

# Saving to Achieve Your Goals

## Teaching Guide\*

### Program Goals

- To provide youth with tools to *evaluate* their savings goals and to *explore* the results of their planned savings actions to achieve these goals.
- To increase awareness of youth for the need to *plan ahead* to achieve their savings goals.
- To provide information to youth about *alternative savings strategies* to achieve their desired results.

### Intended Audience

- 9 to 18 year-old youth.

### Sources of Income

- Included are types of income youth are likely to receive such as:
  - Birthday money
  - Summer and part-time employment
  - Sale of 4-H animal projects
  - Allowance
- Instructors are encouraged to ask participants “What are the typical sources of income for youth your age?”

### Savings Goals

- Included are savings goals that youth age 9 to 18 may have such as:
  - Car purchase
  - College
  - MP3 Player
  - Computer
  - Other Goal
- Instructors are encouraged to discuss the differences between short, medium and longer term savings goals.
  - Short term goals may include:
    - clothing
    - concert tickets

- Medium term goals may include:
  - Computer
  - college tuition
  - car purchase
- Long term goals may include:
  - home purchase
  - retirement

### **Notes for Teachers**

- This program is intended to be delivered by a leader or teacher who has previously used the program.
- The program is based in Microsoft Excel software although extensive training with Excel is not required to use the software. At least one computer with Microsoft Excel is required for program use. Having computers available for all (or most) youth will create a hands-on learning experience.
- Each computer should have the program open to the “*Title Page*” tab at the beginning of the session. The program should automatically open to this tab but if it does not, select the “*Title Page*” tab.

### **Instructions Tab**

- Select the “Click Here to Get Started” link from the “*Title Page*” tab to move to the “*Instructions*” tab. This tab explains how data is entered and how to use the program.
- Once youth have reviewed the “*Instructions*” tab, they should select the “Click Here to Continue” link. The program will move to the “*Example 1*” tab.

### **Example 1 Tab**

- Use [Example 1: Jen] with Excel Tab “Example 1.”
- No data entry is required for this tab. Jen’s situation is an example to demonstrate how the program works.
- After you have explained Example 1, have youth select the “Click Here to Continue” link. The program will move to the “*Example 2*” tab.

### **Example 2 Tab**

- Use [Example 2: Mark] with Excel Tab “Example 2”. Mark’s situation is a second opportunity to acquaint youth with how the program works.
- In this example youth will enter data from the worksheet to determine if Mark achieved his savings goal.
- Mark will have saved \$8,317 if the figures are entered correctly.
- After youth have completed Example 2, have youth select the “Click Here to Continue” link. The program will move to the “*Example 3*” tab.

### **Example 3 Tab**

- Use [Example 3: Anna] with Excel Tab “Example 3”. Anna’s situation is a third opportunity to acquaint youth with how the program works.
- In this example youth will enter data from the worksheet to determine if Anna achieved her savings goal.
- Anna will have saved \$296 if the figures are entered correctly.
- After youth have completed Example 3, have youth select the “[Click Here to Continue](#)” link. The program will move to the “*Your Turn*” tab.

### **Your Turn Tab**

- This section allows youth to enter their own savings goal and planned savings actions.
- Youth set their savings goal by entering their:
  - Savings goal.
  - Amount of the goal.
  - Month and year they want to achieve their goal.
  - Any rate of return can be entered in this section of the software. Users are encouraged to enter their actual rate of return.
- Results:
  - The program will indicate the amount that has been saved at the time of the intended goal and whether or not the goal has been achieved. The program also reveals the total amount of deposits and total amount of interest earnings.
- After the initial results:
  - If their goal is achieved, encourage youth to establish a new goal and examine the results.
  - If their goal is not achieved, encourage youth to make changes to their:
    - savings deposit plan
    - savings goal
    - investment choice
    - date they wish to achieve their goal
  - This process allows youth the opportunity to evaluate the outcome of each change.

# Saving to Achieve Your Goals

## Example 1: Jen

Jen is a 14-year-old who has decided to start saving money to buy a car. Jen's parents told her she cannot buy a car until her 16<sup>th</sup> birthday in June, 2011. She currently has \$2,400 in a savings account.

Jen's goal is to save \$7,000 to buy a used car. She wants to know how much she needs to save to reach her goal. She can use the *Saving to Achieve Your Goals* worksheet to find out. The following information was entered in Example 1 on the *Savings to Achieve Your Goals* worksheet. Follow each step below to see how the information was entered on the worksheet:

1. "Car Purchase" was selected from the drop down menu next to Savings Goal.
2. "\$7,000" was entered as the amount of Jen's goal.
3. "June" of "2011" was selected as the date of her goal.
4. Jen intends to invest her savings in a passbook savings account:
  - 3.82% was selected as the interest rate from the drop down menu next to "Rate of Return".
5. Jen's current savings:
  - \$2,400 was entered in September 2009.
6. Jen plans to save money each year on her birthday:
  - \$100 was entered in June of 2010.
  - \$100 was entered in June of 2011.
7. Jen plans to save money at Christmas each year:
  - \$75 was entered in December 2009.
  - \$75 was entered in December 2010.
8. Jen plans to save money from the sale of her 4-H steer:
  - \$1,200 was entered in August 2010.
9. Jen also plans to save money from working at a store in town during the summer:
  - \$525 was entered for June, July and August of 2010.
  - \$350 was entered for April, May, September and October of 2010.

Did Jen save enough money to achieve her savings goal? \_\_\_Yes \_\_\_No

# Saving to Achieve Your Goals

## Example 2: Mark

Mark is a 9-year-old who has decided to start saving money to help pay for college. Mark's parents have made a deal with him that if he saves \$10,000 for college then they will also pay \$10,000 toward his college education.

Use the following information to complete the Example 2 Tab on the *Saving to Achieve Your Goals* worksheet:

1. Select "College Tuition" from the drop down menu next to Savings Goal.
2. Enter "\$10,000" as the amount of Mark's goal.
3. Select "August" of "2019" as the date of the goal.
4. Mark plans to invest his savings in a mutual fund that invests in corporate bonds.
  - Select 5.53% as the interest rate from the drop down menu next to Rate of Return.
5. Mark plans to save money each year on his birthday:
  - Enter \$50 for March of 2010 through 2019.
6. Once Mark is old enough to work he plans to save money from his summer job:
  - Enter \$250 for May, June, July and August for 2017, 2018 and 2019.
7. Mark plans save money from the sale of his 4-H steer projects:
  - Enter \$1,025 for July 2011.
  - Enter \$1,025 for July 2013.
8. Mark plans to save money from the sale of his 4-H swine project:
  - Enter \$450 for July 2015.
9. Mark also plans to save money each December from gifts he receives for the holidays:
  - Enter \$100 for December 2012 to 2018.

Did Mark save enough money to meet his saving goal? \_\_\_Yes \_\_\_No

- If Mark didn't save enough money to achieve his goal; he could make changes to his:
  - savings deposit plan
  - rate of return
  - date of goal
  - amount of goal

# Saving to Achieve Your Goals

## Example 3: Anna

Anna is a 9-year-old who has decided to start saving money to buy a new video game system, although she hasn't yet decided which one she will buy. Anna thinks she will be able to buy the new system for \$250.

Use the following information to complete the Example 3 Tab on the *Saving to Achieve Your Goals* worksheet:

1. Select "Other Goal" from the drop down menu next to Savings Goal.
2. Enter "\$250" as the amount of Anna's goal.
3. Select "October" of "2010" as the date of the goal.
4. Anna plans to invest her savings in a savings account.
  - Select 3.82% as the interest rate from the drop down menu next to Rate of Return.
5. In December 2009 Anna plans to save \$60 from:
  - Her allowance: \$10
  - Shoveling several neighbor's driveways: \$50
6. In January 2010 Anna plans save \$35 from:
  - Her allowance: \$10
  - Shoveling several neighbor's driveways: \$25
7. In February, March, April and May 2010 Anna plans to save \$10 (each month) from:
  - Her allowance: \$10
8. In June 2010 Anna plans to save \$55 from:
  - Her allowance: \$10
  - Birthday gifts: \$45
9. In July and August 2010 Anna plans to save \$40 (each month) from:
  - Her allowance: \$10
  - Doing yard work for neighbors: \$30
10. In September and October 2010 Anna plans to save \$10 (each month) from:
  - Her allowance: \$10

Did Anna save enough money to meet her saving goal? \_\_\_Yes \_\_\_No

- If Anna didn't save enough money to achieve her goal; she could make changes to her:
  - savings deposit plan
  - rate of return
  - date of goal
  - amount of goal