



Part 2, Module 5: Getting More for Your Money

Lesson Overview:

Module 5 in Part 2 of this course helps students strategize how to spend less for what they need and start saving money. Students have already learned to create a spending plan; this module is designed to help students live within their means.

As a result of this lesson, students will:

- Distinguish between expenses that are essential and non-essential.
- Construct a plan for saving money.
- Select and use one cost reduction strategy and reflect on that experience.

Materials you will need to teach this lesson include:

- Chalkboard, dry-erase board, or alternative method for taking notes that all students can view

Students will need:

- Notebook
- A pen or pencil

Activity 1:

It's easy to spend beyond your net income if you have difficulty distinguishing between essential expenses and non-essential expenses. For this activity, identify an expense and challenge students to determine whether it's an essential expense or non-essential expense. If the expense is determined to be non-essential, what alternative do students have for that particular expense? A list of expenses are provided, feel free to adjust this list based on the lifestyles and interests of your students. Sometimes essential vs. non-essential may depend on a student's area of study, line of work, or other personal factors. For example, owning the trendiest fashion items may be a non-essential expense, but if the student works part-time at retail clothing store where employees are required to wear that style of clothing and they receive an employee discount, this may be an essential expense. Carefully guide students through the critical thinking process as they judge these expenses.

- The newest smartphone on the market
- A reliable vehicle for transport to school and work
- The trendiest fashion items
- Take-out, fast-food, or restaurant meals
- Daily latte purchased from a coffee shop
- High-priced gifts for friends or family members

Activity 2:

When students are either not employed or earning low wages it can be difficult to focus on saving money. Saving money is an important habit to develop so that students can reach



Part 2, Module 5: Getting More for Your Money

financial goals, plan for future expenses, and manage their money wisely when they earn higher salaries. Remind students that saving money is different from spending less money. Activity 1 likely led to discussion about how to spend less money, but in order to save money students need to be in the habit of putting money aside for the future.

Instruct students to write in their notebook one way they can start saving money based on their personal financial situation. Some possibilities may include: establishing a savings account with a commitment to transfer a certain dollar amount into the savings account each month, skipping one non-essential expense each month and putting the amount of the expense into a savings account, keeping change leftover from essential purchases in a jar or “piggy bank”. Students don’t have to put aside a lot of money in order to begin saving. What is important is that students begin practicing saving something, dollars or cents.

Homework Assignment:

In the online module and during class discussion, students have learned about strategies to reduce costs. Remind students of some of these strategies:

- Turn off lights and appliances when not in use
- Purchase store brands when buying groceries
- Prepare food at home rather than purchasing take-out or eating in a restaurant
- Walk, bike, or use public transportation when available
- Etc.

Students are to select one strategy that they will implement during the following week. The student will share their strategy with the class. No two students should use the same strategy. Students will use the cost reduction strategy for one week. They will write about their experience (cooking at home, taking the bus, eating generic cereal, etc.) and share their experience with the class.

Variations on this lesson:

As a fun homework activity, challenge students to find free/cheap activities in the local area. Share the free/cheap activities with the class as an oral presentation or a multimedia presentation (wiki or blog).

An optional in-class activity, ask students to identify their biggest “money waster”. What non-essential expense are they spending money on that is draining their budget? As a class, brainstorm strategies or alternatives to manage money wasters.