

NAME: _____

DATE: _____

ACTIVITY

Savings Scenarios

What + Why: Saving isn't just about money—it changes how much you owe, how much you pay, and how much freedom you have later.

Buying something big—like a car— isn't just about whether you can make the monthly payment. The way you use your savings can change how much you borrow, how much interest you pay, and how financially secure you feel if something unexpected happens. In this activity, you'll explore how different saving choices reshape the entire financial outcome.

Supporting Materials:

Long-Term Impact (Case Study)

Instructions:

1. As a group, review the **Long-Term Impact** case study information.
2. Read your **Savings Scenario** and determine how each option changes Jordan's borrowing, total cost, and financial flexibility. Identify the trade-offs between them, including the opportunity cost (what Jordan gives up by choosing each option).
3. Answer the reflection questions and be prepared to support your conclusions with evidence from the case study information.

Our Scenario:

1. What trade-offs do the two options create, and which better supports Jordan's long-term financial stability?
2. What does Jordan give up by choosing each option in your scenario? What is the opportunity cost (what is sacrificed by making that choice) of each choice?
3. Based on your analysis, which option in your scenario would you recommend for Jordan, and why?

Savings Scenarios

Scenario 1: Save More Before Buying vs. Buy Now	Scenario 2: Use Most Savings vs. Keep Some Savings
A. Buy Now Jordan uses her \$500 savings as a down payment and borrows the full remaining balance now. B. Wait and Save Jordan delays the purchase for several months to save an additional \$1,000 before buying, then puts \$1,500 down.	A. Put It All Down Jordan uses her entire \$500 in savings as a down payment. B. Keep a Cushion Jordan puts nothing down and keeps her \$500 as an emergency fund.
Scenario 3: Short Loan vs. Long Loan	Scenario 4: Pay Cash vs. Finance
A. 36-Month Loan Jordan chooses a shorter repayment period. B. 60-Month Loan Jordan chooses a longer repayment period.	Jordan plans to buy a \$4,000 car. A. Small Down Payment, Shorter Loan Jordan puts \$500 down and chooses a 36-month loan. B. No Down Payment, Longer Loan Jordan puts nothing down and chooses a 60-month loan.