



Educator Guide



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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 personal financial education in grades 9 through 12 students and young adults aged 18 to 20. You can use *Money Smart* to add engaging and enriching activities to financial literacy and economics instruction. Extension activities support English Language Arts, Math, Social Studies and Economics, and Technology, while also helping your students build the foundation to become financially responsible adults.

In *Money Smart* you will find:

- Twenty-Two Lessons with hands-on, cross-curricular activities that engage ninth- through twelfth-grade students and young adults aged 18 to 20 in discussing and exploring key financial concepts
- **Teacher Presentation Slides,** which provide helpful visuals, as well as challenge exercises and reflective prompts to support the activities in each lesson
- A Student Guide with handouts, worksheets, and resources that let students explore the topics covered in each lesson and apply their new knowledge
- A Parent/Caregiver Guide with information about topics being covered in class, conversation starters, online and literary sources, along with conversation starters and family activities to try together

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 teens and young adults 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, including Common Core State Standards in mathematics and English Language Arts. The **Education Standards Chart** on pages 155 -186 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 in Economics by 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 beginners and advanced learners. Modifications provide developmentally appropriate activity recommendations and extension opportunities for a wide range of learning levels.

PRESENTATION TIME

Each lesson plan includes an estimated time needed to teach the lesson. Actual time required will vary classroom to classroom. The estimation includes time spent on the **Warm Up**, **Guided 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 will be integrated throughout each of the twenty-two 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 of 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. 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 key financial literacy learning objectives with teacher support
 and guidance. Through whole-class discussions and activities, students discuss key topics and
 begin connecting the concepts to the context of their own lives.
- 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.
- 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 Exploration activities and may also be used as homework assignments, for collaborative group work, 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) and Teacher Presentation Slides provide
 dynamic instructional support. Student 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 (found on page 146) to students as a reference.

MONEY SMART AT HOME

The *Money Smart* curriculum includes a helpful **Parent/Caregiver Guide** that corresponds to the classroom materials. Families 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 the importance of building healthy financial habits early on in life.

- Hold a *Money Smart* family night. Play games and have students share short skits about financial concepts they have learned.
- Send student handouts from each lesson home in homework folders for parents to review and sign.

MONEY SMART PORTFOLIO

To promote positive financial behaviors and demonstrate the compounding knowledge of financial literacy skills developed throughout the *Money Smart* curriculum program, introduce the *Money Smart Portfolio* into your classroom. The *Money Smart Portfolio* is a semester-long project that collects student handouts and activities from each lesson to be presented as a final portfolio.

The portfolio creation recognizes students' financial growth throughout each phase of the learning process. The portfolio also enables students to walk away with a comprehensive resource that may be referred back to anytime a financial question arises in their futures. Using the **Money Smart Portfolio** as a semester-long project also gives students a long-term goal to work toward, while enabling an excellent opportunity for final assessment.

Money Smart Portfolio is designed for the following purposes:

- Assess student understanding from each phase of the program
- Create opportunities for final student self-reflection and personal assessment
- Reaffirm for students the intrinsic nature of financial skills and how one skill and strategy leads to another
- Build long-term vision for students to invest in the program from beginning to end

FINANCIAL LITERACY ALL YEAR LONG

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

- Create bulletin boards or posters with students about financial literacy themes learned in *Money Smart*
- Create a class or school newsletter with students to distribute to the school community about money skills and financial concepts covered in class.
- Publish student handouts and activities from the *Money Smart* lessons by sharing them on a classroom blog, website, or through social media.
- Display student work in the classroom, library, and hallways to spread financial literacy throughout the school community.
- Connect with other teachers to integrate real-world applications of financial literacy across all disciplines and classrooms, from Math to English Language Arts and Technology courses.

The more that 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.

LESSONS AT-A-GLANCE

	Lesson Title	Topic	Learning Objectives	Time Required
1	Working Hard for the Money	Career Options	 Identify career options and education or training required for different careers Name sources of income Explain the relationship between income and taxes Demonstrate how to research and analyze different careers 	55 min Session 1: Warm Up and Guided Exploration (25 min) Session 2: Independent Exploration and Wrap Up (30 min)
2	Designing Dreams	Financial Planning	 Determine personal values and financial goals Determine personal financial decisions Create a financial plan Summarize the purpose of financial planning 	50 min Session 1: Warm Up and Guided Exploration (25 min) Session 2: Independent Exploration and Wrap Up (25 min)
3	Can You Pay Your Bills?	Spending and Budgeting	 Develop a plan for spending and saving Create a system for keeping financial records Identify personal income and expenses or system for cash flow management 	50 min Session 1: Warm Up and Guided Exploration (30 min) Session 2: Independent Exploration and Wrap Up (20 min)
4	Boost Your Savings	The Importance of Saving	 Describe how savings affects financial well-being Explain compound interest Identify and research savings products Explain how interest is computed on savings 	50 min Session 1: Warm Up and Guided Exploration (25 min) Session 2: Independent Exploration and Wrap Up (25 min)
5	Bank Your Bucks	Choosing a Banking Partner	 Analyze different financial institutions and conduct a comparative analysis of each institution Explain the key differences between checking and savings accounts Demonstrate how to control personal information Understand the benefits of using federally insured financial instituions 	80 min Session 1: Warm Up and Guided Exploration (35 min) Session 2: Independent Exploration and Wrap Up (45 min)
6	Bread-and- Butter	Managing Your Paycheck	 Decode and identify elements of a paycheck Discuss how taxes, personal exemptions, and deductions impact net pay Explain how to calculate gross and net income Discuss the IRS Form W-4 	60 min Session 1: Warm Up and Guided Exploration (40 min) Session 2: Independent Exploration and Wrap Up (20 min)

LESSONS AT-A-GLANCE (continued)

	Lesson Title	Topic	Learning Objectives	Time Required
7	Capacity, Character, Collateral, Capital	Credit	 Define creditworthiness Evaluate positive and negative types of credit Explain credit factors and risks and how credit scores work Discuss how to maintain or increase credit score Explain how credit is damaged 	70 min Session 1: Warm Up and Guided Exploration (40 min) Session 2: Independent Exploration and Wrap Up (30 min)
8	The Almighty Dollar?	Credit Cards	 Identify how credit cards differ from debit cards Discuss different types of credit cards Summarize credit card key terms and conditions and consumer protection laws Evaluate credit card offers and explain how to manage a credit card Demonstrate how to compute the debt-to-limit ratio 	65 min Session 1: Warm Up and Guided Exploration (30 min) Session 2: Independent Exploration and Wrap Up (35 min)
9	As Easy as Pi	Financial Ratios	 Identify common financial ratios Demonstrate and explain how to calculate financial ratios Discuss how financial ratios impact financial decision making and creditworthiness 	50 min Session 1: Warm Up and Guided Exploration (25 min) Session 2: Independent Exploration and Wrap Up (25 min)
10	Convertible or Clunker?	Automobile Purchase	 Research and investigate secured and unsecured installment loans Calculate how much car to afford Evaluate long-term costs associated with buying a car, including insurance and maintenance Explain the difference between leasing and purchasing 	70 min Session 1: Warm Up and Guided Exploration (30 min) Session 2: Independent Exploration and Wrap Up (40 min)
11	Risky Business	Risk Management and Insurance	 Identify common risks and strategies to reduce risk Explain the purpose and importance of various insurance types Recognize when insurance is needed and how to get it 	65 min Session 1: Warm Up and Guided Exploration (35 min) Session 2: Independent Exploration and Wrap Up (30 min)
12	Halls of Knowledge	Financing College	 Identify the costs of college Discuss student loan management Research and compare different college financial aid choices Discuss the earning potential of a degree in relationship to its cost 	80 min Session 1: Warm Up (15 min) Session 2: Guided Exploration: (35 min) Session 3: Independent Exploration and Wrap Up (30 min)

LESSONS AT-A-GLANCE (continued)

	Lesson Title	Topic	Learning Objectives	Time Required
13	The Policy of Personal Choice	Understanding the Economy	 Understand how the economy impacts personal financial choices Summarize monetary and fiscal policy Understand inflation Understand economic cycles 	55 min Session 1: Warm Up and Guided Exploration (30 min) Session 2: Independent Exploration and Wrap Up (25 min)
14	Increasing the Value of Your Money	Financial Markets and Investing	 Understand how investing helps meet financial goals and build wealth over time Research and evaluate investment vehicles and resources Explain how investments are regulated Explain how investments can be impacted by economic and business cycles 	65 min Session 1: Warm Up and Guided Exploration (35 min) Session 2: Independent Exploration and Wrap Up (30 min)
15	Road to Retirement	Retirement Planning	 Explain how long-term retirement savings through investing builds wealth Identify differences in retirement planning strategies Create a retirement plan Understand Social Security benefits 	70 min Session 1: Warm Up and Guided Exploration (35 min) Session 2: Independent Exploration and Wrap Up (35 min)
16	Crash Pad	Homeownership and Renting	 Explain the responsibilities and expenses of renting versus owning Analyze renting versus homeownership Evaluate sound financial decision making for renting and owning property Discuss costs related to homeownership Discuss how homeownership can create wealth Understand the mortgage approval process 	60 min Session 1: Warm Up and Guided Exploration (35 min) Session 2: Independent Exploration and Wrap Up (25 min)
17	Pocket Giving	Charitable Giving	 Evaluate charitable giving Analyze monetary and nonmonetary forms of giving Create a spending plan to include giving Discuss tax deductions for giving 	55 min Session 1: Warm Up and Guided Exploration (20 min) Session 2: Independent Exploration and Wrap Up (35 min)

LESSONS AT-A-GLANCE (continued)

	Lesson Title	Topic	Learning Objectives	Time Required
18	Paving the Future	Estate Planning	 Identify elements of an estate plan Evaluate how to title property Explain the importance of a will Understand the consequences of not having an estate plan 	50 min Session 1: Warm Up and Guided Exploration (30 min) Session 2: Independent Exploration and Wrap Up (20 min)
19	Financial Sleuth	Financial Resources	 Demonstrate how to find and use financial resources Differentiate between credible and dishonest financial resources Define and explain the role of a financial planner Understand federal and state consumer protection laws and self-regulatory organizations 	60 min Session 1: Warm Up and Guided Exploration (25 min) Session 2: Independent Exploration and Wrap Up (35 min)
20	Protect Yourself	Consumer Protection	 Explain identity theft Evaluate consumer rights and protection laws Demonstrate how to protect personal information 	70 min Session 1: Warm Up and Guided Exploration (35 min) Session 2: Independent Exploration and Wrap Up (35 min)
21	Launching Your Dream	Entrepreneurship 1: Starting a Business	 Identify and consider risks and rewards of entrepreneurship Evaluate business start-up practices Explain how entrepreneurship and innovation are a source of economic growth Identify the types of business organizations (sole proprietorship, corporations, LLC, and so on) 	80 min Session 1: Warm Up and Guided Exploration (35 min) Session 2: Independent Exploration and Wrap Up (45 min)
22	Maintenance Mode	Entrepreneurship 2: Maintaining a Business	 Understand and describe tax planning and reports Debate business management strategies Explain insurance choices for businesses 	75 min Session 1: Warm Up and Guided Exploration (30 min) Session 2: Independent Exploration and Wrap Up (45 min)

LESSON OVERVIEW

As teens and young adults begin working for the first time, questions about job choices and what to do after high school are on the forefront of their minds. With some teens planning on attending college and others unsure of their direction after graduation, this lesson explores the many different options young adults and teens have at their disposal in finding a **career** track that works for them. Exploring **jobs** that combine passion and profit, students examine different career and educational tracks and assess where they fit within the spectrum of choices, and recognize how **taxes** relate to **income** earned.

TOPIC: Career Options

SUBJECT CONNECTIONS: Science, Social Studies, Math, English Language Arts, Technology

TIME REQUIRED: 55 minutes (excluding Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Identify career options and education or training required for different careers
- Name sources of income
- Explain the relationship between income and taxes
- Demonstrate how to research and analyze different careers

SUPPLIES:

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

PREPARATION:

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

Answer Key1	29
Glossary with key vocabulary1	46
National Education Standards1	55

STUDENT HANDOUTS:

(found in Student Guide)

- Exploring Careers
- Career Research
- Making Choices

TEACHER PRESENTATION SLIDES:

- Dream Job
- Possible Employer Benefits
- Paycheck
- Choices

ESSENTIAL QUESTION:

- How do I earn money now?
- How can I earn money later in my life?
- What career or job is right for me?
- What kind of education or training will I need?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

- Dream Job slide
- Exploring Careers activity

POST-ASSESSMENT:

- Career Research handout
- Making Choices handout

MONEY SMART PORTFOLIO:

- Career Research handout
- Making Choices handout

INSTRUCTION STEPS

WARM UP

EXPLORING CAREERS [10 MINUTES]

Open the lesson by displaying the *Dream Job* slide. The question prompts may be used for small-group discussions, a whole-class discussion, or an individual reflective writing exercise.

Distribute the *Exploring Careers* handout, and review together as a class. Using student responses from the *Dream Job* slide and information on the *Exploring Careers* handout, engage the class in a brief discussion about how different career tracks require different preparation, such as formal education, training, skills, and experience. Ask students: *What is the difference between a job, career, and profession? Why do different jobs require different education and training?* Invite students to share examples of each to test their understanding.

GUIDED EXPLORATION

INCOME, BENEFITS, AND TAXES [15 MINUTES]

Next, guide the discussion to the different income levels for the jobs highlighted on the *Exploring Careers* handout. Explain that, even though a job may pay a certain amount of money per hour or year, there are other factors that contribute to earned incomes, such as benefits provided by an employer and taxes deducted from a paycheck.

Display the **Possible Employer Benefits** slide and review each of the benefits together as a whole class. Help students understand that, in addition to researching and exploring **salary** incomes, it is also important to investigate benefits provided by an employer. For instance, if a job doesn't offer health insurance, explain that this is an out-of-pocket expense that must be considered in a personal budget, thus reducing available income to satisfy other needs.

MONEY SMART TIP!

While many people connect employer benefits first to health care and retirement, show students that there are also other benefits and perks that employers may offer. These could include items such as a wellness program covering gym membership costs, childcare and tuition reimbursements, discounts on products and services, unlimited vacation days, or flexible work hours. Ask students to consider their values by having them define which benefits would be most important to them and why. Encourage students to also ask their parents and family members what type of benefits they have at their jobs and which ones they value the most.

Grade-Level Modifications:

Beginner: Engage students in considering what a "benefit" means and why benefits are used to attract and retain employees.

Advanced: Challenge students to research and discuss real job listings, noting the types of benefits offered. They can use job-listing sites or newspaper listings, or visit the websites of companies they are interested in working for.

Explain that another factor in understanding earned income is calculating the amount of taxes deducted from a paycheck. Display the *Paycheck* slide and review the sample paycheck with the class. Walk students through each part of the paycheck and explain that, even though our **gross income** (earned money before taxes) is one number, our **net income** (take-home pay) can be quite different. (See Lesson 6 for more information on taxes.)

MONEY SMART TIP!

Expand the discussion of paychecks by connecting this lesson with Lesson 6, *Bread-and-Butter*, which details information on paychecks and taxes.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

EDUCATION AND CAREER CHOICES [20 MINUTES]

Display the *Choices* slide and engage the class in a brief discussion about the many different opportunities and choices available in selecting a career path. Ask students: *Why are there so many different career options? How do you determine which option is right for you?* Explain that directions after high school may include going straight into the workforce, two- or four-year colleges, an apprenticeship, joining a branch of the military, or becoming an entrepreneur. Emphasize that there is no one "right" path and that everyone has unique values, goals, passions, dreams, and skills.

Distribute the *Career Research* handout and explain that students will now have the opportunity to explore different career options by researching job functions, training, and income levels. Allow students time to complete the handout, and invite volunteers to share their responses.

MONEY SMART TIP!

The Career Research handout may also be assigned as homework to provide students additional research time, or used as a writing extension by having students write a brief essay responding to the interest and skills reflection questions.

WRAP UP

MAKING CHOICES [10 MINUTES]

Close the lesson by giving students time to reflect on their different career choices by completing the *Making Choices* handout.

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:

- How does technology influence the global job market? For example: in what ways do advancements in automation and robotics impact available work?
- How does technology change the way we search for jobs and perform jobs? (Online job applications, remote working opportunities)
- What does the American Dream mean to you? How does a job or career fit into your idea of the American Dream?
- Create an argument for and against the following statement: not everyone needs a fouryear degree.

Suggested Readings:

- Top 25 Young Entrepreneur Success Stories by Junior Biz: Entrepreneurial stories from young people who started their own businesses.
 http://juniorbiz.com/top-25-young-entrepreneurs
- Why It's Important to Think About Your Career in High School by U.S. News: Explore reasons why it is never too early to start thinking about your career.
 http://money.usnews.com/money/blogs/outside-voices-careers/2014/02/11/why-its-important-to-think-about-your-career-in-high-school
- Colleges Ramp Up Career Guidance for Students by USA Today: Learn about how colleges are helping students find the greatest return on their college investment through career planning. http://www.usatoday.com/story/news/nation/2014/02/26/campuscareer-centers-take-center-stage/5257141/

MATHEMATICS

Activity/Project Ideas:

- Review and discuss job requirements, education, and annual incomes for different applied math-based careers, such as actuaries, statisticians, financial analysts, and computer scientists.
- Challenge students to calculate federal, state, Medicare, and Social Security taxes on different income levels and paycheck scenarios.

SOCIAL STUDIES AND ECONOMICS

Discussion Topics:

- Explore and discuss the globalization of the job market. For example: is globalization an opportunity to strengthen the U.S. economy? Why or why not? What are the pros and cons of globalization?
- Have students analyze connections between genders and careers what are the historical shifts in jobs held by men and women?
- Debate the domestic and international economic impact of outsourcing jobs and the supply and demand shifts of different industries.

Activity/Project Ideas:

Have students conduct research about the history of jobs. For example: students may explore historical shifts in the U.S. job market by visiting the U.S. Bureau of Labor Statistics website at http://www.bls.gov/home.htm. Investigate how jobs in America have evolved over time from farming to manufacturing to technological advancements. Have students create a timeline to present their research and discuss as a class how jobs will continue to evolve in the future. Invite students to consider science, technology, engineering, and mathematics (STEM) careers and the demand for such skilled careers in the present and future.

TECHNOLOGY

Online Resources:

- Occupational Outlook Handbook by the U.S. Bureau of Labor Statistics: Explore hundreds of different careers and discover education and training needed for each career, as well as median salaries. www.bls.gov/ooh
- CareerOneStop by the U.S. Department of Labor, Employment and Training
 Administration: A comprehensive website showcases employment trends, occupation profiles, and salary information for every type of career. http://www.careeronestop.org/
- Youth Employment, Find Youth Info: Explore resources ranging from job search assistance to internships. http://findyouthinfo.gov/youth-topics/youthemployment/career-exploration-and-skill-development



LESSON OVERVIEW

As teens begin to formulate a better understanding of the vision they hold for their future, practicing **financial planning** in situations applicable to their lives becomes an important topic for discussion. This lesson immerses teens in the process of financial planning by first defining concrete **goals** and identifying their values, and then constructing a plan to implement their goals through meaningful practices, including weighing **needs** and **wants**, avoiding peer pressure, and understanding the importance of a **budget**.

TOPIC: Financial Planning

SUBJECT CONNECTIONS: Social Studies,

Math, English Language Arts

TIME REQUIRED: 50 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Determine personal values and financial goals
- Determine personal financial decisions
- Create a financial plan
- Summarize the purpose of financial planning

SUPPLIES:

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

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- Setting & Reaching Goals
- Poor or Polished Plan?
- My Plan

Answer Key	129
Glossary with key vocabulary	146
National Education Standards	155

TEACHER PRESENTATION SLIDES:

- Setting & Reaching Goals
- What's in a Plan?
- Poor Planning

ESSENTIAL QUESTIONS:

- What is a financial plan?
- Why do I need a financial plan?
- What are values?
- What are financial goals?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

Setting & Reaching Goals handout

POST-ASSESSMENT:

- Poor or Polished Plan? handout
- My Plan handout
- Purposeful Planning activity

MONEY SMART PORTFOLIO:

- Setting & Reaching Goals handout
- My Plan handout



INSTRUCTION STEPS

WARM UP

SETTING & REACHING GOALS [10 MINUTES]

Open the lesson by displaying the **Setting & Reaching Goals** slide and distributing the **Setting & Reaching Goals** handout. Explain that financial planning is about defining and following a set of steps in order to reach a goal and that today's lesson will walk through how to create a plan.

MONEY SMART TIP!

Review the definition of what a goal is with your students before reading the Setting & Reaching Goals slide and handout (a goal is a desired result from one's efforts to achieve personal economic satisfaction).

After reading Aisha's story, use the definition of what a goal is to discuss the process Aisha took to reach personal economic satisfaction (for example: she divided her objectives into manageable steps by creating short, intermediate, and long-term goals).

Review the **Setting & Reaching Goals** handout and the **Setting & Reaching Goals** slide together as a class. Ask students to share their ideas on how Aisha was able to meet her goal of becoming a nurse: What challenges did she have to overcome to reach her goal? What steps did she take? Why did Aisha map out short-term, intermediate, and long-term milestones? Encourage students to share their ideas, and discuss how Aisha had to manage her expenses in the short term in order to reach the long-term reward of becoming a nurse.

Ask students to reflect on their own goals and record their responses in part two of the **Setting & Reaching Goals** handout.

GUIDED EXPLORATION

WHAT'S IN A PLAN? [15 MINUTES]

Invite students to share their goals from the **Setting & Reaching Goals** handout in small groups or as a whole class. Next, display the **What's in a Plan?** slide and review the different components. (Detailed definitions for each term may also be found in the glossary on page 146.)

Grade-Level Modifications:

Beginner: Focus the lesson on goal setting and then scaffold into the other aspects of financial planning.

Advanced: Delve deeper into the budgeting aspect of a financial plan by exploring **fixed** (for example: rent and auto loan payments), **variable** (for example: food and gas), and **discretionary expenses** (for example: eating out and shopping).



Ask students to share ideas on why there are multiple areas to consider in a financial plan. What do we gain by thinking through each of the items in a plan? Help students understand that financial decisions are interconnected in every facet of our lives. For example: if we make a choice to spend money on a "want" item, it could impact the money that is available for "need" items.

MONEY SMART TIP!

Share and discuss with your students the documentary *Broke* (1 hour, 19 minutes), which highlights professional athletes that go from high-income salaries to bankruptcy because of poor financial planning. http://espn.go.com/30for30/film?page=broke

Display the **Poor Planning** slide and discuss the significance of the statistics. Ask students why such financially successful athletes could end up bankrupt. What went wrong? What steps could athletes take in order to prevent bankruptcy?

Next, distribute the **Poor or Polished Plan?** handout. Read the scenarios together and ask students to assess and explain which plans are polished and why.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

MAKE A PLAN [15 MINUTES]

Challenge students to think through their own financial plan by distributing the *My Plan* handout. When students are finished completing the handout, divide the class into small groups and have them share their handout answers with one another.

Ask groups to catalog similarities and differences among their answers, and then invite a member from each group to share his or her responses with the class.

Grade-Level Modifications:

Beginner: Have students reflect individually on their answers to the My Plan handout.

Advanced: Have students select a career and then use it to create a realistic budget, including fixed, variable, and discretionary expenses. Students may use online calculators (for example: http://www.clearpointcreditcounselingsolutions.org/resource-center/tools/build-a-budget-calculator/) or spreadsheet templates (for example: http://www.consumer.gov/content/make-budget-worksheet) to help them create their budgets.



WRAP UP

PURPOSEFUL PLANNING [10 MINUTES]

Close the lesson by asking students to write a brief reflection answering the following questions: What is the purpose of creating a financial plan? (It helps you reach your short-, medium-, and long-term goals.) What steps should you consider when creating a plan? (Make a budget and spending plan, weigh needs versus wants, and limit expenses when necessary.) Invite volunteers to share their responses for a final reflection.

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:
 - o How does financial planning affect other life choices?
 - Using supporting points, argue a solution to the problem of why so many professional athletes (or celebrities) go bankrupt.
 - o Write about a fictional character who demonstrates smart financial planning.

Suggested Readings:

14 Stars Who Lost It All by Investopiedia: read about famous athletes and celebrities who
lost their fortunes due to poor financial planning. http://www.investopedia.com/slideshow/14-stars-who-lost-it-all/?article=1

MATHEMATICS

- Activity/Project Ideas:
 - Challenge students to calculate and discuss fixed and variable expenses in a budget.
 For example: have students play "Determine Your Budget" or "Balance Your Checking Account" from TheMint.org, a web resource designed to support building positive financial habits. http://www.themint.org/teens/determine-your-budget.html



SOCIAL STUDIES AND ECONOMICS

Discussion Topics:

- Explore how effective decision making plays a role in financial planning.
- o Analyze and discuss how economic fluctuations affect personal financial planning.

• Activity/Project Ideas:

- Read and discuss a current event related to financial planning, such as a public figure, celebrity, or professional athlete facing financial problems.
- Have students simulate a real-life financial planning experience by calculating and discussing living expenses, income opportunities, and long-term goals for different scenarios (for example: a young couple considering having a child, a young adult moving out for the first time, a young couple about to get married, and so on).

TECHNOLOGY

Online Resources:

- Make My Plan by Feed the Pig: A planning simulation that lets students pick three life goals, such as careers, education, or buying a car. A detailed checklist and related articles are presented based on selected goals to guide students in planning for their future. http://www.feedthepig.org/what-do-you-want-to-do#.U_d7gCiNZdQ
- GoalsOnTrack App: A mobile app designed to create efficiency in planning and tracking personal goals. http://www.goalsontrack.com/

Activity/Project Ideas:

Using spreadsheet or word processing software, challenge students to create a goal-tracking worksheet to organize actions needed to reach goals (for example: students may review other templates to create their own, such as http://aboutleaders.com/wp-content/uploads/pdf/SMART_goal_setting_worksheets.pdf).



LESSON OVERVIEW

This lesson focuses on **financial recordkeeping** as a sound financial practice, reinforces prioritization of **wants** and **needs**, and challenges teens and young adults to develop a **budget** considering **cash flow** and personal spending choices. Students learn about important components of a budget, such as shelter, food, transportation, utilities, insurance, savings, and investments.

TOPIC: Spending and Budgeting

SUBJECT CONNECTIONS: Math

TIME REQUIRED: 50 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Develop a plan for spending and saving
- Create a system for keeping financial records
- Identify personal income and expenses or system for cash flow management

SUPPLIES:

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

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- Spending Tracker
- Income & Expenses
- Cash Flow Conundrum
- What If...

TEACHER PRESENTATION SLIDES:

- Sinking Ship
- 1-2-3 Budget
- Budget Breakdown

ESSENTIAL QUESTIONS:

- What is a budget?
- Why do I need to keep track of how I save and spend my money?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

- Sinking Ship slide
- Spending Tracker handout

POST-ASSESSMENT:

- Income & Expenses handout
- Cash Flow Conundrum handout
- What If... handout

MONEY SMART PORTFOLIO:

- Spending Tracker handout
- Income & Expenses handout
- Cash Flow Conundrum handout



INSTRUCTION STEPS

WARM UP

WHY KEEP TRACK OF MONEY? [10 MINUTES]

Begin the lesson by displaying the *Sinking Ship* slide and ask students to reflect on the meaning of the proverb. Ask, "Why do we need to keep track of money?" Invite volunteers to share their ideas and explain that keeping track of money we spend (**expenses**) and money we earn (**income**) is about making choices. By analyzing our choices, we can make informed decisions about how to wisely spend and save for things we need and want. We do this through financial recordkeeping, creating a budget, and monitoring cash flow. Explain that "cash flow" is a term that refers to the movement of money flowing in (income) and money flowing out (expenses).

MONEY SMART TIP!

Connect back to Lesson 2, *Designing Dreams*, and help students understand that thinking through a broader financial plan like they did in previous lessons is important in making smart money choices, and that a large part of a financial plan includes an accurate budget.

GUIDED EXPLORATION

HOW TO BUDGET [20 MINUTES]

Display the *1-2-3 Budget* slide and review the steps to creating a budget with the class. Ask students: Do you know what you spend money on? Would you be able to list everything you've spent money on in the past week or month?

Next, distribute the **Spending Tracker** handout and divide the class into small groups to complete the activity.

Invite one member from each group to share his or her answers to the questions on the handout, and engage the class in a brief discussion about spending habits. Help students understand that Caitlin's daily coffee purchases and regular eating out add up to a lot more than she may realize. Explain that it is common for many people to overspend because they do not keep track of every expense, big or small

Next, review the **Budget Breakdown** slide with students and then distribute the **Income & Expenses** handout.

Give students time to complete the handout individually and then engage the class in a discussion about cash flow. Ask volunteers to explain what the difference is between fixed and flexible expenses and why it is important to keep track of both.



MONEY SMART TIP!

Discuss with students basic budget categories such as housing, food, transportation, utilities, insurance, savings, and investments. Engage students in a discussion about how much money we should allocate to each of these categories, and which categories we have greater levels of control over (such as decreasing spending on food by not eating out or reducing transportation costs by carpooling).

Grade-Level Modifications:

Beginner: Work together as a class to add up the total income and expenses on the *Income & Expenses* handout.

Advanced: Have students create their own budget modeling from the one on the **Income & Expenses** handout.

Ask students to brainstorm ways to decrease spending if expenses exceed income. Help students understand that separating needs from wants is one powerful way to avoid overspending on unnecessary expenses, and that being self-disciplined by sticking to a written plan can also help reduce spending.

Next, ask students to brainstorm ways that someone could increase income, such as working more hours, selling items one may no longer want or use, doing chores for others, like cutting grass or dog walking, or making and selling items such as jewelry or baked goods.

MONEY SMART TIP!

Discuss with students how other entities (beyond consumers) use budgets. For example: ask students to contemplate why small and large businesses would create a budget, as well as government agencies, schools, and organizations.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

ANALYZING CASH FLOW [15 MINUTES]

Divide students into small groups and distribute the *Cash Flow Conundrum* handout. Give groups time to complete the activity and then ask a team member from each group to report his or her plan to the class.

Discuss Todd's scenario from the handout and acknowledge students' approaches to solving Todd's problem. Emphasize that Todd could improve his situation by paying closer attention to his actions throughout the month, following a written budget, and possibly earning more income to help cover extra expenses.

MONEY SMART TIP!

Extend the Cash Flow Conundrum by having students write a problem and solution essay identifying Todd's problem and proposing and arguing a feasible solution.



WRAP UP

WHAT IF... [5 MINUTES]

Close the lesson by handing out the *What If...* worksheet. Ask students to think back to the opening exercise and Caitlin's daily coffee purchases and put themselves in her shoes. Invite students to share their answers for what they would do with money saved by not buying a daily coffee.

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:

- It is not only individuals who have to think about income, debt, and savings. Even the
 government has to think about these items. Argue your position for what will most help the
 U.S. economy: raising the debt ceiling or paying off debt?
- Write an instructional guide for how to create and follow a budget.
- Your school is in the middle of a budget crisis...what steps should your school take to get back on track?

Suggested Readings:

- How to Manage Your Money Like...a Pro Athlete? by The Guardian: Read about effective
 and ineffective money management tactics from the perspectives of professional athletes.
 http://www.theguardian.com/money/2014/feb/02/manage-sports-pro-athleteinvestment-saving
- Adult Budgeting 101: How to Create Your First Budget In the Real World by Life Hacker: Learn the steps to take to create a realistic budget for living on your own for the first time. http://lifehacker.com/adult-budgeting-101-how-to-create-your-first-budget-in-1440446091

MATHEMATICS

Activity/Project Ideas:

- Have students create their own budgets and use them to track income and expenses.
 Students may also work with their parents or families on creating a family budget.
- The cost of savings: give students different items to remove from a budget, such as eating out, entertainment, or other want-based categories. Challenge students to calculate how much money they can save over extended periods of time by removing expenses.



SOCIAL STUDIES AND ECONOMICS

Discussion Topics:

Explore and discuss the relationship between personal spending habits and consumer debt.
 (For example: are credit cards good for consumers? Why or why not? What cultural pressures influence spending, such as spending to show social status?)

Activity/Project Ideas:

 Have students create and present a national budget in which they project expenses and revenues. For example: students may complete the National Budget Simulation from the Council for Economic Education.

http://www.econedlink.org/lessons/index.php?lid=306&type=educator

TECHNOLOGY

Online Resources:

- Spending Tracker. A personal finance app that allows you to track spending and review purchases in order to help you stay on budget.
 https://play.google.com/store/apps/details?id=com.mhriley.spendingtracker&hl=en https://itunes.apple.com/us/app/spending-tracker/id548615579?mt=8
- Plan'it Prom: A mobile app that helps students plan and budget for prom, including a budget calculator and tips on how to reduce expenses.
 https://play.google.com/store/apps/details?id=com.sevendesigns.planitprom&hl=en https://itunes.apple.com/us/app/planit-prom/id627702895?mt=8
- Budget worksheet and Excel template for high school students by College In Colorado:
 A budget template that can be completed online or downloaded in Excel.
 https://www.cicmoney101.org/Calculators/Budget-Worksheets/High-School-Student.aspx
- Feed the Pig, Episode 5: Compulsive Spending! (9 minutes), and Episode 10: Creating a
 Budget (12 minutes): A podcast exploring issues of compulsive spending and how to create
 a realistic budget. http://www.feedthepig.org/toolbox/podcasts#.U_d7TCiNZdQ
- The Give-It-Up-to-Get-Rich Calculator by The Math Forum: A calculator that shows how much money could be saved by giving up a seemingly small purchase, such as buying daily coffee or eating out. http://mathforum.org/fe/finance-topics/financial-planningmoney-management/

Activity/Project Ideas:

- Share with students a sample podcast on budgeting, such as the Feed the Pig resources listed above. Challenge students to create their own how-to-budget podcasts.
- Have students create and track income and expenses in a budget using a spreadsheet application.

LESSON OVERVIEW

Helping young adults and teens see beyond the present is a challenge, especially when there are so many things to spend money on today. This lesson challenges students to think beyond their immediate horizon and explore long-term **savings**. Students analyze how thinking long-term makes a real impact with their money, helping them see the power of saving now for things they may need or want later. Paralleling fundamental principles of saving observed in earlier lessons, students embark on real-world applications of how to increase savings and calculate **compound interest**.

TOPIC: The Importance of Saving

SUBJECT CONNECTIONS: Math, English

Language Arts

TIME REQUIRED: 50 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Describe how saving affects financial well-being
- Explain compound interest
- Identify and research savings products
- Explain how interest is computed on savings

SUPPLIES:

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

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- Rainy Days
- Compounding Interest over Time
- Savings Options

Answer Key	129
Glossary with key vocabulary	146
National Education Standards	155

TEACHER PRESENTATION SLIDES:

- Pay Yourself First
- How Money Grows
- Compounding Interest over Time
- Savings Options

ESSENTIAL QUESTIONS:

- Why should I save my money?
- How much should I save?
- Where should I save my money?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

- Pay Yourself First slide
- Rainy Days handout

POST-ASSESSMENT:

- Compounding Interest over Time handout
- Savings Options handout

MONEY SMART PORTFOLIO:

Savings Options handout



INSTRUCTION STEPS

WARM UP

RAINY DAY SAVINGS [10 MINUTES]

Begin the lesson by displaying the *Pay Yourself First* slide. Ask students to answer what is happening in each of the pictures. Explain that the first image represents spending, whereas the second image represents saving. Next, ask students what they think it means to "pay yourself first." Explain that, like the second image on the slide, paying yourself first is when you receive money (for example: a paycheck or monetary gift) and you put some of that money in a savings account before you buy things that you want or you pay your bills.

Ask students why they think it would be important to pay yourself first before making purchases, acquiring new bills (bills need to be paid to avoid having one's credit damaged), or paying bills. Catalog students' reasons on the board and emphasize that paying ourselves first helps us to (1) manage money better because we make an informed decision, (2) save for goals and things that we want, and (3) have extra money for emergencies or special events.

Next, ask students what they think a "rainy day" fund means. Explain that it is special savings set aside in case of financial emergencies, like unexpected costs for car repairs or sudden medical expenses. Help students understand that saving for emergencies minimizes financial risk by ensuring you have money when unexpected expenses arise.

Distribute the *Rainy Days* handout and have students work in small groups to brainstorm different financial emergencies and the cost implications associated with each. Invite volunteers to share their reasoning for how paying yourself first can help lessen the financial strain of emergencies.

GUIDED EXPLORATION

POWER OF INTEREST [15 MINUTES]

Display the *How Money Grows* slide and explain to students the key terms of interest, compounding, and **Annual Percentage Yield** (definitions are also available in the glossary). Ask students why interest is an important element to consider when creating a savings strategy, and invite volunteers to share their thoughts. Engage in a brief discussion about the power of interest and help students understand that, by saving money in a financial institution (versus at home), you are able to make money on your savings through earned interest.

Grade Level Modifications:

Beginner: Focus the lesson on the concept of money growing through banking versus saving money at home. When students are ready, begin to introduce how banks calculate interest.

Advanced: Review the following formula for calculating Annual Percentage Yield: APY = 100 [(1 + Interest/Principal)365/Days in term) - 1]. Have students calculate and then discuss a sample APY, such as if a bank pays \$61.68 in interest for a 365-day year on \$1,000 deposited into an account. APY = 100[(1 + 61.68/1,000)(365/365) - 1] APY = 6.17 percent.



MONEY SMART TIP!

Share with your students The Power of 72 (http://www.themint.org/kids/power-of-72.html) and explain that it is a formula that helps you calculate how long it will take for your savings to double in value. Have students practice calculating different scenarios with varying interest rates to determine how long it would take to double their money.

72 ÷ interest rate = number of years

Next, display the *Compounding Interest over Time* slide and distribute the *Compounding Interest over Time* handout. Review part one of the handout together as a class, using the teacher slide to emphasize the differences between **annual**, **monthly**, and **daily compounding** ("compounding" refers to calculating interest on both principal and previously earned interest. Full definition available in glossary on page 146).

Challenge students to complete part two of the *Compounding Interest over Time* handout, and discuss how you can reach long-term goals, such as buying a home or a car, by saving money in a financial institution where money can earn interest.

MONEY SMART TIP!

Introduce the concept of inflation, a rise in the price of goods and services, to students and discuss how savings are affected by the rate of inflation.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

SAVINGS OPTIONS [15 MINUTES]

Explain to students that, even though banks and financial institutions offer interest on deposited money, not all accounts are equal. Different accounts, such as savings accounts and CDs, compound differently, and researching account options is part of building a strong savings plan.

MONEY SMART TIP!

Introduce students to the concept of investing as another way to grow money. See Lesson 14, *Increasing the Value of Your Money*, for more information.

Introduce the *Savings Options* slide and distribute the *Savings Options* handout. Engage the class in a discussion about the differences between savings accounts, CDs, and money market accounts.

Give students time to complete the research challenge on the *Savings Options* handout and discuss their findings.



MONEY SMART TIP!

Guide students in understanding how their money is protected in financial institutions. For example: FDIC insurance covers all deposit accounts, including checking and savings accounts, money market deposit accounts, and CDs. This means that money deposited in insured financial institutions is guaranteed up to the maximum amount allowed by law (\$250,000 per depositor, per bank) if the financial institution goes out of business and cannot pay you your money. Likewise, the National Credit Union Administration insures up to \$250,000 per depositor at insured credit unions.

WRAP UP

PERSONAL DECISIONS [10 MINUTES]

Close the lesson by asking students to reflect in writing or discussion how personal decisions may influence savings, such as setting aside a Rainy Day Fund. Ask: What actions can we take to maximize savings? Encourage students to think about spending less than what they earn, adding to savings accounts, and creating saving habits.

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:
 - What is the importance of saving? Explain what you have learned about saving money.
 - How is money protected when it is deposited in a financial institution or bank versus keeping it with you or at home?
 - Analyze the pros and cons of increasing the minimum wage and explain how personal savings connects to wages.

Suggested Readings:

 FDIC Consumer News Simple Ways to Rev Up Your Savings by the FDIC: Tips and strategies for young adults to follow in order to increase savings.
 https://www.fdic.gov/consumers/consumer/news/cnfall12/savings.html



MATHEMATICS

Activity/Project Ideas:

o Give students different scenarios to calculate Annual Percentage Yield.

SOCIAL STUDIES AND ECONOMICS

Discussion Topics:

 Discuss in what ways economic issues, such as the reduction of government-funded programs and recessions or downturns in the economy, can impact personal savings.

Activity/Project Ideas:

 Have students gather research on inflation over a period of time and analyze how savings accounts are affected.

TECHNOLOGY

Online Resources:

 Compound Interest Calculator by Investor.gov: Students can use this calculator to determine how money grows with compound interest. http://www.investor.gov/tools/calculators/compound-interestcalculator#.U_eJxSiNZdQ

Activity/Project Ideas:

Have students use spreadsheet software to create a compound interest calculator.
 Students may use the Microsoft Office tutorial on How to Calculate Compound Interest at http://support.microsoft.com/kb/141695.



LESSON OVERVIEW

With so much financial information to digest when living on one's own for the first time, it can be confusing for teens and young adults to know where to save their money, and the difference between account types. In this lesson, students will explore the different roles **bank** employees play in the financial process and investigate **savings** and **checking accounts**. Applying their knowledge, students define and debate which accounts and institutions are applicable in different scenarios.

TOPIC: Choosing a Banking Partner

SUBJECT CONNECTIONS: Technology

TIME REQUIRED: 80 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Analyze different financial institutions and conduct a comparative analysis of each institution
- Explain the key differences between checking and savings accounts
- Demonstrate how to control personal information
- Understand the benefits of using federally insured financial instituions

SUPPLIES:

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

PREPARATION:

- Make copies of student handouts
- Set up projector with presentation slides
- Cut out sections of the Banking Basics Scripts for warm up activity

STUDENT HANDOUTS:

(found in Student Guide)

- Banking Basics
- Banking Basics Scripts
- Security
- Checking and Savings Accounts
- Bank Checklist

TEACHER PRESENTATION SLIDES:

- Banking Institutions
- Checking and Savings Accounts

ESSENTIAL QUESTIONS:

- Why keep money in a bank?
- How do I know which financial institution and account to keep my money in?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

Banking Basics handout

POST-ASSESSMENT:

- Security handout
- Checking and Savings Accounts
 handout
- Bank Checklist handout
- Why Bank? activity

MONEY SMART PORTFOLIO:

- Checking and Savings Accounts
- Bank Checklist handout



INSTRUCTION STEPS

WARM UP

BANKING BASICS [20 MINUTES]

Begin by asking for six volunteers to play the roles of a customer service representative, bank teller, loan officer, branch manager, ATM, and banking website. Assign each volunteer a script from the **Banking Basics Scripts** handout.

Designate specific stations for each volunteer and explain to students that they will get to travel from station to station learning about different people and resources they will encounter when banking.

Distribute the **Banking Basics** handout and give students time to visit each station and record what they learn.

Come back together as a class and invite students to share what they discovered about each resource at the bank. Ask students to think about why there are so many roles in a bank and the primary function of a bank. Guide the discussion to engage students in thinking about the reasons for saving in a bank versus tucking money under your mattress. Explain that banks help keep money safe and secure, they are convenient, and they allow you to earn interest, and that saving money in banks can help support you in reaching future goals. Inform students that once they turn 18 years old, they can also open a bank account without a cosigner.

GUIDED EXPLORATION

TYPES OF INSTITUTIONS AND ACCOUNTS [15 MINUTES]

Display the *Banking Institutions* slide and review with the class the difference between **banks**, **thrifts**, and **credit unions**. Banks are state- or federally chartered for-profit financial institutions that offer commercial and consumer loans and other financial services. Thrifts are financial institutions that operate under federal and state laws and regulations, and they make loans, pay checks, accept deposits, and provide other financial services. Credit unions are state- or federally chartered not-for-profit financial cooperatives that provide financial services to their member-owners, who have met specific employment, residence, or other eligibility requirements. Both banks and credit unions receive from the state or federal government a charter that permits them to operate. They can then accept deposits and make loans and are periodically examined by a regulatory agency. The Federal Deposit Insurance Corporation (FDIC) protects your insured deposits in banks and savings associations. The National Credit Union Administration (NCUA) protects your insured deposits in federal credit unions, and the majority of state-chartered credit unions. The FDIC and NCUA are each independent agencies of the United States government.

MONEY SMART TIP!

While discussing the *Banking Institutions* slide, find pictures of local banks and credit unions in your area and share these with students.

Distribute the **Security** handout and ask volunteers to read the "How Is Your Money Protected?" section to the class. Next, give students five minutes to complete the "Challenge" portion of the handout and then discuss the correct answers as a whole class.

MONEY SMART TIP!

Use the Security handout to discuss the benefits of using federally insured financial institutions. Explain how a well-selected, well-managed deposit account can allow a person to more easily –and safely – save money. The use of financial institutions provides consumers with federal deposit insurance, protections from discriminatory lending practices, and other consumer protections that can be helpful, for example, if a consumer has to dispute a charge to their account. Explain that banks also offer a wide array of loans. For example, the vast majority of banks offer small-dollar loans at better rates and terms than what nonbanks provide. Some small loans offered by non-banks can be costly and hard to pay off because the loans need to be repaid in full in a short timeor be rolled over into a new loan with additional fees. And the costs for cashing checks at places other than banks can add up. Help students understand that using a bank account responsibly is a useful way to achieve their financial goals.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

3) CHECKING AND SAVINGS ACCOUNTS [40 MINUTES]

Display the *Checking and Savings Accounts* slide and distribute the *Checking and Savings Accounts* handout. Review the differences between checking and savings accounts with students. Next, have students complete the "How to Write a Check" exercise on the handout.

Divide students into small groups and distribute the *Bank Checklist* handout. Have students work together to research three different banks and record their research findings in the chart.

Invite students to share their research with the class, and reiterate the differences between checking and savings accounts and how each account serves a purpose.

MONEY SMART TIP!

Expand the discussion to highlight privacy concerns in sharing personal information when setting up and maintaining checking and savings accounts.

Refer to Lesson 14, *Protect Yourself*, for more information.

WRAP UP

WHY BANK? [5 MINUTES]

Bring the lesson to a close by asking students to reflect on why keeping money in the bank is important. Ask: *How is our money protected in a checking and savings account?*

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:

- What is your relationship with banks or financial institutions? Do you currently have a bank account? What are your reasons for having or not having one?
- What is one behavior or action you can change that will help you save more money?

Suggested Readings:

- Bank or Credit Union? You Decide by Mint: This article offers an overview, history, and points of consideration in selecting a bank or credit union. https://www.mint.com/blog/how-to/bank-or-credit-union-09022010/
- For Everyday Banking: Choosing the Best Account for You by the FDIC: Tips on how to select a bank that will best meet your needs.
 https://www.fdic.gov/consumers/consumer/news/cnfall12/yourbankaccount.html

MATHEMATICS

Activity/Project Ideas:

- Give students problems based on savings and checking accounts and have them balance the accounts after withdrawals and deposits.
- Have students calculate interest earned on different savings balances. For example: provide students with different principals, years to grow, and interest rates and have students use the Compound Interest Calculator from Investor.gov to compare and contrast how money grows. http://www.investor.gov/tools/calculators/compoundinterest-calculator#.VDLOfildVNs

SOCIAL STUDIES AND ECONOMICS

Discussion Topics:

- How have technology and automation changed the banking industry in the past 20 years? Are the changes positive or negative? Argue and support your position.
- How will technology affect the use of cash in the future? Will bills and coins become items of the past? Why or why not?

Activity/Project Ideas:

 Have students construct a research project on the history of the FDIC and its role in the economy.



TECHNOLOGY

• Online Resources:

- Feed the Pig, Episode 26: Choosing the Correct Bank for You (10 minutes):
 A podcast exploring how to select a bank that meets your needs.
 http://www.feedthepig.org/toolbox/podcasts#.U d7TCiNZdQ
- Managing Your Money by Consumer.gov: A comprehensive web resource on how to manage money, with topics including opening a bank account and how to use a debit card. http://www.consumer.gov/section/managing-your-money
- What Is a Credit Union, by the National Credit Union Administration and MyCreditUnion.gov: This web page is developed by the independent federal agency that regulates, charters, and supervises federal credit unions. It provides consumers with information on credit unions. It also includes tools (such as an interactive game) to teach teens and young adults about money. http://www.mycreditunion.gov/Pages/whats-a-credit-union.aspx
- Banking Basics by the Federal Reserve Bank of Boston: A web resource that highlights what a bank is, account types, how deposits work, electronic banking, and more.
 http://www.bostonfed.org/education/pubs/banking2.pdf

Activity/Project Ideas:

 Have students research how banking technology has changed since banks were first introduced to the public. Challenge students to make predictions based on current technological advancements for how banks will operate 10, 20, 50, 100 years from now. What will banks of the future look like? What type of financial services will people need?



LESSON OVERVIEW

Whether teens already have their first job or are considering work for the first time, they will be eager to learn how their paycheck works. Decoding **paycheck** mysteries for teens and young adults, such as differentiating between **gross** and **net income** and **personal exemptions**, this lesson puts student-centered activities at the forefront to demonstrate how managing a paycheck takes practice and strategy.

TOPIC: Managing Your Paycheck

SUBJECT CONNECTIONS: Math, English

Language Arts

TIME REQUIRED: 60 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Decode and identify elements of a paycheck
- Discuss how taxes, personal exemptions, and deductions impact net pay
- Explain how to calculate gross and net income
- Discuss the IRS Form W-4

SUPPLIES:

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

PREPARATION:

- Make copies of student handouts
- Set up projector with presentation slides
- · Make copies of glossary for students

STUDENT HANDOUTS:

(found in Student Guide)

- Paycheck Pros
- Paycheck Puzzle

TEACHER PRESENTATION SLIDES:

- Deduction Introduction
- Paycheck

ESSENTIAL QUESTIONS:

- What is the difference between gross and net income?
- What are deductions?
- How much do I pay in taxes and why?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

• **Deduction Introduction** activity

POST-ASSESSMENT:

- Paycheck Pros handout
- Paycheck Puzzle handout
- Take-Home Pay wrap up activity

MONEY SMART PORTFOLIO:

- Paycheck Pros handout
- Paycheck Puzzle handout



INSTRUCTION STEPS

WARM UP

DEDUCTION INTRODUCTION [20 MINUTES]

Display the *Deduction Introduction* slide and ask students to guess what each picture represents and how they might relate to a paycheck. Encourage students to share their ideas, and then explain that the images represent **deductions** on a paycheck, or income subtracted from a paycheck, for **income tax**, **Medicare** tax, and **Social Security** tax.

MONEY SMART TIP!

Help students understand that Medicare and Social Security are part of FICA (Federal Insurance Contributions Act) and may appear on their paychecks as such. For more information about FICA, encourage students to visit the history of Social Security by reviewing the Social Security Administration's website at http://www.ssa.gov/history/hfaq.html.

Ask students whether they have heard of these deductions before and what they know about them. Using the glossary on page 147 as a guide, share the definitions of each term with students and then invite volunteers to share their ideas for why we pay taxes. Explain that taxes not only help support national programs such as Medicare, but **state and city taxes** also help maintain safe highways, schools, clean and accessible water, fire and police stations, libraries, and many more public services that all citizens can benefit from.

Grade Level Modifications:

Beginner: Share with students a short reading from the Internal Revenue Service (IRS) about why citizens pay taxes, such as the brochure *Why Do I Have to Pay Taxes?* available at http://www.irs.gov/pub/irs-pdf/p2105.pdf. Use the reading as a tool for discussing the purpose of taxes.

Advanced: Have students create a list of questions they have about taxes and then challenge them to research the IRS website to find answers. Students can present their questions and answers to the class and work together to compile them into a comprehensive tax guide that can be shared with family, friends, and the community.

MONEY SMART TIP!

Review with students how to file state and federal income tax returns. Visit the IRS Understanding Taxes website for complete standards-aligned lesson plans, simulations, activities, and assessments related to all aspects of taxes.

http://apps.irs.gov/app/understandingTaxes/index.jsp



GUIDED EXPLORATION

PAYCHECK ELEMENTS [20 MINUTES]

Show students the *Paycheck* slide and explain each part of the sample paycheck. A complete definition for each tax is available in the glossary on page 146. Explain the different deductions found on the paycheck, and emphasize the difference between **fixed deductions**, such as those that everyone pays like **federal taxes**, and **flexible deductions**, such as those that employees can control, like contributing to a **401K** retirement account or moving money directly into a savings account.

Distribute the **Paycheck Pros** handout and review part one together as a class. Discuss the differences between **gross** versus **net** pay and then challenge students to complete the sample net pay calculation.

Grade-Level Modifications:

Beginner: Arrange students in small groups of four to five and challenge each group to brainstorm a list of fixed and flexible deductions. Invite each group to share their brainstorms and use student ideas to facilitate a discussion on the differences between fixed and flexible deductions.

Advanced: Introduce students to the W-4 Form (http://www.irs.gov/pub/irs-pdf/fw4.pdf) and explain that, when you get a job, an employer will ask you to fill one out. Explain that the W-4 is where personal exemptions are defined and that employers use the form to evaluate a new employee's tax situation and to determine how much tax money should be withheld from a paycheck. Next, have students explore the concept of **personal exemptions** by using an online paycheck calculator. Challenge students to change the number of exemptions and recalculate, assessing and recording the fluctuations in federal and state withholdings when exemptions are changed.

Next, ask students: What do you do with a paycheck once you receive it? Have students complete part two of the **Paycheck Pros** handout, and invite volunteers to share their answers with the class. Encourage students to contemplate the benefits of directly depositing paychecks versus check cashing. (For example: depositing money into a bank account can be less expensive than check cashing because some check-cashing services charge high fees for each check cashed. Over time, this can be very costly.)

MONEY SMART TIP!

Share with the class the U.S. Treasury's Go Direct website (http://www.godirect.org/) and inform students that it is a resource for direct deposit for recipients of federal benefits.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

DECODING PAYCHECKS [15 MINUTES]

Distribute the Paycheck Puzzle handout and divide the class into small groups to complete the activity.

After students complete the activity, invite a member from each group to present his or her answers to the class. Using student responses, guide the discussion to highlight why Sakina's net pay is different from her gross pay and reiterate Sakina's choices in controlling her flexible deductions to save more money.

WRAP UP

TAKE-HOME PAY [5 MINUTES]

Close the lesson by asking students to reflect on factors that affect final take-home pay. This can be done as a whole-class discussion, or individually with students writing down a list of factors on a separate piece of paper.

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:

- Should the wealthy pay taxes at higher rates or will raising taxes on the wealthy have a negative impact on the economy? Choose a position and support your argument.
- Reflect on and explain the purpose of Article 1, Section 8, Clause 1 of the United States
 Constitution: "The Congress shall have the Power to lay and collect Taxes, Duties, Imposts
 and Exercises to pay the Debts and provide for the common Defense and general Welfare
 of the United States."

Suggested Readings:

- Teens and Income Taxes: The Five Most Significant Things Your Teen Needs to Know About Income Taxes by About Parenting: An overview of income tax tips to share with young adults.
 - http://parentingteens.about.com/od/moneymanagement/a/teen_income_tax.htm
- Why Do I Have to Pay Taxes? by the IRS: A brochure that explores the purpose of taxes and how tax money is used. http://www.irs.gov/pub/irs-pdf/p2105.pdf



MATHEMATICS

Activity/Project Ideas:

Challenge students to calculate net pay with different variables and deductions, such as
education credits, charitable contributions, or child credits (visit the IRS for a complete list
of credits and deductions at http://www.irs.gov/Credits-&-Deductions). Have students
practice calculating net pay first on their own and then with the use of online calculators.

SOCIAL STUDIES AND ECONOMICS

Discussion Topics:

 Have students review a current events article addressing tax evasion or tax avoidance, such as one highlighting tax problems for a celebrity, athlete, or public figure. Use the article to discuss how tax evasion or avoidance affects the greater economy and what punishments one faces for such acts.

Activity/Project Ideas:

Challenge students to research the United States Constitution and define and then
discuss the articles and amendments that relate to tax issues, such as the Sixteenth
Amendment ("The Congress shall have the power to lay and collect taxes on income,
from whatever source derived, without apportionment among the several States, and
without regard to any census or enumeration").

TECHNOLOGY

Online Resources:

- Income Tax Tools and Calculators: A series of calculators that can be used for income tax calculations, such as a 1040 tax calculator, and estimating self-employment taxes. http://www.360financialliteracy.org/Topics/Taxes/Income-Tax?tool_type=230
- Refund Rush Game by Financial Entertainment: An interactive game that allows students to make decisions on how to save and spend tax refunds.
 http://financialentertainment.org/
- How to Decode Your Paycheck by The Mint: Tips on how to read a paycheck and understand deductions. http://www.themint.org/teens/decoding-your-paycheck.html

LESSON OVERVIEW

Young adults are faced with **credit** offers all the time, and knowing what to do when approached with an offer can mean a major difference in a teen's financial future. This lesson walks students through the process of getting credit, analyzing good and bad credit, and how to manage and harm one's credit. By the end of the lesson, students will demonstrate their understanding of how credit is earned and possess a greater understanding of the consequences of poorly managing one's credit.

TOPIC: Credit

SUBJECT CONNECTIONS: English

Language Arts, Art

TIME REQUIRED: 70 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Define creditworthiness
- Evaluate positive and negative types of credit
- Explain credit factors and risks and how credit scores work
- Discuss how to maintain or increase credit score
- Explain how credit is damaged

SUPPLIES:

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

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- The Four Cs of Credit
- The Four Cs Challenge
- Manage or Damage?
- Creditworthiness Comic

TEACHER PRESENTATION SLIDES:

- Predatory Lending
- Types of Loans (3)
- The Four Cs of Credit
- Credit Report

ESSENTIAL QUESTIONS:

- What is credit?
- How can I be creditworthy?
- What are ways to manage my credit?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

. What Is Credit? activity

POST-ASSESSMENT:

- The Four Cs Challenge handout
- Manage or Damage? handout
- Creditworthiness Comic handout

MONEY SMART PORTFOLIO:

- The Four Cs Challenge handout
- Manage or Damage? handout
- Creditworthiness Comic handout

INSTRUCTION STEPS

WARM UP

WHAT IS CREDIT? [15 MINUTES]

Open the lesson by displaying the *Predatory Lending* slide. Ask students to reflect on what the statements on the slide mean, and explain that credit offers are everywhere and that it is important to understand how credit works and not be lured in by **predatory advertising** (for example: advertising that is intended to exploit others for personal gain or profit). Remind students that, if an offer sounds too good to be true, then it likely is.

Engage the class in a brief discussion about what credit is and factors in deciding whether or not to use credit. Explain that credit is the ability to borrow money, and that, when you borrow money on credit, you are getting a **loan**. Use the **glossary** to review with students the definitions of credit and loans.

Ask students to share their ideas about when someone might use credit and borrow money. Help students understand that saving money and waiting to make a purchase is an alternative to credit. In some cases, though, credit offers the chance to invest in something that has the potential to provide a return greater than the cost of credit, such as a student loan or purchase of a home, in order to increase long-term earning potential. Credit can also help people get through emergencies and unexpected job loss. Explain that credit is inherently neither good nor bad, but it can be either, depending on how it is used.

GUIDED EXPLORATION

HOW CREDIT WORKS [25 MINUTES]

Ask students to think about an instance when they might need to borrow money in the future (for example: when it is something they need but do not have the cash to pay for, such as a home or vehicle). Explain that there are different types of loans depending on an individual's credit needs. These include **credit cards**, **consumer installment loans**, **school loans**, and **home loans** or **mortgages**.

MONEY SMART TIP!

Refer to Lesson 8, The Almighty Dollar?, for more information about credit cards.

Display the three *Types of Loans* slides and walk students through each type of loan. Help students understand that credit cards give you the ongoing ability to borrow money for household, family, and other personal expenses; however, if you're not careful in spending, you can get into big trouble and become burdened with debt.

Bring rent-to-own services into the discussion and have students compare and contrast rent-to-own services versus paying for something with cash or credit card, or applying for an installment loan. Show students that, whereas the rent-to-own payments may seem less expensive, you will actually end up paying much more for something than if you paid with cash.

Begin introducing the concept of **creditworthiness** by helping students understand that, in order to borrow money, you have to show that you are able to responsibly pay back the money. **Lenders** take a **risk** when loaning you money, and not paying loans on time and in full can influence whether or not you are able to borrow money again in the future.

MONEY SMART TIP!

Review with students the Equal Credit Opportunity Act (ECOA)
(http://www.consumer.ftc.gov/articles/0347-your-equal-credit-opportunity-rights)
and discuss how the act ensures that all creditworthy applicants
are given an equal chance to obtain credit.

Display the *Four Cs of Credit* slide and explain to students that, when you apply for credit, the lender will review the Four Cs to decide whether you are a good credit risk and will be able to successfully pay back the loan. Distribute *The Four Cs of Credit* and *The Four Cs Challenge* handouts and ask for volunteers to read the details for each of the Four Cs to the class. Next, give students time to complete *The Four Cs Challenge* individually, and then regroup to discuss student answers.

Grade-Level Modifications:

Beginner: Complete The Four Cs Challenge handout together as a whole class.

Advanced: Give students the opportunity to practice filling out an application for a credit card, student loan, car, or home.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

MANAGE AND DAMAGE CREDIT [20 MINUTES]

To help assess the Four Cs, explain to students that lenders will review your **credit report**. Display the **Credit Report** slide to show students an example of what a credit report looks like. Next, have students review **The Four Cs Challenge** handout, and explain that a credit report is a record of your financial behaviors, and it includes:

- Who you are
- How much debt you have
- Whether you have made payments on time
- Whether there is negative information about you in public records

Share with students the three major credit-reporting agencies: Equifax (www.equifax.com), Experian (www.experian.com), and TransUnion (www.transunion.com).

Next, explain that a credit report is used to calculate a **credit score**. A great majority of lenders use the FICO credit score, which is a number that ranges from 300 to 850; the higher your score, the greater your creditworthiness and the less risky you are to a lender. A credit score is a quick and easy way for a lender to assess your creditworthiness. A credit score is used to predict how likely an individual is to repay a new loan based on information in his or her credit report. The factors that determine your credit score include payment history (35%), outstanding debt (30%), credit history (15%), pursuit of new credit or credit inquiries (10%), and types of credit in use (10%). Credit is granted based partially on your credit score. Lenders also check your credit score when you apply for a credit card or before you can rent a new apartment. Each time you demonstrate a financial behavior, such as paying bills (whether late or on time) or opening up a new line of credit, your credit score is continually updated to reflect your ability to successfully manage finances.

MONEY SMART TIP!

Share with students the resource website http://AnnualCreditReport.com and explain that federal law makes it so everyone can have access to his or her free credit report once every 12 months from each of the credit bureaus.

Distribute the *Manage or Damage?* handout and divide the class into pairs. Have pairs discuss each scenario and determine whether the actions are managing or damaging credit. Invite volunteers to share their assessments, and discuss why actions can be helpful or harmful in determining one's creditworthiness.

MONEY SMART TIP!

Have students read an article about how social media can influence lenders' perceptions of you, such as *Could Your Facebook Friends Affect Your Creditworthiness?* (http://pittsburgh.cbslocal.com/2013/09/04/could-your-facebook-friends-affect-your-creditworthiness/). Use the article as a discussion tool to address the ramifications of sharing personal information online. Refer to Lesson 20, *Protect Yourself*, for more information on consumer protection.

WRAP UP

HOW TO BE CREDITWORTHY [10 MINUTES]

Close the lesson by having students complete the *Creditworthiness Comic* handout.

In addition to using the *Creditworthiness Comic* handout in the Money Smart Portfolio, have students publish their creditworthy comics in the school newspaper or classroom blog, or compile them into one packet that can be shared with families and peers. For further extension, have students write a short story or narrative to accompany their comic.

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:
 - How do you know which credit offers are legitimate? How could you tell if an offer was deceptive?
 - What are some consequences that might arise if one is living only on credit?
 - What are the consequences of mismanaging credit?

Suggested Readings:

- Steps to Get and Keep a Good Credit Score by Consumer Finance.gov: A brochure with steps to take to maintain a good credit score by paying attention to your credit report. http://files.consumerfinance.gov/f/2011/07/CFPB_20110719_CreditScoresFlyer.pdf
- Could Your Facebook Friends Affect Your Creditworthiness? by Pittsburgh CBS Local News: An article exploring how sharing information on social networks may impact your creditworthiness. http://pittsburgh.cbslocal.com/2013/09/04/could-your-facebookfriends-affect-your-creditworthiness/

MATHEMATICS

Activity/Project Ideas:

Challenge students to calculate interest on ongoing credit card balances to demonstrate
the true cost of credit. For example: have students play the "I Paid How Much?" quiz from
TheMint.org, which presents different finance charges for students to explore.
http://www.themint.org/teens/i-paid-how-much.html

SOCIAL STUDIES AND ECONOMICS

• Discussion Topics:

 Debate and discuss the ways consumer credit card debt impacts the economy. For example: explore the dichotomy between fueling the economy through credit consumption versus how that same consumption leaves consumers with massive amounts of debt. Is buying on credit hurting or helping the economy? Is it hurting or helping the consumer?



 Invite students to bring the discussion of credit home and to ask parents and family members if they use credit cards or borrow money for large purchases such as a home or car.

Activity/Project Ideas:

- Encourage students to research laws that are in place to help protect consumers from predatory lenders. Have students share what they learn with the class. For example: have students visit Consumer Complaints and Protection at USA.gov (http://www.usa.gov/topics/consumer.shtml) and the Federal Trade Commission's Bureau of Consumer Protection at FTC.gov. http://www.ftc.gov/about-ftc/bureausoffices/bureau-consumer-protection
- Review and discuss historical mortgage lending practices and how home loans contributed to the financial crisis of 2008. Show students all or part of the hour-long PBS video, Inside the Meltdown, which provides an overview of the crisis (http://www.pbs.org/wgbh/pages/frontline/meltdown/view/), or review Chairman Ben Bernanke's speech at the Federal Reserve System Conference on Housing and Mortgage Markets on December 4, 2008.
 - http://www.federalreserve.gov/newsevents/speech/bernanke20081204a.htm

TECHNOLOGY

Online Resources:

- The following credit-reporting agencies allow you to access your credit report: Equifax (www.equifax.com), Experian (www.experian.com), and TransUnion (www.transunion.com).
- Spending Challenge by The Mint: A question-and-answer challenge that simulates the decision-making process when using credit. http://www.themint.org/teens/take-thespending-challenge.html
- Annual Credit Report: A website allowing you to obtain a free credit report every 12 months. https://www.annualcreditreport.com/index.action
- Credit and Loans by the Federal Trade Commission: A web resource listing tips for how to assess credit and loan offers, including information on credit reports and credit scores. http://www.consumer.ftc.gov/topics/credit-and-loans
- The Secret History of the Credit Card by PBS (60 minutes): A video detailing the history of credit cards, as well as an overview of the marketing tactics used to engage consumers in using credit cards. http://video.pbs.org/video/1340904268/

LESSON OVERVIEW

Whether or not a cashless society is in the future, it's no surprise that young adults have less cash and more plastic in their pockets. Despite the common practice of paying with plastic, teens and young adults still harbor misconceptions about issues like **debit** versus **credit**, what it really costs to "charge it," and how to know what you're getting before signing up for a **credit card**. This lesson tackles all of these key issues as young adults work through the process of decoding credit card offers and explore the real difference between debit and credit.

TOPIC: Credit Cards

SUBJECT CONNECTIONS: English

Language Arts, Math

TIME REQUIRED: 65 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Identify and explain how credit cards differ from debit cards
- Discuss different types of credit cards
- Summarize credit card key terms and conditions and consumer protection laws
- Evaluate credit card offers and explain how to manage a credit card
- Demonstrate how to compute the debt-tolimit ratio

SUPPLIES:

- Whiteboard or chart paper, markers
- Projector (for teacher presentation slides)
- Access to the Internet (optional)

PREPARATION:

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

Answer Key	129
Glossary with key vocabulary	146
National Education Standards	155

STUDENT HANDOUTS:

(found in Student Guide)

- Credit Versus Debit
- Credit Responsibility
- Comparing Cards
- Credit Trap

TEACHER PRESENTATION SLIDES:

- Two Truths, One Lie
- Credit Versus Debit
- Credit Card Fine Print

ESSENTIAL QUESTIONS:

- How is a credit card different from a debit card?
- What do I need to know before getting a credit or debit card?
- Should I get a credit card now? What about when I turn 21?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

• Two Truths, One Lie slide

POST-ASSESSMENT:

- Credit Versus Debit slide
- Comparing Cards handout
- Credit Responsibility handout
- Credit Trap handout

MONEY SMART PORTFOLIO:

- Comparing Cards handout
- Credit Trap handout



INSTRUCTION STEPS

WARM UP

CREDIT CARD FACTS [5 MINUTES]

Begin the lesson by displaying the *Two Truths, One Lie* slide and tell students that two out of the three statements are factual and one is a "lie." Challenge students to make an educated guess on which statement is false and why.

Explain that statement two is false because credit is the ability to borrow money, not using your checking account to pay for purchases. When you pay for a purchase with a credit card, it means you are taking out a loan to make the purchase. Tell students that **ATM/debit cards** look like credit cards, but they actually remove the money from your checking account to pay for purchases.

MONEY SMART TIP!

Connect back to Lesson 7, *Capacity, Character, Collateral, Capital*, for more information on different forms of credit. Remind students that they can monitor their credit use by getting an annual free credit report from the website at www.AnnualCreditReport.com.

GUIDED EXPLORATION

CREDIT VERSUS DEBIT [25 MINUTES]

Distribute and review the *Credit Versus Debit* handout and explain to students that although credit and ATM/debit cards look similar, they use money in very different ways.

Next, divide the class into small groups. Give each group a small white board or piece of paper and marker. Explain that you are going to ask them a few questions to see if they can identify the difference between credit and debit. Tell groups to write down their answers as fast as possible and that whichever group puts their board up with the correct answers first wins. Display the *Credit Versus Debit* slide and start the challenge. Have the winning team present its answers to the class.

MONEY SMART TIP!

Discuss the difference between "virtual" money, such as money spent using a debit card, and physical money like dollar bills. Ask students to reflect on why "virtual" money has grown in popularity and whether they can imagine a "cashless" society. Explore and discuss popular trends in virtual money, such as PayPal and Bitcoin.

Remind students that saving money and waiting to make a purchase is an alternative to credit and that it is important to think carefully about whether or not to take on credit. Explain that, if one day you do determine that a credit card is the right choice for you, there are some items to be aware of when selecting a card. Display the *Credit Card Fine Print* slide and use the terms in the glossary to define and discuss each of the concepts.



Grade-Level Modifications:

Beginner: Rather than showing the *Credit Card Fine Print* slide, simplify the discussion by asking students to explain what it means to look for the fine print. Give other fine print examples, such as weight loss advertisements that reveal in the fine print that results are not typical, and help students make the connection that there is also fine print on credit card offers that reveal the full truth of what you're signing up for.

Advanced: After reviewing the *Credit Card Fine Print* slide, give students an opportunity to practice computing the **debt-to-limit ratio**. (Refer to Lesson 9, *As Easy as Pi* for more information.)

MONEY SMART TIP!

Discuss with your students the 2009 Credit Card Accountability Responsibility and Disclosure Act (CARD Act), and the implications the act holds for young adults under age 21. For more information, visit http://www.whitehouse.gov/the_press_office/Fact-Sheet-Reforms-to-Protect-American-Credit-Card-Holders/. Explain that the act makes it more difficult to obtain a credit card until age 21. However, if a young adult is at least 18 years of age and is able to show a source of income or have a cosigner, he or she may be able to obtain a credit card.

Next, distribute the *Credit Responsibility* handout and have students work in small groups to analyze and assess the scenarios. Invite groups to share their analysis, and reiterate the differences between responsible and irresponsible use of credit cards.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

TERMS AND CONDITIONS [25 MINUTES]

Distribute the *Comparing Cards* handout and tell students that they are going to complete a comparison-shopping simulation by researching and comparing different credit card choices. Explain that, anytime you are considering a new financial product like a credit card, researching your options thoroughly is the best way to know what you are signing up for before making any decisions.

Allow students time to complete the research, either working individually or with a partner. When students are finished, invite them to share their final conclusions about which card they discovered would be a good choice and why.

Grade-Level Modifications:

Beginner: Rather than students conducting the research, provide them with information from three different credit cards and discuss the similarities and differences of each.

Advanced: Have students prepare a report and presentation for the class explaining the positives and negatives for each of the credit cards they research.



WRAP UP

CREDIT TRAP [10 MINUTES]

Distribute the *Credit Trap* handout and allow students time to complete it. Invite students to share with the class and reflect on their "traps."

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:
 - What are the consequences of mobile banking replacing cash and credit cards?
 - Do you support or oppose the changes made in the 2009 CARD Act to restrict credit opportunities for young adults under age 21? Defend your position.
 - What role do you think the government should have in regulating credit cards?

Suggested Readings:

 The CARD Act: What It Means for You by VISA: Learn about the CARD Act and why it matters to consumers, particularly young adults under age 21. http://www.whatsmyscore.org/facts/cc_act.php

MATHEMATICS

Activity/Project Ideas:

- Have students practice computing the debt-to-limit ratio. For example: refer to Lesson 9,
 As Easy as Pi, for information and problems related to financial ratios.
- Challenge students to calculate the true cost of a credit card balance by computing interest paid over different periods of time. For example: if a credit card user does not pay off the balance at the end of the month, how much does the user pay in interest at 12 percent, 18 percent, and 21 percent?



SOCIAL STUDIES AND ECONOMICS

Discussion Topics:

Engage students in a discussion about pros and cons of moving to a cashless economy.
 In what ways will the economy benefit by paying with "plastic" or mobile phones? What problems might this create?

Activity/Project Ideas:

- Have students conduct a research project to explore the history of money. For example: encourage students to visit the U.S. Department of Treasury's Bureau of Engraving and Printing website at http://moneyfactory.gov/uscurrency/currency/story.html.
- Challenge students to research and create a cash-to-credit timeline showcasing historical
 milestones for how technology shapes the way we interact with money. For example:
 students may read *The History of Credit Cards* at CreditCards.com.
 http://www.creditcards.com/credit-card-news/credit-cards-history-1264.php

TECHNOLOGY

Online Resources:

- Farm Blitz by Financial Entertainment: An interactive game that allows users to manage farm resources and make decisions when faced with financial emergencies.
 http://financialentertainment.org/play/farmblitz.html
- Understanding Your Credit Card Offer by The Federal Reserve: A website illustrating a real credit card offer with tips on how to read each section.
- Reading Your Statement by The Federal Reserve: A website illustrating a real credit card statement with tips on how to read each section.
- Annual Credit Report: A website that allows you to obtain a free credit report once every
 12 months. https://www.annualcreditreport.com/index.action

Activity/Project Ideas:

- Have students research and discuss smartphone technology and how the ability to bank anywhere, anytime is rendering physical wallets obsolete.
- Have students discuss credit card terms and conditions with their parents.
- Challenge students to consider how new payment products such as Apple Pay will affect customers.





LESSON OVERVIEW

For many teens and young adults, the thought of **financial ratios** may seem complex and overwhelming. This lesson uses humor and the concept of **pi** to shatter such misconceptions by engaging content directly related to students' lives. Teens will see how financial ratios apply to everyday situations and discover that understanding **debt-to-income**, **debt-to-asset**, and **debt-to-limit** will strengthen their abilities to make wise financial decisions.

TOPIC: Financial Ratios

SUBJECT CONNECTIONS: Math, Social

Studies, English Language Arts

TIME REQUIRED: 50 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Identify common financial ratios
- Demonstrate and explain how to calculate financial ratios
- Discuss how financial ratios impact financial decision making and creditworthiness

SUPPLIES:

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

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- Financial Ratios
- Ratios Race

TEACHER PRESENTATION SLIDES:

- Easy as Pi
- Financial Ratios (3)

ESSENTIAL QUESTIONS:

- What are financial ratios?
- How do financial ratios affect my money?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

• Easy as Pi slide

POST-ASSESSMENT:

- Financial Ratios handout
- Ratios Race handout

MONEY SMART PORTFOLIO:

• Ratios Race handout

Answer Key	129
Glossary with key vocabulary	146
National Education Standards	155



INSTRUCTION STEPS

WARM UP

EASY AS PI [5 MINUTES]

Open the lesson by displaying the *Easy as Pi* slide, which contains the digits of pi, or display one million digits of pi from http://www.piday.org/million/. Using humor, tell students that today they will memorize the exact ratio of a circle's circumference to its diameter, or pi. When students realize that this task seems arduous and impossible, make the connection that, even if a math challenge seems overwhelming at first, if we break the challenge into manageable pieces it becomes more workable. Tell students that they will now explore and practice financial ratios, and that, if at first the ratios seem complex, learning a few basic computing strategies can be much easier than memorizing "pi"!

GUIDED EXPLORATION

FINANCIAL RATIOS [20 MINUTES]

Explain that lenders take a risk in lending money because there is always the chance that a borrower will be unable to repay the loan. To minimize risk and ensure a borrower is equipped to repay debt, lenders analyze and consider many different components before deciding to lend money to a borrower, including financial ratios.

MONEY SMART TIP!

Connect back to Lesson 7, *Capacity, Character, Collateral, Capital*, and Lesson 8, *The Almighty Dollar?*, for more information on credit risks and lenders.

Display the *Financial Ratios* slides and explain how each of the ratios work, using examples of your own or those provided below.

• **Debt-to-Income** measures your monthly debt payments against your monthly gross income. To calculate, you divide your monthly debt by your monthly gross income. For example: if you pay \$200 each month for a car loan and \$1,000 each month for a home loan, your total debt payment each month is \$1,200 (\$200 + \$1,000). If your monthly gross income is \$4,000, then your debt-to-income ratio is 30 percent (\$1,200 ÷ \$4,000). A high debt-to-income ratio signals to lenders that a borrower may struggle to meet monthly repayments.

MONEY SMART TIP!

Connect back to Lesson 6, *Bread-and-Butter*, and remind students that gross income is your total income before deductions and that net is your total income after deductions.



- **Debt-to-Assets** measures the amount of money owed (**liabilities** like a car loan or student loan) to items that are of value (**assets** like property owned, savings accounts, retirement savings). To calculate, you divide your total liabilities by your total assets. For example: if you own a home that is worth \$200,000 (asset), but you have a mortgage of \$50,000 left on the home (liability), your debt-to-asset ratio is 25 percent (\$50,000 ÷ \$200,000 = 0.25 or 25%). The higher the percentage, the greater the level of risk.
- Debt-to-Limit measures the amount of credit debt to your credit limit. To calculate, divide your total credit card balance by the credit limit available to you. For example: if you currently have a balance of \$500 on a credit card with a credit limit of \$3,000, your debt-to-limit ratio is 16 percent (\$500 ÷ \$3,000 = 0.16 or 16%). Your debt-to-limit ratio, also called credit utilization, is used to calculate your credit score. The debt-to-limit should be at least 30 percent of the credit card limit, and not exceed 50 percent of the limit.

Connect back to Lesson 7, *Capacity, Character, Collateral, Capital*, and Lesson 8, *The Almighty Dollar?*, for more information on credit reports and credit scores.

Grade-Level Modifications:

Beginner: Have students first focus only on debt-to-income ratios. When students have mastered calculating that, then introduce debt-to-assets and debt-to-limit.

Advanced: Scale student learning by introducing additional financial ratios and expanding the discussion to include ratios applicable to businesses, such as return-on-assets, debt-to-equity, and inventory turnover ratios.

Next, distribute the *Financial Ratios* handout and work through the sample problems together as a class. Ask students to share their ideas on why financial ratios are important to understand. Help students understand that financial ratios are a representation of financial behavior and can determine items like credit score and the ability to borrow money.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

RATIOS IN ACTION [20 MINUTES]

Distribute the *Ratios Race* handout and divide the class into small groups. Explain that the activity is a race to see which group can come up with the correct financial ratios first to solve each of the problems. Give students time to get settled into their groups and then signal the start of the competition.

When the first group to answer all of the financial ratios is done, have that group explain to the class its answers, and discuss each of the scenarios. If there are dissenters, encourage groups to debate the scenarios and share with the class the correct answers from the answer key.



WRAP UP

WHY RATIOS? [5 MINUTES]

Close the lesson by having students reflect on how financial ratios are connected to our financial behaviors. Ask students: Why are financial ratios important for us to understand? How do they influence your ability to borrow?

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:

- What is an ideal balance of debt to income? Explain your position and disprove opposing viewpoints.
- How does one use credit wisely? Describe three ways to responsibly manage credit, such as not using all available credit, not carrying a balance on a credit card, and paying all bills in full and on time.

Suggested Readings:

- What Is Debt-to-Income Ratio? by the Consumer Financial Protection Bureau: Explore reasons why understanding your debt-to-income ratio is important to overall financial health. http://www.consumerfinance.gov/askcfpb/1791/what-debt-income-ratio-why-43-debt-income-ratio-important.html
- Analyze Your Debt-to-Limit Ratio: Read about how to analyze your debt-to-limit ratio and why it is important to understand. http://finance.yahoo.com/news/analyze-debt-credit-limit-ratio-171100241.html

MATHEMATICS

Activity/Project Ideas:

 Have students practice applying financial ratios based on both consumer and business examples. For instance, have students calculate several businesses' debt-to-assets ratios and compare and contrast results. For example: if a company has \$10 million in assets and \$2 million in debt, what is the debt-to-asset ratio? What if the reverse were true, and a company had \$2 million in assets and \$10 million in debt?



SOCIAL STUDIES AND ECONOMICS

• Discussion Topics:

- Ask students to reflect and discuss how financial ratios apply to businesses, large and small. Have students compare the value of financial ratios from consumer use to business applications. For example: ratios provide a snapshot of financial behaviors for both consumers and businesses and this snapshot can be vital in showing investors how a business manages finances, credit, and potential growth.
- Discuss the role government plays in regulating credit cards and how this affects consumers' debt-to-limit ratios.

Activity/Project Ideas:

 Have students research several different public companies and assess their financials such as debt and equity. Challenge students to apply the financial ratios and discuss how businesses use financial ratios to determine borrowing and spending capabilities.

TECHNOLOGY

Online Resources:

- Debt-to-Assets Ratio Calculator: An online calculator that calculates debt-to-assets ratios.
 http://www.calculatorpro.com/calculator/debt-to-assets-ratio-calculator/
- Debt-to-Income Calculator: An online calculator that calculates debt-to-income ratio.
 http://www.zillow.com/mortgage-calculator/debt-to-income-calculator/

LESSON OVERVIEW

Buying a car is one of the first and most significantly large purchases young people make. Students will use their compounding knowledge to make sensible purchasing decisions in assessing how much car they can afford, issues of maintenance and **insurance**, and evaluating whether financing options such as **loans** and **leases** are appropriate to their situations.

TOPIC: Automobile Purchase

SUBJECT CONNECTIONS: Math, English

Language Arts

TIME REQUIRED: 70 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Research and identify secured and unsecured installment loans
- · Calculate how much car to afford
- Evaluate long-term costs associated with buying a car, including insurance and maintenance
- Explain the difference between leasing and purchasing

SUPPLIES:

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

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- Cash, Loans, and Leases
- It's Time to Finance!
- It's Time to Lease!
- Car Comparison

Answer Key129	9
Glossary with key vocabulary146	3
National Education Standards 155	5

TEACHER PRESENTATION SLIDES:

- Reality Check (2)
- True Cost of Cars
- Secure or Unsecured?

ESSENTIAL QUESTIONS:

- What transportation needs do I have?
- What are my transportation options?
- How do I know whether I can afford a car?
- How long do I want to have car payments?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

• Reality Check activity

POST-ASSESSMENT:

- Cash, Loans, and Leases handout
- It's Time to Finance! activity
- It's Time to Lease! activity
- Car Comparison handout
- Wants Versus Needs activity

MONEY SMART PORTFOLIO:

Car Comparison handout



INSTRUCTION STEPS

WARM UP

REALITY CHECK [10 MINUTES]

Open the lesson by engaging students in the concept of decisions we must weigh when making a purchase, whether it is a large purchase like buying a car or an everyday purchase like buying groceries. Display the first *Reality Check* slide and tell students a fictional story about how you dreamed of buying the expensive, fancy car shown on the slide your whole life. Embellish the "want" and "desire" for the luxury vehicle, and convey the longing and pining for such a beautiful ride, including all of the superior features, speed capabilities, and image appeal. Next, tell students that, after all the years of dreaming and hoping, you were finally able to buy the car!

MONEY SMART TIP!

The Reality Check activity can be replaced with any number of items if you prefer to tell a personal narrative rather than a fictional story. For example: you could apply the same warm up by using a designer purse or pair of shoes, a new computer, or a long vacation as the "luxury" item instead of a car.

After giving students a few seconds to respond in surprise and pleasure that you accomplished such a dream, show students the second *Reality Check* slide (a toy car similar to the "dream" car), and say, "See, here it is! I bought it!" Students will likely respond with laughter when they realize the "reality check." Use this moment as a springboard to explain that, even though you really wanted the "fancy" car, your financial reality told a different story, and that the toy car option was what your budget could afford.

GUIDED EXPLORATION

CAR LOANS [20 MINUTES]

Ask students what steps they would take if they were interested in buying a car. What questions would they need answered before making a decision? Display the *True Cost of Cars* slide and review the questions together as a class. Use the questions to help students see the full landscape of the decision-making process that goes into making such a large purchase and explain that, by thinking through all of the questions, you become an informed buyer, which means you are able to make more financially savvy decisions.

Next, ask students how someone might pay for a car. Explain that one option is an **installment loan**, where you borrow a set amount of money and repay it in fixed monthly payments, or installments, for a specific period of time. Remind students that installment loans are different from open-end credit like credit cards.

Display the **Secure or Unsecured?** slide and explain to students the differences between the two types of loans.



LESSON 10: CONVERTIBLE OR CLUNKER?



- A secured installment loan is one in which you offer collateral for the loan. You must give up
 the collateral to the lender if the loan is not paid back as agreed. The interest rates for secured
 installment loans are comparatively lower than unsecured loans. A car loan is an example of a
 secured installment loan.
- An unsecured installment loan is a loan that is not secured by collateral. An example of an
 unsecured installment loan is a student loan or credit card.

Grade-Level Modifications:

Beginner: Spend time connecting back to Lesson 7, Capacity, Character, Collateral, Capital, and review with students the concept of collateral. Remind students that giving the lender collateral means that you pledge an asset (for example: your car) to the lender with the agreement that the lender can take it to help repay the loan if you do not make payments as agreed.

Advanced: Expand the discussion on installment loans to include:

Annual percentage rates (APR): The cost of borrowing money (expressed as a percentage rate) on a yearly basis. When shopping for the best loan rates, compare the APRs rather than the interest rates, because APRs reflect both the interest you are charged and any fees. This is the single most important tool to use when comparing loan offers and advertisements.

Fixed-rate loans: A loan that has an interest rate that stays the same throughout the term of the loan. Most installment loans have fixed rates.

Variable-rate loans: A loan that has an interest rate that might change during any period of the loan, as written in the loan agreement or contract.

Finance charges: The dollar amount the loan will cost, including: interest, service charges, and loan fees.

Explain that, whereas some people choose to purchase a car through a secured installment loan, there are other options for financing, including saving up enough cash to purchase the car in full, or leasing a vehicle.

Distribute the *Cash, Loans, and Leases* handout and review the advantages and disadvantages for each option. Ask students to reflect on why it is important to understand all of your options. Ask students: *If you were going to purchase a car, which option do you think you would use, and why?*

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

IT'S TIME TO BUY! [35 MINUTES]

Distribute the *It's Time to Finance!* and the *It's Time to Lease!* handouts. You will need volunteers to play a narrator, a car salesman, a young adult, and a parent in each of the skits. Ask for volunteers to act out each of the skits.

Grade-Level Modifications:

Beginner: Have students read the scripts individually and then regroup for a class discussion about the two different scenarios.

Advanced: Challenge students to come up with their own car, buying and leasing skits and present them to the class by having students work in small groups to write and perform an example of a car, buying experience for financing and leasing a vehicle.

When students are finished performing the skits, briefly discuss each scenario. Ask students: When you are purchasing a car, what questions should you think about ahead of time? What factors should be considered when leasing? Remind students that it is important to think about loan terms, interest rates, monthly payments, and costs associated with owning a car, as well as how long a lease term is for, mileage limitations, and purchase price when a lease expires. Additionally, if students are unfamiliar with the concept of cosigning, explain that it is when someone other than the borrower (like a parent or relative) agrees to be responsible for loan payments if the borrower fails to make them.

Next, tell students that they will get an opportunity to put their car-buying skills to the test by researching and assessing different vehicle choices. Distribute the *Car Comparison* handout and allow students time to complete the activity.

Invite volunteers to share their research with the class and discuss the different research components that go into the car-buying process.

WRAP UP

NEEDS VERSUS WANTS [5 MINUTES]

Ask students to reflect in a written response or brief discussion what their transportation needs are and whether buying a car now or in the future is the right choice for them. Engage students in reflecting on what goes into the decision making process when it comes to buying a large item like a car.



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 wiser to buy a new, used, or leased car? Why do you think this is the best approach?
 Argue your position.
- Write a brief paragraph about the car-buying experience from each of the following different perspectives: the salesman, the buyer, and the car!

Suggested Readings:

- Tips for Buying a Car by CNN: Read advice on how to approach the car-buying process. http://money.cnn.com/magazines/moneymag/money101/lesson17/
- Confessions of a Car Salesman by Popular Mechanics: An insider's look at how car salesmen operate, providing useful tips for car buyers.
 http://www.popularmechanics.com/cars/news/industry/confessions-of-a-carsalesman-5681350

MATHEMATICS

• Activity/Project Ideas:

- Have students calculate the cost of a loan by comparing a vehicle's price if they paid
 cash in full at the time of purchase versus getting a loan with interest spread out over
 time. Give students multiple loan terms to compare, such as 36, 60, or 72 months, and
 different APRs to factor in.
- Have students research the purpose of an amortization schedule for a car loan and related online resources such as amortization calculators. For a more advanced activity, challenge students to create their own amortization schedule for a car loan. For example: students may create an amortization schedule by using online calculators (http://MyAmortizationChart.com) or spreadsheet software templates at http://office.microsoft.com/en-us/templates/loan-amortization-schedule-TC010073881.aspx.

SOCIAL STUDIES AND ECONOMICS

Discussion Topics:

- Engage students in a discussion about the changes in supply and market price for new cars under different circumstances, such as the cost of labor increasing or the number of car manufacturers decreasing.
- Explore with students how advancements in manufacturing technologies, such as hybrid, robotics, and driverless cars, have impacted and will continue to affect the marketplace.



TECHNOLOGY

• Online Resources:

- Buying and Owning a Car by the Federal Trade Commission: A comprehensive carbuying source that includes information on buying, leasing, negotiating prices, how to maximize gas efficiency, and more. http://www.consumer.ftc.gov/topics/buyingowning-car
- Auto Loan Calculator: An online calculator that calculates monthly payments for auto loans. http://www.cars.com/go/advice/financing/calc/loanCalc.jsp?mode=full

• Activity/Project Ideas:

- Challenge students to create an amortization schedule for a car loan using a spreadsheet software (http://office.microsoft.com/en-us/templates/loan-amortization-schedule-TC010073881.aspx) or online calculator at http://MyAmortizationChart.com.
- Have students research multiple informational car websites and assess the credibility of the information they discover. Discuss how to navigate websites to know whether or not a site is delivering quality and informative information versus simply aiming to sell you something.



LESSON OVERVIEW

While teens and young adults may not be thinking about all the things that could go wrong in their lives, breaking down complex levels of **risk management** is a critical step in building a financial foundation. In this lesson, students are guided through different types of **insurance** and the purpose of each. Students assess real-world scenarios and engage in inquiry-based research about buying insurance.

TOPIC: Risk Management and Insurance

SUBJECT CONNECTIONS: English

Language Arts

TIME REQUIRED: 65 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Identify common risks and strategies to reduce risk
- Explain the purpose and importance of various insurance types
- Recognize when insurance is needed and how to get it

SUPPLIES:

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

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- Name That Insurance
- Insurance Investigator
- Life Map

Answer Key	129
Glossary with key vocabulary	146
National Education Standards	155

TEACHER PRESENTATION SLIDES:

- Types of Insurance
- Insurance Lingo

ESSENTIAL QUESTIONS:

- What is insurance?
- Do I need insurance, and if so, what type(s) of insurance do I need?
- How do I get insurance?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

Picture This! activity

POST-ASSESSMENT:

- Name That Insurance handout
- Insurance Investigator handout
- Life Map handout

MONEY SMART PORTFOLIO:

• Life Map handout



INSTRUCTION STEPS

WARM UP

PICTURE THIS! [10 MINUTES]

Open the lesson by telling students that they are going to play a Pictionary-type game to illustrate different terms related to insurance. Divide the class into small groups and assign each group a different type of insurance to draw, such as health, life, or auto. Give groups several minutes to decide what they will illustrate and then give each group a chance to draw its term while the rest of the class guesses what it means.

When all groups have had a chance to draw, ask students to share what they know about insurance. Ask students: What is insurance? Why do people have insurance? What is the difference between health, life, and auto insurance? Invite volunteers to share their ideas and explain that today's lesson will focus on answering those questions by exploring potential **risks** we may encounter in life and how insurance can help us manage those risks.

GUIDED EXPLORATION

TYPES OF INSURANCE [25 MINUTES]

Explain to students that the main reason people carry insurance is that insurance helps minimize financial risk and the use of current income or savings to pay for property damages or health needs. When an accident or emergency happens, insurance helps cover financial costs. For example: if a tornado destroys a person's home, their property insurance helps pay for the damages. Likewise, if a person gets into a car accident, auto insurance helps defray costs associated with the crash. Tell students that, for different situations, you carry different types of insurance.

Next, display the *Types of Insurance* slide and review each type with the class, sharing examples of your own or using the guiding points below.

- Health Insurance protects you from risks of having to pay for medical expenses in the case of
 injury or illness. For example: if you became ill and needed to have a surgery, health insurance
 would help pay for the costs associated with your surgery and treatments.
- Life Insurance protects against loss of income as the result of an insured person passing
 away. For example: if you're married and your spouse passes away, life insurance pays a sum
 of money to you, the beneficiary.
- Auto Insurance protects drivers from financial burdens that arise from car accidents. For example: if someone accidentally rear-ends you, auto insurance helps pay for resulting damages or injuries.
- **Disability Insurance** protects you if you are ever injured or disabled and unable to work to earn an income.
- Long-Term Care Insurance helps minimize costs associated with a person needing
 assistance performing daily functions such as bathing, eating, and walking. Assisted living,
 home care nurses, and hospice services are all examples of financial costs that may be
 covered through long-term care insurance.



 Property and Casualty Insurance protects you against damage that may occur to your property as result of events like fires, tornadoes, and even theft.

Next, tell students that, while it is important to investigate the different types of insurance available to you, there are also key terms to know in order to understand which insurance options are right for you. Display the *Insurance Lingo* slide and review each of the terms with the class.

- Policy: the contract between the insured (you) and the insurer
- Claim: the request from the insured to the insurer for payment
- Premium: the amount of money paid by the insured to have an insurance plan
- Deductible: the amount of money paid by the insured before an insurance plan takes over or covers the remaining amount owed
- Copay/Coinsurance: fee paid by the insured when receiving a medical service

Next, distribute the *Name That Insurance* handout and have students work together in small groups or twosomes to name the insurance that will most help minimize financial risk in each scenario. Invite groups to share their answers, and then explain the correct insurance type for each scenario, reiterating that different situations require different risk protection.

Grade-Level Modifications:

Beginner: Focus the lesson exclusively on one insurance type, such as health or auto, before moving into the many different types of insurance.

Advanced: Expand insurance types to discuss what businesses need in order to be financially protected. Have students research and assess different insurance types as they relate to business entitles.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

INSURANCE INVESTIGATOR [20 MINUTES]

Distribute the *Insurance Investigator* handout and tell students that they will now have an opportunity to research different insurance policies and assess which policy best meets the scenario on the handout. Students can work together in small groups or individually to compare and contrast their insurance research.

MONEY SMART TIP!

Share sections of the Affordable Care Act with students and discuss changes in health care reform. Remind students that, under the Affordable Care Act, you can stay on your parents' health insurance (if they have it) until you turn 26.

When students are finished conducting research, invite volunteers to share their final health insurance choice and present their case to the class.



WRAP UP

LIFE MAP [10 MINUTES]

Close the class by distributing the *Life Map* handout and allow time for students to reflect on how their risk management needs may change during different phases of their lives. Invite volunteers to share their ideas and remind students that taking the time to research and inform yourself of all of your options is the best way to minimize risk and be prepared for any unexpected financial costs.

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:
 - What national changes do you think would help improve health care, and why?
 - Should everyone be entitled to equal health insurance? Why or why not?
 - Why do you think there are such steep penalties and fees for driving without car insurance? Do you agree or disagree?

Suggested Readings:

- Why Health Coverage Is Important by HealthCare.gov: Learn about why health insurance helps protect you from financial and health risks. https://www.healthcare.gov/why-should-i-have-health-coverage/
- What Kind of Insurance Should College Students Get? by Nerd Wallet: Read about different types of insurance and how they are applicable to college students. http://www.nerdwallet.com/blog/insurance/2014/09/11/insurance-college-students/

MATHEMATICS

Activity/Project Ideas:

 Have students calculate probabilities under different insurance-based challenges. For example: have them calculate the number people who are insured, or need insurance, and are likely to file insurance claims based on geographic patterns (that is, in tornado-, forest-fire-, or earthquake-prone areas).



SOCIAL STUDIES AND ECONOMICS

Discussion Topics:

- Discuss and define how insurance differs for consumers, businesses, and the government.
- Have students explore and discuss impacts of health care reform on personal and national levels. For example: how many people are currently uninsured or underinsured in the United States? How do the statistics vary from state to state? In what ways has health care reform improved uninsured rates?

Activity/Project Ideas:

 Have students review and analyze different sections of the Affordable Care Act and present their findings to the class. For example: students can find more information about the act by visiting the U.S. Department of Health and Human Services at http://www.hhs.gov/healthcare/rights/.

TECHNOLOGY

• Online Resources:

- Health Care of Children Under 26: Information on how health care coverage works for children under age 26. https://www.healthcare.gov/young-adults/children-under-26/
- Comparing Health Plans: An online guide to comparing health insurance plans, including information on out-of-pocket expenses and monthly premiums.
 https://www.healthcare.gov/choose-a-plan/comparing-plans/
- Plan-by-Plan Comparison: An online worksheet that allows you to compare different health insurance plans.
 - https://www.healthpartners.com/planComparison/Worksheet.do

LESSON OVERVIEW

With college a looming expense for many high school students and recent graduates, researching colleges and how to finance an education enables students to fully assess their choices. This lesson explores different ways to finance a college education, from building savings to **financial aid** and **loans**. Emphasizing research to build knowledge is the key component of this lesson as students employ strategies of weighing costs, benefits, and options to make prudent personal choices regarding higher education.

TOPIC: Financing College

SUBJECT CONNECTIONS: Math, English

Language Arts

TIME REQUIRED: 80 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Identify the costs of college
- Understand student loan management
- Research and compare different college financial aid choices
- Discuss the earning potential of a degree in relationship to its cost

SUPPLIES:

- Projector (for teacher presentation slides)
- Access to the Internet (optional)
- Sticky notes and poster board (optional)

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- College Planning Prep
- Federal Student Aid Options
- Comparing Choices
- College ROI (Return on Investment)

Answer Key	129
Glossary with key vocabulary	
National Education Standards	155

TEACHER PRESENTATION SLIDES:

- What Is Your Skill and Will?
- Cost of College
- The Financial Aid Process (6)

ESSENTIAL QUESTIONS:

- How much does college cost?
- How can I pay for college?
- What types of financial aid are available and how do I learn more about them?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

• College Planning Prep handout

POST-ASSESSMENT:

- College Tips activity
- Comparing Choices handout
- College ROI handout

MONEY SMART PORTFOLIO:

- College Planning Prep handout
- Federal Student Aid Options handout
- Comparing Choices handout
- College ROI handout



INSTRUCTION STEPS

WARM UP

COLLEGE PLANNING PREP [15 MINUTES]

Open the lesson by sharing the *What Is Your Skill and Will?* slide. Ask students what the famous quote from Muhammad Ali means to them. What is the "skill" and "will" he refers to? Engage students in thinking about their own "wills" for their future. What do they want to accomplish? What type of career do they see for themselves? Next, ask students to contemplate the "skills" needed to meet their goals. What type of training and education goes into achieving your vision? Guide the discussion to explain that going to college is one way to help build your skills and achieve your goals.

MONEY SMART TIP!

Refer back to Lesson 1, *Working Hard for the Money*, and have students review the career options they researched.

Help students understand that, whereas pursuing a college degree can be both time-consuming and expensive, college graduates usually see a **return on their investment (ROI)** and benefit from long-term payoffs (for example: more career options, better promotion opportunities, higher earnings, and lower unemployment on average). Explain that continuing your education beyond high school is a large investment that takes a lot of planning and research. Whether they are interested in going to a college or university, community college, trade, career, or technical school, or entering the workforce, tell students that it is never too late to think about how to pay for expenses.

Next, distribute the *College Planning Prep* handout. Give students time to complete the activity, and invite volunteers to share their thoughts for each piece of the concept map. Lead the discussion by showcasing that there are many different elements to consider when planning for college, including the size of school students are interested in, how to finance a degree, and what type of extracurricular activities they may want to participate in. Planning for college includes a variety of components that all need to be considered equally.

GUIDED EXPLORATION

COST OF COLLEGE [35 MINUTES]

Display the *Cost of College* slide and review the different expenses that are part of preparing a budget for college. Ask students why they think it's important to consider costs beyond just tuition and have them explain why they think it is important to budget living expenses as part of a college prep plan. Explain that, if you are moving out on your own for the first time, expenses may be much different than what you are used to. Likewise, attending college may also bring new expenses into the budget by way of books and technology needed to perform schoolwork.

Grade-Level Modifications:

Beginner: Review the principles of budgeting from Lesson 3, Can You Pay Your Bills?, and have students reiterate the basic building blocks of a budget.

Advanced: Challenge students to create a projected budget for each of the expenses included on the **Cost of College** slide.

Next, ask students how they think it is possible to pay for college expenses. In addition to saving and working to pay for education, explain that financial aid can also help offset the costs of college. Display the (6) *Financial Aid Process* slides (https://www.studentaid.ed.gov/sites/default/files/financial-aid-process.png). Review each of the steps with students and discuss the differences between scholarships, grants, and loans.

- Scholarships: money for college that you will not be expected to repay. Scholarships sponsored by colleges are often designated for students who satisfy certain merit-based criteria, such as excellent academic or athletic performance.
- Grants: money for college that you are not expected to repay. Often awarded based on need.
- **Loans:** money borrowed that must be repaid with interest.
- Work-Study Programs: money earned for college by working to help pay for educational expenses.

MONEY SMART TIP!

Expand the discussion of loans to include repayment information. Have students contemplate the terms of loans and ramifications of making payments late or missing payments altogether. Connect back to Lesson 7, *Capacity, Character, Collateral, and Capital*, to reiterate the impacts loans can have on credit.

Engage students in a discussion next about the **Free Application for Federal Student Aid (FAFSA)**, which is an application for federal student financial aid such as Pell grants, student loans, and college work-study programs. Explain that filling it out is the first step in order to apply for federal student aid. Help students understand that many states and schools also use FAFSA information to award their financial aid.

Distribute the *Federal Student Aid Options* handout and divide the class into small groups. Assign each group a different a financial aid item to research and then have groups present their findings to the class.

MONEY SMART TIP!

Show students the FAFSA form and how to fill it out. Encourage students to share this information with their parents and to complete one if they haven't done so already. https://fafsa.gov/

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INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

COMPARING CHOICES [25 MINUTES]

Distribute the *Comparing Choices* handout and have students work individually or in small groups to research and record the different costs associated with the three colleges in the sample scenario. Next, encourage students to research and compare three colleges of their own choice (or use three colleges or universities in your area).

MONEY SMART TIP!

The Comparing Choices handout works well as a homework assignment to offer students additional time to research and reflect on their college choices. Additionally, share with your students the resources from the Consumer Financial Protection Bureau's Know Before Your Owe Student Loans Project, which includes information on understanding loans and grants, as well as comparing financial aid packages from multiple institutions (http://www.consumerfinance.gov/students/knowbeforeyouowe/). Additionally, discuss with your students the seriousness of making student loan decisions and inform them that even in a bankruptcy, student loans are not released.

Invite volunteers to share the expenses they researched, and reiterate the importance of looking at college costs not just from a tuition point of view, but also to include other expenses such as books, transportation, housing, and food.

Next, explain that comparing costs is important in making a college decision, but so is considering the ROI (return on investment). If you spend a certain amount of money to attend college, how much money will you be able to earn in your lifetime as a result of the money spent? Invite volunteers to share their thoughts and then distribute the *College ROI* handout.

WRAP UP

TAKE-HOME PAY [5 MINUTES]

Close the lesson by asking students to write down one tip on a sticky note or piece of paper about how to prepare for college costs. Have students give you their sticky notes as a ticket out of class and then compile them on a poster board or classroom wall to create a comprehensive college planning resource.



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:

- Do student loans help or hurt the U.S. economy? Choose a position and support your argument.
- What is your opinion of for-profit schools? Do you agree or disagree with a profit-driven model for offering college education? Explain your reasoning.

Suggested Readings:

- What's Holding You Back? student profiles with videos, by the College Board: Read about and watch videos (approximately 1 minute each) of real college students and their experiences on the path to college. http://youcango.collegeboard.org/stories/all
- How Much Will College Cost in 25 Years? Read and investigate the future of college costs. http://archive.freep.com/article/20140913/FEATURES01/309130060/collegecost-in-25-years

MATHEMATICS

• Activity/Project Ideas:

Have students calculate and analyze the impact of inflation on higher-education costs.
 How much will college cost five years from now? Ten years? Fifty years?

SOCIAL STUDIES AND ECONOMICS

• Discussion Topics:

- Explore the connection between education and earnings. Ask students: If you go to college does that guarantee economic success? Why or why not?
- Discuss different positions on what role the government should play in supporting higher education, such as levels of federal financial aid, interest rates on federal loans, and forprofit institution regulations.

TECHNOLOGY

• Online Resources:

- Center for Student Opportunity: A web resource that helps empower first-generation college students. http://www.imfirst.org/center-for-student-opportunity/
- College Savings Calculator. An online calculator that calculates how much to save for college. http://www.360financialliteracy.org/Topics/Paying-for-Education/Saving-for-College/College-Savings
- The College Board: A web resource that helps students reach success and opportunity through college. Resources include college planning, college searches, and preparing for college entrance exams. https://www.collegeboard.org/
- Federal Student Aid: a comprehensive resource on federal financial aid for college, including preparing for college, qualifying for aid, and applying for and managing loans. https://www.studentaid.ed.gov/
- Compare and Pay for College: A web resource housing information on comparing colleges, obtaining financial aid, and searching for scholarships.
 http://www.nerdwallet.com/nerdscholar/compare-colleges-and-pay
- Know Before You Owe, Student Loans Project by the Consumer Finance Protection
 Bureau: Information on understanding loans and grants, as well as comparing financial
 aid packages from multiple institutions.
 http://www.consumerfinance.gov/students/knowbeforeyouowe/
- Paying for College by the Consumer Finance Protection Bureau: An online tool to help consumers make informed financial decisions about how to pay for college by comparing financial aid offers and understanding loan repayment options.
 http://www.consumerfinance.gov/paying-for-college/

Activity/Project Ideas:

 Have students use spreadsheet software to create a college budget. Students may start with a template at http://office.microsoft.com/en-us/templates/my-college-budget-TC102347374.aspx.

LESSON OVERVIEW

Understanding economic conditions empowers students to make smart financial choices regardless of different economic circumstances they may face in their lifetimes. Because financial decision making rarely happens in isolation, and is instead a combination of economic forces and personal choices, understanding the broad contexts of the economy is a critical component of building a well-rounded financial perspective. This lesson explores **monetary** and **fiscal policy** and why it is important to pay attention to economic conditions.

TOPIC: Understanding the Economy

SUBJECT CONNECTIONS: Social Studies,

English Language Arts

TIME REQUIRED: 55 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Understand how the economy impacts personal financial choices
- Summarize monetary and fiscal policy
- Understand inflation
- Understand economic cycles

SUPPLIES:

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

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- You're in Charge!
- Economic Future

TEACHER PRESENTATION SLIDES:

- Economic Cycles
- Fiscal Policy
- Monetary Policy

ESSENTIAL QUESTIONS:

- What are monetary and fiscal policies and how do they relate to me?
- How do economic conditions influence me?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

• Inflation slide

POST-ASSESSMENT:

- You're in Charge! handout
- Economic Future handout

MONEY SMART PORTFOLIO:

- You're in Charge! handout
- Economic Future handout

INSTRUCTION STEPS

WARM UP

INFLATION [15 MINUTES]

Begin the lesson by asking students if they know what a "Five and Dime" store is. Explain that they were variety stores that sold an array of products, from candles to soda to candy — all for only a nickel or dime! Tell students that, in the past, you could buy a soda for five cents, but today that same soda costs well over a dollar. Why is this?

Invite students to share their ideas and explain that **inflation** is when the items we buy increase in price. That same soda you purchase today for a little over a dollar may cost two dollars in the future because of inflation.

GUIDED EXPLORATION

MONETARY AND FISCAL POLICY [15 MINUTES]

Continue to engage students in a discussion about inflation and ask them to consider what would happen if that same five-cent soda went up to today's price not in a matter of decades, but in a matter of days. What would be the consequences of this? Explain that the government is able to control, to some degree, the level of inflation to help keep the economy stable. Display the *Economic Cycles* slide and explain that the economy goes through cycles of growth and recession. Ask students whether they are familiar with the term "recession" and what they know about it. Invite volunteers to share their ideas and explain that low national levels of income and employment are what lead to a recession.

MONEY SMART TIP!

Share with students the Federal Reserve's website at http://www.federalreserve.gov/.

Discuss the purpose of the Federal Reserve and explain that it is the central bank
of the United States and was created by Congress in 1913 to provide a safe
and stable monetary and financial system.

Display the *Fiscal Policy* slide next and tell students that one way the government helps to regulate the economy is through fiscal policy. Explain that fiscal policy is essentially the government's budget, and, in the same way individuals make a budget for their income and expenses, the government does too. The government's "income" is in the form of collected tax dollars and its "expenses" are in the form of government spending for programs, schools, highways, and so on.

Next, display the *Monetary Policy* slide and tell students that another way the economy can be regulated is through monetary policy, which is when the Federal Reserve influences the growth of money supply when economic conditions are slow. Explain that the goal of monetary policy is to balance recession factors like unemployment with rising costs of inflation.



Ask students to think about how monetary policy works. How does the Federal Reserve achieve balance? Explain that adjusting credit is a key factor. For example: when interest rates are low, that means that credit is less expensive and more people and businesses are able to obtain credit and use it to purchase large items like homes (or for businesses, to invest in new developments and expand). This, in turn, creates economic growth. Likewise, high interest rates on credit make it challenging for consumers and businesses to afford it, thus limiting their buying capabilities and slowing the economy down.

MONEY SMART TIP!

Help students understand that it is not only important to think about money on a personal level, but also on a national and international level. Guide students in seeing the value of building a global landscape for their financial understanding, because what happens to money all around the world does have an impact on the U.S. economy. Advise students to pay attention to policies and to read the news, because it matters all the way to the bank...their bank!

Ask students how they think interest rates might impact them personally. Invite volunteers to share their ideas and tell students that, even though policies may seem distant from us, the consumers, they impact our lives in very meaningful ways. For example: if you need to take out a loan to pay for college, the rate at which you can borrow money can dramatically influence the final cost to you. If interest rates are low, you will be able to borrow money at a much lower cost than if interest rates are high.

Grade-Level Modifications:

Beginner: Have students spend additional time discussing inflation and understanding why \$1 in 1950 is no longer \$1 today.

Advanced: Expand the lesson to discuss business cycles and the patterns of economic booms and recessions.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

YOU'RE IN CHARGE! [20 MINUTES]

Ask students what they would do if they were in charge of monetary policy. Would they know how to balance recession and inflation? Tell students they will get a chance to manage monetary policy by playing the Fed Chairman Game at http://sffed-education.org/chairman/.

Distribute the **You're in Charge!** handout and remind students that their goal is to control monetary policy and work to keep inflation low and stable while balancing the unemployment rates. Allow students at least ten minutes to play the game and then additional time to answer the follow-up questions.

After students have used the game to assess their monetary management skills, reconvene as a class and ask for volunteers to share their results. Were they successful in managing monetary policy? Unsuccessful? Under what conditions did inflation or unemployment rise? Close the discussion by reminding students about the importance of paying attention to economic policies and current events, since they have the ability to affect each individual's ability to borrow and buy.

WRAP UP

ECONOMIC FUTURE [5 MINUTES]

Close the lesson by distributing the *Economic Future* handout, and allow students time to complete it.

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:
 - How would you budget income and expenses if you were in charge of the U.S. government's budget?
 - What do you think is the best way to stimulate economic growth? Is it possible to overstimulate the economy? Why or why not?

Suggested Readings:

- What \$40 Means to Americans Across the Country: An exploration by the Whitehouse about how payroll tax cuts affected American citizens.
 http://www.whitehouse.gov/40dollars
- Everything You Need to Know About the President's Blueprint for Manufacturing. An overview of President Obama's vision for manufacturing, including tax reform, trade enforcement, and how to rebuild America.
 http://www.whitehouse.gov/blog/2012/01/25/everything-you-need-know-about-presidents-blueprint-manufacturing

MATHEMATICS

- Activity/Project Ideas:
 - Have students calculate inflation rates for different goods and services. For example: if a bag of apples costs \$3.99 today, what will it cost next year? In five years? In ten years?

SOCIAL STUDIES AND ECONOMICS

Discussion Topics:

- Have students research and analyze how business models such as dollar stores handle inflation when every item remains for sale at \$1. How are they able to maintain low prices?
- Challenge students to analyze historical examples of policy changes and the impact they had on the economy.

TECHNOLOGY

• Online Resources:

- Monetary Policy: Part Art, Part Science by the Federal Reserve Bank of Atlanta: A video (9 min.) exploring both the science and art of monetary policy.
 https://www.frbatlanta.org/education/monetary-policy-art-science/video.aspx
- The Budget of the U.S. Government: A web resource detailing the U.S. government's budget. http://www.whitehouse.gov/omb/budget/Overview

LESSON OVERVIEW

Helping teens and young adults think long-term is the central goal of this lesson. While students may already see the value in setting aside savings, they may not know how to achieve long-term savings by **investing**. This lesson explores basic concepts young adults need to know about **investment vehicles** and tools needed to create the future they envision for themselves. Using real-world applications, students engage in topics ranging from **diversification** to different types of investments.

TOPIC: Financial Markets and Investing

SUBJECT CONNECTIONS: Math, English Language Arts

TIME REQUIRED: 65 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Understand how investing helps meet financial goals and build wealth over time
- Research and evaluate investment vehicles and resources
- Explain how investments are regulated
- Explain how investments can be affected by economic and business cycles

SUPPLIES:

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

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- Bucket List
- Investment Products
- What Type of Investor Are You?
- Action Plan

TEACHER PRESENTATION SLIDES:

- Investment Vehicles (5)
- Investor Considerations

ESSENTIAL QUESTIONS:

- What is an investment?
- How is investing different from savings?
- How do I invest my money?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

Bucket List handout

POST-ASSESSMENT:

- Investment Products handout
- What Type of Investor Are You? handout
- Action Plan handout

MONEY SMART PORTFOLIO:

Action Plan handout

Answer Key	129
Glossary with key vocabulary	146
National Education Standards	155

INSTRUCTION STEPS

WARM UP

BUCKET LIST [10 MINUTES]

Open the lesson by distributing the **Bucket List** handout. Give students time to complete it, and when they are finished, invite volunteers to share ideas from their lists. Continue the discussion by asking students what financial actions they would need to take in order to pay for the items on their bucket lists.

GUIDED EXPLORATION

INVESTMENT VEHICLES [25 MINUTES]

Using students' bucket list items as examples, explain that one strategy to help pay for long-term goals is to invest your money. Ask students whether they know the difference between savings and investing, and invite volunteers to share their thoughts.

Explain that when you deposit money into a savings account your money is protected because it is federally insured, whereas investments are not. When a person invests money, there is a greater risk of losing it than with a savings account. Tell students that the entire investment can be lost if it doesn't perform well, but that the investment may also earn and grow more than a regular savings account because of the risk that was taken. Explain that, in other words, the higher the **risk** the higher the reward, or the expected **rate of return** on the investment. Explain that, although there are risks to investing, investments are generally expected to increase in value, provide current income, or offer a combination of both.

MONEY SMART TIP!

Connect back to Lesson 4, *Boost Your Savings*, and remind students how their money is protected in financial institutions. Review that FDIC insurance covers all deposit accounts, including checking and savings accounts, money market deposit accounts, and CDs. Help students understand this means that money deposited in insured financial institutions is guaranteed up to the maximum amount allowed by law (\$250,000 per depositor, per bank) if the financial institution goes out of business and cannot pay you your money. Likewise, the National Credit Union Administration (NCUA) insures up to \$250,000.00 per depositor at insured credit unions.

Next, display the *Investment Vehicles* slides and explain how each type of investment works (detailed definitions for each investment can also be found in the glossary). Remind students that diversification is a key component of building a strong investment portfolio because it helps minimize the risk of losing money. When you spread money over multiple investments, if you lose money in one investment then you might gain in another, which helps create balanced growth. Ask students to think about why we save and invest money. Invite volunteers to share their thoughts, and explain that we save and invest money to achieve goals, have a sense of security (be prepared for financial emergencies), maintain self-esteem, and have control over our financial future.

MONEY SMART TIP!

Connect back to Lesson 4, *Boost Your Savings*, and remind students of the power of earning money with money through interest.

Grade-Level Modifications:

Beginner: Limit the discussion to one type of investment, such as stocks, and explore the nuances of it before integrating other investment vehicles.

Advanced: Expand the discussion of investment vehicles to include variable annuities and how they combine an insurance product with an investment product. Discuss why variable annuities are often more costly than other investments. Explain that brokers and agents selling variable annuities earn a commission when they sell an annuity. As a result of the commission-based structure, brokers may be motivated to sell you something that isn't in your best financial interest. In addition to exploring variable annuities, expand the discussion of investment vehicles by having your students research exchange-traded funds (ETFs) at http://www.sec.gov/answers/etf.htm.

Distribute the *Investment Products* handout and have students work in small groups to answer each question. Invite groups to share their answers, and reiterate the differences between investment products available to consumers.

MONEY SMART TIP!

Share and review with the class the guide Saving and Investing for Students from Investor.gov. http://investor.gov/Saving-and-Investing-Students#.VBmmwmRdVNs

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

INVESTMENT CHOICES [20 MINUTES]

Remind students that, just like choosing to spend or save money, we also have choices when it comes to investment. We can choose how much money to invest and where to invest it. Display the *Investor Considerations* slide and discuss the different terms with students.

Distribute the *What Type of Investor Are You?* handout and show students how to calculate compounding interest using the formula A = P(1 + r)n, where P is the principal, r is the annual rate of interest, n is the number of years deposited, and A is the amount accumulated after n years. Alternatively, students may use a compound interest calculator, such as the one available at Investor.gov. http://www.investor.gov/tools/calculators/compound-interest-calculator#.VBou9yiNZdQ

Allow students to complete the *What Type of Investor Are You?* handout. Ask for volunteers to share their final outcome and reflect on the importance of thinking through our personal comfort with levels of risk, how to distribute our money in investments, and how to weather the ups and downs of investments. Ask students what surprised them about this activity. Did their money grow more or less than expected?

Grade-Level Modifications:

Beginner: Work through the What Type of Investor Are You? handout together as a class.

Advanced: Challenge students to work through the *What Type of Investor Are You?* handout and calculate the same scenario but compounding monthly and quarterly. Have students compare their results between annual, monthly, and quarterly compounding. Additionally, have students analyze how investments can be affected by economic and business cycles. Connect back to Lesson 13, *The Policy of Personal Choice*, to discuss fluctuations in the economy.

MONEY SMART TIP!

Introduce students to the time value of money and show them that one dollar today is worth more than one dollar tomorrow because it earns interest. The longer you are able to invest your one dollar, the more time it has to earn interest.

WRAP UP

ACTION PLAN [10 MINUTES]

Close the lesson by handing out the *Action Plan* worksheet and allowing students time to complete it. Invite volunteers to share their action plans with the class and close the discussion by emphasizing the importance of building a plan to reach financial goals, not just for savings and spending but also for long-term investments.

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:

- What do you think makes a good investment, and why? For example: what level of risk
 and reward are you comfortable with? Do you think it is better to put money in risky
 investments that can pay big rewards or invest conservatively with mild risks and
 rewards? Explain your reasoning.
- In what ways should the stock market be regulated? For example: how should issues of fraud or illegal trading be addressed?



Suggested Readings:

- 3 Investors Confess: What I've Learned from the Ups and Downs of the Stock Market by Forbes magazine: An article on the lessons learned in the stock market, told through the perspectives of three investors. http://www.forbes.com/sites/learnvest/2013/11/19/3investors-confess-what-ive-learned-from-the-ups-and-downs-of-the-stock-market/
- The Motley Fool Investment Guide for Teens: A how-to book for teen investors. (ISBN: 0743525566)
- Millennials: Bonds Aren't Just for Old People by Nasdaq: An article exploring how bonds are useful tools in many life stages. http://www.nasdaq.com/article/millennials-bondsarent-just-for-old-people1-cm391645
- Compound Interest: The Most Powerful Force in the Universe? by CBS News: An overview of the power of compound interest.
 http://www.cbsnews.com/news/compound-interest-the-most-powerful-force-in-the-universe/

MATHEMATICS

Activity/Project Ideas:

- Have students compare investments and calculate how long it will take to double an investment with different interest rates.
- Challenge students to use exponential functions to calculate compound interest over different amounts of time.

SOCIAL STUDIES AND ECONOMICS

• Discussion Topics:

 Examine how investments are a source of income and explore how economic policies influence rates of return. For example: read about how inflation and employment levels can influence broader economic conditions at http://www.federalreserve.gov/faqs/money_12856.htm.

Activity/Project Ideas:

- Have students research historical stock market crashes, such as the stock market crash
 of 1929, the dot-com bubble of 2000, and the financial crisis of 2008, and discuss the
 reasons and outcomes.
- Have students complete a simulation in which they practice buying and selling stocks, such as The Stock Market Game at http://www.stockmarketgame.org/.
- Engage students in current events topics about the stock market by having them read a
 daily piece of investment news, such as articles posted on the Nasdaq website.
 http://www.nasdaq.com/

TECHNOLOGY

• Online Resources:

- Investor.gov by the U.S. Securities and Exchange Commission: A comprehensive website with information on investment markets, how to invest, researching and managing investments, and how investing fits in with life events. http://investor.gov/
- The Stock Market Game: An online game that allows students to simulate actions in the stock market. http://www.stockmarketgame.org/

Activity/Project Ideas:

 Have students follow the stock market for a set period of time and record their observations in spreadsheet software. Challenge students to graph the ups and downs of specific stocks and analyze historic stock behaviors.

LESSON OVERVIEW

Although **retirement** may seem a distant future for many high school students, this lesson demonstrates why thinking about retirement now means building retirement savings and securing one's future. Students research and compare different retirement plans, and assess how retirement savings are built through different retirement options, such as **Traditional** and **Roth IRA**s and **401ks** and **403b**s.

TOPIC: Retirement Planning

SUBJECT CONNECTIONS: Math, English

Language Arts, Social Studies

TIME REQUIRED: 70 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to ...

- Explain how long-term retirement savings through investing builds wealth
- Identify differences in retirement planning strategies
- Create a retirement plan
- Understand Social Security benefits

SUPPLIES:

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

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- Retirement Trivia
- On the Road to Retirement
- Plan It!

Answer Key	129
Glossary with key vocabulary	146
National Education Standards	155

TEACHER PRESENTATION SLIDES:

- Money Grows
- Retirement Vehicles: Where to Save?
- Retirement Vehicles: Where to Save if Self-Employed?

ESSENTIAL QUESTIONS:

- Why do I need to think about retirement now?
- How do I make sure I have enough for my future?
- How does someone become a millionaire?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

Money Grows slide

POST-ASSESSMENT:

- Retirement Trivia handout
- On the Road to Retirement handout
- Plan It! handout

MONEY SMART PORTFOLIO:

• Plan It! handout

INSTRUCTION STEPS

WARM UP

A DAY IN THE LIFE OF A MILLIONAIRE [10 MINUTES]

Begin the lesson by asking students to imagine what it would be like to be a millionaire when they retire: What would you do? What would you buy? Where would you go? Invite volunteers to share their responses. Explain that it may seem like an unattainable goal, but many people become millionaires over time by saving and investing wisely. Help students understand that it is a misconception that you have to start out rich or become famous to be a millionaire. With a well-developed financial plan and self-discipline to save and invest regularly over the course of your life, your money has the chance to grow in big ways.

MONEY SMART TIP!

Share with students "everyday" millionaires, those individuals who are not famous actors, businesspeople, or athletes, but rather average citizens working hard and saving hard. For example: share with students an article in the news or watch a short video compilation of "everyday" millionaires, such as *How These Average Joes Retired Millionaires* (3.5 minutes) at http://finance.yahoo.com/blogs/daily-ticker/how-these-average-joes-retired-millionaires-142631833.html.

GUIDED EXPLORATION

RETIREMENT VEHICLES [25 MINUTES]

Next, display the *Money Grows* slide and review the power of **compound interest** observed in each example. Encourage students to reflect on the difference between starting at age 25 versus 45. Ask students: *Why has the money grown so much more in the first example?* Help students understand that, even though both scenarios contribute \$200 a month, the ability to start at a younger age means that you maximize the opportunity to compound interest over a longer period of time, resulting in a higher balance than if you contribute the same monthly amount later in life.

Grade Level Modifications:

Beginner: Spend time circling back to Lesson 4, *Boost Your Savings*, and Lesson 14, *Increasing the Value of Your Money*, to review the power of compounding interest over time.

Advanced: Challenge students to do their own calculations on how money can grow. Have students use the compound interest calculator at

http://www.investor.gov/tools/calculators/compound-interest-calculator and experiment with different interest rates and years. For example: how much does a principal of \$2,000 grow over 30 years with an interest rate of 2 percent, 4 percent, 6 percent, and 8 percent?

Display the *Retirement Vehicles: Where to Save?* slide and highlight the similarities and differences among different retirement accounts (definitions for each are also included in the glossary).

Next, share the **Retirement Vehicles: Where to Save if Self-Employed?** slide and discuss how options are slightly different if you own a business or earn freelance income.

MONEY SMART TIP!

In addition to discussing retirement vehicles, discuss Social Security and how it plays a role in retirement planning. Connect back to Lesson 6, *Bread-and-Butter*, to discuss taxation, or have students explore the Social Security website at http://www.ssa.gov/.

Distribute the *Retirement Trivia* handout and challenge students to work independently or in small groups to answer which retirement account each person has. Review the answers together as a class and close the discussion by helping students understand that, your job, income, and retirement goals may determine the type of retirement account you establish. Explain that many people consider age 65 to be the ideal retirement age, but retiring at that age may not be possible if one does not save enough. While there is no right way to plan for retirement, since different people use different retirement vehicles, it is important to start young and save diligently throughout the course of your life so that you are able to retire at the age of your choosing.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

ON THE ROAD TO RETIREMENT [25 MINUTES]

Distribute the *On the Road to Retirement* handout and allow students time to work through both scenarios either with a partner or in small groups.

MONEY SMART TIP!

Provide students with an online compound interest calculator to complete the On the Road to Retirement handout, such as the one found at Investor.gov. http://www.investor.gov/tools/calculators/compound-interest-calculator#.VBsXuyiNZdQ

When students are finished, discuss their results and explain that Jessica's decision to borrow \$20,000 from her 401k ended up costing her almost \$300,000 in lost income over the course of her life! She also paid immediate fees from early withdrawal and tax payments. Help students understand that a decision she made at age 30 had a lasting impact on her financial future. Even though she still continued to contribute \$250 to her 401k each month, her contributions would have grown dramatically if she chose to leave the \$20,000 in her account.

MONEY SMART TIP!

Extend the *On the Road to Retirement* activity by having students write a cause and effect essay based on Jessica's retirement choices.



WRAP UP

PLAN IT! [10 MINUTES]

End the lesson by distributing the *Plan It!* handout and allow students time to reflect and write their answers. Invite students to share their plans with the class and use student responses as an opportunity to reiterate the importance of starting early with retirement savings.

MONEY SMART TIP!

In addition to the *Plan It!* activity, have students visit the U.S. Treasury's myRA website to learn more about the myRA program, a simple, safe, and affordable way to start saving for retirement. http://www.treasurydirect.gov/readysavegrow/

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:

- At what age do you want to retire? What do you think retirement will be like? What would you like to do when you're retired?
- How much money do you think you will need in five years? Ten years? Twenty years?
 Forty years? What actions can you take now to start saving so that you have enough money when you are ready to retire?

Suggested Readings:

- Borrowing Against a 401k: Why You Should or Should Not: An overview of outcomes when you borrow against a 401k.
 http://www.fool.com/retirement/401k/2014/09/13/borrowing-against-a-401k-why-you-should-and-should.aspx
- The Secret to Saving for Retirement When You Have Nothing Saved at All by Time magazine: A question-and-answer column on how to start saving for retirement. http://time.com/money/3222252/retirement-strategy-when-nothing-saved/



MATHEMATICS

Activity/Project Ideas:

 Challenge students to calculate long-term savings with retirement accounts, including variables such as early withdrawal fees, spikes and dips in the market, and frequency and amount of contributions.

SOCIAL STUDIES AND ECONOMICS

Discussion Topics:

o Discuss well-known investors such as Warren Buffet and how their personal philosophies on managing money have shaped their long-term investments. Explore, for instance, how Buffet has lived in the same home for more than 50 years despite having an estimated net worth of over \$60 billion. How do choices such as spending less than what you have help support long-term savings goals?

• Activity/Project Ideas:

 Have students research retirement practices around the world. How do people living in other nations plan for retirement? What similarities and differences exist between the United States and other countries in terms of retirement saving?

TECHNOLOGY

Online Resources:

- Compound Interest Calculator by Investor.gov: An online calculator that calculates compound interest. http://www.investor.gov/tools/calculators/compound-interestcalculator#.VBsXuyiNZdQ
- Retirement Calculator by the Financial Industry Regulatory Authority (FINRA): An online calculator used to plan investment strategies.
 http://apps.finra.org/Investor_Information/Calculators/1/RetirementCalc.aspx
- Practical Money Skills Countdown to Retirement by Visa: An online game that walks students through their first job through retirement, and the choices they will make along the way. http://www.practicalmoneyskills.com/games/
- Make My Plan by Feed the Pig: A planning simulation that lets students pick three life goals, such as careers, education, or buying a car. A detailed checklist and related articles are presented based on selected goals to guide students in planning for their future. http://www.feedthepig.org/what-do-you-want-to-do#.U_d7gCiNZdQ
- The Truth About Millionaires by The Mint: An online quiz testing students' knowledge of what millionaires are really like. http://www.themint.org/teens/the-truth-aboutmillionaires.html

• Activity/Project Ideas:

Have students build their own compound interest calculator using spreadsheet software.





LESSON OVERVIEW

Living on your own for the first time brings up challenges teens and young adults have never considered before. From managing expectations, to weighing the costs and benefits of renting versus owning, students explore how to find their ideal crash pad in this lesson. Students will explore the costs of **renting** and **buying**, as well as understanding **mortgages**. Students will also consider the costs and benefits within the context of their short-, medium-, and long-term goals of renting versus buying a home.

TOPIC: Homeownership and Renting

SUBJECT CONNECTIONS: Math, English

Language Arts

TIME REQUIRED: 60 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Explain the responsibilities and expenses of renting versus owning
- Analyze renting versus homeownership
- Evaluate sound financial decision making for renting and owning property
- Discuss costs related to homeownership
- Discuss how homeownership can create wealth
- Understand the mortgage approval process

SUPPLIES:

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

PREPARATION:

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

Answer Key	129
Glossary with key vocabulary	
National Education Standards	155

STUDENT HANDOUTS:

(found in Student Guide)

- Renter's Review
- Buyer's Review
- Housing Needs

TEACHER PRESENTATION SLIDES:

- Pros & Cons of Renting
- Pros & Cons of Buying
- Renting Costs
- Buying Costs
- Housing Challenge (3)

ESSENTIAL QUESTIONS:

- Should I rent or buy?
- How does homeownership work?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

- Pros & Cons of Renting slide
- Pros & Cons of Buying slide

POST-ASSESSMENT:

- Renter's Review handout
- Buyer's Review handout
- Housing Needs handout
- Housing Challenge slides (3)

MONEY SMART PORTFOLIO:

• Housing Needs handout



INSTRUCTION STEPS

WARM UP

WOULD YOU RATHER? [5 MINUTES]

Begin the lesson by playing a short game of "Would You Rather?" by posing a series of housing-related questions to the class with either/or options. For example: ask students: Would you rather live alone or with a roommate? Would you rather rent or buy? Would you rather have a big house with a big payment or a small house with a small payment? Allow students to answer and provide their reasoning.

Engage students in thinking through their positions on each question, and explain that, when it comes to where we live, we have many choices. We can choose to rent or buy, we can choose to have roommates, we can choose to take out a mortgage to help pay for a home, or we can choose not to buy a home at all. Emphasize that, like in other financial areas (such as spending, saving, and budgeting), we make personal choices based on our needs and wants; and housing is no different. Informed consumers (those that understand all of the options available to them) are able to make financially savvy choices when it comes to their housing.

GUIDED EXPLORATION

RENTING VERSUS BUYING [30 MINUTES]

Tell students that perhaps one of the biggest choices they will make regarding housing is whether to rent or buy. First, display the **Pros & Cons of Renting** slide and review the lists. Invite students to share their own ideas on the advantages and disadvantages of renting. Next, display the **Pros & Cons of Buying** slide and engage students in a discussion about the advantages and disadvantages that go along with buying a home.

Display the *Renting Costs* slide and discuss the different expenses associated with moving into a new rental home or apartment, as well as ongoing monthly expenses once you have moved in. For example: some renters choose to pay for renter's insurance, which protects the renter's personal items against theft or damage. Explain that, while a landlord will likely have insurance, that insurance will only protect the building of the renter's apartment and not the renter's personal items inside the apartment. Remind students that it is important to review your income and expenses before making a housing decision so that you can be sure you can afford all of the expense categories.

Grade-Level Modifications:

Beginner: Circle back to Lesson 3, *Can You Pay Your Bills?*, and review spending and budgeting strategies. Discuss how to weigh income and expenses in order to create a smart spending plan, and then help students connect those concepts to the context of housing.

Advanced: Have students create a housing budget as if they are about to move out on their own for the first time. Challenge students to list all of their personal expenses as well as new housing expenses that will need to be worked into the budget.



Next, distribute the *Renter's Review* handout and have students work with a partner or in small groups to complete the challenge. When students are finished, discuss their answers and reiterate the importance of creating and analyzing a budget before making major decisions, like renting, for the first time.

Transition the discussion next to buying a home. Show students the *Buying Costs* slide and discuss how costs differ from renting versus buying.

MONEY SMART TIP!

Have students review the Fair Housing Act, and explain that this law protects you from discrimination throughout the loan process from the time you submit a loan application until you receive the final loan approval. It also covers you as a renter, beginning from the time you are shopping for a rental property. http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws/yourrights

Help students understand that a mortgage is a loan provided by a financial institution to buy a house or condo and that there are a number of costs associated with a mortgage, including:

- **Closing costs:** fees associated with buying and settling, or finalizing, your loan. They can include property taxes, broker and attorney fees, inspection fees, and title insurance.
- Taxes: Taxes are included in your monthly mortgage payment or either paid once or twice a
 year, depending on the requirement of the financial institution that made the mortgage loan.
 Taxes can amount to several thousand dollars per year, depending on the value of your house
 and the state where you live.
- Insurance: Homeowner's insurance will cover you in the event of an accident (for example: if
 your house catches on fire, the basement floods in a storm, someone falls or is injured on your
 property, or if a window breaks due to a flying rock/debris from a lawn mower).
- **Interest:** Interest is the cost of borrowing money. You pay the mortgage company interest every month as a portion of your monthly mortgage payment.

MONEY SMART TIP!

Connect back to Lesson 7, *Capacity, Character, Collateral, Capital*, and discuss the Four Cs as they relate to mortgages. Explain that mortgage lenders will inquire about your Four Cs before qualifying you for a loan.

Tell students they will now get the chance to assess a homebuyer like they did in *Renter's Review*. Distribute the *Buyer's Review* handout and have students regroup with their partners or small groups to work through the challenge. Invite students to share their answers, and discuss the differences between the renting and buying reviews. Ask students: *How do different stages in our life affect our decision to rent versus buy? Have you considered Ramón's life stage of graduating college and starting his career versus the renter's challenge of moving out on your own for the first time? How are housing choices based on different needs?*



MONEY SMART TIP!

Expand the discussion by exploring predatory lending practices. Explain that predatory lending occurs when companies offer loan products using sales tactics, propose loan terms that deceive borrowers, and use collection practices that frighten people. Refer to Lesson 20, *Protect Yourself*, for more information.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

HOUSING CHALLENGE [20 MINUTES]

Tell students that they are going to test their renting and buying skills by assessing different scenarios. Display the (3) *Housing Challenge* slides one at a time and read the scenarios to students. Students will have to assess whether or not the actions in the scenario are wise or unwise to the character's overall financial health.

Designate parts of the classroom to represent "Wise" and "Unwise" and have students move to the area that aligns with their assessment for each scenario. Pause after each scenario and have students defend their positions. Ask students to contemplate why some actions are harmful and why others are helpful. Encourage a lively debate and help students understand that the first scenario is unwise because Jay will have negative cash flow if he makes his housing choice, the second scenario is wise because Rionna delays her home purchase to ensure a sizable down payment, and the third scenario is unwise, because even though Mason was approved for a mortgage amount, that doesn't necessarily mean his monthly budget can afford it.

MONEY SMART TIP!

The Housing Challenge activity may be completed individually by having students write down their assessments of the scenarios and then share them in a group discussion.

WRAP UP

HOUSING NEEDS [5 MINUTES]

Close the lesson by distributing the *Housing Needs* handout and give students five minutes to reflect on their housing needs today, tomorrow, and in the long-term future. Invite students to share their responses.

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:

- What type of home do you need? Think of your needs in terms of location, space, and amenities. What type of home do you want? What do you envision your home to looking like?
- What is your position on renting versus owning a home? Define and defend your position while considering opposing viewpoints.

Suggested Readings:

- Fair Housing It's Your Right by the U.S. Department of Housing and Urban Development: Read detailed information on the Fair Housing Act. http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/ FHLaws/yourrights
- Looking for the Best Mortgage: Shop, Compare, Negotiate by the U.S. Department of Housing and Urban Development: Investigate how to shop for the best mortgage. http://www.hud.gov/buying/booklet.pdf
- Mortgage Borrowers' Rights by the U.S. Department of Housing and Urban Development: Read an overview of the mortgage borrower's rights.
 http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/rmra/res/resborwr

MATHEMATICS

Activity/Project Ideas:

 Have students calculate how long it would take to pay off a mortgage using different principal amounts, interest rates, and taxes.



SOCIAL STUDIES AND ECONOMICS

• Discussion Topics:

 Analyze and discuss the U.S. housing bubble that peaked in 2006 and crashed in 2008 and the implications the housing market has on broader economics. What are the ramifications of increased foreclosures on both a personal and national level?

Activity/Project Ideas:

 Have students research rental properties and homes for sale in your area and compare and contrast prices. Students may also compare and contrast the cost of renting versus buying by using an online comparison calculator such as the one found at http://calculators.freddiemac.com/response/lf-freddiemac/calc/home10.

TECHNOLOGY

Online Resources:

- U.S. Department of Housing and Urban Development: Review this comprehensive website for information on housing, including renting, buying, discrimination, avoiding foreclosure, and more. http://portal.hud.gov/hudportal/HUD
- Rent Versus Buy Calculator: An online calculator that compares costs of renting versus buying a home. http://money.msn.com/home-loans/rent-or-buy-calculator.aspx
- Know Before You Owe by the Consumer Financial Protection Bureau: Learn about the Dodd-Frank Act and what consumers should know before closing on a mortgage. http://www.consumerfinance.gov/knowbeforeyouowe/
- Mortgage Calculator: An online calculator used to calculate monthly mortgage payments.
 http://www.zillow.com/mortgage-calculator/
- Home Mortgage Disclosure Act by the Consumer Financial Protection Bureau: Obtain data, facts, and figures on U.S. mortgages. http://www.consumerfinance.gov/hmda/



LESSON OVERVIEW

As students continue to strengthen their budgeting and spending skills, incorporating **charitable giving** into their long-term financial plan is an important element to plan and save for. This module explores philanthropic giving, how to devise a spending plan to meet your giving goal, and what to do if you are the recipient of a gift. The lesson also delves into charitable giving in nonmonetary ways, showing students that giving extends beyond cold, hard cash.

TOPIC: Charitable Giving

SUBJECT CONNECTIONS: English Language Arts, Math, Social Studies

TIME REQUIRED: 55 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Evaluate charitable giving
- Analyze monetary and nonmonetary forms of giving
- Create a spending plan to include giving
- Discuss tax deductions for giving

SUPPLIES:

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

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- Charity Research Challenge
- Giving Tree
- Pay It Forward

TEACHER PRESENTATION SLIDES:

- Spend, Save, Give
- Philanthropy
- Budget: Spend, Save, Give

ESSENTIAL QUESTIONS:

- What is philanthropy?
- How do I give if I don't have enough money?
- What type of giving should I do?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

• Spend, Save, Give slide

POST-ASSESSMENT:

- Giving Tree handout
- Pay It Forward handout

MONEY SMART PORTFOLIO:

- Charity Research Challenge handout
- Giving Tree handout
- Pay It Forward handout



INSTRUCTION STEPS

WARM UP

SPEND, SAVE, GIVE [5 MINUTES]

Begin the lesson by displaying the **Spend, Save, Give** slide and ask students to think about what each of the images means. What do they represent? Explain that they stand for spend, save, and give—three powerful ways we make choices with our money. Ask students to contemplate why we would consider giving as part of our financial plan. What do we receive by sharing our resources with others? What do we receive when others share their resources with us? Engage students in a discussion about the reciprocal benefits of giving, from both the giver's perspective and the receiver's perspective.

MONEY SMART TIP!

Have students explore real-life philanthropists such as Bill Gates, or other children and teen philanthropists such as those featured at http://listverse.com/2011/01/27/10-great-philanthropists-who-are-kids/ (approximately 1–7 minutes per video) and http://www.themint.org/teens/give-time-and-energy.html.

GUIDED EXPLORATION

BUDGET [15 MINUTES]

Display the *Philanthropy* slide, ask students if they have ever heard of the term "philanthropy" and invite volunteers to share their understanding of the term. Explain that **philanthropy** is based on promoting the welfare of others, or the **common good**, and that it is expressed not just through donating money but also through using our talents, skills, resources, and time to help support causes we care about.

MONEY SMART TIP!

Discuss with students how charitable contributions are tax deductible. Review and discuss the Internal Revenue Service's *Eight Tips for Deducting Charitable Contributions* guide at http://www.irs.gov/uac/Eight-Tips-for-Deducting-Charitable-Contributions.

Explain that monetary donations are often a common choice for charitable giving and that, when we decide to donate money, it should be planned for and included in our budget. Display the *Budget: Spend, Save, Give* slide and explain that the graph represents a sample income allocation, with 15 percent going toward personal saving and investing, 10 percent toward charitable giving, and 75 percent toward all other life expenses. Ask students why it is important to think ahead about how much to give. Encourage volunteers to share their reasoning, and remind students that donating money is still an expense and that, by keeping track of it as you would other expenses like groceries, car payments, and entertainment purchases, you can ensure you have enough cash flow to meet all of your needs and wants.



Grade-Level Modifications:

Beginner: Connect back to Lesson 3, Can You Pay Your Bills?, and review with students the importance of creating and following a spending plan.

Advanced: Have students create their own budgets to include charitable giving. Using spreadsheet software or an online budgeting tool, challenge students to track their life expenses and determine a reasonable percentage within their net income that could be allocated for charitable giving.

MONEY SMART TIP!

Share with students fun statistics about charitable giving (for example: historically, charitable giving rises about one-third as fast as the stock market). For more statistics, visit the National Philanthropic Trust website at http://www.nptrust.org/philanthropic-resources/charitable-giving-statistics/.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

RESEARCH CHALLENGE [25 MINUTES]

Tell students that, after you make a spending plan and determine how much of your net income you want to set aside for charitable giving, the next step is to research and evaluate charitable organizations before making your donation. Distribute the *Charity Research Challenge* handout and allow students time to complete it.

MONEY SMART TIP!

Share with students the Federal Trade Commission's *Before Giving to a Charity* guide at http://www.consumer.ftc.gov/articles/0074-giving-charity. Discuss how people take advantage of goodwill through charity scams and why it is important to conduct thorough research on a charity or organization before making the decision to donate.

When students have completed their research, distribute the *Giving Tree* handout and allow students time to complete it. When students are finished, invite volunteers to share their charity selections with the class and discuss ways that different organizations may benefit from a variety of donations. For instance, a fund-raising event not only needs monetary donations, but also volunteers to support and organize the event by helping to set up, advertise the event, and work at the event itself. Reiterate that philanthropy does not have to be viewed as solely a monetary donation and that there are many ways we can make meaningful impacts by sharing our talents and skills with others.



WRAP UP

PAY IT FORWARD [10 MINUTES]

Close the lesson by distributing the *Pay It Forward* handout and allow students time to reflect on how they will "pay it forward" in their lives. Invite students to share their letters with the class.

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:
 - Analyze the meaning of the following quote from Victor Hugo: "As the purse is emptied, the heart is filled." What do you think Hugo means?
- Suggested Readings:
 - Giving by The Mint: Tips for teens on how to incorporate giving into their financial plan.
 http://www.themint.org/teens/giving.html
 - 378 Starbucks Customers "Pay It Forward" by Tween Tribune: Read about a real-life moment of giving through a simple act of paying for someone else's coffee. http://tweentribune.com/teen/378-starbucks-customers-pay-it-forward

MATHEMATICS

- Activity/Project Ideas:
 - Have students calculate tax deductions on different types of charitable donations, such as monetary donations and gifting an item like a car.

SOCIAL STUDIES AND ECONOMICS

- Discussion Topics:
 - Have students discuss the benefits of corporate giving programs. How does corporate giving help to support the common good?



TECHNOLOGY

Online Resources:

- Charity Scams Guide by The Federal Trade Commission: A comprehensive guide to charity scams. http://www.consumer.ftc.gov/features/feature-0011-charity-scams
- Charity Checklist by The Federal Trade Commission: A checklist used to verify the authenticity of a charity. http://www.consumer.ftc.gov/articles/0074-giving-charity
- Eight Tips for Deducting Charitable Contributions by the IRS: Information on how charitable donations are tax deductible. http://www.irs.gov/uac/Eight-Tips-for-Deducting-Charitable-Contributions

Activity/Project Ideas:

• Have students research and debate the pros and cons of using social media to help a charitable cause go "viral." For example, review record-breaking fund-raising campaigns that spread around the world, such as the ALS Ice Bucket Challenge of 2014, popular Twitter hashtags, and awareness months like "Movember" in which men are challenged to grow moustaches during the month of November to raise awareness for men's health issues and cancer. Debate whether social media is an appropriate platform to raise awareness and what happens to such charitable causes after the rush of going "viral" is over.



LESSON OVERVIEW

Part of planning a financial future means thinking ahead and putting strategies into place now for future actions. To help students understand the benefits of long-term planning, an interactive and thought-provoking "what if" game is played to engage students in seeing the power of **estate planning**. Using the game to tie together each facet of the lesson, students walk through the long-term planning process by exploring **wills**, **trusts**, and insurance strategies for different phases of one's life. Students recognize long-term financial strategies and why they are important to building a financially sound future.

TOPIC: Estate Planning

SUBJECT CONNECTIONS: English

Language Arts

TIME REQUIRED: 50 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Identify elements of an estate plan
- Evaluate how to title property
- Explain the importance of a will
- Understand the consequences of not having an estate plan

SUPPLIES:

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

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- Estate Planning in Action
- Prepare Your Plan

TEACHER PRESENTATION SLIDES:

- Money Marooned
- Estate Planning (4)

ESSENTIAL QUESTIONS:

- What is estate planning?
- Why do I need to plan for a distant future?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

Money Marooned slide

POST-ASSESSMENT:

- Estate Planning in Action handout
- Prepare Your Plan handout
- Planning Reflection wrap up

MONEY SMART PORTFOLIO:

• Prepare Your Plan handout

INSTRUCTION STEPS

WARM UP

MONEY MAROONED [10 MINUTES]

Open the lesson by having students imagine that they have just been stranded on an island alone. Tell students that they have a family to care for and that they are an integral part of the financial upkeep of their family. Display the *Money Marooned* slide and tell students that, while they are stuck on the island, their families are at home.

Ask students: If this happened, what would you do? What would your family do? If you were unable to get off the island and make it home, would your family be OK? Would they have enough money to buy groceries and pay rent or a mortgage? Invite students to share their thoughts and then ask, what would happen to all of your possessions if you didn't make it off the island?

Ask students if they know what an estate plan is, and use student responses to guide the discussion. Explain that, if you have an estate plan in place, it outlines what should happen with your possessions and money in the event of death. In the same way that we make a plan for our everyday use of money with a budget, we make a long-term plan for what will happen to our money and other assets like property, jewelry, or cars after we die. Connect back to the *Money Marooned* slide and help students understand that having an estate plan ensures that your family is fully protected in the event that you are unable to leave the island.

GUIDED EXPLORATION

ESTATE PLANNING [20 MINUTES]

Next, display the *Estate Planning* slides and review each of the estate planning elements below.

MONEY SMART TIP!

Expand the estate planning discussion by introducing the concept of estate tax. Explain that estate tax is how you are taxed in the transfer of property at the time of death. Have students visit the Internal Revenue Service's website to read more about how estate tax works: http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Estate-and-Gift-Taxes.

- Will: legal document that you create outlining your last wishes that names beneficiaries, or
 the people you want to inherit your possessions. Wills include naming a guardian for minor
 children, how property should be distributed, instructions for paying off debts, and other final
 wishes. You also name an executor in your will, or the person who will handle your finances
 when you pass away.
- Trust: legal document used to transfer your property with the ability to set stipulations and conditions before an heir receives your assets (such as a minor child turning 18 before he or she inherits property).



Power of Attorney: when you grant permission to someone to handle your affairs if you are
unable to yourself while you are still alive. For instance, if you are in a coma or seriously ill and
unable to make health or financial decisions, your power of attorney can act on your behalf to
make decisions. Unlike an executor of a will, who can manage your assets after your death, a
power of attorney's power ends at your death.

• Titles:

- Tenancy in Common: shared ownership of a property in which more than two people hold the title. Unlike joint tenancy, tenancy in common does not have to be equal shares.
 For example: one sibling might inherit two-fourths of a property, while two other siblings each inherit one-fourth.
- Joint Tenancy: shared ownership of a property with equal shares. If one owner dies, the
 other owner(s) have Right of Survivorship, meaning the share of the deceased property is
 transferred to the remaining owner(s).
- Tenancy in Entirety: Shared ownership of a property between a husband and wife. A surviving spouse has Right of Survivorship and becomes the sole owner.
- Life Insurance: provides financial security to your family in the event of death by paying money to a beneficiary or beneficiaries.

MONEY SMART TIP!

Connect back to Lesson 11, *Risky Business*, and review with students how insurance helps protect you from financial burdens in the event of an unforeseen circumstance.

Grade-Level Modifications:

Beginner: Narrow the scope of the lesson to focus exclusively on wills and help students understand that it is important for everyone to have a will, no matter your age, because it explains exactly what your final wishes are.

Advanced: Broaden the scope of the lesson by dividing students into small groups and assigning each group a specific estate-planning topic to research (for example: wills, trusts, power of attorney, types of title arrangements, life insurance). Have students present their research to the class.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

PREPARE YOUR PLAN [15 MINUTES]

Next, distribute the *Estate Planning in Action* handout and review the sample scenario. Have students answer the follow-up questions working in small groups or engage students in a whole-class discussion to gauge their level of understanding regarding the important points about estate planning. Ask students the following: *Why does Kendall feel compelled to create a will even though she is only 25? What problems will a will solve if something should happen to Kendall? Why do you think it is important to think through beneficiaries, an executor of will, and a power of attorney?*

Distribute the *Prepare Your Plan* handout next and allow students time to complete it. Invite volunteers to share their plans with the class, and reiterate the importance of planning ahead so that we can clearly communicate our final wishes.

MONEY SMART TIP!

Discuss with students how to handle social media accounts in the event of death. Who has control of your online identity if you pass away? How would you like your online identity to be handled? Have students consider creating a social media will that outlines their preferred actions. For more information, have students visit Write a Social Media Will at USA.gov (http://www.usa.gov/topics/money/personal-finance/wills.shtml#Write_a_Social_Media_Will). Encourage students to download and complete the social media will template available at the website.

WRAP UP

PLANNING REFLECTION [5 MINUTES]

Close the lesson by asking students to discuss or write their answers to the following questions: How do you create an estate plan? What elements should be included? When do you think you will begin putting planning strategies together for your financial future? When do you think you will create a will?

EXTENDED EXPORATION

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:

- Why do you think people create estate plans? Why do people choose estate planning as a way to protect their assets?
- "Let our advance worrying become advance thinking and planning," Winston Churchill.
 What does Churchill mean in this quote? How does his advice relate to estate planning?

Suggested Readings:

- Writing a Will by USA.gov: Read about how to write a will.
 http://www.usa.gov/topics/money/personal-finance/wills.shtml
- Understanding Trusts by USA.gov: Investigate the importance and purpose of trusts. http://www.usa.gov/topics/money/personal-finance/trusts.shtml
- Prepare Your Estate Plan by eXtension: Learn about how to prepare an estate plan.
 http://www.extension.org/pages/15749/prepare-your-estate-plan#.VB1IC2RdVNs

MATHEMATICS

Activity/Project Ideas:

• Review the intricacies of estate tax and have students calculate deductions on different taxable estate scenarios, such as charitable donations or funeral expenses.

SOCIAL STUDIES AND ECONOMICS

Discussion Topics:

 Have students explore the economic factors associated with estate planning. For example: how does economic growth or decline affect what is left to distribute at the time of death? Students may also explore taxation policies and how estate and gift tax affect an inheritance.

Activity/Project Ideas:

Have students research the outcomes of famous estate cases that made the news, such as celebrities like Michael Jackson or Paul Walker, and discuss the pros and cons of how the estates were managed. Students may research current events and celebrities or review existing case studies such as those found in *Estate Planning Lessons from the Rich and Famous: You Can Learn Something from Those Stars on TV*. http://www.arcpa.org/Content/Files/CPE/Conferences/2013/2013%20Federal%20Tax%20Institute/Federal%20Tax%20Institute%20-%20Celebrity%20Estate%20Planning%20Outline%202013.pdf

TECHNOLOGY

• Online Resources:

- Estate Tax Planning: An online calculator that calculates estate tax.
 http://www.360financialliteracy.org/Topics/Retirement-Planning/Estate-Planning-Basics/Estate-Tax-Planning
- Life Insurance Calculator: An online calculator that calculates how much life insurance you may need based on assets, expenses, and income.
 http://www.360financialliteracy.org/index.php/Topics/Insurance/Life-Insurance/Life-Insurance-Calculator



LESSON OVERVIEW

With an overload of content and "free" information available in the marketplace, young adults need to practice differentiating between credible and useful resources and those that are aiming to sell or deceive. This lesson combines financial resources by demonstrating how to research and build a team of financial experts to have in your back pocket, such as a **financial advisor** and **certified public accountant**. Learners will also investigate financial websites and applications that are credible and relevant to planning for their future, and assess what items to consider when selecting financial experts to work with.

TOPIC: Financial Resources

SUBJECT CONNECTIONS: English

Language Arts, Technology

TIME REQUIRED: 60 minutes (excluding

Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Demonstrate how to find and use financial resources
- Differentiate between credible and dishonest financial resources
- Define and explain the role of a financial planner
- Understand federal and state consumer protection laws and self-regulatory organizations

SUPPLIES:

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

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- Solid or Scam?
- Build Your Team
- Financial Lifeboat

TEACHER PRESENTATION SLIDES:

• Credibility (2)

ESSENTIAL QUESTIONS:

- What financial resources are available to me?
- How do I know what resources to trust?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

• Credibility slides (2)

POST-ASSESSMENT:

- Build Your Team handout
- Financial Lifeboat handout

MONEY SMART PORTFOLIO:

- Build Your Team handout
- Financial Lifeboat handout

INSTRUCTION STEPS

WARM UP

BUILDING FINANCIAL KNOWLEDGE [10 MINUTES]

Open the lesson by asking students where they go when they need to get their car fixed or when they need a haircut. Tell students we can take our car to the auto shop to get it repaired or visit a hairdresser to cut our hair, but we can also do these tasks ourselves if we have the skill, knowledge, and desire to.

Help students understand that the same is true in building our financial knowledge. We can teach ourselves how to find the answers we need, but we can also work with financial experts who like the auto mechanic who knows the ins and outs of cars, know the ins and outs of finances. Help students understand that throughout our lives we will likely use a combination of teaching ourselves and working with financial experts to help guide our financial future in the right direction.

GUIDED EXPLORATION

SELF-EDUCATE [15 MINUTES]

Explain to students that, when we teach ourselves about something, we will likely turn to the Internet to find the answers we need. In doing so, we have to wade through advertisements, scams, and deceitful information in order to get to credible, trustworthy advice that we can learn from.

Display the *Credibility* slides one at a time and discuss the two different website images shown. Ask students to evaluate whether or not they are credible, authentic resources. Explain that the first image is credible because it is created by a trusted entity, the U.S. Securities and Exchange Commission. The information is unbiased and direct. In contrast, the second example is not credible because it is full of vague, lofty phrases to lure the consumer in. There is no information to confirm whether the creators of the website is trusted, experienced, or realistic in their offerings.

MONEY SMART TIP!

Refer to Lesson 20, *Protect Yourself*, for more information about scams, frauds, and misleading advertisements.

Next, ask students to explain what measures they can take in order to evaluate the credibility of an online source. Help students understand that there are often red flags for untrustworthy sites, including poor writing style, spelling or grammar errors, and lack of information about the author of the site. Explain to students that domain names can also be a clue to the credibility of a website (for example: .gov means it is a government website and .edu means it is an educational institution, both of which are trusted entities).

Explain that, just as we review websites to assess credibility, it is also important to review credibility of the people we choose to work with on our finances. Explain that the majority of financial experts are ethical and credible, but, as in any other industry or profession, there are individuals who scam and take advantage. For example: a financial advisor is someone who offers financial advice, but if he or she is promising a return on your investments that sound too good to be true, they probably are. Financial experts should also be transparent with their actions and fees, and you should be able to track down their credentials. To track down credentials, share with students FINRA's Broker Check website at http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/.

Next, distribute the **Solid or Scam?** handout and have students work with a partner to answer the questions. Regroup as a class and invite pairs to share their answers, reviewing why each is either a solid source or a scam-worthy situation. Explain that having the ability to distinguish between a solid, trustworthy resource and one that is misleading is one of the best tools you can have in your financial toolbox.

Grade-Level Modifications:

Beginner: Before moving on to the Extended Exploration section, spend additional time reviewing scam sources versus credible sources and make sure students are able to recognize the difference between the two.

Advanced: Have students research and discuss different types of investment fraud, such as Ponzi schemes or insider trading. For more information, have students visit the SEC website at http://www.sec.gov/index.htm.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

BUILD YOUR TEAM [25 MINUTES]

Explain that self-educating is important, but so is building a team of financial professionals who can help answer questions and guide you through decision making processes. While you can accomplish many financial tasks on your own, sometimes the advice of an expert can save you time and even money in the long run.

Distribute the *Build Your Team* handout and allow students time to conduct research and complete the worksheet. Next, ask students to share their research with the class, and discuss how different financial experts can help us achieve a solid financial plan. Ask students to think about when in their lives they may need to call upon such experts and how they will approach finding the right person when the time comes.



WRAP UP

FINANCIAL LIFEBOAT [10 MINUTES]

Close the lesson by distributing the *Financial Lifeboat* handout and allowing students time to complete the activity. Invite students to share their financial lifeboat selections and the reasoning behind their selections.

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:

- What are the advantages and disadvantages to teaching yourself something versus hiring a financial expert? In terms of your financial life, when do you think you would do something yourself? When do you think you might need a financial professional's help? Why?
- What are three ways to spot a website scam? How do you know if a financial website is credible or not? Brainstorm criteria you can use to evaluate the legitimacy of a website.

Suggested Readings:

- What You Can Do to Avoid Investment Fraud by Investor.gov: Read tips on how to avoid investment fraud. (http://investor.gov/investing-basics/avoiding-fraud/what-you-cando-avoid-investment-fraud#.VB2WimRdVNs)
- Types of Frauds by Investor.gov: Explore different types of frauds ranging from Ponzi schemes to Internet fraud. (http://investor.gov/investing-basics/avoiding-fraud/typesfraud#.VB2WnmRdVNs)
- Investment Advisers by Investor.gov: Read about how to select an investment advisor and important questions to ask. (http://investor.gov/researching-managinginvestments/working-investment-professionals/brokers-advisors/researchadvisor#.VB2XAGRdVNs)

MATHEMATICS

Activity/Project Ideas:

 Use investment fraud scenarios to challenge students to calculate financial losses on different investments.

SOCIAL STUDIES AND ECONOMICS

Discussion Topics:

 Discuss what ethical standards exist for financial investors and advisors. Engage students in assessing how effective standards are, who determines the standards, and what the consequences are for violating ethical practices.

Activity/Project Ideas:

 Have students research and assess different Ponzi schemes, such as those found at http://www.sec.gov/spotlight/enf-actions-ponzi.shtml.

TECHNOLOGY

Online Resources:

- Financial Fraud Enforcement Task Force: Comprehensive information on how to protect yourself from fraud, including identity theft, mortgage fraud, credit card fraud, and much more. http://www.stopfraud.gov/
- Financial Fraud in the United States Infographic: An infographic highlighting financial fraud statistics in the United States. http://www.saveandinvest.org/web/groups/sai/@sai/documents/sai_original_conte nt/p339651.pdf
- BrokerCheck by Investor.gov: A website that allows you to search the backgrounds and qualifications of individual brokers and brokerage firms.
 http://investor.gov/researching-managing-investments/working-investmentprofessionals/brokers-advisors/using-brokercheck - .VB2W4WRdVNs
- Certified Financial Planners Board of Standards (CFP Board): The CFP Board sets the standards for financial planning services, including education, examination, experience, and ethics. http://www.cfp.net/home

Activity/Project Ideas:

 Have students research and assess additional financial websites and assess what specific elements make the resources credible. Challenge students to put together criteria to evaluate the legitimacy of the websites.



LESSON OVERVIEW

In this lesson, students explore **identity theft**, prevention strategies for protecting personal information, and the consequences of identity theft in different real-world scenarios. From **phishing**, **pharming**, and **text message scams** to detecting **employment fraud**, students learn how to differentiate between multiple unethical deceptions. After identifying identity compromises, students also research methods to protect themselves through consumer rights and discover ways to prevent identity theft. Students learn the essential steps to take if their information has been breached and what to do after those first action steps are taken.

TOPIC: Consumer Protection

SUBJECT CONNECTIONS: Social Studies, English Language Arts, Technology

TIME REQUIRED: 70 minutes (excluding Extended Exploration activities

LEARNING OBJECTIVES:

Students will be able to...

- Explain identity theft
- Evaluate consumer rights and protection laws
- Demonstrate how to protect personal information

SUPPLIES:

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

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- Spot Identity Theft
- This Job, Not That Job
- Steps to Take

Answer Key12	29
Glossary with key vocabulary14	46
National Education Standards15	55

TEACHER PRESENTATION SLIDES:

- Identity Theft
- What Do Thieves Do with Your Information?
- Types of Identity Theft (3)
- Job Scams

ESSENTIAL QUESTIONS:

- What is identity theft?
- How do I protect myself?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

- *Identity Theft* slide
- What Do Thieves Do with Your Information? slide

POST-ASSESSMENT:

- Spot Identity Theft handout
- This Job, Not That Job handout
- Steps to Take handout

MONEY SMART PORTFOLIO:

- This Job, Not That Job handout
- Steps to Take handout



INSTRUCTION STEPS

WARM UP

YOU ARE THE ONLY YOU, RIGHT? [10 MINUTES]

Open the lesson by showing the *Identity Theft* slide. Tell students there is only one of each of you. Or is there? DNA analysis can prove you are the only you scientifically, but there are many crafty criminals that may be able to steal personal information (for example: your Social Security number, birth date, or credit card numbers) and use your identity to commit fraud or other crimes.

Tell students that identity theft is a serious problem because, despite the efforts of law enforcement, identity theft is becoming more sophisticated and the number of new victims is growing. If the crime is not detected early, you may face months or years of cleaning up the damage to your reputation and credit rating. You may even lose out on loans, jobs, and other opportunities.

Next, display the *What Do Thieves Do with Your Information?* slide and review the motives behind identity theft.

GUIDED EXPLORATION

COMPROMISING INFORMATION [25 MINUTES]

Share the (3) *Types of Identity Theft* slides and review each of the different tactics thieves use to steal information.

- Phishing is when criminals send out unsolicited, or "spam," e-mails that appear to be from a
 legitimate source: perhaps from your bank, school, well-known merchants, Internet service
 provider, or even a trusted government agency (for example: the FDIC). Criminals attempt to
 trick you into divulging personal information.
- Pharming is when criminals seek to obtain personal or private information by making fake
 websites that appear legitimate. Your browser will even show that you are at the correct
 website. This makes pharming more difficult to detect than phishing.
- Text message spam is similar to e-mail spam, but on your cell phone. Criminals often text
 offers of free gifts or low-cost credit offers with a link. Clicking the link can install malware on
 your phone, which is how your personal information is captured.

MONEY SMART TIP!

Show students the *Phishy* video series (*Phishy Home*, *Phishy Office*, and *Phishy Store*) (1 min. each) from OnGuardOnline.gov and discuss the scenarios in each video.

http://www.onguardonline.gov/media



Invite students to share experiences they have had with phishing, pharming, or text message spam. Ask students if they have ever received any spam e-mails or texts and what they did when it happened. Explain that if an offer sounds too good to be true, then it probably is!

Next, ask students how they think they can protect themselves and what could be some ways to avoid identity theft. Invite students to share their answers, and emphasize that we can take the following actions to protect ourselves:

- Do not share Social Security number, credit/debit card numbers, PIN numbers, or passwords.
- Always review bank statements thoroughly.
- Online, only "friend" people you know.
- Shred old documents that include personal information such as account numbers and Social Security number.
- Create strong passwords that are not easy to guess. A mix of numbers, symbols, capital letters, and lowercase letters is more secure.

Grade-Level Modifications:

Beginner: Share with students additional examples of the types of identity theft and make sure students can identify the differences among each before moving on to the Free Exploration section.

Advanced: Have students research current events and find a news article that addresses any of the types of identity theft. Have students present their article and analyze it together as a class. For recent examples, visit the Federal Trade Commission's Scam Alerts at http://www.consumer.ftc.gov/scam-alerts.

Help students understand that, in addition to taking actions to protect themselves by not oversharing, they are also protected by law. Explain that federal law requires financial institutions to keep your personal financial information private and ensures that the general public does not have access to your personal financial information. Tell students that federal privacy laws give them the right to stop or "opt out" of sharing some of their personal financial information, and that, if you opt out, you limit the extent to which the company can provide your personal financial information to nonaffiliates, or groups outside of the company.

MONEY SMART TIP!

Discuss with students the importance of contacting credit-reporting agencies in the event of identity theft and checking your credit score. Refer to Lesson 7, *Capacity, Character, Collateral, Capital*, for more information on the three major credit-reporting agencies: Equifax (www.equifax.com), Experian (www.experian.com), and TransUnion (www.transunion.com).

Next, distribute the **Spot Identity Theft** handout and review each scenario. Ask students to raise their hands for "Yes" or "No" for each story, and then engage students in a discussion about why or why not identity theft is possible.



MONEY SMART TIP!

In today's online world, students often share personal information freely, without fully considering who exactly might have access to that information. Ask students whether they know what personal information is and is not OK to share about themselves online. Tell students that, if they participate in online discussions or social media, personal information such as their full name, Social Security number, bank account numbers, or parents' credit card account numbers should always be kept private. Personal information such as what movies they like to watch or the names of books they like to read are generally OK to share when participating in social media or other online environments.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

MORE SCAMS [30 MINUTES]

Tell students that it is not just spam we have to be on the lookout for and that there are other scams that can cause significant financial turmoil. Display the *Job Scams* slide and review with students that employment scams are growing in popularity among criminals because they offer a "solution" to finding work, such as a paid certification or training with the promise of a job at the end—only the job never comes. The criminals take your cash and move on to the next victim.

Distribute the *This Job*, *Not That Job* handout and have students work together in small groups to analyze each of the job offerings. Challenge each group to identify which job is legitimate and which is not, documenting their supporting reasons.

Invite volunteers to share their conclusions with the class, and review why one job offer is more credible than the other. Reiterate that employment scams often make false promises, and if an opportunity sounds too good to be true, then it likely is.

MONEY SMART TIP!

Share and discuss with students the *Job Scams* video (3 minutes) from the Federal Trade Commission's website at http://www.consumer.ftc.gov/articles/0243-job-scams. Expand the discussion of scams by reviewing the many additional kinds of fraudulent behavior at OnGuardOnline.gov (http://www.onguardonline.gov/topics/avoid-scams).

Next, tell students that being aware of the types of spams and scams to look out for is critical, but it is also important to know what to do if their personal data are compromised. Ask students what steps they think they should take if they suspect their identity has been stolen.

Distribute the **Steps to Take** handout and have students work in small groups to gather research and complete the worksheet.



Invite volunteers to share their answers with the class and help students understand that taking no action when you suspect identity theft is not a good approach. It is better to address the issue and seek assistance in resolving it so that minimum financial damage is done.

WRAP UP

SHIELD OF PROTECTION [5 MINUTES]

Close the lesson by asking students to write a brief reflection to the following prompt: Using what you have learned in this lesson, define what you will do to help create a shield of protection for your personal data.

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:

- Why is cybercrime so popular? What is it about the Internet that has made it possible for thieves to expand their network of crimes?
- What rights do you feel you should have as a consumer in order to keep your identity safe and protected?
- What role should the government play in protecting your privacy rights?

Suggested Readings:

- Taking Charge: What to Do if Your Identity Is Stolen by The Federal Trade Commission: Learn about the steps to take if your identity becomes compromised. http://www.consumer.ftc.gov/articles/pdf-0009-taking-charge.pdf
- When a Criminal's Cover Is Your Identity by the FDIC: Read a checklist for identity theft prevention and what to do if your identity is stolen.
 https://www.fdic.gov/consumers/privacy/criminalscover/index.html
- Fraud by the Consumer Financial Protection Bureau: Read about the steps to take if your credit or debit card may have been stolen.
 http://www.consumerfinance.gov/blog/category/fraud/



MATHEMATICS

Activity/Project Ideas:

 Have students review identity theft statistics and calculate the probability of becoming a victim of identity theft based on national averages.

SOCIAL STUDIES AND ECONOMICS

Discussion Topics:

- Explore and discuss what role the government should play in protecting citizens from identity theft.
- Discuss identity theft on a global level and compare how identity thieves work around the world. Use examples such as the widely known "Nigerian" e-mail scam. http://www.onguardonline.gov/articles/0002l-nigerian-email-scam

TECHNOLOGY

Online Resources:

- Spam Scan Slam by OnGuardOnline: An online game that tests students' ability to identify potential spam scams. http://www.onguardonline.gov/media/game-0012spam-scam-slam
- Phishing Scams by OnGuardOnline: An online game that tests students' ability to identify potential phishing scams. https://www.onguardonline.gov/media/game-0011phishing-scams
- ID Theft FaceOff by OnGuardOnline: An online game that tests students' knowledge of the steps to take when their identity has been compromised.
- Consumer Financial Privacy by the FDIC: A web resource for understanding financial privacy and how to protect your identity.
 https://www.fdic.gov/consumers/privacy/index.html

LESSON OVERVIEW

For students interested in starting their own business, this lesson combines disciplines covered in earlier modules and applies them to the lens of an **entrepreneur**. Compounding knowledge to transfer budgeting and financing strategies from a personal to business perspective, this lesson empowers students with crucial knowledge needed to launch the business of their dreams while doing so smartly.

TOPIC: Entrepreneurship 1: Starting a Business

SUBJECT CONNECTIONS: Social Studies, English Language Arts

TIME REQUIRED: 80 minutes (excluding Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Identify and consider risks and rewards of entrepreneurship
- Evaluate business start-up practices
- Explain how entrepreneurship and innovation are sources of economic growth
- Identify the types of business organizations (sole proprietorship, corporations, LLC, and so on)

SUPPLIES:

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

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- Engaging Entrepreneurs
- Entrepreneurial Adventures
- Entrepreneur Advice

TEACHER PRESENTATION SLIDES:

- Business Types
- Business Budgeting: Financial Statements
- Start-Up Capital

ESSENTIAL QUESTIONS:

- What is an entrepreneur?
- What are the steps needed to start a business?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

• Dream Business warm up

POST-ASSESSMENT:

- Engaging Entrepreneurs handout
- Entrepreneurial Adventures handout
- Entrepreneur Advice handout

MONEY SMART PORTFOLIO:

- Engaging Entrepreneurs handout
- Entrepreneurial Adventures handout
- Entrepreneur Advice handout



INSTRUCTION STEPS

WARM UP

DREAM BUSINESS [10 MINUTES]

Begin the lesson by asking students if they could start their own business, what it would be, and why. Invite volunteers to share their ideas, and write a list on the board. Tell students they will come back to their dream business idea later in the lesson and explore what it would take to launch that business.

Next, ask students what an entrepreneur is. Share with students the definition of an entrepreneur from the U.S. Small Business Administration:

"An entrepreneur is a person who organizes and manages a business undertaking, assuming the risk for the sake of profit. An entrepreneur sees an opportunity. Makes a plan. Starts the business. Manages the business. Receives the profits."

Help students understand that, while entrepreneurs receive the profits, they take on all of the risk, so it is important to practice sound financial planning with businesses just as you would for your personal budget.

GUIDED EXPLORATION

START-UP [25 MINUTES]

Next, display the **Business Types** slides and review each of the different ways an entrepreneur can legally structure his or her business.

- **Sole Proprietorship:** a simple structure where there is only one person who owns and operates the business. There is no separation between you and your business, which means your personal assets could be at risk if sued.
- Partnership: when a business is owned and operated by more than one person. Depending
 on the partnership agreement, one or all partners could be held personally liable if sued.
- Limited Liability Company (LLC): in between a partnership and a corporation. It offers similar
 tax rules to a partnership but protects you like a corporation so you are not personally liable,
 if sued.
- **Corporation:** this is the most complex structure but offers more protection against risk because a corporation is considered a separate entity from an owner's personal assets.

Have students stop and think back to the business ideas created in the warm up activity. Which business type would work best for their idea, and why? Is their business idea something that would require having partners or could they do it on their own? Encourage students to share their initial ideas on business structure, and then move the discussion to budgets. Explain that, just like a personal budget, a business has to keep track of its expenses and income in order to maintain positive cash flow.

Display the Business Budgeting: Financial Statements slide and review each of the statements.

- Profit-and-Loss Statement: includes revenues, expenses, and costs incurred by a business during a set period of time.
- Balance Sheet: shows a company's liabilities, owner's equity, and assets at a set point in time
- Cash Flow Statement: tracks money coming in and going out of the business.

Grade-Level Modifications:

Beginner: Have students review activities completed in Lesson 3, *Can You Pay Your Bills?*, and discuss why it is important for businesses to also create spending and savings plans.

Advanced: Have students review and analyze sample profit-and-loss statements, balance sheets, and cash flow statements.

Next, ask students how new businesses get the money, or **capital**, they need to launch a business. Invite volunteers to share their ideas and then display the **Start-Up Capital** slide and review the options with the class.

- Crowdfunding: raising money from a large group of people, usually done online.
- Grants/Competitions: receiving money from local or national business start-up competitions.
- Bank Loans: borrowing money from the bank to finance start-up costs.
- Credit Cards: using credit cards to fund start-up costs.
- Personal Savings: using your own savings and cash to fund expenses.
- Lenders: people who lend you money to start your business.
- Investors: people who take risk with you to start your business.
- Equity: providing partial ownership of the company, such as through shares or stocks, in exchange for money.

MONEY SMART TIP!

Have students visit popular crowdfunding websites such as Kickstarter (https://www.kickstarter.com/) and Indiegogo (https://www.indiegogo.com/), and discuss the different entrepreneurial ventures that have been funded.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

ENTREPRENEURIAL EXPLORATION [35 MINUTES]

Tell students that they will now have a chance to research an entrepreneur and learn from his or her journey in starting a business. Distribute the *Engaging Entrepreneurs* handout and allow students time to select an entrepreneur and conduct research. When students have finished gathering information, invite volunteers to present their entrepreneurs to the class.



Use the sample case studies to discuss the affect of entrepreneurial actions on the economy. Ask students the following questions: How do innovative businesses spur economic growth? What products do you own that may have been developed by an entrepreneur? How do these products benefit you? How do they benefit others? Help students understand that entrepreneurial ventures not only help solve a problem for consumers or businesses, but they can also create employment opportunities.

Next, have students think through their own business ideas by distributing the *Entrepreneurial Adventures* handout. Give students time to complete the handout and invite them to share their ideas with the rest of the class. Reiterate the steps an entrepreneur takes, from seeking opportunities, to making a plan, to carrying out that plan.

WRAP UP

ENTREPRENEUR ADVICE [10 MINUTES]

Close the lesson by distributing the *Entrepreneur Advice* handout and have students fill in tips for someone who is interested in starting their own business. Ask students to share their tips and decide as a class which five pieces of advice would be most useful to a new entrepreneur.

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:

- What are the benefits and disadvantages to working for someone else versus being your own boss?
- What kind of job would you like to have? How could you create this job yourself?
- o What characteristics do you think make up an entrepreneur?

Suggested Readings:

- USA Today Collegiate Case Studies: Read about Generation Y entrepreneurs through case study examples.
 - http://usatoday30.usatoday.com/educate/college/casestudies/20071015-genyentreps.pdf
- Global Entrepreneurship and the United States by the Small Business Administration: An
 essay asserting the impact of global entrepreneurship on the United States.
 http://www.sba.gov/advocacy/global-entrepreneurship-and-united-states

Looking Ahead: Opportunities and Challenges for Entrepreneurship and Small Business
 Owners by the Small Business Administration: A report about different challenges and
 opportunities small business owners face.
 http://www.sba.gov/sites/default/files/rs332tot.pdf

MATHEMATICS

- Activity/Project Ideas:
 - Challenge students to review sample business financial statements and balance business budgets.

SOCIAL STUDIES AND ECONOMICS

- Discussion Topics:
 - Explore and discuss social entrepreneurship and how it is changing the global economic landscape.
- Activity/Project Ideas:
 - Have students research and explore economic growth of entrepreneurship by investigating individual inventions or entrepreneurs and analyzing economic impact (for example: Steve Jobs and the creation of the iPhone).

TECHNOLOGY

- Online Resources:
 - Office of Entrepreneurial Development by the Small Business Administration: A
 comprehensive website to help entrepreneurs launch, manage, and grow their business.
 http://www.sba.gov/offices/headquarters/oed
 - Be Your Own Boss Challenge by The Mint: An online quiz that helps students determine whether they might one day want to be their own boss. http://www.themint.org/teens/be-you-own-boss-challenge.html
 - 20 Questions Before Starting a Business by the Small Business Administration: A series
 of questions to consider before starting a business.
 http://www.sba.gov/content/20-questions-before-starting-business
 - Young Entrepreneurs by the Small Business Administration: A self-paced online course designed to guide young entrepreneurs through the start-up process.
 http://www.sba.gov/tools/sba-learning-center/training/young-entrepreneurs
 - Checklist for Young Entrepreneurs by the Small Business Administration: An online form that guides young entrepreneurs through a checklist of important start-up considerations. http://www.sba.gov/sites/default/files/Checklist_YoungEntrepreneurs_ENGLISH.pdf



LESSON OVERVIEW

While starting a business requires a vast understanding of business management concepts, maintaining a successful business requires an additional set of tools. This lesson engages students in exploring how a business is maintained as it grows, and addresses critical management strategies, ethical tax practices, and insurance. Through the lens of entrepreneurship, students will build upon prior lessons to explore the different management strategies needed to run a successful business.

TOPIC: Entrepreneurship 2: Maintaining a Business

SUBJECT CONNECTIONS: Social Studies,

English Language Arts

TIME REQUIRED: 75 minutes (excluding Extended Exploration activities)

LEARNING OBJECTIVES:

Students will be able to...

- Understand and describe tax planning and reports
- Debate business management strategies
- Explain insurance choices for businesses

SUPPLIES:

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

PREPARATION:

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

STUDENT HANDOUTS:

(found in Student Guide)

- Business Management
- Letter of Advice

TEACHER PRESENTATION SLIDES:

- Failure = Fuel to Success
- Tax Requirements
- Business Insurance
- Business Management
- Business Budgeting: Financial Statements
- Start-Up Capital

ESSENTIAL QUESTIONS:

- How do you maintain a business?
- What actions do entrepreneurs take to maintain success?

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

• Failure = Fuel to Success slide

POST-ASSESSMENT:

- Business Management handout
- Letter of Advice handout

MONEY SMART PORTFOLIO:

- Business Management handout
- Letter of Advice handout



INSTRUCTION STEPS

WARM UP

WORDS OF WISDOM [5 MINUTES]

Open the lesson by displaying the *Failure = Fuel to Success* slide and discuss Michael Jordan's quote and what it means in the business world. Ask students: *How does missing game-winning shots equal success in business? Why do entrepreneurs fail and get back up and try again?* Help students understand that fear and failure do not have to be negatives in the business world; they are valuable learning opportunities that lead to success and growth.

MONEY SMART TIP!

Share examples of entrepreneurs and businesses that have failed and used their setbacks to create growth and opportunity, such as those listed at http://www.businessinsider.com/successful-people-who-failed-at-first-2014-3?op=1.

GUIDED EXPLORATION

HOW TO MAINTAIN MOMENTUM [25 MINUTES]

Ask students what an entrepreneur should consider once a new business is launched and growing. What do entrepreneurs do to maintain momentum and keep their business on the upswing? What factors do new businesses need to take into consideration in order to expand? Invite students to share their ideas, and then display the *Tax Requirements* slide.

- Income Tax: this is a pay-as-you-go tax so that, as profit is coming into the business, you are
 expected to pay taxes on those earnings. Estimated taxes are generally due quarterly. Income
 tax includes federal, state, and some local taxes.
- Self-Employment Tax: if you own your business and are considered self-employed, you are responsible for paying Social Security and Medicare taxes.
- **Employment Taxes:** when your business grows to the point where you hire employees, there are certain employment taxes that you must pay. These include Social Security and Medicare tax, unemployment insurance tax, and disability tax.

Help students understand that cash flow is critical for any business, especially new start-ups. This means that managing taxes is a big part of ensuring positive cash flow. For instance, because taxes are generally due quarterly, not anticipating the amount of taxes due can mean that a business misappropriates its money and spends it on business operations. This can leave a business short on funds when it comes time to pay taxes.

Tell students that it is important to set aside a percentage of profits to ensure that tax obligations are met. Knowing when taxes are due and estimating how much they will cost help entrepreneurs ensure they have enough funds to cover them and continue to grow their business at the same time.



Next, display the *Business Insurance* slide and review with students how business insurance protects an entrepreneur's investment. Tell students that, like employment taxes, if your business has employees you are also required by law to have certain types of insurance. Insurance protects a business from a multitude of risks, from loss of income to natural disasters.

- Liability Insurance: For service-based businesses, such as medical practices, you should have professional liability insurance, which protects your business if you are sued for errors or negligence (some states require certain businesses hold this insurance). There is also general liability insurance, which generally protects businesses from lawsuits.
- Home-Based Business Insurance: For individuals who operate their business from their home, additional insurance coverage may be added to an existing homeowner's insurance policy to ensure full protection from unforeseen events.
- Commercial Property Insurance: Property insurance covers any damage to property, whether it is caused by vandalism or a natural event like a storm.
- **Required Insurance**: If your business has employees, you are also required by law to hold worker's compensation insurance, unemployment insurance, and disability insurance.

Grade-Level Modifications:

Beginner: Simplify the discussion by focusing on general liability insurance and why businesses need to protect themselves. Connect back to Lesson 11, *Risky Business*, and review the reasons individuals obtain insurance to help students understand that businesses face similar risks and more, especially when a business has employees.

Advanced: Expand the discussion of insurance to include industry-specific options such as contractor liability insurance, malpractice insurance, and automotive liability insurance.

INDEPENDENT EXPLORATION

Note: These activities are more independent than the Guided Exploration activities and may be used as homework assignments, collaborative group work, or independent study.

MANAGEMENT MODE [35 MINUTES]

Explain to students that managing a business is a complex endeavor that requires strategic thinking and the ability to forecast potential business growth today and in the future. To manage a new or existing business efficiently, it is helpful to break down management strategies into three main categories: financial management, time management, and risk management.

Display the **Business Management** slide and ask students why it is important to juggle financial, time, and risk management strategies. Ask: What do we gain by keeping all three balls in the air? Invite students to share their initial ideas and tell students that they will now get the chance to become "experts" on a management category and present their expert opinion to the class.

Distribute the **Business Management** handout and divide students into small groups. Assign each group a management topic to research: financial, time, or risk. Allow students time to research their topic and complete the activity sheet.



When students are finished, arrange the class into three separate sections—one for students who researched financial management, one for time management, and one for risk management.

Next, ask volunteers from each section to present their research to the class. Once each group has had a chance to share their "expert" findings, open up the discussion to the class for questions and answers among all of the groups. Guide the discussion to emphasize that successful businesses use a healthy balance of all three management strategies and are continually evaluating and analyzing actions and behaviors within each.

WRAP UP

LETTER OF ADVICE [10 MINUTES]

Close the lesson by distributing the *Letter of Advice* handout and allowing students time to reflect and write their letter.

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:

- What risks do businesses face that are similar and different to those of individuals?
- What qualities do entrepreneurs need in order to grow a new business? In what ways are entrepreneurs leaders?
- o If you were to become CEO of a start-up company, how would you grow the business, and why? What would you do? What wouldn't you do?

Suggested Readings:

- Two New Tax Benefits Aid Employers Who Hire and Retain Unemployed Workers by the IRS: A press release that explains the tax benefits for employers who hire and retain unemployed workers. http://www.irs.gov/uac/Two-New-Tax-Benefits-Aid-Employers-Who-Hire-and-Retain-Unemployed-Workers
- Generation Sell by the NY Times: Read about generational shifts on self-employment, particularly Millennials and their perspectives on starting businesses.
 http://www.nytimes.com/2011/11/13/opinion/sunday/the-entrepreneurial-generation.html?pagewanted=all&_r=0



MATHEMATICS

Activity/Project Ideas:

• Have students calculate the amount of estimated taxes required for different businesses based on projected income.

SOCIAL STUDIES AND ECONOMICS

• Discussion Topics:

- Discuss how entrepreneurial decisions are influenced by tax policies. For example: do tax deductions offer incentives for entrepreneurs to launch their ideas into a business? Why or why not?
- Explore the ways in which entrepreneurial ventures help to create employment opportunities and enhance economic growth.

TECHNOLOGY

Online Resources:

- Small Business Taxes: The Virtual Workshop by the IRS: A complete online workshop with information on federal tax obligations for small businesses.
 http://www.irsvideos.gov/SmallBusinessTaxpayer/virtualworkshop
- Ready.gov: Information on preparedness planning for businesses.
 http://www.ready.gov/business
- U.S. Department of the Treasury Small Business and Community Development Programs: Information on initiatives available to help small businesses succeed. http://www.treasury.gov/resource-center/sb-programs/Pages/default.aspx
- PrepareMyBusiness.org: A web resource with information and assistance on how to prepare a business plan. http://www.preparemybusiness.org/

ANSWER KEY

for Student Handouts (all lessons)

LESSON 1: WORKING HARD FOR THE MONEY

Student Handout: *Career Research.* Answers will vary. Use handout to assess student ability to evaluate research and compare the purpose of each job, education required, and projected income.

Student Handout: *Making Choices.* Answers will vary. Use handout to assess student ability to understand that different training and education paths can lead to different career choices.

LESSON 2: DESIGNING DREAMS

Student Handout: Setting & Researching Goals. Answers will vary. Use handout to assess student ability to articulate future goals and the steps needed in order to reach their defined goals.

Student Handout: Poor or Polished Plan?

- Selena's scenario: Poor. Selena feels peer pressure to attend the concert and is willing to take money
 out of her savings to not be "the only one who misses it."
- **Mike's scenario:** Polished. Mike knows exactly what he needs to purchase and he has a strategy for how he will balance the money he has available with what he needs to buy.
- **Kaelan's scenario:** Poor. Kaelan earns \$1,440 each month, but his new condo costs \$1,100. This leaves him with only \$340, which is not a realistic amount to cover other living expenses (utilities, food, transportation, entertainment, and taxes). Kaelan is confident that he will get full-time hours soon, but he would have been better off waiting until he had full-time hours before moving into his condo.

Student Handout: *My Plan.* Answers will vary. Use handout to assess student ability to reflect on how to make a plan.

LESSON 3: CAN YOU PAY YOUR BILLS?

Student Handout: *Spending Tracker.* If Caitlin spends at this pace for an entire month, how much money will she spend by the end of the month? \$998.00

Compare Caitlin's monthly expenses to her monthly income. Does Caitlin have positive cash flow (more money coming in than going out) or negative cash flow (more money going out than coming in)? Negative cash flow

What patterns do you observe in Caitlin's spending habits? What does she spend money on most often? Daily coffee at \$2.

What advice would you give Caitlin to help her reduce expenses so she can afford to move out on her own? Answers will vary. Students may suggest Caitlin limit her daily coffee purchases or remove unnecessary items from her budget, such as the concert for \$89.

Student Handout: *Income & Expenses.* The chart below lists his income and expenses. Total his income and expense categories. Does Jayden have enough money to pay all of his bills? Jayden has enough income to pay for expenses with \$55 left.

Total Income \$425	Total Expenses	\$370
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Student Handout: *Cash Flow Conundrum.* Answers will vary. Students may recommend that Todd use all or part of his savings to help pay for the extra charges, find ways he can increase his income (for example: do more chores at home, help neighbors with odd jobs so he can earn extra money), or reduce his expenses by removing wants.

Student Handout: What If...

One week: \$14 (Not so bad, right?)

One month (30 days): \$60 (Not great, but still manageable.)

One year: \$730 (Ouch! That's adding up.)

Five years: \$3,650 (Whoa, slow down. Coffee costs that much?!)

Ten years: \$7,300 (That's the cost of a car!)

Twenty years: \$14,600 (OK...lesson learned. Cutting small expenses can lead to big savings.)

If you don't buy daily coffee, what could you do with the money you save? Answers will vary. Students may respond that they could put the extra money in savings or toward expenses.

LESSON 4: BOOST YOUR SAVINGS

Student Handout: *Rainy Days.* What are different emergencies that can happen in life, and how much might they cost? Brainstorm a list of possible emergencies below, assess different cost implications, and then reflect on how a rainy day fund can help. Answers will vary. Students may respond with emergencies such as job loss, car accident, loss of a loved one, or extreme weather emergencies like hurricanes, earthquakes, and tornadoes.

Student Handout: Compounding Interest Over Time

Part 2: Complete the chart below by calculating how much savings grow with no interest versus 2 percent daily compounding interest.

Saving 50 cents a day:

	No Interest	2% Daily Compounding
Year 1	\$182	\$184
Year 5	\$912	\$957
Year 10	\$1,820	\$2,014
Year 30	\$5,460	\$7,480

Saving \$1 a day:

	No Interest	2% Daily Compounding	
Year 1	\$365	\$368	
Year 5	\$1,825	\$1,914	
Year 10	\$3,650	\$4,029	
Year 30	\$10,950	\$14,960	

Student Handout: *Savings Options.* Answers will vary. Use handout to assess student ability to conduct research and evaluate and compare data.

LESSON 5: BANK YOUR BUCKS

Student Handout: Banking Basics

	What is my primary role at the bank?	How do I help customers?
Customer Service Representative	Provide general customer service	Help you open an account, refer to a person who can help, provide written information about bank products, explain bank services, and answer general questions
Bank Teller	Deposit your money in your accounts	Help cash or deposit your checks, answer banking questions, and refer you to the right person who can help you with other bank services
Loan Officer	Provide loans to customers	Help answer questions about loans, help fill out applications for loans offered at the bank, and provide written information explaining different loan products
Branch Manager	Supervise bank operations at a branch location	Help resolve any problems or provide help a customer might need
АТМ	Provide fast access to your money	Offer convenience and full-time availability (24 hours a day, 7 days a week), help check account balance, quick and easy way to access money
Website	Provide online banking	Offer convenience and full-time availability (24 hours a day, 7 days a week), help monitor withdrawals and deposits, help pay bills, help check account balance

Student Handout: Security

How Is Your Money Protected?

Stars & Stripes Financial Institution is insured by the FDIC. It must follow federal and state laws. You could get a loan, get a credit card, or open a checking or savings account here. Which one is it?

Bank or Thrift

Great Financial Institution requires account holders to be a faculty or staff member or student at Great University. The account holders are also the owners. Which one is it?

☐ Bank or Thrift

☐ Credit Union

Credit Union

Student Handout: Checking and Savings Accounts

Checking Accounts: Use handout to assess student ability to correctly complete writing a check.

Student Handout: *Bank Checklist.* Answers will vary. Use handout to assess student ability to conduct research and evaluate and compare data.

LESSON 6: BREAD-AND-BUTTER

Student Handout: Paycheck Pros

What is Isaac's net pay? \$121.10

Scenario 1: Tony

Tony cashes his weekly paycheck at Fees4Cash, a check-cashing service. Fees4Cash charges Tony \$5 to cash every check. How much does Tony pay Fees4Cash each month to cash his paychecks? \$20–\$25. Typically, \$20 a month (4 weeks x \$5 per week = \$20). However, there may be a few months when he pays \$25, depending on which day he cashes his check.

How much does Tony pay each year? \$260 (52 weeks x \$5 per week = \$260/year)

Scenario 2: Lamar

How much did Lamar pay this month in fees when using his stored-value card at an ATM? \$8 (4 transactions x \$2)

How much would Lamar pay each year in fees if he used his stored-value card at an ATM an average of four times each month? \$96 (\$8 x 12)

• Scenario 3: Sylvia

Sylvia has a checking account. The bank charges a monthly fee of \$6 unless she uses direct deposit or her debit card more than five times per month. If Sylvia uses direct deposit or her debit card frequently and she uses no more than one box of checks every year, which costs her \$18, how much does she pay to maintain her checking account? \$18 (for the checks), because she is able to avoid the monthly maintenance fee.

Comparing Scenarios

How much can Tony save each year if he opens a checking account and pays what Sylvia does? Tony could save \$242 a year (\$260 – \$18).

Even if Tony pays a \$6 monthly fee for a total of \$72 a year, plus the cost of the checks (\$18), how much could he save each year? \$170 (\$72 + \$18 = \$90 - \$260 = \$170)

How much can Lamar save each year if he opens a checking account and pays what Sylvia does? \$78 (\$96 – \$18)

Student Handout: Paycheck Puzzle

1. I thought I was earning \$12.50 an hour, but my paycheck is less than that. Why is my net pay different from my gross pay?

Net pay is after tax deductions, which are used to help support national programs such as Medicare and Social Security, as well as state and city public services, including maintaining highways, schools, and libraries.

2. I'm not sure how my net pay is determined. Can you explain to me how my net pay is calculated?

Gross Income – Deductions = Net Pay

3. What do each of the different deductions on my paycheck mean? Can you explain them to me?

Federal and State Income Tax: tax paid on earned income to support national and local public services

Medicare Tax: tax paid to support the Medicare government program to provide medical care for retirees and others who qualify

Social Security: tax paid to support the Social Security government program to provide financial assistance to retirees and others who qualify

Savings: directly depositing earned income into a personal savings or retirement account

4. Do I have any control over the amount of deductions on my paycheck?

While Sakina is required to withhold federal and state income tax, Medicare, and Social Security, she is able to control the amount of money that goes directly into savings.

LESSON 7: CAPACITY, CHARACTER, COLLATERAL, CAPITAL

Student Handout: The Four Cs Challenge

Review each section and match the required information with the appropriate C: Capital, Collateral, Character, or Capacity. There may be more than one correct answer.

- 1. Employment Information: Capacity
- 2. Monthly Income and Combined Housing Expense Information: Capacity
- 3. Declarations: Character
- **4.** Assets (for example: checking and savings account, investment products, and car) and Liabilities (for example: automobile or other loans, charge accounts, and other forms of debt): Capital and Collateral

Student Handout: Manage or Damage?

- **Eli's Scenario:** MANAGE. Eli pays attention to what he uses his credit card for and pays the bill in full at the end of every month.
- **Imani's Scenario:** DAMAGE. Imani did not think long term when she made a commitment to a two-year contract, and the result is that she is unable to meet her repayment responsibilities.
- Ethan's Scenario: DAMAGE. Ethan failed to realize that, just because credit was available to him, he didn't need to use it all. He overextended himself and is considering going even deeper in debt to pay off his existing debt.

Student Handout: *Creditworthiness Comic.* Answers will vary. Use handout to assess student ability to demonstrate what it means to be creditworthy.

LESSON 8: THE ALMIGHTY DOLLAR?

Student Handout: Credit Responsibility

- **Situation 1:** Jason receives a credit card bill. He gets a cash advance on another credit card to pay part of the bill. What do you think about Jason's use of a credit card? Irresponsible because Jason is using credit to pay for credit.
- **Situation 2:** The balance on Collin's credit card is \$3,000.00, which is his credit limit. He makes only the minimum payment and is always close to the limit on his credit card. What do you think about Collin's use of a credit card? Irresponsible because Collin is paying more interest by keeping an ongoing balance.
- **Situation 3:** Lynda uses her credit card for convenience. She pays cash for most small purchases. She pays her credit card bill in full each month. What do you think about Lynda's use of a credit card? Responsible because Lynda pays her balance off each month.
- **Situation 4:** Becca was excited to get a credit card offer in the mail. She applied for the credit card without reading the terms. When the card came, she bought several items. When the bill came, she was surprised to find additional fees charged to her account. What do you think about Becca's use of a credit card? Irresponsible because Becca did not read the fine print before opening her credit card.

Student Handout: *Comparing Cards.* Answers will vary. Use handout to assess student ability to conduct research and evaluate and compare data.

Student Handout: *Credit Trap.* Answers will vary. Students may recommend to read the fine print, understand fees and penalties, know your interest rates and credit limits, understand how credit cards affect your borrowing abilities and credit score, the Four Cs, and knowing how much credit you can personally manage.

LESSON 9: AS EASY AS PI

Student Handout: Financial Ratios

1. Debt-to-Income: monthly debt divided by monthly gross income

What is Ishaan's total debt? \$1,330

What is his gross income? \$2,500

What is his debt-to-income ratio? 53%

2. Debt-to-Assets: liabilities divided by assets

Stephanie recently took out a loan for \$5,500 to help pay for a new-used car. The car is worth \$9,500.

How much are Stephanie's total liabilities? \$5,500

How much are her assets? \$9.500

What is her debt-to-assets ratio? 57%

3. Debt-to-Limits: credit debt divided by credit limit

Avni has a credit card with a \$5,000 credit limit. She currently has a balance of \$2,000 on the card.

What is Avni's credit limit? \$5,000

What is her debt? \$2,000

What is her debt-to-limits ratio? 40%

Student Handout: Ratios Race

James, 18 years old

"I bought my first car last year and it's great. It's so much easier to get to school and work now. I did have to borrow money, though, because I only had \$3,000 saved up and the car cost \$5,000. I just checked online to see how much my car is worth today and it's dropped a little in value. If I sold it right now, it's worth \$4,500. I still have \$1,500 left on my car loan, though. I'm wondering how I can measure my loan to the value of my car. What do you think...which ratio should I use?"

What ratio should James use? Debt-to-assets ratio

What is James's ratio percentage: 33%

Elizabeth, 28 years old

"I haven't been very good about managing my debt, and I'm trying to figure out how my debt relates to my income. I have four different credit cards right now but I really want to pay them all off soon. For now, though, I'm making monthly payments of \$50 on one, \$200 on another, \$25 on a third, and \$175 on the fourth. I also own a home, and my mortgage is another \$900 a month. I earn \$3,200 each month before taxes. Can you help me figure out what financial ratio to use?"

What ratio should Elizabeth use? Debt-to-income ratio

What is Elizabeth's ratio percentage: 42%

Michael, 23 years old

"I want to purchase a home someday, so I'm making sure my credit score is in good shape. I have a credit card that I can spend up to \$1,000 on but I only have a balance of \$100. What financial ratio would help me? Do the math...what's my percentage?"

What ratio should Michael use? Debt-to-limits ratio

What is Michael's ratio percentage: 10%

LESSON 10: CONVERTIBLE OR CLUNKER?

Student Handout: *Car Comparison.* Answers will vary. Use handout to assess student ability to conduct research and evaluate and compare data.

LESSON 11: RISKY BUSINESS

Student Handout: *Insurance Investigator.* Answers will vary. Use handout to assess student ability to conduct research and evaluate and compare data.

Student Handout: *Name That Insurance.* Read each of the scenarios below and decide which insurance would help minimize financial risk.

	What kind of insurance is needed?
Ani's car skids off the road and into a telephone pole after she hits a patch of ice	Auto Insurance
Jon's appendix bursts and he needs immediate medical attention	Health Insurance
Dilan rear-ends the car in front of him after the driver slams on his brakes	Auto Insurance
Rionna's husband recently passed away and she needs help covering the cost of the funeral	Life Insurance
Genevieve is 85 years old and requires a daily nurse to help her	Long-Term Care Insurance
Vincent breaks his leg and is unable to work for six months	Disability Insurance
A hurricane breaks windows and floods Catherine's home and everything needs to be replaced	Property Insurance
Mason breaks his leg playing soccer and needs to have surgery and a cast	Health Insurance

Student Handout: *Life Map.* Answers will vary. Students may reflect that auto insurance is needed for each phase of life as long as they drive a car, and that health insurance is needed throughout life, but additional coverage may be needed as they get older, including long-term care, disability, and life insurance.

LESSON 12: HALLS OF KNOWLEDGE

Student Handout: *College Planning Prep.* Answers will vary. Use handout to assess student ability to articulate preferences for each section.

Student Handout: Federal Student Aid Options

Pell Grant:

How does it work? A Federal Pell Grant, unlike a loan, does not have to be repaid. Federal Pell Grants usually are awarded only to undergraduate students who have not earned a bachelor's or a professional degree.

How much money is it for? Amounts can change yearly. The maximum Pell Grant award is \$5,645 for the 2013–14 award year (July 1, 2013, to June 30, 2014). For the 2014–15 award year (July 1, 2014, to June 30, 2015), the maximum award will be \$5,730. The amount you get, though, will depend on your financial need, your cost of attendance, your status as a full-time or part-time student, and your plans to attend school for a full academic year or less. You may not receive Pell Grant funds from more than one school at a time.

Who is eligible to receive it? Undergraduate students; in some cases, however, a student enrolled in a post-baccalaureate teacher certification program might receive a Pell Grant. You are not eligible to receive a Federal Pell Grant if you are incarcerated in a federal or state penal institution or are subject to an involuntary civil commitment upon completion of a period of incarceration for a forcible or nonforcible sexual offense.

Where can we learn more about it? https://studentaid.ed.gov/types/grants-scholarships/pell

Perkins Loan:

How does it work? Perkins Loans are low-interest federal student loans for undergraduate and graduate students with exceptional financial need. Not all schools participate in the Federal Perkins Loan Program. You should check with your school's financial aid office to see whether your school participates.

How much may be borrowed? Funds depend on your financial need and the availability of funds at your college. The amount you can borrow depends on your financial need, the amount of other aid you receive, and the availability of funds at your college or career school. You should apply for federal student aid early to make sure you are considered for a Perkins Loan. Due to limited funds, not everyone who qualifies for a Perkins Loan will receive one. If you are an undergraduate student, you may be eligible to receive up to \$5,500 a year. The total you can borrow as an undergraduate is \$27,500. If you are a graduate or professional student, you may be eligible to receive up to \$8,000 per year. The total you can borrow as a graduate student is \$60,000, which includes amounts borrowed as an undergraduate.

What are the terms of the loan? The interest rate for this loan is 5 percent. Your school is the lender; you will make your payments to the school that made your loan or to your school's loan servicer. There are no other charges beyond the interest rate. However, if you skip a payment, if your payment is late, or if you make less than a full payment, you might have to pay a late charge plus any collection costs.

Who is eligible to receive it? Available to undergraduate, graduate, and professional students with exceptional financial need.

Where can we learn more about it? https://studentaid.ed.gov/types/loans/perkins

Direct Loan:

How does it work? Direct Loans are low-interest loans for students and parents to help pay for the cost of a student's education after high school. The lender is the U.S. Department of Education (the Department), though most of the contact will be with your loan servicer.

How much may be borrowed? The maximum amount you can borrow each year in Direct Subsidized and Unsubsidized Loans depends on your grade level and on whether you are a dependent student or an independent student.

What are the terms of the loan? Interest rates for Direct Subsidized and Unsubsidized Loans for undergraduates with a first disbursement date between July 1, 2014, and June 30, 2015, are 4.66 percent. Interest rates for Direct Unsubsidized Loans for graduate students are 6.21 percent. Interest rates for Direct PLUS Loans are 7.21 percent.

Who is eligible to receive it? Available to undergraduate and graduate students.

Where can we learn more about it? http://www.direct.ed.gov/

College Work-Study Programs:

How does it work? Provides funds for part-time employment to help needy students to finance the costs of postsecondary education.

How much do you earn? Hourly wages are at least the federal minimum wage.

What kinds of jobs are available? Community service jobs, including: reading tutors for preschool-age or elementary school children; mathematics tutors for students enrolled in elementary school through 9th grade; literacy tutors in a family literacy project performing family literacy activities; or emergency preparedness and response.

Who is eligible for this program? Available to undergraduate, vocational, and graduate students enrolled or accepted for enrollment at participating schools.

Where can we learn more about it? http://www2.ed.gov/programs/fws/index.html

Student Handout: Comparing Choices

	University of Michigan	Indiana State University	Butler University
Tuition/Fees	\$39,122	\$8,098	\$33,138
Housing/Meals	\$9,752	\$8,772	\$10,830
Books/Supplies	\$1,048	\$1,170	\$1,000
Transportation	\$0	\$0	\$0
Misc. Education Costs	\$2,054	\$2,186	\$2,500
Total Expenses	\$51,976	\$20,226	\$47,468

Which university will be the most expensive for Mariel to attend? Why do you think this is? University of Michigan, because Mariel will pay much more for out-of-state tuition.

If you were Mariel, which school would you pick, and why? Answers will vary.

Based on your research, which college do you think you would like to attend, and why? Answers will vary. Use handout to assess student ability to compare data and make an informed choice.

What other factors go into deciding which college to attend? Answers will vary, but encourage students to think about other benefits and drawbacks of different college choices, such as marketability to employers and internship opportunities.

Student Handout: *College ROI (Return on Investment).* Deciding on a college includes a number of factors, including location, cost, and academic programs. Learn more about how to measure your potential return on investment by following the steps below. Answers will vary. Use handout to assess student ability to compare data and make an informed choice.

LESSON 13: THE POLICY OF PERSONAL CHOICE

Student Handout: You're in Charge! Answers will vary. Use handout to assess student ability to analyze the impact of their choices in the game.

Student Handout: *Economic Future.* Answers will vary. Use handout to assess student ability to understand inflation as it relates to their lives and the ability to reflect on how economic conditions can personally impact one's borrowing and buying power.

LESSON 14: INCREASING THE VALUE OF YOUR MONEY

Student Handout: Bucket List. Answers will vary. Use handout to assess student ability to articulate goals.

Student Handout: Investment Products

What type of investment does Olivia have? Bonds

What type of investment does Ian have? Stocks

What type of investment does Anna have? Retirement account

What type of investments does Rujul work with? Mutual funds

Student Handout: What Type of Investor Are You?

Aggressive:

You're 25 now, and your money is growing fast. For the past eight years, you have been earning an annual return of 8 percent on your investments. How much is your investment worth today? \$9,254.65

From age 25 to 30 the market holds steady and your investment is still bringing in an 8 percent return.

When you're 50, the market drops slightly, and now you're earning a 2 percent return. The market lasts five years. How much money do you have after the five years? \$76,700.65

From 50 to 65, you're earning a steady 8 percent return. How much is your balance at age 65? \$165,590.95

Conservative:

I'll invest some, and save some. Here's how much I will invest: Answers will vary.

You're 25 now, and your money is growing steadily. For the past eight years, you have been earning an annual return of 4 percent on your investments. How much is your investment worth today? Answers will vary.

From age 25 to 30 the market holds steady and your investment is still bringing in a 4 percent return.

When you're 50, the market drops, and now you're earning 3 percent. The market low lasts five years. How much money do you have after the five-year low? Answers will vary.

From 50 to 65, you're earning a steady 4 percent return. How much is your balance at age 65? Answers will vary.

Student Handout: *Action Plan.* Answers will vary. Use handout to assess student ability to connect long-term goals with long-term investing strategies.

LESSON 15: ROAD TO RETIREMENT

Student Handout: Retirement Trivia

Meet Lindsey

"I'm a teacher and my retirement strategy is to have a mix of after-tax and pretax contributions so I save my money in two different accounts. One account is offered by my employer and I started the other account on my own. Which accounts do I have?" Roth IRA and 401b

Meet Kushal

"I'm a manufacturing engineer, and when I first started my job I set up my retirement account so it would automatically put 7 percent of my income away each pay period. Plus, my company gives me 4 percent on top of that. What type of account do I have?" 401k

Meet Alisha

"I'm a freelance graphic designer and I love what I do! I try to max out my retirement savings at 25 percent of my net earnings each year. I don't have the benefits of an employer match like I would if I worked for someone else so I work hard to max out my contributions whenever I can. What type of account do I have?" SEP IRA

Student Handout: On the Road to Retirement

Jessica is 30 years old now and she has been contributing \$250 to her 401k each month since she started at age 23. How much is in her 401k at age 30? \$35,337.53

No!:

Jessica is 40 now; she decided not to borrow money from her 401k and instead continued on saving \$250 diligently each month for all of her 30s. How much is her account worth now at 40? \$119,750.77

Jessica is 50 now and has kept up her savings goal of \$250 a month. How much is her 401k worth today? \$301,992.61

Jessica is 65 now and ready for retirement. She was a diligent saver her whole life and continued to contribute \$250 each month. What is the final balance of her account? \$1,039,427.98

Yes!:

Jessica is 40 now and she went ahead and borrowed \$20,000 from her 401k to buy a new car when she was 30. What she didn't realize was that she would have to pay an early withdrawal penalty of 10 percent (\$2,000) because she was under age 59½, federal tax of 15 percent (\$4,000), and state income tax of 4percent (\$800). The \$20,000 cost her \$6,800 at the time of withdrawal from taxes and penalties! Even though she borrowed money, she maintained the automatic \$250 monthly deposit into her 401k. What is her balance at age 40? \$76,572.26

Jessica is 50 now and has kept up her savings goal of \$250 a month. How much is her 401k worth today? \$208,773.45

Jessica is 65 now and ready for retirement. She was able to keep up with her \$250 monthly contributions. What is the final balance of her account? \$743,721.03

Which path yielded Jessica a higher return? Why is this? Not borrowing money from her retirement account yielded Jessica a much higher return because the money she would have borrowed had a longer period of time to earn interest and grow.

What amount did Jessica miss out on by withdrawing money at age 30? \$295,706.90

Student Handout: *Plan It!* Answers will vary. Use handout to assess student ability to articulate initial planning steps to begin investing and saving for retirement.

LESSON 16: CRASH PAD

Student Handout: Renter's Review

- **1.** Based on your total initial funds, can you afford to move into a one-bedroom apartment at the Pine Woods Apartments today? No; you would need at least \$910, and you only have \$625.
- 2. How much more money would you need to save to move into a one-bedroom apartment? \$285
- 3. How long will it take you to save that amount if you continue to save \$50 a month? 6 months
- 4. Could you afford the monthly rent (for a one-bedroom apartment) and your estimated expenses based on your income? You could pay for the rent and your expenses. However, you would have only \$124 remaining each month for any additional (for example: entertainment and personal expenses) or unexpected (for example: medical or car repair bills) expenses.
- 5. You and your best friend decide to rent a two-bedroom apartment together. If you split the costs to move in (security deposit, application fee, and first month's rent), what would it cost each of you to move in, and could you afford it? \$605. You could afford it, but it would leave you with only \$20 until you received your next paycheck. You should save at least \$1,481 for the move-in costs and your first month's expenses. It would be better if you had several months' worth of savings as a cushion in case you are unable to work (from illness or injury) or you become unemployed (that is, laid off or fired).
- **6.** Could you afford the monthly rent and your expenses if you shared a two-bedroom apartment? Yes. You would have about \$349 left each month for any additional (for example: entertainment and personal expenses) or unexpected (for example: medical or car repair bills) expenses if you split the rental costs and utilities.

Student Handout: Buyer's Review

- 1. Does Ramón have enough money for the down payment and closing costs? No
- 2. If not, how much more does he need? \$2,800
- 3. Do you think Ramón is ready to buy a home? If not, what can he do to be better prepared? Answers will vary. For example: Ramón would need to save some additional money to cover the closing costs. However, he may be able to negotiate and have the seller pay some or all of the closing costs. We still do not know enough about Ramón's situation (for example: whether he can afford the monthly mortgage payment, or his debt and savings).

Student Handout: Housing Needs

While we can't predict the future, we can think ahead and make a plan! Think about what your housing needs are today and how those might change over the course of your life. Answer the questions below.

Answers will vary. Use handout to assess student ability to reflect on personal short, medium, and long-term housing needs.

LESSON 17: POCKET GIVING

Student Handout: *Charity Research Challenge.* Answers will vary. Use handout to assess student ability to conduct research and evaluate and compare data.

Student Handout: *Giving Tree.* Answers will vary. Use handout to assess student ability to articulate in what ways they can incorporate charitable giving into their overall financial plan.

Student Handout: *Pay It Forward.* Answers will vary. Use handout to assess student ability to reflect on ways they can incorporate charitable giving into their lives.

LESSON 18: PAVING THE FUTURE

Student Handout: Estate Planning in Action

- 1. Why does Kendall feel compelled to create a will even though she is only 25? Kendall wants to ensure her daughter will be cared for after she is gone. She also wants to put a plan in place to ensure her belongings go to the people she wants them to.
- 2. What problems will a will solve if something should happen to Kendall? By creating a plan, Kendall eliminates any ambiguity about what might happen to her property and to the welfare of her daughter.
- 3. Why do you think it is important to think through beneficiaries, an executor of will, and a power of attorney? Answers will vary. For example: by not creating a plan, distribution of property may not be handled in the way that you wished it would. A power of attorney and executor of a will can help carry out your final wishes.

Student Handout: *Prepare Your Plan.* Answers will vary. Use handout to assess student ability to articulate an initial estate plan.

LESSON 19: FINANCIAL SLEUTH

Student Handout: Solid or Scam?

Larry gets a postcard in the mail advertising a low-cost, no-risk investment opportunity. All he has to do is call the number on the card and answer the questions they ask and he will be automatically enrolled in a new, innovative investment plan that promises he will be guaranteed a high return. SCAM. If an offer sounds too good to be true, then it likely is! Unrealistic offers and a guarantee are red flags that this offer could be a scam.

Jillian's friend Rebecca tells her about a financial advisor that she has been working with lately. Rebecca says he is really good at explaining the different options she has for investing and saving her money for retirement. Jillian decides to check out the financial advisor's website. She learns that he is a registered investment advisor, and discovers how he gets compensated for his work. SOLID. Jillian is able to verify the credentials of the financial advisor by reviewing his website. She also learns that he is transparent in his fee structure. Each of these items helps to support the legitimacy of the financial advisor.

Student Handout: Build Your Team

Financial Team Member: YOU! Answers will vary. Students should convey that they are ultimately in control of the decisions they make, making them the most vital aspect to their financial team.

Financial Team Member: Financial Advisor

What is a financial advisor? A person who provides financial information and advice.

What role or function does a financial advisor play in helping you with your finances? A financial advisor can help with investment and savings strategies, formulating a plan to reach financial goals, and offer general consulting on financial issues.

Where can we find more information about financial advisors? Answers will vary. Students should be able to demonstrate the ability to research and present credible sources and websites for additional information.

Financial Team Member: Certified Public Accountant (CPA)

What is a CPA? An accountant who has met the requirements of a state law and has been granted a certificate.

What role or function does a CPA play in helping you with your finances? A CPA helps with income tax preparation and returns, financial accounting, and general accounting consulting.

Where can we find more information about CPAs? Answers will vary. Students should be able to demonstrate the ability to research and present credible sources and websites for additional information.

Financial Team Member: Lawyer

What is a lawyer? A person whose job is to guide and assist people in matters relating to the law

What role or function does a lawyer play in helping you with your finances? A lawyer can help you with legal questions related to important financial topics, from buying a home to writing a will.

Where can we find more information about lawyers? Answers will vary. Students should be able to demonstrate the ability to research and present credible sources and websites for additional information.

Financial Team Member: Insurance Agent

What is an insurance agent? A person employed to sell insurance policies

What role or function does an insurance agent play in helping you with your finances? Insurance agents help answer questions about different insurance options, help you select the right insurance for your needs, and offer strategies to manage potential risks.

Where can we find more information about insurance agents? Answers will vary. Students should be able to demonstrate the ability to research and present credible sources and websites for additional information.

Student Handout: *Financial Lifeboat.* Answers will vary. Use handout to assess student ability to prioritize financial resources that will personally benefit them.

LESSON 20: PROTECT YOURSELF

Student Handout: Spot Identity Theft

- **1.** No way! They could use the number to commit fraud.
- 2. No way! It could be anybody trying to do damage to your login account.
- **3.** Give it to them. If you called the institution, you know it is legitimate and OK to give information to receive the service you need.
- 4. Ask him to borrow a pair of scissors to cut them up before you throw them away, so no one else can get his information from them.
- 5. Yes, you should make sure that the number you are instructed to call is really the credit card company's phone number, and then call the phone number find out to if it is true or not.

Student Handout: This Job, Not That Job

Job 1 is a potential scam because it does not provide full, detailed information (for example: there is no company name and the e-mail looks suspicious). The offer also sounds too good to be true at \$600/week and advertising very little work needed. In contrast, Job 2 offers details about the company, including a website where applicants can verify the company's credentials, as well as training/education requirements needed to perform the job and specific hours and pay. Job 2 is more forthright in information and is transparent in expectations and hours.

Student Handout: Steps to Take

How soon should you act if you suspect identity theft?	Immediately! If you take action quickly, you can stop an identity thief from doing more damage.
What are immediate steps you should take if you suspect identity theft?	Place an initial fraud alert, order your credit reports, and create an identity theft report.
What is involved in each step? Describe how each step works.	The first step is to place an initial fraud alert. Three national credit reporting companies keep records of your credit history. If someone has misused your personal or financial information, call one of the companies and ask for an initial fraud alert on your credit report. A fraud alert is free. You must provide proof of your identity.
	The second step is to order your credit report. The credit reporting company will explain your rights and how you can get a free copy of your credit report. Order the report and ask the company to show only the last four digits of your Social Security number on your report.
	The third step is to create an identity theft report, which will help you deal with credit reporting companies, debt collectors, and businesses that gave the identity thief credit or opened new accounts in your name.
What's next? After immediate action, what else can you do to ensure your identity is safe?	Monitor your progress and pay attention to all of your accounts.

ANSWER KEY (continued)

LESSON 21: LAUNCHING YOUR DREAM

Student Handout: *Engaging Entrepreneurs.* Answers will vary. Use handout to assess student ability to conduct and analyze research.

Student Handout: *Entrepreneurial Adventures.* Answers will vary. Use handout to assess student ability to articulate and reflect on an entrepreneurial venture.

Student Handout: *Entrepreneur Advice.* Answers will vary. Use handout to assess student ability to relay research into reflective pieces of advice.

LESSON 22: MAINTENANCE MODE

Student Handout: *Business Management.* Answers will vary. Use handout to assess student ability to conduct research, evaluate and compare data, and present research findings.

Student Handout: *Letter of Advice.* Answers will vary. Use handout to assess student ability to reflect on research.

GLOSSARY

401k: A plan offered through an employer that gives employees a choice of investment options, typically mutual funds, to save a portion of their salary for retirement.

403b: A plan offered by to employees of public schools, certain non-profits, and some members of the clergy to set aside money for retirement.

Annual Percentage Rate (APR): The cost of borrowing money on a yearly basis, expressed as a percentage rate. For example: a \$100 loan repaid in its entirety after one year with a \$10 finance charge has an APR of 10%.

Annual Percentage Yield (APY): A percentage rate reflecting the total amount of interest paid on a deposit account based on the interest rate and the frequency of compounding for a year. For example: a \$1,000 investment that earns 6% per year pays \$60 at year-end and has an APY of 6%.

Asset: An item with economic value, such as stock or real estate.

Auto Insurance: A contract between you and an insurance company in which you agree to pay a fee (premium) and in return, the insurance company agrees to pay for certain expenses associated with an accident or other covered losses on your vehicle. (See also **Insurance**.)

Automated Teller Machine (ATM): A machine, activated by a magnetically encoded card or other medium that can process a variety of banking transactions. These include accepting deposits and loan payments, providing withdrawals, and transferring funds between accounts.

Balance Sheet: A summary of a company's assets, liabilities, and shareholders' equity.

Bank: A financial institution and business that accepts deposits, makes loans, and handles other financial transactions.

Bank Teller: A bank employee who handles routine transactions, such as deposits or withdraws into a bank account.

Beneficiary: Someone who is designated to receive certain benefits after the death of another individual.

Bonds: A debt security, similar to an "IOU". When you buy a bond, you are lending money to the issuer in exchange for the issuer's promise to pay you a specified rate of interest and to repay the principal when it "matures," or comes due.

Branch Manager: A bank employee that supervises bank operations at a branch location.

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; also called a spending plan.

Capacity: Refers to your ability to repay a loan and other debts.

Capital: Refers to the value of your assets and your net worth.

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 Flow: The amount of money flowing in (income) and flowing out (expenses) of a personal budget.

Cash Flow Statement: A summary of the money that comes in (income) and out (expenses) of a household or business over a period of time.

Certificate of Deposit (CD): A special type of savings account offered by banks or credit unions that typically offers a higher rate of interest than a regular savings account. You generally must keep your funds in the CD for a specified period of time to avoid penalties. The end of that time period is called the "maturity date."

Certified Public Accountant (CPA): An accountant who has passed an examination and met other requirements and has been granted a certificate by a state agency.

Character: In finance, this refers to how you have paid your bills or debts in the past.

Charitable Giving: Money that you give to a nonprofit organization, charity, or private foundation.

Checking Account: A deposit account at a financial institution that allows consumers to make deposits, pay bills, and make withdrawals. Money that is in a checking account is very liquid, meaning it can be easily accessed.

Claim: Request to an insurance company for payment for a covered loss under an insurance policy.

Closing Costs: The expenses incurred by sellers and buyers in transferring ownership in real property. These costs may include the origination fee, attorneys' fees, loan fees, title search and insurance, and recordation fees.

Collateral: An asset that secures a loan or other debt that a lender can take if you default (don't repay) the money you borrow. For example: if you get a real estate mortgage, the bank's collateral is typically your house.

College Work-Study Program (Federal Work-Study): A program that enables qualifying students to work part time to receive money that helps finance the costs of post-secondary education.

Commercial Property Insurance: Coverage that a business or other entity purchases from an insurer to help cover losses to buildings and contents due to a covered cause of loss, such as a fire. (See also **Insurance**.)

Compound Interest: The interest paid on principal and previously earned interest.

Consumer Installment Loan: Money that a person borrows and agrees to pay back by making a set number of payments over a period of time.

Co-Pay: Also known as a copayment, a fixed amount (for example: \$15) you pay for a covered health care service, usually when you get the service.

Corporation: A legal entity that is distinct from the individual(s) who compose the business yet has rights and abilities similar to those of a natural person.

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

Credit Card: A plastic card that can be used to obtain credit (such as to purchase goods and services).

Credit Card Accountability Responsibility and Disclosure Act: A law that prohibits certain practices that are unfair or abusive. The law also makes the rates and fees on credit cards more transparent so consumers can understand how much they are paying for their credit card and can compare different cards.

Credit Report: A record of 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 money you owe.

Credit Score: A number, roughly between 300 and 800, that measures an individual's credit worthiness. The most well known type of credit score is the FICO[®] score. This score represents the answer from a mathematical formula that assigns numerical values to various pieces of information in your credit report.

Credit Union: A not-for-profit financial institution owned by its members and represented by a volunteer board of directors who are elected by the membership. To become a member, you must meet the credit union's field of membership requirements and open a share account.

Creditworthiness: A creditor's measure of a consumer's past and future ability and willingness to repay debts. (See also **Credit Report** and **Credit Score**.)

Crowdfunding: A process of raising money for a cause or purpose, often online, from multiple people.

Customer Service Representative: A person who provides general information, handles complaints or inquiries, and may help consumers open accounts.

Debit Card: A plastic card that can be used to deposit or withdraw cash from a checking or other bank deposit account, such as at automated teller machines or at retail locations that accept cards.

Debt-to-Assets: Measures the ratio of your monies owed (liabilities such as a car loan) to items that are of value (assets such as property). To calculate, you divide your total liabilities by your total assets. For example: if you own a home that is worth \$200,000 (asset), but you have a mortgage of \$50,000 left on the home (liability), your debt-to-asset ratio is 25% (\$50,000 ÷ \$200,000 = 0.25 or 25%).

Debt-to-Equity: A measure of solvency (the ability of a business to pay off its debt if the business were immediately sold) that is calculated by dividing total liabilities by stockholders' equity.

Debt-to-Income: A measure calculated by dividing your monthly debt payments by your gross monthly income. For example: if you pay \$200 each month for a car loan and \$1,000 each month for a home loan, your total debt payment each month is \$1,200 (\$200 + \$1,000). If your monthly gross income is \$4,000, then your debt-to-income ratio is $30\% ($1,200 \div $4,000)$.

Deductible: The dollar amount or percentage of a loss that you have to pay before the insurance policy begins to pay.

Deduction: An amount that reduces the amount of income on which a person pays tax.

Direct Loan: A low-interest loan for students and parents to help pay for the cost of a student's education after high school.

Disability Insurance: Protects a person from loss of income due to a covered illness or injury. (See also **Insurance**.)

Diversification: The approach of spreading your money among various investments with the hope that if one investment loses money, the others will make up for those losses; also referred to by the phrase "don't put all your eggs in one basket.

Entrepreneur: An individual who establishes and operates his or her own business.

Equal Credit Opportunity Act: A federal law that prohibits credit-related discrimination on the basis of gender, race, marital status, religion, national origin, age, or receipt of public assistance.

Equity: The difference between the value of a piece of property (such as a house) and any debts for it (such as the amount of a mortgage).

Estate: The property of a person who has died.

Estate Planning: Planning for what will happen with assets or property after death.

Estate Tax: A tax on your right to transfer property at your death.

Executor: Someone who is selected to administer an estate (for example, make sure that the instructions in the will are properly followed).

Expense: The cost of goods and services.

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 in response to the thousands of bank failures that occurred in the 1920s and early 1930s. Since the start of FDIC insurance on January 1, 1934, no depositor has lost a single cent of insured funds as a result of a failure.

Finance Charge: The total dollar amount paid for credit. For example: a \$100 loan repaid with \$9 interest plus a \$1 service fee has a finance charge of \$10.

Financial Advisor: A person who provides financial information and advice.

Financial Aid: Award(s) to individuals to help pay for education expenses.

Financial Planning: Identifying a person's financial goals, needs, and expected earning, saving, investing, insurance, and debt management activities.

Financial Ratios: Useful indicators of financial performance.

Financial Recordkeeping: The documentation of a person's financial affairs, including income earned, taxes paid, and expenses.

Fiscal Policy: A broad term used to refer to the tax and spending policies of the federal government. Fiscal policy decisions are determined by Congress and the governing Administration.

Fixed Expense: An expense that does not change from month to month.

Fixed-Rate Loan: A loan that has an interest rate that does not change.

Free Application for Federal Student Aid (FAFSA): The free application used to apply for federal student aid, such as federal grants, loans, and work-study.

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

Grant: A form of financial aid, often based on financial need that does not need to be repaid (unless, for example, you withdraw from school and owe a refund).

Gross Income (Gross Pay): Earnings before deductions (as for taxes or expenses) are subtracted.

Health Insurance: A contract that requires your health insurer to pay some or all of your health care costs in exchange for a premium (money paid).

Home-Based Business Insurance: Protection against certain losses and other risks for those who engage in business activity at their home. (See also **Insurance**.)

Homeowner's Insurance: An insurance policy that covers a homeowner's house, other structures on their property, and personal contents against losses caused by such things as windstorms, fire, and theft. It generally also provides liability coverage (for example: this coverage would be applicable if you are found responsible for the injury of a friend who injures themselves while visiting you). (See also **Insurance**.)

Identity Theft: When someone steals another person's identity to commit fraud, such as by using his or her name or Social Security number to get something. Identity theft is a crime.

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

Income Tax: Taxes on income, both earned (salaries, wages, tips, commissions) and unearned (interest, dividends). Income taxes can be levied on both individuals (personal income taxes) and businesses (business and corporate income taxes).

Individual Retirement Account (IRA): A deposit or investment account that an individual opens and uses to save money for retirement and that has certain tax advantages

Inflation: A rise in the general level of prices of goods and services in an economy over a period of time; the opposite is deflation.

Insurance: A contractual relationship that exists when one party (the Insurer), for a fee (the premium) agrees to reimburse another party (the Insured or third party on behalf of the Insured) for a specific loss.

Insurance Agent: A person who sells insurance policies.

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. You can earn interest from a bank (such as when you keep money in a saving account) or pay interest (such as when you borrow money).

Inventory Turnover Ratio: A ratio showing how often a company's inventory is sold and replaced during a year or other period of time.

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

Investment: Using money or time in a way that you expect will bring you a return or increase in value.

Investment Vehicle: The type or methods that a person (or business) can use to invest money.

Investors: People who expect a future financial return from using their money to finance investments.

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

Joint Tenancy: Equal ownership of property by two or more parties, each of whom has the right of survivorship (for example: when a person dies, their interest in the property is transferred to the other owners).

Lawyer: A person who practices law; also known as an attorney.

Lease: A contract transferring the use of property or occupancy of land, space, structures, or equipment in exchange for rent (generally money).

Lender: An organization or person that lends money with the expectation that it is repaid.

Liability: An amount owed to a person or organization for borrowed funds; responsibility to another for negligence that results in injury or damage.

Liability Insurance: Covers losses that an insured is legally liable, such as for another's personal injury or for property damage. (See also **Insurance**.)

Life Insurance: A form of insurance that will pay money to a beneficiary if the policyholder dies. (See also **Insurance**.)

Limited Liability Company (LLC): An entity formed under state law by filing articles of organization as an LLC. Unlike a partnership, none of the members of an LLC are personally liable for its debts.

Loan: Money borrowed that has to be repaid, generally with interest.

Loan Officer: A bank employee that (depending on the bank) evaluates, authorizes, or recommends approval of loan applications for people and businesses.

Long-Term Care: Services that include medical and non-medical care provided to people who are unable to perform basic activities of daily living, like dressing or bathing. Medicare and most health insurance plans don't pay for long-term care.

Medicare: A health insurance program for people who are 65 or older, certain younger people with disabilities, and people with permanent kidney failure requiring dialysis or a transplant. This program is financed by deductions from wages and managed by the federal Social Security Administration.

Monetary Policy: What the Federal Reserve, the nation's central bank, does to influence the amount of money and credit in the U.S. economy. What happens to money and credit affects interest rates (the cost of credit) and the performance of the U.S. economy.

Money Market Deposit Account: A savings account that offers a higher rate of interest in exchange for larger than normal deposits.

Mortgage (Home Loan): A contract, signed by a borrower when a home loan is made, that gives the lender the right to take possession of the property if the borrower fails to pay off, or defaults on, the loan.

Mutual Funds: An investment tool that pools the money of many investors and invests it in stocks, bonds, and money market assets, or other securities.

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

Net Income (Take-Home Pay): The gross pay minus deductions (such as for taxes, health care premiums, and retirement savings).

Net Worth: The difference between what you own (assets) and what you owe (debts).

Online Banking: A service that enables an accountholder to obtain account information and manage certain banking transactions through the financial institution's web site on the Internet.

Partnership: Two or more persons who join to carry on a trade or business. Each person contributes money, property, labor or skill, and expects to share in the profits and losses of the business. Partners are liable for the partnership's financial responsibilities.

Paycheck: A check that is used to pay an employee for his or her work.

Pell Grant: Awarded to undergraduate students who have demonstrated financial need.

Perkins Loan: Low-interest federal student loans for undergraduate and graduate students with exceptional financial need.

Personal Exemptions: Reduces the income subject to taxation by the exemption amount.

Pharming: Redirecting Internet requests to false Web sites to collect personal information, which is generally then used to commit fraud and identity theft.

Philanthropy: Giving money or time for the purpose of trying to make life better for others.

Phishing: When fraudsters impersonate a business or government agency to try to get you to give them personal information, such as through an email or text message. Can also be thought of as "fishing for confidential information".

Pi: A Greek letter that reflects the ratio of the circumference of a circle to its diameter.

Predatory Lending: Certain practices that result in a borrower obtaining a loan that is harmful. These include, among other things, charging excessive fees and interest rates, lending without regard to borrowers' ability to repay, refinancing borrowers' loans repeatedly over a short period of time without any economic gain for the borrower, and committing outright fraud or deception (such as falsifying documents).

Premium: The amount of money that has to be paid for an insurance policy.

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

Profit-and-Loss Statement: A financial statement that summarizes the financial performance of a business during a specific period of time, including by outlining the firm's income, expenses, and the resulting profit or loss.

Policy: Contract between the insured and the insurer.

Power of Attorney: A legal instrument authorizing someone to handle the financial or other business affairs of another person.

Principal: The amount of money originally invested or the money that is borrowed.

Property Insurance: Insurance to protect you against damage that may occur to your property. (See also **Insurance**.)

"Rainy Day" Fund (Emergency Fund): Money set aside to pay for unexpected expenses.

Rate of Return: Profit or loss over a one year period, expressed as a percentage.

Recession: A period of reduced economic activity.

Rent: The amount of money needed to live in or use someone else's property, such as a home, condo, or apartment.

Rent-to-Own: A lease contract that includes an option to buy the product.

Return on Assets: An amount calculated by dividing annual earnings by its total assets.

Return on Investment (ROI): The annual return on an investment, expressed as a percentage of the total amount invested.

Revenue: The total income produced by a given source.

Right of Survivorship: A successor's ability to acquire the property of a decreased individual upon his or her death.

Risk: The possibility that something unplanned or unintended may happen (such as losing money). Uncertainty about outcomes that are not equally desirable. In finance, it refers to the degree of uncertainty about the rate of return and the potential harm that could arise when financial returns are not what the investor expected.

Risk Management: The process of calculating risk and choosing approaches to minimize or manage loss.

Roth IRA: An Individual Retirement Account that you deposit after tax dollars into for accumulation of retirement savings.

Rule of 72: A rough calculation of the time or interest rate needed to double the value of an investment determined by taking the number 72 and dividing it by the interest rate. For example: To figure how many years it will take to double a lump sum invested at an annual rate of 8%, divide 72 by 8, for a result of 9 years.

Salary: Compensation for work paid on a regular basis (bi-weekly/monthly) typically expressed as an annual amount.

Save: To set 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.

Scholarship: Money awarded to students based on academic or other achievements to help pay for education expenses. Scholarships generally do not have to be repaid.

Secured Installment Loan: A loan for which you provide collateral to secure your promise to repay the money you borrow.

Self-Employment Tax: Money that someone who is considered self-employed must pay to the federal government to fund Medicare and Social Security.

Social Security: A federal government program that provides retirement, survivors, and disability benefits, funded by a tax on income.

Sole Proprietorship: A simple structure where there is only one person owning and operating the business.

Spending Plan: Another name for a budget.

Start-Up Capital: Money that is invested to help start a new business.

Stock: An investment that represents a share of ownership in a company.

Student Loans: A sum of money borrowed by an individual to help pay for college with the intent that it will be repaid at a future date, along with any agreed-upon interest.

Tax: Money that has to be paid to a government to provide public goods and services.

Tenancy in Common: Shared ownership of a property in which more than two people hold the title.

Tenancy in Entirety: Shared ownership of a property between a husband and wife, when one dies, the other still owns the property.

Text Message Spam: Similar to e-mail spam, but on your cell phone. Criminals often text offers of free gifts or low-cost credit offers to try to get you to click on a link so they can install malware on your phone or get you to give them information they can use to commit fraud.

Time Value of Money: The concept that a dollar today is not worth the same as a dollar in the future.

Traditional IRA: A retirement savings program to which yearly tax-deductible contributions up to a specified limit can be made. The amount contributed is not taxed until withdrawn. Withdrawal is not permitted without penalty until the individual reaches age 59 and a half.

Trust: A legal arrangement in which one person holds or manages assets or other property for the benefit of another.

Unsecured Installment Loan: A loan that is not secured by an asset (collateral) that a lender could take if you do not repay the loan.

Variable Annuities: A contract between you and an insurance company, under which you make a lump-sum payment or series of payments. In return, the insurer agrees to make periodic payments to you beginning immediately or at some future date.

Variable Expense: Money that a person spends or gives away that varies from month to month.

Variable-Rate Loan: A loan where the interest rate might change.

Want: Something that you would like to have but that you could live without, such as a TV or tickets to a baseball game.

Will: A legal document in which a person conveys information such as how they want their money and assets to be distributed after their death and who should be the guardian of their children.

EDUCATION STANDARDS

Jump\$tart Financial Literacy, Common Core English Language Arts and Math

	66	Work	esson ing Ha	ard fo	or	Lesson 2 "Designing Dreams"						
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration		
Jump\$tart National Standards in K-12 Personal Finance Education Fourth Edition (2015) Source: http://www.jumpstartcoalition.org/national-st		.html										
Grades K-12												
Spending and Saving												
Standard 1. Develop a plan for spending and saving.						Χ	Χ	Χ	Χ	Χ		
Standard 2. Develop a system for keeping and using financial records.						X	X	Х	Χ	Х		
Standard 4. Apply consumer skills to spending and saving decisions.						Х	X	X	X	Х		
Employment and Income												
Standard 1. Explore job and career options.	Х	Χ	Χ	Χ	Χ							
Standard 2. Compare sources of personal income and compensation.	Х	Х	Х	X	Х							
Financial Decision-Making												
Standard 1. Recognize the responsibilities associated with personal financial decisions.	Х	Х	Х	X	Х	Х	Х	Χ	X	Х		
Standard 2. Use reliable resources when making financial decisions.			Х									
Standard 4. Make criterion-based financial decisions by systematically considering alternatives and consequences.			Х					Х				
Standard 5. Apply communication strategies when discussing financial issues.			Х					Х				
Standard 8. Use a personal financial plan.						Χ	Χ	Χ	Χ	Χ		

	661	Work	esson ing H Mon	ard fo	or	"D		esson ning D		ıs"
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Common Core English Language Arts Standards: (Adopted by all states except for: Alaska, Indiana, Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org										
Grades 9–10										
RI.9-10.1, RI.9-10.2, RI.9-10.3, RI.9-10.8, RI.9-10.10					Х					Х
W.9-10.1, W.9-10.2, W.9-10.4					Х					Χ
W.9-10.7, W.9-10.8, W.9-10.10			Х		X					X
SL.9-10.1		Χ	Х		X		Χ	Х		X
SL.9-10.2			Х		Х					X
SL.9-10.4			Х					Χ		
L.9-10.6	Х	Х	Х	Х	Х	Х	Χ	Х	Х	Х
Grades 11–12										
RI.11-12.1, RI.11-12.2, RI.11-12.3, RI.11-12.10					Х					Х
W.11-12.1, W.11-12.2, W.11-12.4					Χ					Х
W.11-12.7, W.11-12.8, W.11-12.10			Χ		Х					Х
SL.11-12.1		Х	Х		Х		Χ	Х		Х
SL.11-12.2			Χ		Χ					Х
SL.11-12.4			Χ					Х		
L.11-12.6	Х	Х	Х	Х	Х	Χ	Х	Χ	Х	Х
Common Core Math Standards: (Adopted by all states except for: Alaska, Indiana, Minnesota, Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org	,									
Grades 9–12										
HSN.Q.A.1, HSN.Q.A.2, HSN.Q.A.3					Х					Χ
HSA.REI.A.1							Χ	Х		Х

		"Cai	esson n You ur Bill	Pay	T	Lesson 4 "Boost Your Savings"						
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration		
Jump\$tart National Standards in K-12 Personal Finance Education Fourth Edition (2015) Source: http://www.jumpstartcoalition.org/national-st		.html										
Grades K-12												
Spending and Saving	T	l	l	l	T	l	l	l	l	l		
Standard 1. Develop a plan for spending and saving.	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х		
Standard 2. Develop a system for keeping and using financial records.	Х	Χ	Χ	Χ	Х	X	Χ	Х	Χ	Х		
Standard 4. Apply consumer skills to spending and saving decisions.	х	Х	Х	Х	Х	Х	Х	Х	Х	Х		
Credit and Debt					•			,				
Standard 3. Apply strategies to avoid or correct debt management problems.	Х	Х	Х	Х	Х							
Investing	•		•						•			
Standard 1. Explain how investing may build wealth and help meet financial goals.							Х	Х		Х		
Standard 2. Evaluate investment alternatives.							Χ	Х		Х		
Financial Decision-Making	1		l .		,			,		!		
Standard 1. Recognize the responsibilities associated with personal financial decisions.	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х		
Standard 2. Use reliable resources when making financial decisions.								Х				
Standard 4. Make criterion-based financial decisions by systematically considering alternatives and consequences.			Х					Х				
Standard 5. Apply communication strategies when discussing financial issues.			Х					Х				
Standard 8. Use a personal financial plan.	Х	Х	Х	Х	Х							

		"Cai	esson n You ur Bill	Pay		"Bo		esson Your S		gs"
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Common Core English Language Arts Standards: (Adopted by all states except for: Alaska, Indiana, Nebra Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org	ska,									
Grades 9–10		1		1		ı	1	,	1	1
RI.9-10.1, RI.9-10.2, RI.9-10.3, RI.9-10.8, RI.9-10.10					Х					Х
W.9-10.1, W.9-10.2, W.9-10.4					Х					Х
W.9-10.7, W.9-10.8, W.9-10.10					Х			Х		Х
SL.9-10.1		Х	Х		Х		Х	Х		Х
SL.9-10.2					Х			Х		Х
SL.9-10.4			Х					Х		
L.9-10.6	Х	Х	Х	Х	Х	Х	Х	Χ	Х	Х
Grades 11–12		,					1		1	1
RI.11-12.1, RI.11-12.2, RI.11-12.3, RI.11-12.10					Х					Χ
W.11-12.1, W.11-12.2, W.11-12.4					Х					Х
W.11-12.7, W.11-12.8, W.11-12.10					Х			Х		Х
SL.11-12.1		Х	Х		Х		Х	Х		Х
SL.11-12.2					Х			Х		Х
SL.11-12.4			Х					Х		
L.11-12.6	Х	Х	Х	Х	Х	Χ	Х	Х	Х	Х
Common Core Math Standards: (Adopted by all states except for: Alaska, Indiana, Minne Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org	sota,									
Grades 9–12										
HSN.Q.A.1, HSN.Q.A.2, HSN.Q.A.3		Х	Х	Х	Х		Х	Х		Х
HSA.SSE.A.1, HSA.SSE.B.3, HSA.CED.A.1, HSA.REI.A.1							Х	Χ		Χ
HSS.MD.B.5, HSS.MD.B.7		Х	Х	Х	Х					
	•									

	"E	Le Bank '	esson Your		Lesson 6 "Bread-and-Butter"						
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	
Jump\$tart National Standards in K-12 Personal Finance Education Fourth Edition (2015) Source: http://www.jumpstartcoalition.org/national-st		.html									
Grades K-12											
Spending and Saving											
Standard 3. Describe how to use different payment methods.			Х		Х						
Standard 4. Apply consumer skills to spending and saving decisions.						Χ	Χ	Х	Х	Х	
Employment and Income											
Standard 3. Analyze factors that affect net income.						Х	Χ	Χ	Χ	Х	
Financial Decision-Making	-				•					•	
Standard 1. Recognize the responsibilities associated with personal financial decisions.	Х	Х	X	X	X	Х	Х	X	X	Х	
Standard 2. Use reliable resources when making financial decisions.			Х								
Standard 4. Make criterion-based financial decisions by systematically considering alternatives and consequences.			Х					Х			
Standard 5. Apply communication strategies when discussing financial issues.			Х					Х			
Standard 7. Control personal information.			Χ								

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		sank	Your	Buck	S "	"Bread-and-Butter						
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration		
Common Core English Language Arts Standards: (Adopted by all states except for: Alaska, Indiana, Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org	,											
Grades 9–10												
RI.9-10.1, RI.9-10.2, RI.9-10.3, RI.9-10.8, RI.9-10.10					Χ					Χ		
RI.9-10.9										Χ		
W.9-10.1, W.9-10.2, W.9-10.4					Χ					Χ		
W.9-10.7, W.9-10.8, W.9-10.10			Х		Χ					Χ		
SL.9-10.1		Х	Х		Χ		Χ	Х		Χ		
SL.9-10.2			Х		Χ					Χ		
SL.9-10.4			Х					Х				
L.9-10.6	Х	Х	Х	Х	Χ	Χ	Χ	Х	Χ	Χ		
Grades 11–12												
RI.11-12.1, RI.11-12.2, RI.11-12.3, RI.11-12.10					Χ					Χ		
RI.11-12.8, RI.11-12.9										Χ		
W.11-12.1, W.11-12.2, W.11-12.4					Χ					Χ		
W.11-12.7, W.11-12.8, W.11-12.10			Х		Χ					Χ		
SL.11-12.1		Χ	Х		Χ		Χ	Х		Χ		
SL.11-12.2			Х		Χ					Χ		
SL.11-12.4			Х					Х				
L.11-12.6	Х	Х	Х	Х	Χ	Χ	Χ	Х	Χ	Χ		
Common Core Math Standards: (Adopted by all states except for: Alaska, Indiana, Minnesota Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org	а,											
Grades 9–12												
HSN.Q.A.1, HSN.Q.A.2, HSN.Q.A.3					Χ		Χ	Х		Χ		
HSS.MD.B.5, HSS.MD.B.7							Χ	Х		Χ		

		apaci	esson ty, Ch eral, C	arac		"Th	8 Dolla	ar?"		
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Jump\$tart National Standards in K-12 Personal Finance Education Fourth Edition (2015) Source: http://www.jumpstartcoalition.org/national-st		.html								
Grades K-12										
Spending and Saving	T	1	1		1	1			ı	1
Standard 3. Describe how to use different payment methods.	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х
Credit and Debt	,									
Standard 1. Analyze the costs and benefits of various types of credit.	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х
Standard 2. Summarize a borrower's rights and responsibilities related to credit reports.	Х	Х	Х	X	Х	X	Χ	X	Х	Х
Standard 4. Summarize major consumer credit laws.						Χ	Χ	Χ	Χ	Χ
Financial Decision-Making										
Standard 1. Recognize the responsibilities associated with personal financial decisions.	Х	Х	Х	Х	Х	X	Х	Х	Х	Х
Standard 2. Use reliable resources when making financial decisions.								Х		
Standard 3. Summarize major consumer protection laws.							Χ	Χ		Х
Standard 4. Make criterion-based financial decisions by systematically considering alternatives and consequences.			Х					Х		
Standard 5. Apply communication strategies when discussing financial issues.			Х					Х		
Standard 6. Analyze the requirements of contractual obligations.							Χ	Х		

		apaci	esson ty, Ch eral, C	aract		"Th		esson nighty		ar?"
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Common Core English Language Arts Standards: (Adopted by all states except for: Alaska, Indiana, Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org										
Grades 9–10										
RI.9-10.1, RI.9-10.2, RI.9-10.3, RI.9-10.8, RI.9-10.10					Χ					Χ
W.9-10.1, W.9-10.2					Χ					Х
W.9-10.4					Χ				Χ	Х
W.9-10.7, W.9-10.8					Χ			Х		Х
W.9-10.10					Χ			Х	Χ	Х
SL.9-10.1		Χ	Х		Χ		Χ	Х		Х
SL.9-10.2					Χ			Х		Х
SL.9-10.4			Χ					Х		
L.9-10.6	Χ	Χ	Х	Χ	Χ	Х	Χ	Х	Χ	Х
Grades 11–12										
RI.11-12.1, RI.11-12.2, RI.11-12.3, RI.11-12.10					Χ					Х
W.11-12.1, W.11-12.2					Χ					Х
W.11-12.4					Χ				Χ	Х
W.11-12.7, W.11-12.8					Χ			Χ		Х
W.11-12.10					Χ			Х	Χ	Х
SL.11-12.1		Χ	Х		Χ		Χ	Х		Х
SL.11-12.2					Χ			Х		Х
SL.11-12.4			Χ					Χ		
L.11-12.6	Х	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Х
Common Core Math Standards: (Adopted by all states except for: Alaska, Indiana, Minnesota, Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org										
Grades 9–12										
HSN.Q.A.1, HSN.Q.A.2, HSN.Q.A.3	_	_			Х	_				Х

			esson Easy a				"Con	sson vertib unker	le or	
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Jump\$tart National Standards in K-12 Personal Finance Education Fourth Edition (2015) Source: http://www.jumpstartcoalition.org/national-sta		.html								
Grades K-12										
Spending and Saving										
Standard 4. Apply consumer skills to spending and saving decisions.							X	Х	Х	Х
Credit and Debt	•		*				-			
Standard 3. Apply strategies to avoid or correct debt management problems.	Х	Х	Х	Х	Х					
Financial Decision-Making										
Standard 1. Recognize the responsibilities associated with personal financial decisions.	Х	X	Х	X	Х	Х	Х	Χ	X	Х
Standard 2. Use reliable resources when making financial decisions.								Х		
Standard 4. Make criterion-based financial decisions by systematically considering alternatives and consequences.			Х					Х		
Standard 5. Apply communication strategies when discussing financial issues.			Х					Х		

			esson Easy a			Lesson 10 "Convertible or Clunker?"						
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration		
Common Core English Language Arts Standards: (Adopted by all states except for: Alaska, Indiana, Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org												
Grades 9–10		1	,				1					
RI.9-10.1, RI.9-10.2, RI.9-10.3, RI.9-10.8, RI.9-10.10					Х					Х		
W.9-10.1, W.9-10.2, W.9-10.4					Χ					Х		
W.9-10.7, W.9-10.8, W.9-10.10					Х			Х		Х		
SL.9-10.1		Х	Х		Х		Х	Х		Х		
SL.9-10.2					Х			Х		Х		
SL.9-10.4			Х					Х				
L.9-10.6	Х	Х	Х	Х	X	Χ	Х	Х	Χ	Х		
Grades 11–12												
RI.11-12.1, RI.11-12.2, RI.11-12.3, RI.11-12.10					Χ					Х		
W.11-12.1, W.11-12.2, W.11-12.4					Χ					Х		
W.11-12.7, W.11-12.8, W.11-12.10					Χ			Х		Х		
SL.11-12.1		Х	Х		Χ		Х	Х		Х		
SL.11-12.2					Χ			Х		Х		
SL.11-12.4			Х					Χ				
L.11-12.6	Х	Х	Х	Х	Χ	Χ	Х	Χ	Χ	Х		
Common Core Math Standards: (Adopted by all states except for: Alaska, Indiana, Minnesota, Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org	,											
Grades 9–12												
HSN.Q.A.1, HSN.Q.A.2, HSN.Q.A.3		Х	Х		Х					Х		
HSA.SSE.A.1, HSA.SSE.B.3		Х	Х		Х							

	6		sson / Busi		"	"Ha		sson f Kno		ge"
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Jump\$tart National Standards in K-12 Personal Finance Education Fourth Edition (2015) Source: http://www.jumpstartcoalition.org/national-st		.html								
Grades K-12										
Spending and Saving				ı	ı			ı		ı
Standard 4. Apply consumer skills to spending and saving decisions.							Х	Х	Х	Х
Risk Management and Insurance										
Standard 1. Identify common types of risks and basic risk management methods.	Х	X	Х	X	X					
Standard 2. Justify reasons to use property and liability insurance.		Х								
Standard 3. Justify reasons to use health, disability, long-term care, and life insurance.	Х	Х	Х	Х	Х					
Financial Decision-Making										
Standard 1. Recognize the responsibilities associated with personal financial decisions.	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х
Standard 2. Use reliable resources when making financial decisions.			Х					Х		
Standard 4. Make criterion-based financial decisions by systematically considering alternatives and consequences.			Х					Х		
Standard 5. Apply communication strategies when discussing financial issues.			Х					Х		

	6	Le 'Risky	sson / Busi		"	"Ha		sson f Kno		je"
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Common Core English Language Arts Standards: (Adopted by all states except for: Alaska, Indiana, Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org										
Grades 9–10	_	T	Г				ı	ı		
RI.9-10.1, RI.9-10.2, RI.9-10.3, RI.9-10.8, RI.9-10.10					Х					Χ
W.9-10.1, W.9-10.2, W.9-10.4					Χ					Х
W.9-10.7, W.9-10.8, W.9-10.10			Х		Χ		Χ	Х		Х
SL.9-10.1		Х	Х		Χ		Χ	X		Х
SL.9-10.2			Х		Χ		Χ	Χ		Х
SL.9-10.4			Х					Х		
L.9-10.6	Х	Х	Χ	Χ	Χ	Χ	Χ	Χ	X	Х
Grades 11–12										
RI.11-12.1, RI.11-12.2, RI.11-12.3, RI.11-12.10					Χ					Х
W.11-12.1, W.11-12.2, W.11-12.4					Χ					Х
W.11-12.7, W.11-12.8, W.11-12.10			X		Χ		Χ	X		Х
SL.11-12.1		Х	Х		Χ		Χ	X		Х
SL.11-12.2			Х		Χ		Χ	Х		Х
SL.11-12.4			Х					Х		
L.11-12.6	Х	Х	Х	Χ	Χ	Χ	Χ	Χ	Χ	Х
Common Core Math Standards: (Adopted by all states except for: Alaska, Indiana, Minnesota Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org	,									
Grades 9–12										
HSN.Q.A.1, HSN.Q.A.2, HSN.Q.A.3					Х					Х
HSS.MD.B.5, HSS.MD.B.7		Χ	Χ		Χ					

	F	"The	sson Police nal Cl	cy of	"	Lesson 14 "Increasing the Value of Your Money"						
	Warm Up Guided Exploration Independent Exploration Wrap Up Extended Exploration						Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration		
Jump\$tart National Standards in K-12 Personal Finance Education Fourth Edition (2015) Source: http://www.jumpstartcoalition.org/national-s		.html										
Grades K-12												
Spending and Saving												
Standard 1. Develop a plan for spending and saving.								Х	Χ			
Standard 4. Apply consumer skills to spending and saving decisions.							Х	Х	Х	Х		
Investing												
Standard 1. Explain how investing may build wealth and help meet financial goals.						Х	Х	Х	Х	Х		
Standard 2. Evaluate investment alternatives.						Χ	Χ	Х	Χ	Χ		
Standard 3. Demonstrate how to buy and sell investments.							Χ	Х		Χ		
Standard 4. Investigate how agencies protect investors and regulate financial markets and products.							Х			Х		
Financial Decision-Making												
Standard 1. Recognize the responsibilities associated with personal financial decisions.	Х	Х	Х	Х	X	X	X	X	Х	Х		
Standard 4. Make criterion-based financial decisions by systematically considering alternatives and consequences.			Х					Х				
Standard 5. Apply communication strategies when discussing financial issues.			Х					Х				

	F	"The	sson Police nal Cl	cy of	"		creas	sson sing th ur Mo	ne Va	
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Common Core English Language Arts Standards: (Adopted by all states except for: Alaska, Indiana, Nebrash Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org	ka,									
Grades 9–10							1		•	
RI.9-10.1, RI.9-10.2, RI.9-10.3, RI.9-10.8, RI.9-10.10					Х					Χ
W.9-10.1, W.9-10.2					Х					Χ
W.9-10.4, W.9-10.10				Χ	Х	Χ				Χ
W.9-10.7, W.9-10.8					Χ					Χ
SL.9-10.1		Х	Χ		X		Х	Х		Χ
SL.9-10.2					Х					Χ
SL.9-10.4			Χ					Χ		
L.9-10.6	Х	Х	Х	Χ	Х	Χ	Χ	Х	Χ	Х
Grades 11–12	•						,			
RI.11-12.1, RI.11-12.2, RI.11-12.3, RI.11-12.10					Χ					Χ
W.11-12.1, W.11-12.2, W.11-12.7, W.11-12.8					Χ					Χ
W.11-12.4, W.11-12.10				Χ	Х					Χ
SL.11-12.1		Х	Х		Х		Χ	Χ		Х
SL.11-12.2					Χ					Χ
SL.11-12.4			Χ					Χ		
L.11-12.6	Х	Х	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ
Common Core Math Standards: (Adopted by all states except for: Alaska, Indiana, Minneso Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org	ota,									
Grades 9–12										
HSN.Q.A.1, HSN.Q.A.2, HSN.Q.A.3					Х		Х	Х		Х
HSA.SSE.A.1, HSA.SSE.B.3, HSA.CED.A.1, HSA.REI.A.1							Х	Χ		Χ
HSS.MD.B.5, HSS.MD.B.7							Χ	Х		Х

	"Ro		sson o Reti		nt"			sson ash P		
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Jump\$tart National Standards in K-12 Personal Finance Education Fourth Edition (2015) Source: http://www.jumpstartcoalition.org/national-sta		html								
Grades K-12										
Spending and Saving	Ι		Ι	I	I		I	Ι	I	
Standard 1. Develop a plan for spending and saving.		Х	Х							
Standard 4. Apply consumer skills to spending and saving decisions.		Х	Х	Х	Х		Х	Х	Х	Х
Investing										
Standard 1. Explain how investing may build wealth and help meet financial goals.	Х	Χ	X	X	X					
Standard 2. Evaluate investment alternatives.	Х	Χ	Χ	Χ	Χ					
Standard 4. Investigate how agencies protect investors and regulate financial markets and products.					Х					
Risk Management and Insurance										
Standard 2. Justify reasons to use property and liability insurance.							Х			
Financial Decision-Making										
Standard 1. Recognize the responsibilities associated with personal financial decisions.	X	X	Х	Х	Х	Х	Х	Х	Х	Х
Standard 4. Make criterion-based financial decisions by systematically considering alternatives and consequences.			Х					Х		
Standard 5. Apply communication strategies when discussing financial issues.			Х					Х		
Standard 6. Analyze the requirements of contractual obligations.							Χ	Χ		Χ

	"Ro		sson Reti		nt"			sson ash P		
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Common Core English Language Arts Standards: (Adopted by all states except for: Alaska, Indiana, Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org										
Grades 9–10		1	ı			ı		I		ı
RI.9-10.1, RI.9-10.2, RI.9-10.3, RI.9-10.8, RI.9-10.10					Χ					Χ
W.9-10.1, W.9-10.2, W.9-10.4, W.9-10.7, W.9-10.8, W.9-10.10					Χ					Χ
SL.9-10.1		Х	Χ		Χ		Χ	Χ		Χ
SL.9-10.2					Χ					Χ
SL.9-10.4			Х					Х		
L.9-10.6	Χ	Х	Х	Х	Χ	Х	Χ	Х	Χ	Χ
Grades 11–12		•		•		•		,		,
RI.11-12.1, RI.11-12.2, RI.11-12.3, RI.11-12.10					Χ					Χ
W.11-12.1, W.11-12.2, W.11-12.4, W.11-12.7, W.11-12.8					Х					Х
W.11-12.10					Χ					Χ
SL.11-12.1		Х	Х		Χ		Χ	Х		Χ
SL.11-12.2					Χ					Χ
SL.11-12.4			Х					Х		
L.11-12.6	Χ	Х	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ
Common Core Math Standards: (Adopted by all states except for: Alaska, Indiana, Minnesota, Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org										
Grades 9–12										
HOM O A 1 HOM O A 0 HOM O A 0		Х	Х		Х		Х	Х		Х
HSN.Q.A.1, HSN.Q.A.2, HSN.Q.A.3		,,								

			sson ket G		"P		sson the	18 Futur	e"	
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Jump\$tart National Standards in K-12 Personal Finance Education Fourth Edition (2015) Source: http://www.jumpstartcoalition.org/national-st		.html								
Grades K-12										
Spending and Saving										
Standard 1. Develop a plan for spending and saving.		Χ	Х	Χ	Χ					
Financial Decision-Making										
Standard 1. Recognize the responsibilities associated with personal financial decisions.	Х	Х	Х	Х	Х	X	Х	Х	Χ	Х
Standard 2. Use reliable resources when making financial decisions.			Х							
Standard 4. Make criterion-based financial decisions by systematically considering alternatives and consequences.			Х					Х		
Standard 5. Apply communication strategies when discussing financial issues.			Х					Х		
Standard 8. Use a personal financial plan.						Χ	Χ	Χ	Χ	Χ

			sson ket Gi		l	"P		sson g the l		e"
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Common Core English Language Arts Standards: (Adopted by all states except for: Alaska, Indiana, Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org										
Grades 9–10		1	1					1		
RI.9-10.1, RI.9-10.2, RI.9-10.3, RI.9-10.8, RI.9-10.10					Χ					Χ
W.9-10.1, W.9-10.2					X					Х
W.9-10.4				Χ	X					Х
W.9-10.7, W.9-10.8			X		X					Χ
W.9-10.10			Х	Χ	X					Х
SL.9-10.1		Х	Х		X		X	Х		Х
SL.9-10.2			Χ		X					Χ
SL.9-10.4			Х					Х		
L.9-10.6	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х
Grades 11–12		ı	ı	1	1			1	1	
RI.11-12.1, RI.11-12.2, RI.11-12.3, RI.11-12.10					Х					Χ
W.11-12.1, W.11-12.2					Х					Х
W.11-12.4				Х	Х					Х
W.11-12.7, W.11-12.8			Х		Х					Х
W.11-12.10			Х	Х	Х					Х
SL.11-12.1		Х	Х		Х		Х	X		Х
SL.11-12.2			Х		Х					Х
SL.11-12.4		_	Х					Х		
L.11-12.6	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х
Common Core Math Standards: (Adopted by all states except for: Alaska, Indiana, Minnesota, Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org										
Grades 9–12										
HSN.Q.A.1, HSN.Q.A.2, HSN.Q.A.3					Χ					Χ

Lesson 19 "Financial Sleuth"							sson ct Yo		;;;
Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
	.html								
Х	Х	Х	Х	Х	Х	Х	Х	Х	Х
Х	Х	Х	Х	Х			X		
		Х					Х		
		Х					X		
					Χ	Χ	Χ	Χ	Х
				Х					Х
									Х
		Χ		Х			Χ		Х
	Х	Х		Χ		Χ	Χ		Χ
		Х		Χ			Χ		Χ
		Х					Χ		
Х	Х	Х	Х	Χ	Χ	Χ	Χ	Χ	Х
			<u>"</u>				ı	ı	L
				Χ					Х
				Χ					Х
		Х		Χ			Х		Х
	Х	Х		Χ		Х	Х		Х
		Х		Χ			Х		Х
		Χ					Χ		
Х	Χ	Χ	Х	Х	Χ	Χ	Χ	Χ	Х
,									
				Χ					Х
	x x x	andards.html X X X X X X X X X X X X X X X	X	x x x x x x x x x x x x x x x x x x x	X	X	X	X	X

	6	'La un	sson ching ream	You	Lesson 22 "Maintenance Mode"						
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	
Jump\$tart National Standards in K-12 Personal Finance Education Fourth Edition (2015) Source: http://www.jumpstartcoalition.org/national-sta		.html									
Grades K-12											
Employment and Income											
Standard 1. Explore job and career options.	Χ	Χ	Х	Х	Χ	Χ	Χ	Х	Χ	Χ	
Risk Management and Insurance			,					,			
Standard 1. Identify common types of risks and basic risk management methods.							X	Х		Х	
Financial Decision-Making											
Standard 1. Recognize the responsibilities associated with personal financial decisions.	X	Х	Х	Х	Х	Х	Х	Х	Х	Х	
Standard 2. Use reliable resources when making financial decisions.			Х					Х			
Standard 4. Make criterion-based financial decisions by systematically considering alternatives and consequences.			Х					Х			
Standard 5. Apply communication strategies when discussing financial issues.			Х								

	6	'Lau n	sson ching ream	y You	r	"M		sson nance		de"
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Common Core English Language Arts Standards: (Adopted by all states except for: Alaska, Indiana, Nebras Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org	ska,									
Grades 9–10				,	,		1			
RI.9-10.1, RI.9-10.2, RI.9-10.3, RI.9-10.8, RI.9-10.10					Х					Χ
W.9-10.1, W.9-10.2					Х					Χ
W.9-10.4					Х				Х	Х
W.9-10.7, W.9-10.8			Χ		Х			Х		Х
W.9-10.10			Χ		Х			Х	Χ	Х
SL.9-10.1		Χ	Χ		Х		Х	Х		Х
SL.9-10.2			Χ		Х			Х		Х
SL.9-10.4			Χ					Х		
L.9-10.6	Х	Χ	Х	Х	Х	Χ	Х	Х	Χ	Х
Grades 11–12		ı	1	ı	ı	ı	1			
RI.11-12.1, RI.11-12.2, RI.11-12.3, RI.11-12.10					Х					Х
W.11-12.1, W.11-12.2					Х					Х
W.11-12.4					Х				Х	X
W.11-12.7, W.11-12.8			Χ		Χ			Χ		Χ
W.11-12.10			Χ		Х			Х	Х	X
SL.11-12.1		Χ	Χ		Χ		Х	Χ		Χ
SL.11-12.2			Χ		X			Χ		Χ
SL.11-12.4			Χ					Χ		
L.11-12.6	Х	Х	Х	Х	Х	Х	Х	X	X	X
Common Core Math Standards: (Adopted by all states except for: Alaska, Indiana, Minnes Nebraska, Oklahoma, Puerto Rico, Texas, and Virginia.) Source: www.corestandards.org	sota,									
Grades 9–12										
HSN.Q.A.1, HSN.Q.A.2, HSN.Q.A.3					Χ					Х

Council for Economic Education National Content Standards in Economics

	"	Work	esson ing Ha Mon	ard fo	or	Lesson 2 "Designing Dreams"					
	Warm Up Guided Exploration Independent Exploration Wrap Up Extended Exploration						Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	
Standard 1: Scarcity	Χ	Х	Х	Х	Х	Х	Х	Х	Х	Χ	
Standard 2: Decision Making	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ	
Standard 3: Allocation						Х	Х	Х	Χ	Х	
Standard 4: Incentives		Χ			Χ						
Standard 6: Specialization					Χ						
Standard 8: Role of Prices	Х										
Standard 9: Competition and Market Structure	X										
Standard 13: Income	X X X X X										
Standard 14: Entrepreneurship	X X X X X										
Standard 18: Economic Fluctuations										Х	

		"Ca	esson n You ur Bill	Pay		Lesson 4 "Boost Your Savings"					
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	
Standard 1: Scarcity	Х								Х		
Standard 2: Decision Making	Х	Х	Χ	Χ	Χ		Х		Χ		
Standard 3: Allocation	Х	Х	Χ	Χ	Χ	Χ			Χ		
Standard 10: Institutions						Χ		Х		X	
Standard 11: Money and Inflation										X	
Standard 12: Interest Rates							Χ	Х		Х	
Standard 13: Income	Х	X X X X X									
Standard 16: Role of Government and Market Failure		X								Χ	
Standard 17: Government Failure	X									Χ	
Standard 18: Economic Fluctuations										Х	

Council for Economic Education National Content Standards in Economics (continued)

	"E		esson Your		s"	Lesson 6 "Bread-and-Butter"						
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration		
Standard 2: Decision Making			Χ	Χ	Χ		Χ	Χ	Χ	Χ		
Standard 10: Institutions	Х	Х	Х	Χ	Х		Χ					
Standard 11: Money and Inflation	Х	Х	Х	Χ	Х							
Standard 12: Interest Rates					Х							
Standard 15: Economic Growth										Χ		
Standard 16: Role of Government and Market Failure						Χ	Χ	Χ	Χ	Χ		
Standard 17: Government Failure										Χ		
Standard 18: Economic Fluctuations										Х		

		apaci	esson ty, Ch eral, C	aract		"Th	Le e Alm	esson nighty		ar?"
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Standard 2: Decision Making			Χ	Χ	Χ			Х	Х	Χ
Standard 6: Specialization	Х	Χ	Χ	Х	Χ	Х	Χ	Χ	Χ	Χ
Standard 11: Money and Inflation	Х	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ
Standard 12: Interest Rates	Х	Х	Χ	Х	Χ	Χ	Х	Х	Х	Χ

			esson Easy a				"Con	sson vertib unker	le or	
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Standard 1: Scarcity						Χ				
Standard 2: Decision Making		Х		Χ	Χ	Χ	Χ	Χ	Χ	Χ
Standard 7: Markets and Prices										Х
Standard 9: Competition and Market Structure										Х
Standard 11: Money and Inflation					Χ		Χ	Х		
Standard 12: Interest Rates					Χ		Χ	Х		Х

Council for Economic Education National Content Standards in Economics (continued)

	61	Lesson 11 "Risky Business"						Lesson 12 "Halls of Knowledge				
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration		
Standard 1: Scarcity							Χ	Χ	Χ			
Standard 2: Decision Making	Х	Χ	Х	Χ	Х	Χ	Χ	Χ	Χ	Χ		
Standard 3: Allocation							Χ	Χ	Χ			
Standard 12: Interest Rates						Χ	Χ	Χ	Χ	Χ		
Standard 13: Income						Χ				Χ		
Standard 15: Economic Growth										Χ		

	F	"The	esson e Polic nal C	cy of	"		creas	sson sing th ur Mo	ne Va	
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Standard 2: Decision Making			Х	Χ	Χ	Χ	Х	Χ	Χ	Х
Standard 4: Incentives		Χ	Х	Χ	Х	Χ	Х	Х	Χ	Х
Standard 7: Markets and Prices	Х									
Standard 8: Role of Prices	Х	Χ	Х	Χ	Х					
Standard 9: Competition and Market Structure	Х	Х	Х	Χ	Х					
Standard 10: Institutions						Χ	Х	Х	Х	Х
Standard 11: Money and Inflation	Х	Χ	Х	Χ	Х	Χ	Х	Х	Χ	Х
Standard 12: Interest Rates	Х	Х	Х	Х	Х					
Standard 13: Income	Х	Х	Х	Х	Х					
Standard 15: Economic Growth	Х	Χ	Х	Χ	Х	Χ	Х	Х	Χ	Х
Standard 16: Role of Government and Market Failure	Х	Х	Х	Χ	Χ					
Standard 17: Government Failure	Х	Х	Х	Χ	Χ					
Standard 18: Economic Fluctuations	Х	Х	Х	Χ	Χ					
Standard 19: Unemployment and Inflation	Х	Х	Х	Χ	Χ					
Standard 20: Fiscal and Monetary Policy		Х	Х	Χ	Χ					

Council for Economic Education National Content Standards in Economics (continued)

	"R		sson o Reti		nt"	Lesson 16 "Crash Pad"					
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	
Standard 1: Scarcity							Х	Х			
Standard 2: Decision Making	Х	Х	Х	Х	Х	Χ	Х	Χ	Χ	Χ	
Standard 3: Allocation							Х	Х			
Standard 4: Incentives	Х	Х	Х	Х	Х						
Standard 7: Markets and Prices										Χ	
Standard 10: Institutions	Х	Х	Х	Х	Х						
Standard 11: Money and Inflation	Х	Χ	Х	Χ	Χ						
Standard 12: Interest Rates										Χ	
Standard 15: Economic Growth	Х	Χ	Х	Χ	Χ						

		Le "Poc	sson ket Gi		ı	"P		sson g the		e"
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Standard 2: Decision Making	X X X X					Х	Х	Х	Х	Х
Standard 3: Allocation	X X X						Χ	Χ	Χ	Х
Standard 4: Incentives	x x x x									

	66		esson ncial S	"		sson ct Yo		F"		
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Standard 2: Decision Making	Х	Χ	Х	Х	Х	Х	Х	Х	Х	
Standard 10: Institutions	Х	X X X X X								
Standard 16: Role of Government and Market Failure								Х	Х	Χ

Council for Economic Education National Content Standards in Economics (continued)

	6	'Laun	sson iching ream	y You	r	"M		sson nance		de"
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration
Standard 2: Decision Making				Χ	Χ				Χ	Χ
Standard 14: Entrepreneurship	Χ	Х	Χ	Χ	Х	Х	Χ	Χ	Х	Χ
Standard 15: Economic Growth		Х	Χ	Χ	Χ		Χ	Χ	Χ	Χ

Source: http://www.councilforeconed.org/resource/voluntary-national-content-standards-in-economics/

Partnership for 21st Century Skills

	Lesson 1 "Working Hard for the Money"						Lesson 2 "Designing Dreams"					
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration		
Core Subjects and 21st Century Themes												
Financial, Economic, Business, and Entrepreneurial Literacy	Х	Χ	Х	Χ	Χ	Χ	Х	Х	Χ	Χ		
Learning and Innovation Skills	•							-				
Critical Thinking and Problem Solving	Х	Χ	Х	Χ	Χ	Χ	Χ	Х	Χ	Χ		
Communication and Collaboration	Х	Χ	Х	Χ	Х	Х	Χ	Х	Χ	Х		
Creativity and Innovation	Х	Χ	Х	Χ	Х	Х	Χ	Х	Χ	Х		
Information, Media, and Technology Skills	•							-				
Information Literacy			Х		Х					Х		
ICT (Information, Communications, and Technology) Literacy			Х		Χ					Χ		
Life and Career Skills												
Initiative and Self-Direction	Х	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ		
Flexibility and Adaptability	Х	Χ	Χ	Х	Χ	Χ	Х	Х	Х	Χ		
Productivity and Accountability	Х	Χ	Χ	Х	Χ	Χ	Х	Х	Х	Χ		
Leadership and Responsibility		Χ	Χ			Х	Х					

Partnership for 21st Century Skills (continued)

	Lesson 3 "Can You Pay Your Bills?"						Lesson 4 "Boost Your Savings"					
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration		
Core Subjects and 21st Century Themes												
Financial, Economic, Business, and Entrepreneurial Literacy	Х	Χ	Х	Χ	Χ	Χ	Χ	Х	Χ	Х		
Learning and Innovation Skills												
Critical Thinking and Problem Solving	Х	Χ	Х	Χ	Х	Χ	Χ	Х	Χ	Х		
Communication and Collaboration	Х	Χ	Х	Χ	Χ	Χ	Χ	Х	Χ	Х		
Creativity and Innovation	Х	Χ	Х	Χ	Х	Х	Χ	Х	Χ	Х		
Information, Media, and Technology Skills												
Information Literacy					Х			Х		Х		
ICT (Information, Communications, and Technology) Literacy					Х			Х		Х		
Life and Career Skills									•			
Initiative and Self-Direction	Х	Χ	Χ	Χ	Х	Χ	Χ	Х	Χ	Χ		
Flexibility and Adaptability	Х	Χ	Х	Х	Х	Х	Χ	Х	Χ	Х		
Productivity and Accountability	Х	Χ	Х	Х	Х	Х	Χ	Х	Χ	Х		
Leadership and Responsibility		Χ	Χ			Χ	Х					

	"		esson Your		s"	Lesson 6 "Bread-and-Butter"						
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration		
Core Subjects and 21st Century Themes	•		•									
Financial, Economic, Business, and Entrepreneurial Literacy	Х	Χ	Х	Χ	X	Χ	Χ	Х	Х	Χ		
Learning and Innovation Skills												
Critical Thinking and Problem Solving	Х	Χ	Х	Χ	Х	Χ	Χ	Х	Χ	Χ		
Communication and Collaboration	Х	Χ	Х	Χ	Х	Χ	Х	Х	Х	Χ		
Creativity and Innovation	Х	Χ	Х	Χ	Х	Χ	Х	Х	Χ	Χ		
Information, Media, and Technology Skills												
Information Literacy			Х		Х					Х		
ICT (Information, Communications, and Technology) Literacy			Х		Х					Χ		
Life and Career Skills			•					•				
Initiative and Self-Direction	Х	Χ	Χ	Χ	Χ	Χ	Х	Χ	Х	Х		
Flexibility and Adaptability	Х	Χ	Χ	Χ	Χ	Χ	Х	Χ	Х	Х		
Productivity and Accountability	Х	Χ	Χ	Χ	Χ	Χ	Х	Χ	Х	Х		
Leadership and Responsibility		Х	Х				Х	Χ				

Partnership for 21st Century Skills (continued)

	Lesson 7 "Capacity, Character, Collateral, Capital"						Lesson 8 'The Almighty Dollar?'					
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration		
Core Subjects and 21st Century Themes												
Financial, Economic, Business, and Entrepreneurial Literacy	Х	Χ	Х	Χ	Х	Χ	Χ	Χ	Χ	Х		
Learning and Innovation Skills			•		•					•		
Critical Thinking and Problem Solving	Х	Χ	Х	Χ	Х	Χ	Χ	Χ	Χ	Х		
Communication and Collaboration	Х	Χ	Х	Χ	Х	Χ	Χ	Χ	Χ	Х		
Creativity and Innovation	Х	Χ	Х	Χ	Х	Χ	Χ	Χ	Χ	Х		
Information, Media, and Technology Skills												
Information Literacy					Х			Χ		Х		
ICT (Information, Communications, and Technology) Literacy					Х			Χ		Х		
Life and Career Skills	·											
Initiative and Self-Direction	Х	Χ	Х	Χ	Х	Х	Χ	Х	Χ	Х		
Flexibility and Adaptability	Х	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Х		
Productivity and Accountability	Х	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Х		
Leadership and Responsibility		Χ	Χ			X X						

	Lesson 9 "As Easy as Pi"						Lesson 10 "Convertible or Clunker?"						
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration			
Core Subjects and 21st Century Themes													
Financial, Economic, Business, and Entrepreneurial Literacy	Х	Χ	Х	Χ	Χ	Χ	Χ	Х	Χ	Х			
Learning and Innovation Skills						,	,	·					
Critical Thinking and Problem Solving	Х	Χ	Х	Χ	Χ	Χ	Χ	Х	Χ	Х			
Communication and Collaboration	Х	Χ	Х	Χ	Х	Х	Х	Х	Х	Х			
Creativity and Innovation	Х	Χ	Х	Χ	Х	Х	Х	Х	Х	Х			
Information, Media, and Technology Skills													
Information Literacy					Χ			Х		Х			
ICT (Information, Communications, and Technology) Literacy					Χ			Х		Х			
Life and Career Skills								,					
Initiative and Self-Direction	Χ	Χ	Χ	Χ	Χ	Х	Χ	Χ	Χ	Х			
Flexibility and Adaptability	Χ	Χ	Χ	Χ	Χ	Х	Χ	Χ	Χ	Х			
Productivity and Accountability	Χ	Χ	Χ	Χ	Χ	Х	Χ	Χ	Χ	Х			
Leadership and Responsibility		Χ	Χ				Χ	Х					

Partnership for 21st Century Skills (continued)

		Lesson 11						Lesson 12						
	6	"Halls of Knowledge"												
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration				
Core Subjects and 21st Century Themes														
Financial, Economic, Business, and Entrepreneurial Literacy	Х	Х	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ				
Learning and Innovation Skills	·		,					·						
Critical Thinking and Problem Solving	Х	Х	Χ	Χ	Х	Χ	Χ	Х	Χ	Χ				
Communication and Collaboration	Х	Х	Х	Χ	Х	Χ	Х	Х	Χ	Х				
Creativity and Innovation	Х	Х	Χ	Χ	Х	Χ	Χ	Х	Χ	Χ				
Information, Media, and Technology Skills	·		,					·						
Information Literacy			Х		Х		Х	Х		Х				
ICT (Information, Communications, and Technology) Literacy			Χ		Х		Χ	Х		Χ				
Life and Career Skills														
Initiative and Self-Direction	Х	Х	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ				
Flexibility and Adaptability	Х	Х	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ				
Productivity and Accountability	Х	Х	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ				
Leadership and Responsibility		Х	Χ				Χ	Χ						

	Lesson 13 "The Policy of Personal Choice"						Lesson 14 "Increasing the Value of Your Money"						
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration			
Core Subjects and 21st Century Themes													
Financial, Economic, Business, and Entrepreneurial Literacy	Х	Χ	Χ	Χ	Х	Χ	Х	Χ	Χ	Х			
Civic Literacy		Х	Х	Χ	Х								
Learning and Innovation Skills													
Critical Thinking and Problem Solving	Х	Х	Х	Χ	Х	Χ	Х	Х	Χ	Х			
Communication and Collaboration	Х	Χ	Χ	Χ	Х	Χ	Х	Χ	Χ	Χ			
Creativity and Innovation	Х	Χ	Χ	Χ	Х	Χ	Х	Χ	Χ	Х			
Information, Media, and Technology Skills													
Information Literacy			Χ		Х					Χ			
ICT (Information, Communications, and Technology) Literacy			Х		Χ					Х			
Life and Career Skills										•			
Initiative and Self-Direction	Х	Χ	Χ	Χ	Χ	Х	Х	Χ	Χ	Χ			
Flexibility and Adaptability	Х	Χ	Χ	Χ	Χ	Х	Х	Χ	Х	Х			
Productivity and Accountability	Х	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Х			
Leadership and Responsibility		Χ	Χ				Х	Χ					

Partnership for 21st Century Skills (continued)

		Lesson 15 "Road to Retirement"					Lesson 16						
	"R	pad to	Reti	reme	nt"	"Crash Pad"							
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration			
Core Subjects and 21st Century Themes													
Financial, Economic, Business, and Entrepreneurial Literacy	Х	Х	Х	Χ	Х	Χ	Х	Х	Χ	Χ			
Learning and Innovation Skills	·												
Critical Thinking and Problem Solving	Х	Х	Х	Χ	Х	Χ	Х	Х	Χ	Χ			
Communication and Collaboration	Х	Х	Х	Χ	Х	Χ	Х	Х	Χ	Χ			
Creativity and Innovation	Х	Χ	Χ	Χ	X	Χ	Χ	Χ	Х	Χ			
Information, Media, and Technology Skills													
Information Literacy					Х					Х			
ICT (Information, Communications, and Technology) Literacy					Х					Χ			
Life and Career Skills	·						,	-					
Initiative and Self-Direction	Х	Х	Х	Х	Х	Х	Х	Х	Х	Χ			
Flexibility and Adaptability	Х	Χ	Χ	Х	Χ	Х	Χ	Χ	Х	Χ			
Productivity and Accountability	Х	Χ	Χ	Х	Χ	Х	Χ	Χ	Х	Χ			
Leadership and Responsibility		Χ	Χ				Χ	Χ					

	Lesson 17 "Pocket Giving"						Lesson 18 "Paving the Future"						
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration			
Core Subjects and 21st Century Themes													
Financial, Economic, Business, and Entrepreneurial Literacy	Χ	Х	Χ	Χ	Х	Χ	Χ	Х	Χ	Х			
Learning and Innovation Skills													
Critical Thinking and Problem Solving	Χ	Х	Х	Χ	Х	Χ	Х	Х	Χ	Х			
Communication and Collaboration	Χ	Х	Х	Χ	Х	Χ	Χ	Х	Χ	Х			
Creativity and Innovation	Χ	Х	Х	Χ	Х	Χ	Х	Х	Χ	Х			
Information, Media, and Technology Skills					•					•			
Information Literacy			Χ		Х					Х			
ICT (Information, Communications, and Technology) Literacy			Х		Х					Х			
Life and Career Skills													
Initiative and Self-Direction	Χ	Χ	Х	Х	Х	Χ	Χ	Χ	Χ	Х			
Flexibility and Adaptability	Χ	Χ	Х	Х	Х	Х	Χ	Х	Χ	Х			
Productivity and Accountability	Χ	Χ	Х	Х	Х	Х	Χ	Х	Χ	Х			
Leadership and Responsibility		Χ	Х				Χ	Х					

Partnership for 21st Century Skills (continued)

	Lesson 19						Lesson 20						
	"Financial Sleuth"					"Protect Yourself"							
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration			
Core Subjects and 21st Century Themes													
Financial, Economic, Business, and Entrepreneurial Literacy	Χ	Х	Χ	Χ	X	Χ	Χ	Х	Χ	Χ			
Learning and Innovation Skills													
Critical Thinking and Problem Solving	Χ	Х	Χ	Χ	Х	Χ	Χ	Х	Χ	Χ			
Communication and Collaboration	Χ	Х	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ			
Creativity and Innovation	Χ	Х	Χ	Χ	X	Χ	Χ	Χ	Χ	Χ			
Information, Media, and Technology Skills													
Information Literacy			Χ		Х			Х		Χ			
ICT (Information, Communications, and Technology) Literacy			Χ		Χ			Χ		Χ			
Life and Career Skills													
Initiative and Self-Direction	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ			
Flexibility and Adaptability	Χ	Х	Х	Χ	Х	Χ	Χ	Х	Χ	Х			
Productivity and Accountability	Χ	Х	Χ	Χ	Х	Χ	Χ	Х	Х	Χ			
Leadership and Responsibility		Χ	Χ				Χ	Χ					

	Lesson 21 "Launching Your Dream"						Lesson 22 "Maintenance Mode"						
	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration	Warm Up	Guided Exploration	Independent Exploration	Wrap Up	Extended Exploration			
Core Subjects and 21st Century Themes	!		ļ		!								
Financial, Economic, Business, and Entrepreneurial Literacy	Х	Χ	Х	Χ	Х	Χ	Χ	Х	Χ	Х			
Learning and Innovation Skills													
Critical Thinking and Problem Solving	Х	Χ	Х	Χ	Х	Χ	Χ	Х	Χ	Х			
Communication and Collaboration	Х	Χ	Х	Χ	Х	Χ	Χ	Х	Χ	Х			
Creativity and Innovation	Х	Χ	Х	Χ	Х	Χ	Χ	Х	Χ	Х			
Information, Media, and Technology Skills													
Information Literacy			Х		Х			Х		Х			
ICT (Information, Communications, and Technology) Literacy			X		Х			Х		Х			
Life and Career Skills													
Initiative and Self-Direction	Х	Χ	X	Χ	Х	Χ	Χ	Х	Χ	Х			
Flexibility and Adaptability	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Х	Χ	Χ			
Productivity and Accountability	Χ	Χ	Χ	Χ	Χ	Χ	Χ	Х	Χ	Х			
Leadership and Responsibility		Χ	Χ				Χ	Х					

Source: http://www.21stcenturyskills.org