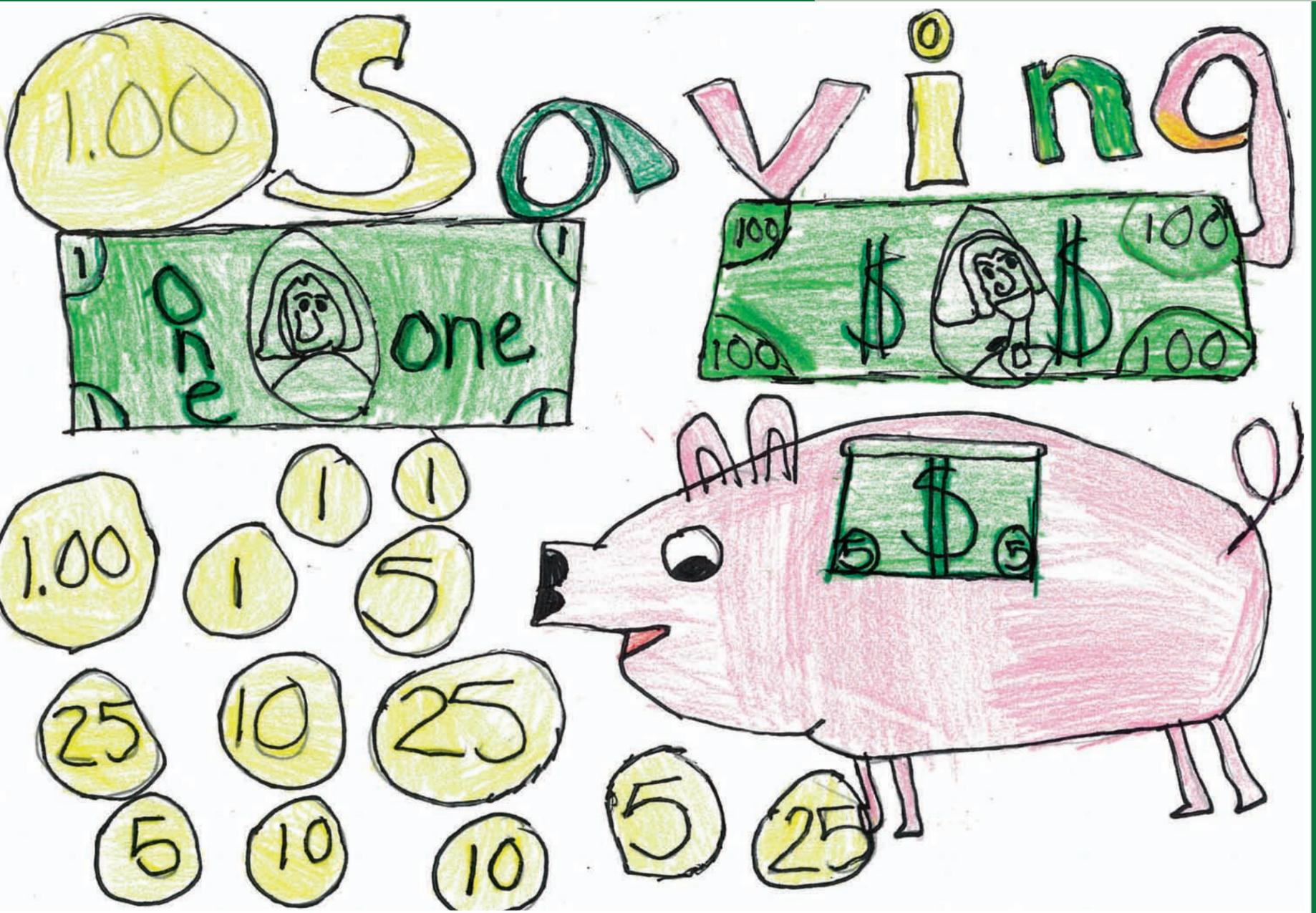


Artist: Tamon Withers  
Grade: 3rd  
School: P.B. Young, Sr. Elementary School  
School Division: Norfolk City



# SAVINGS

People save money to buy something later.

## SAVING

### Definition/Background

People save money to buy something later. Savings is the part of income not spent on taxes or consumption. Large purchases often require patience and sacrifice in the present to reap rewards in the future. The future benefits make it worthwhile to sacrifice some current spending since using savings rather than loans or credit allows consumers to keep their overall cost low.

Banks and other financial institutions (e.g. credit unions) channel money from savers to borrowers. People save money and earn interest; those who borrow money pay interest. Savings are loaned to businesses that want to invest in capital goods, or loaned to consumers to purchase homes, cars, or other things they want now rather than later.

### Teaching Ideas

1. Distribute green index cards. Have students complete this sentence: "Saving is \_\_\_\_\_." Tape the cards together to form a dollar symbol (\$) on the wall.
2. Invite a local banker to be a guest speaker to talk about the banking business. Teachers can call the Virginia Bankers Association at (804) 643-7469 or the Virginia Credit Union League at (800) 768-3344, Extension 617 for a local contact.
3. Tell the students that a fable is a short story with talking animals or inanimate objects whose actions illustrate a moral lesson. Challenge the students to write a fable with a lesson featuring saving as a positive attribute. Examples for morals: "A penny saved is a penny earned," "Waste not, want not" and "Save your money for a rainy day."
4. Brainstorm a class list of places to save money. (Piggy banks, credit unions, savings bonds, etc.) Encourage creativity. Write a paragraph that explains which is the safest place to save money.
5. Debate the advantages and/or disadvantages of saving money to buy an expensive item rather than buying it on credit.

### Lessons & Resources

#### Print Lessons

**Financial Fitness for Life: K-2**, Lesson 6: How We Save (elementary)  
**Learning, Earning, and Investing**, Lesson 1: Why Save? (middle School)

#### Online Lessons

**Every Penny Counts** (elementary)  
<http://www.econedlink.org/lessons/index.php?lesson=461&page=teacher>  
**Why Don't People Save?** (middle school)  
[http://www.ncee.net/resources/lessons/lei\\_online\\_lesson3.pdf](http://www.ncee.net/resources/lessons/lei_online_lesson3.pdf)  
**Building Wealth for the Long Term** (middle school)  
[http://www.councilforeconed.org/resources/lessons/lei\\_hs\\_lesson1223.pdf](http://www.councilforeconed.org/resources/lessons/lei_hs_lesson1223.pdf)

#### Fed Resources

**A Penny Saved** (middle)  
[http://www.stlouisfed.org/rgp/search\\_resource.cfm?Resrc=22](http://www.stlouisfed.org/rgp/search_resource.cfm?Resrc=22)  
**Fedville** (elementary)  
<http://www.frbsf.org/education/fedville/>  
**Piggy Bank Primer** (elementary)  
<http://stlouisfed.org/education/resource/tools/>  
**Less Than Zero** (elementary)  
[http://stlouisfed.org/education/lesson\\_plans/LessThanZero.pdf](http://stlouisfed.org/education/lesson_plans/LessThanZero.pdf)  
**Money, Money Honey Bunny** (elementary)  
[http://stlouisfed.org/education/lesson\\_plans/MoneyMoneyHoneyBunny.pdf](http://stlouisfed.org/education/lesson_plans/MoneyMoneyHoneyBunny.pdf)  
**The Pickle Patch Bathtub** (elementary)  
[http://stlouisfed.org/education/lesson\\_plans/PicklePatchBathtub.pdf](http://stlouisfed.org/education/lesson_plans/PicklePatchBathtub.pdf)

#### Literature

- **Jam & Jelly by Holly & Nellie** by Gloria Whelan. Sleeping Bear Press, 2002. Holly and her mother spend the summer picking berries and making jam in order to save enough money to buy a new winter coat. [Grades K-3]
- **Jenny Found a Penny** by Trudy Harris. Millbrook Press, 2008. Jenny is saving her money for something special. (Her goal is almost thwarted because she forgot to consider the sales tax.) [Grades K-3]
- **Making Cents** by Elizabeth Keeler Robinson. Tricycle Press, 2008. Five young entrepreneurs work hard to save enough money to build a clubhouse. [Grades 3-6]
- **Less Than Zero** by Stuart J. Murphy. Harper-Collins Publisher, 2003. Perry the Penguin wants to buy a new ice scooter. He learns about managing money and negative numbers while trying to save up for the scooter. [Grades 2-6]
- **Money, Money Honey Bunny** by Marilyn Sadler. Random House Children's Books, 2006. Honey Bunny Funnybunny has lots and lots and lots of money. Some she saves, some she spends on herself, and some she spends on her friends. In this delightful rhyming book about spending and saving, the bear gets a chair, the fly gets some pie and, of course, the fox gets some socks. [Grades K-2]
- **The Pickle Patch Bathtub** by Frances Kennedy. Ten Speed Press, 2004. Having outgrown the kitchen washtub, a farm family's children decide to earn enough money for a real bathtub. [Grades K-2]

# VIRGINIA COUNCIL ON ECONOMIC EDUCATION

VCEE is a nonprofit organization providing Virginia's K-12 teachers with professional development, quality curriculum and other resources to promote economic and financial education. Visit [www.vcee.org](http://www.vcee.org) or contact VCEE or one of its affiliated centers for economic education to learn about specific opportunities.

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The Virginia Council on Economic Education, in cooperation with The Federal Reserve Bank of Richmond, is pleased to provide this poster featuring a winning entry from the 2008-2009 Color the Economic Concepts Contest.

**Teachers in Grades K-8:** Give your students the opportunity to illustrate their knowledge of economic concepts in a creative and fun way. They may be selected for a poster next year! Winning students also receive a \$50 U.S. Savings Bond.

**Entries must be received by April 30, 2010.** See [www.vcee.org](http://www.vcee.org) for more details.

For more resources on teaching economics and the Federal Reserve System go to [www.richmondfed.org/educational\\_info](http://www.richmondfed.org/educational_info). Among these free and easy to use resources you'll find lesson plans, workshop information and publications.

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