

LESSON PLAN

Emergency Fund Boot Camp

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INCLUDED IN THIS PACKAGE

- **LESSON PLAN** (2 pages)
- **ACTIVITY** (1 page)
- **QUIZ** (1 page)
- **ACTIVITY ANSWER KEY** (3 pages)
- **QUIZ ANSWER KEY** (1 page)

COLLECT FROM YOUR LIBRARY

- **VIDEO 09** (*Emergency Fund Boot Camp*)
- **PRESENTATION 09** (*Emergency Fund Boot Camp*)
- **HANDOUT 09** (*Emergency Fund Boot Camp*)



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LESSON PLAN

Emergency Fund Boot Camp

GRADES

7 to 12

TIME

45 minutes



OVERVIEW

This lesson helps students understand how an emergency fund provides financial security when life takes an unexpected turn. Students will examine what counts as a true emergency, identify predictable expenses that can be budgeted for and learn how to build habits that keep their emergency savings intact.

GOALS

- Help students understand the role of emergency savings in personal finance
- Help students distinguish between everyday expenses and true financial emergencies

OBJECTIVES

- Explain what an emergency fund is and why it is important
- Describe the difference between “known unknown” expenses and “unknown unknown” emergencies
- Show how budgeting separately for “known unknowns” protects an emergency fund
- Identify the recommended savings goal for an emergency fund

ASSESSMENT

Use the activity in this lesson plan to assess students’ grasp of the topic. An optional quiz is also provided (the quiz is not factored into the lesson’s 45-minute runtime).

***Did you know?** This lesson plan explores concepts from Standard 3 (Saving) from the Council for Economic Education’s National Standards for Personal Financial Education.*

MATERIALS

- VIDEO 09**—Emergency Fund Boot Camp
- PRESENTATION 09**—Emergency Fund Boot Camp
- HANDOUT 09**—Emergency Fund Boot Camp
- ACTIVITY**—Emergency or Everyday? and Answer Key
- QUIZ**—Emergency Fund Boot Camp and Answer Key

PREPARATION

- Gather digital materials (video and presentation)
- Print one copy of the **ACTIVITY** for each small group (or for each student, if playing individually)
- (Optional) Provide calculators for class use if desired
- Print **HANDOUT 09** for each student
- (Optional) Print **QUIZ** (Emergency Fund Boot Camp) for each student



ACTIVITY

Emergency Fund Boot Camp

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EMERGENCY OR EVERYDAY?

Directions: For each scenario, decide which fund to use. Check the box for your choice, subtract the cost from that fund and write the new total in that column. Each fund starts with \$500. Round 1 has been filled out as an example.

Round	Description	Cost	Fund Used	Emergency Fund	Everyday Savings
1	Phone charger	\$20	<input type="checkbox"/> Emergency Fund <input checked="" type="checkbox"/> Everyday Savings	(\$500 start)	(\$500 start) $\$500 - \$20 = \$480$
2	Missed work	\$100	<input type="checkbox"/> Emergency Fund <input type="checkbox"/> Everyday Savings		
3	Gym shoes	\$120	<input type="checkbox"/> Emergency Fund <input type="checkbox"/> Everyday Savings		
4	Oil change	\$100	<input type="checkbox"/> Emergency Fund <input type="checkbox"/> Everyday Savings		
5	Vet visit	\$80	<input type="checkbox"/> Emergency Fund <input type="checkbox"/> Everyday Savings		
6	Birthday gift	\$50	<input type="checkbox"/> Emergency Fund <input type="checkbox"/> Everyday Savings		
7	Power outage	\$50	<input type="checkbox"/> Emergency Fund <input type="checkbox"/> Everyday Savings		
8	Textbooks	\$100	<input type="checkbox"/> Emergency Fund <input type="checkbox"/> Everyday Savings		
9	ID card	\$20	<input type="checkbox"/> Emergency Fund <input type="checkbox"/> Everyday Savings		
10	Parking ticket	\$50	<input type="checkbox"/> Emergency Fund <input type="checkbox"/> Everyday Savings		



QUIZ

Emergency Fund Boot Camp

NAME: _____

TOTAL / 7 pts

MULTIPLE CHOICE

Directions: CIRCLE the best possible answer from the given options.

- | | |
|---|---|
| <p>1. What is the main purpose of an emergency fund?</p> <ul style="list-style-type: none"> a. To pay for things you plan to buy later b. To cover regular monthly bills c. To replace the need for insurance d. To prepare for surprise expenses | <p>2. What is the recommended emergency fund goal for most people?</p> <ul style="list-style-type: none"> a. One month of income b. Three months of expenses c. Six months of expenses d. Whatever is left after spending |
|---|---|

/2 pts

SHORT ANSWER

Directions: Answer the following question in one or two sentences.

3. Why should you save money for “known unknowns” instead of using your emergency fund?

/2 pts

TRUE OR FALSE

Directions: CIRCLE either true or false.

- | | |
|------------------|--|
| 4. TRUE or FALSE | Your emergency fund should be easy to access quickly in case of an urgent expense. |
| 5. TRUE or FALSE | You don't need an emergency fund if you make a lot of money. |
| 6. TRUE or FALSE | Saving a small amount regularly is a good way to build your emergency fund. |

/3 pts

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ACTIVITY ANSWER KEY

Emergency Fund Boot Camp

EMERGENCY OR EVERYDAY?

Directions: Use this guide to introduce and facilitate the activity. After all rounds are complete, review the correct answers and discuss how making careful choices helps protect an emergency fund.

SETUP

Decide whether students will play individually or in small groups, then give each student or group a worksheet, pencils and calculators if needed.

INTRODUCTION

Instructor Script:

“Today, we looked at the difference between **known unknowns**—the kinds of expenses that are somewhat predictable—and **unknown unknowns**, which are the true financial emergencies in life.

In this activity, you’ll decide whether each expense is an everyday cost or a financial emergency. Let’s see how well you can tell the difference.”

HOW TO PLAY

Instructor Script:

“Each round, I’ll read a short scenario out loud. For each one, decide whether you would use your **Emergency Fund** or your **Everyday Savings**.

Check the box for your choice, subtract the expense from that fund and write the new total in that column. Leave the other column blank.”

EXAMPLE ROUND (ROUND 1)

Instructor Script:

“Round 1 has been filled out as an example, so let’s go through it together. Notice that both funds—**Emergency Fund** and **Everyday Savings**—start with \$500.

Here’s the first scenario:

Oh no! Your phone charger has stopped working. You’ll need a new one if you want your battery to last the day. It costs \$20 to replace.

In the example on your worksheet, the correct choice is **Everyday Savings**. Why do you think that is?

A phone charger doesn’t last forever—it’s something that needs to be replaced or updated every so often. That makes it a **known unknown**, meaning you can expect it to happen eventually, even if you don’t know exactly when. That’s why it fits under **Everyday Savings** instead of your **Emergency Fund**.

Because we chose **Everyday Savings**, we subtract \$20 from \$500. That leaves \$480, which we write in the **Everyday Savings** column. The other column stays blank, since it wasn’t used this round. Ready for Round 2?”

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ACTIVITY ANSWER KEY

Emergency Fund Boot Camp

EMERGENCY OR EVERYDAY?

SCENARIOS (ROUNDS 2-10)

Read each scenario aloud, pausing briefly for students to make their choice and update their totals.

ROUND 1

Oh no! Your phone charger has stopped working. You'll need a new one if you want your battery to last the day. It costs \$20 to replace.

ROUND 2

You get sick with the flu and miss two shifts at work. When payday comes, you're \$100 short and rent is due soon.

ROUND 3

Your old, worn-out gym shoes are giving you blisters. You found a new pair you like for \$120.

ROUND 4

During your routine oil change, the mechanic suggests replacing your windshield wipers as well. The bill comes to \$100.

ROUND 5

Your dog starts limping one morning, and you rush to the vet. The checkup goes well, but the bill is \$80.

ROUND 6

You forgot your friend's birthday until you saw the group chat. You run out to buy a last-minute \$50 gift before the party starts.

ROUND 7

You open the fridge after a power outage and notice some of your food has spoiled. Replacing your groceries costs \$50.

ROUND 8

Classes start next week and your teacher just posted the book list. You realize you'll need about \$100 for textbooks.

ROUND 9

You lose your wallet on the way home. Replacing your student ID and bus pass will cost \$20.

ROUND 10

You park downtown for a quick errand, but when you return there's a parking ticket on your windshield. The fee is \$50.

BONUS ROUND

After the 10 scenarios, announce a sudden bonus round: "A pipe bursts under your sink, flooding the floor. You have to pay \$250 for emergency plumbing."

Then ask if anyone still has enough money left in their **Emergency Fund** to cover the expense. Congratulate those who do and let everyone know you'll now review the correct answers together.

ACTIVITY ANSWER KEY

Emergency Fund Boot Camp

EMERGENCY OR EVERYDAY?

WORKSHEET ANSWERS

ROUND	DESCRIPTION	COST	FUND USED	NOTES
1	Phone charger	\$20	Everyday Savings	<i>Expected replacement; budget for small tech items in regular savings.</i>
2	Missed work	\$100	Emergency Fund	<i>Unexpected income loss is a financial emergency; it affects essential bills.</i>
3	Gym shoes	\$120	Everyday Savings	<i>Planned purchase; save ahead for gear and clothing replacements.</i>
4	Oil change	\$100	Everyday Savings	<i>Regular vehicle maintenance is an expected expense.</i>
5	Vet visit	\$80	Emergency Fund	<i>Urgent care expense; use emergency funds now, but consider pet insurance or budgeting separately for future pet care.</i>
6	Birthday gift	\$50	Everyday Savings	<i>Predictable cost; plan for gifts and special occasions in your regular budget.</i>
7	Power outage	\$50	Emergency Fund	<i>Unexpected loss; an emergency fund helps you recover quickly.</i>
8	Textbooks	\$100	Everyday Savings	<i>Regular expense; set money aside for required books and school supplies.</i>
9	ID card	\$20	Emergency Fund	<i>Sudden loss; use emergency funds to replace essentials like identification.</i>
10	Parking ticket	\$50	Everyday Savings	<i>Avoidable cost; learn from past mistakes and budget for fines and late fees.</i>
Bonus	Plumbing	\$250	Emergency Fund	<i>Sudden, unavoidable cost requiring quick action.</i>

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QUIZ ANSWER KEY

Emergency Fund Boot Camp

MULTIPLE CHOICE

Directions: CIRCLE the best possible answer from the given options.

1. What is the main purpose of an emergency fund?
 - a. To pay for things you plan to buy later
 - b. To cover regular monthly bills
 - c. To replace the need for insurance
 - d. To prepare for surprise expenses
2. What is the recommended emergency fund goal for most people?
 - a. One month of income
 - b. Three months of expenses
 - c. Six months of expenses
 - d. Whatever is left after spending

/2 pts

SHORT ANSWER

Directions: Answer the following question in one or two sentences.

3. Why should you save money for “known unknowns” instead of using your emergency fund?

BECAUSE “KNOWN UNKNOWN” AREN’T REAL EMERGENCIES; YOU CAN PLAN

FOR THEM AND KEEP YOUR EMERGENCY FUND FOR UNEXPECTED COSTS.

/2 pts

TRUE OR FALSE

Directions: CIRCLE either true or false.

4. TRUE or FALSE Your emergency fund should be easy to access quickly in case of an urgent expense.
5. TRUE or FALSE You don’t need an emergency fund if you make a lot of money.
6. TRUE or FALSE Saving a small amount regularly is a good way to build your emergency fund.

/3 pts