LESSON PLAN

Saving for Retirement

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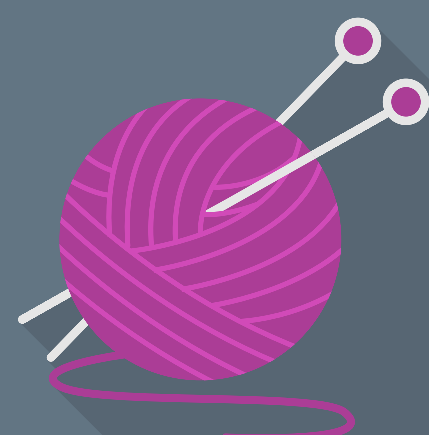
INCLUDED IN THIS PACKAGE

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

COLLECT FROM YOUR LIBRARY

- **VIDEO 29** *(Saving for Retirement)*
- **PRESENTATION 29** *(Saving for Retirement)*
- **HANDOUT 29** *(Saving for Retirement)*



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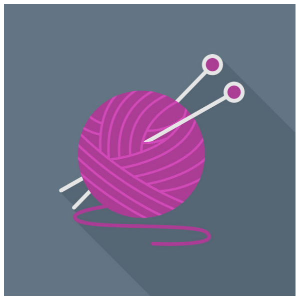
LESSON PLAN

Saving for Retirement

GRADES
10 to 12

TIME
45 minutes



OVERVIEW

Retirement may feel far away for high school students, but it is one of the longest-term and most important financial goals they will ever set. In this lesson, students explore why time plays such a powerful role in building wealth, compare common retirement account options and discuss strategies that support long-term saving.

GOALS

- Introduce the concept of retirement as a long-term financial goal
- Familiarize students with common retirement savings accounts
- Help students understand the role of time in growing savings

OBJECTIVES

- Explain why retirement is a long-term goal and how starting early helps savings grow
- Compare common retirement account options, including Traditional IRA, Roth IRA and 401(k)
- Discuss strategies that support long-term saving

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 4 (Investing) from the* ***Council for Economic Education's National Standards for Personal Financial Education.***

MATERIALS

- ☐ **VIDEO 29**—*Saving for Retirement*
- ☐ **PRESENTATION 29**—*Saving for Retirement*
- ☐ **ACTIVITY**—*Retirement Savings Showdown and Answer Key*
- ☐ **HANDOUT 29**—*Saving for Retirement*
- ☐ **QUIZ**—*Saving for Retirement and Answer Key*

PREPARATION

- *Gather digital materials (video and presentation)*
- *Print* **HANDOUT 29** *for each student*
- *Print and cut out a set of* **ACTIVITY** *cards for each team of students*
- *(Optional) Print* **QUIZ** *(Saving for Retirement) for each student*

LESSON PLAN

Saving for Retirement

TIMELINE

5 minutes	Introduce topic and show **VIDEO 29** *(Saving for Retirement)*
15 minutes	Go over **PRESENTATION 29**
20 minutes	Facilitate the **ACTIVITY**
5 minutes	Wrap up and distribute **HANDOUT 29**
(Optional)	Assessment: **QUIZ** *(Saving for Retirement)*

INSTRUCTIONS

1. Begin by asking students:
    - Does it seem strange to think about retirement when you're still in school? Why or why not?

    Explain that, while retirement may feel far away, starting to save early gives money more time to grow over the years.
2. Show **VIDEO 29**
3. Go over **PRESENTATION 29,** taking time to highlight the key differences between retirement savings accounts
4. Facilitate the **ACTIVITY:**
    - Divide students into small teams
    - Give each team a set of answer cards: Traditional IRA, Roth IRA and 401(k)
    - For each round, read a clue from the Answer Key describing a feature of a retirement savings account
    - Give teams a few moments to discuss which account(s) match the clue; some clues may apply to more than one account
    - When prompted, have teams lock in their answers by raising the corresponding card(s) at the same time
    - Ask one or two teams to briefly explain their reasoning
    - Reveal the correct answer(s) and award a point to each team that answered correctly
    - If no team answers correctly, review the clue and explain the correct answer before moving to the next round
    - Continue playing until the time limit is reached or all clues have been read; the team with the most points at the end of the game wins
5. Wrap up by sharing the following:
    - Even though they work differently, retirement accounts are all designed to encourage people to save for the future
    - Starting early gives your money more time to grow
6. Distribute **HANDOUT 29** for students to take home
7. (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

ACTIVITY

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RETIREMENT SAVINGS SHOWDOWN

Directions: Print and cut out the retirement savings account cards.

TRADITIONAL IRA

ACTIVITY
Saving for Retirement

RETIREMENT SAVINGS SHOWDOWN

Directions: Print and cut out the retirement savings account cards.

ROTH
IRA

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ACTIVITY

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RETIREMENT SAVINGS SHOWDOWN

Directions: Print and cut out the retirement savings account cards.

401(k)

QUIZ

Saving for Retirement

NAME: ______________________

TOTAL
/7 pts

MULTIPLE CHOICE

Directions: CIRCLE the best possible answer to each question.

1. Why can starting to save for retirement at a younger age be beneficial?
   a. Taxes are automatically lower when you are young
   b. Your money has more time to grow through investment returns
   c. Retirement accounts stop accepting contributions after age 30
   d. You must start saving early in order to open a retirement account

2. Which retirement account allows withdrawals in retirement to be tax-free?
   a. Traditional IRA
   b. Roth IRA
   c. 401(k)
   d. All of the above

3. Which retirement account may include employer contribution matching?
   a. Traditional IRA
   b. Roth IRA
   c. 401(k)
   d. All of the above

4. Which statement best describes how retirement accounts work?
   a. They are investments that guarantee profits
   b. They are special accounts that hold investments and offer tax advantages
   c. They are savings accounts used only by retirees
   d. They are government payments for people who stop working

/4 pts

TRUE OR FALSE

Directions: CIRCLE either true or false.

5.	TRUE or FALSE	All retirement savings accounts work exactly the same way.
6.	TRUE or FALSE	Contributions to a Traditional IRA may reduce your taxable income for the year.
7.	TRUE or FALSE	Retirement accounts such as IRAs and 401(k)s are designed to encourage people to save for the future.

/3 pts

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ACTIVITY ANSWER KEY
Saving for Retirement

RETIREMENT SAVINGS SHOWDOWN

Directions: Select which card—Traditional IRA, Roth IRA or 401(k)—matches each clue below. Some descriptions may apply to more than one card.

ROUND	CLUE	CORRECT ANSWER(S)	NOTES
1	This retirement account is usually offered through your employer.	401(k)	Employees contribute directly from their paycheck.
2	These retirement accounts can be opened at a bank, credit union or investment company.	Traditional IRA Roth IRA	IRAs are individual accounts set up at financial institutions.
3	Contributions to this account are made with money that has already been taxed.	Roth IRA	Because contributions are made with after-tax dollars, withdrawals in retirement are tax-free.
4	Contributions to these accounts may reduce your taxable income for the year.	Traditional IRA 401(k)	Contributions are made before taxes are taken out, so taxes are paid later when the money is withdrawn.
5	Withdrawals from this account are generally tax-free in retirement.	Roth IRA	Tax-free withdrawals are one of the key advantages of Roth accounts.
6	Withdrawals from these accounts are taxed as ordinary income in retirement.	Traditional IRA 401(k)	Taxes aren't paid when the money is contributed. Instead, withdrawals are taxed in retirement.
7	This retirement account may include employer contribution matching.	401(k)	Some employers add money to match part of what employees contribute to a 401(k).

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ACTIVITY ANSWER KEY

Saving for Retirement

RETIREMENT SAVINGS SHOWDOWN

Directions: Select which card—Traditional IRA, Roth IRA or 401(k)—matches each clue below. Some descriptions may apply to more than one card.

ROUND	CLUE	CORRECT ANSWER(S)	NOTES
8	These retirement accounts are self-directed and allow investors to choose their own investments.	Traditional IRA Roth IRA	Investors can choose from many stocks, bonds or funds.
9	These retirement accounts allow investments to grow tax-advantaged while saving for retirement.	Traditional IRA Roth IRA 401(k)	Retirement accounts act as containers for investments.
10	This retirement account typically has the highest annual contribution limit.	401(k)	Employer plans allow larger contributions than IRAs.
11	These retirement accounts share a combined annual contribution limit.	Traditional IRA Roth IRA	The contribution limit applies to both IRA types together.
12	These accounts are designed to encourage saving for retirement.	Traditional IRA Roth IRA 401(k)	All three are tax-advantaged retirement savings accounts.
13	Contributions to this account may come directly out of your paycheck before taxes are applied.	401(k)	Payroll deductions make saving easier by automatically setting aside part of your paycheck.
14	These accounts can be used to invest in assets such as stocks, bonds or mutual funds.	Traditional IRA Roth IRA 401(k)	Retirement savings accounts hold investments that grow over time.
15	Withdrawals from these accounts typically begin after age 59½.	Traditional IRA Roth IRA 401(k)	Early withdrawals may involve taxes or penalties.

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QUIZ ANSWER KEY

Saving for Retirement

MULTIPLE CHOICE

Directions: CIRCLE the best possible answer to each question.

1. Why can starting to save for retirement at a younger age be beneficial?
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/3 pts