



Personal Finance

Challenges to Savings

April 14th, 2020



Lesson: April 14th, 2020

Objective/Learning Target:

Students will learn to:

- Identify everyday obstacles Americans experience when trying to save money
- Recognize the impact of inflation on savings
- Experience simulated challenges of living paycheck to paycheck
- Understand why it is important to maintain an emergency fund

Warm up (think out loud, or write your answer down)

Picture an expensive item you'd LOVE to own. What would make you happier:

- A. Buying it NOW using credit/taking out a loan?
- B. Buying it LATER by saving up and paying cash?

Why?

Lesson

The following 5 resources provide an overview of why it can be challenging to save. Record the main idea of each resource in the chart provided.

Resource 1

<https://www.psychologytoday.com/blog/consumer-behavior/201303/five-reasons-we-impulse-buy>

Five Reasons Why We Impulse Buy:

Resource 2

<http://www.marketwatch.com/story/how-your-facebook-account-can-slowly-destroy-your-finances-2016-09-12>

How Facebook Can Destroy Your Finances:

Resource 3

<https://www.youtube.com/watch?v=PrIZ0llGdZ4>

Living Paycheck to Paycheck:

Resource 4

<https://www.nytimes.com/2016/03/27/your-money/credit-cards-encourages-extra-spending-as-the-cash-habit-fades-away.html?ref=your-money>

Credit Cards Encourage Extra Spending:

Resource 5

<https://www.youtube.com/watch?v=bXJQOKLqBEE>

Inflation and Its Effects on Your Savings:

Exit Ticket

1. What is meant by the phrase “Keeping up with the Joneses” and how does this concept impact savings habits?