

Saving

Lesson time 20 mins

This is a quick activity to introduce younger students to the concept of saving, why and how people save money, and the benefits of doing so, including interest.

As a class, discuss what savings mean. Who in the class has saved something before? Have they saved some of a bag of lollies or some of their dinner, for later? Have they saved their money they were given for their birthday and christmas to buy something?

Activity

1. To demonstrate how saving works, have two bowls at the front of the class with 10 lollies in each. Tell the class that the lollies represent money. Allocate one bowl to one student and tell them that they are to spend all of their money now (i.e. eat all their lollies). Allocate the other bowl to another student and tell them that they can eat 4 lollies now, but have to save the remaining 6 for later.
2. As a class, discuss why it is a good idea that the second student saved some of their money (didn't eat all of their lollies). I.e. to buy something in the future that they currently can't afford, and so they have enough money to spend on something they didn't plan for.
3. To demonstrate why we save, tell both students that their pencils have run out of lead a lot faster than expected, they both have to buy a new pencil, the cost of which is two lollies. The first student who didn't save can't afford a new pencil and now won't be able to work, whereas the second student will be able to afford a new pencil. Compare this to when their parent's car breaks down and they need to have money saved to be able to fix it.
4. Ask students what they think the second student should do with the money they saved. What will happen if they just leave the bowl of lollies they've saved on their desk? Once students identify that the lollies will be stolen, ask them where the best place is to save money to make sure it doesn't get stolen (i.e. the bank).
5. Tell the class that the second student now has their money/lollies in the bank. In return for keeping their money in their bank, the bank will pay the student "interest". Put two additional lollies in the students bowl to represent interest and discuss the concept of interest.
6. To reinforce, ask students to list the benefit of saving money.

Extension

1. Introduce students to the concept of needs and wants. Based on these concepts, ask students if they're trying to save money should they be spending money on needs or wants, or both?
2. Provide students with examples of needs and wants and ask them to identify whether they are a need or want.
3. Discuss what influences student's not to save, and to buy things instead (i.e. media, advertising, friends, family).