



LESSON PLAN

SAVINGS GOALS

Financial Education Secondary Planning Framework links:

I know I can save or invest my money in the short-term to provide for my future (longer-term) needs and wants **11-14**

I understand that I am responsible for my future financial security and can improve my own financial situation through the choices I make **11-14**

MATERIALS

- ✓ Internet
- ✓ Savings Goals
- ✓ Character Profiles

VOCAB

Short-term, medium-term, long-term, savings goals, interest, compound interest, budget

ACTIVITY 1

SAVINGS GOALS

20
min



This activity will start students thinking about their short-term, medium-term and longer-term savings goals. Students will also consider how people's circumstances affect their savings goals.

As a class, make a list of items that the students might save for in their lifetime and write them on the board.

Examples could include:

Short-term	Mobile phone New trainers Holiday
Medium-term	House deposit Wedding A car
Longer-term	Retirement Saving for your child's future Paying off a mortgage

Give the students a few minutes to work in pairs to match the items to the following headings:

- 1. Short-term (0-3 years)**
- 2. Medium-term (3-10 years)**
- 3. Longer-term (10 years+)**

You may wish to explain that these terms refer to how long it will take to save up enough money to purchase the item or you could leave this for the students to work out for themselves.

Return as a class and share answers.

Then as a class discuss what the short-term, medium-term and longer-term goals might be of different people at different stages of their lives.

For higher ability students...

You could show three groups of images (with no labels or explanation), separated into the three categories above.

Can the students explain why the images have been divided into these specific categories – what links the images? You could give them clues e.g. the lesson today focuses on saving goals.

You could use the suggestions below or think of your own:

- 1.** A student starting university
- 2.** A parent with a newborn baby
- 3.** A school leaver starting an apprenticeship
- 4.** Someone looking to retire at the end of the year
- 5.** Someone starting their first job after university
- 6.** Someone who is moving from their family home to live independently
- 7.** Someone who is planning their first holiday away with friends
- 8.** Someone who is starting a job as a taxi driver
- 9.** Someone who has just got married

Why might people's savings goals differ?
What factors are likely to influence a person's savings goals?

ACTIVITY 2 SAVINGS CALCULATOR

30
min



This activity will encourage students to explore a number of different factors which might affect the length of time it'll take to achieve a savings goal.

As a class, work through an example from the Savings Goals Character Profiles sheet. Use the Savings Calculator on the Money Advice Service website -

www.moneyadvice.service.org.uk/en/tools/savings-calculator

to calculate the length of time it will take for the character to reach their savings goal.

Then give each group one character and task them with doing the same. Once they have worked out how long it will take, challenge the groups to think of ways that the character could reach their savings goal sooner.

Possible suggestions could include:

- Save more money per month
- The character would need to prioritise their spending, maybe by creating a budget planner
- Move to a savings account with a higher interest rate - can the students find a better deal for their character online?
- Find the item at a lower cost

Share answers as a class. What observations did the class make when calculating savings goals for their different characters?

Does the nature of the goal affect the length of time you need to save for? Do medium-term and/or longer-term savings goals require more planning than short-term goals? Should your approach be different depending on the type of savings goal you have?

NB: If you do not have access to the online Savings Calculator, you could use the compound interest method outlined in **Your Money Matters** on page 16. **www.young-enterprise.org.uk/resources/your-money-matters-financial-education-textbook/**

For higher level students, you may wish to refer to this method to explain how the Savings Calculator works



PLENARY DEBATE 10 min

Working in groups, ask the students to decide on five pieces of advice they would give their future selves about short-term, medium-term and longer-term savings goals.

EXTENSION OPPORTUNITY



You could extend and develop the learning from this lesson by exploring saving and interest using the 'Saving' chapter in Your Money Matters.





RESOURCE: SAVINGS GOALS

CHARACTER PROFILES



Misha – Starting university

GOAL: Around the world flight

Misha has always dreamt of seeing the world, there's just so many places she wants to go! She'd love to see sharks in South Africa but camping in the Grand Canyon in the US would be amazing too! With an 'around the world ticket' she can do both, and more!

She's been planning her trip with her friends for a while, looking at all the possible routes and fantastic places they could visit, now they just need to focus on saving!

COST: £1,000

She currently works part-time as a retail assistant.
She earns around **£112.20** a week.

She lives with her family to save on rent but she pays for all her books, nights out and lunches when she's at university.

Average amount saved each week: £20

Already saved: £235

She's just opened a student bank account.
Bank account AER: 1.5%



Jackson and Sam – recently married

GOAL: A flat deposit

Jackson and Sam both have jobs that require them to work long hours and also study at the weekends. They currently live in a small one-bed flat, it's fine but it's not the place they dream of coming back to after a long day at work.

They spend a lot of their wages on rent but they've worked out that if they bought a flat, their monthly mortgage payments would probably be less than their current rent and by buying their own place, they would be making an investment for their future.

COST: £26,000

Jackson works as a Staff Nurse and earns **£24,800** a year and Sam works as a Trainee Accountant and earns **£30,600** a year.

They currently rent a one-bedroom flat. Their monthly outgoings include rent and all their bills as well as socialising and the odd city break.

Average amount saved each month: £1,005

Already saved: £3,015

They have a joint savings account.
Savings account AER: 1.5%



Alec – in Year 9

GOAL: A bike

Alec would love a bike so that he can be more independent. He currently has to rely on his older brother to give him lifts everywhere, and each time he gets a lift he has to clean his brother's room as payment! Having a bike would also be great exercise!

COST: £200

Alec earns around **£15** a week from his paper-round and he gets around **£10** a week for doing chores around the house.

Alec has a weekly Judo class, his class costs **£5**. He also regularly goes to the cinema and eats out with his friends.

Average amount saved each week: £4

Already saved: £18

Alec has an under 19's bank account
Savings account AER: 1%



RESOURCE: SAVINGS GOALS

CHARACTER PROFILES



Devlin – a father with a new born

GOAL: Schooling fund for his son

Devlin has just had a baby boy. Although he's now only 4 weeks old, Devlin knows the time will go by so quickly. He really wants his boy to have a good head start when it comes to his education. If he chooses to go into training or to university then he would like to have some money saved to support him. Devlin's family did the same for him and it meant he was able to get his dream job, he wants to provide the same opportunities for his son.

COST: £10,000

Devlin works as a computer programmer, he earns **£34,300** a year.

His monthly outgoings include rent, bills and food as well as socialising. He will also need to start paying for childcare costs.

Average amount saved each month: £400

Already saved: £550

Savings account AER: 2%



Eva – starting an apprenticeship as a mechanic

GOAL: A second hand car

Eva's sister has kindly agreed to let her live with her whilst she does her apprenticeship. Eva's really looking forward to living with her sister, they'll get to watch their favourite TV programmes together and her sister is a fantastic cook! The only downside is that her sister's flat is about 1.5 hours away from the garage where she's training which means she needs to leave home before it's even light and stand on a packed bus for ages. If she had a car, the journey to work would be much quicker. A second-hand car would also give her the chance to practice her mechanic skills.

COST: £5,000

Eva will earn **£148** a week as an apprentice.

She will live with her sister so she won't have any bills or rent to pay but she will need to pay her bus fares every week, which will be around **£15**. She likes to go out with her friends most evenings and she also goes to a weekly gym class.

Average amount saved each week: £40

Already saved: £125

Savings account AER: 0.5%