

## **Which Savings Tool Would You Use?**

### **From the Take Charge Today Savings Tools Lesson Plan**

Approximate time: 15 minutes

Materials to prepare:

- 1 set of *Which Savings Tool Would You Use?* 2.4.3.H2 cards
- 1. Divide participants into small groups.
- 2. Randomly choose a *Which Savings Tool Would You Use?* 2.4.3.H2 card and read it to the class.
  - a. Provide each group with all or one *Which Savings Tool Would You Use?* 2.4.3.H2 as an alternative.
- 3. In small groups, have participants determine what savings tool is the most appropriate for that scenario.
  - a. Consider having groups write 1-2 reasons why they selected the tool they did on the back of the *Which Savings Tool Would You Use?* 2.4.3.H2 card.
- 4. Ask groups to identify why they selected the tool they recommend.
- 5. Repeat until all *Which Savings Tool Would You Use?* 2.4.3.H2 cards have been discussed.

Discussion points:

- Mariah and the Twins
  - a. 2-year Certificate of Deposit – they don't need the money and the interest rate will likely be the highest available.
- Conner and Lisa
  - a. Money Market Account – to earn interest on the money while waiting to buy the furniture.
- Aran
  - a. Money Market Account – this will allow him to make regular deposits while earning some interests in the 2-years he is saving the money.
- Brittany
  - a. Checking Account – because of the accessibility and the ability to pay bills directly from the account.
- Bryan
  - a. Savings Account – Good accessibility in case of an emergency.
- Amani and Grace
  - a. Savings Account, possibly evolving into a Money Market Deposit Account when they get enough money saved for the minimum deposit. They need it to be accessible and have the option to make additional deposits.

## Which Savings Tool Would You Use?

<p style="text-align: right;">2.4.3.H2</p> <p><b><u>Mariah and the twins</u></b></p> <p>Mariah has twin daughters that will be graduating from high school in two years. They both have a goal to attend college after graduation, and Mariah wants to help them reach this goal by paying for some of their schooling. She has \$2,000 for each daughter that she would like to save and then be able to access in two years. Which savings tool would you recommend Mariah utilize and why?</p>	<p style="text-align: right;">2.4.3.H2</p> <p><b><u>Conner and Lisa's wedding present</u></b></p> <p>Conner and Lisa were recently married and purchased a new house. They received \$1,000 as a wedding present from Lisa's parents. They want to use this money to buy new furniture for their house in six months. Which savings tool would you recommend Conner and Lisa utilize and why?</p>
<p style="text-align: right;">2.4.3.H2</p> <p><b><u>Aran's first paycheck</u></b></p> <p>Aran is a high school student who just received his first paycheck from his new part-time job at the local grocery store. He currently has no expenses to pay, and his goal is to save half of every paycheck from his job to buy a new car in two years. He needs to find a savings tool that will help him reach his financial goal. Which savings tool would you recommend Aran utilize and why?</p>	<p style="text-align: right;">2.4.3.H2</p> <p><b><u>Brittany's first apartment</u></b></p> <p>Brittany recently moved into her first apartment. Before, she was living with her parents and had very few expenses to keep track of. Now that she has to pay rent and utilities for her apartment, she needs to find a savings tool that will help her manage her money and ensure she can pay her bills every month. Which savings tool would you recommend Brittany utilize and why?</p>
<p style="text-align: right;">2.4.3.H2</p> <p><b><u>Bryan's goal</u></b></p> <p>Bryan has a goal to become financially secure by developing an emergency fund. He has been saving twenty percent of his net income for the past year and now has \$2,000. He plans to maintain this balance and only use this money for emergency expenses. Which savings tool would you recommend Bryan utilize and why?</p>	<p style="text-align: right;">2.4.3.H2</p> <p><b><u>Amani and Grace save for a house</u></b></p> <p>Amani and Grace want to purchase a house in two years. They want to begin saving money to use for the down payment on a home. They are able to save \$300 per month and need to know which savings tool would be the best option for them to put their money in. Which savings tool would you recommend Amani and Grace utilize and why?</p>