MONEY SMART

for Young People
Grades 6 – 8 Educator Guide

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Caution: Coins are a leading cause of choking-related injury and death for young children, particularly for those aged 3 and under.

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Welcome to *Money Smart*

Welcome to *Money Smart*, an exciting interactive exploration of the concepts of money. This standards-aligned, cross-curricular program is designed to promote financial understanding in children ages 8 through 11. You can use *Money Smart* to add engaging and enriching activities to Math, English Language Arts, and Social Studies lessons while also helping your students build the foundation to become financially responsible adults.

In *Money Smart* you will find:

- **Twelve Lessons** with hands-on, cross-curricular activities that engage sixth- through eighth- grade students in discussing and exploring key financial concepts
- **Teacher Presentation Slides,** which provide helpful visuals, as well as fill-in charts to support the activities in each lesson
- **Student Handouts** with handouts that let students explore the topics covered in each lesson and apply their new knowledge
- **A Parent/Caregiver Guide** with information about topics and terms being covered in class, conversation starters, online and literary sources, along with activities to try at home and around town

Developing positive financial habits equips students with 21st century skills and tools that last a lifetime. We hope you and your students enjoy learning about money and its many uses.

We are eager to hear from you about how you use this curriculum. We would like to know what works well and what could be improved to make *Money Smart* even better. If you have any questions, we would like to help. Please contact us with your comments and questions via e-mail at **communityaffairs@fdic.gov.**

Getting Started

Money Smart provides a comprehensive, developmentally appropriate program for young students to build an understanding of key financial concepts.

There are many features that help make the ***Money Smart*** curriculum engaging, motivating, and easy to use. Each lesson includes learning objectives, essential questions, supplies needed, and preparation required, as well as the following features and components to support easy integration of ***Money Smart*** activities into your instructional day.

STANDARDS

Each lesson promotes real-world connections through student-centered learning experiences and aligns to the following education standards and learning outcomes, including Common Core State Standards in mathematics and English Language Arts. The **Education Standards Chart** identifies which standards are met in each lesson.

- Financial Literacy Jump$tart Standards
- English Language Arts Common Core State Standards
- Mathematics Common Core State Standards
- National Standards for Financial Literacy by the Council for Economic Education
- Partnership for 21st Century Skills

GRADE LEVEL MODIFICATIONS

Please note the modifications identified throughout the lessons to differentiate learning experiences for beginner and advanced students. Modifications provide developmentally appropriate activity recommendations and extension opportunities, as well as provide multiple ways for students to explore concepts, express understanding, and engage in the activities. In addition to these specific modifications, teachers can also use the following strategies, all of which are in line with Universal Design for Learning principles, to ensure that the content meets individual learners' needs.

Strategies for Representation: The "what" of learning

- **Connect to background knowledge:** Use brainstorms, visuals, and warm-up activities to explore students' prior knowledge and highlight relationships to lesson topics.
- **Interactive Notetaking:** Lead students through the process of notetaking by modeling the steps of listening critically, recording key facts or ideas, outlining plot or structure, and synthesizing information from a variety of resources (film, articles, websites, lectures). Graphic organizers or templates can be used to support this activity.
- **Graphic Organizers:** Use t-charts, budget templates, and visual representations to support students in examining saving, spending and other topics. Graphic organizers can be partially filled in or completed as a group to further support learners.

Strategies for Expression: The "how" of learning

- **Role Play to Solve a Problem:** Have students take the stage to physically model and solve problems together. Students may pretend to be the character from a story problem or work with classmates to visually represent math with their fingers or items from class.
- **Visual Aids:** Provide images, infographics, and pictures to support students in math comprehension. Visual aids can be used to make story problems more concrete, to model formulas, as well as to give context for new concepts.
- **Problem Solving Checklist:** Have students create and use a prioritized sequence of steps to solve simple or complex math challenges. The sequence of steps could be based on order of operations or focus on word problem solution steps (read, underline key details, draw a picture, write a number sentence, solve, check work).

Strategies for Engagement: The "why" of learning

- **Goal Setting:** Give students the opportunity to identify personal goals related to activities and topics explored. Whether they're charting a path to save a dollar or focusing on completing story problem challenges, setting goals motivates and engages learners of all ages.
- **Think-Pair-Share:** Have students collaborate by individually answering a question or challenge (think), discussing responses with a peer (pair), and synthesizing learning with the whole class (share).
- **Flexible Groups:** Use a variety of grouping strategies to help students learn and grow within their network of peers. Groups may be based on readiness, interests, or classroom community. It is important to test out a variety of approaches to find the best fit for your students. For each grouping strategy, take time to set expectations and practice routines with students. Possible grouping strategies include:
    - Multi-grade peer-to-peer, where students can mentor and support peer mastery.
    - Small groups of 3-5 students with assigned roles such as reader, recorder, presenter, discussion leader, questioner, or checker. Small groups may also progress through station rotations, with each station focusing on a particular task or topic. Additional resources on implementing station rotations can be found at **www.thecreativeeducator.com/2016/articles/blended-learning-with-station-rotations**
    - Same grade partners/pairs, where students collaborate and reflect with a buddy.

PRESENTATION TIME

Each lesson plan includes an estimated time required to teach the lesson. Actual time required will vary from classroom to classroom. The estimation includes instructional time spent on the **Warm Up, Guided Exploration, Group Exploration, Independent Exploration,** and **Wrap Up**. Activities may also be taught as several short lessons over a period of days or weeks. **Extended Exploration** activities are included to extend financial literacy learning opportunities throughout the year and provide easy ways to integrate the topics into various content areas.

ASSESSMENTS

A variety of assessments are integrated throughout each of the twelve lessons. Assessments are designed to build value, meaning, and context around a topic, while providing teachers with opportunities to evaluate prior student knowledge, and collect evidence their new understandings of lesson concepts and skills. Pre- (formative) and post- (summative) assessments are noted on the first page of each lesson. Assessments include discussions, reflections, questions and answers, reading, writing, and problem-solving exercises. Assessments are aligned to standards so that teachers may track students' mastery of standards. Student handouts are an especially useful form of written assessment.

LESSON STRUCTURE

Each lesson is designed to include the following:

- **Warm Up** introduces students to the topic and sparks inquiry.
- **Guided Exploration** integrates cross-curricular and developmentally appropriate learning activities and assessments while focusing on the key financial literacy learning objectives of the lesson, with teacher guidance.
- **Money Smart Tips** are provided throughout lessons to offer additional guidance, interesting and relevant financial facts, and additional ideas to help make ***Money Smart*** a success in your classroom.
- **Group Exploration** allows students to work in small groups to explore concepts and solve problems together. Cooperative learning is considered a "best practice" in middle school instruction.
- **Independent Exploration** activities are designed to engage students in the process of learning through individual discovery, research, and interpretation. These activities are more independent than the Guided and Group Exploration activities and may also be used as homework assignments or independent study.
- **Wrap Up** provides a reflection question or activity to review lesson concepts and allow students to demonstrate their understanding.
- **Extended Exploration** provides teachers with additional opportunities to extend financial literacy concepts throughout the school year within core content areas including English Language Arts and Math. Activities can be completed as a class, in small groups, or by students individually. Useful resources (such as books, web links, games, or videos) are also included to promote even more student engagement. The books and online resources suggested in this guide are just a few of the many available resources that explore these topics, and are not endorsed by the FDIC.
- **Student Handouts** (found in the Student Guide), **Group Handouts** (found in this guide), and **Teacher Presentation Slides** provide dynamic instructional support. Student and group handouts create an opportunity for students to apply their knowledge and for teachers to assess their understanding. Teacher presentation slides offer visuals and interactive activities corresponding with lessons.
- The **Answer Key**, **Glossary**, and **Standards Chart** house all of the information needed to check for understanding, define key terms, and check which activities meet specific education standards. Vocabulary words are **bolded** in each lesson as they are introduced. It may be helpful to distribute copies of the entire glossary to students as a reference.

MONEY SMART AT HOME

The ***Money Smart*** curriculum includes a helpful **Parent/Caregiver Guide** that corresponds to the classroom resources. Families of young children may also use it independently of the curriculum. It contains resources, activities, games, and conversation starters on financial literacy topics covered in each lesson. Use the following ideas to encourage parents to use the guide at home:

- Introduce parents to the ***Money Smart*** program and share the **Parent/Caregiver Guide** at the start of the school year.
- Discuss the ***Money Smart*** program during parent/teacher conferences, or in monthly parent newsletters home, and emphasize the importance of building healthy financial habits from an early age.
- Hold a ***Money Smart*** family night. Play games and have students present short skits about financial concepts they have learned.
- Send student handouts from each lesson home in each child's homework folder for parents to review and sign.

INTERDISCIPLINARY PROJECTS

Interdisciplinary project-based learning provides the connectedness that many middle school students need as they make the transition from single classroom instruction in elementary school to subject- specific classrooms at the secondary levels. This section provides a few ideas for connecting financial literacy across disciplines into single projects.

1. **Financial Literacy Assembly or Community Awareness Campaign**
   Use arts-integration to allow students a creative outlet to demonstrate their learning from one, some, or all ***Money Smart*** lessons. Some options include:
   - **Drama:** Write and perform a play, a video advertisement, or a news broadcast. For example: students could combine their learning from **Lesson 1:** The Path to Success and Lesson 2: Bread and Butter to write a play about how to select a career field, how to get a job, and what happens once you get a job.
   - **Visual Art:** Study and develop public service announcement (PSA) posters for the school or the community. For example: students could use their learning from **Lesson 10:** Protecting Yourself to develop PSA posters or infographics on what identity theft looks like, how to avoid it, and what you should do if you suspect that you are a victim of it.
   - **Music/Choir:** Write and perform a song or rap. For example: students can demonstrate their learning from **Lesson 12: *Spend, Save, or Give?*** by writing a song that helps other students identify the various ways that they can spend, save, or give their money. The song can be played on the school PA system, posted on the school website or performed at an assembly.
   - **Technology:** Create PSAs using PowerPoint, Prezi, Microsoft Publisher, online cartoon creators like **www.abcya.com/animate.htm** or **http://scratch.mit.edu/**, or other design programs. For example: students could create an online cartoon to share with others that demonstrates their understanding of **Lesson 7: *How to Stash Your Cash***.

2. **Managing a Budget**
   Planning a field trip, an assembly, or a school party? Develop an interdisciplinary project to allow students to create and manage the budget. Some options include:
   - **Social Studies:** Assess the needs and wants of the event. Prioritize necessary items and then wanted items. Students can use their learning from **Lesson 4: *Being a Savvy Shopper*** to research to identify and evaluate costs.
   - **Math:** Develop a suggested budget based on assessing needs and wants for the event. If and when the budget is accepted, manage the spending to ensure that the event does not go over budget. Students can use their learning from **Lesson 3: *Designing Dream***s and **Lesson 5: *Go with the Flow***.
   - **English:** Write a persuasive letter to the school administration explaining the needs and wants of the event, analyzing the suggested budget, and requesting the funds to execute the event. Students can use their learning from **Lesson 3: *Designing Dream***s and **Lesson 5: *Go with the Flow***.

3. **School Store**
   Whether your school has a school store, or it is something that the students might be interested in starting, consider developing a project to provide students with ownership, while allowing them to learn more about financial literacy. Some options include:
   - **Social Studies:** In coordination with other students and staff in the building, develop an inventory of needs and wants that can be supplied in the school store. Use research to identify and evaluate costs. Students can use their learning from **Lesson 4: *Being a Savvy Shopper***.
   - **Math:** Develop a budget for purchasing bulk items. Consider options for and create sale prices for each item. Create a cash flow statement to determine the amount of product that must be sold in order to turn a profit. Students can use their learning from **Lesson 3: *Designing Dreams*** and **Lesson 5: *Go with the Flow***.
   - **Art/Design:** Use advertising techniques to advertise and sell the school store products. Students can use their learning from **Lesson 4: *Being a Savvy Shopper***. Students can discuss which advertising strategies were the most effective and why they think they worked well.
   - **English:** Write a persuasive argument to open a school savings account to keep school store profits in a safe place and earn interest. Alternately, write a persuasive argument to invest the profits in an investment vehicle like stocks or bonds. Students can use their learning from **Lesson 7: *How to Stash Your Cas***h and **Lesson 8: *Money Doesn't Grow on Trees***.

4. **Create and Use Financial Literacy Games**
   Playing games is a great way to engage students in learning. Even better, is to allow students to create their own games to play. Students can demonstrate their learning from one, some, or all Money Smart lessons. These games can be created and played in several subject areas including Social Studies, English, Math, and Art. Some options include:
   - **The Path to Success:** Create a game where you must make choices about your education, your career, the jobs you get and the associated income, the taxes you pay on your income, and the insurance purchases that you can make. Money Smart connections: **Lesson 1: *The Path to Success***, **Lesson 2: *Bread and Butter***, **Lesson 11: *Risky Business***.

- **Charge It!** Create a game where you can make choices about which credit card to apply for, make purchases with credit versus cash, and build credit. ***Money Smart*** connection: **Lesson 9: *Give Credit Where Credit is Due***.
- **Money, Money, Money:** Create a game where you can make choices about how to earn and spend money, factoring in cash flow, saving, and charitable giving. ***Money Smart*** connections: **Lesson 5: *Go with the Flow***, **Lesson 12: *Spend, Save, or Give***?

5. **Solve a Community Problem**
   The intersection of problem-solving and real-life application is important for middle school students. What better way to combine the two than to solve a community-wide problem? Start by considering problems in your community. Problems could be split along content lines, for example:
   - **Science:** Does your community recycle? How "green" is your community? Investigate science career fields and discover how students might make a career of solving these community problems, using **Lesson 1:** The Path to Success.
   - **Technology:** Who has access to technology in your community? Inform your community about online threats after covering **Lesson 10:** Protecting Yourself.
   - **Arts:** Does any part of your community need beautifying? Determine a method to raise and spend money on community beautification using **Lesson 5:** Go with the Flow.
   - **Foreign Language:** Do non–English speaking members of your community need access to resources? Consider developing a foreign-language PSA that ties to student learning from **Lesson 4:** Being a Savvy Shopper.

Encourage students to use the financial literacy topics learned in ***Money Smart*** lessons to identify a community problem and develop and maintain a budget for solving the problem.

FINANCIAL LITERACY ALL YEAR LONG

Highlight financial literacy at your school all year long, especially in April, during National Financial Literacy and School Library Month.

- Create bulletin boards or posters with students about financial literacy themes learned in ***Money Smart***.
- Develop interdisciplinary projects that incorporate financial literacy topics.
- Create a class or school newsletter with students to distribute to the school community about money skills and financial concepts covered in class.
- Integrate real-world applications of financial literacy into content area classes.

The more students are exposed to financial literacy, and the more opportunity they have to practice applying their new knowledge and understanding of concepts, at school and at home, the more prepared they will be to live ***Money Smart*** lives.

At a glance

Lesson Title	Topic	Learning Objectives	Time Required
1. The Path to Success	Career and Job Opportunities	▪ Identify and assess the skills and experience needed for a variety of careers ▪ Examine the impact of education and other opportunities like internships on career trajectory ▪ Create a path for advancing in a career field	50 min **Session 1 (25 min)** ▪ Career Pre-Assessment (10 min) ▪ Understanding Important Vocabulary (5 min) ▪ The Path to a Successful Career (part 1) • Introduction (5 min) • Job Cards (5 min) **Session 2 (25 min)** ▪ The Path to a Successful Career (part 2) • Opportunity Card (10 min) • Education Card (5 min) ▪ Creating My Career Plan (10 min)
2. Bread and Butter	Introduction to Taxes	▪ Understand and explain the purpose of federal income and state tax and how it affects personal income ▪ Apply mathematical skills and concepts to tax brackets and personal income ▪ Describe and evaluate the importance of the current federal income tax system	60 min **Session 1 (20 min)** ▪ Federal Spending (10 min) ▪ Understanding Important Vocabulary (10 min) **Session 2 (40 min)** ▪ Tax Impact (30 min) ▪ Progressive Tax versus Flat Tax (10 min)

Lesson Title	Topic	Learning Objectives	Time Required
3. Designing Dreams	Financial Goals	▪ Identify and explain needs and wants ▪ Identify their own financial values and apply those values to their financial goals ▪ Create a financial goal and develop the process to achieve it, factoring in possible barriers to that goal ▪ Understand and explain the importance of creating financial goals	45 min **Session 1 (20 min)** ▪ Finances Gone Wrong (10 min) ▪ Financial Values and Goals (part 1) • Financial Values Slide (5 min) • Goals Slide (5 min) **Session 2 (25 min)** ▪ Financial Values and Goals (part 2) • Financial Values and Goals Worksheet (20 min) ▪ Financial Values and Goals Discussion (5 min)
4. Being a Savvy Shopper	Smart Shopping	▪ Consider the role of needs and wants in decision making ▪ Evaluate the credibility and motivation of marketing and advertising ▪ Distinguish the best value of goods and services ▪ Define and apply opportunity cost to purchases	45 min **Session 1 (25 min)** ▪ Dissecting an Ad (5 min) ▪ Becoming a Savvy Shopper (part 1) • Cell Phones #1–3 Research (20 min) **Session 2 (20 min)** ▪ Becoming a Savvy Shopper (part 2) • Opportunity Cost (5 min) • Discussion (5 min) ▪ Student Choice (10 min)

Lesson Title	Topic	Learning Objectives	Time Required
5. Go with the Flow	Cash Flow and Budgeting	▪ Explain the purpose and value of budgeting ▪ Explain the budget categories: fixed expenses, variable expenses, and discretionary expenses ▪ Create a budget accounting for income, expenses, and unexpected scenarios	50 min **Session 1 (25 min)** ▪ What Is Cash Flow? (10 min) ▪ "Go with the Flow" Cash Flow Game Round 1 (15 min) **Session 2 (25 min)** ▪ "Go with the Flow" Cash Flow Game Round 2 (15 min) ▪ Why Cash Flow Matters Discussion (10 min)
6. Super Savers	The Importance of Saving	▪ Understand and explain the importance of saving money ▪ Evaluate methods for saving money, both for a scenario and in their own lives	45 min **Session 1 (25 min)** ▪ Saving Money and Me (5 min) ▪ Evaluating Saving Options (part 1) • Group Work (20 min) **Session 2 (20 min)** ▪ Evaluating Savings Options (part 2) • Presentations (15 min) ▪ The Best Methods (5 min)
7. How to Stash Your Cash	Savings Options	▪ Evaluate and differentiate a variety of banking and savings options ▪ Identify the benefits of creating a savings account ▪ Understand compound interest and how it can increase savings	50 min **Session 1 (25 min)** ▪ Understanding Compound Interest (10 min) ▪ Opening a Savings Account — Decision Making (15 min) **Session 2 (25 min)** ▪ Opening a Savings Account — Presentation (15 min) ▪ The Perfect Savings Account (10 min)

Lesson Title	Topic	Learning Objectives	Time Required
8. Money Doesn't Grow on Trees	Investing Options	▪ Understand investment growth, losses, reward, and risk by developing and tracking a stock portfolio ▪ Demonstrate a general understanding of investment vehicles, like bonds, stocks, and mutual funds ▪ Create investment tips for an adult audience	65 min **Session 1 (30 min)** ▪ Investing in a Friend (10 min) ▪ Investment Vocabulary and Vehicles (20 min) **Session 2 (35 min)** ▪ Investing in Stock Simulation (25 min) ▪ Investing Tips Letter (10 min)
9. Give Credit Where Credit Is Due	Credit and Debt	▪ Understand how to build credit and practices that may hurt credit ▪ Identify the economic benefits of good credit ▪ Discuss the consequences of debt	55 min **Session 1 (25 min)** ▪ Understanding Credit Anticipation Guide (5 min) ▪ Understanding Credit Mini-Lesson (10 min) ▪ Credit and Debt in the United States (10 min) **Session 2 (30 min)** ▪ Understanding Credit Jigsaw Groups (20 min) ▪ Letter to My Future Self (10 min)
10. Protecting Yourself	Protecting Your Identity	▪ Create a trifold informative brochure on identity theft and prevention methods ▪ Apply information about identity theft and prevention in realistic role-plays	60 min **Session 1 (30 min)** ▪ What Do You Know About Identity Theft? (10 min) ▪ Learning About Identity Theft Stations (20 min) **Session 2 (30 min)** ▪ Identity Theft Role-Plays (15 min) ▪ Identity Theft Trifold Brochure Closing (15 min)

Lesson Title	Topic	Learning Objectives	Time Required
11. Risky Business	Financial Risk	▪ Identify methods to protect oneself from unwanted financial risk ▪ Create a risk management plan for a purchase	60 min **Session 1 (20 min)** ▪ There's a Little Risk in Everything (10 min) ▪ Introducing Risk Management and Insurance (10 min) **Session 2 (40 min)** ▪ Making Insurance Decisions (30 min) ▪ Financial Risk Exit Options (10 min)
12. Spend, Save, or Give?	Personal Financial Choices	▪ Create a balanced budget that takes into consideration spending, saving, and giving ▪ Analyze personal decision making when crafting a budget	55 min **Session 1 (25 min)** ▪ What Goes into a Budget? (5 min) ▪ Spend, Save, or Give? — Personal ▪ Thinking Stations (20 min) **Session 2 (30 min)** ▪ Personal Budgeting (20 min) ▪ Explaining My Budget Quick-Write (10 min)

Glossary

Advertisement (Ad): A public notice or announcement that a company pays for to help promote and increase sales of a product or service.

Bank: A financial institution and business that accepts deposits and makes loans.

Borrow: To receive something on loan with the understanding that you will return it.

Budget: A plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time.

Career: The type of work a person pursues for the majority of their life that may involve formal education, special training, or be within a specific industry.

Cash: Money such as coins and bills.

Charity: The act of giving help or money to help people, animals, or communities in need; an organization that helps people, animals, or communities in need or supports social causes.

Check: A written order of payment that instructs a financial institution (such as a bank) to withdraw a specific amount of money from the check-writer's account, and pay or deposit it to the person, or business, named on the check.

Credit: The ability to borrow money and pay it back later.

Debit: An amount of money taken out of a deposit account to pay for something.

Debt: Money that is owed.

Donation: Something (including money, food, clothes, and toys) that you give to help people, animals, or communities in need or to a charity.

Earn: To receive money in exchange for goods or services. Emergency Fund: Money set aside to pay for unexpected expenses. Entrepreneur: Someone who creates and runs a business.

Expense: The cost of goods and services; the amount of money that is spent.

Federal Deposit Insurance Corporation (FDIC): Preserves and promotes public confidence in the U.S. financial system by insuring deposits in banks and thrift institutions for at least $250,000. An independent agency of the federal government, the FDIC was created in 1933.

Goal: Something you wish to achieve or accomplish in a specific amount of time.

Income: Money that you receive from jobs, allowances, interest, dividends, and other sources.

Interest: Money that a bank or other financial institution pays you for keeping money on deposit with them, or the amount of money you pay a bank as a fee when you borrow money.

Invest: To put money at risk with the goal of making a profit in the future.

Job: A specific duty, task, or activity someone completes using his or her time, skills, and energy to earn money.

Lend: The act of giving something to someone with the understanding that they will give it back to you.

Long-Term Goal: Something you want to achieve in the future, such as in one year, five years, ten years, or more.

Money Order: Similar to a check, but can be purchased at a bank, post office, or stores and used to make a payment of a specified sum of money.

Need: Something you must have to survive, such as clothes, shelter, or food.

Opportunity Cost: The next best thing that you give up in order to do something else; a trade-off of a decision you make.

Profit: The money gained or left over after money spent (expense) is subtracted from money earned (income).

Return: Money made (profit) from an investment.

Risk: The possibility that something unplanned or unintended may happen (such as losing money).

Save: Setting something, like money, aside to use in the future.

Savings Account: A bank account that you can use to set aside money, and that pays you interest.

Savings Goal: The amount of money you plan to put aside for a specific purpose.

Short-Term Goal: Something you want to achieve soon, such as in two weeks or a few months.

Spend: The act of using money to buy goods or services.

Spending Limit: The most amount of money a person is allowed (or allows themselves) to spend.

Tax: Money that someone has to pay to help finance a government.

Want: Something that you would like to have but that you could live without.



Lesson 1: The Path to Success

TOPIC: Career and Job Opportunities

Time: 50 min

Supplies:
- Loose-leaf paper
- Projector (for teacher presentation slides)
- Access to the Internet (optional)

Preparation:
- Make copies of student handout
- Set up projector with presentation slides
- Cut job cards for random selection
- Set up individual or group computers with access to the Internet(optional)

Glossary with key vocabulary 15

OVERVIEW:

The first lesson in the middle school series will engage students in income-earning research as they explore **career** opportunities and investigate how education and training increase their earning power.

OBJECTIVES:

1. Identify and assess the skills and experience needed for a variety of careers
2. Examine the impact of education and other opportunities like internships on career trajectory
3. Create a path for advancing in a career field

INDIVIDUAL HANDOUTS:

- Career Pre-Assessment
- Career Pre-Assessment answer key
- Volunteering, Internships, and Job Shadowing informational text

GROUP HANDOUTS:

- Job Card (1 per group)
- Opportunity Card (1 per group)
- Degrees Matter (1 per group)

TEACHER PRESENTATION SLIDES:

- Degrees Matter

ESSENTIAL QUESTIONS:

- What is the difference between a job and a career?
- What is the best path to take to succeed in my chosen career field?

ASSESSMENT ACTIVITIES:

Pre-Assessment:
- **Activity:** Career Pre-Assessment

Post-Assessment:
- **Activity:** The Path to a Successful Career
- **Activity:** Creating My Career Plan

Instruction Steps

WARM UP

Career Pre-Assessment

10 MINUTES

When we begin to think about money, a big part of the discussion is how to earn money. **Ask students:**

- *What are some careers and jobs you are interested in?*
- *What sparked your interest in these careers or jobs?*

Share that, as we each make choices about our career path, one thing that can help steer us is our personal interests and strengths. Have students complete an interest survey to discover how their strengths might align with potential careers. Students may use an online assessment such as U.S. Department of Labor, CareerOneStop, Get My Future: **www.careeronestop.org/GetMyFuture/Toolkit/interest-assessment.aspx** or the ***Career Pre-Assessment student*** handout.

Once students have completed their ***Career Pre-Assessments,*** provide them with the **Answer Key to** determine in which career field(s) they are most interested.

Ask them to hold on to their online results or Career Pre-Assessments for the group activity later in class.

Ask students:

- *What education will support you in your career interests?*
- *Does the job you are most interested in require a degree or specialized training?*

Share that jobs require different types of education with different coursework and degrees including: vocational training (actor, electrician), a two-year Associate's degree (dental hygienist, computer programmer), a four year Bachelor's degree (financial manager, game designer) or advanced graduate work with Master's degree or Doctorate (doctor, engineer).

MONEY SMART TIP!

The unemployment rate of someone with a Doctoral degree is 1.5%, while the unemployment rate of someone who has a high school diploma is 4.6%. Additionally, someone with a Bachelor's college degree will earn an average of $30,500 more per year and $1 million more in his or her lifetime than someone with a high school degree. Education is a personal choice. It's important to consider the costs and long-term benefits.

www.bls.gov/opub/ted/2018/weekly-earnings-by-educational-attainment-in-second-quarter-2018.htm?view_full.

US Department of Labor, Bureau of Labor Statistics (BLS) has additional career resources for teachers and students (K-12) at **www.bls.gov/k12/**

GUIDED EXPLORATION

Understanding Important Vocabulary

5 MINUTES

Career and job are two important vocabulary terms in this lesson. Explain to students the differences and similarities between the two:

- **Career:** The type of work a person pursues for the majority of their life that may involve formal education, special training, or be within a specific industry. A career often represents a person's passion, talents, and purpose. Examples can include: medical career field, education career field, media and marketing career field, social sector career field, business career field, law career field **Career**, technology career field or engineering career field.
- **Job:** A specific duty, task, or activity someone completes using his or her time, skills, and energy to earn money. For example, (examples line up to career fields above): doctor, teacher, business owner/entrepreneur, blogger, social media marketer, lawyer, or engineer.

Optional checks for understanding:

- *How would you describe the difference between a career and a job?*
- *Give an example of a job you might have in the medical career field (for example: a nurse, doctor, physician's assistant, hospital administrator, medical clerk)*
- *What career field do you think that you would be in if you had the job of teacher?(for example: education or social sector)*

GUIDED GROUP EXPLORATION

The Path To A Successful Career

25 MINUTES

Split students into small groups of three to five. Explain that, today, students will be following the path of one particular career field, understanding a job in that career field in more depth, and making decisions about education and opportunities as a way of advancing or exploring in the career field.

First, the groups will have to select their job. Distribute a set of the ***Job Cards (group*** handout) to each group, and have students randomly select one (without seeing the options). Once they have selected their job card, students should read the information about that job, and then compare it to the results of their pre-assessment.

Students should discuss:

- *What career field is this job in?*
- *How does this career field relate to their personal interests and the results of the online interest survey or **Career Pre-Assessment** on the **Warm-up**?*
- *What have they discovered about this career field by examining this job?*
- Is anyone interested in this job? Why or why not?

Next, distribute one copy of the informational text ***Volunteering/ Community Service***, ***Internships***, *and* ***Job Shadowing*** (group handout) per student group.

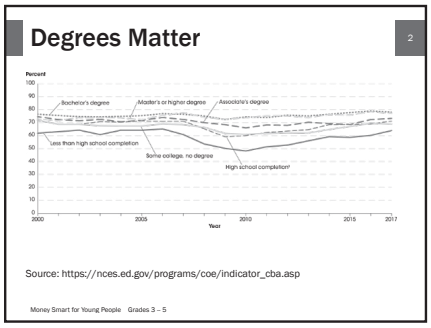
Once students have completed the short reading, **check for understanding with the following questions:**

- *Describe how volunteering, interning, and job shadowing can help you develop career skills.* Provide an example for each highlighting their differences, benefits, and your personal interests.
- *How many of you have volunteered in the community?*
- *How many of you have asked someone questions about their career?*
- *How many of you have visited someone at their job?*
- *As a middle school student, can you volunteer, hold an internship, or shadow different jobs?* Explain your answer.
- *Do you think you can volunteer, intern, or shadow at any point in your career?* Explain.
- *How could volunteering, interning, or job shadowing improve your career field opportunities?*

After discussing the reading, provide student groups with a copy of the ***Opportunity Card (***group handout) options. Prompt students to select an ***Opportunity Card*** based on what they think will best advance/explore and help someone in the career field from the job that they selected earlier. (Note: provide the "Change Jobs" card as an option only if students will be able to research other jobs on the computer in order to make their job change decision.)

In groups, students should discuss:

- *How does this opportunity help someone in the career field from the job that we selected?*
- *How would someone go about getting an opportunity like this?*
- *What connections are there between this job and opportunity and the career field I am interested in from my* ***Career Pre-Assessment or online assessment****?*



Next, students will examine the ***Degrees Matter slide*** and study how education impacts a career.

Check for understanding by asking the following questions:

- *What does this graph show about the connection between education and a career?*
- *What are some reasons why people choose to further their education as they advance/explore their career field?* (For example: it provides them with more training, it can help secure a promotion, and it helps them get paid more money.)

- *What do you think are some reasons that people choose not to further their education as they advance/explore their career field?* (For example: it costs money to go to school, it takes time to go to school.)
- *Are there any solutions to some of the problems you present?* (For example: financial aid, scholarships, reimbursements, and in-house classes that students can take on the job.)

Finally, student groups should select an ***Education Card (group*** handout) from the options based on what they think will best advance/explore and help someone in the career field of the job that they selected earlier.

In groups, students should discuss:

- *How does this educational opportunity help someone in the career field of the job that we selected?*
- *How would someone go about making this educational opportunity happen?*
- *What connections are there between this career and educational opportunity and the careers that I am interested in from my* ***Career Pre-Assessment****?*

Careers and Technology

Reflecting on the careers explored ask students to consider the role technology may play in their future work.

Working From Home/Flexible Hours:

- *What types of jobs can be performed at home?* Discuss how more and more jobs can be performed at home using today's technology.
- *What are the benefits from working at home?*
- *What are the disadvantages from working at home?*
- *What is more important to you when you think about finding a job? Close to home? More money even if it means a longer commute? Flexible work hours?*

Work/Life Integration:

Find the right balance between work and school or work and family. A full-time position is 40 hours per week.

- What if you ha*ve a job that requires you to work 60 to 80 hours per week, but you make a lot of money?*
- *How often will you see family and friends?*
- *When will* you find time to relax?
- *How will you find time for a vacation?*

Future Automation:

- *What jobs do you think will be taken over by machines/robots in the near future? In five years? Ten years? What jobs have already been taken over by machines/robots?*

WRAP UP
Creating My Career Plan

10 MINUTES

Ask students to pull out their ***Career Pre-Assessments*** and ***Answer Keys*** from the introductory activity and select their top career field. Ask students to consider what path they might need to take to break into their career.

Ask students to use a sheet of loose-leaf paper to make a plan for going from where they are now to where they hope to be in their careers. Remind students to include their education, volunteering, internship opportunities, and job shadowing.

Students may draw up their career plans in a variety of ways, including:

- Write a description of your career plan from now until you achieve your career.
- Create a captioned illustration (like a game board or a path) to show the steps you will need to take to get from where you are now until you achieve your career.
- Create a three-step plan by (1) identifying the career goal, (2) defining three steps to take to reach the goal, and (3) locating three people or resources that can help.

Extended Exploration

Note: Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

ENGLISH LANGUAGE ARTS

Writing Prompts:

Describe your dream job.

- *What are your responsibilities?*
- *What do you have to do to achieve your dream job?*
- *Who are your co-workers?*
- *Why is this job your "dream job"*?

Review the results of your ***Career Pre-Assessment***.

- Do you agree or disagree with the results? Why?

Write a narrative about your path from where you are now to your dream job. Your narrative should read like an interesting memoir or novel. Include characters, dialogue, plot, and an interesting conflict.

Develop a résumé to get your dream career. Using a model and/or résumé template, create a résumé where you include the education and experiences that will lead you to submit a résumé for your dream career.

Additional Readings/Resources:

- *My Next Move* by U.S. Department of Labor: A searchable resource to help figure out dream careers and match interests to career options. **www.mynextmove.org**
- *Jobs in 2020: The Industries and Occupations to Watch* by U.S. News and World Report: A collection of informational texts about careers that are expected to grow in the future. **https://money.usnews.com/careers/best-jobs/rankings/the-100-best-jobs**
- *Fastest Growing Occupations 2016-2026 (4-11-18)*, by U.S. Department of Labor, Bureau of Labor Statistics. **www.bls.gov/emp/tables/fastest-growing-occupations.htm**

MATH

Activity/Project Ideas:

Read the table to determine the mean salary for two or three jobs of your dreams. Compare the salaries.

- *Which job has a higher salary? By how much?*
- *Why do you think that is?*

Use the job salary statistics provided by the Bureau of Labor Statistics. **www.bls.gov/oes/current/oes_nat.htm#25-0000.**

Analyze the costs of higher education. Review the job cards and discuss the education requirements that align to the salaries. Would you need to pursue a vocational program? 2-year college, 4-year university? Use the U.S. Department of Education's College Affordability Center to look at the potential costs. **https://collegecost.ed.gov**.

SOCIAL STUDIES AND ECONOMICS

Activity/Project Ideas:

Examine the change in career fields and the employment force in United States history.

- *What career fields were more important in U.S. history and no longer hold the same weight today? Why?*
- *What did the U.S. workforce used to look like, and how has it changed? Why?*

TECHNOLOGY

Online Games/Tools:

College Navigator by the National Center for Education Statistics: A search tool for students to find colleges that fit with their interests. **http://nces.ed.gov/collegenavigator/**

Occupational Outlook Handbook by the Bureau of Labor Statistics: A search tool for students to explore jobs and career fields based on pay, educational attainment, growth rate, and on-the-job training. **www.bls.gov/ooh/**

Government Jobs Lesson Plan by **USA.gov**: Students will learn about different careers in the federal government **www.usa.gov/government-jobs-lesson-plan**

Career Exploration by the U.S. Department of Labor, Bureau of Labor Statistics: A search tool for students to explore **www.bls.gov/k12/content/students/careers/career-exploration.htm**

Explore and find careers by U.S. Department of Labor: **www.careeronestop.org/GetMyFuture/default.aspx**

Public Service and Volunteer Opportunities by **USA.gov**: Volunteer at a federal agency **www.usa.gov/volunteer**

Kidspiration Videos: Discover more about the wide world of careers, in these short interviews led by kids. Meet bloggers, business leaders, engineers, and much more! **www.kidspiration.tv/watch/**

ConnectEd Studios Day in the Life Videos: Encourage students to explore the day in the life of different careers as a way to think about a variety of ways to earn money and use their personal strengths.**www.connectedstudios.org/life_videos**

The Art Career Project: Curious about a career in the arts? Explore opportunities through articles detailing what the career looks like in action, what education is required and what the salary averages. **www.theartcareerproject.com**

DIY: Try your hand at hundreds of career skills with this free online makerspace for kids. Students can explore careers from acting to zoology and everything in between. **https://diy.org/about**

Be Your Own Boss Challenge by The Mint: Students take a quiz to determine whether entrepreneurship is the right career path for them. **www.themint.org/teens/be-you-own-boss-challenge.html**

Classroom activities from the Consumer Financial Protection Bureau (CFPB)

The CFPB has developed a set of classroom activities to help teachers develop and support the building blocks of financial capability in their students. Each activity is designed to be completed within a single class period and includes a teacher guide and supporting student material. Some specific activities that are relevant to this lesson include:

Comparing higher education choices	Students explore higher education options by comparing similarities and differences between two colleges near where they live. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/comparing-higher-education-choices/**
Creating a vision board for careers in education	Students conduct research on the Occupational Outlook Handbook webpage of the U.S. Department of Labor's Bureau of Labor Statistics to learn about careers in education. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/creating-vision-board-careers-education/**
Exploring careers in your community	Students learn about careers that are available in their community by interviewing family members, friends, or other trusted adults to learn about the work they do. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/exploring-careers-your-community/**

Making connections between education and income	Students explore the connection between education and earning through two matching games. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/making-connections-education-income/**
Applying for jobs	Students learn about the job application process and practice filling one out. **https://www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/applying-jobs/**

JOB CARDS

Directions: Use with **GUIDED GROUP EXPLORATION: The Path to a Successful Career.** Make one set of copies per group of students.

Game Designer	Entrepreneur/ Business Owner	Website Developer
Game Designers use computer science, visual design, and programming sciences to to build games. **Annual Salary:** $102,000 **Minimum Level of Education:** Bachelor's degree	Entrepreneurs are people who conceive of, establish, operate, and assume the risks of their own business. **Annual Salary:** $68,000 **Minimum Level of Education:** High School diploma or equivalent	Website developers design, and create websites. **Annual Salary:** $67,990 **Minimum Level of Education:** Bachelor's degree
Veterinary Assistant	**Nurse Practitioner**	**Lawyer**
Veterinary assistants care for animals by performing routine tasks under supervision. **Annual Salary:** $26,140 **Minimum Level of Education:** High School diploma or equivalent	Nurse practitioners coordinate patient care and may provide primary and specialty healthcare. **Annual Salary:** $110,930 **Minimum Level of Education:** Master's degree	Lawyers advise and represent individuals, businesses, and government agencies on legal issues and disputes. **Annual Salary:** $119,250 **Minimum Level of Education:** Doctoral or Professional degree

OPPORTUNITY CARDS

Directions: Use with **GUIDED GROUP EXPLORATION: The Path to a Successful Career.** Make one set of copies per group of students.

Volunteer	You want to help others by giving your time and skills free of charge. **Discuss and decide:** ▪ What volunteering activities or opportunities do you have the skills for? ▪ What volunteering activities or opportunities will allow you to help others in a way that you want? ▪ What volunteering activities or opportunities best help you explore or advance your career?
"Shadow"	You want to explore your job or career field by observing or "shadowing" someone else doing his or her job. **Discuss and decide:** ▪ What career field skills would you like to explore or develop? Why? ▪ What other jobs in this career field could you shadow to learn about these skills?
Change Jobs (optional)	You want to explore or advance in your career field by changing jobs. Research which jobs you are qualified for within your career field, such as by visiting a library or using the internet. **Discuss and decide:** ▪ What skills do you already have? What skills are you looking to develop? ▪ What jobs in your career field can help you develop those skills?

EDUCATION CARDS

Directions: Use with **GUIDED GROUP EXPLORATION: The Path to a Successful Career.** Make one set of copies per group of students.

Take a Class	You want to learn more about one particular skill. **Discuss and decide:** ▪ What is a skill that can help you in your job or can help you move to another job within your career field? ▪ What classes might offer that skill training?
Get a Degree	You want to learn more about several different skills within your career field. **Discuss and decide:** ▪ How does getting a degree help in your career field?
Attend a Workshop	You do not want to make any commitments to education that require a lot of time at the moment. **Discuss and decide:** ▪ What is a skill you could learn in a single day? ▪ How can a workshop now support furthering your education in the future?



Lesson 1: The Path to Success

CAREER PRE-ASSESSMENT

Name: _____

"I like," or "I am interested in" (check all that apply)

A

- ☐ Gardening
- ☐ Animals
- ☐ Science
- ☐ Protecting the Environment
- ☐ Recycling
- ☐ Preventing Pollution
- ☐ Being Outdoors
- ☐ Analyzing Food
- ☐ Nutrition

B

- ☐ Business
- ☐ Keeping Track of Money
- ☐ Being the Boss
- ☐ Organizing Events
- ☐ Selling Products
- ☐ Working with Others
- ☐ Math
- ☐ Entertainment
- ☐ Being Friendly

C

- ☐ Computers
- ☐ Video Games
- ☐ Art
- ☐ Communicating
- ☐ The Internet
- ☐ Multimedia
- ☐ Newspapers/ Magazines
- ☐ Television
- ☐ Performing

D

- ☐ Building Things
- ☐ Fixing Things
- ☐ Transportation
- ☐ Working with My Hands
- ☐ Solving Problems
- ☐ Scientific Research
- ☐ Science Fairs
- ☐ Building & Architecture
- ☐ Science, Technology, Engineering, & Math

E

- ☐ Health
- ☐ Working with People
- ☐ Doing Lab Work
- ☐ The Human Body
- ☐ Taking Care of People
- ☐ Nutrition
- ☐ Solving Problems
- ☐ Counseling Others
- ☐ Science

F

- ☐ Working with People
- ☐ Government
- ☐ Positively Influencing Others
- ☐ Books & Reading
- ☐ Rules & Laws
- ☐ Public Speaking
- ☐ English
- ☐ Caring for Others
- ☐ Other Cultures



Lesson 1: The Path to Success

VOLUNTEERING, INTERNSHIPS, AND JOB SHADOWING

Name: _____

VOLUNTEERING

A volunteer is someone who donates his or her time and skills without expecting payment in return. Volunteering can take place over a very short period of time, or can be a regular and frequent experience. Volunteering includes working on independent projects or with a group, organization, or business. Volunteers are people who have an interest in and desire to do good and don't expect payment in return. Many volunteers also use volunteer opportunities as a time to gain new skills, practice existing skills in new ways, and learn more about complex issues in the community.

Example: Chris is interested in health care. He joins a volunteer program to visit elderly people at an assisted-care facility home once a month. He learns more about how health-care operations work, while developing his bedside manner, and making elderly people feel good.

www.idealist.org/info/Volunteer/What

INTERNSHIPS

An internship is your opportunity to apply the knowledge you've gained from your academic studies in a practice, workplace setting. Internships may be part of a formal internship program, but many students create their own internships. Research and volunteer positions can both be a form of internship. All internship experiences should provide experiences related to a particular job or career field. Internships can be for pay, for academic credit determined by the school, or on a volunteer basis. Internships usually involve 10 to 12 hours per week, and last from a few weeks to 20 weeks

Example: Dominique interns once a week at her local congressman's office for one high school credit. Every Monday after school, Dominique answers phones, responds to letters, and sits in on meetings to learn more about the government.

https://web.archive.org/web/20150714170951/http:/pages.jh.edu/~careers/students/handouts/internships.pdf

JOB SHADOWING

"Job shadowing" is the name given to the opportunity for you to observe or "shadow" someone doing his or her job. A job shadow can range from an hour-long visit with one person to a weeklong stay that allows interactions with numerous staff and observation of a variety of activities. The benefits of doing a job shadow are obvious: you get a chance to see someone actually doing a job that is of interest to you, and, because you are at someone's actual place of work, you also get to see inside the workplace.

Example: Maya is interested in engineering and technology, so she arranges a daylong shadowing of an engineer at a local firm. She puts on her hard hat and follows the engineer through her work site, then returns with her to the office to observe an office meeting.

http://talentegg.ca/incubator/2011/02/03/what-is-job-shadowing/



Lesson 1: The Path to Success

CAREER PRE-ASSESSMENT

Answer Key

Most checks in

A

You are interested in the "**Agriculture, Food, and Natural Resources**" career field!

Jobs that might suit you include: ecologist, farmer or livestock manager, botanist, environmental advocate, wildlife biologist, veterinarian

Be sure to study extra hard in: biology, environmental science, business, government

Look for opportunities: working with animals, protecting the environment, shadowing work with livestock or crops

Student organizations that may interest you: 4-H, Citizen Science Association, Future Farmers of America, Junior Achievement, Business Professionals of America

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B

You are interested in the "**Business, Management, and Administration**" career field!

Jobs that might suit you include: banker, entrepreneur, store/hotel manager or owner, marketing manager, accountant, finance director, investment fundmanager

Be sure to study extra hard in: math, government, psychology

Look for opportunities: starting a business, managing your own savings or checking account, planning events, serving as a leader of a club

Student organizations that may interest you: *Junior Achievement, Business Professionals of America, Boy Scouts or Girl Scouts*

C

You are interested in the **"Technology, Communications and Information Systems"** career field!

Jobs that might suit you include: game designer,website developer, performing artist,social media marketer, data systems designer

Be sure to study extra hard in: technology, physics, math, visual or performing arts, speech/public speaking

Look for opportunities: creating a webpage, using multimedia in school projects, joining the school play, working on the student newspaper

Student organizations that may interest you: Drama Club, Speech and Debate, Business Professionals of America, Computer Club



Lesson 1: The Path to Success

CAREER PRE-ASSESSMENT

Answer Key

Most checks in

D

You are interested in the "**Engineering, Manufacturing, and Technology**" career field!

Jobs that might suit you include: engineer, construction manager, statistician, architect, auto mechanic, pilot

Be sure to study extra hard in: math, physics, technology, art

Look for opportunities: entering science fairs, learning CAD, visiting a repair shop, apprenticeship

Student organizations that may interest you: Math Club, Engineering Club, Science Club

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E

You are interested in the "**Health Science**" career field!

Jobs that might suit you include: physician, dentist, nurse, laboratory scientist, athletic trainer, medical assistant, midwife, physical therapist

Be sure to study extra hard in: biology, health, anatomy/physiology

Look for opportunities: volunteering at a hospital or nursing home, attending health fairs, managing a sportsteam

Student organizations that may interest you: Health Club; Science Club; Family, Career, and Community Leaders of America

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F

You are interested in the "**Human Services**" career field!

Jobs that might suit you include: educator, politician, foreign ambassador, day-care owner, police officer, librarian, counselor, event specialist

Be sure to study extra hard in: English, social studies, psychology, government, foreign languages

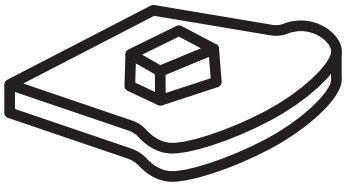
Look for opportunities: coaching a team, volunteering at a local politician's office, providing child care, learning a language

Student organizations that may interest you: Future Teachers of America, Big Brothers/Big Sisters, Speech and Debate, ROTC, Mock Trial

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EQUAL MIX OF MORE THAN ONE?

You have multiple career interests! Write down your top three as possible career fields and look into each in more detail.



Lesson 2: Bread and Butter

TOPIC: Introduction to Taxes

Time: 60 min

Supplies:
- Loose-leaf paper
- Projector (for teacher presentation slides)
- Access to the Internet (optional)

Preparation:
- Make copies of student handouts
- Set up projector with presentation slides
- Cut pay stubs
- Set up individual or group computers with access to the Internet (optional)

Glossary with key vocabulary 15

OVERVIEW:

Following the module on careers with an overview of **income** and **taxes** is a natural progression for learners to grasp how a paycheck works, and the government's role in income.

OBJECTIVES:

1. Understand and explain the purpose of federal income and state tax and how it affects personal income
2. Apply mathematical skills and concepts to tax brackets and personal income
3. Describe and evaluate the importance of the current federal income tax system

INDIVIDUAL HANDOUTS:

- Tax Impact
- Sample Pay Stub

GROUP HANDOUTS:

- None

TEACHER PRESENTATION SLIDES:

- Explaining Taxes
- Income and Taxes
- Tax Brackets for 2018

ESSENTIAL QUESTIONS:

- Why do we pay income tax?
- How does paying income tax affect my life?
- How does paying income tax affect my community?

ASSESSMENT ACTIVITIES:

Pre-Assessment:
- **Activity:** Federal Spending

Post-Assessment:
- **Activity:** Tax Impact
- **Activity:** Progressive Tax versus Flat Tax

Instruction Steps

WARM UP

Federal Spending

10 MINUTES

Ask students:

- How mu*ch do you think the U.S. government spends per year?*
- *Have them raise their hands to poll for the following possible answers: 4 million? 4 billion? Or 4 trillion?*
- *Share a recent statistic about the federal government's spending. For example: in the 2017 fiscal year, the U.S. federal government spent $3.98 trillion.*
- *Ask students to brainstorm how the government spends that money and where it comes from. Reco*rd student responses and return to them after reviewing the answer below.

After students have been given the chance to share their responses, explain that: $3.32 trillion of that money came from revenue, such as the federal **income tax**, while the remainder was borrowed. There were three major areas of spending: $590 billion on defense, which includes such things as paying for our military, their equipment, and their salaries. $939 billion was spent on Social Security, which includes paying monthly retirement benefits to older people. $966 billion was spent on health care, which includes paying for health care for older people, people who cannot afford health care, and certain people who have disabilities. (Provide students with additional statistics about the 2017 budget using this resource at **www.cbo.gov/publication/53624**).

Give students the chance to share reactions.
Ask students: Return to the list of their initial brainstorm and discuss their connection to what they've discovered.

Grade-Level Modification:

Beginner: Show students one of the videos from the Extended Exploration activities English Language Arts Additional Resources to provide background information on taxes.

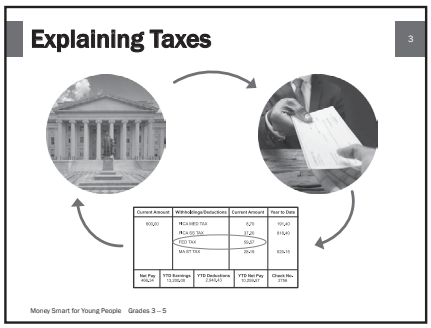
Advanced: Have students craft a short persuasive essay from the Extended Exploration activities English Language Arts Writing Prompt.

MONEY SMART TIP!
The Internal Revenue Service (IRS) provides online resources on "Understanding Taxes" both for teachers and students.
https://apps.irs.gov/app/understandingTaxes/student/index.jsp

GUIDED EXPLORATION

Understanding Important Vocabulary

10 MINUTES



Using the ***Explaining Taxes*** slide, provide students with a background and vocabulary on taxes and income. (These can also be found in the **Glossary**.)

- **Taxes:** A government fee on business and individual income, activities, products and services. Individuals have to pay taxes on their income (salaries, wages, tips, commissions). This is called **income tax**. In some locations, people have to pay a local income tax (to their city or county government), or a state income tax (to their state government), or both, along with a federal income tax (to our federal, or national, government). Businesses have to pay taxes on their profits. In some locations, there is also a tax on certain products and services that you buy, which is called a **sales tax**. Under the Federal Income Insurance Contributions Act, individuals contribute a certain percentage of their income to Social Security and Medicare.
- **Earned Income:** Money you get from working, including wages, commissions and tips. So, if you were working as a car salesperson, you would have to pay taxes on the commissions that you make from selling vehicles, and if you work as a waiter, you would have to pay taxes on the tips you receive from customers, in addition to your salary. Earned income also includes money earned from investments.
- **Payroll Deduction**: An amount an employer withholds from a paycheck. Mandatory deductions include various taxes. Some people choose to make voluntary deductions like charitable contributions, direct deposits into financial institution accounts, or loan payments.

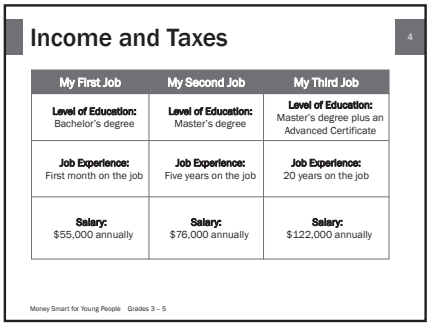
Optional checks for understanding:

- *What are some of the different taxes that people have to pay?* (For example: income taxes for local, state, and/or federal government; sales tax.)
- *How are those taxes used on the federal, or national, level?* (For example: federal government programs like defense spending, medical coverage and insurance, and Social Security.)
- *What does an income tax apply to?* (For example: the money you earn, including tips and commissions.)

GUIDED GROUP EXPLORATION

Tax Impact

30 MINUTES

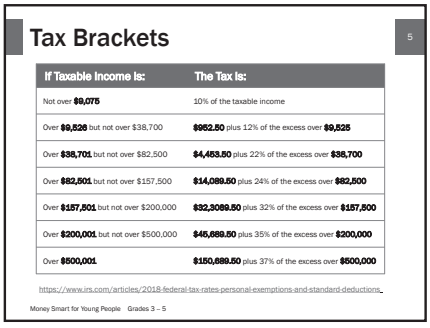


Income and Taxes

4

My First Job	My Second Job	My Third Job
Level of Education: Bachelor's degree	**Level of Education:** Master's degree	**Level of Education:** Master's degree plus an Advanced Certificate
Job Experience: First month on the job	**Job Experience:** Five years on the job	**Job Experience:** 20 years on the job
Salary: $55,000 annually	**Salary:** $76,000 annually	**Salary:** $122,000 annually

Money Smart for Young People Grades 3 – 5



Tax Brackets

5

If Taxable Income is:	The Tax is:
Not over **$9,075**	10% of the taxable income
Over **$9,526** but not over $38,700	**$952.50** plus 12% of the excess over **$9,525**
Over **$38,701** but not over $82,500	**$4,453.50** plus 22% of the excess over **$38,700**
Over **$82,501** but not over $157,500	**$14,089.50** plus 24% of the excess over **$82,500**
Over **$157,501** but not over $200,000	**$32,3089.50** plus 32% of the excess over **$157,500**
Over **$200,001** but not over $500,000	**$46,689.50** plus 35% of the excess over **$200,000**
Over **$500,001**	**$150,689.50** plus 37% of the excess over **$500,000**

https://www.irs.com/articles/2018-federal-tax-rates-personal-exemptions-and-standard-deductions

Money Smart for Young People Grades 3 – 5

Provide each student with a number: 1, 2, or 3. Their number corresponds to an option on the ***Income and Taxes*** slide. Using the ***Tax Impact*** handout, allow students to copy down the salary for the assigned number.

After students have discussed their opinions, allow them to use the ***Tax Brackets for 2018*** slide to locate the correct bracket for their income. Students should log their federal income tax bracket information on their Tax Impact handout.

Then, in the appropriate work area on the ***Tax Impact*** handout, students should calculate the yearly amount of money taken from their salary for federal income tax. Students should then apply their knowledge of percentages to determine what percentage of their salary they paid to taxes.

Grade-Level Modifications:

Beginner: Model computation using the shaded example on the ***Tax Impact*** handout. Have students work with a partner to solve each step of the handout.

Advanced: Have students' partner with someone that was assigned a different number and exchange tax handouts to check one another's work.

Provide students with the ***Sample Pay Stub*** handout. Allow students a moment to process the ***Sample Pay Stub*** and see if they can figure out important information like:

- *How frequently this person gets paid*
- *This person's yearly salary based on their biweekly earnings*
- *The total yearly federal income tax deduction based on the biweekly federal income tax deductions*

Tell students that the ***Sample Pay Stub*** matches one of the three job options: My First Job, My Second Job, or My Third Job. Ask students to try to figure out which job the stub matches. (Answer: My Second Job)

Allow a student from each of the three assigned jobs to share his or her salary, tax bracket, yearly income, tax payment, and the percentage of tax taken out of his or her salary. Write this information on chart paper or on the board for student reference in the coming discussion.

Then, take a moment to explain the U.S. "progressive tax" system, in which a larger percentage of federal income taxes are taken from high-income earners and the tax percentage increases as income goes up.

Allow students time to discuss:

- *Is this an effective way to tax people in the United States? Why or why not?*
- *Can you think of another way that you might want to tax people?* Ask students to use the information they learned during the ***Tax Impact*** activity to support their answer.

WRAP UP

Progressive Tax Versus Flat Tax

10 MINUTES

Ask students to pull out a sheet of loose-leaf paper, on which they will be writing an argument.

In the United States, on the federal level, we currently have a progressive tax system, where people who make less money pay a lower percentage, and people who make more money pay a higher percentage. Some people want to change our tax system to a "flat tax," where everyone, no matter what their yearly income, will pay the same percentage of taxes.

For example: everyone pays 15 percent of their income in taxes. *Which tax system do you prefer – the progressive tax or the flat tax?* Use mathematical examples to support your reasoning. Remind students that they can use examples from their classwork to support their answer.

Extended Exploration

Note: Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

ENGLISH LANGUAGE ARTS

Writing Prompts:

Some people believe that they should not have to pay any income tax. Write a persuasive argument in which you support or disagree with that perspective. Use statistics, vocabulary, and information from today's lesson to bolster your argument.

Additional Readings/Resources:

Schoolhouse Rock: Tax Man Max by Disney Educational Productions. A short cartoon song and video reviewing who pays taxes and how the government uses tax money. (Time of video: 3:23 minutes) **www.youtube.com/watch?v=6Q3NPgHZzDo**

A World Without Taxes by BizKids. A video production by students for students that discusses how taxes impact your life, what federal, local, and state income taxes pay for, and how taxes affect small business owners. (Time of video: 28:46 minutes) **www.youtube.com/watch?v=7SPJ_J1ps1k**

MATH

Activity/Project Ideas:

Continue with the ***Career Game*** from Lesson 1 by asking students to calculate the amount of yearly federal income tax they would owe for their salary. Use the tax bracket information from this lesson as a guide.

Ask students to imagine that they are working a part-time job in high school, with hourly pay. Provide students with an appropriate number for hourly pay and the amount of hours they work throughout the year. Students should calculate the amount that they earn yearly through their part-time job, and then use the tax bracket information to determine the federal income tax that might be deducted.

SOCIAL STUDIES AND ECONOMICS

Activity/Project Ideas:

Research the history of the federal income tax in the United States. How did it come about? How much support for or backlash against it was there? How has it changed over the years?

Research the start of the Social Security and Medicare programs and their connection to income taxes.

TECHNOLOGY

Online Games/Tools:

Understanding Taxes by the IRS. Activities, tutorials, and simulations for students to learn more about taxes. **http://apps.irs.gov/app/understandingTaxes/student/index.jsp**

Refund Rush. Step into the shoes of a tax preparer in this interactive game where you help clients decide how to best put their refund to use. Flash Required. **https://financialentertainment.org/refundrush**

Classroom activities from the Consumer Financial Protection Bureau (CFPB)

The CFPB has developed a set of classroom activities to help teachers develop and support the building blocks of financial capability in their students. Each activity is designed to be completed within a single class period and includes a teacher guide and supporting student material. Some specific activities that are relevant to this lesson include:

Identifying ways we all benefit from taxes	Students create a map highlighting resources and programs near them that are paid for with tax dollars. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/identifying-ways-we-all-benefit-taxes/**
Teaching others about Social Security	Students learn about Social Security and create a social media graphic that teaches people about how tax dollars are used to fund important Social Security benefits. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/teaching-others-about-social-security/**

Answer Key

Student Handout 1: ***Tax Impact***

Answers will vary.



Lesson 2: Bread and Butter

TAX IMPACT

Name: _____

My First / Second / Third Job (circle one)

Education: _____ Salary: _____

Locate your salary on the tax bracket.

The tax is: _____

Compute to determine how much you will pay in taxes:

EXAMPLE:
If my salary is $35,000, then I am looking at the second row. The tax is: $907.50 plus 15% of the excess over $9,075.

Compute to determine how much you will pay in taxes:

$35,000 – $9,075 =
$25,925 x .15 =
$3,888.75 + $907.50 =
I will pay $4,796.25 in taxes

Compute to determine how much income you will have after taxes:

Compute to determine how much income you will have after taxes:
$35,000 – $4,796.25 =
I will have $30,203.75 left

Compute to determine the percentage of your salary that is federal income tax:

Compute to determine the percentage of your salary that is federal income tax:

$4,796.23/$35,000 = .137 x 100 = 13.7% of my earned income goes to federal income tax



Lesson 2: Bread and Butter

SAMPLE PAY STUB

Name: _____

Job Company Inc.
1 Industrial Drive
Citytown, MA 12345

Earnings Statement

Employee No.	Employee Name	Period Beg.	Period End	Check Date
543210	John Doe	10/25/2019	11/07/2019	11/10/2019

Earnings	Current Amount	Withholdings/Deductions	Current Amount
Regular pay	2,923.08	Federal Income Tax	571.39
		Stae Income Tax	117.00
		Social Security	180.00
		Medicare/Medicaid	45.00
		Insurance	175.00
		Retirement Savings Plan	200.00
		Charity	25.00
		Health-/Child-Care Flex Plan	75.00

Current Amount	Current Deductions	Net Pay	Check No.
2,923.08	1,388.39	1,534.69	2756



Lesson 3: Designing a Dream

TOPIC: Financial Goals

Time:45 min

Supplies:
- Projector (for teacher presentation slides)
- Access to the Internet (optional)

Preparation:
- Make copies of student handout
- Set up projector with presentation slides
- Set up individual or group computers with access to the Internet (optional)

Glossary with key vocabulary 15

OVERVIEW:

Financial planning is the focus of Lesson 3, as middle school learners compound their knowledge to overcome barriers that might prevent them from fully reaching their financial **goals**. Using student-centered learning, the module's focal point will be on the learners, their goals, and strategically building financial decision-making skills that will become an important part of their financial toolbox.

OBJECTIVES:

1. Identify and explain needs and wants
2. Identify their own financial values and apply those values to their financial goals
3. Create a financial goal and develop the process to achieve it, factoring in possible barriers to that goal
4. Understand and explain the importance of creating financial goals

INDIVIDUAL HANDOUTS:

- Financial Values and Goals

GROUP HANDOUTS:

- None

TEACHER PRESENTATION SLIDES:

- Financial Values Sample
- Financial Goals Sample

ESSENTIAL QUESTIONS:

- What are my financial values?
- What are my financial goals?
- What are the best methods to achieve my financial goals?

ASSESSMENT ACTIVITIES:

Pre-Assessment:
- **Activity:** Charting the Stars

Post-Assessment:
- **Activity:** Values and Goals
- **Discussion:** Financial Values and Goals

Instruction Steps

WARM UP

Charting the Stars

10 MINUTES

Share, when many

celebrities talk about their path to success they discuss how they reached a personal financial goal. They share about buying a house, a luxury vehicle, traveling with friends or indulging personal passions like sneakers or art. There are also stories of celebrities declaring bankruptcy or taking on more debt than they can handle. Each of these stories reflects personal financial decisions, as well as the power of setting goals and sticking to a personal plan.

Ask students to imagine they have become famous, what is the reason they are a celebrity (wrote a book, created an amazing video game, starred in a movie etc.)? Next have students think of one financial goal they would want to reach now that they are a celebrity (buying a house, luxury vehicle, etc.). Have students briefly research how much their financial goal would cost.

Remind students about the concept of needs and wants: **Needs are things that you must have to survive,** such as clothes, shelter, or food. **Wants are things that you would like to have, but can live without**, such as a TV or tickets to a baseball game.

Ask students to consider:

- *What are some additional examples of needs and wants?*
- *How might needs and wants factor into a celebrity's financial decisions?*

Celebrities often have more purchasing power which means they can also get into a lot of debt.

- *What could a celebrity do to manage needs and wants? Do you think some celebrities focus more on short-term wants (cars, clothes, etc.) vs. long-term goals (home, giving back to a cause they were passionate about)?*

Grade-Level Modification:

Beginner: Provide students with additional background on the concept of needs and wants by reading and discussing the *How to Achieve Your Financial Goals, found in the English* Language Arts resource section.

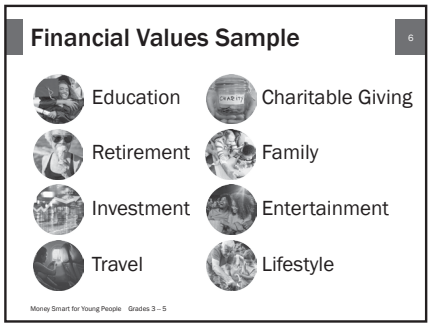
Advanced: https://financialentertainment.org/celebritycalamity

MONEY SMART TIP!
Four in 10 adults, if faced with an unexpected expense of $400, would either not be able to cover it or would cover it by selling something or borrowing money, according to the Federal Reserve Board in 2018. Having savings prepares you for the unexpected and can help you avoid taking on debt.

GUIDED AND INDEPENDENT EXPLORATION

Financial Values And Goals

30 MINUTES



People who set **goals** for themselves and write them down are the most successful at reaching them. But many students may not yet be ready to write down their goals. Explain to students that, before they can develop financial goals, they must take stock of what their financial values are, or what matters most to them.

Display the ***Financial Values Sample*** slide. Ask students to turn and talk with a friend about some of the expenses that might go with each value. For example: the "Education" value expenses might include: school supplies, college tuition, tutoring, and technology expenses. Review and jot down some of the expenses for each value.

- Education – school supplies, college tuition, tutoring, technology expenses
- Charitable Giving – monetary, goods, and services donations to charitable organizations
- Retirement – saving money for a comfortable retirement
- Family – providing money to family members and/or making family life more comfortable
- Investment – investing in investment vehicles, including stocks and bonds, in addition to possible investment in businesses or real-estate
- Entertainment – entertainment products like a TV, pool, or video game system
- Travel – going on vacation and visiting new places
- Lifestyle – purchasing a product that will upgrade your lifestyle in some way (for example: a housing upgrade or renovation)

Then, ask students to use their ***Financial Values and Goals*** handout or a digital productivity tool (such as collage creator, presentation tool, or infographic tool, **https://teach.kqed.org/courses**) to record their top three financial values and give a justification for each. (See the **Answer Key** for a sample response to this handout.)

Remind students that people who write down their goals are more successful at reaching them than those who do not. Ask students to again consider the expenses related to some of their values. Based on their own values and those expenses, ask students to consider what financial goals they would like to reach in the future.



Display the ***Financial Goals Sample slide*** and review some financial goals that students might set and their associated costs. Ask students to match the financial goals with their values.

- Education – paying for part of my college tuition
- Charitable Giving – donating money and time every holiday season
- Retirement – saving enough money to live a comfortable life
- Family – buying my mom a car
- Investment – making money by investing in a company's stock
- Entertainment – buying a gaming system
- Travel – visiting my relatives in another state
- Lifestyle – buying a home

Then, have students work with a partner to develop their financial goals either using the costs on the slide or looking up the costs online. When they are done, ask students to share some of their financial goals.

Discuss:

- *Which of those goals is most important to you right now?*
- *How quickly can these important goals be achieved?* (Goals that are very important and can be achieved more quickly are more likely to be labeled "short-term goals.")
- *Which of those goals do you think will matter more to you later?*
- *How much time will you need to achieve those goals later?* (Goals that are less important immediately and/or take longer to achieve are more likely to be labeled "long-term goals.")
- *Why does it matter which goals are important now versus later?*

Based on their previous conversation, direct students to identify whether their goal is a short- or long-term goal. Allow students time to discuss their reasoning for labeling their goals as short- or long-term. Some students may disagree on a similar goal being short- or long-term based on personal priorities.

If needed, provide students with some examples of real-life long-term and short-term goals:

Short-term goal examples:

- Buying a gaming system
- Donating a small amount to a charity
- Buying a new phone

Long-term goal examples:

- Saving to purchase a car
- Investing money to pay for college expenses
- Saving to take a trip to several countries in Asia

Remind students that just setting a financial goal does not guarantee "smooth sailing." They will need to assess their progress on a regular schedule. Roadblocks may pop up that can prevent us from reaching our goals, but if we plan for those roadblocks, then we might be more prepared to drive around or over them when they arise. Even without roadblocks, we need to be flexible in modifying our plans to ensure that they are realistic based on the circumstances.

Ask students to note one roadblock for each goal and one possible solution for each roadblock.

Begin a discussion by asking: *What is one of your roadblocks and the solution for that roadblock?*

WRAP UP

Financial Values and Goals Discussion

5 MINUTES

End the lesson by discussing the following questions with students:

- *Why should we set financial goals?*
- *How can you use the work we did today in the future?*
- *How might these goals and/or the process of creating financial goals help your family?*

Extended Exploration

Note: Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

ENGLISH LANGUAGE ARTS

Writing Prompts:

Write a narrative about the adventures and roadblocks you must overcome to reach one of your financial goals from your ***Financial Values and Goals*** activity today. Your narrative should read like an interesting memoir or novel. Include characters, dialogue, plot, and an interesting conflict.

In a quick-write, consider which of your three financial goals is most important for you to reach. Explain how you reached that conclusion and what you will need to do to achieve this goal.

Additional Readings/Resources:

Managing Money: Needs vs. Wants by PBS Kids: A student-friendly article on the differences between wants and needs using student examples.
http://pbskids.org/itsmylife/money/managing/article2.html

MATH

How to Achieve Your Financial Goals by BizKids: A short video on tracking expenses, controlling spending, and investing money in order to achieve financial goals. (Time of video: 30 seconds) **http://bizkids.com/episode/how-to-achieve-your-financial-goals**

Three Financial Goals to Focus on in Every Decade by Forbes: A list of three financial goals per decade that people could focus on, starting in their twenties. **www.forbes.com/sites/learnvest/2014/08/13/3-financial-goals-to-focus-on-in-every-decade/#3d71673b306c**

SOCIAL STUDIES AND ECONOMICS

Activity/Project Ideas:

Calculate the cost of saving for a combination of financial goals. Use the ***Financial Values and Goals*** handout, plus online research, to calculate the cost of saving for several financial goals. Then, discuss the impact of saving for multiple goals and the importance of prioritizing goals.

TECHNOLOGY

Activity/Project Ideas:

Examine government financial goals by researching the government spending and income platforms of local politicians.

Ask:

- *What do these politicians say about government spending and income?*
- *What steps do they hope to take to achieve their goals?*
- *Which politicians' goals do you most agree with, and why?*

Online Games/Tools:

Money Management video by EconEdLink. **www.econedlink.org/resources/money-management-budgeting-concept-video/**

Classroom activities from the Consumer Financial Protection Bureau (CFPB)

The CFPB has developed a set of classroom activities to help teachers develop and support the building blocks of financial capability in their students. Each activity is designed to be completed within a single class period and includes a teacher guide and supporting student material. Some specific activities that are relevant to this lesson include:

Saving for short- and long-term goals	After discussing the difference between short-term and long-term goals, students set their own savings SMART goals. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/saving-short-long-term-goals/**
Budgeting for needs and wants	Students explore the difference between needs and wants and practice making budget choices. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/budgeting-needs-and-wants/**

Answer Key

Student Handout 1: ***Financial Values and Goals***

Answers will vary.



Lesson 3: Designing a Dream

FINANCIAL VALUES AND GOALS

Name: _____

MY #1 FINANCIAL VALUE:	**MY #2 FINANCIAL VALUE:**	**MY #3 FINANCIAL VALUE:**
_____	_____	_____
because _____	**because** _____	**because** _____
Financial Goal:	**Financial Goal:**	**Financial Goal:**
Possible Cost:	**Possible Cost:**	**Possible Cost:**
Long-Term or **Short-Term?** **(circle)**	**Long-Term** or **Short-Term?** **(circle)**	**Long-Term** or **Short-Term?** **(circle)**
Possible Roadblock to My Goal:	**Possible Roadblock to My Goal:**	**Possible Roadblock to My Goal:**
Roadblock Solution:	**Roadblock Solution:**	**Roadblock Solution:**



Lesson 4: Being a Savvy Shopper

TOPIC: Smart Shopping

Time: 45 min

Supplies:
- Loose-leaf paper for Wrap Up activity
- Projector (for teacher presentation slides)
- Access to the Internet (optional)
- Suggested books (optional):
  - *Banking* by Barbara Allman

Preparation:
- Make copies of student handouts and group handouts
- Set up projector with presentation slides
- Set up individual or group computers with access to the Internet (optional)

Glossary with key vocabulary 15

OVERVIEW:
Building on prior buying decision knowledge, the shopping smart lesson will use research to help learners explore how to find the best value for goods and services. Using examples relevant to their lives, students will also explore the impact of advertising on their shopping decisions.

OBJECTIVES:
1. Consider the role of needs and wants in decision making
2. Evaluate the credibility and motivation of marketing and advertising
3. Distinguish the best value of goods and services
4. Define and apply opportunity cost to purchases

INDIVIDUAL HANDOUTS:
- None

GROUP HANDOUTS:
- Cell Phone #1
- Cell Phone #2
- Cell Phone #3

TEACHER PRESENTATION SLIDES:
- Cereal Advertisement

ESSENTIAL QUESTIONS:
- What tactics do advertisers use to entice consumers? How can I overcome these tactics?
- How do I navigate the marketplace to be a smart shopper?
- What are needs and wants? Are they the same for everyone?
- What is an opportunity cost?

ASSESSMENT ACTIVITIES:

Pre-Assessment:
- **Activity:** Dissecting an Advertisement

Post-Assessment:
- **Activity: Savvy Shopper**
- **Activity:** Student Choice Wrap Up

Instruction Steps

WARM UP
Dissecting an Ad

5 MINUTES



Ask students:
- Think of your favorite breakfast cereal. Imagine the box.
- How does it advertise the cereal?

Display the ***Cereal Advertisement*** slide or search online and display the classes' favorite cereal. Ask students to study the advertisement carefully, and consider:
- *Is cereal a need or a want? How do our needs and wants impact our spending?*
- *Is this a product that you would purchase? Why or why not? (Ask students to consider both needs and wants as they discuss their answers.)*
- *What is the purpose of advertisements?*
- *What tactics does this advertisement take to try to convince you to purchase the product?*
- *Do you think these advertising tactics will work? Why or why not?*
- *As a consumer, is there any way that you can fend off those tactics?*

Students should recognize such strategies as:
- *Bright colors* – make the product eye-catching
- *Cartoon character* – appeals to kids
- *Eye contact from character* – establishes trust between the consumer and the brand
- *Celebrity endorsement* – increases the brand's visibility

MONEY SMART TIP!
Today's kids have a buying power in the range of $1.2 trillion. That buying power includes the money that kids spend, the money that parents spend on their kids, and the influence that kids have on the purchases that their parents make. For example: 60 percent of kids have influenced their parents' decision on purchasing a new car.
www.democraticmedia.org/kids-spending-and-influencing-power-12-trillion-says-leading-ad-firm

GUIDED EXPLORATION
Becoming a Savvy Shopper

30 MINUTES

Explain that today they will each be making a decision about purchasing a new cell phone and pitching a cell phone for sale to the class. They will have to navigate the marketplace in order to make their decisions, but you won't be helping them navigate the marketplace before they make their decision. They might be misled along the way, they might miss some information along the way, or they might prove themselves to be savvy shoppers despite those tricks.

Have students work in small groups and provide each group with one of the following group handouts: ***Cell Phone #1, Cell Phone #2, or Cell Phone #3.*** Each group will work with their team to create a 2-minute pitch for their phone. They will need to create a name for their phone, a visual and a short statement. They may use some of the advertising tactics already discussed in class as well as other ideas in their group.

Have each group present their pitch. Ask students to choose which phone they would buy based just on the class ads. Explain to students that, now that they've made a snap decision about their cell phone purchase, they need to reevaluate their decision more carefully. Ask students to rejoin their group, this time looking at each of the three cell phone profiles in more depth. Have groups discuss what advertising tactics different groups used. Then have groups review the fine print for details that might change their choice of cell phone.

Grade-Level Modifications:

Beginner: Model reviewing one of the group handouts. Create a process chart to help students review the remaining handouts on their own.

Advanced: Allow students to do online research to see if they can find another cell phone that they would prefer to purchase instead of the three options listed on the group handouts.

Introduce to students the concept of an **opportunity cost**, which is the value of possible alternatives that a person gives up when making one choice instead of another, also known as a "trade-off."

Provide students with an example of opportunity cost: *The opportunity cost of buying a car is the money I would have saved by taking the bus to work instead. On the one hand, the bus is a cheaper method of transportation and I would have saved some money. On the other hand, having a car means that I can move from point A to point B more quickly.*

Ask students to determine an opportunity cost for their cell phone in pairs or small groups. Have students weigh the benefits of both decisions.

Next, have student groups share their opportunity costs and benefits. (*Possible answers:* The opportunity cost of buying this cell phone is the money I would have saved by purchasing the cheaper cell phone. On the one hand, I would have saved money by purchasing the cheaper cell phone. On the other hand, having the more expensive cell phone means that I can save money on other technology because this cell phone can search the Internet.)

WRAP UP

Student Choice

10 MINUTES

Give students two choices for their Wrap Up activity:

- Create a cheat sheet for spotting advertising tactics for other students your age. It should demonstrate an understanding of the advertising tactics that we talked about in class today and how you might see them used to market products.
- In a quick-write prompt, ask students to reflect on a time when they experienced an opportunity cost. Students should write about the decision they made and the opportunity cost. Similar to their classwork earlier, students should also weigh the benefits of each option.

Extended Exploration

Note: Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

ENGLISH LANGUAGE ARTS

Writing Prompts:

Create a script for a public service announcement (PSA), giving tips to your peers about smart shopping strategies. If resources allow, film the PSAs and broadcast to the school or local community.

Additional Readings/Resources:

What's in an Ad: Ad Techniques by Scholastic: An guide written for kids about identifying advertising techniques and spotting how they influence purchase decisions.
www2.scholastic.com/content/collateral_resources/pdf/smp/ftc_admongo/FTC_Student_Worksheet_2.pdf

Build a Healthy Diet with Smart Shopping by the U.S. government: Tips for smart shopping at the grocery store.
www.nutrition.gov/subject/shopping-cooking-meal-planning/food-shopping-and-meal-planning/build-healthy-diet-smart-shopping

MATH

Activity/Project Ideas:

Ask students to track their spending for a period of time. Once students have completed their tracking, they should analyze their spending. Were their purchases primarily for needs or wants? How much did they spend overall? Were there any spending trends – specific stores, specific products?

SOCIAL STUDIES AND ECONOMICS

Activity/Project Ideas:

Allow students to study some of the government's advertising regulations. What do the regulations say? Why do these regulations exist? Do you think the government should have additional regulations? Check out a few lists of regulations at **http://business.ftc.gov/advertising-and-marketing.**

Study the changes in advertising over the past 100 years. What has changed? Why has it changed? How does the change in advertising affect you? What do you think advertising will look like in the future? **www.aaaa.org/timeline/**

TECHNOLOGY

Online Games/Tools:

Ad Mongo: Dissect advertisements and recognize the techniques advertisers use to sell products. **http://www.admongo.gov/**

You Are Here: Where Kids Learn to Be Smarter Consumers by the Federal Trade Commission: Play consumer-oriented games, design advertisements, and learn to protect yourself and your finances. **https://www.consumer.ftc.gov/sites/default/files/games/off-site/youarehere/index.html**

Classroom activities from the Consumer Financial Protection Bureau (CFPB)

The CFPB has developed a set of classroom activities to help teachers develop and support the building blocks of financial capability in their students. Each activity is designed to be completed within a single class period and includes a teacher guide and supporting student material. Some specific activities that are relevant to this lesson include:

Calculating energy costs	Students calculate the yearly costs of operating energy-efficient appliances and light bulbs and compare them to the costs of using standard appliances and bulbs. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/calculating-energy-costs/**
Comparing video game subscriptions	Students read a scenario, compare the cost of video game subscriptions, and analyze the benefits and drawbacks of each option. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/comparing-video-game-subscriptions/**
Exploring the influence of advertisements	Students create a short public service announcement about techniques advertisers use to persuade people to buy things. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/exploring-influence-advertisements/**

Lesson 4: Being a Savvy Shopper

CELL PHONE #1: THE C1000

Use with *Becoming a Savvy Shopper* activity. One copy per group.

The C1000 offers the following features:

- 3 speakers
- An 8-megapixel camera
- Fingerprint sensors
- 1,080p HD video recording
- GPS with navigation
- 12-hour battery life*

***Maximum based on consumer trials**



LOOKING TO PURCHASE THE C1000?

Try these two stores:

The Cell Phone Warehouse
$699.99*
***Does not include the cost of the cell phone battery, estimated at $45.**

Electronics and More
$649.99†**
****Does not include the cost of the cell phone battery, estimated at $45.**

†**Cost is only with the trade-in of another phone.**

Lesson 4: Being a Savvy Shopper

CELL PHONE #2: THE PRIME

Use with *Becoming a Savvy Shopper* activity. One copy per group.

THE PRIME OFFERS THE FOLLOWING FEATURES:

- Button keyboard
- Calculator
- Bluetooth capability
- Text and picture messaging
- Alarm clock
- E-mail

LOOKING TO PURCHASE THE PRIME?

Try these two stores:

The Cell Phone Warehouse
$49.99*

Electronics and More
$49.99*

**Activation fee: $12*



ONLY the Features you Need!

- Button Keyboard
- Text and picture messaging
- Calculator
- Alarm clock
- Bluetooth capability
- E-mail

ONLY $49.99!

Lesson 4: Being a Savvy Shopper

CELL PHONE #3: BLAST

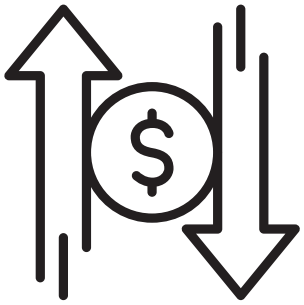
Use with *Becoming a Savvy Shopper* activity. One copy per group.

The BLAST offers the following features:

- A speaker
- An 5-megapixel camera
- GPS with navigation
- 10-hour battery life
- Audio jack to listen to your music anywhere
- Web-browsing capabilities



LOOKING TO PURCHASE THE BLAST?



Lesson 5: Go With the Flow

TOPIC: Payment Options

Time:50 min

Supplies:
- Projector (for teacher presentation slides)
- Die (or some other method of random selection from 1 to 6)
- Access to the Internet (optional))

Preparation:
- Make copies of student handouts
- Set up projector with presentation slides

Glossary with key vocabulary **15**

OVERVIEW:
Learners continue to explore the concept of **budgeting** through a close examination of **cash flow**. The central purpose of the lesson is for learners to identify sources of **income** and **expenses**, and then to apply those concepts to a budget to demonstrate cash flow.

OBJECTIVES:
1. Explain the purpose and value of budgeting
2. Explain the budget categories: fixed expenses, variable expenses, and discretionary expenses
3. Create a budget accounting for income, expenses, and unexpected scenarios

INDIVIDUAL HANDOUTS:
- Go with the Flow
- Expenses

GROUP HANDOUTS:
- None

TEACHER PRESENTATION SLIDES:
- What Is Cash Flow?

ESSENTIAL QUESTIONS:
- What is a budget?
- When can I use a budget?
- Why is budgeting important?
- What budgeting strategies lead to a positive cash flow?

ASSESSMENT ACTIVITIES:

Pre-Assessment:
- **Activity:** What Is Cash Flow?

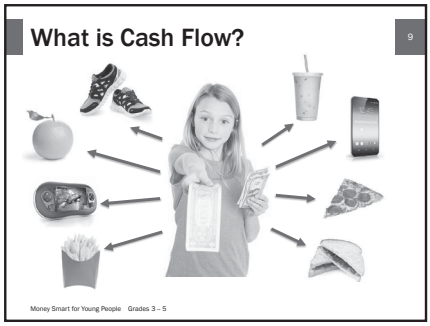
Post-Assessment:
- **Game:** Go with the Flow
- **Discussion:** Why Cash Flow Matters

Instruction Steps

WARM UP

What is Cash Flow?

10 MINUTES



Display the ***What Is Cash Flow? slide*** and ask students to draw conclusions about the meaning of the terms "positive cash flow" and "negative cash flow."

Review the meaning of the term **cash flow (income and expenses over a given period of time).** Then, discuss some or all of the questions below:

- *How do some people arrive at a positive cash flow? How will this affect them?*
- *How do some people arrive at a negative cash flow? How will this affect them?*
- *Do you think there are some people that always have a positive cash flow? How?*
- *What do you think it means to have a "balanced cash flow"? Is it possible? How?*

MONEY SMART TIP!
The Federal Trade Commission (FTC) offers an online budgeting form to help plan monthly income and expenses.
www.consumer.ftc.gov/articles/pdf-1020-make-budget-worksheet.pdf

GUIDED AND INDEPENDENT EXPLORATION

"Go With the Flow" Cash Flow Game

30 MINUTES

Distribute copies of the ***Go with the Flow and Expenses handouts.*** Provide students or small groups with a die. (Note: Any random selection method from 1 to 6 may also be used.)

First, have students roll the die to determine their income. Next, have them log their income in the green income box under Round 1 on their handouts. Then, have students roll the die to determine their expenses, including housing, transportation, bills, and groceries.

Grade-Level Modifications:
Beginner: Provide fewer options on the ***Expenses*** handout, including income, and the expenses.

Advanced: Allow students to use computers to research possible expenses for their area and select their expenses for the month.

Once students have logged their income and expenses, ask them to do the math below the expenses box, writing in how much they have in income, how much total they have in expenses, and then subtract their expenses from their income. At the end, students should be able to determine whether they had a positive, negative, or balanced cash flow. See the **Answer Key** for a sample ***Go with the Flow handout*** with possible answers.

Discuss:

- *What type of cash flow did you have – positive, negative, or balanced?*
- *Why did you think you had that type of cash flow?* (Possible answers: I had a positive cash flow because I spent less than I earned in income. I had a positive cash flow because I limited some of my expenses, like I didn't spend money on the most expensive type of house. I had a negative cash flow because I do not earn much in my monthly income and I spent on some of the more expensive things.)

Ask: *How much money do people with a positive cash flow statement have left over? Explain* that this money could be left over for **discretionary expenses,** which is spending for wants or non-essential items, rather than needs.

Discuss discretionary expenses:

- *What types of things could be considered discretionary expenses?*
- *If you have a positive cash flow, do you have to use the additional money on discretionary expenses?*
- *How else could you use it?* (Possible answers: putting the money into savings, investing the money, giving the money to a charitable organization.)

Ask students to review their **budgets**. If this were their real-life budget, is there anything that they would be able to change from month to month? (Students should be able to identify that their month- to-month salary and housing numbers wouldn't change, but their transportation and bills could change, depending on their habits.)

Explain to students that the expenses that could change month to month based on their habits are called **variable expenses** because from month to month their cost will vary. (For example: one might decide one month to ride a bike to work because the weather is especially nice and it would save on gas.) Have students mark their variable expenses on their handouts with a "V."

Remind students that there are some expenses – such as car insurance – that may be paid only once or twice a year, and that are not included on this worksheet.

Explain to students that the expenses that won't change from month to month are called **fixed expenses**. Although these could change over a longer period, they will likely not change from month to month. (For example: after their lease is up at an expensive apartment, they could get a new lease for a cheaper apartment.) Tell students to use the key on their handout to label the fixed expenses with an "F."

Now students get a chance to create a positive cash flow statement in Round 2. Tell students that they no longer need to use their die to determine their variable expenses; they may select their expenses themselves based on how they would like their cash flow statement to read at the end of the month.

Students may not, however, change their fixed expenses. Allow students to use the ***Expenses*** handout to select their variable expenses and complete Round 2 of the ***Go with the Flow*** game.

Discuss:

- *What changes did you make to develop a positive cash flow?*
- *Were you successful in developing a positive cash flow? Why or why not?*
- *Do you think you will be able to manage a budget like this when you get older? Why or why not? How will things be different when you do this in real life?*

WRAP UP

Why Cash Flow Matters Discussion

10 MINUTES

Explain to students that understanding cash flow and creating positive cash flow is a problem for many Americans. In the United States, 18 percent of individuals reported that, over the past year, their household spent more than their income (not including the purchase of a new home, car, or other big investment), while 21 percent reported having medical bills that were past due. **www.usfinancialcapability.org/results.php?region=US**

Discuss:

- *How would understanding cash flow strategies help Americans who are in debt?*
- *How do you think so many Americans got to be in debt?*
- *Based on what you've learned today about fixed, variable, and discretionary expenses, what advice would you give to Americans who are in debt?*

Extended Exploration

Note: Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

ENGLISH LANGUAGE ARTS

Writing Prompts:

Write a narrative about a family that is managing their cash flow. Your narrative could be about a family that has a successful positive or balanced cash flow and the strategies that they use, or it could be about a family that has a negative cash flow and the lessons that they learn about their finances along the way. Your narrative should read like an interesting memoir or novel. Include characters, dialogue, plot, and an interesting conflict.

Write a letter to the editor of a local news publication explaining the current state of debt in the United States and include some tips for preventing debt.

Additional Readings/Resources:

Spend by the Financial Literacy and Education Commission: A short overview of tips on student spending, including tips on budgeting and a sample budgeting worksheet.
www.mymoney.gov/spend/Pages/spend.aspx

Budgeting Worksheets by the Financial Literacy and Education Commission: A collection of budgeting worksheets for student use.
www.mymoney.gov/Fast/Pages/Results.aspx?k=Budgeting%20worksheets&s=All

MATH

Activity/Project Ideas:

Have students develop a cash flow statement at home for themselves and/or for their families. Over time, they should track how much income they have and the cost of their fixed and variable expenses. Ask them to consider whether their cash flow is positive, balanced, or negative, and then to explain the changes they would like to make on their cash flow statement.

SOCIAL STUDIES AND ECONOMICS

Activity/Project Ideas:

Research and develop an argument about whether or not the government should have to have a balanced cash flow. You may begin with the PBS NewsHour lesson at **www.pbs.org/newshour/extra/lessons-plans/lesson-plan-how-to-create-a-balanced-budget-its-a-balancing-act/**

TECHNOLOGY

Online Games/Tools:

Mint's online budgeting template. **www.mint.com/budgeting-3/home-budget-template-create-an-effective-household-budget**

Classroom activities from the Consumer Financial Protection Bureau (CFPB)

The CFPB has developed a set of classroom activities to help teachers develop and support the building blocks of financial capability in their students. Each activity is designed to be completed within a single class period and includes a teacher guide and supporting student material. Some specific activities that are relevant to this lesson include:

Creating a monthly household budget	Students determine how to balance their needs and wants when budgeting for household bills. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/creating-monthly-household-budget/**
Budgeting for a fun day with a friend	While planning a fun day with a friend, students make decisions about how to budget their money. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/budgeting-fun-day-friend/**
Learning about budgets	Students learn about budgeting rules and then apply their understanding in an interactive budgeting activity. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/learning-about-budgets/**
Teaming up to build a budget	Students pretend to plan a middle school event to learn about budgeting. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/teaming-build-budget/**

Answer Key

Student Handout 1: ***Go With the Flow***

Answers will vary.



Lesson 5: Go With the Flow

GO WITH THE FLOW

Name: _____

Go with the Flow–Round 1

Monthly Income: *(includes salary and interest earned from bank accounts)*

Cash Flow Expenses: (Label your **Cash Flow Expenses** as: circle F - Fixed or V- Variable)

Monthly Housing Cost:	**F** or **V**	Type of Housing:
Monthly Transportation Cost:	**F** or **V**	Type of Transportation:
Monthly Bills: *(Gas, Electric, Phone, Cable)*	**F** or **V**	Details:
Monthly Grocery Bill:	**F** or **V**	Details:

Monthly Income – **Total Expenses**: =

Is your Cash Flow statement positive, negative, or balanced? (circle answer)

Go with the Flow–Round 2

Monthly Income: *(includes salary and interest earned from bank accounts)*
STAYS THE SAME AS IN ROUND 1

Cash Flow Expenses: (Label your **Cash Flow Expenses** as: circle F - Fixed or V- Variable)

Monthly Housing Cost:	**F** or **V**	Type of Housing:
Monthly Transportation Cost:	**F** or **V**	Type of Transportation:
Monthly Bills: *(Gas, Electric, Phone, Cable)*	**F** or **V**	Details:
Monthly Grocery Bill:	**F** or **V**	Details:

Monthly Income – **Total Expenses**: =

Is your Cash Flow statement **positive**, **negative**, or **balanced**? (circle answer)



Lesson 5: Go With the Flow
MONTHLY EXPENSES

	Income	Housing	Transportation	Bills	Groceries
1	**$1,500**	**$500** Shared apartment	**$20** Walk mostly, bus occasionally	**$100** Shared basic utilities	**$50** Shared grocery expenses
2	**$2,000**	**$600** Studio apartment	**$20** Bike with maintenance	**$200** Basic utilities	**$100** Basic groceries
3	**$2,500**	**$700** One-bedroom apartment	**$75** Monthly bus pass	**$300** Basic utilities and phone	**$150** Basic groceries, plus groceries for hosting a party
4	**$3,000**	**$800** Shared house	**$120** Mostly bus, sometimes taxi	**$450** Basic utilities, phone, cable, and internet	**$200** Basic groceries from expensive grocery store
5	**$3,500**	**$1,500** Small house	**$200** Car with gas	**$650** Basic utilities, phone, cable, and high-speed Internet	**$250** Expensive groceries
6	**$4,000**	**$2,500** Large house	**$350** Expensive gas-guzzling car	**$850** Basic utilities, phone, premium cable, and high-speed Internet	**$250** Expensive groceries from expensive grocery store



Lesson 6: Super Savers

TOPIC: Buying Decisions

Time: 45 min

Supplies:
- Projector (for teacher presentation slides)
- Access to the Internet (optional)

Preparation:
- Set up projector with presentation slides
- Set up individual or group computers with access to the Internet(optional)

Glossary with key vocabulary **15**

OVERVIEW:
Learners explore **savings** at a deeper level in Lesson 6 by debating when an emergency fund is applicable and discussing how to plan for special purchases and how to set and achieve long-term financial goals. Using collaborative learning, students will craft savings strategies that lead to positive savings habits and demonstrate how financial institutions can help grow money.

OBJECTIVES:
1. Understand and explain the importance of saving money
2. Evaluate methods for saving money, both for a scenario and in their own lives

INDIVIDUAL HANDOUTS:
- None

GROUP HANDOUTS:
- None

TEACHER PRESENTATION SLIDES:
- Scenarios
- Savings Options

ESSENTIAL QUESTIONS:
- How do you save money?
- Why should I save money?
- What are the most effective methods for saving money?

ASSESSMENT ACTIVITIES:
Pre-Assessment:
- **Activity:** Saving Money and Me

Post-Assessment:
- **Activity:** What Would You Do?
- **Discussion:** The Best Methods

Instruction Steps

WARM UP

Saving Money and Me

5 MINUTES

Prompt students to think about getting their first paycheck. Remind them that it won't be a huge amount of money, but it might be more than they've ever had at one time. Ask them to consider how they might save that money.

Pose the questions:

- *How could you save your money?*
- *Why would you save some of your money?*

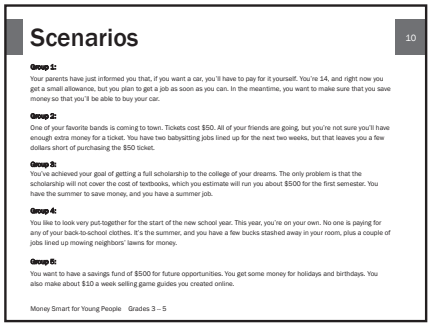
Allow students some time to think about their answers, and then share. Prompt students to start thinking about how effective their money saving methods are. For example: if a student says that she puts money into a piggy bank, ask her whether she's ever tempted to use that money for something other than what she's saving for, or whether that money slowly grows over time by putting it in a piggy bank.

MONEY SMART TIP!
Lesson 7 goes into detail about a few savings options that may hook students' interest. The lesson allows students to learn about several savings options and weigh them against one another.

GROUP EXPLORATION

Evaluating Saving Options

35 MINUTES


Scenarios 10

Group 1:
Your parents have just informed you that, if you want a car, you'll have to pay for it yourself. You're 14, and right now you get a small allowance, but you plan to get a job as soon as you can. In the meantime, you want to make sure that you save money so that you'll be able to buy your car.

Group 2:
One of your favorite bands is coming to town. Tickets cost $50. All of your friends are going, but you're not sure you'll have enough extra money for a ticket. You have two babysitting jobs lined up for the next two weeks, but that leaves you a few dollars short of purchasing the $50 ticket.

Group 3:
You've achieved your goal of getting a full scholarship to the college of your dreams. The only problem is that the scholarship will not cover the cost of textbooks, which you estimate will run you about $500 for the first semester. You have the summer to save money, and you have a summer job.

Group 4:
You like to look very put-together for the start of the new school year. This year, you're on your own. No one is paying for any of your back-to-school clothes. It's the summer, and you have a few bucks stashed away in your room, plus a couple of jobs lined up mowing neighbors' lawns for money.

Group 5:
You want to have a savings fund of $500 for future opportunities. You get some money for holidays and birthdays. You also make about $10 a week selling game guides you created online.

Money Smart for Young People Grades 3 – 5

Split your class into five groups and share that each group will be working together on savings strategies. Next display the ***Scenarios*** slide, provide each group with its scenario:

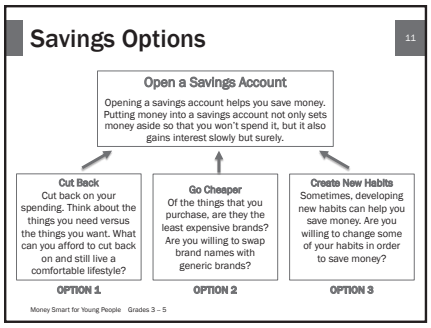
- **Group 1:** Your parents have just informed you that, if you want a car, you'll have to pay for it yourself. You're 14, and right now you get a small allowance, but you plan to get a job as soon as you can. In the meantime, you want to make sure that you save money so that you'll be able to buy your car.
- **Group 2:** One of your favorite bands is coming to town. Tickets cost $50. All of your friends are going, but you're not sure you'll have enough extra money for a ticket. You have two babysitting jobs lined up for the next two weeks, but that leaves you a few dollars short of purchasing a $50 ticket.
- **Group 3:** You've achieved your goal of getting a full scholarship to the college of your dreams. The only problem is that the scholarship will not cover the cost of textbooks, which you estimate will run you about $500 for the first semester. You have the summer to save money, and you have a summer job.

- **Group 4:** You like to look "very put-together" for the start of the new school year. This year, you're on your own. No one is paying for any of your back-to-school clothes. It's the summer, and you have a few bucks stashed away in your room, plus a couple of jobs lined up mowing neighbors' lawns for money.
- **Group 5**: You want to have a savings fund of $500 for future opportunities. You get some money for holidays and birthdays. You also make about $10 a week selling game guides you created online.

Grade-Level Modifications:

Beginner: One scenario for the entire class. When student groups share their decisions, all students in the room will be familiar with the scenario and will be able to weigh the group's decisions against their own.

Advanced: Add costs and time limits into the scenario, so that students have to compute.



Highlight that in each scenario they have some income, and they want to be able to make a purchase. Display the ***Savings Options*** slide and review each option with students.

Start by explaining that all options begin and end with opening a savings account. Opening a savings account will allow you to protect your saved money from a variety of risks, including bank failure, theft, and fraud. Additionally, opening a savings account allows you to earn interest on your money while it remains in your account.

Then, explain the three additional options students could select for their scenarios. Remind students that selecting one of these options should pair with opening a savings account, in most cases.

- Cut Back – examples include eliminating expenses such as online games or going to the movies or reuse school supplies instead of buying new items
- Go Cheaper – examples include buying inexpensive clothing instead of name brands
- Create New Habits – an example is eating at home instead of going out to eat

Explain that students can pick one or more of the savings options, but they should consider their scenario as they pick their savings options. As they make their group decisions, students should discuss the benefits and reason for their chosen savings option.

Explain that, when they have finished making their decisions, they must put together a presentation to their class where they must justify why this savings option was the best for this scenario. See the **Answer Key** for a completed sample.

Before presentations, redisplay the ***Scenarios*** slide. Ask students to make some quick decisions about what they would do for the other three scenarios that groups worked on in class. Explain that students will be weighing their snap decisions against the group's decision and may have the opportunity to question the group about their decision.

Allow the first group to present their scenario, then explain which savings option(s) they choose, and why. As the group presents, listeners should note compliments and questions. When the group finishes, ask the audience to pose questions, compliments, and/or make their own argument for the best savings option(s) in this scenario. (Note: There isn't necessarily a correct answer for any of the scenarios; what matters more is the justification that students use to support their savings options election.)

WRAP UP
The Best Methods

5 MINUTES

Ask students to consider something that they want to save for in the future.

Then discuss: *What would be the best savings option for making that purchase in the future? Why?*

Extended Exploration

Note: Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

ENGLISH LANGUAGE ARTS

Writing Prompts:

Write a letter to your future self. Describe to your future self why saving money is so important. Remind your future self about a preferred savings option from today's lesson and how it could be used in the future that you've imagined for yourself.

Additional Readings/Resources:

Save and Invest by the Financial Literacy and Education Commission: A short overview of tips on student saving and investing. **www.mymoney.gov/save-invest/Pages/saveandinvest.aspx**

Saving and Investing for Your Future by BizKids: A short video clip on the importance of starting a savings plan early. (Time of video: 1:16 minutes) **http://bizkids.com/clip/saving-and-investing**

MATH

Activity/Project Ideas:

Write down all of your spending over the course of a week. Review the "Cut Back" and "Go Cheaper" savings options. Using online or in-store research, determine how much money you would have saved had you either cut back on your expenses or purchased cheaper items. Explain: Are the savings worth the sacrifices to you?

SOCIAL STUDIES AND ECONOMICS

Activity/Project Ideas:

Consider teen Suvir Mirchandani's plan to save the government millions of dollars at **www.thewire.com/national/2014/03/switching-fonts-wont-save-the- government-money/359925/.** Although the plan was criticized, his idea about finding was for the federal government to save money. Research some of the expenses of your school or your local government. What money savings options would you suggest to your school or your local government? Why?

TECHNOLOGY

Online Games/Tools:

How to Earn Money by Saving Money by The Mint: An article with interactive calculators to help students learn money-saving strategies. **www.themint.org/teens/earn-money-by-saving-money.html**

Classroom activities from the Consumer Financial Protection Bureau (CFPB)

The CFPB has developed a set of classroom activities to help teachers develop and support the building blocks of financial capability in their students. Each activity is designed to be completed within a single class period and includes a teacher guide and supporting student material. Some specific activities that are relevant to this lesson include:

Exploring savings habits	Students learn about the benefits of forming their own savings habits and explore what it looks like to save a percentage of income. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/exploring-savings-habits/**
Saving for a rainy day	Students explore the importance of saving for unexpected expenses and then draw pictures of what their rainy day savings could pay for. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/saving-rainy-day/**
Saving for unexpected events	Students brainstorm unexpected events that may cost money and then analyze emergency scenarios to better understand the importance of having an emergency savings fund. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/saving-unexpected-events/**
Using idioms to promote saving	Students explore idioms, which are expressions that use figurative speech, to better understand financial concepts like saving and earning. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/using-idioms-promote-saving/**

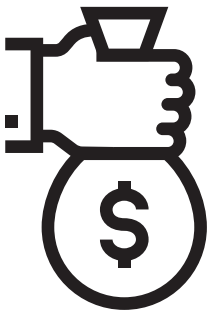
Answer Key

Group Exploration: ***Evaluating Saving Options***

Answers will vary. See completed sample.

Group Exploration: *Evaluating Saving Options* SAMPLE

Scenario	Savings Options I Would Use	Justification
#1 14 years old, must pay for car and allowance, and eventually will get a job.	▪ open a savings account	Several years to save money and putting savings in an account will generate interest.
	▪ cut back	Cut back on a few things here and there in order to put more money into savings.
#2 Concert costs $50, two weeks away. Two babysitting jobs, but will still be short.	▪ cut back	For two weeks, cut back on expenses to save an extra couple of dollars. Cut back on things like snacks at the store.
	▪ go cheaper	If I must spend money, I'll try to save an extra couple of dollars by buying less- expensive things.
#3 Need $500 for books for college. Have a summer job and the summer to save.	▪ open a savings account	Savings account will generate interest and will need more money for books in other semesters.
	▪ go cheaper	Buy cheaper things over the summer to save an extra few dollars AND consider cheaper book options like used textbooks.
#4 Want back-to-school clothes. Have some money and a few lawn-care jobs lined up. Summer to save.	▪ create new habits	Make it a habit to watch movies and eat snacks at home.
	▪ go cheaper	Plan to spend a little less on my back-to-school clothes.
#5 Want to have $500 in savings. Get money for birthdays and holidays. Earn $10 a week selling game guides.	▪ open a savings account	Savings account will generate interest as you work to save $500.
	▪ create new habits	Make it a habit to save a portion of all the money you earn or receive as gifts.



Lesson 7: How to Stash Your Cash

TOPIC: Savings Options

Time: 50 min

Supplies:
- Projector (for teacher presentation slide)
- Chart paper and markers for student presentations
- Loose-leaf for Wrap Up activity
- Access to the Internet(optional)

Preparation:
- Make copies of student handout and group handouts
- Set up projector with presentation slide
- Set up individual or group computers with access to the Internet(optional)

Glossary with key vocabulary 15

OVERVIEW:
While students are beginning to formulate their knowledge of spending and saving, incorporate helping the less fortunate/those in need as part of a financial plan. Students will discover why they may choose to include **charitable** giving as part of a budget. They will also be reminded how time has an **opportunity cost**, so even if they don't have money to donate, they can support charitable causes through volunteering.

OBJECTIVES:
1. Evaluate and differentiate a variety of banking and savings options
2. Identify the benefits of creating a savings account
3. Understand compound interest and how it can increase savings

INDIVIDUAL HANDOUTS:
- Opening a Savings Account

GROUP HANDOUTS:
- Commercial Bank #1 (1 per group)
- Commercial Bank #2 (1 per group)
- Credit Union (1 per group)

TEACHER PRESENTATION SLIDES:
- Understanding Compound Interest Warm Up

ESSENTIAL QUESTIONS:
- What are the benefits of saving with a financial institution?
- What savings option is best for a particular situation?

ASSESSMENT ACTIVITIES:
Pre-Assessment:
- **Activity:** Understanding Compound Interest

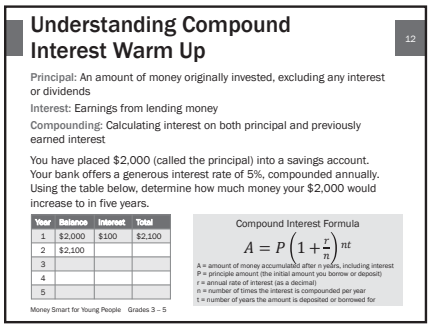
Post-Assessment:
- **Activity:** Opening a Savings Account
- **Presentation:** Opening a Savings Account
- **Activity:** The Perfect Bank

Instruction Steps

WARM UP

Understanding Compound Interest

10 MINUTES



To begin the lesson, ask students: *How many of you have heard of compound interest?* Share the short video *Compound Interest Explained* (**http://time.com/money/4343323/compound-interest-returns-explained-magic/**).

Next, provide students with a math problem from the ***Understanding Compound Interest Warm Up*** slide to help them understand compound interest. Explain the compound interest formula to students: In order to find the amount of money that you'll make after n years, you have to add 1 plus the interest rate (as a decimal – represented by r on the slide) over the number of years that you leave the money in the account (represented by n on the slide). Multiply the number of times the interest is compounded per year (represented by n on the slide) by the number of years for which the amount is deposited (represented by t on the slide). Use the n product as an exponent for your first sum. Then multiply that by the principal (or the initial amount that you put in savings– represented by P on the slide).

For example: if you want to find the amount of money in your savings account after one year, assuming you originally deposited $100, and with an interest rate of 5% compounded annually, you compute the following: Amount = $100(1 + .05/1).

After reviewing the answers, discuss:

- *When we compound interest annually, notice that each year, my interest is added to my principal, and we find the interest of that new, bigger number.*
- *What would happen if I made the interest rate higher?* (more money accumulated in interest)
- Lower? (less money accumulated in interest)
- *What would happen if I started with a higher principal?* (more money accumulated in interest)
- Lower? (less money accumulated in interest)

Grade-Level Modification:

Beginner: Build background knowledge about compound interest by showing *Compound Interest: How to Make a Million Bucks*. Build additional background knowledge about the services financial institutions offer by showing *Take It to the Bank*. See additional readings and resources in Money Smart Tip below.

Advanced: Show a visual model of interest growing over time with the EconEdLink Compound Interest Calculator. **https://archive.econedlink.org/interactives/EconEdLink-interactive-tool-player.php?iid=2**

MONEY SMART TIP!
Teach your students more about compound interest by discussing "10 Things You Need to Know About Compound Interest" from *U.S. News & World Report*.
https://money.usnews.com/money/blogs/my-money/2012/09/20/10-things-you-need-to-know-about-compound-interest

GROUP EXPLORATION

Opening a Savings Account — Decision Making

15 MINUTES

Split students into small groups of three to five for this activity. Each group will receive a set amount of money and will have a financial goal. Distribute the ***Opening a Savings Account*** student handout.

Have each group write its amount of money and its goal on the top of its handout. The groups are:

- **Group 1 – $10,000.** This money has been sitting in a checking account, not earning interest, and you're just hoping to make it start earning some interest.
- **Group 2 – $5,000.** You're hoping that you will have $10,000 to buy a car in a few years.
- **Group 3 – $3,000.** This is your emergency fund, which you've been keeping in your savings account. You need to be able to access it if there's an emergency.
- **Group 4 – $150.** You just got your first paycheck for your summer job and you want to make sure that you don't spend it all right away.

Grade-Level Modifications:
Beginner: Provide only one or two options for students, using numbers that are easy for interest calculations.

Advanced: Allow students to determine their own scenario, including the amount of money they would like to put into the savings account.

Provide each group with a copy of the group handouts *Commercial Bank #1, Commercial Bank #2,* and the *Credit Union*. In their groups, students should read through the variety of savings options and select the best financial institution and account for their scenario. As they're working through their decision, they should be filling out the ***Opening a Savings Account*** student handout. See a sample of a completed student handout in the **Answer Key.**

Grade-Level Modifications:
Beginner: Reduce the number of banking options and/or account options.
Advanced: Allow students to look up additional banking and account options online.

Opening A Savings Account – Presentation

15 MINUTES

Once groups have made their decision, they should prepare a group presentation about it. After a short preparation period, allow students to share their presentations with one another.

Check for understanding by asking the following questions:

- *What are the differences between some of the accounts that were available?*
- *Why did some groups choose one type of account and other groups choose another?*
- *How did the financial institutions themselves differ?*
- *What institution might you choose to create your first savings account? Why?*
- *Why is it important to save money with an insured financial institution?*
- *What might happen if you keep money somewhere other than an insured financial institution?*

WRAP UP

The Perfect Savings Account

10 MINUTES

Have students take out a sheet of loose-leaf paper, on which they will quick-write about the perfect savings account. This activity will help students understand bank accounts from the perspective of a financial institution, rather than a consumer.

Prompt them with the following questions:

- *Describe the perfect savings account.*
- *What is the minimum initial deposit? What are the terms, fees, and interest rate?*
- *Now consider: Why can't this "perfect" bank account exist? (For example: what would happen if a bank paid very high interest rates on all of its deposit accounts?)*
- *Or, what would happen if people could earn interest and have protection on any amount of money, as opposed to the "up to $250,000" offered by most banks?)*

Ask students to use vocabulary that they learned in this lesson to demonstrate their understanding of savings options.

Extended Exploration

Note: Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

ENGLISH LANGUAGE ARTS

Writing Prompts:

Imagine that you are about to embark on your first job. You will receive a biweekly paycheck of $950 once taxes and deductions are taken out. Explain your savings plan for this period of your life.

Additional Readings/Resources:

Set a Goal: What to Save For by the Consumer Federation of America: Helpful advice for saving for a variety of things, like a car, a house, or retirement.
www.americasaves.org/for-savers/set-a-goal-what-to-save-for

Make a Plan: How to Save Money by the Consumer Federation of America: Suggestions for saving strategies and budgeting.
www.americasaves.org/for-savers/make-a- plan-how-to-save-money

Take It to the Bank by BizKids: A video overview of the services that financial institutions offer. (Time of video: 1:17 minutes)
http://bizkids.com/episode/take-it-to- the-bank

Compound Interest: How to Make a Million Bucks by Biz Kids: A video episode about how it is possible to make a lot of money through taking advantage of savings. (Time of video: 1:55 minutes)
http://bizkids.com/clip/de-compound-interest

MATH

Activity/Project Ideas:

Imagine that you receive a $200 gift from a family member. Research savings accounts at a local bank. Determine how much interest you would earn on your $200 savings account deposit if you allowed it to accumulate compound interest over 5, 10, 15, and 20 years.

SOCIAL STUDIES AND ECONOMICS

Activity/Project Ideas:

Learn more about the Bank Reform Act of 1933, which ultimately resulted in changes for depositors in the safety of their deposits in federally insured banks. Describe the differences between banks before the Bank Reform Act of 1933 and after.
Explain the impact of the act.

TECHNOLOGY

Online Games/Tools:

Compound Interest Calculator by the U.S. Securities and Exchange Commission: A tool to calculate how much your money can grow with compound interest.
www.investor.gov/additional-resources/free-financial-planning-tools/compound-interest-calculator

Test Your Money Smarts by the U.S. Securities and Exchange Commission: An online quiz to test knowledge of saving and investing concepts.
www.sec.gov/investor/tools/quiz.htm

Hit the Road: A Financial Adventure Game by the National Credit Union Administration takes you on a virtual road trip across the country, but the journey is not an easy one. You must save and spend your money wisely to complete challenges along the way.
www.mycreditunion.gov/Pages/pocket-cents-game.aspx

Classroom activities from the Consumer Financial Protection Bureau (CFPB)

The CFPB has developed a set of classroom activities to help teachers develop and support the building blocks of financial capability in their students. Each activity is designed to be completed within a single class period and includes a teacher guide and supporting student material. Some specific activities that are relevant to this lesson include:

Contrasting long-term and short-term savings goals	Students learn the difference between short-term and long-term savings goals and apply their knowledge in an exercise-oriented game. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/contrasting-long-short-term-savings-goals/**
Saving and investing card game	Students play a game to learn the difference between saving and investing and explore when to save or invest. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/saving-investing-card-game/**
Visualizing a savings goal	Students create a savings progress chart to help them illustrate a savings plan, manage their savings process, and help them reach their financial goals. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/visualizing-savings-goal/**

Answer Key

Student Handout:

Opening a Savings Account

Answers will vary. See completed sample for Group 2 below.

Money to save: **$5,000**

Scenario: You're hoping that you will have $10,000 to buy a car in a few years.

Our Decision

Financial Institution: **Commercial Bank #2**

Account Name: Passbook Savings Accoun**t**

Fees, Terms, and Other Important Information: $5 minimum opening deposit, $20 low fee if balance is less than $250, one withdrawal per month.

INTEREST/APY RATE TABLE

Year	Balance	Interest	Total
1	$5,000.00	$2.50	$5,002.50
2	$5,002.50	$2.50	$5,005.00
3	$5,005.00	$2.50	$5,007.50
4	$5,007.50	$2.50	$5,010.00
5	$5,010.00	$2.51	$5,012.51

Why did you choose this financial institution and this account over others? First, it has one of the higher interest rates for lower balances. Second, even though it only allows one withdrawal a month, it is being used to save, and that limit may help with savings.



Lesson 7: How to Stash Your Cash

OPENING A SAVINGS ACCOUNT

Name: _____

Money to save:

Scenario:

OUR DECISION

Financial institution:

Account name:

Fees, terms, and other important information:

INTEREST/APY RATE TABLE

Year	Balance	Interest	Total
1			
2			
3			
4			
5			

Why did you choose this financial institution and this account over others?



Lesson 7: How to Stash Your Cash

COMMERCIAL BANK #1

Use with *Opening a Savings Account–Decision Making* activity. One copy per group.

ABOUT US:
Our bank seeks to help our customers improve their financial lives. We work with more than millions of people individually, in a business setting or in their communities. As experts in finance, we hope we can serve you, too.

Basic Savings Account First savings account?	**Personal Money Market Savings Account** Want to earn more interest as your balance grows?
Fees: ▪ $25 minimum opening deposit ▪ $5 monthly fee if balance is less than $300	**Fees:** ▪ $25 minimum opening deposit ▪ $12 monthly fee if balance is less than $2,500
Interest Rate: ▪ .01% compounded interest	**Interest Rate:** ▪ .02% with balance less than $20,000 ▪ .03% with balance of $20,000–$250,000 ▪ .04% with balance over $250,000
Benefits: ▪ Includes a debit card for ATM withdrawals and deposits ▪ Debit card may be used for point of sale transactions	**Benefits:** ▪ Online and mobile phone banking available
Terms and Conditions: ▪ Limited to three withdrawals per month	**Terms and Conditions:** ▪ Limited to six withdrawals per month

WHAT IF THE BANK FAILS? INSURING YOUR MONEY:
The Federal Deposit Insurance Corporation (FDIC) is an independent agency of the United States government. The FDIC protects depositors against the loss of their insured deposits if an FDIC-insured bank or savings association fails. FDIC insurance is backed by the full faith and credit of the United States government. The FDIC provides up to $250,000 in deposit insurance per depositor, per bank, and per account category, in accordance with the FDIC's deposit insurance regulations. Insured deposits include funds deposited in checking accounts, savings accounts, money market savings accounts, and CDs.



Lesson 7: How to Stash Your Cash

COMMERCIAL BANK #2

Use with *Opening a Savings Account–Decision Making* activity. One copy per group.

ABOUT US:
We are neighbors meeting the banking needs of neighbors. Join us today!

Passbook Savings Account Need a basic savings account?	**High-Yield Savings Account** Want premium interest rates?
Fees: ▪ $5 minimum opening deposit ▪ $20 monthly fee if balance is less than $250	**Fees:** ▪ $1 minimum opening deposit ▪ $10 monthly fee if balance is less than $3,500
Interest Rate: ▪ .05% compounded interest	**Interest Rate:** ▪ .03% with balance less than $100,000 ▪ .05% with balance over $100,000
Benefits: ▪ Includes an ATM card for ATM withdrawals and deposits only	**Benefits:** ▪ Set up monthly automatic transfers from your checking account to reach your savings goals
Terms and Conditions: ▪ Limited to one withdrawal per month ▪ FDIC-insured up to $250,000	**Terms and Conditions:** ▪ Limited to six withdrawals per month ▪ FDIC-insured up to $250,000

WHAT IF THE BANK FAILS? INSURING YOUR MONEY:
The Federal Deposit Insurance Corporation (FDIC) is an independent agency of the United States government. The FDIC protects depositors against the loss of their insured deposits if an FDIC-insured bank or savings association fails. FDIC insurance is backed by the full faith and credit of the United States government. The FDIC provides up to $250,000 in deposit insurance per depositor, per bank, and per account category, in accordance with the FDIC's deposit insurance regulations. Insured deposits include funds deposited in checking accounts, savings accounts, money market savings accounts, and CDs.



Lesson 7: How to Stash Your Cash

CREDIT UNION

Use with *Opening a Savings Account–Decision Making* activity. One copy per group.

ABOUT US:
We are a member-owned, democratically controlled financial institution. That means that, if you open an account with us, you can help us make decisions. We work together to offer competitive rates for our members and to serve our community.

Young Savers Club Account Designed by students, for students	**Share Savings Account** Want premium interest rates?
Fees: ▪ $10 minimum opening deposit **Interest Rate:** ▪ .03% compounded interest **Benefits:** ▪ No monthly minimum fees **Terms and Conditions:** ▪ Withdrawals and deposits may only be made in person at the bank ▪ Available only for students	**Fees:** ▪ $1 minimum opening deposit **Interest Rate:** ▪ .03% compounded interest **Benefits:** ▪ No monthly minimum fees ▪ Includes a debit card for ATM withdrawals and deposits only **Terms and Conditions:** ▪ Limited to three withdrawals per month

WHAT IF THE CREDIT UNION FAILS? INSURING YOUR MONEY:
The National Credit Union Administration (NCUA) is an independent agency of the United States government. The NCUA protects credit union members against losses if an NCUA-insured credit union fails. NCUA insurance is backed by the full faith and credit of the United States government. The NCUA provides up to $250,000 in insurance coverage to each shareowner, per insured credit union, for each account ownership category, in accordance with the NCUA's regulations. Funds that are insured by NCUA include regular shares (similar to savings), share drafts (similar to checking), money market accounts, and share certificates (similar to CDs).



Lesson 8: Money Doesn't Grow on Trees

TOPIC: Investing Options

Time: 65 min

Supplies:
- Loose-leaf paper for *Investing Tips Letter*
- Projector (for teacher presentation slides)
- Access to the Internet (optional)

Preparation:
- Make copies of student handouts
- Set up projector with presentation slides
- Set up individual or group computers with access to the Internet(optional)

Glossary with key vocabulary 15

OVERVIEW:
This lesson will explore the concepts of **interest** and **investments** helping learners make initial discoveries about how their money can grow overtime.

OBJECTIVES:
1. Understand investment growth, losses, reward, and risk by developing and tracking a stock portfolio
2. Demonstrate a general understanding of investment vehicles, like bonds, stocks, and mutual funds
3. Create investment tips for an adult audience

INDIVIDUAL HANDOUTS:
- Stock Market Tracking Week 1
- Stock Market Tracking Week 2

GROUP HANDOUTS:
- None

TEACHER PRESENTATION SLIDES:
- Investment Vehicles
- Case Study: Three Stocks

ESSENTIAL QUESTIONS:
- What are the benefits to investing money?
- Is investing money worthwhile?
- What investing strategies will create positive rate of return?

ASSESSMENT ACTIVITIES:
Pre-Assessment:
- **Activity:** Investing in a Friend

Post-Assessment:
- **Activity:** Stock Market Tracking
- **Activity:** Investing Tips

Instruction Steps

WARM UP

Investing in a Friend

10 MINUTES

The lesson begins with students considering a concrete and age-appropriate example of investing.

Ask students to consider the following scenario:
A friend comes to you asking to invest $50 to start a business (for example: lemonade stand, lawn care service, DJ service). When you invest money, you "commit money to an endeavor with the expectation (but not guarantee) of additional profit."

- *What are the benefits of helping your friend?*
- *What are the drawbacks?* According to the definition, investing means that there is an "expectation of additional profit," so how might you make additional profit if you invested $50 in your friend's business?

MONEY SMART TIP!
The U.S. Securities and Exchange Commission (SEC) has educational materials about investing for teachers, students, and parents. **https://investor.gov/classroom**

GUIDED EXPLORATION

Investment Vocabulary and Vehicles

20 MINUTES

As a whole group, discuss investment options and how investments are made. First, explain the general concepts and vocabulary of investing, and then share brief anecdotes to provide a scenario for investing.

Investing is the process of "committing money to an endeavor with the expectation (but not guarantee) of additional profit." There are many ways to invest, including in business, real estate, and the stock market.

In this lesson, we'll be focusing on **investing** in the stock market, which will include "purchasing securities, such as stocks, bonds, and mutual funds with the goal of increasing wealth over time, but with the risk of loss."

For example: Charlie is 20 years old and loves technology. He's investing in stock for a company he believes will grow in profits. If the company does poorly and Charlie sells the stock at a lower value, he could lose money.

Share an example of a low-risk investment a young person might make, and the possible reward of that investment.

For example: If Adeline, an 18-year-old, invests $5 a week at an 8% interest rate, the money will grow to $136,138 by the age of 65.

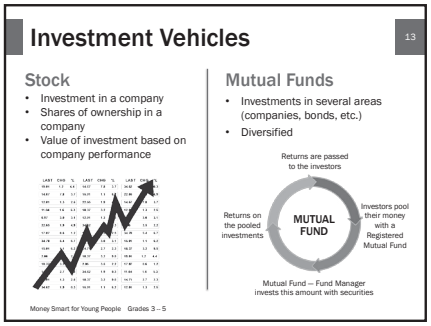
Access an online calculator such as **www.investor.gov/additional-resources/free-financial-planning-tools/compound-interest-calculator** to model investment growth for students.

Share that **risk** is "a measure of the likelihood of loss or the uncertainty of an investment's rate of return." Explain that investors have to consider whether they are financially comfortable with the risk that they might take when they invest. Additionally, different investment vehicles come with different levels of risk.

For example: Leon likes to avoid a lot of risk, so he invests his money in more than one stock.

Ask students:

- *Why might it be riskier to put all your money in a single company's stock?*



Next, display the ***Investment Vehicles*** slide and explain each. **Investment vehicles** are the methods that a person (or business) can use to invest money.

A **stock** is an investment that represents shares of ownership of the assets and earnings of a company. It is an investment made in a business. When you buy a stock, you become a partial owner of the company (like a fast-food company or a computer company) and you may get a say in certain decisions about how the company is run. The value of your investment goes up and down. Buying shares of stock in a company is a way to grow money quickly or lose it quickly. There is no guarantee that your money is safe. If the company does really well, your stock in the company will increase and be worth more, but if the company does poorly or goes out of business, your stock will decrease, and you could lose some or all of your investment. Therefore, stocks have more risk than savings bonds.

A **mutual fund** is an investment tool that pools the money of many shareholders and invests it in a large number of securities, such as stocks, bonds, and money market assets. When you invest in a mutual fund, you purchase a small piece of several stocks. For example: you may own a small piece of a sportswear company, a small piece of a technology company, and a small piece of a furniture company. Stock mutual funds are considered less risky than individual stocks because of the concept of **diversification**. Diversification is a strategy for reducing some types of risk by selecting a wide variety of investments. With stocks, it means spreading your money out to several different company stocks so that, if one company does poorly, you won't lose too much money.

Grade-Level Modification:
Beginner: Build background knowledge by watching *What's Up With the Stock Market?* Students will learn about the basics of the stock market, including vocabulary.

Check for understanding of the investment vehicles and associated vocabulary.

- *Which investment vehicles are you most interested in? Why?*
- *Which investment vehicles might a financially successful adult most be interested in? Why?*
- *Why is diversification important?*

Encourage students to use vocabulary terms as they explain their answers.

INDIVIDUAL EXPLORATION

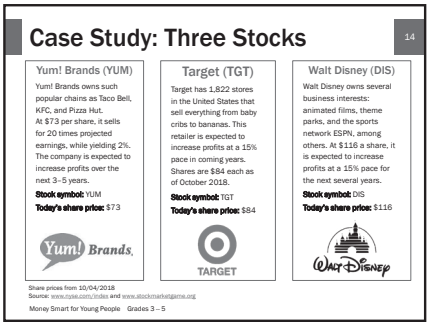
Investing in Stock Simulation

25 MINUTES

Distribute the ***Stock Market Tracking*** handout and display the ***Case Study: Three Stocks*** slide. Explain to students that they will each be allowed to invest some money in a stock.

Grade-Level Modifications:
Beginner: The teacher can provide a set amount of money for investment for students, say $1,000. This provides students with a round number to more easily work their math.

Advanced: The teacher can allow students to set their own amounts of money for investment. For example: some students may decide to invest just $100, while others may choose to invest $5,000. This should provide rich conversation about how the principal affects the return on investment.



Allow students time to study the ***Case Study: Three Stocks*** slide before selecting a company to purchase stock. (Note: If students are doing real-time, online stock tracking, they should research their stocks and share prices online.)

Ask students to fill out the company, stock symbol, and purchase information on their Stock Market Tracking handout after they have selected their company.

Optional check for understanding questions:

- *Why did you choose your company?*
- **Advanced:** *Why did you choose to invest that amount of money?*

Demonstrate how to track stock information by reviewing the example on the ***Stock Market Tracking Week 1*** handout. To use the ***Stock Market Tracker***, students should:

- Identify the stock symbol.
- Locate the stock symbol on the ***Stock Market Week 1*** report.
- Identify the stock's closing price for each day of the week.
- Calculate the percentage change from one day to the next. (Demonstrate this using the model on the ***Stock Market Tracker***. The basic formula is: (Price Sold – Purchase Price) / (Purchase Price). For example: (105 – 100) / (100) = .05. Then, multiply by 100 to calculate the percentage: 5% change.

MONEY SMART TIP!
Do all of your students have Internet access? Instead of using the Stock Market Week 1 handout, track stocks in real time at **https://finance.yahoo.com/most-active.**

Allow students to use the ***Stock Market Week 1*** handout to track their stock on the ***Stock Market Tracker.*** Optional check for understanding questions:

- *How is your stock doing after one week?*
- *Why do you think the stock prices change in the way that they do?*
- *How do you feel about the financial rewards and/or risk you've taken by purchasing stock?*

MONEY SMART TIP!
There is often a lot of volatility and risk associated with investing in stocks. Reading a stock quote provides information about the performance of a particular stock. The P/E ratio shows how much investors are spending on a stock vs. the earnings of the company. A higher P/E ratio can be a clue that investors expect the company to grow in the future. For more information join the Stock Market Game **www.stockmarketgame.org/assets/documents/teachersguide.pdf.**

Distribute copies of the ***Stock Market Week 2*** handout. Have students use their handouts to track their stock. Then, point out the business news that is on the ***Stock Market Week 2*** handout.

Discuss:

- *How did your stock do after two weeks?*
- *How might business news influe*nce shareholders or potential investors?

Finally, prompt students to finish the worksheet by tracking the stock's overall changes. Then, wrap up with one or two questions about investing in stocks:

- Which stocks had the biggest percentage change? What does that mean for investors?
- ***Advanced:*** *What impact did the amount of money you invested originally have on your gains or losses? Would you make the same decision about the money you invest in the future?*
- Do you think that you would invest in stock in the future? Why or why not?
- What tips would you give someone who is thinking about investing?

WRAP UP

Investing Tips

10 MINUTES

Ask students to reflect on things they have discovered about investing and mock up two social media posts using text and imagery to share two investment tips with family or friends.

Some helpful questions are:

- What goals might investors have?
- Why are investor goals important?
- Why is it a good idea to invest?
- What risks do you take when you invest money?
- What are low-risk investment vehicles and what are high-risk investment vehicles? Why?

Extended Exploration

Note: Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

ENGLISH LANGUAGE ARTS

Writing Prompts:

Is it worth the risk to invest? Explain your stance.

In your opinion, what's the best investment vehicle? Why? Write a convincing argument to support your answer.

Pick an entrepreneur whom you admire.
How would you recommend they invest their profits to grow their long-term financial returns?
Share your answers as part of the annual SIFMA InvestWrite essay contest at **www.investwrite.org/grades-6th-thru-8th**.

Additional Readings/Resources:

Save and Invest by the Financial Literacy and Education Commission: Information for students on saving and investing.
www.mymoney.gov/save-invest/Pages/saveandinvest.aspx

What's Up With the Stock Market? by BizKids: A video overview of how the stock market works, including important vocabulary. (Time of video: 4:07 minutes)
www.youtube.com/watch?v=osvQSd6Opac

MATH

Activity/Project Ideas:

Track a stock long-term. Use the ***Stock Market Tracker*** and **http://finance.yahoo.com/stock-center/** to observe the changes in stock prices over several months.

SOCIAL STUDIES AND ECONOMICS

Activity/Project Ideas:

Investigate the history of the Stock Market Crash of 1929. Compare and contrast the stock market of 1929 with the stock market of today to determine whether or not a major stock market crash could happen again.
www.history.com/topics/1929-stock-market-crash

Investigate the history of the financial crisis of 2008. Explore the causes of the crisis, the impact on investing, and the regulations the government has made in its wake.
www.britannica.com/EBchecked/topic/1484264/The-Financial-Crisis-of-2008- Year-In-Review-2008/280410/The-Crisis-Unfolds

TECHNOLOGY

Online Games/Tools:

Investment Calculators by the U.S. Securities and Exchange Commission: Several useful tools for calculating investment information.
www.investor.gov/additional-resources/free-financial-planning-tools#.VDrmbtTF-Hs

The Stock Market Game by the Securities Industry and Financial Markets Association: An online stock market tracking game for students. **www.stockmarketgame.org**

Classroom activities from the Consumer Financial Protection Bureau (CFPB)

The CFPB has developed a set of classroom activities to help teachers develop and support the building blocks of financial capability in their students. Each activity is designed to be completed within a single class period and includes a teacher guide and supporting student material. Some specific activities that are relevant to this lesson include:

Distinguishing between earned and unearned income	Students play a game to help them learn the difference between earned and unearned income. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/distinguishing-earned-unearned-income/**
Making a good business investment	Students play an investment game where they'll choose between two businesses to invest in. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/making-good-business-investment/**

Answer Key

Student Handout 1: ***Stock Market Tracking***

Answers will vary.



Lesson 8: Money Doesn't Grow on Trees

STOCK MARKET TRACKING WEEK 1

Name: _____

Company:

Stock Symbol:

Purchase Price:

# of Shares Purchased:

Total Cost:

WEEK 1	YUM	TGT	DIS
Monday	73.10	62.94	71.01
Tuesday	73.13▲	63.02▼	71.03▲
Wednesday	73.16▲	63.05▲	71.04▲
Thursday	73.15▼	63.13▲	71.05▲
Friday	73.18▲	63.04▼	71.05

TRACKING EXAMPLE: Purchase Price: $101.25			
Date	**Day**	**Close Price**	**% Change**
3/9/2019	*Monday*	*$101.25*	*0.00%*
3/20/2019	*Tuesday*	*$101.13*	*-0.12%*

TRACKING WEEK 1:

Date	Day	Close Price	% Change
	Monday		
	Tuesday		
	Wednesday		
	Thursday		
	Friday		

After Week 1, if you were to sell your shares, would you make money or lose money?
Use the space below to calculate and explain your answer.



Lesson 8: Money Doesn't Grow on Trees

STOCK MARKET TRACKING WEEK 2

Name: _____

Company:

Stock Symbol:

Purchase Price:

# of Shares Purchased:

Total Cost:

WEEK 2	YUM	TGT	DIS
Monday	73.21	63.00	71.04
Tuesday	73.23▲	63.02▲	71.06▲
Wednesday	73.22▼	63.01▼	71.07▲
Thursday	73.23▲	62.98▼	71.08▲
Friday	73.26▲	63.94▼	71.10▲

BUSINESS NEWS: Week In Review

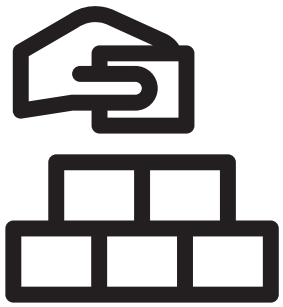
Yum! Brands continues its rapid growth again this week following news about recent company growth. Target continues its up and down trend after struggling to make the financial gains the company predicted at the beginning of the year. Behind its most recent hit movie, Walt Disney is gaining slowly but surely.

TRACKING EXAMPLE: Purchase Price: $101.25			
Date	**Day**	**Close Price**	**% Change**
3/9/2019	*Monday*	*$101.25*	*0.00%*
3/20/2019	*Tuesday*	*$101.13*	*-0.12%*

TRACKING WEEK 2:

Date	Day	Close Price	% Change
	Monday		
	Tuesday		
	Wednesday		
	Thursday		
	Friday		

After Week 2, if you were to sell your shares, would you make money or lose money?
Use the space below to calculate and explain your answer.



Lesson 9: Give Credit Where Credit is Due

TOPIC: Credit and Debt

Time: 55 min

Supplies:
- Loose-leaf paper for *Letter to My Future Self*
- Access to the Internet (optional))

Preparation:
- Make copies of student handout and group handouts
- Set up individual or group computers with access to the Internet (optional)
- Print credit/debt crisis article
- Student grouping strategy for jigsaw activity

Glossary with key vocabulary 15

OVERVIEW:
As students gain additional understanding of borrowing and lending, analyzing the cost of borrowing becomes a critical skill to practice. In this lesson, learners demonstrate their understanding of **credit** by recognizing how to manage and damage credit, qualifications for a credit candidate, and how credit cards fit into the larger discussion on credit.

OBJECTIVES:
1. Understand how to build credit and avoid practices that may hurt credit
2. Identify the economic benefits of good credit
3. Discuss the consequences of debt

INDIVIDUAL HANDOUTS:
- Understanding Credit Anticipation Guide

GROUP HANDOUTS:
- Credit Vocabulary (station set)
- The Pros and Cons of Credit (station set)
- How to Build Good Credit (station set)
- Practices That Hurt Credit (station set)

TEACHER PRESENTATION SLIDES:
- none

ESSENTIAL QUESTIONS:
- What is credit?
- In what instances should you use credit?
- What are some strategies to maintain good credit?
- How does having good credit result in other positive benefits?

ASSESSMENT ACTIVITIES:
Pre-Assessment:
- **Handout:** Understanding Credit Anticipation Guide

Post-Assessment:
- **Handout:** Understanding Credit Anticipation Guide
- **Activity:** Letter to My Future Self

Instruction Steps

WARM UP

Understanding Credit Anticipation Guide

5 MINUTES

Provide students with the ***Understanding Credit Anticipation Guide*** student handout. Allow students a few minutes to fill it out under the "Before" column. Explain that students will return to their guide during the Group Exploration, as they learn more about credit, but this is ungraded in the "Before" column.

MONEY SMART TIP!
A debit card allows you to make purchases in real time by accessing the money in your savings, checking, or other on-demand accounts. A credit card allows you to use a loan to make purchases and pay back the loan within a specified amount of time.

See more at **www.consumer.ftc.gov/articles/0332-credit-debit-and-charge-cards.**

GUIDED EXPLORATION

Understanding Credit Mini-Lesson

10 MINUTES

Over the course of the lesson, students will learn all of the information they need to accurately complete the "After" section of their ***Understanding Credit Anticipation Guide.***

To start, explain that, when you get a credit card, the bank is willing to loan you money up to the credit limit, say $5,000. (When you apply for a credit card, issuers will determine your ability to handle debt by reviewing your application and credit report. They also determine the credit limit during this process.) In other words, you are borrowing money. If you choose to take a portion of that "loan" to purchase something, and you do not repay it in full by the statement due date, you will be charged **interest** (which is the cost of borrowing money).

So, let's say you have a credit card with a 15% **annual percentage rate (APR)**, which is the fee you pay for borrowing money. Most credit cards compound interest on a daily basis, so you have to calculate how much interest you owe on a credit card daily.

To do this, divide 15% by 365 days in the year, which equals a daily interest rate of 0.041%. Then, let's say you spent $10,000 using your credit card. Most credit card companies allow a 21-day grace period before charging interest. If you cannot pay off your balance during that time period, you will begin to pay interest.

On the first day, you would multiply your $10,000 credit card balance by the daily interest rate (.00041), and you would get $4.10. On the second day, you'd multiply your $10,004.10 balance by the daily interest rate (.00041), and you would get $4.10 again, making your

total $10,008.20. If you let your credit card compound over 30 days, you'd owe $10,125.76. Over a year, you'd owe $11,617.98.

Check students' understanding by asking:
- *What are the advantages of using a credit card?*
- *What are the disadvantages?*

Remind students that there are many ways to make a purchase, aside from using credit, such as using cash, debit, or installment loans.

MONEY SMART TIP!
Credit card agreements are required to explain the APR of each card, in addition to penalties and fees. Read the agreement to understand when you could pay these fees. You can read a general definition of key terms at **www.consumerfinance.gov/data-research/credit-card-data/know-you-owe-credit-cards/credit-card-contract-definitions/.**

Credit And Debt In The United States

10 MINUTES

Select (either from links or from an online news search) an informational text about credit and debt in the United States. Topics include student loans, low credit scores, and defaulting on loans.

After the class has read the article, discuss common problems with credit and debt in the United States. **Some broad questions include:**
- *What is the crisis here?*
- *What actions could individuals have taken to avert this crisis?*

GROUP EXPLORATION

Understanding Credit Jigsaw Groups

20 MINUTES

Split students into four groups. Set up four stations, each with one of the following group handouts:

1. Credit Vocabulary
2. The Pros and Cons of Credit
3. How to Build Good Credit, and
4. Practices That Hurt Credit.

Tell students to take their anticipation guides to their stations.

In stations, students should learn more about their topic area. If they come across an answer that is on their ***Understanding Credit Anticipation Guide***, they should write that answer in the "After" column with evidence to support their "After" answer. (For example: if the answer is false, what would make the statement true?) Explain that, eventually, they will be placed in a group with three other people from the other stations, so they must be able to explain the information that they are marking.

Once students are finished with their groups, they should be "jig-sawed" (regrouped) into a group with one member from each station. So, new groups should be composed of at least one member from ***Credit Vocabulary***, at least one member from ***The Pros and Cons of Credit***, at least one member from ***How to Build Good Credit***, and at least one member from ***Practices That Hurt Credit.***

In their groups, students should share and explain the correct answers that they logged in the "After" section of their ***Understanding Credit Anticipation Guide****. By the end of this portion, all students should* have the correct answers in the "After" column of their guide.

Optional check for understanding questions:

- *What are some strategies to maintain good credit?*
- *What are the benefits of having good credit?*
- *What are the consequences of being in debt?*
- *When should you use credit?*

WRAP UP

Letter To My Future Self

10 MINUTES

Remind students that they have just learned information about credit and debt, but people in the United States continue to struggle under the weight of debt.

Ask students to draft a message to their future selves. Their message can be crafted as a letter, a series of texts or a list of tips and goals. Students should include financial tips about debt and credit and remind themselves about strategies to maintain good credit.

MONEY SMART TIP!
Do you want students to actually receive their letters from the future? "Future Me" allows students to compose an email and send it to themselves in the future. **www.futureme.org**

Extended Exploration

Note: Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

ENGLISH LANGUAGE ARTS

Writing Prompts:

Who should be allowed to have a credit card? Do age, personal history, income, or employment matter? Develop criteria for who should be allowed to have a credit card and support each criterion.

Solve the problem. As you have learned, many Americans struggle with credit and debt. How can this problem be solved?

Additional Readings/Resources:

Credit, Loans, and Debt by the Federal Trade Commission: Articles on credit history and using credit.
www.consumer.gov/section/credit-loans-and-debt

Credit and Loans by the Federal Trade Commission: Articles on the impact of credit scores, free credit reports, and rights and responsibilities of owning a credit card
www.consumer.ftc.gov/topics/credit-and-loans

Credit Card Debt Explained by KQED News: A video explanation of how credit cards work and how credit card companies make money. (Time of video: 4:29 minutes)
www.youtube.com/watch?v=L5qlblSOAGA

MATH

Activity/Project Ideas:

Compare credit card statements. Using the same sample purchase, compare the cost of the purchase using each of the credit cards.

SOCIAL STUDIES AND ECONOMICS

Activity/Project Ideas:

In 2009, the U.S. federal government passed the Credit Card Accountability, Responsibility, and Disclosure (CARD) Act. Have students evaluate the changes made as a result of this act.

TECHNOLOGY

Online Games/Tools:

It Costs What? by the Educational Broadcast Corporation: A game that helps students understand credit cards and how four people can end up paying different amounts on the exact same thing.
www.thirteen.org/finance/games/itcostswhat.html

It All Adds Up by the Council for Economic Education: Online games teaching students about credit management.
www.italladdsup.org/

Celebrity Calamity! by Financial Entertainment: A game that helps students learn about credit and debt management by managing the finances of a clueless celebrity.
http://financialentertainment.org/play/celebritycalamity.html

Classroom activities from the Consumer Financial Protection Bureau (CFPB)

The CFPB has developed a set of classroom activities to help teachers develop and support the building blocks of financial capability in their students. Each activity is designed to be completed within a single class period and includes a teacher guide and supporting student material. Some specific activities that are relevant to this lesson include:

Analyzing credit card statements	Students conduct online research to become familiar with reading and analyzing credit card statements. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/analyzing-credit-card-statements/**
Asking for a loan	Students deliver a persuasive monologue on why a family member should lend them money. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/asking-loan/**
Being a responsible borrower	Students watch a role-play to learn about the behaviors of a responsible borrower and answer questions about borrowing. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/being-responsible-borrower/**
Getting a credit card and using it wisely	Students conduct research to learn about credit cards and explore the effect that using a credit card can have on a person's credit score. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/getting-credit-card-and-using-it-wisely/**

Telling the difference between loan myths and realities	Students analyze statements about loans and decide whether they're a myth or reality. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/telling-difference-between-loan-myths-and-realities/**
Understanding credit scores	Students read an infographic and complete a vocabulary matching exercise to learn basic information about credit scores. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/understanding-credit-scores/**

Answer Key

Student Handout 1: ***Understanding Credit Anticipation Guide* Answers 'After'**

1. Credit cards are the only type of credit available.
   False
2. One reason why people use credit is to help pay for an unexpected emergency expense.
   True
3. One reason why people don't like using credit is that few businesses accept credit.
   False
4. One way to build credit is to request your credit report once a month.
   False
5. Credit reports include information on credit card accounts and student loans.
   True
6. Credit cards allow you to miss several payments without penalties.
   False
7. Negative credit information stays on your credit report for only two years.
   False
8. When credit is used, a portion of your future income is spent/committed.
   True



Lesson 9: Give Credit Where Credit is Due

CREDIT VOCABULARY

Use with *Understanding Credit Jigsaw* activity. One copy per group.

Credit: An agreement to provide goods, services, or money in exchange for future payments with interest by a specific date or according to a specific schedule. The use of someone else's money for a fee.

There are many types of credit, but the two most common types are:

- **Installment Loans:** A set amount of money lent to you for a specific purpose.
  - Student Loans
  - Auto Loans
  - Mortgage Loans
- **Revolving Credit:** A line of credit you can keep using after paying it off. You can make purchases with it as long as the balance stays under the credit limit, which can change over time. Credit cards are the most common type of revolving credit.

Credit Card: A plastic card that authorizes the purchase of goods and services in exchange for future payment with interest, according to a specific schedule.

Credit Report: A credit report contains information about your credit — and some bill repayment history — and the status of your credit accounts. This information includes how often you make your payments on time, how much credit you have, how much credit you have available, how much credit you are using, and whether a debt or bill collector is collecting on money you owe. Lenders use these reports to help them decide if they will loan you money and how much money it will cost you. The cost is usually reflected by the interest rates they will offer you. Credit reporting companies (also known as credit bureaus or consumer reporting agencies) compile these reports.

Debt: Something owed, usually measured in dollars.

Source: **www.consumerfinance.gov/askcfpb/309/what-is-a-credit-report.html**



Lesson 9: Give Credit Where Credit is Due

THE PROS & CONS OF CREDIT

Use with *Understanding Credit Jigsaw* activity. One copy per group.

Pros of Credit

- **Immediate Access to Money:** Credit can help with an expensive, unexpected emergency and give you the flexibility to pay it off over time.
- **Security:** Lose cash, and it's gone. Lose a credit card and it can be cancelled. Also, if you report your stolen credit card promptly, you're protected against its unauthorized use.
- **Convenience:** Credit cards are accepted worldwide.
- **Rewards:** Many credit cards have rewards programs that earn you benefits such as free travel.

Cons of Credit

- **Interest:** Using credit means that you are borrowing money and you must return it with interest, if you don't repay by the due date.
- **Fees:** You may have to pay certain additional fees with some credit products, such as an annual fee.
- **Debt:** Often, as a result of late payments, many people find themselves sunk in credit card debt with no way out. Late fees, piling interest, and other charges make it harder and harder to get out of debt.
- **Overspending:** When you have credit, it is easy to overuse it. When you aren't exchanging actual money, it feels like you're not paying anything at all. Soon enough, the charges catch up and sink you in debt.



Lesson 9: Give Credit Where Credit is Due

HOW TO BUILD GOOD CREDIT

Use with *Understanding Credit Jigsaw* activity. One copy per group.

HOW TO BUILD GOOD CREDIT

Here are some tips to help you establish good credit:

- Pay your loans, bills, and other debts on time. This will show you are responsible for your finances.
- If you have a credit card, try to charge only what you can afford to pay off immediately or very soon.
- Review your credit report for errors.
- Think carefully before you take out new credit cards or loans. Multiple credit inquiries can lower your credit score.
- You can apply for a bank loan secured by the funds you have on deposit. You can also ask a friend or relative who has good enough credit to cosign a loan, which means that he or she shares the liability for the loan with you. Before you apply for credit, however, make sure you understand the terms.

Patience is important. It takes time to establish credit, to build a record of consistency in making payments that demonstrates your creditworthiness. And it is much better to go slowly and assemble a strong credit record than to apply for too many credit cards or a loan that is larger than you can handle. Remember that credit represents real money and has to be repaid with interest. Those are the keys to establishing good credit.

THE BENEFITS OF GOOD CREDIT

In general, the better your credit history and credit score:

- The better your chances are of getting a loan, including a credit card.
- The more likely you will be offered an attractive interest rate (this will save you money).

Credit reports and scores also can be considered when you apply for a job, an insurance policy or an apartment.

Sources: The FDIC, FTC, and the Federal Reserve Bank of Philadelphia



Lesson 9: Give Credit Where Credit is Due

PRACTICES THAT HURT CREDIT

Use with *Understanding Credit Jigsaw* activity. One copy per group.

PRACTICES THAT HURT CREDIT

When you borrow money, you will generally sign an agreement to repay the money you borrow (plus interest) according to a specific schedule.

Some of the ways that you can harm your credit include:

- Not repaying a loan on time as you agreed
- Not repaying other debts (such as phone or utility bills) on time
- Borrowing as much (or more) money on your credit card as your lender agreed to lend you (having an outstanding balance that is close the credit limit)
- Applying for a lot of credit over a short period of time

THE DRAWBACKS OF BAD CREDIT

If you have a poor credit history, you are more likely to:

- Not be approved for a loan or credit card
- If you are offered a loan, you will likely pay more money in interest
- Pay more money for insurance
- Have an application to rent an apartment be denied, or if it is approved, pay a larger security deposit

Sources: The FDIC, FTC, and the Federal Reserve Bank of Philadelphia



Lesson 9: Give Credit Where Credit is Due

UNDERSTANDING CREDIT ANTICIPATION GUIDE

Name: _____

Directions: Read the statement, then write T for TRUE or F for FALSE after each statement.

Credit Statement	Before	After
1. Credit cards are the only type of credit available.		
2. One reason why people use credit is to help pay for an unexpected emergency expense.		
3. One reason why people don't like using credit is that few businesses accept credit.		
4. One way to build credit is to request your credit report once a month.		
5. Credit reports include information on credit card accounts and student loans.		
6. Credit cards allow you to miss several payments without penalties.		
7. Negative credit information stays on your credit report for only two years.		
8. When credit is used, a portion of your future income is spent/committed.		



Lesson 10: Protecting Yourself

TOPIC: Protecting Your Identity

Time: 60 min

Supplies:
- Access to the Internet(optional)
- Unlined paper for students to fold into thirds to create their *Identity Theft Trifold brochures*
- Markers, crayons, or other art supplies to design and decorate *Identity Theft Trifold brochures*

Preparation:
- Make copies of group handouts
- Cut up *Identity Theft Role-Play Cards*
- Set up individual or group computers with access to the Internet (optional)

Glossary with key vocabulary 15

OVERVIEW:
In an increasingly digital world, protecting one's identity and pertinent financial information has never been a more important life skill to master. Learners will research issues of **identity theft** and understand **consumer protection** by role-playing different identity theft scenarios and creating an informative brochure to share what they've learned with others.

OBJECTIVES:
1. Create a trifold informative brochure or multimedia presentation on identity theft and prevention methods
2. Apply information about identity theft and prevention in realistic role-plays

INDIVIDUAL HANDOUTS:
- none

GROUP HANDOUTS:
- What is Identity Theft? (station set)
- You've Been Scammed! (station set)
- Prevent Identity Theft (station set)
- I've Been Scammed! (station set) Now What?
- Identity Theft Role-Play Cards (1per)

TEACHER PRESENTATION SLIDES:
- none

ESSENTIAL QUESTIONS:
- What is identity theft?
- How does identity theft happen?
- How can you prevent identity theft?
- What should you do if you are the victim of identity theft?

ASSESSMENT ACTIVITIES:
Pre-Assessment:
- **Activity:** What Do You Know About Identity Theft?

Post-Assessment:
- **Activity:** Identity Theft group role-plays
- **Activity:** Identity Theft Trifold brochure or multimedia presentation

Instruction Steps

WARM UP

What Do You Know About Identity Theft?

10 MINUTES

To begin the lesson, ask students:

- *What does the term identity theft bring to mind? (Possible answers include: online scams, protecting personal information, etc.)* Next share a brief news article or short TV broadcast about a recent issue with **identity theft.** (Note: Use an internet news search engine to locate a recent article on "identity theft," "fraud," or "scams.")

After the article or broadcast, share with students that they will work with a partner to examine pitfalls and preventive tips for identity theft. Working with their partner they may create an **Identity Theft Trifold** brochure, a blog post, a short podcast script, or an infographic that illustrates the following:

- *What Is Identity Theft?*
- *You've Been Scammed!*
- *Preventing Identity T*heft
- *I've Been Scammed! Now What?*

Students or teachers may recommend additional sections. Student pairs may begin brainstorming based on the initial classroom discussion.

MONEY SMART TIP!

The National Crime Victimization Survey defines identity theft as: 1) unauthorized use or attempted use of an existing account, or 2) unauthorized use or attempted use of personal information to open a new account, or 3) misuse of personal information for a fraudulent purpose. **www.bjs.gov/index.cfm?ty=tp&tid=42**

GUIDED EXPLORATION

Learning About Identity Theft Stations

20 MINUTES

Set up the classroom in four stations, with group handouts at each station:

- Station 1: ***What Is Identity Theft?***
- Station 2: ***You've Been Scammed!***
- Station 3: ***Preventing Identity Theft***
- Station 4: ***I've Been Scammed! Now What?***

(If you are concerned about the number of students at each station, the stations can be doubled to make two sets of stations, or eight stations total.)

Instruct students that, at each station, they will view a handout with information about identity theft. At each station, they will add more information to their **Identity Theft Trifold** brochure, blog post draft, podcast script, or infographic.

Allow students 5 to 6 minutes at each station to collect information and add to their **multimedia project.** Remind students that they can revise information that they may have written incorrectly during the Warm Up.

MONEY SMART TIP!
Provide each station with a laptop or Internet-connected device to allow students to do additional research with any remaining time.

Check students for understanding about identity theft and associated vocabulary. Encourage students to use vocabulary terms as they explain their answers.

Ask:

- *What is identity theft?*
- *How does it happen?*
- *How can you prevent identity theft?*
- *What should you do if you're the victim of identity theft?*

GROUP EXPLORATION
Identity Theft Role-Plays

15 MINUTES

Split students into groups of two or four. Distribute a set of the ***Identity Theft Role-Play Cards*** to each group of students. Explain that students will be playing a role and using the information they've learned from creating their **Identity Theft Trifold** brochures or other multimedia projects, so they should try to use appropriate vocabulary and factual information as they act out their roles.

Grade-Level Modifications:

Beginner: Additional students who are not assigned a role in the role-play can track vocabulary and observe the short role-play.

Advanced: Additional students who are not assigned a role in the role-play can serve as coaches, who can provide advice to students engaged in the role-play. For example: these coaches can advise role-players about vocabulary or factual information that they could integrate.

Prompt students to select their first role-play cards and begin. Allow role-plays to run for 2 to 4 minutes each, and then have students switch roles and role-play cards and begin the next round.

Optional check for understanding and review questions:

- *What vocabulary and factual information were you able to integrate into your role-plays? How?*
- *What did you learn about identity theft from these role-plays?*

WRAP UP

Identity Theft Multimedia Project Closing

15 MINUTES

Allow students a final few minutes to add any last information and/or designs to their trifold brochure, blog post, podcast script, or infographic.

Prompt students that the role-plays may have revealed some helpful tips or misinformation that they need to correct. Students who are finished with their **Identity Theft multimedia projects** may present them to peers.

Extended Exploration

Note: Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

ENGLISH LANGUAGE ARTS

Writing Prompts:

Write your own role-play. Now that you have completed a few role-plays on identity theft, write a new role-play with at least two roles, and then act it out.

Additional Readings/Resources:

10 Ways to Protect Your Personal Information and Your Money by the Federal Deposit Insurance Corporation (FDIC): Advice about how to avoid scams, fraud, and identity theft.
www.fdic.gov/consumers/consumer/news/cnwin1314/fraud.html

Avoiding Fraud, Protecting Your Privacy: Best Practices for Young Adults by the FDIC: Tips, geared toward young people, about how to protect yourself online, over the phone, and via mail.
www.fdic.gov/consumers/consumer/news/cnfall12/avoidfraud.html

MATH

Activity/Project Ideas:

Identify statistical trends and explore the impact of statistics on identity theft by looking at the "Publications and Products" section of the U.S. Bureau of Justice Statistics. For example: in 2012, 7 percent of people age 16 and older were victims of identity theft. As a class, explore the impact of that percentage on your own community and look at statistics from previous years to determine whether it is an upward or downward trend.
www.bjs.gov/index.cfm?ty=tp&tid=42

SOCIAL STUDIES AND ECONOMICS

Activity/Project Ideas:

Read the articles in the "Stories and Features" section of the FBI's "Identity Theft" website. Explore the similarities and differences among types of identity theft and how the government works to protect people against identity theft. **www.fbi.gov/about- us/investigate/cyber/identity theft**

TECHNOLOGY

Online Games/Tools:

Can You Spot a Scam? by the FDIC: Take this online quiz to determine whether you can recognize fraud.
www.fdic.gov/consumers/consumer/news/cnfall10/fraudquiz.html

You Are Here: Where Kids Learn to Be Smarter Consumers by the Federal Trade Commission: Play consumer-oriented games, design advertisements, and learn to protect yourself and your finances.
www.consumer.ftc.gov/sites/default/files/games/off- site/you are here/index.html

Invasion of the Wireless Hackers by the Office of Justice Programs: To win the game, students must answer questions about protecting themselves online.
www.onguardonline.gov/media/game-0006-invasion-wireless-hackers

Classroom activities from the Consumer Financial Protection Bureau (CFPB)

The CFPB has developed a set of classroom activities to help teachers develop and support the building blocks of financial capability in their students. Each activity is designed to be completed within a single class period and includes a teacher guide and supporting student material. Some specific activities that are relevant to this lesson include:

Acting out fraud	Students act out a skit to learn about different types of fraud. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/acting-out-fraud/**

Composing songs and verse about fraud	Students write a song, rap, or poem that warns people about identity theft and types of fraud. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/composing-songs-verse-about-fraud/**
Examining the statistics on fraud and identity theft	Students use the Internet to research the federal government's statistics on fraud and identity theft in the United States and in their state. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/examining-statistics-fraud-and-identity-theft/**
Protecting your identity online	Students answer true-or-false questions about safe online behaviors and consider ways to protect themselves online. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/protecting-your-identity-online/**
Protecting your Social Security number	Students read about the importance of protecting their Social Security number and decide if statements about Social Security numbers are true or false. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/protecting-your-social-security-number/**

Lesson 10: Protecting Yourself

WHAT IS IDENTITY THEFT

Use with *Learning About Identity Theft Stations* activity. One copy per station.

WHAT IS IDENTITY THEFT?

Identity theft is the crime of using another person's name, credit or debit card number, Social Security number, or another piece of personal information to commit fraud, typically for economic gain.

Identity theft can take many forms. It's important to consider some common scams and take preventive action to protect yourself.



Beware of phishing scams.
Phishers send out text and email messages trying to get you to click on links and share personal information. These might look like they are from companies you recognize.



Protect your passwords.
Don't save your passwords on public computers or share passwords with friends.



Watch out for malware.
It's important not to download programs or open links in strange emails because they may contain computer viruses.

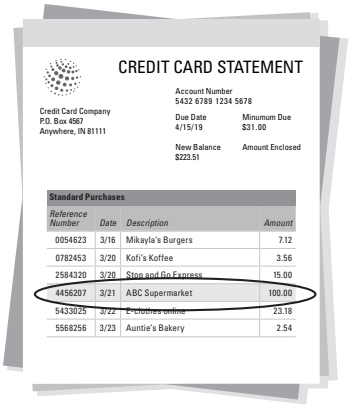
Source: **www.commonsensemedia.org/blog/the-bare-minimum-you-should-do-to-protect-your-familys-data**

Lesson 10: Protecting Yourself

YOU'VE BEEN SCAMMED!

Use with *Learning About Identity Theft Stations* activity. One copy per station.

What Does it Look Like When You've Been Scammed?


CREDIT CARD STATEMENT

Credit Card Company
P.O. Box 4567
Anywhere, IN 81111

Account Number
5432 6789 1234 5678

Due Date
4/15/19

Minumum Due
$31.00

New Balance
$223.51

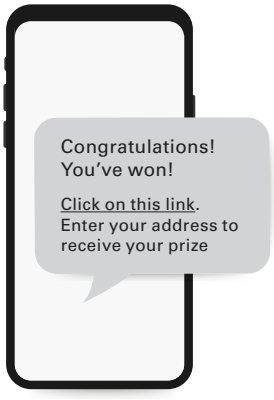
Amount Enclosed

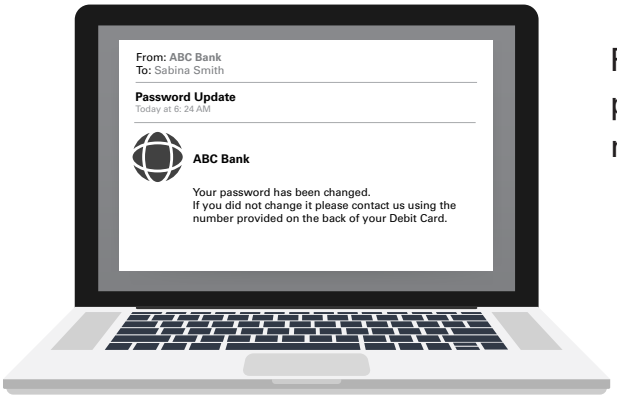
Standard Purchases

Reference Number	Date	Description	Amount
0054623	3/16	Mikayla's Burgers	7.12
0782453	3/20	Kofi's Koffee	3.56
2584320	3/20	Stop and Go Express	15.00
4456207	3/21	ABC Supermarket	100.00
5433025	3/22	E-clothes online	23.18
5568256	3/23	Auntie's Bakery	2.54

Charges on your credit or debit account that you did not authorize:

Responding to online, text, or phone requests for personal information without being sure they are secure:




From: ABC Bank
To: Sabina Smith

Password Update
Today at 6: 24 AM

ABC Bank

Your password has been changed.
If you did not change it please contact us using the number provided on the back of your Debit Card.

Receive an email letting you know your password has been changed when you did not change it.

Receive a text message saying your favorite store needs you to update your address



"Phishing" is an attempt to acquire personal information by pretending to be a trusted agency.



Lesson 10: Protecting Yourself

PREVENTING IDENTITY THEFT

Use with *Learning About Identity Theft Stations* activity. One copy per station.

STINGY!

Be stingy about giving out your personal information, both in person and online. If someone from a reputable financial institution or company calls to acquire personal data, ask him or her to send you a written application.

CHECK!

Check your financial information regularly. You should receive monthly statements on all bank and credit card accounts that list your most recent transactions. If you aren't receiving your monthly statements, call the bank right away. Check your statements thoroughly to make sure there are no unauthorized withdrawals or charges.

ASK!

Ask periodically for a copy of your credit report. Your credit report should list all bank and financial accounts under your name, and will provide other indications of whether someone has wrongfully opened or used any accounts in your name. You can obtain one free credit report from each of the credit bureaus once every 12 months. Get your free credit report from each of the three major nationwide credit bureaus at **www.annualcreditreport.com**.

MAINTAIN!

Maintain careful records of your banking and financial accounts. Financial institutions are required to maintain copies of your checks, debit transactions, and similar transactions for five years, but you should, too, for at least one year. If you need to dispute a transaction, your original records will be accessible and useful when you argue against it.



Lesson 10: Protecting Yourself

I'VE BEEN SCAMMED! NOW WHAT?

Use with *Learning About Identity Theft Stations* activity. One copy per station.

- **If you are receiving texts or emails asking for personal information or that seem fraudulent, tell your parents.**

- **If you notice your social media accounts have posts you did not make, change your password and ask your parent or guardian to help report it on the website.**

- **Contact the credit reporting companies and place a free fraud alert on your credit file.** This can make it harder for an identity thief to open more accounts in your name.

- **Check your bank and other account statements for unusual activity.** Look at your monthly statements to determine fraudulent transactions.

- **Get a free copy of your credit report.** Visit **www.annualcreditreport.com**.

- **Consider requesting a credit freeze.** This means that potential creditors cannot get your credit report and it makes it less likely that an identity thief can open a new account in your name. This does not affect your credit score.

- **Create an identity theft report.** This helps you get fraudulent information removed from your credit report and stop a company from collecting debts that are a result of identity theft.



Lesson 10: Protecting Yourself

IDENTITY THEFT ROLE-PLAY CARDS

Use with *Learning About Identity Theft Stations* activity. One copy per group.

Scenario #1, Role A	Scenario #1, Role B
You open up your latest bank statement to discover that there are several transactions on it that you did not authorize. You decide to make a call to the customer service branch of your bank.	You are a customer service representative at the bank. You regularly field calls from customers at your bank who believe that they have been the victims of identity theft.

Scenario #2, Role A	Scenario #2, Role B
You recently purchased several items from a store that has just suffered a security breach. This means that some identity thieves hacked into the store's credit and debit card readers and stole bank account information. You are unsure about what to do and you seek the advice of a trusted friend.	You are considered trusted and knowledgeable about finances by all of your friends. Offer your friend advice about what to do if he or she feels that she has been the victim of identity theft, and about protecting herself against identity theft in the future.

Scenario #3, Role A	Scenario #3, Role B
You've just learned about identity theft and how to protect yourself. When you get home from school, you realize that your parent or caretaker has thrown away unopened bills, responded to an unknown email address requesting personal information, and left computer passwords out on the table. Talk to your parent or caregiver about taking precautions against identity theft.	You are a busy parent or caretaker who doesn't have time to make sure that everything is perfect in life. Sometimes you forget to save your bills, or shred personal information before throwing it away. Nothing bad has ever happened in the past and you're not worried about anything bad happening in the future.

Scenario #4, Role A	Scenario #4, Role B
You are at the grocery store, shopping for some items for dinner, when another person strikes up a conversation with you about some financial trouble that he or she has been having. Give financial advice to this person.	This is a special role. Person A thinks that you are just a regular person looking for advice about some financial trouble that you've been having, but in reality, you are an identity thief trying to steal their personal information. See if you can talk Person A into giving you personal information, but be sneaky!



Lesson 11: Risky Business

TOPIC: Financial Risk

OVERVIEW:
This lesson will explore the basic principles of financial risk, engaging students in initial **risk-management** debates about **insurance** and emergency **savings**.

Time: 60 min

Supplies:
- Access to the Internet (optional)

Preparation:
- Make copies of student handout and group handouts
- Set up individual or group computers with access to the Internet (optional)

Glossary with key vocabulary 15

OBJECTIVES:
1. Identify methods to protect themselves from unwanted financial risk
2. Create a risk management plan for a purchase

INDIVIDUAL HANDOUTS:
- Insure Yourself

GROUP HANDOUTS:
- Purchasing a Vehicle (1 per group)
- Insurance Scenarios (1 per group)

TEACHER PRESENTATION SLIDES:
- none

ESSENTIAL QUESTIONS:
- What is risk management?
- How does risk management change based on different situations?

ASSESSMENT ACTIVITIES:

Pre-Assessment:
- **Activity:** There's a Little Risk in Everything

Post-Assessment:
- **Handout:** Insure Yourself
- **Wrap Up:** Financial Risk Exit Options

Instruction Steps

WARM UP

There's a Little Risk in Everything

10 MINUTES

Explain to students that, although they may seem fairly routine, activities such as riding a bike, skateboarding, or driving a car could be classified as **risky** behaviors. In fact, some might say that there's a risk in almost everything we do, from walking to school to sitting down at the dinner table to eat. Consider some everyday activities.

Ask:
What are the risks involved with those activities? (Possible answers: you can fall off of your bike or skateboard, you can choke while you're eating, you can accidentally cut yourself with scissors)

Next, ask students: *What are some actions that people could take to make those activities less risky?* (Possible answers: wearing a helmet, cutting up food or chewing slowly, holding the pencil in a safe way)

Ask students to consider: *Could some of these events happen even if you took action to try to avoid them?* (Yes)

Ask students: *What are the costs of some of these bad things happening?* (Possible answers: having to go to the doctor or the hospital) Explain that that is one reason why we purchase insurance. If those risks end up becoming a reality, the cost of taking care of yourself is not too high.

Introducing Risk Management and Insurance

10 MINUTES

Link to the Warm Up by introducing the vocabulary: **risk management** and **insurance**. Explain to students that what they just did was a type of risk management. True risk management is "the process of calculating risk and devising methods to minimize or manage loss." For example: when you buy a car, you are purchasing something valuable.

Ask:
What are some of the financial risks of owning a car? Possible answers: getting into an accident, car repairs, flood damage, theft. In order to minimize the financial risk of owning a car, car owners purchase insurance. Insurance is "a risk management tool that protects individuals from specific financial losses under specific terms and premium payments, as described in a written policy document"– for example: covering property damage during a vehicle accident or protecting dependents if someone passes away and those dependents lose their income.

Check for understanding by discussing with students:

- *What are some purchases that have financial risk?* (Possible answers: house, car, big vacation, your business)
- *What are those risks?* (Possible answers: accident or weather-related damage, loss, or theft)
- *Why is it a good idea to buy insurance for your purchases?* (Possible answer: It makes potential damage or loss less severe because the insurance company helps you recover. For example, if you get into a car accident, having vehicle insurance means that you won't have to pay for all of the repairs yourself.)

MONEY SMART TIP!
What are the health insurance laws in your state? How does having health insurance reduce financial risk?
Find resources at **www.healthcare.gov/families/.**

GROUP EXPLORATION

Making Insurance Decisions

30 MINUTES

Split students into groups of three or four. Distribute the ***Insure Yourself student handout*** and the ***Purchasing a Car*** and ***Insurance Scenarios*** group handouts.

Grade-Level Modification:
Advanced: Allow students to search for additional insurance options online to see if they can find more coverage, more appropriate insurance, or a better deal.

Guide students to read through the teacher presentation slide about their purchase, the cost of the purchase, and the options for insuring their purchase. Students should use the ***Insure Yourself*** worksheet to record information and make their decision.

As groups move through the scenario activity, see whether their choice of insurance matches the ***Insurance Scenarios*** group handout. Have students copy or paraphrase the scenario onto their ***Insure Yourself*** student handouts, then determine how much they pay with and without the insurance based on the scenario. (Note: Decide in advance which student groups get Scenario 1, which groups get Scenario 2, and so on.) See the Answer Key for a sample answer of the ***Insure Yourself*** student handout.

When all groups have finished, allow each group a few minutes to present their purchase and explain why they chose one insurance plan over the other.

Check for understanding and review questions:

- *What types of insurance exist? Do you know of any others?*
- *Why is insurance a good investment?*
- *Do you need to insure everything you own? Why or why not?*

WRAP UP

Financial Risk Exit Options

10 MINUTES

Present students with three options for their closing activity:

- **Create a fictional financial risk superhero cartoon**. Based on what you have learned today, create a superhero that can make possible damages or losses less severe for the public.
- **Quick-write: Consider your own family situation.** What risks does your family have? What actions can be taken to protect your family from risk? Why?
- **Draft an email**, explaining why it's important to protect yourself against unwanted financial situations and how you can protect yourself. Students can use **futureme.org** to send the message to themselves in the future.

Extended Exploration

Note: Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

ENGLISH LANGUAGE ARTS

Writing Prompts:

Describe a different scenario in which you would need to buy insurance (for example: purchasing a vehicle and looking for vehicle insurance). Explain the financial risk involved and how insurance could lessen that financial risk.

Additional Readings/Resources:

Protect Your Belongings by the U.S. government: Helpful tips on homeowner's and renter's insurance.
www.usa.gov/topics/family-homes/insurance.shtml

The World Is a Risky Place by BizKids: A short video clip on the risks involved in business and protections available. (Time of video: 1:20 minutes) **http://bizkids.com/episode/the-world-is-a-risky-place**

MATH

Activity/Project Ideas:

Explore the real-world cost of insurance. Research types of insurance, the cost of each type of insurance, and the protections afforded by the insurance. Evaluate to determine the best types of insurance for different scenarios.

SOCIAL STUDIES AND ECONOMICS

Activity/Project Ideas:

Most states require you to purchase at least some types of vehicle insurance. Research your state's laws and compare them to the activity from this lesson.

If you purchase the minimum amount of insurance required, will it adequately protect you in the event of an accident?

TECHNOLOGY

Online Games/Tools:

Risk and Insurance by Junior Achievement: An online activity to help students understand the concepts and terms associated with risk and insurance.
http://games- juniorachievement-org.s3-website-us-west-2.amazonaws.com/courseware/final/index.html

Classroom activities from the Consumer Financial Protection Bureau (CFPB)

The CFPB has developed a set of classroom activities to help teachers develop and support the building blocks of financial capability in their students. Each activity is designed to be completed within a single class period and includes a teacher guide and supporting student material. Some specific activities that are relevant to this lesson include:

Creating a poster about insurance	Students explore different types of insurance and then create a poster about the importance of insurance. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/creating-poster-about-insurance/**
Playing an insurance game	Students play a game to explore types of insurance and how they help protect people. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/playing-insurance-game/**

Answer Key

Student Handout 1:

Insure Yourself

Answers will vary. See completed Sample below.

My Group's Purchase: Vehicle **Value of Purchase:** $18,000

Brainstorm the risks associated with this purchase. What could happen to this purchase?

Vehicle accident, theft, weather-related damage, vandalism

Consider the two insurance options. Which option will your group buy? Why?

Collision Coverage–We chose collision coverage because the description says the most accidents fall under this kind of insurance policy.

PUT YOUR INSURANCE TO THE TEST:

Scenario Description:

Scenario #1–Vehicle is flooded

Cost without insurance: $7,500 **Cost with insurance:** $700

Did your group make the right choice? Explain.

We did not make the right decision. Because collision coverage does not cover flood damage, we owe the full cost of repairs instead of the $750 deductible.



Lesson 11: Risky Business
INSURE YOURSELF

Name: _____

Directions: Fill in blanks.

My Group's Purchase: Value of Purchase:

Brainstorm the risks associated with this purchase. What could happen to this purchase?

Consider the two insurance options. Which option will your group buy? Why?

PUT YOUR INSURANCE TO THE TEST:
Scenario Description:

Cost without insurance: Cost with insurance:

Did your group make the right choice? Explain.



Lesson 11: Risky Business

PURCHASING A VEHICLE

Use with *Making Insurance Decisions* activity. One copy per group.

Our purchase: Doesn't everyone love the smell of a new vehicle? You've been driving for several years without a single accident, but your state requires that at the very least you buy liability insurance. That means that, if you get into an accident, your insurance will pay the costs of repair and injury for the other person if it was your fault. Now you have a choice: what else do you want to cover?



Vehicle Cost: $18,000

Option 1: Collision Coverage	**Option 2: Collision and Comprehensive Coverage**
Buying collision coverage is protection for when your vehicle is involved in a crash with another vehicle or a stationary object. Most accidents fall under this kind of insurance policy. Damage includes your vehicle crashing into another vehicle, another vehicle colliding with yours, or ramming into a streetlight, pole, or some other stationary object. If you use collision coverage, you pay a $750 deductible to repair your vehicle, and the insurance company pays the rest. **Monthly cost:** $100	Collision coverage offers the same protections as Option 1. Comprehensive coverage includes most damage other than collisions. Generally speaking, comprehensive coverage includes any accidents where you as the driver do not have control of your vehicle. This might include natural disasters, vandalism or theft, or falling objects. If you use collision coverage, you pay a $750 deductible to repair your vehicle, and the insurance company pays the rest. If you use comprehensive coverage, you pay a $750 deductible to repair your vehicle, and the insurance company pays the rest. **Monthly cost:** $120



Lesson 11: Risky Business

INSURANCE SCENARIOS

Use with *Making Insurance Decisions* activity. One copy per group.

Scenario 1

You open up your latest bank statement to discover that there are several transactions on it that you did not authorize.

You decide to make a call to the customer service branch of your bank.

Scenario 2

Oh no! You've been in an accident! Luckily, no one was hurt, but your vehicle is pretty messed up. You were in the busy grocery store parking lot trying to pull out so that you could head home and make a delicious dinner. You were thinking so much about dinner that you didn't even notice that another vehicle was pulling out at the same time. On impact, your bumper fell off the back of the vehicle.

The repair person quoted the cost of repairs at $800.

Scenario 3

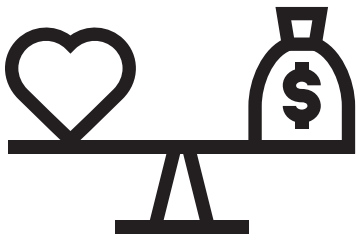
Oh no! Your vehicle window is smashed and there's glass everywhere! You'd heard about a recent spate of burglaries in the neighborhood, but you never thought it would happen to you. It probably didn't help that you left your electronic music player out on the vehicle seat. After you called the police to report the burglary, you took the vehicle to the repair shop.

The repair person quoted the cost of repairs at $350.

Scenario 4

Ho hum. No big news here. No flooding, no accidents, no burglaries, nothing. You don't owe anything on anything! But you are wondering whether it's worth all that money to keep paying for your vehicle insurance.

What do you think?



Lesson 12: Spend, Save, or Give?

TOPIC: Personal Financial Choices

Time: 55 min

Supplies:
- Access to the Internet(optional)
- Loose-leaf paper for stations

Preparation:
- Make copies of student handout and group handouts
- Set up Spend, Save, and Give stations
- Set up individual or group computers with access to the Internet(optional)

Glossary with key vocabulary 15

OVERVIEW:
Gaining strides in their compounding financial knowledge, learners delve into personal decision making in this 12th and final lesson by applying their budgeting skills to determine when and how to **save**, **spend**, or give with their money. Exploring c**haritable giving** as part of a spending plan, learners discover how giving adds value to a financial life.

OBJECTIVES:
1. Create a balanced budget that takes into consideration spending, saving, and giving
2. Analyze personal decision making when crafting a budget

INDIVIDUAL HANDOUTS:
- Personal Budget

GROUP HANDOUTS:
- Spend (station set)
- Save (station set)
- Give (station set)

TEACHER PRESENTATION SLIDES:
- none

ESSENTIAL QUESTIONS:
- What are the benefits to investing money?
- Is investing money worthwhile?
- What investing strategies will create positive rate of return?

ASSESSMENT ACTIVITIES:
Pre-Assessment:
- **Activity:** What Goes into a Budget?

Post-Assessment:
- **Handout:** Personal Budget
- **Activity:** Personal Budget Explanation Quick-Write

Instruction Steps

WARM UP

What Goes Into a Budget?

5 MINUTES

Ask students:

- *How many of you have a **budget** ("spending plan")?*
- *What types of things might be included in a spending plan?*
  Allow students to share answers. (Possible answers: earnings and various sources of income, spending on other things like mortgage or rent, clothing, entertainment; savings account(s); investing in stocks, bonds, or mutual funds; charitable giving in the form of monetary donations)

GUIDED EXPLORATION

Spend, Save, Or Give? – Personal Thinking Stations

20 MINUTES

Set up the classroom in three stations, with group handouts at each station:

- Station 1: ***Spend***
- Station 2: ***Save***
- Station 3: ***Give***

(If you are concerned about the number of students at each station, the stations can be doubled to make two sets of stations, or six stations total.)

Instruct students that, at each station, they will view a slide that asks them to think about how they relate to the station. As they move to each station, they should talk about their answers with their station peers and/or record answers on a sheet of loose-leaf paper. Allow students five minutes at each station.

Grade-Level Modifications:

Beginner: Limit the slide to one or two key questions. Allow these students to discuss their answers with a peer before recording their answers on loose-leaf.

Advanced: Ask students develop one additional question related to spending, saving, or charitable giving that can be used by the next group to visit the station.

MONEY SMART TIP!

Provide each station with a laptop or Internet-connected device to allow students to do additional research with any remaining time.

INDEPENDENT EXPLORATION

Personal Budgeting

20 MINUTES

When they return to their seats, provide students with the ***Personal Budget*** student handout. Also give them a monthly income that they can use to create their budgets. (Note: You may want to give everyone in class the same budget, say $2,000, or you may want to vary the monthly budgets that students can work with.)

Using their responses to the station questions, students will fill out their ***Personal Budget*** student handout, factoring in expenses, savings, and giving decisions. (Note: You might help students brainstorm some of the possible items on the budget.) See a possible student response to the ***Personal Budget*** student handout on the **Answer Key**.

Grade-Level Modifications:

Beginner: Limit the number of expenses to the options and prices on the group handouts. Also, limit how students use their money for savings and giving. For savings, beginner students can focus on putting money into a simple savings account. For giving, beginning students can determine how much money they'd give away.

Advanced: Have students research the salary of their goal career and enter the monthly salary after taxes as their budget income amount. Encourage students to explore a few methods of saving and a few methods of giving included in their personal budgets.

When students are finished with their budgets, they will choose one interesting part of it to present to the small groups from their stations. For example: some students may think that the way they factored giving into their budget is interesting, or how they limited their expenses to have more money in their savings accounts.

Students will then present their budget to their small group, focusing on what makes their budget interesting. Peers will use peer feedback norms to provide the students with budget "glows and grows." During "glows," peers will offer positive feedback on the budget. During "grows," peers will offer some suggestions or questions that might prompt change or improvement of the budget.

WRAP UP

Explaining My Budget Quick-Write

10 MINUTES

Have students respond to the prompt in writing:

You will be turning in your budget, but you will not be present when the teacher reviews it. Write an explanation of how you set up your budget and the decisions you made so that the budget will make sense to someone else (your teacher).

Extended Exploration

Note: Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

ENGLISH LANGUAGE ARTS

Writing Prompts:

Imagine that you've just been gifted with $1,000,000. How would you spend, save, or give the money? What lessons have you learned about financial decision making that have influenced your choices?

What do you think should be the most important part of financial decision making: spending, saving, or giving? Write a convincing argument for your selection.

Additional Readings/Resources:

Spend by the Financial Literacy and Education Commission: Tips for students about how to spend money.
www.mymoney.gov/spend/Pages/spend.aspx

Save and Invest by the Financial Literacy and Education Commission: Tips for students about how to save and invest money.
www.mymoney.gov/save-invest/Pages/saveandinvest.aspx

Ten Wise Giving Tips by the Network for Good: Tips on how to give your money.
www1.networkforgood.org/for-donors/tips-and-tools/giving-wisely

MATH

Activity/Project Ideas:

Imagine that you've just been gifted with $1,000,000. Create a detailed budget about the amount of money you spend, save, or give. Use financial calculators to determine interest gained on savings, and potential risk or reward on investments.

Investigate the finances of a variety of nonprofit organizations in your community. Complete calculations to determine how much of their budget is from charitable donations and what might happen if charitable donations decreased.

SOCIAL STUDIES AND ECONOMICS

Activity/Project Ideas:

Research the incentives that the government has placed on charitable giving, such as tax deductions. Evaluate whom the government incentives are geared toward and whether or not the incentives increase charitable giving.

TECHNOLOGY

Online Games/Tools:

The Great Piggy Bank Adventure by the Disney Corporation: A game that helps students set a financial goal and carry through with their plans. **http://piggybank.disney.go.com/game/**

Classroom activities from the Consumer Financial Protection Bureau (CFPB)

The CFPB has developed a set of classroom activities to help teachers develop and support the building blocks of financial capability in their students. Each activity is designed to be completed within a single class period and includes a teacher guide and supporting student material. Some specific activities that are relevant to this lesson include:

Bouncing ball money choices	Students play a game to share how they think and feel about money. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/bouncing-ball-money-choices/**
Building a budget for a school field trip	While planning a large school field trip, students make decisions about how to budget their money.. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/building-budget-school-field-trip/**
Paying for a pet	Students calculate the costs of owning a pet and choose the pet that's best for them. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/paying-pet/**
Paying for fitness	Students compare the cost of home exercise equipment and a gym membership and determine which option would be best for them. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/paying-fitness/**

Understanding who shapes your money decisions	Students read a handout and then identify how both they and the people in their lives make choices about money. **www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/understanding-who-shapes-your-money-decisions/**

Answer Key

Student Handout 1: ***Personal Budget***

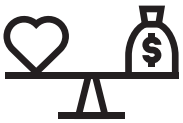
MY EXPENSES

Expense	Amount per Month
Rent	**$800**
Utilities (gas, electric, and water)	**$75**
Phone	**$50**
TV and Internet	**$100**
Bus Pass	**$50**
Food and Household Supplies	**$150**
Going Out to Eat	**$100**
Taking Care of My Pet (food, supplies)	**$40**
Entertainment	**$150**
Magazine Subscription	**$12**
Renter's Insurance	**$12**
Total	**$1539**

Money remaining after expenses are deducted:
$2,150 – $1,539 = $611

MY SAVINGS
How much of the remaining money do you plan to save? Explain your savings plan.
$500 in my savings account, because it will get interest, but I can access it for emergencies.

MY GIVING
How much of the remaining money do you plan to give? Explain your giving plan.
$50 to a group that provides after-school programs to kids (like the YMCA) because I benefited from those programs and it helped me become who I am today.



Lesson 12: Spend, Save, or Give?

PERSONAL BUDGET

Name: _____

Directions: Fill in blanks.

MY EXPENSES

Expense	Amount per Month
Total	

Money remaining after expenses are deducted:

MY SAVINGS

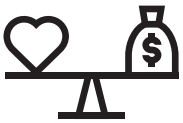
How much of the remaining money do you plan to save?

Explain your savings plan.

MY GIVING

How much of the remaining money do you plan to give?

Explain your giving plan.



Lesson 12: Spend, Save, or Give?

SPEND

Use with *Spend, Save, or Give? — Personal Thinking Stations* activity.
One copy per group.

Consider that some expenses are **fixed,** or never change from month to month, and other expenses are **variable,** or may vary from month to month. Categorize the expenses below as either fixed or variable. Then prioritize expenses based on personal priorities

Two-Bedroom Apartment Rent $800

Phone Bill $50

Bus Pass $50

Taking Care of My Pet (food, supplies) $40

TV and Internet $100

Groceries $150

Going Out to Eat $100

Entertainment (movies, travel, etc.) $150

Renter's Insurance $12

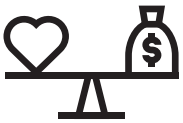
Magazine Subscription $12

Utilities (gas, electric, water) $75

What other expenses might people have, aside from those listed above? Are those expenses fixed or variable?

Of the variable expenses above, what could you do to decrease or increase your spending? What would your life be like if you increased or decreased spending?

Are fixed expenses fixed for the rest of your life?



Lesson 12: Spend, Save, or Give?

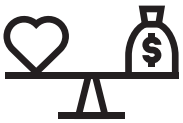
SAVE

Use with *Spend, Save, or Give? — Personal Thinking Stations* activity.
One copy per group.

What are different ways that you can give back? (Hint: think beyond money)

What causes, organizations, or parts of your community would you like to support or give back to?

How can you support one of the ideas you listed above?



Lesson 12: Spend, Save, or Give?

SAVE

Use with *Spend, Save, or Give? — Personal Thinking Stations* activity.
One copy per group.

What are your goals for saving money?

What are some things you could do to save money?

Are there certain methods for saving money that are better than others? Why?