



# Lesson 3: Designing a Dream

## TOPIC: Financial Goals

### OVERVIEW:

Financial planning is the focus of Lesson 3, as middle school learners compound their knowledge to overcome barriers that might prevent them from fully reaching their financial **goals**. Using student-centered learning, the module's focal point will be on the learners, their goals, and strategically building financial decision-making skills that will become an important part of their financial toolbox.

### OBJECTIVES:

1. Identify and explain needs and wants
2. Identify their own financial values and apply those values to their financial goals
3. Create a financial goal and develop the process to achieve it, factoring in possible barriers to that goal
4. Understand and explain the importance of creating financial goals

### INDIVIDUAL HANDOUTS:

- Financial Values and Goals

### GROUP HANDOUTS:

- None

### TEACHER PRESENTATION SLIDES:

- Financial Values Sample
- Financial Goals Sample

### ESSENTIAL QUESTIONS:

- What are my financial values?
- What are my financial goals?
- What are the best methods to achieve my financial goals?

### ASSESSMENT ACTIVITIES:

#### Pre-Assessment:

- **Activity:** Charting the Stars

#### Post-Assessment:

- **Activity:** Values and Goals
- **Discussion:** Financial Values and Goals

**Time:**45 min

#### Supplies:

- Projector (for teacher presentation slides)
- Access to the Internet (optional)

#### Preparation:

- Make copies of student handout
- Set up projector with presentation slides
- Set up individual or group computers with access to the Internet (optional)

**Glossary with key vocabulary** 15

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## Instruction Steps

### WARM UP

#### Charting the Stars

10 MINUTES

Share, when many

celebrities talk about their path to success they discuss how they reached a personal financial goal. They share about buying a house, a luxury vehicle, traveling with friends or indulging personal passions like sneakers or art. There are also stories of celebrities declaring bankruptcy or taking on more debt than they can handle. Each of these stories reflects personal financial decisions, as well as the power of setting goals and sticking to a personal plan.

Ask students to imagine they have become famous, what is the reason they are a celebrity (wrote a book, created an amazing video game, starred in a movie etc.)? Next have students think of one financial goal they would want to reach now that they are a celebrity (buying a house, luxury vehicle, etc.). Have students briefly research how much their financial goal would cost.

Remind students about the concept of needs and wants: **Needs are things that you must have to survive**, such as clothes, shelter, or food. **Wants are things that you would like to have, but can live without**, such as a TV or tickets to a baseball game.

#### Ask students to consider:

- *What are some additional examples of needs and wants?*
- *How might needs and wants factor into a celebrity's financial decisions?*

Celebrities often have more purchasing power which means they can also get into a lot of debt.

- *What could a celebrity do to manage needs and wants? Do you think some celebrities focus more on short-term wants (cars, clothes, etc.) vs. long-term goals (home, giving back to a cause they were passionate about)?*

#### Grade-Level Modification:

**Beginner:** Provide students with additional background on the concept of needs and wants by reading and discussing the *How to Achieve Your Financial Goals*, found in the English Language Arts resource section.

**Advanced:** <https://financialentertainment.org/celebritycalamity>

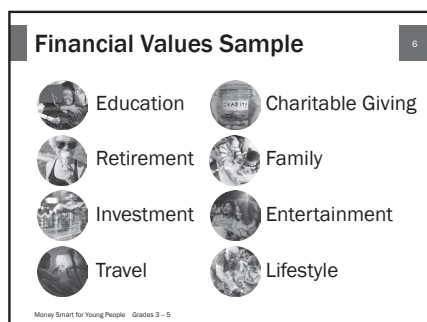
### MONEY SMART TIP!

Four in 10 adults, if faced with an unexpected expense of \$400, would either not be able to cover it or would cover it by selling something or borrowing money, according to the Federal Reserve Board in 2018. Having savings prepares you for the unexpected and can help you avoid taking on debt.

## GUIDED AND INDEPENDENT EXPLORATION

### Financial Values And Goals

30 MINUTES



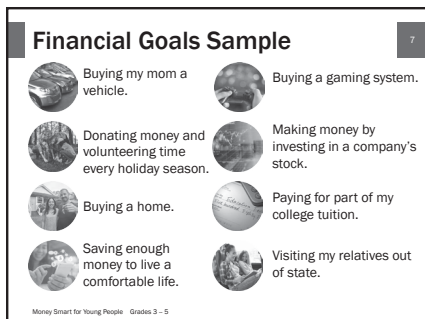
People who set **goals** for themselves and write them down are the most successful at reaching them. But many students may not yet be ready to write down their goals. Explain to students that, before they can develop financial goals, they must take stock of what their financial values are, or what matters most to them.

Display the **Financial Values Sample** slide. Ask students to turn and talk with a friend about some of the expenses that might go with each value. For example: the “Education” value expenses might include: school supplies, college tuition, tutoring, and technology expenses. Review and jot down some of the expenses for each value.

- Education – school supplies, college tuition, tutoring, technology expenses
- Charitable Giving – monetary, goods, and services donations to charitable organizations
- Retirement – saving money for a comfortable retirement
- Family – providing money to family members and/or making family life more comfortable
- Investment – investing in investment vehicles, including stocks and bonds, in addition to possible investment in businesses or real-estate
- Entertainment – entertainment products like a TV, pool, or video game system
- Travel – going on vacation and visiting new places
- Lifestyle – purchasing a product that will upgrade your lifestyle in some way (for example: a housing upgrade or renovation)

Then, ask students to use their **Financial Values and Goals** handout or a digital productivity tool (such as collage creator, presentation tool, or infographic tool, <https://teach.kqed.org/courses>) to record their top three financial values and give a justification for each. (See the **Answer Key** for a sample response to this handout.)

Remind students that people who write down their goals are more successful at reaching them than those who do not. Ask students to again consider the expenses related to some of their values. Based on their own values and those expenses, ask students to consider what financial goals they would like to reach in the future.



Display the **Financial Goals Sample slide** and review some financial goals that students might set and their associated costs. Ask students to match the financial goals with their values.

- Education – paying for part of my college tuition
- Charitable Giving – donating money and time every holiday season
- Retirement – saving enough money to live a comfortable life
- Family – buying my mom a car
- Investment – making money by investing in a company’s stock
- Entertainment – buying a gaming system
- Travel – visiting my relatives in another state
- Lifestyle – buying a home

Then, have students work with a partner to develop their financial goals either using the costs on the slide or looking up the costs online. When they are done, ask students to share some of their financial goals.

**Discuss:**

- *Which of those goals is most important to you right now?*
- *How quickly can these important goals be achieved? (Goals that are very important and can be achieved more quickly are more likely to be labeled “short-term goals.”)*
- *Which of those goals do you think will matter more to you later?*
- *How much time will you need to achieve those goals later? (Goals that are less important immediately and/or take longer to achieve are more likely to be labeled “long-term goals.”)*
- *Why does it matter which goals are important now versus later?*

Based on their previous conversation, direct students to identify whether their goal is a short- or long-term goal. Allow students time to discuss their reasoning for labeling their goals as short- or long-term. Some students may disagree on a similar goal being short- or long-term based on personal priorities.

If needed, provide students with some examples of real-life long-term and short-term goals:

**Short-term goal** examples:

- Buying a gaming system
- Donating a small amount to a charity
- Buying a new phone

**Long-term goal** examples:

- Saving to purchase a car
- Investing money to pay for college expenses
- Saving to take a trip to several countries in Asia

Remind students that just setting a financial goal does not guarantee “smooth sailing.” They will need to assess their progress on a regular schedule. Roadblocks may pop up that can prevent us from reaching our goals, but if we plan for those roadblocks, then we might be more prepared to drive around or over them when they arise. Even without roadblocks, we need to be flexible in modifying our plans to ensure that they are realistic based on the circumstances.

Ask students to note one roadblock for each goal and one possible solution for each roadblock.

Begin a discussion by asking: *What is one of your roadblocks and the solution for that roadblock?*

## **WRAP UP**

### **Financial Values and Goals Discussion**

5 MINUTES

End the lesson by discussing the following questions with students:

- *Why should we set financial goals?*
- *How can you use the work we did today in the future?*
- *How might these goals and/or the process of creating financial goals help your family?*

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## **Extended Exploration**

**Note:** Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

### **ENGLISH LANGUAGE ARTS**

#### **Writing Prompts:**

Write a narrative about the adventures and roadblocks you must overcome to reach one of your financial goals from your **Financial Values and Goals** activity today. Your narrative should read like an interesting memoir or novel. Include characters, dialogue, plot, and an interesting conflict.

In a quick-write, consider which of your three financial goals is most important for you to reach. Explain how you reached that conclusion and what you will need to do to achieve this goal.

#### **Additional Readings/Resources:**

*Managing Money: Needs vs. Wants* by PBS Kids: A student-friendly article on the differences between wants and needs using student examples.

<http://pbskids.org/itsmylife/money/managing/article2.html>

## MATH

*How to Achieve Your Financial Goals* by BizKids: A short video on tracking expenses, controlling spending, and investing money in order to achieve financial goals. (Time of video: 30 seconds) <http://bizkids.com/episode/how-to-achieve-your-financial-goals>

*Three Financial Goals to Focus on in Every Decade* by Forbes: A list of three financial goals per decade that people could focus on, starting in their twenties. [www.forbes.com/sites/learnvest/2014/08/13/3-financial-goals-to-focus-on-in-every-decade/#3d71673b306c](http://www.forbes.com/sites/learnvest/2014/08/13/3-financial-goals-to-focus-on-in-every-decade/#3d71673b306c)

## SOCIAL STUDIES AND ECONOMICS

### Activity/Project Ideas:

Calculate the cost of saving for a combination of financial goals. Use the *Financial Values and Goals* handout, plus online research, to calculate the cost of saving for several financial goals. Then, discuss the impact of saving for multiple goals and the importance of prioritizing goals.

## TECHNOLOGY

### Activity/Project Ideas:

Examine government financial goals by researching the government spending and income platforms of local politicians.

#### Ask:

- *What do these politicians say about government spending and income?*
- *What steps do they hope to take to achieve their goals?*
- *Which politicians' goals do you most agree with, and why?*

### Online Games/Tools:

Money Management video by EconEdLink.

[www.econedlink.org/resources/money-management-budgeting-concept-video/](http://www.econedlink.org/resources/money-management-budgeting-concept-video/)

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## Classroom activities from the Consumer Financial Protection Bureau (CFPB)

The CFPB has developed a set of classroom activities to help teachers develop and support the building blocks of financial capability in their students. Each activity is designed to be completed within a single class period and includes a teacher guide and supporting student material. Some specific activities that are relevant to this lesson include:

Saving for short- and long-term goals

After discussing the difference between short-term and long-term goals, students set their own savings SMART goals.  
[www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/saving-short-long-term-goals/](http://www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/saving-short-long-term-goals/)

Budgeting for needs and wants

Students explore the difference between needs and wants and practice making budget choices.  
[www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/budgeting-needs-and-wants/](http://www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/budgeting-needs-and-wants/)

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## Answer Key

Student Handout 1:

*Financial Values and Goals*  
Answers will vary.



# Lesson 3: Designing a Dream FINANCIAL VALUES AND GOALS

Name: \_\_\_\_\_

**MY #1 FINANCIAL VALUE:**

\_\_\_\_\_

**because** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Financial Goal:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Possible Cost:**

**Long-Term** or **Short-Term?** (circle)

**Possible Roadblock to My Goal:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Roadblock Solution:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**MY #2 FINANCIAL VALUE:**

\_\_\_\_\_

**because** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Financial Goal:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Possible Cost:**

**Long-Term** or **Short-Term?** (circle)

**Possible Roadblock to My Goal:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Roadblock Solution:**

\_\_\_\_\_

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**MY #3 FINANCIAL VALUE:**

\_\_\_\_\_

**because** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Financial Goal:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Possible Cost:**

**Long-Term** or **Short-Term?** (circle)

**Possible Roadblock to My Goal:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Roadblock Solution:**

\_\_\_\_\_

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\_\_\_\_\_