MONEY SMART

MONEY SMART FOR YOUNG ADULTS

MODULE 5

Saving for Your Goals and Your Future

Instructor Guide

FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION

FDIC-018-2022

The Federal Deposit Insurance Corporation is an independent agency created by Congress to maintain stability and public confidence in the nation's financial system. One way we do that is by providing free, non-biased financial education materials, including this instructor guide. For more information about our family of Money Smart products, visit **fdic.gov/moneysmart**.

Contents

Welcome

Welcome to the FDIC's Money Smart for Young Adults!
This is the instructor guide for **Module 5: Saving for Your Goals and Your Future.**

Module Purpose

This module covers how participants can save money. Participants will be able to:

- Explain what saving is and why saving money is important
- List ways to save money
- Explain why saving money for unexpected expenses is important
- Plan to reach saving goals
- Find information on how saving money can affect public benefits
- List advantages and disadvantages of places to put savings
- Recognize warning signs of possible fraud and scams
- List steps to take to prevent becoming a victim of fraud and scams

Module at a Glance

We estimate you need 2½ hours to cover the entire module, not including breaks or an optional introductory activity. You can use this table to select sections based on the time you have available and the needs of participants.

SECTION	SUBSECTIONS AND ACTIVITIES	ESTIMATED TIME (MINUTES)
Module Opening	■ Welcome Participants as They Arrive ■ Pre-Training Survey (Optional) ■ Parking Lot and Participant Guide	**10**
Section 1: What Is Saving?	■ Defining Saving ■ Try It: Finding Money to Save ■ Apply It: My Quick Tips for Finding Money to Save ■ Why Save Money?	**40**
Section 2: Making a Saving Plan	■ Unexpected Expenses ■ Apply It: My Plan to Save for Unexpected Expenses ■ How Much Money Should You Save for Your Goals? ■ Apply It: Saving Money for My Goals ■ Saving and Public Benefits	**35**

SECTION	SUBSECTIONS AND ACTIVITIES	ESTIMATED TIME (MINUTES)
Section 3: Where to Save	■ Advantages and Disadvantages of Savings Options ■ Automating Your Savings ■ Using Savings Apps ■ Other Places for Savings	**40**
Section 4: Saving Smart	■ Warning Signs of Fraud and Scams ■ Apply It: Protecting Yourself From Fraud and Scams	**15**
Module Closing	■ Remember the Key Takeaways ■ Take Action ■ Post-Training Survey (Optional)	**10**

The FDIC created Real-Life Money Situations for Young Adults to strengthen the financial knowledge, skills, and self-efficacy of young adults ages 16 to 24. The five scenarios can be used with the Money Smart for Young Adults financial education curriculum, with other financial education curricula, or as stand-alone activities. Each scenario features a young adult facing realistic financial decisions. Young adults reflect on the scenarios and consider how they might respond in similar situations. The scenario titled Jordan Buys a Car features financial decisions that relate to the content of this module. Search fdic.gov for Real-Life Money Situations for Young Adults.

Special Supplies for Training on This Module

In addition to the standard preparation outlined in the *Guide to Presenting Money Smart for Young Adults*, trainers should ensure that the following supplies are available for the Why Save Money?" activity in section 1 (page 8) and the "Advantages and Disadvantages of Savings Options" activity in section 3 (page 16):

- Flip chart paper
- Multiple markers
- Tape for displaying flip chart paper, if needed

Module Opening

Time estimate for this section: 10 minutes

Welcome Participants as They Arrive

SHOW SLIDE 1

DO

- As participants arrive for the training, use this time to:
  - Welcome them and introduce yourself
  - Ask them to sign in for the training if you are using a sign-in sheet
  - Ensure that any requested reasonable accommodations are in place and make any necessary adjustments

Pre-Training Survey (Optional)

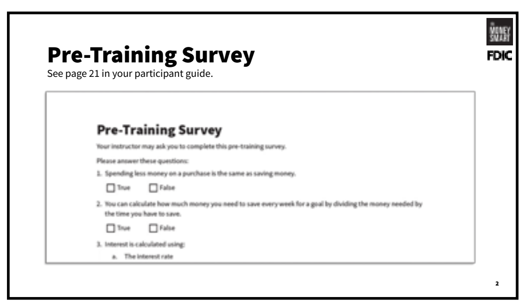
See page 21 in the participant guide.

Note to Instructor: Before training starts, you can ask participants to complete the pre-training survey in the back of the participant guide. You may want to give participants copies of the survey so they do not have to tear pages out of their guides. The questions are repeated in the post-training survey.

The answer key is at the end of this instructor guide, but do not share the answers now.

Using the pre- and post-training surveys allows you to estimate knowledge gains and get other feedback on the training. You may decide to compare pre-training surveys to post-training surveys to estimate knowledge gains of the entire group or for individual participants. To estimate by participant, ask them to write their name or some other unique identifier on both their pre- and their post-training surveys.

SHOW SLIDE 2



SAY

- Thank you for coming to this Money Smart training on “Saving for Your Goals and Your Future.”
- Please complete the pre-training survey on page 21 of your participant guide.
- It should take less than five minutes to complete.

DO

- Collect the completed surveys.

Parking Lot and Participant Guide

SAY

- I will use a parking lot to capture questions, ideas, and other thoughts. We can add items anytime during the training. Time permitting, I will address them during breaks or at the end of training.
- You have a participant guide. You can write in it. It is yours to keep.

Section 1: What Is Saving?

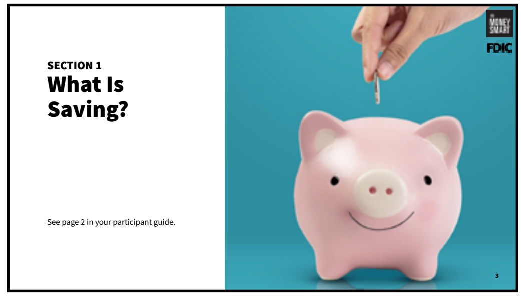
Time estimate for this section: 40 minutes

See page 2 in the participant guide.

Participants will be able to:

- Explain what saving is and why saving money is important
- List ways to save money

SHOW SLIDE 3



SAY

- We will discuss what it means to save, why saving money is important, and ways to find money to save.

SHOW SLIDE 4

SAY

- The key takeaway for this section is: Set aside some money every time you get income. Regularly saving money can make a big difference over time.

Defining Saving

Lead activity (5 minutes)—Present information

See page 2 in the participant guide.

SHOW SLIDE 5

ASK

- What does “saving” mean?
- You can take notes in your participant guide on page 2.

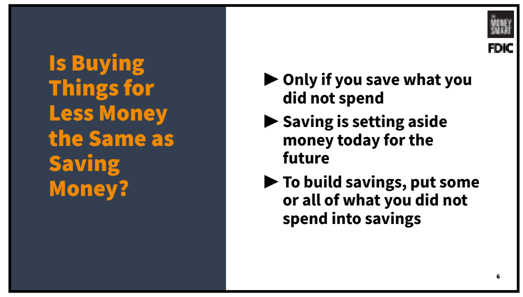
SAY

- Saving means setting aside a portion of any money you earn or receive.
- It does not have to be a large portion. Regularly saving money, even small amounts, can add up.
- Saving does not mean you neglect to pay your rent or other obligations.

ASK

- Is spending less money on a purchase the same as saving money?

SHOW SLIDE 6



SAY

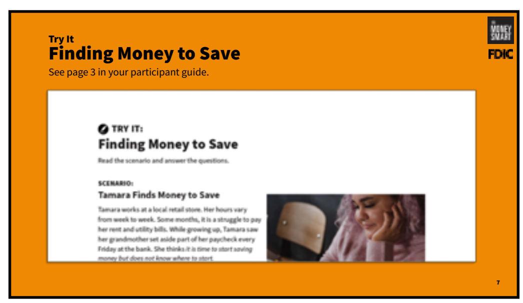
- Spending less money is the same as saving money only if you save what you did not spend.
- Remember, saving is setting aside some of your money today for the future.
- People sometimes use the word "saving" to mean buying things for less money. For example, if you buy a coat marked down from $60 to $40, you may say that you saved $20.
  - But you are not *building your savings* unless you put the $20 you did not spend into your savings fund.
  - When we talk about saving in this training, we mean setting aside some of your money today for the future.

Try It: Finding Money to Save

Lead activity (10 minutes)—Scenario

See page 3 in the participant guide.

SHOW SLIDE 7



DO

- Ask participants to turn to "Try It: Finding Money to Save" in the participant guide.
- Read the scenario to participants or ask for a volunteer to do so.

Scenario: Tamara Finds Money to Save

Tamara works at a local retail store. Her hours vary from week to week. Some months, it is a struggle to pay her rent and utility bills. While growing up, Tamara saw her grandmother set aside part of her paycheck every Friday at the bank. She thinks it is time to start saving money but does not know where to start.

DO

- Give participants five minutes in small groups to discuss the questions listed below the scenario.
- Encourage participants to think about how they have saved money.
- After five minutes, ask groups to share their ideas and write responses on a flip chart or whiteboard.

SAY

- Many of us can relate to Tamara being unsure if she can afford to save money and how to start. This is especially true if she were trying to pay down debt.
- Even if Tamara saves small amounts of money, she has made a start and is developing a habit of saving.

Apply It: My Quick Tips for Finding Money to Save

Lead discussion (10 minutes)

See page 4 in the participant guide.

SHOW SLIDE 8

SAY

- Turn to “Apply It: My Quick Tips for Finding Money to Save” in your participant guide on page 5.
- With a partner, take five minutes to review this list. Try to find at least one idea in the list new to you, and one you think you could try. Then add ideas for saving money that are not on the list. Be prepared to share your answers.

DO

- After five minutes, ask participants to share the results of their discussions. Write their ideas for adding to the list on a flip chart or whiteboard.
- Invite participants to write these new ideas in their participant guide on page 4.

Why Save Money?

Lead activity (15 minutes)—Vote

See page 6 in the participant guide.

Note to Instructor: This activity is a vote. Participants vote for one of several alternative choices. As the instructor, you can use the results of the vote as a springboard for discussion. You can make observations about what gets the most votes and also invite participants to explain their votes.

Alternatively, if participants have access to smart phones, you could use an online polling app or program to conduct the vote.

SHOW SLIDE 9

DO

- Make signs, using paper and markers, as follows:
  - Goals
  - Wealth-building
  - Emergencies
  - Covering times with less income or more expenses
  - Peace of mind
  - Job-related expenses
  - Other
- Place the signs around the room so they are readily visible. If you have only a few participants or a small group, consider using only some of the items on this list.
- You can conduct this activity by having participants move around the room. Or, participants can remain at their tables and vote by raising their hands or indicating their preference in another way.

SAY

- I have placed seven signs around the room.
- Each sign lists a reason to save money.
- You can save money for reasons including:
  - Goals
  - Wealth-building
  - Emergencies
  - Covering times with less income or more expenses
  - Peace of mind
  - Job-related expenses

- For the first one, goals, think about things like saving money for your education, moving out of your parents' home, and other goals.
- Vote for the reason that is most important to you by standing near it (or vote in another way).
- If you vote for "other reasons," be prepared to share your other reasons.
- There are no right or wrong answers to this activity.

DO

- Facilitate a discussion by asking participants:
    - Why was this reason the most important?
    - Was it hard to choose among the reasons listed?
    - What other reasons did you consider?
    - How does this reason motivate you to save money?

SHOW SLIDE 10

SAY

- Remember the key takeaway: Set aside some money every time you get income. Regularly saving money can make a big difference over time.

Section 2: Making a Saving Plan

Time estimate for this section: 35 minutes

See page 7 in the participant guide.

Participants will be able to:

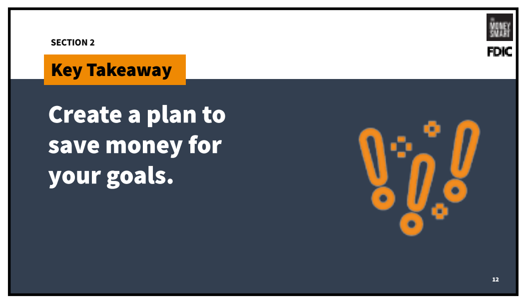
- Explain why saving money for unexpected expenses is important
- Plan to reach saving goals
- Understand how saving money can affect public benefits

SHOW SLIDE 11

SAY

- We will discuss saving money for unexpected expenses and planning to reach savings goals. We will also discuss how saving money can affect public benefits you may receive.

SHOW SLIDE 12



SAY

- The key takeaway for this section is: Create a plan to save money for your goals.

Unexpected Expenses

Lead activity (9 minutes)

See page 7 in the participant guide.

SHOW SLIDE 13

SAY

- Life happens. Unexpected events occur. And, they often require money.
- People can find themselves desperate for money when they need to replace a car tire or water heater, travel to a family member's funeral, or pay for emergency dental work.

- An emergency savings fund can help. This is money specifically set aside to cover unexpected expenses.
  - Setting money aside means separating it from where you keep money that you plan to spend or share with others in the short term. It could be in a federally insured savings account, or perhaps somewhere else that is safe.

SAY

- Turn to page 7 in your participant guide.
- Take three minutes to list some of the unexpected events in your life that required money.
- Put a check next to those that you handled or could have handled with $1,000 or less.

DO

- Invite a few participants to share what they wrote.

SHOW SLIDE 14

SAY

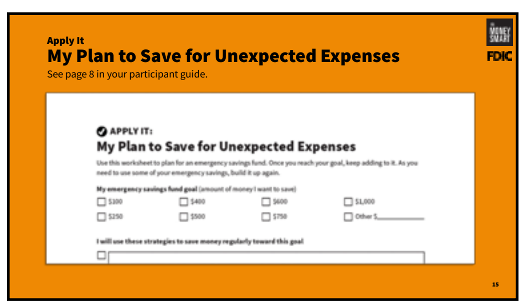
- When you pay for unexpected expenses with money you saved in an emergency savings fund, you avoid debt.
- Using debt to cover unexpected expenses can be costly.
- It may take time and commitment to build your emergency savings fund.
- As you use some of your emergency savings, you will have to build it up again. It is a cycle.
- It is still worth doing. Having an emergency savings fund is one of the most important steps you can take to improve your financial health and stability.

Apply It: My Plan to Save for Unexpected Expenses

Present information (1 minute)

See page 8 in the participant guide.

SHOW SLIDE 15



SAY

- Turn to “Apply It: My Plan to Save for Unexpected Expenses” on page 8 in your participant guide.
- You can complete this worksheet after today’s training to develop your own plan for creating an emergency savings fund.

How Much Money Should You Save for Your Goals?

Present information (5 minutes)

See page 9 in the participant guide.

SHOW SLIDE 16

SAY

- Many goals involve money. The only way you can achieve them is if you have enough money. What is enough?
- The amount of money you should save for your goals is based on:
  - What you are saving for.
  - How much it will cost.
  - How much of that cost you need to save. This is the portion of the cost you do not already have.
  - When do you plan to reach your goal?
- For example, let's say you have a goal to build an emergency savings fund of $1,000 in two years.
- We will assume you do not already have any money saved so you need to save the entire $1,000.
  - You can calculate the amount of money you need to set aside on a daily, weekly, monthly, or yearly basis.
  - Let's say you want to calculate it on a weekly basis:
    - » $1,000 ÷ 100 weeks (50 weeks x 2 years) = $10.
    - » We are using 50 weeks instead of 52 weeks in a year just to make the math easier.
    - » If you set aside $10 every week for the next two years, you will have saved $1,000, and that does not include any interest on your savings.
- You will have more than enough money in two years to meet your goal.

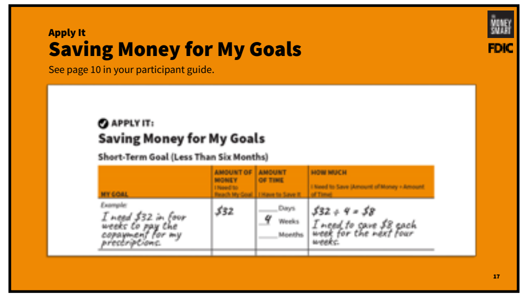
Note to Instructor: Consider writing the equation on a flip chart or whiteboard as you explain each step. Some people follow calculations more easily when presented in steps.

Apply It: Saving Money for My Goals

Lead activity (10 minutes)—Exercise

See page 10 in the participant guide.

SHOW SLIDE 17



SAY

- Turn to “Apply It: Saving Money for My Goals” on page 10 in your participant guide.
- You can use the tables to calculate how much money you should save every day, week, month, or year to reach your goals.
- There are three tables, one each for:
  - Short-term goals—something you will try to accomplish in less than six months from now.
  - Medium-term goals—something you will try to accomplish in six months to two years from now.
  - Long-term goals—something you will try to accomplish that will take more than two years to achieve.
- There is an example already filled in to show you how to use the worksheet.
  - This person needs $32 in four weeks for the copayment for prescription medication. That is the goal.
  - The amount of money needed—$32—is put in the second column.
  - The amount of time—four weeks—is put in the third column.
  - To figure out how much money to save each week, this person divided $32 by 4. That is $8 per week, which is put in the last column.
- Take three minutes now to think about one of your goals that requires money. You can choose a short-, medium-, or long-term goal.
  - Fill in the table with that goal, the amount of money you need to reach that goal, the amount of time you have to save it, and then calculate the *How Much* column—how much money you need to save to reach your goal.
  - You can decide to calculate a daily, weekly, monthly, or yearly savings amount for it.
  - You can fill in the rest of the table with more goals after today’s training.

DO

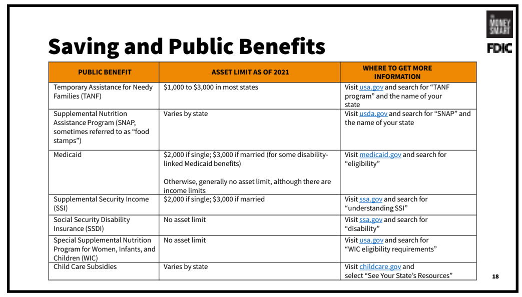
- After three minutes, ask two or three participants to share how they calculated their savings amount.

Saving and Public Benefits

Present information (10 minutes)

See page 11 in the participant guide.

SHOW SLIDE 18



SAY

- Some public benefit programs determine eligibility for benefits based on a person's income and other resources. This is commonly called "means testing" or "a means-tested benefit."
- Turn to *Saving and Public Benefits* on page 11 in your participant guide.
- If you receive public benefits or financial assistance for your education, pay careful attention to how your benefits might be affected by saving money.
- Some benefits or assistance might decrease as your savings increase. This is sometimes called an "asset limit."

Let's look at limits to saving money for some public benefit programs. Do not rely on this table alone—check for current rules at each program's website.

DO

- Review each public benefit and the information provided in the table. Participants can follow along in their participant guide.

PUBLIC BENEFIT	ASSET LIMITS AS OF 2021	WHERE TO GET MORE INFORMATION
Temporary Assistance for Needy Families (TANF)	$1,000 to $3,000 in most states	Visit **usa.gov** and search for "TANF program" and the name of your state.
Supplemental Nutrition Assistance Program (SNAP, sometimes called "food stamps")	Vary by state	Visit **usda.gov** and search for "SNAP" and the name of your state.
Medicaid	For some disability-linked Medicaid benefits $2,000 if single; $3,000 if married Otherwise, generally no asset limit, although there are income limits	Visit **medicaid.gov** and search for "eligibility."
Supplemental Security Income (SSI)	$2,000 if single; $3,000 if married	Visit **ssa.gov** and search for "understanding SSI."
Social Security Disability Insurance (SSDI)	No asset limit	Visit **ssa.gov** and search for "disability."

PUBLIC BENEFIT	ASSET LIMITS AS OF 2021	WHERE TO GET MORE INFORMATION
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	No asset limit	Visit **usa.gov** and search for “WIC eligibility requirements.”
Child Care Subsidies	Vary by state	Visit **childcare.gov** and select “See Your State’s Resources.”

SHOW SLIDE 19

SAY

- Remember the key takeaway: Create a plan to save money for your goals.

Section 3: Where to Save

Time estimate for this section: 40 minutes

Participants will be able to list advantages and disadvantages of places to put savings.

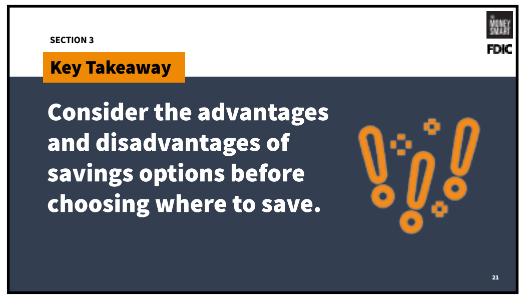
See page 12 in the participant guide.

SHOW SLIDE 20

SAY

- We will discuss advantages and disadvantages of places to put savings.

SHOW SLIDE 21



SAY

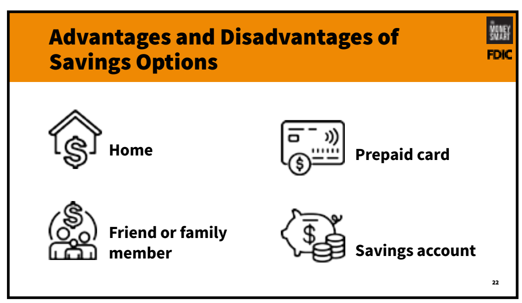
- The key takeaway for this section is: Consider the advantages and disadvantages of savings options before choosing where to save.

Advantages and Disadvantages of Savings Options

Lead activity (20 minutes)—Brainstorm

See page 12 in the participant guide.

SHOW SLIDE 22



SAY

- There are several options for where to save.
- Each has advantages and disadvantages. For example, some options may be more convenient than others for some savers. Some options may be safer and secure than others.

DO

- Break the participants into small groups.
- Assign each group one of these topics. If you have more than five groups, assign the same topic to more than one group.
  - Home
  - Friend or Family Member
  - Prepaid Card
  - Savings Account
  - Rotating Savings and Credit Association (ROSCA)
  - Online person-to-person payment product

Note to Instructor: A ROSCA is a group of people who regularly contribute money into a savings fund. Each member uses the money in the savings fund on a scheduled basis. They may have other features as well. The programs are based on trust among group members. These groups go by different names around the world, such as lending circle, sou-sou, tanda, or hui.

- Give each group a piece of flip chart paper.
  - Ask them to do the following:
    - » Write their topic at the top as a title.
    - » Draw a large "T" on the paper below the title.
    - » Write "Advantages" on the left side of "T" and "Disadvantages" on the right.

Title of Their Topic Here

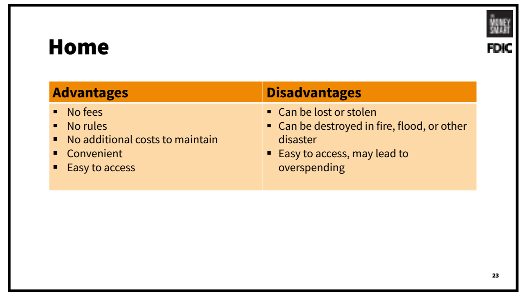
Advantages	Disadvantages

SAY

- In small groups, let's discuss the advantages and disadvantages of each of these places to put your savings.
  - If your group was assigned "Home," your group will brainstorm the advantages and disadvantages of keeping the money you save in cash in your home.
  - If your group was assigned "Friend or Family Member," your group will brainstorm the advantages and disadvantages of giving the money to a friend or family member to keep until you need it.
  - If your group was assigned "Prepaid Card," your group will brainstorm the advantages and disadvantages of loading the money you save onto a prepaid card. When you make purchases using the prepaid card, you are spending money you loaded onto it in advance.
  - If your group was assigned 'Savings Account,' your group will brainstorm the advantages and disadvantages of keeping the money you save in a savings account at a financial institution.

- Take three minutes to brainstorm your topic.
- Be prepared to present the results of your group's discussion to the class.
- After three minutes, ask each group, in turn, to present their topic, starting with "Home." Then show the relevant slide for that topic and share any ideas the group did not mention.

SHOW SLIDE 23



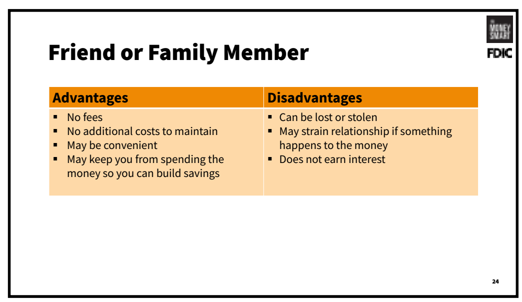
DO

- Add these ideas about "Home" if not mentioned:

HOME

Advantages	Disadvantages
■ No fees	■ Can be lost or stolen
■ No rules	■ Can be destroyed in fire, flood, or other disaster
■ No additional costs to maintain	■ Easy to access, leading to overspending
■ Convenient	■ Does not earn interest
■ Easy to access	

SHOW SLIDE 24



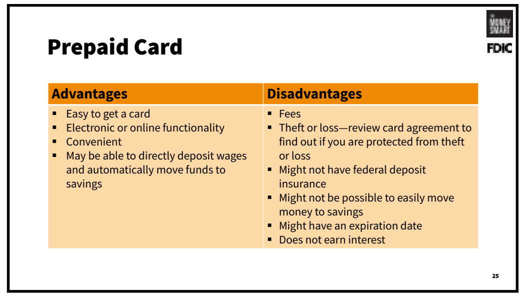
DO

- Add these ideas about "Friend or Family Member" if not mentioned:

FRIEND OR FAMILY MEMBER

Advantages	Disadvantages
■ No fees	■ Can be lost or stolen
■ No additional costs to maintain	■ May strain relationship if something happens to the money or there are disagreements about the amount saved
■ May be convenient	■ Does not earn interest
■ May keep you from spending the money so you can build savings	

SHOW SLIDE 25



DO

- Add these ideas about "Prepaid Card" if not mentioned:

PREPAID CARD

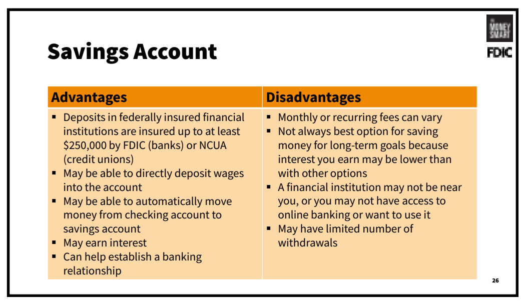
Advantages

- Easy to get a card
- Electronic or online functionality
- Convenient
- May be able to directly deposit wages and automatically move funds to savings

Disadvantages

- Fees
- Theft or loss—review card agreement to find out if you are protected from theft or loss
- Might not have federal deposit insurance
- Might not be possible to easily move money to savings
- Might have an expiration date
- Does not earn interest

SHOW SLIDE 26



DO

- Add these ideas about "Savings Account" if not mentioned:

SAVINGS ACCOUNT

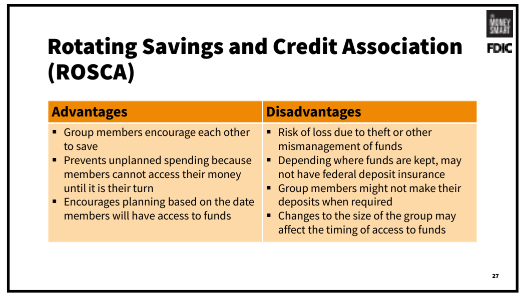
Advantages

- Deposits in federally insured financial institutions are insured up to at least $250,000 by FDIC (banks) or NCUA (credit unions)
- May be able to directly deposit wages into the account
- May be able to automatically move money from checking account to savings account
- May earn interest
- Can help establish a banking relationship

Disadvantages

- Monthly or recurring fees can vary
- Not always best option for saving money for long-term goals because interest you earn may be lower than with other options
- A financial institution may not be near you, or you may not have access to online banking or want to use it
- May have limited number of withdrawals

SHOW SLIDE 27



DO

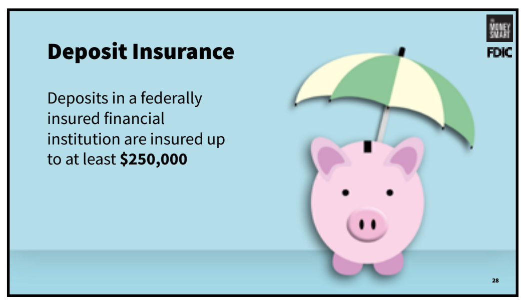
- Add these ideas about "Rotating Savings and Credit Association (ROSCA)" if not mentioned:

Rotating Savings and Credit Association (ROSCA)

Advantages	Disadvantages
▪ Group members encourage each other to save ▪ Prevents unplanned spending because members cannot access their money until it is their turn ▪ Encourages planning based on the date members will have access funds	▪ Risk of loss due to theft or other mismanagement of funds ▪ Depending where funds are kept, may not have federal deposit insurance ▪ Group members might not make their deposits when required ▪ Changes to the size of the group may affect the timing of access to funds

- Encourage participants to take notes on page 15 of the participant guide on the discussion.

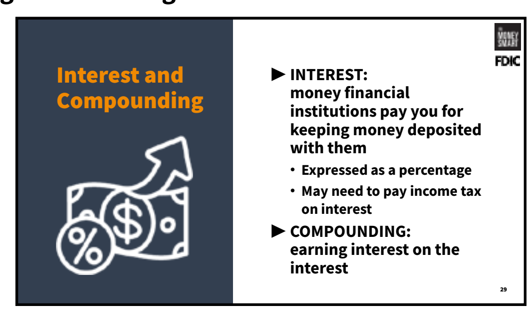
SHOW SLIDE 28



SAY

- See page 14 in the participant guide.
- We mentioned deposit insurance as a benefit of saving with a federally insured financial institution.
- Deposits in insured depository institutions are insured up to $250,000.
  - The Federal Deposit Insurance Corporation (FDIC) insures federally insured banks.
  - The National Credit Union Administration (NCUA) insures federally insured credit unions.
  - Customers of a federally insured financial institution will keep their insured deposits in the unlikely event the institution should fail.
  - You can visit the FDIC and the NCUA websites at **fdic.gov** and **ncua.gov** to learn more about federal deposit insurance.

SHOW SLIDE 29



SAY

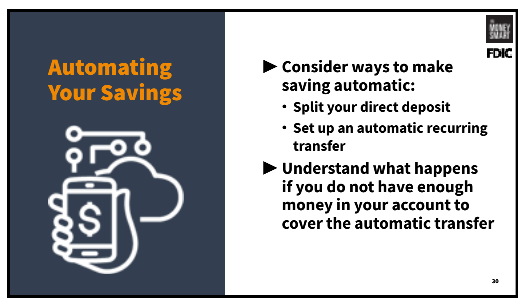
- Another benefit of keeping your savings in an insured depository institution can be interest and compound interest. Not all accounts earn interest. For now, we are talking about accounts that do earn interest.
- Interest is the money financial institutions pay you for keeping money deposited with them. Interest is expressed as a percentage.
- It is calculated based on the interest rate, the amount of money in your account, and length of time it is in your account.
- The interest you earn is considered income, and you may have to pay income tax on it.
- Not only do you earn interest on the amount of money you deposit and leave in your account, you also earn interest on that interest if you leave it in your account.
- This is called compound interest. Interest can be compounded daily, monthly, quarterly, or annually.
- Compounding interest makes your money grow faster, even when interest rates are low.
- Some people may think that it is not worth saving money unless you have a lot of money to save. That is not true. Over time, regularly saving money, even small amounts of money, can add up.
- Benefits of saving also include the satisfaction of seeing your savings grow and knowing you can use those savings for emergencies or for meeting your financial goals.

Automating Your Savings

Present information (2 minutes)

See page 14 in the participant guide.

SHOW SLIDE 30



SAY

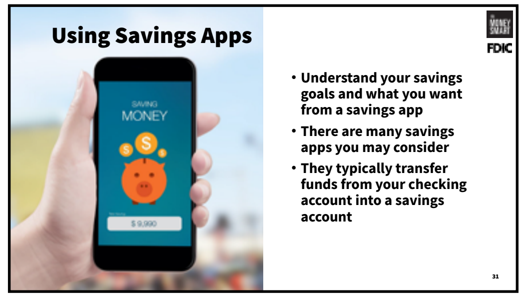
- A great way to make sure you are saving consistently is to do it automatically.
- If you have direct deposit, you may be able to arrange for a part of each paycheck to be automatically deposited straight into your savings account.
- This is a good alternative to remembering to deposit or transfer money into your savings account.
- Many banks already offer tools to help you save automatically.
- You could also set up an automatic recurring transfer with your bank from your checking account to a savings or investment account.
- If you decide to use a method that automatically moves your money, understand what happens if you do not have enough money in your account to cover the automatic transfer.
    - Will it overdraft your account and cause you to be charged a fee from your financial institution? Does your financial institution have features to lessen the risks of overdrawing your account?

Using Savings Apps

Present information (8 minutes)

See page 15 in the participant guide.

SHOW SLIDE 31



SAY

- Another way that some people save money is with savings apps.
- In recent years, companies have developed digital products focused on personal savings.
- These digital products—most often apps for your smart phone—might help you save more effectively.
- There are many savings apps you may consider, so it is important to first know what you want from a savings app. Your goals may vary greatly at different points in your life.
- Different apps may be better suited for different situations, so think through your financial goals before signing up for an app.
- Savings apps typically work by transferring funds from your checking account into a savings account.
- While the app itself can be used to move funds into the savings account, the app might not be owned by the bank that offers the savings account.
- Some apps are owned and operated by a bank that offers the savings account, while other apps are managed by a technology company that partners with a bank that offers the savings account. Make sure you find out where your funds will be held, including whether they will be held in a federally insured bank account.
- Consider the subscription fees or other costs of using savings apps before signing up. Also research how the savings apps will keep your information secure.

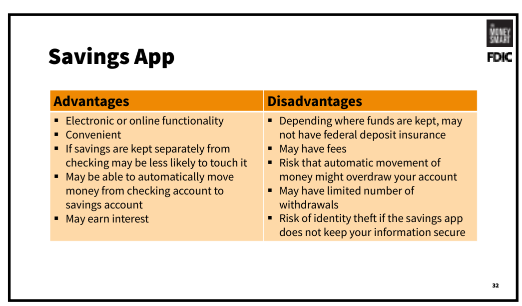
ASK

- What are some advantages you can think of for using a savings app?
- What are some disadvantages?

DO

- Write participant responses on a flip chart or whiteboard.
- Encourage participants to take notes in the participant guide on the discussion.

SHOW SLIDE 32



DO

- Note any advantages or disadvantages of using a savings app on the slide not already contributed by participants.

Using a Savings App

Advantages	Disadvantages
■ Electronic or online functionality	■ Depending where funds are kept, may not have federal deposit insurance
■ Convenient	■ May have fees
■ If savings are kept separately from checking, may be less likely to touch it	■ Risk that automatic movement of money might overdraw your account
■ May be able to automatically move money from checking account to savings account	■ May have limited number of withdrawals
■ May earn interest	■ Risk of identity theft if the savings app does not keep your information secure

SAY

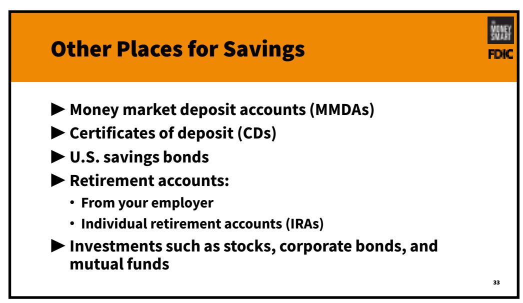
- Regardless of which company owns the app, consider that your funds in an FDIC-insured bank or NCUA insured credit union are insured up to $250,000 in the unlikely event the bank or credit union should fail.
- Some apps save your money in investment accounts instead of savings accounts, so research and understand the risks involved with investment accounts if that is the case.
- Remember, if a savings app is not for you, there are other ways to save automatically.

Other Places for Savings

Present information (10 minutes)

See page 16 in the participant guide.

SHOW SLIDE 33



SAY

- There are other places to save your money as well.
- **Money market deposit accounts** are available from many federally insured financial institutions. They generally offer a higher rate of interest than you would earn with a savings account.
  - You generally have to keep a higher minimum balance than with a savings account.
  - You may be limited to the number of deposits and withdrawals you can make in a month.
- **Certificates of deposit (CDs)** typically offer a higher rate of interest than savings accounts.
  - You agree to keep the money untouched for several months or several years.
  - The longer you promise to keep your money in the account, the higher the interest rate.
  - If you withdraw money early, you will likely lose some of the interest you earned.
- For longer-term goals, you could consider **U.S. savings bonds**. You can purchase a savings bond with as little as $25.00 through **treasurydirect.gov**.

- You need to hold a savings bond at least one year before cashing it. If you cash a bond in the first five years of owning it, you will lose three months of interest.

■ Contributing to an employer-provided **retirement account** is another way to save money for the long term. Retirement accounts help provide financial security for when you are no longer working.

- Remember that you can start with a small amount and then increase it later. The important thing is to get started.
- If your contributions are tax-deductible, the money you save in taxes means your take-home pay may not drop much.
- If your employer offers a retirement plan, find out how it works. If your employer has a plan and offers to put some money in if you do (called a match), try to save as much as you can to get the full match.

■ If your employer does not offer a plan, explore **individual retirement accounts (IRAs)** and other programs that can help you achieve financial goals and save on taxes. In particular, self-employed individuals and others not covered by a traditional retirement plan at work should explore these options.

- There are two different types of IRAs, traditional and Roth IRAs, which offer different tax advantages. It can be difficult to determine absolutely which one will provide the greater tax advantages for any one person because it requires predicting what your tax bracket will be when you retire. Do the research to make educated decisions.

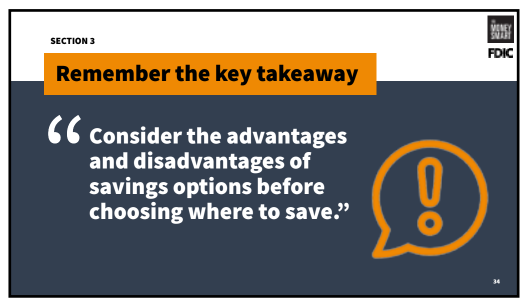
■ To learn more about saving money for retirement, visit **savingmatters.dol.gov**.

■ There are also investments such as stocks, corporate bonds, and mutual funds. They may help your savings grow faster, but they also involve a risk of losing some or all of your savings.

SHOW SLIDE 34

SAY

■ Remember the key takeaway: Consider the advantages and disadvantages of savings options before choosing where to save.



Section 4: Saving Smart

Time estimate for this section: 15 minutes

See page 17 in the participant guide.

Participants will be able to:

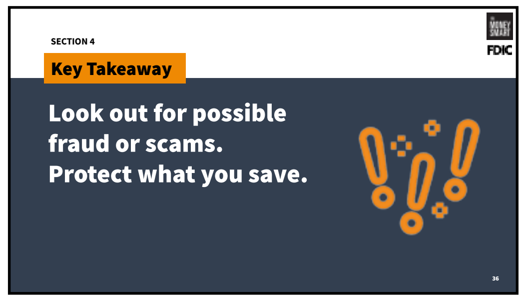
- Recognize warning signs of possible fraud and scams
- List steps to take to prevent becoming a victim of fraud and scams

SHOW SLIDE 35

SAY

- We will discuss warning signs for fraud and scams and how you can protect what you save.

SHOW SLIDE 36



SAY

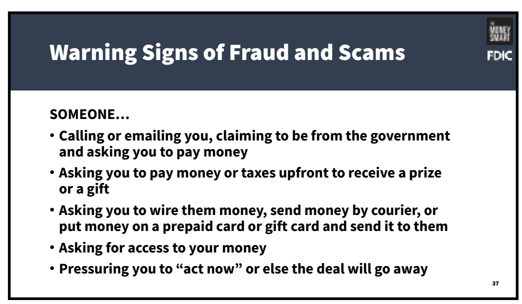
- The key takeaway for this section is: Look out for possible fraud or scams. Protect what you save.

Warning Signs of Fraud and Scams

Present information (5 minutes)

See page 17 in the participant guide.

SHOW SLIDE 37



SAY

- There are several signs that indicate you might be dealing with a scammer trying to steal what you have saved.
- They include contact from someone:
  - Calling or emailing you, claiming to be from the government and asking you to pay money.
  - Asking you to pay money or taxes upfront to receive a prize or a gift.
  - Asking you to wire them money, send money by courier, or put money on a prepaid card or gift card and send it to them. This can be part of a dating scam in which a scammer uses a fake profile to start relationships and then asks for money.

- Asking for access to your money, such as through your ATM cards, bank accounts, credit cards, or investment accounts.
- Pressuring you to “act now” or else the deal will go away. Someone may also be persistent and indicate they are trying to give you a “great deal” without answering your questions.

SHOW SLIDE 38

SAY

- A common scam related to saving is called “phishing.”
- In phishing, a scammer impersonates a business or a person to trick you into giving out your personal information, such as passwords, credit card numbers, or bank account information.
- A scammer may use fraudulent emails, texts, or websites to steal this information from you. These emails can look authentic.
- Financial institutions will never ask for account information through email.
- If you receive this type of email, immediately contact your financial institution and report it. Use a customer service number from a source other than the email.

Apply It: Protecting Yourself from Fraud and Scams

Activity (10 minutes)

See page 18 in the participant guide.

SHOW SLIDE 39

SAY

- There are several steps you can take to protect yourself and others from fraud and scams.
- Criminals and con artists use many scams to target unsuspecting people who have access to money.
- Consumer scams happen on the phone, through the mail, email, or over the internet.
- They can occur in person, at home, or at a business.

DO

- Ask participants to turn to “Apply It: Protecting Yourself from Fraud and Scams” on page 18 in the participant guide.
- Give participants five minutes to read the tips for protecting yourself from fraud and scams. Instruct participants to check off the tips they already follow.
- After five minutes, allow participants to share tips they already follow.

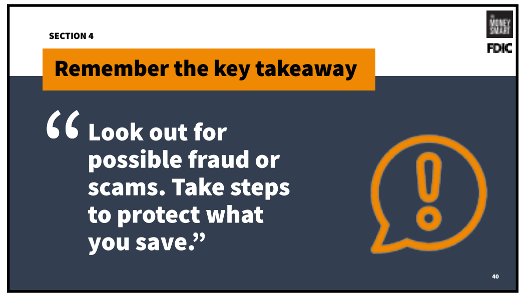
ASK

- Are there any tips that you do not already practice that you would like to try?

DO

- Allow participants to share tips they would like to try.

SHOW SLIDE 40



SAY

- Remember the key takeaway: Look out for possible fraud or scams. Try to protect what you save.

Module Closing

Time estimate for this section: 10 minutes

Remember the Key Takeaways

Note to Instructor: Only mention key takeaways for sections you included in the training.

SAY

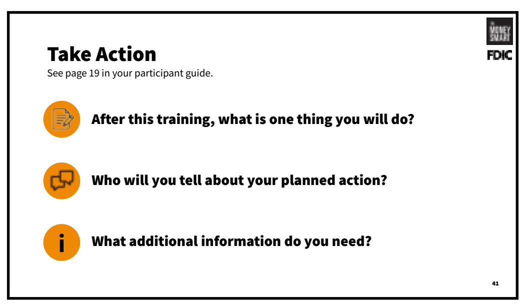
- Remember the key takeaways. These are also listed on page 19 in your participant guide. Let me know if you have questions about any of them.

SECTION	KEY TAKEAWAY
1: What is Saving?	Set aside some money every time you get income. Regularly saving money can make a big difference over time.
2: Making a Saving Plan	Create a plan to save money for your goals.
3: Where to Save	Consider the advantages and disadvantages of savings options before choosing where to save.
4: Smart Saving	Look out for possible fraud or scams. Protect what you save.

Take Action

See page 19 in the participant guide.

SHOW SLIDE 41



SAY

- You are more likely to act if you commit to taking action now.
- Consider writing down what you intend to do based on today's training.
- Take a few minutes to answer the questions under "Take Action" on page 19 in your participant guide.

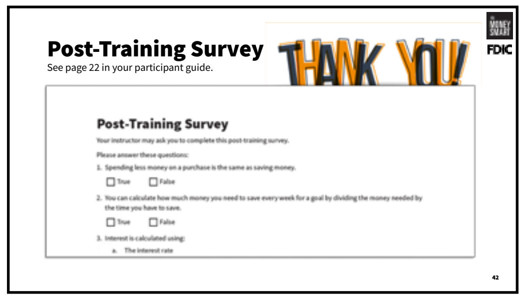
DO

- If time permits, ask a few participants to share what they wrote.
- Remind participants about the activities in their participant guide they can complete after today's training.
- Refer participants to "Where to Get More Information or Help" on page 20 in their participant guide for a list of online resources.
- If this is the end of your training, thank participants for attending and administer the post-training survey.

Post-Training Survey (Optional)

See page 22 in the participant guide.

SHOW SLIDE 42



SAY

- Thank you for coming to this Money Smart training.
- Please complete the post-training survey on page 22 of your participant guide.
- It should take less than five minutes to complete.

DO

- Collect the completed surveys.

Answer Key for the Pre- and Post-Training Survey

1. Spending less money on a purchase is the same as saving money.

   The answer is **False**

2. You can calculate how much money you need to save every week for a goal by dividing the money needed by the time you have to save.

   The answer is **True**

3. Interest is calculated using:

   a. The interest rate
   b. The amount of money in your account
   c. Length of time money is in your account
   d. All of the above

4. Banks or credit unions sometimes ask for account information through email.

   The answer is **False**

Note to Instructor: There are no “right” or “wrong” answers to the remaining questions, which appear in the post-training survey and not in the pre-training survey.