Make Lemonade*. New York, NY: H. Holt, 1993.

# Lesson Plan 2 (cont.)

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- Supplement 1 – *I want to buy...*
- Supplement 2 – *My goal is to save money for...*
- Supplement 3 – *To buy or not to buy... on credit*
- Supplement 4 – *True or False*

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

Financial Responsibility and Decision Making – Overall Competency: Apply reliable information and systematic decision making to personal financial decisions<sup>1</sup>.

Personal Finance Education Standard 4: Make financial decisions by systematically considering alternatives and consequences.

National Content Standards in Economics Standard 2: Decision Making.

Student will be able to:

Rank personal wants/needs in order of importance<sup>1</sup>.

Student will recognize that:

A cost is what you give up when you decide to do something. A benefit is what satisfies your wants<sup>2</sup>.

Student will be able to:

Set measurable short-term financial goals<sup>1</sup>.

Planning and Money Management – Overall Competency: Organize and plan personal finances and use a budget to manage cash flow<sup>1</sup>.

Personal Finance Education Standard 4: Apply consumer skills to purchase decisions.

National Content Standards in Economics Content Standard 9: Competition and Market structure.

Student will be able to:

Compare prices for the same item at two different stores<sup>1</sup>.

Student will understand that:

Competition takes place when there are many buyers and sellers of similar products<sup>2</sup>.

Student will be able to:

Apply systematic decision making to a personal age- appropriate purchase<sup>1</sup>.

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

<sup>2</sup> Excerpt from Voluntary National Content Standards in Economics. Council for Economic Education.

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Credit and Debt – Overall Competency: Maintain creditworthiness, borrow at favorable terms, and manage debt.

Personal Finance Education Standard 1: Identify the costs and benefits of various types of credit.  
National Content Standards in Economics Content Standard 12: Interest Rates.

Student will be able to:

Explain the difference between buying with cash and buying with credit<sup>1</sup>.

Student will be able to:

Identify the costs and benefits of various types of credit<sup>2</sup>.

Student will be able to:

Describe the advantages and disadvantages of using credit<sup>1</sup>.

### Procedure:

- 1) Ask students what single item would they buy for themselves for their birthday if they could, and how much do they think it costs. Ask them to write the amount they think the cost of that item is on the *I want to buy...* worksheet (Supplement 1).
- 2) Ask students to think about three possible ways to save for the item they want: part-time job, credit, allowance, lay-away, etc. Ask students to write these options on the *My goal is to save money for...* worksheet (Supplement 2).
- 3) Ask students to think of different places where they think they can buy the desired item.
- 4) Give the students two scenarios to think about: buying the item with cash, and buying it on credit.
- 5) Ask students to write down the estimated total cost for each scenario in the *I want to buy...* worksheet (Supplement 1).
- 6) Have a discussion with students about some of the consequences of buying on credit (interest rates, penalties, etc.).
- 7) Ask students if they think keeping a budget to save for the purchase is useful. Ask them to use the Financial Literacy database to research budgets and write down key words about keeping a budget. After research, student can work out a simple savings schedule (Supplement 1).
- 8) Discuss with students comparison-shopping.
- 9) Ask students to start to research the cost of the item in different stores.
- 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.

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

<sup>2</sup> Excerpt from Voluntary National Content Standards in Economics. Council for Economic Education.

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b. **Group 2** will sit at the tables and browse the non-fiction print materials the Teacher/Librarian has placed on reserve – newspapers, magazines, catalogs, sales circulars, etc. Students 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.