

Foundation Programme in Literacy, Numeracy and Skills

Financial Literacy

{ELECTIVE}

Grade 9



Factors influencing savings



MAURITIUS INSTITUTE OF EDUCATION under the aegis of



MINISTRY OF EDUCATION AND HUMAN RESOURCE

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Lesson 10 | Factors influencing savings

A Factors influencing savings

B Competency

- Main Competency
 - Managing Personal Finance
- Sub- Competencies:
 - 1. Factors influencing savings
 - 2. Purpose of savings

C Learning Outcomes

By the end of the lesson students should be able to:

- outline the factors influencing savings.
- determine the purpose of savings.

D Resources and materials

- Pens
- Rulers
- Notebook
- A3/A2 poster paper or cardboard
- Markers, crayons, coloured pencils
- Glue, scissors
- Magazines

E Implementation guidelines

• Introduction

1. Begin with a brief discussion on factors influencing savings.

Briefly explain that people save money for different reasons. Introduce some of the following factors that affect savings decisions.

Lesson 10 | Factors influencing savings

Factor	Simple Explanation	Example
Income	<ul style="list-style-type: none"> The more money a person earns, the more s/he can save. 	<ul style="list-style-type: none"> If Sarah earns Rs 100 a week, she can save Rs 20. If she earns Rs 200, she can save more.
Needs and Wants	<ul style="list-style-type: none"> People save less if they have many things to buy. 	<ul style="list-style-type: none"> If Ali needs to buy school books and snacks, he might have less to save.
Future Goals	<ul style="list-style-type: none"> People save if they want to buy something in the future. 	<ul style="list-style-type: none"> Mia wants a new schoolbag, so she saves part of her pocket money each week.
Family Support	<ul style="list-style-type: none"> Children may save more if their parents help them understand the need for savings. 	<ul style="list-style-type: none"> John's parents taught him to save half of his pocket money each week for future use.
Peer Influence	<ul style="list-style-type: none"> Friends can affect how much we save or spend. 	<ul style="list-style-type: none"> If Amy's friends always buy snacks, she might spend too. But if they save, she may save too.
Interest from Banks	<ul style="list-style-type: none"> Banks pay interest on savings. People save more if the bank pays higher interest. 	<ul style="list-style-type: none"> If Nisha puts Rs 500 in the bank and gets Rs 10 extra, she will want to save more.

Lesson 10 | Factors influencing savings

2. Purpose of savings

Here are a few examples that can be used to explain and discuss the purpose of savings in your classroom.

Example 1

Imagine you want a new bicycle costing Rs 2,000. Every week you get Rs 200. If you spend all your money on snacks, you will not have any left. But if you save Rs 100 each week, in 20 weeks you will have enough to buy the bicycle.

Example 2

Sometimes, unexpected things happen like if your shoes are worn out/ become old. If you have saved some money, you can use it to buy a new one.

Example 3

You have a school trip in two months. The trip will cost Rs 500. If you save Rs 50 each week, then you will have the money available by the time of the trip. You will not have to ask for money from your parents.

Example 4

You want to buy some stationery, like a new set of colouring pencils or a workbook. Instead of asking your parents, you save part of your pocket money every week. When it is time, you feel proud to buy them with your own money.



Activity 1:

This activity helps students to think of different factors that will influence the savings decisions.



Activity 2:

This activity helps to develop students' ability to link savings decisions to specific goals or purposes (e.g. saving for education, emergencies, or fun). This activity builds an awareness of why people save.

F

Assessment (in worksheet)

G

Extension of activity

Encourage students to reflect on different purposes of savings their money.

Activity 1 | Factors influencing saving decisions

Activity 1:

Aim: To help students identify and understand the various factors that influence the savings decisions of different stakeholders (e.g. individuals, families, businesses).

Instructions:

1. You are provided with a list of factors influencing savings.
2. Read each statement below and choose the main factor that influences the savings decision.
3. You are required to work in pairs.
4. Cut and paste the appropriate factor in the blank space. Justify your choice. Then, share your answers with the class.

Spending habits

Income level

Age

Future goals

Family responsibilities

Activity 1 | Factors influencing saving decisions

Statements	
Ali is still in school and gets a small allowance from his parents. He saves a small amount every week.	
Maria has three children and spends most of her income on food, clothing, and school fees. She finds it hard to save.	
David earns a high salary and is able to put aside a large portion of his income every month.	
Emily is saving some money every month to buy a laptop for university next year.	
James enjoys eating out and often goes shopping, so he rarely has money left to save.	

Activity 2 | Poster Activity

Activity 2: Poster Activity

Aim: To understand why people save money.

Instructions:

1. Work in small groups (2–4 students per group).
2. Create a colourful poster with the title “Why Do People Save money?”
3. On your poster, include at least four different purposes of savings.
4. For each purpose, add:
 - A short sentence explaining it.
 - A drawing or picture to show the idea.
5. Be creative! Use colours, drawings, magazine cutouts or stickers to decorate your poster.



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