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## **Saving Money Exercise**

Equipment needed:

- 1 Small Bucket
- 5 or more large mouth jars (Labeled Monthly Expenses, Non Monthly Expenses, Emergency Savings, (Xmas Savings and other types of savings), and one labeled debt.)
- 1 small mouth jar. Label this one Retirement.
- 1 small piggy bank
- Play money

Goal to demonstrate:

The benefit to layering savings:

- Have money available for emergencies
- Protects early withdrawal from retirement
- Help decrease debt

Attachments: Layering Your Savings, Tom and Sue, and Empty Pockets.

#1 Exercise: Set out your jars labeled Expenses, Retirement and the Piggy Bank. Fill bucket with play money ahead of time. Grab money from bucket and let it flow back into the bucket.

“This money is your income, incoming money. All incoming money is income. If we treat all incoming money like income, with the same awareness, same intent, we will have more money.”

“When we get paid we take our income and put some of it towards our expenses.”  
*Put some money from the bucket into the jar marked Monthly Expenses.*

“Sometimes we have money automatically put into a retirement plan.”  
*Put money from bucket into jar labeled Retirement.*

“Sometimes we put a little into our savings account.”  
*Put a small bill into Piggy Bank slot so it is half in and half out.*

Then an unexpected event happens – “Oh no, the car blew up!!”

“What am I to do? Oh I don’t have enough money left over from my monthly expenses to pay the repair bill; I don’t have enough money in my savings. I know I will take it out of my retirement fund there is a lot of money in there.”  
*Stop here and explain Tom and Sue, emphasizing if you take money out of your retirement fund prematurely it not only is expensive but you lose time which you can not get back.*

“Oh well, I guess I will have to create debt.” Take money from bucket and put it into the Debt Jar.

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### **Different Scenario**

This time take money out of bucket and put it into Expense Jar, and Retirement and Savings and then put a little into Non Monthly Expenses and Xmas Club and Emergency Savings. Now replay the car blowing up. Show all the other options available to you with your different savings plan that will help you decrease the amount of debt you will incur.

Finally when people say, “But where do you get the money for the extra savings account?’ show them empty pockets.

**Fixed  
Expenses**

**Flexible  
Expenses**

# Occasional Seasonal Expenses

# **Retirement**

## **Emergency savings**

# DEBT



# Christmas Club