LESSON PLAN

Pay Yourself First

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INCLUDED IN THIS PACKAGE

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

COLLECT FROM YOUR LIBRARY

- **VIDEO 36** *(Pay Yourself First)*
- **PRESENTATION 36** *(Saving Strategy: Pay Yourself First)*
- **HANDOUT 36** *(Saving Strategy: Pay Yourself First)*

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LESSON PLAN

Pay Yourself First

GRADES
7 to 12

TIME
45 minutes

OVERVIEW

This lesson introduces students to the "pay yourself first" strategy as a simple way to make saving a regular habit. Students will compare different approaches to managing their money and explore how saving first can make it easier to reach their financial goals.

GOALS

- Help students understand saving as a priority, not an afterthought
- Encourage students to adopt simple, realistic saving strategies

OBJECTIVES

- Explain the "pay yourself first" strategy
- Explain how the order of saving and spending affects your ability to reach savings goals
- Describe practical ways to automate or simplify saving
- Apply strategies to turn general savings goals into specific, personal goals

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 36**—*Pay Yourself First*
- ☐ **PRESENTATION 36**—*Saving Strategy: Pay Yourself First*
- ☐ **ACTIVITY**—*Savings Shuffle and Answer Key*
- ☐ **HANDOUT 36**—*Saving Strategy: Pay Yourself First*
- ☐ **QUIZ**—*Pay Yourself First and Answer Key*

PREPARATION

- *Gather digital materials (video and presentation)*
- *Print* **HANDOUT 36** *for each student*
- *Prepare the* **ACTIVITY:** *Print one copy of the Activity for each small group and cut out the cards on page 1. Review the Answer Key and print a copy for reference.*
- *Provide each small group with a pencil*
- *(Optional) Print* **QUIZ** *(Pay Yourself First) for each student*

LESSON PLAN

Pay Yourself First

TIMELINE

5 minutes	Introduce topic and show **VIDEO 36** *(Pay Yourself First)*
10 minutes	Go over **PRESENTATION 36**
20 minutes	Facilitate **ACTIVITY**
10 minutes	Distribute and discuss **HANDOUT 36**
(Optional)	Assessment: **QUIZ** *(Pay Yourself First)*

INSTRUCTIONS

1. Ask your class:
   - If you had money left over after getting paid, what would you do with it—spend it, save it or something else?
   - Do you think saving usually happens first or last for most people?

   Briefly discuss responses as a class, then introduce the topic: "We're going to learn about a simple saving strategy called 'pay yourself first.' As you watch, think about how this strategy might make saving easier."
2. Show **VIDEO 36**
3. Go over **PRESENTATION 36**
4. Facilitate the **ACTIVITY:**
   - Divide students into small groups
   - Give each group one set of 12 cards and one Spending Tracker
   - Explain that students will organize their cards from top (paid first) to bottom (paid last)
   - For each round, have students set their order based on the instructions in the Answer Key, then reveal the monthly income for the round
   - Students fund expenses from top to bottom until they run out of money (partially funded expenses do not count as funded)
   - Have students record their results after each round
   - Use the Answer Key to facilitate discussion after each round
   - Repeat this process for all three rounds, adjusting the card order each time
   - After all rounds, lead a brief class discussion comparing results
5. Distribute **HANDOUT 36** and allow a few minutes for students to complete it. Invite a few students to share their examples. Then ask:
   - Why do you think making a goal more specific can make it easier to save for?
   - When you have a clear goal like this, does it feel easier to pay yourself first? Why or why not?
6. (Optional) Distribute **QUIZ** for individual assessment, or answer the questions together as a class; decide whether or not students can reference their notes/ handouts during the quiz

NOTES

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ACTIVITY

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SAVINGS SHUFFLE

Directions: Cut out one complete set of 12 cards for each group of students.

ESSENTIAL

Rent/Housing **$600**

You pay rent each month to have a place to live.

ESSENTIAL

Groceries **$200**

You buy groceries each week to make meals at home.

ESSENTIAL

Transportation **$80**

You pay for transit or rides to get to school, work or activities.

ESSENTIAL

Phone Bill **$50**

You rely on your phone every day for texting, apps and staying connected.

FLEXIBLE

Streaming Subscription **$20**

You regularly unwind by watching your favorite shows or movies.

FLEXIBLE

Snacks/Coffee **$20**

You grab coffee or snacks during the week while you're out.

FLEXIBLE

Takeout/Delivery **$50**

You order takeout on busy days when you don't feel like cooking.

FLEXIBLE

Clothes/Shopping **$60**

You buy clothes or other items when you need something new.

FLEXIBLE

Concert Ticket **$100**

Your favorite artist is in town this month and you don't want to miss the concert.

FLEXIBLE

Gym Membership **$40**

You pay for a gym or fitness classes to stay active.

SAVINGS GOAL

Emergency Fund **$100**

You set money aside in case something unexpected happens.

SAVINGS GOAL

Vacation/Trip with Friends **$50**

You're saving for a trip you've been planning and talking about all year.

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ACTIVITY

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SAVINGS SHUFFLE – SPENDING TRACKER

Directions: Track what happens in each round as you fund expenses from top to bottom. Stop when you run out of money. Partially funded expenses do not count as funded.

Round	Income	All Savings Goals Funded?	What Did You Cut?
1	....	☐ Yes ☐ No	....
2	....	☐ Yes ☐ No	....
3	....	☐ Yes ☐ No	....

WORKSPACE

Use this space to subtract expenses as you fund each round.

QUIZ
Pay Yourself First

NAME: ______________________

TOTAL
/6 pts

MULTIPLE CHOICE

Directions: CIRCLE the best possible answer to each question.

1. What does "pay yourself first" mean?
   a. Spend money on yourself before anything else
   b. Pay your bills first, then save the rest
   c. Put money into savings before paying bills or spending
   d. Spend money first, then transfer money to your savings account

2. What is most likely to happen when you pay yourself first?
   a. Your savings will be set aside before you run out of money
   b. You will have less money to spend, so you stop spending
   c. You will earn more money over time
   d. You won't need to use a budget

/2 pts

SHORT ANSWER

Directions: Answer the following question in a few words.

3. Describe one way to put the "pay yourself first" strategy into action.

____

____

/1 pt

TRUE OR FALSE

Directions: CIRCLE either true or false.

4. TRUE or FALSE — You should only save money if you have a large amount to set aside.

5. TRUE or FALSE — The order in which you save and spend money affects how much you are able to save.

6. TRUE or FALSE — Paying yourself first means you won't be able to spend money on things you enjoy.

/3 pts

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ACTIVITY ANSWER KEY

Pay Yourself First

SAVINGS SHUFFLE

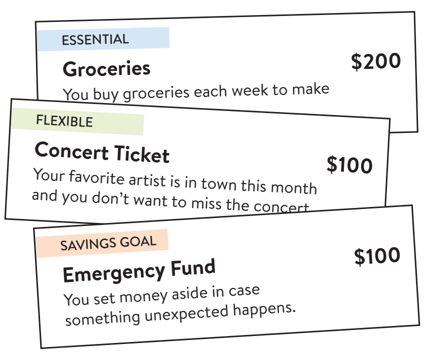
Directions: Use the following guide to facilitate the Savings Shuffle activity.

SETUP

Determine if students will play in small groups of 2–3 players (recommended) or individually.

Each group will need:

- One set of expense cards (Activity page 1)
- One Spending Tracker (Activity page 2)
- A pencil



INTRODUCTION

Instructor Script:

"Today, you'll explore how the order in which you spend and save money can affect your ability to reach your goals.

Each group has a set of expense cards. These represent common monthly expenses, including essentials, flexible spending and savings goals.

In each round, you'll organize your cards from top to bottom in the order you would pay for them. Then I'll reveal your monthly income.

You'll go down your list, funding each expense until you run out of money. If you can't fully pay for an expense, you stop.

Your goal is to observe what gets funded—and what gets cut—based on the order you choose."

HOW TO PLAY

Each round follows the same process:

1. **Set Your Order.** Groups arrange their cards from top (paid first) to bottom (paid last).
2. **Reveal Income.** The instructor announces the monthly income for the round.
3. **Fund Expenses.** Students move down their list, subtracting costs as they go. Stop when there is not enough money to fully cover the next expense. Partially funded expenses do not count as funded.
4. **Record Results.** Students fill out their Spending Tracker for the round.
5. **Discuss.** Use the provided questions to reflect on what happened and why.

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ACTIVITY ANSWER KEY

Pay Yourself First

SAVINGS SHUFFLE

ROUND 1

Instructor Script:

"For this round, organize your expenses based on how you think most people actually prioritize their spending.

You have $1,200 for the month. Starting from the top of your stack, fund each expense until you run out of money. If you can't afford the next expense, stop."

Facilitation Notes:

- Students will usually prioritize essential expenses first, followed by flexible expenses
- Savings goals are often pushed to the bottom and not funded

Round 1 Reflection Questions:

- Which expenses were easy to prioritize right away?
- Did anyone manage to fund both savings goals?
- Why do you think savings often end up at the bottom?

ROUND 2

Instructor Script:

"For this round, make it personal. As a group, decide how you would prioritize your money each month and agree on a realistic order.

You have $1,100 for the month. Starting from the top of your stack, fund each expense until you run out of money."

Facilitation Notes:

- Groups must reach a shared decision, which may require compromise
- Trade-offs become more visible with the lower income this round
- Some groups may fund one savings goal but not both

Round 2 Reflection Questions:

- What changed compared to Round 1?
- Were you able to save this time? What made it easier or more difficult?
- Did different groups make different choices? What does that tell us?

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ACTIVITY ANSWER KEY

Pay Yourself First

SAVINGS SHUFFLE

ROUND 3

Instructor Script:

"Now, apply the strategy we learned: Pay Yourself First. Move your savings goals to the top of the stack, before any other expenses.

You still have $1,100 for the month. Fund your expenses from top to bottom."

Facilitation Notes:

- Ensure both savings goals are placed at the top
- Flexible expenses are more likely to be cut
- Students will see that the same income produces different results

Round 3 Reflection Questions:

- What changed from Round 2, even though your monthly income stayed the same?
- Which expenses did you have to give up to make saving happen first?
- Were you still able to spend money on things you enjoy?
- How did it feel to put saving first?

WRAP-UP DISCUSSION

Instructor Script:

"Across all three rounds, the amount of money didn't increase—but your results changed. The difference wasn't how much money you had; it was the order in which you used it.

Paying yourself first doesn't mean ignoring your essential expenses or giving up everything you enjoy. It means choosing a realistic amount to save first, and then building your spending around that."

Wrap-Up Questions:

- What approach made it easiest to reach your savings goals?
- Which expenses felt easiest to adjust? Which were hardest?
- Which plan felt more realistic for you to follow in real life?

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QUIZ ANSWER KEY

Pay Yourself First

MULTIPLE CHOICE

Directions: CIRCLE the best possible answer to each question.

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2. What is most likely to happen when you pay yourself first?
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   d. You won't need to use a budget

/2 pts

SHORT ANSWER

Directions: Answer the following question in a few words.

3. Describe one way to put the "pay yourself first" strategy into action.

EXAMPLES: SET UP AN AUTOMATIC TRANSFER TO SAVINGS, TRANSFER MONEY TO SAVINGS RIGHT AFTER GETTING PAID, TREAT SAVINGS LIKE A BILL AND PAY IT FIRST

/1 pt

TRUE OR FALSE

Directions: CIRCLE either true or false.

4. TRUE or FALSE — You should only save money if you have a large amount to set aside.
5. TRUE or FALSE — The order in which you save and spend money affects how much you are able to save.
6. TRUE or FALSE — Paying yourself first means you won't be able to spend money on things you enjoy.

/3 pts