NO PREP

Big Purchase Planning

Save for Gadgets & More

Includes: Student reading, case study, differentiated questions, teacher key

Name: Period: Date:

Big Purchase Planning: Save for Gadgets & More

Why Planning Matters for Major Purchases

Impulse buys can leave your bank account drained and regret looming. When you plan for a big purchase (whether it's a new smartphone, laptop, or gaming console), you gain control over your finances, avoid high-interest debt, and ensure you actually need what you buy. Proper planning helps you set realistic timelines, weigh features versus cost, and resist marketing pressure. For example, waiting six months to save for that new pair of headphones may reveal a sale or a better model, whereas charging it on plastic could cost you 20% more in interest. By treating your purchase like a mini-project, you develop goal setting, budgeting, and delayed gratification: all essential financial skills for life beyond high school.

Setting SMART Savings Goals

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Setting SMART Savings Goals

Use the SMART framework to turn vague wishes into actionable plans: Specific: Name the item and its exact model. Measurable: Assign a dollar target (e.g., $999). Achievable: Calculate weekly or monthly savings based on your income. Relevant: Confirm this purchase aligns with your priorities (schoolwork, hobbies). Time-Bound: Set a clear deadline (e.g., four months from now). With SMART goals, you'll know exactly how much to tuck away each week and avoid drifting into impulse territory. Revisiting your progress monthly keeps motivation high and allows you to adjust if expenses (or unexpected side-hustle windfalls) shift along the way.

Step-by-Step Savings Worksheet

Below is an example worksheet to track progress toward a new smartphone: Fill in your target item and total cost. Choose a deadline that gives you time but creates urgency. Divide total cost by number of weeks to get weekly savings. Update amount

saved each week and compute percentage complete. Review this worksheet every Sunday evening and adjust if you fall behind or get extra income from a side hustle.

Cutting Nonessential Spending

Boosting your savings rate often means trimming small, recurring expenses: Brew coffee at home instead of daily café runs ($4 × 5 days = $20/week). Unsubscribe from little-used streaming services ($8–$12/month each). Pack your lunch for school rather than buying cafeteria food. Swap brand-name snacks for store brands when prices surge. Use public-library digital resources instead of paid apps. Track your nonessential spending for two weeks, categorize each expense, then identify at least three items totaling your weekly savings goal. Redirect that money straight into your savings worksheet.

Safe Ways to Hold Large Sums

Once you accumulate hundreds of dollars, you need secure—but accessible—storage: High-Yield Savings Accounts: Look for APYs above national averages; FDIC-insured. Money Market Accounts: Often allow limited check writing, plus competitive rates. Savings Jars/Envelopes: For cash portions, label envelopes by goal. Keep them in a locked drawer. Digital Wallets: Some teen-friendly apps let you create sub-savings "buckets." Certificate of Deposit (CD): If your deadline is >6 months, a short-term CD can lock in a higher rate. Choose one method—or combine digital and physical—to balance security, accessibility, and growth.

Key Information

Target Item	Cost	Deadline	Weekly Savings	Amount Saved	Percentage Complete
Smartphone Model X	$999	August 31, 2025	$50	$300	30%

Case Study Excerpt: "Ethan's Smartphone Fund"

Ethan, a senior captain of the debate team, set his sights on the latest Model Z smartphone, priced at $1,199. With college applications around the corner, he knew swiping a credit card wasn't an option. Instead, he created a SMART goal: save $1,200 by September 1—12 weeks away—meaning $100 per week. Each Friday, Ethan transferred $100 from his weekend tutoring earnings into a high-yield savings account with 3.0% APY. To reach this goal, he cut two nonessentials: his $15 weekly snack habit (switched to homemade granola) and a $10 monthly streaming add-on (paused until after the purchase). He tracked progress on a simple spreadsheet showing date, deposit, and balance. By week six, he'd saved $600—and treated himself to a celebratory homemade smoothie rather than a café splurge. Four days before his deadline, a debate tournament win earned him a $150 prize; he applied it to the fund and hit $1,200 two days early. On September 1, Ethan proudly deleted no-credit-card-needed ads from his feed and ordered Model Z outright. Beyond the phone, he'd gained confidence in budgeting and learned that targeted cuts—rather than across-the-board austerity—can fuel savings without sacrificing everything.

1. Which nonessential expenses did Ethan cut to meet his weekly savings goal?

2. How did using a high-yield account accelerate Ethan's progress?

Multiple Choice

1. A SMART savings goal includes which of the following elements?

    a) Unmeasurable outcomes and vague success indicators

    b) Impulse feature selection without price comparison

    c) Specific target and deadline

    d) Unlimited timeline with no urgency to save

2. To boost savings rate, teens should:

    a) Increase subscription services

    b) Cook at home and brew drinks

    c) Wait for impulse sales

    d) Ignore budget tracking

3. Which account type typically offers the highest interest for a short-term goal?

    a) Certificate of Deposit

    b) Checking account with flexible withdrawal access

    c) Cash jar stored at home without protection

    d) Prepaid debit card with limited interest features

Matching

Write the letter of the correct definition on the line next to each term.

Term	Definition
1. ___ High-Yield Savings	A) Target date you set for reaching the goal
2. ___ Certificate of Deposit	B) Labeled digital or physical folder for cash
3. ___ Sub-savings Bucket	C) FDIC-insured account with above-average APY
4. ___ Weekly Transfer	D) Locked-in rate for a set term
5. ___ Deadline	E) Recurring auto-deposit from income

Fill-in-the-Blank

1. A clear _____ ensures you know how much to save each period.

2. Tracking progress in a _____ keeps you motivated and on target.

3. Cutting _____ expenses frees up money for your goal.

Short Answer

Answer each question in 2-4 complete sentences.

1. Describe two benefits of using automatic transfers for savings.

_____

_____

_____

2. Explain why setting a deadline creates urgency for saving.

_____

_____

_____

3. Outline one advantage of bundling nonessential cuts (e.g., snacks + streaming).

_____

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