

Contrasting long-term and short-term savings goals

Students learn the difference between short-term and long-term savings goals and apply their knowledge in an exercise-oriented game.

Learning goals

Big idea

Saving money can help you reach your short-term and long-term goals.

Essential questions

- What's the difference between short-term and long-term goals?
- Why is it important to budget for a short-term or long-term goal?

Objectives

- Understand the difference between short-term and long-term goals
- Begin to plan for spending and savings decisions that are aligned with personal goals

What students will do

- Play an exercise game that requires students to:
 - Jump twice when they hear a short-term savings goal.
 - Squat twice when they hear a long-term savings goal.

KEY INFORMATION

Building block:

-  Executive function
-  Financial habits and norms
-  Financial knowledge and decision-making skills

Grade level: High School (9)

Age range: 13-15

Topic: Save and invest (Saving for long-term goals, Saving for short-term goals)

School subject: Math, Physical education or health

Teaching strategy: Gamification, Cooperative learning

Bloom's Taxonomy level: Remember, Understand, Apply, Create

Activity duration: 15-20 minutes

STANDARDS

Council for Economic Education
Standard III. Saving

Jump\$tart Coalition
Spending and saving - Standard 1

Preparing for this activity

- Review the “Exploring key financial concepts” section in this guide.
- Print a copy of the “Let’s get physical: Identifying long-term and short-term savings goals” examples in this guide to read during the game.

What you’ll need

THIS TEACHER GUIDE

- **Contrasting long-term and short-term savings goals (guide)**
[cfpb_building_block_activities_contrasting-long-short-term-savings-goals_guide.pdf](#)
- **“Let’s get physical: Identifying long-term and short-term savings goals” examples**
(in this guide)

Exploring key financial concepts

Savings can mean so many things – protecting yourself today, building plans for tomorrow, and securing your financial future. What do you want for yourself in the near future? What do you want in the next few years? Short-term goals, like taking a weekend trip or buying a new video game, might take only a few weeks or a few months to achieve. Long-term goals, like buying a car, paying for college, or buying a house, often take months or years to reach. Sometimes people put off saving for small or large purchases. But not planning for or saving for these things may mean that they don’t happen. Setting short-term and long-term goals can make it easier to save.

Teaching this activity

Whole-class introduction

- Ask students to share what they think the terms “budget,” “long-term goals,” and “short-term goals” mean.
- Feel free to share the information in the “Exploring key financial concepts” section to add to the discussion.

- Be sure students understand key vocabulary:
 - **Budget:** A plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time; also called a spending plan.
 - **Long-term goals:** Goals that can take more than five years to achieve.
 - **Short-term goals:** Goals that can take a short time, or up to five years, to reach.

TIP

Visit CFPB's financial education glossary at consumerfinance.gov/financial-education-glossary/.

Group work

- Ask students to stand in an area large enough for them to move around.
- Explain that you're going to give them an example of a financial goal.
- Read a goal from the "Let's get physical: Identifying long-term and short-term savings goals" examples.
- They'll have to decide whether it's a long-term or short-term goal.
 - If they think it's a long-term goal, they'll do two squats.
 - If they think it's a short-term goal, they'll jump twice.
- After each example, provide the students with the correct answer.
- Engage in a short discussion about why the example represents a long-term or short-term savings goal.
- Repeat until you've read all the goals.

Wrap-up

- If time permits, ask students to return to their seats and start a discussion.
- Tell them that this activity is designed to get them thinking about their own spending habits, both now and in the future.
- Ask the students to share examples of their own short-term and long-term goals.

Measuring student learning

The short-term and long-term goals that students share can give you a sense of their understanding. **Keep in mind that students' answers may vary, as there may not be only one right answer.** The important thing is for students to have reasonable justification for their answers.

Suggested next steps

Consider searching for other CFPB activities that address the topics of saving, short-term goals, or long-term goals.

Let's get physical: Identifying long-term and short-term savings goals

Print one copy of these savings goals to read during the jumping and squatting exercise, or prepare to access them electronically.

Rules

- Read each savings goal aloud.
- Students should jump twice if they think it's a short-term goal or squat twice for a long-term goal.

Savings goals

Goal	Action
Buying a car	Long-term = squat twice
Buying a new video game or accessory	Short-term = jump twice
Buying a new phone	Short-term or long-term , depending on the phone
Paying for college	Long-term = squat twice
Buying a bike	Short-term or long-term , depending on the bike
Paying for school pictures	Short-term = jump twice
Buying a house	Long-term = squat twice
Buying new clothes	Short-term = jump twice
Paying for a school trip	Short-term = jump twice
Going to a movie	Short-term = jump twice