



Teens Invest for Their Future

Illinois CTE Endorsement Area:
Business, Marketing and Computer Education
Teacher and Student Editions

Original Lesson Developers: Jill Laub, Megan Freymann, and Tara Pendleton
ILCTE Leader, Betsy Westergreen
January, 2020

Converted to Format by Karen Aldworth
Current Phase of Lesson: Phase 3 of 5



**Illinois
State Board of
Education**



**ILLINOIS STATE
UNIVERSITY**
Illinois' first public university®

Lesson Overview:

To young adults, retirement seems like a lifetime away. The importance of saving and planning is more important than ever. In this lesson, students will make a retirement plan using activities, analyze their plan and make changes according to their projected income.

Classes or Discipline:

- CTE programs
- Personal finance course
- Consumer education course
- Employability course

Career Cluster:

- [Business Management & Administration](#)

Illinois CTE Endorsement Area

- [Marketing](#)

Grade Level(s):

- Although geared more for upperclassmen this lesson could be introduced beforehand in an introductory course freshman/sophomore year

Suggested Days/Minutes: (6) 50 minutes class periods

Learning Objectives:

At the conclusion of this lesson, students will be able to:

- Learn the time value of investing and compound interest.
- Develop a saving plan for retirement early.
- Demonstrate knowledge of terminology associated with retirement.
- Know which retirement option is appropriate for their financial situation.
- Understand penalties if money is taken out early.

Standards Addressed:

National Business Education Standards

- ✎ Personal Finance III - Managing Finances Budgeting
Achievement Standard: Develop and evaluate a spending/savings plan.
- ✎ Personal Finance IV - Saving and Investing
Achievement Standard: Evaluate savings and investment options to meet short- and long-term goals.

Common Core Learning Standards:

- Writing Standards 9-10 grade students: Write informative/explanatory texts to examine and convey complex ideas, concepts, and information clearly and accurately through the effective selection, organization, and analysis of content.

Enduring Understandings:

- ✎ Students need to know enough about saving for the future to devote a small portion to an appropriate fund from each paycheck.

Resources and References:

Tools

- Computer
- Internet access
- Candy

Materials/Documents

- [Candy activity handout](#)
- [Teens Invest for Futures Kahoot!](#)
- Article on saving: [A Teenagers Guide to Building Wealth](#)
- [Podcast rubric](#)

Essential Employability Skills:

There are four [essential employability skills](#)

- Personal Ethic: integrity, respect, perseverance, positive attitude
- Work Ethic: dependability, professionalism
- Teamwork: critical thinking, effective and cooperative work
- Communication: active listening, clear communication

The focus of this lesson is on Perseverance, and Critical Thinking.

Skill	How it is addressed:
Perseverance	Throughout the lesson, students will learn that saving for their future takes dedication and perseverance. It is not easy to give up trips to restaurants, for example. But in the long run, students will have a lot more money at retirement age if they persevere through those temptations.
Critical Thinking	Students need to think critically on what type of lifestyle they desire when they are the retirement age. Then, after calculating their 'Dream Board' the first time, they will have to critically think how realistic it is and then come up with a more realistic 'Dream Board'.

Suggested Differentiation Strategies:

- In the Explore section, students may not feel comfortable or may not have individual computer access to make the 'Dream Board' online. Students can be given the choice to cut pictures out of an old newspaper or magazine to create their board. They also could find pictures online and print them.
- In the Explore section, students will do some basic calculations. If students are not strong in math, pair them up with others that can assist them.
- When students are making both versions of the 'Dream Board', students may only be able to get a couple pictures on it with the time given.
- If students struggle with number sense when using the Dave Ramsey Investment Calculator, pair them up with someone who has a strong sense in this.

Throughout this lesson the teacher notes and comments are in red.

1. Engage: (30 minutes)

1. Go to [Kahoot!.it](https://kahoot.it) and wait for the game code from your teacher.
[Teens Invest for Futures Kahoot!](#)
You can save time if you have the Kahoot loaded before class begins.
2. With a peer that is sitting near you, share your own personal experience you have with parents and/or relatives that are retired. What type of lifestyle do they have? Do you know if they previously saved for retirement?
Monitor the conversations as the students discuss.
3. [Click Here](#) to play 'Candy Game - Are Americans Saving for Retirement?'
4. As a class, answer the following questions:
 - a. What does it mean to live paycheck to paycheck?
Answers will vary.
 - b. How much credit card debt do most Americans carry? Why do you think they have this much debt?
Answers will vary.
 - c. How does someone's current financial decisions impact his/her life down the road?
Answers should center around the importance of starting to save at an early age

2. Explore: (90 minutes)

1. Individually, create a “Dream Board” on your desired lifestyle in the future. Find 10 images that represent your wants/needs for retirement. Use a website like [Piktochart](#) or Canva.com to create this collage.
If students do not have individual computer access, they may draw or cut pictures out of a newspaper or magazine.
2. Write a reflection statement at the bottom of the collage that summarizes your pictures.
3. After completing the “Dream Board” and reflection statement, put an estimated dollar amount on each picture based upon today’s cost. For example, on your new picture of a brand-new fancy car, write \$90,000. Do this for every picture.
4. Total the dollar amounts you have assigned to all your photos.
5. By what age do you want to acquire all of these items? Subtract your current age from your target age. Now divide your total amount by the number of years to determine how much you need to save each year to afford these items.
You may need to allow students to use a calculator for the calculations. Ask several students to share their amounts.
6. Consider this scenario: You did not save for your desired future. What will be taken away due to lack of funds in retirement? Share your thoughts with one another.
7. After sharing with your group, come together as a class and discuss what you wouldn’t be able to do in your future if you didn’t save.
You may need to guide their discussion. Their answer can be classified as ‘wants’ and/or ‘needs’. Answers will vary but may include basic needs: somewhere to live, ability to pay bills, food. Their wants may include vacations, new vehicles, new homes, etc.
8. After your discussion, write down on a piece of paper five different ways you can build wealth starting right now as a teenager.
Give the students a few minutes to brainstorm their answers. Then, share with them the five reasons provided in this article:

[A Teenagers Guide to Building Wealth](#)

9. After hearing the five ways you can build wealth and start saving for retirement, discuss with someone around you:
 - a. Are you surprised by these facts? Why or why not?
 - b. Are you interested in implementing these ideas in your own life right now?

10. After looking at the Ben and Arthur's savings illustration, what did you take from that chart?

Ben starts saving at Age 19 and then stops at age 26. Arthur does not begin saving till age 26. As the graph shows, Ben has a lot more money in the long run because he began investing at an early age. This visually shows the importance of investing in some type of fund at a young age.

3. Explain: (20 minutes)

1. Why is saving important?

Saving is key to having enough funds to retire. Most people do not want to work their entire life but are forced to because they spend everything they make. It is important to begin putting money aside now and investing it in some type of fund for your retirement years.

2. Why should one of your financial goals include not living paycheck to paycheck?

Living paycheck to paycheck means that you are not saving any money. You are spending every dollar you make every month. Once you reach retirement, you will not be able to stop working because you have no money saved up. Instead, you should determine a goal for yourself as to how much money you want to save every month. This number can increase if your salary increases as you get older.

3. Why should you consider investing money in a fund at a young age rather than wait till you are older?

The Ben and Arthur illustration shows exactly why you should start investing at a young age. Ben had a lot more money in the long run than Arthur because of the time difference when they started to invest their money. Although the money amounts will depend on current interest rates, you still will have more money in your account if you invest early.

4. Elaborate/Extend: (90 minutes)

1. Now that you know more about saving, analyze your 'Dream Board' to make it more realistic. Remove the items that you don't necessarily have to spend money on or that you realistically most likely will not be able to save that amount of money in real life.

If this is electronic, encourage students to copy the file and then edit the second file.

2. Total your photos.
3. Recalculate your new 'Dream Board'. At what age do you want all this stuff? Subtract your current age from this target. Now divide your total amount by the number of years to determine how much you need to save each year to afford these items.
4. Use the Dave Ramsey Retirement Calculator to see how much money you could potentially have in a savings account. Look up the current average rate of return when using the Retirement Calculator. [Investment Calculator](#)
5. After you see your numbers, look below the chart to see how much more money you could have at your retirement age if you gave up some daily expenses.
6. As a group, discuss whether you are surprised or not by the numbers provided in the chart.

You may need to guide their discussion. Be sure to include the big difference in savings if you are willing to give up a few things every week.

5. Evaluate: (90Minutes)

1. You are going to record a podcast. Assume that teenagers listen to these podcasts from you and today's topic is 'Saving for the Future.' Answer the following questions:
 - a. Why do I need to save for retirement?
 - b. What are some realistic situations/numbers for investing?
 - c. How much money could I potentially save if I give up going out to eat a couple times a month?

[Click here](#) For the Podcast Assessment

Notes:

All ILCTE lessons are vetted by Curriculum Leader, Dr. Brad Christensen.

To see a review of this lesson by previous users, [click here](#).

We invite users of this lesson to [click here](#) to leave follow up information and rating.

We would like to publish pictures / videos of your students using this lesson. Please send to Rod McQuality at: rdmcquality@ilstu.edu. By sending pictures, you have met all the picture / video release for your school.

Download Word/Google Document:



Download as Google Doc or Word Doc. When open, click "open with" Google Docs. If you want in a Word Doc: click "file", "download", Microsoft Word and you will have in original PDF format.



Teens Invest for Their Future

Student Version

Lesson Overview:

To young adults, retirement seems like a lifetime away. The importance of saving and planning is more important than ever. In this lesson, students will make a retirement plan using activities, analyze their plan and make changes according to their projected income.

Learning Objectives:

At the conclusion of this lesson, students will be able to:

- Learn the time value of investing and compound interest.
- Develop a saving plan for retirement early.
- Demonstrate knowledge of terminology associated with retirement.
- Know which retirement option is appropriate for their financial situation.
- Understand penalties if money is taken out early.

Enduring Understandings:

- ✎ Students need to know enough about saving for the future to devote a small portion to an appropriate fund from each paycheck.

Resources and References:

- ✎ [Tools](#)

- Computer
- Internet access
- Candy

Materials/Documents

- [Candy activity handout](#)
- Article on saving: [A Teenagers Guide to Building Wealth](#)
- [Podcast rubric](#)

Essential Employability Skills:

There are four [essential employability skills](#)

- Personal Ethic: integrity, respect, perseverance, positive attitude
- Work Ethic: dependability, professionalism
- Teamwork: critical thinking, effective and cooperative work
- Communication: active listening, clear communication

The focus of this lesson is on Perseverance, and Critical Thinking.

Skill	How it is addressed:
Perseverance	Throughout the lesson, students will learn that saving for their future takes dedication and perseverance. It is not easy to give up trips to restaurants, for example. But in the long run, students will have a lot more money at retirement age if they persevere through those temptations in.
Critical Thinking	Students need to think critically on what type of lifestyle they desire when they are the retirement age. Then, after calculating their 'Dream Board' the first time, they will have to critically think how realistic it is and then come up with a more realistic 'Dream Board'.

1. Engage:

1. Go to [Kahoot!.it](#) and wait for the game code from your teacher.
2. With a peer that is sitting near you, share your own personal experience you have with parents and/or relatives that are retired. What type of lifestyle do they have? Do you know if they previously saved for retirement?
3. [Click Here](#) to play 'Candy Game - Are Americans Saving for Retirement?'
4. As a class, answer the following questions:
 - a. What does it mean to live paycheck to paycheck?
 - b. How much credit card debt do most Americans carry? Why do you think they have this much debt?
 - c. How does someone's current financial decisions impact his/her life down the road?

2. Explore:

1. Individually, create a “Dream Board” on your desired lifestyle in the future. Find 10 images that represent your wants/needs for retirement. Use a website like [Piktochart](#) or Canva.com to create this collage.
2. Write a reflection statement at the bottom of the collage that summarizes your pictures.
3. After completing the “Dream Board” and reflection statement, put an estimated dollar amount on each picture based upon today’s cost. For example, on your new picture of a brand-new fancy car, write \$90,000. Do this for every picture.
4. Total the dollar amounts you have assigned to all your photos.
5. By what age do you want to acquire all of these items? Subtract your current age from your target age. Now divide your total amount by the number of years to determine how much you need to save each year to afford these items.
6. Consider this scenario: You did not save for your desired future. What will be taken away due to lack of funds in retirement? Share your thoughts with one another.
7. After sharing with your group, come together as a class and discuss what you wouldn’t be able to do in your future if you didn’t save.
8. After your discussion, write down on a piece of paper five different ways you can build wealth starting right now as a teenager.
[A Teenagers Guide to Building Wealth](#)
9. After hearing the five ways you can build wealth and start saving for retirement, discuss with someone around you:
 - c. Are you surprised by these facts? Why or why not?
 - d. Are you interested in implementing these ideas in your own life right now?
10. After looking at the Ben and Arthur’s savings illustration, what did you take from that chart?

3. Explain:

1. Why is saving important?
2. Why should one of your financial goals include not living paycheck to paycheck?
3. Why should you consider investing money in a fund at a young age rather than wait till you are older?

4. Elaborate/Extend: (90 minutes)

1. Now that you know more about saving, analyze your 'Dream Board' to make it more realistic. Remove the items that you don't necessarily have to spend money on or that you realistically most likely will not be able to save that amount of money in real life.
2. Total your photos.
3. Recalculate your new 'Dream Board'. At what age do you want all this stuff? Subtract your current age from this target. Now divide your total amount by the number of years to determine how much you need to save each year to afford these items.
4. Use the Dave Ramsey Retirement Calculator to see how much money you could potentially have in a savings account. Look up the current average rate of return when using the Retirement Calculator. [Investment Calculator](#)
5. After you see your numbers, look below the chart to see how much more money you could have at your retirement age if you gave up some daily expenses.
6. As a group, discuss whether you are surprised or not by the numbers provided in the chart.

5. Evaluate: (90Minutes)

2. You are going to record a podcast. Assume that teenagers listen to these podcasts from you and today's topic is 'Saving for the Future.' Answer the following questions:
 - a. Why do I need to save for retirement?
 - b. What are some realistic situations/numbers for investing?
 - c. How much money could I potentially save if I give up going out to eat a couple times a month?

[Click here](#) For the Podcast Assignment Rubric