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High School

Toolkit



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Lesson 1: How Money Works

Lesson Objectives

- Discuss where money comes from and how it works
- Understand important money concepts
- Assess knowledge of how money works (*Money Quiz*)

Introduction and Opening Questions

This lesson will explain the process of becoming a successful entrepreneur.

- What is money?
- Where do you think money comes from?
- How do you think money works?

Key Discussion Points

Tell participants that money is a way to store, measure and exchange value. But we haven't always had money – or used money the way we use it today.

2. In the U.S., money is printed by the Department of Treasury of the federal government. Before we began to use printed money as a medium of exchange, people exchanged goods and services. This process was called bartering. Bartering is a system of exchange where goods or services are directly exchanged for other goods or services without a medium of exchange such as money¹.
 - a. Bartering allows individuals to get things they need by sharing some of what they have. For example, a farmer may need furniture for his home and may exchange fruits and vegetables with a blacksmith or carpenter.
 - b. Instead of money, how effective would this be today?
3. Before we explore bartering more, let's take a quick quiz (*Money Defined*). You will have 5 minutes to select the best answer.
 - a. After the quiz is finished, review the correct answers. These questions will be asked again in Activity 2 as a Quiz Show.



Materials

Blank paper

Quiz: *Money Defined*

How Do You Barter? Job List

Activities

Activity 1: How Do You Barter?

- Like the example shared earlier, a farmer understands agriculture and provides many types of food. But what happens when the wheel on farm equipment is damaged? Perhaps the farmer doesn't have the expertise to repair it. So the farmer visits the local blacksmith and needs to barter for services. What will the farmer offer? How do they decide what the service and products are worth? How might you barter with your products or services?
 - Organize participants into 2-4 groups (as a family).
 - Distribute the job list below on a label or distribute on index cards to each participant. Try to distribute jobs so that each family lacks an important skill or talent. As a family, participants will discuss what skills and talents they have and what they still need to meet their daily needs. For example, if the family only has carpenters and blacksmiths, they may want to barter services with a farmer for food. It is important to find another individual that has a need for your skill and talent.

Carpenter: Homes	Carpenter: Home furniture	Farmer: Wheat, barley, rye
Craftsman: Home furniture	Blacksmith: Iron	Farmer: Cattle
Seamstress: Clothing	Silversmith: Silverware	Farmer: Fruits
Butcher: Meat	Fendersmith: Fireplaces	Farmer: Vegetables
Metalsmith: Machinist	Farmer: Vegetables	Carpenter: Homes

- Remind participants to discuss the skills and talents of each family member as well as what they still require to meet their daily needs. In addition to the basic needs they have, they should think about what they will wear, where

-
- they will sleep, how they will cook, what they will eat with and on, etc. For example, a farmer may want to barter with a carpenter – food for household furniture. The furniture lasts a long time while food is needed daily – what should you consider to make this a fair arrangement?
- This should not be an easy process...Allow participants 10-15 minutes to talk with other families and try to determine a fair and equitable barter exchange. It is unlikely that all participants will come to an agreement. Once you determine they have had enough time negotiating with one another, ask the following questions:
 - What is your immediate reaction? What did you learn?
 - What challenges were there?
 - If you had to barter, what strategy would you use?

How Do You Barter? Job List

Carpenter Homes	Carpenter Home furniture	Farmer Wheat, barley, rye
Craftsman Home furniture	Blacksmith Iron	Farmer Cattle
Seamstress Clothing	Silversmith Silverware	Farmer Fruits
Butcher Meat	Fendersmith Fireplaces	Farmer Vegetables
Metalsmith Machinist	Farmer Vegetables	Carpenter Homes

Instructor note: Print on labels, cut out and distribute, or write on index cards.



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Activity 2: Money Defined (Attached)

- Using the *Money Defined* quiz, divide the participants into two groups. Explain that they are participants in a Quiz Show today.
- Each group will be asked one question at a time with four possible answers.
- The group must designate a spokesperson, who must answer the question within 10 seconds.
- One point is earned for every correct answer. If one team cannot answer in time, the other team has the opportunity to answer.
- The team with the most points at the end of the game wins! Be sure to emphasize the key points in italics under each question and answer; or use them as an activity summary.
- If time permits, have the participants complete the bonus round challenge.

Money Defined (Instructor's Copy)

1. Money is a way to store, measure, and exchange _____.
- value**
 - products
 - coins
 - fun

If something has "value" it has worth, desirability, or usefulness.

2. In the U.S., money is printed by the _____ of the federal government.
- best copy machines money can buy
 - Department of Commerce
 - Department of the Treasury**
 - Internal Revenue Service

As everyone buys, borrows, and invests, money passes through many hands, including individuals, businesses, and financial institutions, like banks.

3. Whenever one person or group spends money, another person or group _____.
- gets super jealous
 - spends the exact same amount
 - saves the exact same amount
 - gains money**

Money is constantly moving through our economy in a never-ending cycle.

4. If you deposit money at a financial institution, such as a bank, they'll often reward you by adding
- small amount of extra money called _____ on a regular schedule.
 - a bonus
 - interest**
 - a premium
 - "funny money"

Interest is money the bank pays you in exchange for the use of your money for a period of time. You earn interest if you have a savings account; you pay interest to a lender if you have a loan.

5. A dollar in your hand today is worth more than a dollar you'll receive in the future ...
- you can invest the dollar you have today and earn interest on it over time**
 - if you spend it today, you get to enjoy it right away
 - money usually declines in value over time
 - nobody can predict what tomorrow will bring

Matching: Match the word with the definition.

An increase in the general price of goods and services [**inflation**].

Anything of value owned by a person or company [**assets**].

Money an individual or business owes to someone else [**liability**].

To increase in value or price over time [**appreciate**].

To decrease in value or price over time [**depreciate**].

Money Defined

1. Money is a way to store, measure, and exchange _____.
 - a. value
 - b. products
 - c. coins
 - d. fun
2. In the U.S., money is printed by the _____ of the federal government.
 - a. best copy machines money can buy
 - b. Department of Commerce
 - c. Department of the Treasury
 - d. Internal Revenue Service
3. Whenever one person or group spends money, another person or group _____.
 - a. gets super jealous
 - b. spends the exact same amount
 - c. saves the exact same amount
 - d. gains money
4. If you deposit money at a financial institution, such as a bank, they'll often reward you by adding
 - a. a small amount of extra money called _____ on a regular schedule
 - b. a bonus
 - c. interest
 - d. a premium
 - e. "funny money"
5. A dollar in your hand today is worth more than a dollar you'll receive in the future because ...
 - a. you can invest the dollar you have today and earn interest on it over time
 - b. if you spend it today, you get to enjoy it right away
 - c. money usually declines in value over time
 - d. nobody can predict what tomorrow will bring

Draw a line to match the word with the definition.

Appreciate	An increase in the general price of goods and services
Assets	Anything of value owned by a person or company
Depreciate	Money an individual or business owes to someone else
Inflation	To increase in value or price over time
Liability	To decrease in value or price over time

Lesson Summary/Closure

- Bartering, while still used today in some undeveloped countries, is a way to measure and exchange value.
- Bartering is a system of exchange where goods or services are directly exchanged for other goods or services without a medium of exchange such as money.
- Money is a way to store, measure, and exchange value.
- If something has “value”, it has worth, desirability, or usefulness.
- In the U.S., money is printed by the Department of Treasury of the federal government.
- As everyone buys, borrows, and invests, money passes through many hands, including individuals, businesses, and financial institutions, like banks.
- Whenever one person or group spends money, another person or group gains money.
- Money is constantly moving through our economy in a never-ending cycle.
- If you deposit money at a financial institution, such as a bank, they’ll often reward you by adding a small amount of extra money called interest on a regular schedule.
- Interest is money the bank pays you in exchange for the use of your money for a period of time. While you earn interest if you have a savings account, you pay interest to a lender if you have a loan.
- A dollar in your hand today is worth more than a dollar you’ll receive in the future because you can invest the dollar you have today and earn interest on it over time. This concept is called compounding.
- An increase in the general price of goods and services, without an increase in quality, is called inflation.
- Assets are anything of value owned by a person or company.
- Liabilities are money an individual or business owes to someone else.
- Appreciate means to increase in value or price over time.
- Depreciate means to decrease in value or price over time.

¹O’Sullivan, A., Sheffrin, S. (2013). Economic: Principles in Action



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Lesson 1: How Money Works

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
I understand how money functions as a medium of exchange.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I understand financial terms and definitions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

----- SEPARATE HERE -----



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Lesson 1: How Money Works

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
I understand how money functions as a medium of exchange.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I understand financial terms and definitions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Lesson 2: Your Money Toolkit

Lesson Objectives

- Understand the benefits of using a bank and how banking accounts work.
- Identify parts of a check, deposit slip, and debit card.
- Learn how to read banking statements.

Introduction and Opening Questions

This lesson provides a guide to the tools participants need to manage their money and create a relationship with a financial institution.

- How does having checking or savings account help you manage your money?
- What are some reasons that a person might want to write a check or pay with a debit or check card rather than use cash?
- Who knows exactly how much money they have in their account(s) right now?
- How often do you check your balances or keep track of your money? If you do it often, why? If not, why?

Key Discussion Points

1. Tell students that money management is easy if you have the right tools for the job.
 - a. Building a relationship with a bank is one way to secure a strong financial future. Millions of Americans use banks, and chances are any successful person or business you can think of has a relationship with a bank. Banks offer safe and secure services that can help you save time and money. Think “long term relationship” and shop around for a financial institution that meets your needs.
2. Distribute the *Savings and Checking Accounts* article and begin a discussion about the benefits of banking accounts:
 - a. Who has a checking account? Savings account? What is the difference? Are there benefits of having one or the other?
 - b. Does anyone have a savings account that earns interest? What is the rate? Do you keep an eye on how much your money is growing over time?



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-
- c. **Savings accounts** allow you to deposit, withdraw, and earn interest on your money. Use a savings account to put money aside for a future goal or emergency fund.
 - d. A **checking account** is a great tool for managing your money day-to-day. A checking account is a type of bank account that allows you to put money in – make a deposit – or take money out – make a withdrawal.

Materials

Blank paper

Writing utensils (pens/pencils)

Activities

Activity 1: Banking Learn “How-To”

There is no big secret to using money management tools – all it takes is a little adding, subtracting, and some focus on keeping good track of the money you’ve got. We are going to review four basic banking tasks: making a deposit, writing a check, using a debit or ATM card, and using an ATM machine.

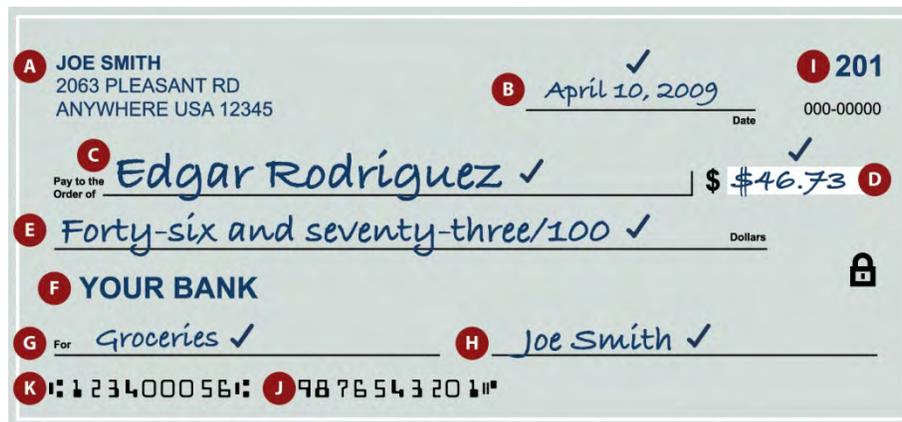
When you make a deposit by mail or at the bank (and at some ATMs) you’ll be asked to fill in a deposit slip. Using the worksheet, identify the nine areas of the deposit slips: account number, your information, date, cash, checks, subtotal, less cash received, total, and signature.

DEPOSIT TICKET TO BE USED FOR DEPOSIT TRANSACTIONS ONLY	EDGAR RODRIGUEZ 2063 PLEASANT RD. ANYWHERE, U.S.A. 12345	<input type="checkbox"/> CASH INCLUDING COINS	D		
	DATE C 08/06/09	2542		25	00
	B Edgar Rodriguez	List Checks 1502	E	120	00
	I	Singly			
	A	TOTAL ITEMS	OPTIONAL FROM REVERSE		
	0000000000123456789011	<input type="checkbox"/> SUB TOTAL	F	145	00
		<input type="checkbox"/> LESS CASH RECEIVED	G	40	00
		\$	H	105	00

- A. **Account number:** This number ensures that the money is deposited in the correct account. If you do not have your account number with you, your bank can provide the information to you.
- B. **Your information:** Your name is pre-printed or written in.
- C. **Date:** You will write today’s date here.
- D. **Cash:** If depositing cash, you would write the amount here.
- E. **Checks:** If depositing checks or money orders, you would list each one separately here and continue on the back if more space were needed.
- F. **Subtotal:** You will add the cash and check amounts and write the total amount being deposited here.
- G. **Less Cash Received:** If you are at the bank, you would use this space to write the amount of cash you would like to get back from the checks you are depositing. The teller will ask you to sign the deposit slip and provide identification to confirm that you are the account holder.
- H. **Total:** You will subtract the amount, if any, on the line “Less Cash Received” from the Subtotal, and write the total amount being deposited here.
- I. **Signature:** The teller will ask you to sign the deposit slip and provide identification to confirm that you are the account holder, if you are withdrawing cash from your deposit.



When you want to access money in your checking account, you can withdraw funds by writing a check. Check writing is also an important skill to have. Review the sample check and discuss the key areas of the check. It's important to write checks clearly in ink because they are electronically processed.



- A. **Your name and address go here.** These are preprinted on the check for your convenience and tell the person or company to whom you're giving the check—known as the payee—that you're the one who wrote it.
- B. **This is where you write today's date.**
- C. **Here is where you write the name of the person or company who will be receiving the money.** If you're making a withdrawal for yourself, you will write "Cash" here.
- D. **The amount of the check is written here.**
- E. **The amount in words is written on this line.** You start at the left edge of the line and when you're finished, you will draw a line through the remaining empty space as far as the word "Dollars."
- F. **The name of the bank that holds your account appears here.**
- G. **To remember what you bought, you can write a brief description here.**
- H. **Your signature should be the last thing you complete.** It gives the bank permission, or authorization, to release the money to the payee.
- I. **This is the check number.** This reference number will help you keep track of your payments by check. Each time you write a check, you should record the check number, date, payee, and amount in your check register. Then, calculate your new balance.
- J. **This is the 10-digit account number that is unique to your account.** This tells the bank which account the money comes from.
- K. **This is the bank routing number.** It identifies the bank that issued the check. You need this number to set up direct deposit at work. Direct deposit allows your employer to electronically deposit your paycheck directly into your account without giving you a paper check.



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When you deposit checks you need you let the bank know that you have personally approved the transaction by **endorsing** the check. In order to approve the transaction, you sign your name, write “For deposit only”, and include your account number on the top of the check. Use the account number for which you want to deposit the check.

ENDORSE HERE:

x John Sample

For deposit only

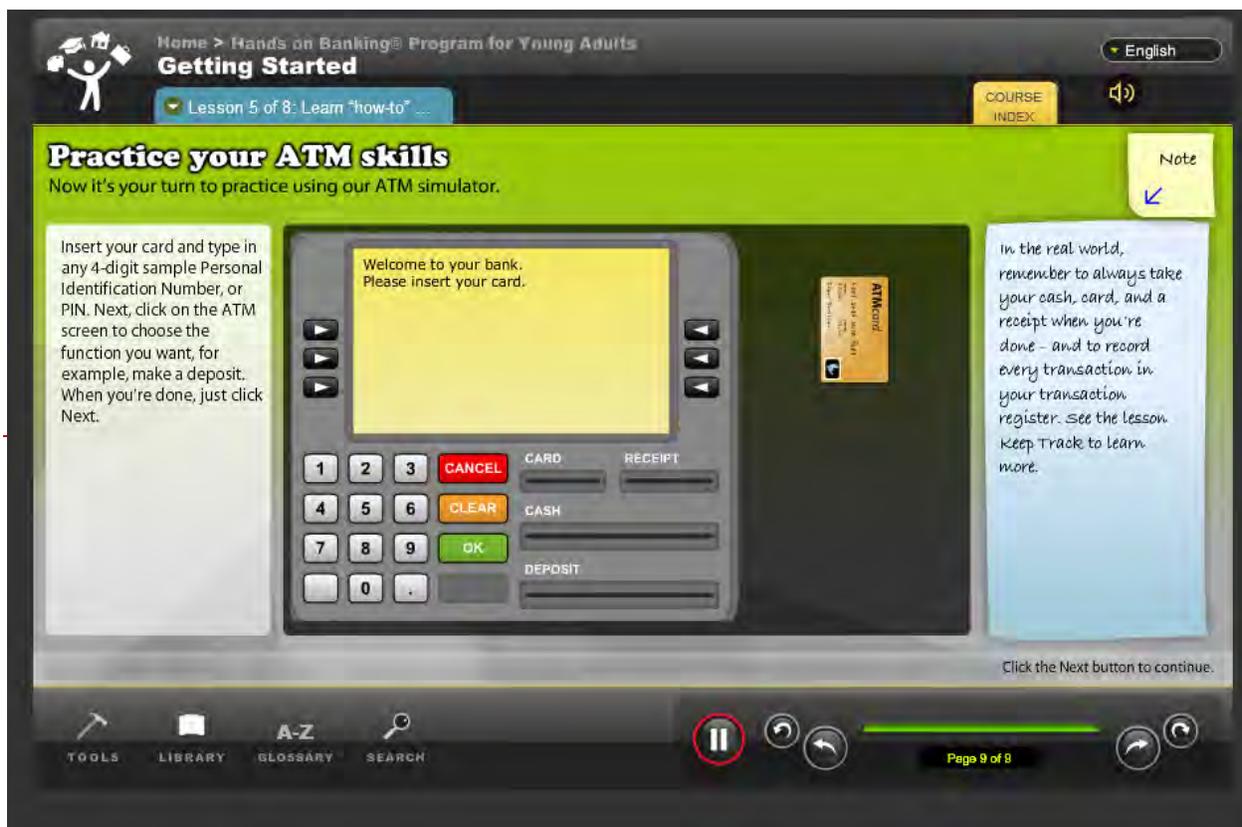
9876543201

DO NOT SIGN / WRITE/ STAMP BELOW THIS LINE
FOR FINANCIAL INSTITUTION USAGE ONLY

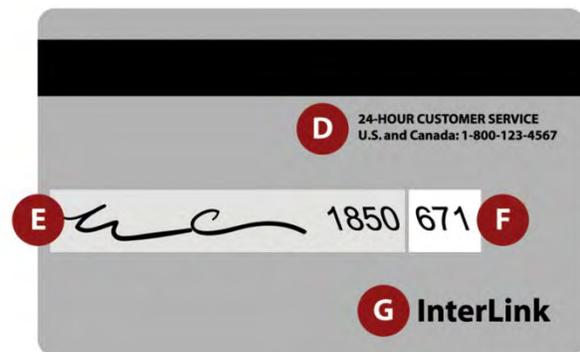
Another way to access money from your checking account is by using your ATM and/or debit cards. When you open a checking account, your bank will probably offer you the opportunity to apply for an ATM or debit card. Both are safe, convenient ways to get cash, make deposits, and transfer funds. A Visa® or MasterCard® symbol on your debit card means you can use it to make purchases wherever those debit cards are accepted. You may be able to use your ATM card to make purchases if the merchant is using one of the same electronic ATM networks that's listed on the back of your card.

Practice your ATM skills at:

<https://handsonbanking.org/htdocs/en/y/#/en/y/gs/how/ygshowpra.html>



The screenshot shows the 'Getting Started' section of the Hands on Banking program. The main heading is 'Practice your ATM skills' with the subtext 'Now it's your turn to practice using our ATM simulator.' The interface features a central ATM simulator with a screen displaying 'Welcome to your bank. Please insert your card.' and a keypad with buttons for 'CANCEL', 'CLEAR', 'OK', and a numeric keypad. To the left of the simulator, instructions read: 'Insert your card and type in any 4-digit sample Personal Identification Number, or PIN. Next, click on the ATM screen to choose the function you want, for example, make a deposit. When you're done, just click Next.' To the right, a note box contains the text: 'In the real world, remember to always take your cash, card, and a receipt when you're done - and to record every transaction in your transaction register. See the lesson Keep Track to learn more.' The bottom of the interface includes navigation icons for 'TOOLS', 'LIBRARY', 'GLOSSARY', and 'SEARCH', along with a progress bar and a 'Page 9 of 9' indicator.



- A. Debit Card Number:** This 16-digit number is unique to your card. It is different from your checking account number.
- B. Expiration Date:** Your card can only be used until this date. A new card will be automatically sent to your address prior to the expiration date.
- C. Visa[®] or MasterCard[®] Logo:** This symbol means that you can use this card wherever Visa[®] or MasterCard[®] debit cards are accepted, for example, department stores, restaurants, and online.
- D. Customer Service Number:** Call this toll-free number when you have questions about your account.
- E. Signature Bar:** For your protection against fraud, be sure to sign here as soon as you receive your card.
- F. Card Verification Value (CVV):** This number is unique to your card. When you use your card to make purchases over the phone or Internet, some merchants may require you to supply this number to confirm that you have the card with you.
- G. Network Logos:** The logos that appear on your card indicate where it can be used:
- You can access the money in your checking account at any ATM that carries the same logos as your card.
 - You can make PIN-based purchases at merchants that display the same Point-of-Sale network logos that appear on your card, such as Interlink[®]. Some merchants also provide a cash back option when making a PIN-based purchase. You can make signature-based purchases at merchants that accept Visa[®] or MasterCard[®] debit cards, depending on the logo on your card.



Activity 2: Banking Statement Scavenger Hunt

Banking Statement Scavenger Hunt (Instructor Copy)

A BANK Street Address City, State 12345		B ACCOUNT STATEMENT April 1 through April 30 Account Number: 98765432		C
Balance as of 4/30		D		\$1,339.05
Activity detail				
E Deposits				
F	Date	Description	G \$ Amount	
	4/3	Deposit	15.00	
	4/15	Automatic Deposit	1,266.36	
Total Deposits				1,281.36
Withdrawal				
H Checks				
	Number	Date	\$ Amount	
	200	4/1	1,200.50	
Total Checks				1,200.50
I Other withdrawals				
	Date	Description	\$ Amount	
	4/28	Automatic payment - Car Company	178.00	
	4/16	Cash	100.00	
	4/25	Debit-Grocery Store	37.27	
Total Other withdrawals				\$315.27
Total withdrawals				\$1,515.77

Example:

*Name and address
of the financial
institution:
Section A*

Instructions: Review the bank statement and list the section letter or appropriate answer.

Period of time covered by this statement: **Section B**

Section listing other withdrawals during the statement period: **Section I**

Number identifies the account covered by this statement: **Section C**

Section listing the deposits made during the statement period: **Section E**

Column listing the amount of each deposit and the total of all deposits: **Section G**

Section listing checks processed during the statement period: **Section H**

Total of withdrawals during this statement period: **\$1,515.77**

Account balance as of the statement date: **\$1,339.05**



Banking Statement Scavenger Hunt

A BANK Street Address City, State 12345		B ACCOUNT STATEMENT April 1 through April 30 C Account Number: 98765432
Balance as of 4/30		D \$1,339.05
E Activity detail		
E Deposits		
F Date	F Description	G \$ Amount
4/3	Deposit	15.00
4/15	Automatic Deposit	1,266.36
Total Deposits		1,281.36
Withdrawal		
H Checks		
Number	Date	\$ Amount
200	4/1	1,200.50
Total Checks		1,200.50
I Other withdrawals		
Date	Description	\$ Amount
4/28	Automatic payment - Car Company	178.00
4/16	Cash	100.00
4/25	Debit-Grocery Store	37.27
Total Other withdrawals		\$315.27
Total withdrawals		\$1,515.77

Example:

*Name and address
of the financial
institution:
Section A*

Instructions: Review the bank statement and list the section letter or appropriate answer.

Period of time covered by this statement: _____

Section listing other withdrawals during the statement period: _____

Number identifies the account covered by this statement: _____

Section listing the deposits made during the statement period: _____

Column listing the amount of each deposit and the total of all deposits: _____

Section listing checks processed during the statement period: _____

Total of withdrawals during this statement period: _____

Account balance as of the statement date: _____



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Activity 3: Writing a Check

Writing a Check (Instructor's Copy)

Instructions:

Fill out the sample check below using this information and completing all blank areas on the check.

Payee: Grocery Store

Date: April 10, 2009

Amount: \$46.73

Memo: Groceries

A JOE SMITH 2063 PLEASANT RD ANYWHERE USA 12345	B <u>April 10, 2009</u> Date	I 201 000-00000
C Pay to the Order of <u>Edgar Rodriguez</u>	D \$ <u>\$46.73</u>	
E <u>Forty-six and seventy-three/100</u> Dollars		
F YOUR BANK		
G For <u>Groceries</u>	H <u>Joe Smith</u>	
K ⑆ 1 23400056 ⑆	J 987654320 ⑆	



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Writing a Check

Instructions:

Fill out the sample check below using this information and completing all blank areas on the check.

Payee: Grocery Store

Date: April 10, 2009

Amount: \$46.73

Memo: Groceries

JOE SMITH 2063 PLEASANT RD ANYWHERE USA 12345	_____	Date	201 000-00000
Pay to the Order of _____	\$ _____		
_____	Dollars		
YOUR BANK			
For _____			



Lesson Summary/Closure

- Money management is easy if you have the right tools for the job.
 - **Building a relationship** with a bank is one way to secure a strong financial future. Millions of Americans use banks, and chances are any successful person or business you can think of has a relationship with a bank. Banks offer safe and secure services that can help you save time and money. Think “long term relationship” and shop around for a financial institution that meets your needs.
 - Banking accounts including **savings and checking** are good tools to manage your money. Savings accounts allow you to deposit, withdraw, and earn interest on your money. Use a savings account to put money aside for a future goal or emergency fund. A checking account is a great tool for managing your money day-to-day. A checking account is a type of bank account that allows you to put money in – make a deposit – or take money out – make a withdrawal.
 - Accessing your money is easy using your **ATM and/or debit cards**. When you open a checking account, your bank will probably offer you the opportunity to apply for an ATM or debit card. Both are safe, convenient ways to get cash, make deposits, and transfer funds. A Visa® or MasterCard® symbol on your debit card means you can use it to make purchases wherever those debit cards are accepted. You may be able to use your ATM card to make purchases if the merchant is using one of the same electronic ATM networks that’s listed on the back of your card.
- Visit some local financial institutions, such as banks and credit unions. Pick up pamphlets and brochures and compare and contrast services, interest rates, and fees.



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Lesson 2: Your Money Toolkit

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
I know the benefits of having banking accounts.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can identify the parts of a check, deposit slip, and debit card.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Lesson 2: Your Money Toolkit

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
I know the benefits of having banking accounts.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can identify the parts of a check, deposit slip, and debit card.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Lesson 3: Starting Your Search and Getting the Job!

Lesson Objectives

- Discuss how education increases earning power
- Understand the job search and application process
- Build job interviewing skills and techniques
- Read a paycheck and paystub

Introduction and Opening Questions

This lesson provides an introduction to work and money. After this lesson members will understand the financial side of being employed, how education influences earning power and how to navigate the job search process.

- How is earning your own income beneficial to you?
- Have you thought about jobs that you might enjoy? Why? Do any of these require an advanced degree?
- What do you think is important as you look for work or employment?

Key Discussion Points

1. Approximately 70-80% of U.S. teenagers work during their high school years. One reason teenagers want to work is to have money of their own and to be independent. Today we are going to practice job interviewing skills and make sure you know how to read your paycheck.
 - a. While you are looking for employment that meets your current need, it is also important to consider your future plans. The level of education you achieve can make a huge difference in how much money you're able to earn, also called your earning power.
2. When you are searching for a job, create a list of your skills, talents, experience, and interests. Research positions that align with your strengths where you may be most successful. For example, if you swim well, consider applying for a position as a lifeguard.
 - a. Review newspaper and online ads
 - b. Ask managers at local establishments that you frequent



3. Once you find a job to apply for, follow the application procedures accurately and completely. Careful completion is your best first step to getting an interview.
4. Once you are offered a job, the manager or Human Resources manager will offer you a rate or pay, wage, salary, or commission. Wages, salary, and commissions are all examples of how a person gets paid for doing a job. Wages are paid by the hour, salaries are a set amount you'll receive every month, and commissions are bonuses that you receive on top of a wage or salary as incentive to do better or sell more. It is important to make sure you understand exactly how, and how much, your employer is paying you – and when you get paid, make sure the amount is fair and accurate.
5. When you get paid, it is important to look at your paycheck and paystub. We will walk through the major steps of this process.

Materials

Job Application

Article: *Getting Your Job Start*

Writing utensils (pens/pencils)

Article: *Preparing for Job Interviews*

A. Job Searcher profile

Job posting

How to Read Your Paycheck worksheet

Creating S.M.A.R.T. Goals worksheet

Activities

Activity 1: A. Job Searcher

Pair participants and distribute job applications. Review each field with the entire group. Provide sample applicant information (A. Job Searcher) to participants and ask that they complete the application. (*Provide an extra application for practice.*)

- Review the completed application with participants to ensure accurate completion.

Activity 2: Ace that interview

Great news! A. Job Searcher (A.J.) just received a call for an interview. Now, A.J. needs to practice. Participants will take turns being A.J. and the interviewer, using the typical interview questions document. Allow participants approximately 10 minutes for the role play then have them switch roles. Engage the students in discussion about the interview process:

- What worked well in your job interview role play?
- What would you do differently?
- What other information might you need to be prepared?
- How was your partner's confidence, posture, eye contact, response timing?

Thinking about this experience, what goal(s) might you want to establish to help you in your job search?

- In order to set a goal that is achievable, consider the **S.M.A.R.T.** goal framework: **S**pecific, **M**easurable, **A**ttainable, **R**ealistic, and **T**ime-bound. Distribute *Creating S.M.A.R.T. Goals* worksheet and review the original goal versus the S.M.A.R.T. goal so participants can see how the S.M.A.R.T. goal is more attainable.

Distribute *Preparing for Job Interviews* and suggest that participants follow these 5 steps to ace a job interview:

- Prepare and be early
- Make a connection with your interviewer
- Listen closely and show interest
- Speak clearly with short, concise, and direct answers
- Thank the interviewer as you leave and send a thank you note soon after you leave



Creating S.M.A.R.T. Goals

Example

Original goal: *I want a summer job.*

S.M.A.R.T. Goal: *As an experienced swimmer, I want to work during the summer at the local pool as a lifeguard on weekday afternoons from 12 – 5 pm.*

Specific	Work as a lifeguard
Measurable	Weekday afternoons from 12 – 5 pm
Attainable	I am an experienced swimmer
Realistic	I can walk to the local pool
Time-bound	Summer

My S.M.A.R.T. Goal:

Specific	
Measurable	
Attainable	
Realistic	
Time-bound	

Activity 3: Read your paycheck (Individual: 10 minutes)

Distribute the *How to Read Your Paycheck* worksheet. Review each identified area on the paycheck and paystub (items A–K).

- A. This additional form that's attached to the check is called the pay stub. It shows the details of what you have earned and what amounts have been deducted during the pay period.
- B. This is the pay period; that is, the calendar days for which you are being paid.
- C. This is your gross income, the full amount you earned during the pay period.
- D. This is your net income or take-home pay—the amount you're being paid after taxes, insurance or other costs have been subtracted from your gross income. (While it's great to see the total you've earned, your take-home pay is the amount of your check. When you plan your spending, be sure to use this smaller, net income, figure. It's the actual amount of money you have to work with.)
- E. This is the number of withholding allowances you are claiming. It determines how much money your employer takes out of every paycheck to help cover your taxes and whether, at the end of the year, you'll receive a refund or owe more taxes to the government. (When you start a new job, you'll be required to fill out a federal W-4 form and indicate this number.)
- F. This section shows taxes. Remember: you don't take home every dollar you earn. You must pay taxes and employers by law must pay them from your paycheck. The most common taxes are federal income taxes and in many states, state income taxes.
- G. You have to pay a Social Security contribution with each paycheck to fund retirement and medical care after retirement.
- H. These are workers' compensation or disability taxes. These taxes fund programs that provide support if you're injured on the job or are unable to work.
- I. Contributions to unemployment insurance provide support if you lose your job through a layoff or no fault of your own.
- J. If you're a full-time employee receiving health insurance benefits, you usually have to pay part of the cost yourself, and it's often deducted from your pay.
- K. Sometimes other deductions may be taken from your paycheck, for example, union dues or contributions to savings and retirement plans that you choose to participate in.



How to Read Your Paycheck

Earnings		Deductions	
Description	Amount	Description	Amount
Salary	3,100.00	Federal	440.00
		State	60.00
		Social Security	190.00
		Medical Group	0.00
		Unemployment Insurance	0.70
		Health Care	20.00
		401(k)	185.00
Total Earnings		Total Deductions	895.70
Net Pay	2,204.30	Check Amount	

Company Name: 115 NW 1st Avenue Suite 500 Portland, OR 97209	The First N.A. 10001
Check Number: 12345 Check Date: 6/29/2009	<div style="border: 2px solid black; padding: 5px; font-size: 24pt; font-weight: bold;">\$2,155.41</div>
Pay: Two Thousand One Hundred and Fifty-Five and 41/100 dollars	
NON-NEGOTIABLE	
To the Order of: Eduardo Rodriguez 1020 NE Dekum St. Portland, OR 97209	_____ Authorized Signature



Lesson Summary/Closure

- Your job search is a process of self-discovery and can help bring your personal goals into sharper focus
- Research different careers and companies to see how your interests and skills match up with employers' needs
- Research job search techniques. Create an action plan and begin your job search.
- A good way to learn about possible careers is to talk or write to someone who has a job you think would be interesting. Conduct an informational interview. Identify local businesses and ask the manager or Human Resources director or identify a person whose job or business you are interested in learning more about. Here are some sample questions:
 - How did you get your job?
 - What kinds of classes or training did you take to qualify for your job?
 - What are the most important responsibilities of your job?
 - What do you like most about your job?
 - What do you like least about your job?
 - What are the skills required to be successful in your job?



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Lesson 3: Starting Your Search and Getting the Job!

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
I know the steps to take before, during and after the job interview.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will create a SMART goal for my job search process.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Lesson 3: Starting Your Search and Getting the Job!

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
I know the steps to take before, during and after the job interview.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will create a SMART goal for my job search process.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Article: Getting Your Job Start

For most people, landing a paid, full-time job is the key step to becoming financially independent and self-sufficient. Here are some tips for launching a successful search:

- **Don't wait.** Even if your family is supporting you now and your financial needs are being met, be realistic about how soon you'll need to take responsibility for your own expenses. Remember that it's never too early to begin your search. The earlier you start, the more time you'll have to find a job you want. If you're in school now, you can initiate the job search process several years before you graduate: consider what industries and types of jobs interest you, interview people in various occupations, and research specific companies.
- **Adopt a plan.** An effective job search is usually not a once in awhile, hit-or-miss effort; it takes an organized approach. Talk to career counselors at your school and look for job-hunting advice online and in guidebooks. Determine what your job search process will be and follow-through on your plan.
- **Make time to search.** Set aside some time every month or every week to focus on your job search. By starting your search when you're still in school, you can hopefully avoid landing on your own in need of money, feeling pressure to take any paid work that comes along. If you're already in a job but aren't enjoying it, set aside time for an organized search. It will help keep you focused on creating a brighter future.
- **Be proactive.** Explore as many avenues as you can. The more options you have, the better your prospects become. If you're in college, look through your school's job postings; register with employment agencies and attend career fairs; visit companies' Web sites to look for employment opportunities.; post your resume on online job sites and actively search for opportunities on them; scan classified ads in newspapers and trade magazines.
- **Network.** Make contact with others through alumni groups and trade associations. Network with family, friends, teachers, and colleagues. Don't be shy about asking for help to open the door to new opportunities.
- **Discover yourself along the way.** Some people are fortunate to have a clear idea of jobs and careers that interest them, while others don't. Don't let the lack of a clear vision stop you from moving forward. Look at your job search as a process of self-discovery, because it is. As you search, talk with people in different industries and professions and visit their work sites if you can. Ask them questions about how they got into the field and what their experience has been. You'll begin to get a sense of which opportunities you find exciting—and which environments you'd rather avoid. The process of searching will help you bring your personal goals into sharper focus.



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Apply your skills and talents. While you're searching for your "ideal" job, you may need part-time or short-term work to cover your expenses. Consider what skills and talents you have that might be marketable, whether it's building Web sites, tutoring students, installing audio equipment, cooking, or carpentry. Meet with one or more temporary job agencies and submit your resume. They can help you find short-term jobs that can both bring in cash and add to your job experience

Article: Preparing for Job Interviews

Job interviews are your chance to make a good first impression, learn more about your potential employer, and set yourself apart from the competition. Here are some tips for projecting a positive, professional image at your next interview:

Getting ready

- Be informed. Review the company's Web site. Search online and in print for information about the company and general industry trends.
- On the day of the interview, look neat and businesslike. Even if the employees of the company dress casually, most job search experts recommend that you dress up for an interview unless specifically asked not to. For both men and women, a two-piece matched suit in a conservative color, fabric, and style is often suggested as the best and safest choice.

On arrival

- Arrive about 10 minutes early to fill out the application neatly and in detail.
- Treat the receptionist respectfully.
- Remember that the first minute sets the tone for the whole interview. While all of the candidates may be able to handle the questions, the *winning* candidate is often one who shows self-confidence, maturity, a sense of humor, and warmth.

During the interview

- Greet the boss with a firm handshake, eye contact, and a smile. Researchers have found that people who make new friends easily tend to make frequent eye contact during conversation. If you keep the majority of your focus on the other person—looking at their eyes and face, smiling and nodding as you talk—people will get the sense that you are really paying attention to them...and they'll enjoy talking with you!
- Speak clearly, listen closely, and show interest.
- Ask about the job and listen carefully to each duty mentioned.
- Give short, direct answers focusing on what you can do for the company. Describe how your experience and training match the position. Give examples.



-
- Many job interviewers ask candidates to give examples of situations where they have taken initiative—i.e., times when they found a way to solve a problem or done something positive without being asked. Be prepared; think ahead about good examples you can give.
 - Ask questions about the company’s goals and the abilities needed for the job.
 - Discuss salary only *after* the employer mentions a figure. Many job search experts suggest that you write “Open” in the space for “Desired Salary” on a job application—and only discuss salary at an interview *after* the employer names an amount.
 - End the interview with an appreciative “thank you.”

Follow-up tips

- Get a business card from the employer and send a personal thank you note. Reconfirm your interest and why you’d be an asset to the company.
- If you don’t hear from the employer after a week or so, consider following-up with an email or call to express your continued interest.

Lesson 4: Consider Entrepreneurship

Lesson Objectives

- Discuss what it takes to be a successful entrepreneur
- Assess personal skills and talents that may be marketable
- Develop a strategy for getting a small business started

Introduction and Opening Questions

This lesson will explain the process of becoming a successful entrepreneur.

- If you could start your own business, what would it be?
- As a business owner, what do you consider the most important skills to have?
- Think of a small business that has closed. What do you think went wrong?

Key Discussion Points

Tell participants that starting and managing a small own business can definitely require a lot more of your time, energy, and talent than most jobs ever do. Running your own business can give you the satisfaction of using your talents and doing work that you enjoy.

- Ask participants to name successful entrepreneurs.
 - Ask participants to list characteristics of successful entrepreneurs.
 - How did they change the world or our way of doing things?
1. Distribute the *Are you an Entrepreneur?* worksheet.
 2. Ask participants to check each word/phrase that describes them. For any words/phrases that they check, ask participants to jot down a few notes to describe how that quality describes them.

Materials

Blank paper

Worksheet: *Are you an Entrepreneur?*

Writing utensils (pens/pencils)

Business Plan template

Activities

Activity 1: Identifying your Interests, Skills, and Talents

Many of us have a good business idea. Think about your interests, skills, and talents. Do you like playing with children, mowing lawns, organizing yard sales?

- List your interests, skills, and talents and then categorize them by what you enjoy doing, what people most compliment you for, and in what you excel.
- Narrow your list to a maximum of 3 ideas that could be profitable.
- Share your top three with another participant and brainstorm discuss the following questions:
 - What is your business idea?
 - What qualifications do you have to open this business?
 - How would you ensure success?
 - Who else do you need to involve?
 - What would it cost to start the business?

Activity 2: Taking Your Idea from Dream to Reality

Develop your business plan. Distribute the *Business Plan template*.

- Think about your **business name**. Is it easy to say and remember? What feelings or emotions come to mind?
- What is your **business idea**? Will you provide a product or service? What will you specifically do or provide? Why is the business needed?
- Who will be your **customer**? Where can you find your customers? Where do they live? What are their interests and needs? Who is your target market? Who will need or want your products or services and be willing to pay for them?
- Who is your **competition**? What do they charge? What is unique about their operation?
- How will you **market** your business? How will you let potential customers know you exist? Will you use traditional marketing, such as signs, newspapers, community events? Will you use social media? What else will you do?



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-
- What is your **projected budget**? Consider all your expenses and expected income. How much does it cost to create your product or perform your service? What price will the market bear? What will you charge? What is your per unit/service profit margin?
 - When can you **start**? What will it take to start? What other support do you need? Who else do you need to involve?
 - Think about other tasks and deliverables, along with the timeframe/timeline, that you need to address for success.

Are You an Entrepreneur?

Identifying Your Interests, Skills, and Talents

Interests: What do you enjoy doing?

Skills: What do you do well?

Talents: What do people most compliment you for?



Business Plan Template

A business plan is a roadmap that helps you transform an idea into a profitable business.

<p>Business Name</p> <p>What feelings come to mind? Will potential customers be able to remember and say your business name easily?</p>	
<p>Business Idea</p> <p>Product or service? What will you specifically do/provide? What is unique about your business?</p>	
<p>Target Customer</p> <p>Who will be your customer? What are their interests and needs? Where can you find them?</p>	
<p>Competition</p> <p>Who is your competition? What do they charge? What is unique about their operation?</p>	



<p>Marketing Approach</p> <p>How will you let potential customers know you exist (signs, newspaper, community events, and social media)? What is unique about your business?</p>	
<p>Projected Budget</p> <p>How much does it cost to create your product or perform your service? What price will the market bear? What will you charge? What is your per unit/service profit margin?</p>	
<p>When Can I Start?</p> <p>What will it take to start? When can you actually start? What other support do you need?</p>	
<p>Tasks/Milestones</p> <p>Identify specific tasks and timeline for success.</p>	



Lesson Summary/Closure

- Starting and managing your own business can definitely take a lot more of your time, energy, and talent than most jobs.
- It may require a major investment of your own money and it might be risky. But it could prove to be a lot more rewarding, too.
- If you are a good money manager, it could also be financially rewarding.
- Before launching a venture of your own, consider gaining experience by working (or even volunteering) for a similar business, ideally a successful leader in the field.
- Take some time to look at businesses where you shop (at the mall, downtown, etc.). Consider why they are successful in terms of product, location, customer appeal, etc. Make a list of what you observe and compare those notes to your ideas/plans for starting a business of your own.



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Lesson 4: Consider Entrepreneurship

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
I have marketable interests, skills, or talents.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can create a simplified business plan.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Lesson 4: Consider Entrepreneurship

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
I have marketable interests, skills, or talents.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can create a simplified business plan.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Lesson 5: Be a Savvy Shopper

Lesson Objectives

- Discuss helpful tips for saving money day to day
- Apply comparison shopping tips in decision making

Introduction and Opening Questions

This lesson will explain the process for making smart financial decisions and will help you understand how simple steps can help you save money when you shop for small or major purchases.

- Have you purchased something impulsively and then asked yourself “Why did I buy this” when you got home or the next day?
- What kinds of situations make you want to shop more or shop less?
- How often do you shop for items other than necessities, like groceries?

Key Discussion Points

1. Tell participants the following statement: *Rafael wants a new cell phone service to reduce his cell phone expense.* And ask: *What do you think Rafael should consider or do?* Engage the participants in discussion about Rafael’s situation. As a follow-up, other questions to ask include:
 - a. What might he need to consider when comparing cell phone service providers?
 - b. What cell phone promotions are you aware of?
 - c. Do you have to sign a contract?
 - d. When you comparison shop, how many choices do you consider?
2. The key discussion points are:
 - a. Rafael’s best choice is to compare companies and plans and read the contract carefully before he signs.
 - b. This will help him control his costs. Having a bill he can always pay on time and in full is an important step in building good credit.

- c. By doing online research, he can compare the websites of the different companies rather than base his decision on price alone. Some companies also let you review your account online or phone in for free to keep track of your cell phone usage. Try it.
- d. Whether you're buying products or services, comparison shopping and reading contracts are two keys to smart money management.

Materials

Blank paper

Worksheet: *Are you a Smart Shopper?*

Writing utensils (pens/pencils)

Article: *Shopping and Spending Tips*

Activities

Activity 1: What Did You Buy Last Week?

Distribute a sheet of paper and ask participants to list everything they purchased last week. Ask participants define need and want.

- Ask participants to review the list and draw a circle around each purchase they consider a need and a box around each considered a wants. Ask participants to reflect on their purchases.
 - Where any were impulse items?
 - Did you comparison shop for any of the items?

Activity 2: Are You a Smart Shopper?

Organize participants in small groups or pairs. Distribute the *Are you a Smart Shopper?* worksheet. Ask participants to list 2-3 options for each shopping situation.

- After identifying options and tips for each shopping situation. Ask participants to create a short (less than 5 minutes) commercial or skit demonstrating a shopping situation and how their tip would be a successful strategy.
- **ROLE PLAY EXAMPLE:** Participants brainstorm an idea about shopping at the store and create a skit showing the student thinking about whether the item is really needed, whether it is needed today, and what would happen if the item wasn't purchased today.



Are you a Smart Shopper? (Instructor Copy)

Instructor note: Photocopy the activity handout on the following page. Divide the class into small groups and have them brainstorm tips to for each of the topics listed in the left hand column of this chart. At least one tip must be something that one member of the group currently does to save money and shop smart. Then have each group report their tips. When they're finished, distribute the filled out chart on the page after next and discuss these key points.

Instructions: Have your participants list several tips for each shopping situation.

At the store	<ul style="list-style-type: none"> • Resist impulse buying! • Ask: Do I really need it? Do I need it today? What if don't buy it now? Can I do this at a lower cost? • Limit the cash you carry; shop with a spending plan in mind; avoid ATM fees; watch for sales; wait for the right price; look for coupons & rebates.
Food shopping	<ul style="list-style-type: none"> • Save money by eating at home; make a shopping list for the grocery store; watch for sales and coupons; buy products you use frequently in large sizes or bulk quantities. • Don't go food shopping when hungry.
Credit card tips	<ul style="list-style-type: none"> • Use a credit card to purchase larger, lasting items; limit the number of credit cards you have; avoid having a monthly credit card balance greater than 10% of your monthly net income. • Don't use credit cards to buy things you really can't afford—avoid debt!
Cell phone tips	<ul style="list-style-type: none"> • Shop for a package deal. • Watch out for high text messaging and web access charges. • Read the contract before you sign; ask questions; make sure you understand all features & fees. • Deep track of your usage; pay your bill on time and in full.



<p>Take advantage of discounts</p>	<ul style="list-style-type: none"> • You may be eligible for discounts if you have a valid student or military, ID, or other organization memberships. • Research the benefits and ask stores what cards they honor for discounts. Some grocery and drug stores offer savings cards for customers. • Some stores and businesses offer their employees a special discount on merchandise. Consider getting a seasonal job at a store where you plan to do your holiday shopping, for example.
<p>Skip the rest, save for best</p>	<ul style="list-style-type: none"> • Consider skipping a few low-cost purchases you could do without in order to save for one item you really value. • Bypass small luxuries (like fancy coffees and movie rentals) for a few months. Use the money to help you afford one great travel experience.
<p>Find a creative way</p>	<ul style="list-style-type: none"> • How can you obtain something you want at a lower cost or even for free? For example, you could hear a concert by volunteering to usher. • Or you might get some friends together in order to qualify for a volume or group discount. • Share magazine subscription w/ a friend instead of buying single issues.



Are you a Smart Shopper?

Instructions: List several tips for each shopping situation.

At the store	
Food shopping	
Credit card tips	
Cell phone tips	
Take advantage of discounts	
Skip the rest, save for best	
Find a creative way	



Lesson Summary/Closure

- Consider your needs and your budget before making a purchase
- Research thoroughly and comparison shop before making a purchase
 - Comparison shopping provides several benefits: save money, get more features for the same cost, buy a better quality product.
- Find the best overall value for your item and always follow up if there is a problem
- Resist impulse buying and follow the tips discussed for spending less and saving more



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Lesson 5: Be a Savvy Shopper

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
I know the difference between a need and want.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will comparison shop when considering a major expense.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Lesson 5: Be a Savvy Shopper

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
I know the difference between a need and want.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will comparison shop when considering a major expense.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Article: Shopping and Spending Tips

Here are some shopping tips to help you get the most from the money you spend:

At the store

Resist impulse buying! Ask yourself:

- Do I really need it?
- Do I need it today?
- What if don't buy it now?
- Can I do this at a lower cost?
- Limit the cash you carry.
- Shop with your budget in mind.
- Avoid ATM fees.
- Watch for sales.
- Wait for the right price.
- Look for coupons and rebates.
- Shop for value!

Food shopping

- Save money by eating at home.
- Make a shopping list for the grocery store.
- Watch for sales and coupons.
- Buy products you use frequently in large sizes or bulk quantities.

Credit card tips

- Get a credit card with a low annual fee and low interest rate.
- Don't use a credit card if you can't afford the price.
- Pay your credit card bills on time.
- Avoid cash advances.
- Keep track of your spending.

-
- Keep your receipts.
 - Check receipts against statements.
 - Check statements against your budget.

Cell phone tips

- Shop for a package deal.
- Ask questions.
- Read the contract before you sign.
- Understand the features and prices.
- Watch out for high text messaging charges!
- Keep track of your usage.
- Pay your bill on time and in full.

When making major purchases

- Consider your needs.
- Determine your budget.
- Research before you buy.
- Comparison shop.
- Research product claims.
- Try before you buy.
- Ask family and friends.
- Confirm the full price.
- Watch for sales, coupons and rebates.
- Consider negotiating.
- Find the best overall value—quality, service and price.
- Inspect products before you buy.
- Understand the warranty.
- Know the return policy.
- Save your receipt.
- Speak to the manager if you have a problem.



Take advantage of membership discounts

You may be eligible for discounts if you have a valid student, military, or insurance ID, or other organization memberships. Research the benefits and ask stores what cards they honor for discounts. Some grocery and drug stores offer savings cards for customers.

Ask about employee discounts

Some stores and businesses offer their employees a special discount on merchandise. You might consider getting a seasonal job at a store where you plan to do your holiday shopping, for example.

Comparison shop online

Doing your research on the Web can save you time, effort, and transportation costs.

Skip the rest to save for the best

Consider skipping a few low-cost purchases you could do without in order to save for one item you really value. For example, trade-off your next few purchases of jeans and t-shirts to save for one nice work outfit, or skip your visits to fast food restaurants in order to afford one dinner at a top restaurant. Bypass small luxuries (like fancy coffees and movie rentals) for a few months and use the money to help you afford one great travel experience.

Find a creative way

Think about ways you might be able to obtain something you want at a lower cost or even for free. For example, you might be able to see a play or hear a concert by volunteering to usher. Or you might get some friends together in order to qualify for a volume or group discount. Share a magazine subscription with a friend rather than buying single issues off the rack.

Lesson 6: Saving to Buy a Car

Lesson Objectives

- Discuss financial considerations of buying a car
- Apply decision-making principles to saving for and purchasing a car

Introduction and Opening Questions

This lesson will explain the considerations and decision-making process of saving for and purchasing a car

- What do you think a car might cost?
- Have you considered how much you may have to save to purchase a car?
- What expenses or other costs do you need to consider?

Key Discussion Points

- Watch FTC's *Financing a Car* video found here:
<https://www.consumer.ftc.gov/articles/0056-understanding-vehicle-financing>
- Engage participants in a discussion about saving to buy a car using the following statements/questions. Ask participants about the key takeaways from the video. If they were going to buy a car, what is the first thing they should do? The key discussion points are:
 - Some of you are thinking of using some of your savings to buy a car. Before you do, seriously ask yourself whether owning a car is really worth the extra expense. A car can be fun and a major convenience, but to save money, think about whether you could manage to live without one.
 - If after some careful attention, you decide to get a car of your own, be sure to do some research and really think it through. Be realistic. Buying a car is a huge expense and a major responsibility. Take the process step-by-step and you'll be fine. Start by asking yourself these questions:
 1. What kind of car do you need? What are your transportation needs now and in the next few years? Are safety and fuel economy important to you? What features or options do you want?



2. How much can you afford? What's your budget? Try to keep your car expenses within a range you can consistently afford through the ups and down.
3. Should the car be new or used? All cars depreciate over time. The value of a new car can drop hundreds or even thousands of dollars the day you drive it off the car dealers' lot. You may be able to save a substantial amount by finding a used car in good mechanical condition.
4. How should you shop for a car? There's a lot to consider including safety records, gas mileage, maintenance, and insurance costs. The internet offers lots of helpful websites.
5. How should you handle the financial transaction? If you have enough cash, considering paying for the car outright. Many people get car loans because new cars and many used cars can have high price tags. You frequently pay something upfront for the vehicle – called a down payment. The rest of the money you owe is split up into even monthly payments over time – or the term of the loan. You make monthly car payments to the lender to pay back the money you borrowed plus interest. Interest is the amount of money the lender charges you for giving you the loan. It is important to note that the lender owns the car until you have made your final payment. Once you pay off the loan, the car belongs to you and there are no more monthly car payments for as long as you keep that car.

Materials

Blank paper

Article: *Smart Car Shopping*

Writing utensils (pens/pencils/markers)

Worksheet: *Auto Loan*

Poster board



Activities

Activity 1: How to Buy a Car?

Organize students in pairs or small groups and distribute the *Auto Loan* worksheet.

- Explain the chart and ask participants to imagine that they are going to buy a truck then ask the following questions:
 - How much is the sticker price of the truck?
 - According to the chart, how much of a down payment are you making?
 - How much might you need to borrow? What is the loan amount?
 - What options are available for the loan term? How long will you have to pay the loan back?
- Ask students to complete the *Auto Loan* worksheet

Activity 2: Poster Time!

- Ask students to create a poster that explains 5 things that an informed car buyer should consider or do.



Auto Loan Worksheet

Auto Loan Payment and Interest Costs (does not include tax and license fees)

4-Door Sedan	36 months @ 5% APR	48 months @ 6% APR	60 months @ 7% APR	Loan Amount \$ 27,488
Monthly Payment	\$ 895.89	\$ 702.30	\$ 592.39	Down Payment \$ 2,000
Total Interest	\$ 2,422.06	\$ 3,880.42	\$ 5,713.00	Sticker Price \$ 29,488
Total Cost	\$ 31,910.06	\$ 33,368.42	\$ 35,201.00	

2-Door Coupe	36 months @ 5% APR	48 months @ 6% APR	60 months @ 7% APR	Loan Amount \$ 13,588
Monthly Payment	\$ 448.38	\$ 348.36	\$ 293.84	Down Payment \$ 1,500
Total Interest	\$ 1,201.20	\$ 1,924.80	\$ 2,833.92	Sticker Price \$ 15,088
Total Cost	\$ 16,289.20	\$ 17,012.80	\$ 17,921.92	

Truck	36 months @ 5% APR	48 months @ 6% APR	60 months @ 7% APR	Loan Amount \$ 14,988
Monthly Payment	\$ 489.85	\$ 384.00	\$ 323.90	Down Payment \$ 1,000
Total Interest	\$ 1,324.12	\$ 2,121.52	\$ 3,123.52	Sticker Price \$ 15,988
Total Cost	\$ 17,312.12	\$ 18,109.52	\$ 19,111.52	

Motorcycle	36 months @ 5% APR	48 months @ 6% APR	60 months @ 7% APR	Loan Amount \$ 8,755
Monthly Payment	\$ 287.41	\$ 225.31	\$ 190.05	Down Payment \$ 1,000
Total Interest	\$ 776.76	\$ 1,244.88	\$ 1,833.00	Sticker Price \$ 9,755
Total Cost	\$ 10,531.76	\$ 10,999.88	\$ 11,588.00	

Auto Loan Worksheet

Based on the chart, answer these questions:

1. Why are the Total Cost numbers all higher than Sticker Price of each vehicle?
2. Notice that if the buyer chooses a loan that must be paid back in 36 months, the interest rate on the loan will be 5%; with the 48-month loan, the interest rate is 6%; and with the 60-month loan, the interest rate is 7%. Why do you think the interest rate goes up as the number of months increases?
3. Which vehicle and which loan have the highest monthly payment? Why is this the highest monthly payment on the chart?
4. Which vehicle and which loan have the least amount of total interest? Why is this the least amount of interest on the chart?
5. Devin and Danielle decide to buy the truck. They get a 60-month loan.
 - a. By the time they have paid off their loan, how much more will they have paid than they would have if they had taken a 36-month loan?
 - b. Even though their total price will be higher, why might they have made this decision to get the 60-month loan?



Auto Loan Worksheet (Instructor's Copy)

Auto Loan Payment and Interest Costs (does not include tax and license fees)

4-Door Sedan	36 months @ 5% APR	48 months @ 6% APR	60 months @ 7% APR	Loan Amount \$ 27,488
Monthly Payment	\$ 895.89	\$ 702.30	\$ 592.39	Down Payment \$ 2,000
Total Interest	\$ 2,422.06	\$ 3,880.42	\$ 5,713.00	Sticker Price \$ 29,488
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Total Cost	\$ 10,531.76	\$ 10,999.88	\$ 11,588.00	

Auto Loan Worksheet (Instructor's Copy)

Based on the chart, answer these questions:

1. Why are the Total Cost numbers all higher than Sticker Price of each vehicle?
(Because the buyer has to repay the loan plus interest.)
2. Notice that if the buyer chooses a loan that must be paid back in 36 months, the interest rate on the loan will be 5%; with the 48-month loan, the interest rate is 6%; and with the 60-month loan, the interest rate is 7%. Why do you think the interest rate goes up as the number of months increases?
(Lenders generally charge higher interest rates for longer term loans because they are allowing the borrower to keep the money for a longer period of time.)
3. Which vehicle and which loan have the highest monthly payment? Why is this the highest monthly payment on the chart?
(If you buy the 4-door sedan with the 36-month loan you will have the highest monthly payment: \$895.89. This is the highest monthly payment because you're buying the vehicle with the highest sticker price and taking the fewest number of months to pay off the loan.)
4. Which vehicle and which loan have the least amount of total interest? Why is this the least amount of interest on the chart?
(If you buy the motorcycle with the 36-month loan you will pay the least amount of total interest: \$776.76. This is the least amount of interest because the motorcycle has the least expensive sticker price, you are borrowing the least, and the 36-month loan offers the most favorable interest rate.)
5. Devin and Danielle decide to buy the truck. They get a 60-month loan.
 - a. By the time they have paid off their loan, how much more will they have paid than they would have if they had taken a 36-month loan? **\$1799.40**
(\$19,111.52 - \$17,312.12 = \$1799.40)
 - b. Even though their total price will be higher, why might they have made this decision to get the 60-month loan? **(One reason they may have chosen the 60-month loan is to get a lower, more affordable monthly payment.)**



Lesson Summary/Closure

- Before you think about getting a car, consider whether you really need one and whether it's worth all the extra expenses. Owning a car is a major responsibility.
- Consider how much savings you have and your monthly budget. How much do you have available for a down payment and how much of a monthly loan payment can you afford?
- If you decide to get a car, be sure to shop for your loan. In fact, it makes sense to shop for your loan before you shop for your car. Research a number of financing sources including banks. Some car dealers also offer financing. Compare the interest rates they offer. Find out what your monthly payment would be for different loan amounts.
- Watch out for lenders who advertise “No credit? No problem!” offers. While you may be able to get a loan from these lenders, your interest rate may be higher which can increase your monthly payment or loan term.
- Consider asking for loan pre-approval. If you are pre-approved, it means you can shop for a car in your price range with the confidence that you're more likely to get the loan you need.
- In addition to making sure you have a monthly payment you can afford, you need to consider the other expenses that go along with car ownership such as insurance, gas, maintenance and repairs. Remember to add these to your monthly budget.
- Distribute the *Smart Car Shopping* article



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Lesson 6: Saving to Buy a Car

End of Lesson Assessment

Based on the information I learned:

Definitely	Maybe	Probably Not	Definitely Not
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Lesson 6: Saving to Buy a Car

End of Lesson Assessment

Based on the information I learned:

Definitely	Maybe	Probably Not	Definitely Not
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Article: Smart Car Shopping

For many consumers, a new car is second only to a home as their most expensive purchase. It pays to get the most value possible for the money you spend. Review these tips before you begin the process of buying a car or other vehicle:

Shop for your car loan

- Consider how much you're willing to spend. Will you pay cash for the vehicle, or make a down payment and finance the rest? If you plan to finance the purchase, shop for your loan before you shop for your car.
- Research a number of financing sources including banks, credit unions, and online lenders. Some car dealers also offer financing. Compare the Annual Percentage Rates (APR), interest rates, terms, and fees of the loans they offer. Find out what your monthly payment would be for different loan amounts and the total cost of each loan.
- Consider asking for pre-approval of your loan. If you're pre-approved, it means you can shop for a car in your price range with the confidence that you'll get the loan you need.
- Know your credit history and credit score before you negotiate an auto loan. At the Web site www.annualcreditreport.com, you can receive one free copy of your credit report once a year from each of the three largest credit bureaus in the United States. You can also purchase a credit score through this Web site.

Do some advance research

- By doing some advance research, you'll be less likely make an impulsive or expensive purchase decision and more likely to be a satisfied buyer.
- Consider the kind of vehicle that will meet your transportation needs. Will the car you want now be the car you'll still want in a couple of years?
- Use the Web, consumer and auto magazines, and other publications to research the possibilities. Look at ratings and evaluations by automotive professionals and road tests, especially those performed over thousands of miles to evaluate a car's gas mileage, durability, and maintenance issues. Research safety records.



- Before heading out to the dealerships, go online to sites like Kelly Bluebook (kbb.com) and NADA (nada.com) to learn more about the car(s) you're interested in and what they cost.
- Remember, almost all cars depreciate (go down in value) due to wear and tear over time. The value of a new car can drop hundreds or even thousands of dollars the day you drive it off the car dealer's lot. You may be able to save a substantial amount by finding a used car in good mechanical condition.
- Narrow your choices to a few specific cars. Compare models and prices in ads and dealer showrooms. Consider contacting car-buying services and broker-buying services to make comparisons.
- Check with your insurance agent to compare the cost of insuring each car. Remember that insurance will be part of your cost of ownership.
- Based on your research, compare the total costs of each car you're considering. Does the amount fit your budget?

Choose where, when, and how to shop

- Nowadays, an increasing number of people are buying cars over the Web. Even if you consider this option, it makes sense to visit local dealerships if you can. This will give you the opportunity to see the cars first-hand, take test drives, and ask questions. It will also give you the opportunity to evaluate the service quality of dealerships you may use for parts and service.
- Some dealers have adopted a "one-price" policy on new cars, meaning that every car is offered at a fixed price with no negotiating between the dealership and the customer. While this system may make your transaction faster and easier, keep in mind that the price you pay might be higher than what you might pay by negotiating.
- You may be able to get the best price on a car in the last two weeks of December, because business is often slow at the end of the year.
- From July through October, some dealers may offer good deals on current year cars because they're eager to make space for next year's models.
- Go car shopping with an objective friend who can point out possible concerns and stop you from making a hasty decision.



Make your choice

- As you shop, retain some flexibility about make, model, year and color. As you comparison shop, you may find a car you like better and/or a better deal.
- Narrow your choice. Decide on specifics such as the color and options you want. Remember to take resale value into account. If it comes time to sell the car, you will want a color and options that appeal to prospective buyers.
- If the dealer doesn't have the car you want, consider ordering a new car. Although you'll have to wait for delivery, you could avoid paying more for options you don't want.
- Cars that need to be ordered should not cost more than the cars on the lot. On the other hand, a dealer may be willing to make a deal for a car on their lot if they're eager to sell current inventory.
- Be careful about extra options the dealer may offer you, such as undercoating, fabric protection, and paint sealant. These are often unnecessary add-ons that are significantly overpriced.
- If you're buying a used car, point out any flaws or problems with the car to the seller. Before you agree to buy it, be sure to have it inspected by a certified mechanic.
- Don't feel pressured to make a decision. Take your time and evaluate your options.

Plan your buying strategy

- Consider whether you want to buy the car or lease it. Buying it means paying for it with cash and/or a loan. After you finish making the payments, you own the vehicle and can sell or trade it. With leasing, you sign a contract and make monthly payments to have use of the car for a specific length of time. After making all your lease payments, you return the car to the dealer. You own nothing and may even owe the dealer more money for any excess mileage or damage. However, monthly lease payments are often lower than loan payments.
- Don't leave your driver's license or social security number with a dealer. Dealers cannot run a credit check or an application for credit without your permission.
- Be prepared to cancel the deal. If something doesn't feel right, or you have a "gut feeling" that your purchase will be a mistake: walk away! Remember, you can always find another car.



Tips for negotiating

- Negotiating can be challenging. To minimize the potential stress, make up your mind to be pleasant, friendly and non-combative throughout the process. This attitude will show the seller that you're a person who cannot be intimidated, rushed, pushed, or panicked into a decision.
- Be patient and persistent. The key to finding a good deal is being in the right place at the right time. If you're more anxious to buy than the seller is to sell, you'll reduce your chances of getting the best price you can.
- Plan to negotiate on price. Some dealers may be willing to bargain on their profit margin, which is often between 10 and 20 percent.
- Decide on your top price, a number you feel is fair for the vehicle, with monthly payments you can afford. Keep in mind that the dealer needs to make some profit. Then begin your negotiation at least 20% below what you're willing to pay. Remember, the dealer is likely to make a high counteroffer.
- Know your amount of "cash on hand." If you have the resources to write a check for a significant amount on the spot it will probably get the seller's attention and may strengthen your ability to negotiate the price.
- To increase your control of the negotiation, don't let the seller know exactly what you're thinking. Don't divulge the top amount you're willing to pay or the monthly payment you can afford. These are none of the seller's business.
- If the seller pressures you, simply smile politely and say something such as: "You have my offer. I appreciate your time and effort, but this is my budget limit."
- Beware of dealers who may bring another salesperson or manager into the negotiation in an effort to wear you down. Reach a deal with the original salesperson or walk out.
- Always be ready to walk away—but walk slowly. Chances are the seller will make one last attempt to find a price you can agree on.
- Leave on good terms. Even if you don't buy today, you might be back again later.

Trading in your old car

The Federal Trade Commission (FTC) recommends that you discuss the possibility of a trade-in only *after* you've negotiated the best possible price for your new car and researched the value of your old car—online, in reference books, or magazines. Having

this information may help you get a better price from the dealer. Selling your old car yourself may take more time, but generally you'll get more money for it than trading-in.

Carefully consider add-ons

- If your dealer or lender asks you to buy credit insurance (to pay off your loan if you should die or become disabled), consider whether it's worth the cost. Check to see if you have an existing policy that offers this benefit. Credit insurance is not required by federal law. Check with your state Insurance Commissioner or consumer protection agency to find out about possible credit insurance requirements in your state.
- If you're offered a service contract by the dealer, manufacturer, or an independent company, review it carefully, and consider these questions:
 - What does the service contract cover compared to what's already covered by the manufacturer's warranty?
 - What repairs are covered? Is routine maintenance covered?
 - Who pays for parts and labor?
 - Who is authorized to make repairs?
 - What's the length of the contract?
 - What are the cancellation and refund policies?
- An extended warranty is a way to protect yourself from costly repairs that may be required after the manufacturer's warranty expires. Typically, neither manufacturer warranties nor extended warranties cover everything. Normal wear and tear (such as brake pads and batteries) and vehicle interior items (such as fabric and lights) are usually not covered. However, if you plan to keep the vehicle a long time, an extended warranty might be worth the cost. It can give you greater peace of mind and might also increase your vehicle's resale value. Before you buy, be sure you know exactly what's covered.
- If you purchase an extended warranty from the dealer when you buy your car, you may be able to add the cost of the warranty into your vehicle financing rather than paying for it in cash. If you don't purchase an extended warranty when you purchase the car, you may be able to purchase one later. However the closer you get to the expiration date of your manufacturer's warranty, the more the extended warranty is likely to cost.



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Before you sign

- Review the contract carefully. Make sure it reflects everything that was agreed on.
- Beware of any unnecessary or overpriced extras the dealer may attempt to tack on.
- Don't pay for "dealer prep!" It's already been paid for by the manufacturer.
- Examine extended warranties carefully. You may not need one, or may be able to get a better deal later.
- Never sign a contract with any blank spaces.
- Immediately get a copy of the contract that both you and the dealer have signed.

Lesson 7: Understanding and Creating Budgets

Lesson Objectives

- Explain the purpose of budgeting
- Discuss basic budgeting strategies
- Create a personal budget to meet a financial goal showing income and expenses

Introduction and Opening Questions

This lesson will provide an opportunity for participants to practice budgeting.

- Describe a time when you wanted to buy something but didn't have enough money to pay for it.
- What are some reasons you might want to have a written plan for how you are going to spend your money?
- How do you make financial choices and decisions?
- Is it possible to address all of your needs and wants?

Key Discussion Points

This activity will give you an opportunity to consider several financial decisions. Let's see what choices you make and why. To make your monthly income last, we will consider the order you should pay for things. Let's say you are ready to make a budget or spending plan—a written plan for how you will spend your money.

- a) What are some of the kinds of things you would include?
- b) What do you spend your money on now?
- c) Do you keep track of what you spend your money on?

Ask participants to place these steps in the correct order (1 through 6):

- Pay your monthly bills.
- Set aside money for weekly and day-to-day expenses.
- Put money into savings.
- Set aside money for larger expenses.

- Set aside money for your major future goals.
- If you begin to earn more, increase the amount you save as much as you can.

After discussing the prioritization of the steps above, ask participants to explain their rationale. Provide opportunities for discussion among participants.

Activities

Activity 1: The Bean Game

This activity works best in pairs, so that participants can simulate real life choices more effectively and learn how decisions affect one another and how to compromise. However, it can be used individually. In this activity, the beans represent money (limited financial resources). As consumers, we have a limited amount of money, or beans, but there is an unlimited amount of choices in the world, many of which are listed here.

- Distribute The Bean Game activity and a bag of 20 beans to each pair of participants.
- You and your partner will allocate your beans, (i.e. your money), based on your decisions. The circles on the board represent how many beans you must put down to make that choice.
- Together as a group, work through an example: Let's look at the Housing category. Do you and your partner consider housing a need or want? How will this choice drive your decision?
 - You have four (4) options to choose from; (1) you can live at home, (2) rent and share housing with a roommate, (3) rent a place on your own or (4) buy a home.
 - If you choose to live at home, there are no beans needed for this expense because your parents will continue to pay your living expenses.
 - If you choose to rent, there are two circles there and you will need to lay down two beans.
 - What should you consider if you plan to live with a roommate? What do you need to consider if you want to live alone? What are the benefits of renting versus buying? If you prefer to live with a roommate or live alone, there are other considerations, such as amenities (the extra comforts) and furnishings.
 - With your partner, come to an agreement on your housing choices. What is important to you?

- Do you have any questions before we begin? Be sure to make a selection in each category and to use all of your beans?
- Give participants about ten minutes to work on making their selections. Remind them that it is important for each participant to voice their opinion and preference. In life, we often have to discuss decisions with other family members and make compromises.
 - a. Participants should discuss some of their purchases and the choices they made. They should reflect on how they prioritized and managed their allotted beans (money). Ask the participants the following questions to promote discussion:
 - i. How did you adjust your budget?
 - ii. What choices or compromises did you have to make?
 - iii. Why did you make the decisions you did?
- **TIME FOR A TWIST:** Tell participants that there's been a cutback at work. The family income has been reduced so you will need to take away 10 beans. You will have approximately 5 minutes to restructure your budget. What did you have to change to accommodate the income loss?

Activity 2: Spending Plan Tips from Teens

Reflecting on the previous spending plan discussion and activities, plan a public service announcement (PSA) or video message in which you can share spending and budgeting tips with other teens.

- Identify 1-3 key, salient points to help teens understand the importance of good money management.
- Make a storyboard of the your video or outline the PSA.
- Rehearse your video – or – draft the PSA.
- Share with others in your group.
- If possible, find a way to showcase your work so others can learn about this important topic.

Your Spending Plan: The Bean Game

Housing

Live at home (includes cable television, internet, and phone)	No Monthly Cost
Rent a place to live with a roommate (includes cost for necessary utilities, such as electricity and water)	○○
Rent a place to live on your own (includes cost for necessary utilities, such as electricity and water)	○○○○
Buy a home (includes cost of utilities, taxes, insurance, maintenance, and other home owner expenses)	○○○○○○○○

If you choose to rent or buy, you will also have to pay for any amenities and furnishings you may want:

Cable	○
Internet	○
Phone	○
Buying furniture at garage sale, thrift shop or used furniture	○
Buy new furniture	○○

Transportation

Walk or bike	No Monthly Cost
Ride the bus	○
Drive a personal automobile (includes cost for necessary fuel, insurance, maintenance, and licensing)	○○

Savings

No Savings	No Monthly Cost
10%	○
20%	○○

Food

Eating at home (groceries for one person)



Eating at home (groceries for two people)



Eating out:

Meal out once/month



Meal out once/week



Meal out once/day



Personal Care

Basic toiletry supplies (toothpaste, shampoo)



Basic household supplies (laundry detergent, dishwashing soap)



Gym membership



Hair cut



Health insurance (medical, vision, and dental)



Deluxe hair grooming (styles, perms, color)



Spa package (one massage, manicure, or other spa treatment per month)



Clothing

Wear present wardrobe

No Monthly Cost

Buy clothes at discount stores/thrift shops



Buy clothes at department stores



Shop for designer labels



Entertainment / Other

Cell phone:

Basic service



Service with a data plan



Movies:

Subscription to a movie rental service



See one movie in the theater/month
(with purchase of popcorn, candy and drink)



Music:

Download 10 songs per month or purchase one CD per month



Attend one musical event/concert per month



Gifts:

Purchase cards and small gifts on special occasions



Purchase frequent gifts for everybody



Spectator sports – attend two sporting event per month



Shopping – one purchase per month



Purchase supplies for a hobby



Donate to a charitable cause



Pets / Pet Care

No pet

No Monthly Cost

Fish or bird



Dog or cat



Materials

Blank paper

Resealable bag of 20 beans per pair

Writing utensils (pens/pencils)

Article: *Shopping and Spending Tips*

The Bean Game activity

Lesson Summary/Closure

- A spending plan is a personal strategy that can help you live within your means and reach your financial goals. It helps you identify how you spend your money and how much you spend in a given period of time; helps you plan the savings you'll need for unexpected expenses or changes in income; and, helps you make decisions about your money both today and as your situation changes over time.
- Your budget is a general plan. If your expenses change, or if you have an emergency expense, your budget will have to change, too. So try to allow yourself a few dollars every month for pocket change – or for the unexpected.
- In order to create a spending plan, you need to know:
 - b. How much money you have coming in during a given period of time, which is your **income**;
 - c. Your **expenses** comprise the money you have going out in a given period of time, and,
 - d. How you can adjust your spending habits to save for unexpected events and get the most **value** for your money.
 - e. The types of expenses include: **fixed** (occur regularly and don't change from month to month, such as rent and car payments), **flexible** (occur on a regular basis but you have some control over how much you spend, such as food and gasoline), and **discretionary** expenses, which uses money that you choose to spend, for things like going to the movies or having pizza with friends.



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Lesson 7: Understanding and Creating Budgets

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
I can create a spending plan.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I understand the importance of good money management.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Lesson 7: Understanding and Creating Budgets

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
I can create a spending plan.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I understand the importance of good money management.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Shopping and Spending Tips

Here are some shopping tips to help you get the most from the money you spend:

At the store

Resist impulse buying! Ask yourself:

- Do I really need it?
- Do I need it today?
- What if don't buy it now?
- Can I do this at a lower cost?
- Limit the cash you carry.
- Shop with your budget in mind.
- Avoid ATM fees.
- Watch for sales.
- Wait for the right price.
- Look for coupons and rebates.
- Shop for value!

Food shopping

- Save money by eating at home.
- Make a shopping list for the grocery store.
- Watch for sales and coupons.
- Buy products you use frequently in large sizes or bulk quantities.

Credit card tips

- Get a credit card with a low annual fee and low interest rate.
- Don't use a credit card if you can't afford the price.
- Pay your credit card bills on time.
- Avoid cash advances.
- Keep track of your spending.

-
- Keep your receipts.
 - Check receipts against statements.
 - Check statements against your budget.

Cell phone tips

- Shop for a package deal.
- Ask questions.
- Read the contract before you sign.
- Understand the features and prices.
- Watch out for high text messaging charges!
- Keep track of your usage.
- Pay your bill on time and in full.

When making major purchases

- Consider your needs.
- Determine your budget.
- Research before you buy.
- Comparison shop.
- Research product claims.
- Try before you buy.
- Ask family and friends.
- Confirm the full price.
- Watch for sales, coupons and rebates.
- Consider negotiating.
- Find the best overall value—quality, service and price.
- Inspect products before you buy.
- Understand the warranty.
- Know the return policy.
- Save your receipt.
- Speak to the manager if you have a problem.



Take advantage of membership discounts

You may be eligible for discounts if you have a valid student, military, or insurance ID, or other organization memberships. Research the benefits and ask stores what cards they honor for discounts. Some grocery and drug stores offer savings cards for customers.

Ask about employee discounts

Some stores and businesses offer their employees a special discount on merchandise. You might consider getting a seasonal job at a store where you plan to do your holiday shopping, for example.

Comparison shop online

Doing your research on the Web can save you time, effort, and transportation costs.

Skip the rest to save for the best

Consider skipping a few low-cost purchases you could do without in order to save for one item you really value. For example, trade-off your next few purchases of jeans and t-shirts to save for one nice work outfit, or skip your visits to fast food restaurants in order to afford one dinner at a top restaurant. Bypass small luxuries (like fancy coffees and movie rentals) for a few months and use the money to help you afford one great travel experience.

Find a creative way

Think about ways you might be able to obtain something you want at a lower cost or even for free. For example, you might be able to see a play or hear a concert by volunteering to usher. Or you might get some friends together in order to qualify for a volume or group discount. Share a magazine subscription with a friend rather than buying single issues off the rack.

Lesson 8: Credit Basics

Lesson Objectives

- Understand key terms related to credit
- Describe risks and benefits of credit
- Define the 5 C's of credit (how lenders evaluate creditworthiness)

Introduction and Opening Questions

This lesson provides an easy-to-understand introduction to credit, including associated benefits and risks .

- How can having credit benefit you?
- How would you describe good credit? Bad credit?
- What are the risks of using credit cards or taking out a loan?

Procedures

1. Before introducing activities, lead a discussion about credit. The key discussion points are:
 - a. Credit is the ability to borrow money.
 - b. The lender makes money by charging you an extra amount in interest and fees over and above the amount of the loan itself.
 - c. Lenders will only loan you money if they have trust and confidence that you're able to pay them back. Earning their trust is called establishing credit.
 - d. Every time you borrow money and keep your promise to pay it back, you strengthen your ability to borrow again the next time. This is called building a good credit record or a good credit history.
 - e. Using credit can help you reach your goals, but remember: credit has benefits and risks.

Activities

Activity 1: Credit risks vs. benefits

Divide the class into 2 groups – one will list real world examples of credit risks and the other will list examples of credit benefits. Give the class ten minutes to create their lists. When they are finished, write their examples on a whiteboard/chalkboard or large piece of paper (chart paper). Lead a discussion by focusing on the key points below:

Benefits

- Having good credit may make it easier to rent an apartment and/or get service from local utility companies.
- You have the financial flexibility to make major purchases that take more money than you have on hand.
- Good credit is giving me the chance to act on life opportunities such as buying a car or home
- To avoid debt problems, never let your credit card debt exceed 20% of your yearly net income. Also, keep your credit card debt low enough so that your required payments are no more than 10% of my monthly income.

Risks

- Overspending with credit may become a struggle to pay it back and if you pay a few things late, you can lose money on late fees too.
- A low credit rating makes it tougher for me to get loans or credit the next time. Even if you're able to borrow you may have to pay a higher interest rate.

Activity 2: The “Five Cs” of Credit Activity

- How do lenders decide whether or not to loan you money? The 5 C's of course – character, capacity, capital, collateral, and condition. Some lenders develop their own loan decision “scorecards” using aspects of the 5 C's and other factors.
- Evaluate the descriptions on the right hand column of the table. Write in the appropriate C for each description.
- Discuss with your partner and create a skit focused on one of the 5 C's of credit.
- Share skit with another team and discuss what you learned about credit.



Materials

Credit Risks vs. Benefits Activity

The Five C's of Credit Activity

Writing utensils (pens/pencils)

Chart paper

Lesson Summary/Closure

- Having the ability to borrow money when you need it can give you flexibility and help you meet your goals. Credit is the ability to borrow money.
- There are lots of situations where people borrow money: car loans, credit cards, student loans, etc. In each case, you're borrowing money from a lender with a promise to pay it back.
- The lender makes money by charging you an extra amount in interest and fees over and above the amount of the loan itself.
- The cost of borrowing money mostly depends on three things: how much you borrow (**principal**), how long you take to pay back (**term**), and the **interest rate** you are charged.
- Lenders will only loan you money if they have trust and confidence that you're able to pay them back. Earning their trust is called establishing credit.
- Every time you borrow money and keep your promise to pay it back, you strengthen your ability to borrow again the next time. That's called building a good credit record, or a good credit history.
- Trust is a key ingredient. Lenders are only going to loan you money if they trust you to pay them back. If you understand how credit works, use it responsibly, and avoid having too much debt, credit can help you reach your goals.



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Lesson 8: Credit Basics

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
I know the importance of establishing good credit.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will make payments in full and on time.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Lesson 8: Credit Basics

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
I know the importance of establishing good credit.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will make payments in full and on time.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Lesson 9: Investing Basics

Lesson Objectives

- Distinguish between having money and building wealth
- Understand the concept of risk versus reward
- Understand investing basics, including terminology and investment types

Introduction and Opening Questions

This lesson provides an opportunity for participants to research and investigate types of investments as well as risks and potential rewards.

- Is there a difference between saving and investing? Is one better than the other?
- Do you or your family have investments? Are they stocks, bonds, real estate?
- When you think of stock ownership, what comes to mind?
- Are there some short-term or long term items you are saving for or want to save for?

Procedures

1. Saving is a key to financial independence and building wealth. Think of saving as giving a gift, or paying a reward, to you! Savings is an investment in yourself and your future.
2. Wealth is a set of resources—savings, property, investments—you can use to create and potentially take advantage of life's opportunities. Building wealth usually doesn't happen overnight, or in a year, or even three years. It's a series of steps that you take over time. The steps are simple to explain, but a lot harder to do. You have to discipline yourself to make wealth-building a lifelong pattern. If you do, you will likely keep getting better at it as time goes on.
3. Building up huge amounts won't happen overnight. But it can happen if you make it a habit, make it automatic, and stick with it over time. A great place to save is in a bank savings account. It helps your money grow with interest.
 - a. Compounding is a powerful way to make your money grow faster.
 - b. The higher the APY, the more interest you receive.

4. Before introducing activities, lead a discussion about investing. The key discussion points are:
 - a. Savings is an investment in yourself and your future.
 - b. Investing is putting money you've saved into things you think will increase in value over time.
 - c. There are lots of possible investments. Examples include stocks, bonds and real estate.
 - d. Buy investments when the price is low, then try to sell when the price is high. That's how you make a profit.
 - e. One big difference between saving and investing is that investing always involves risk.
 - f. If the value of your investment goes up, you could earn more than you would in a savings account. But if the value goes down, you could lose some or even all of your money.
 - g. Never invest money that you can't afford to lose.

Activities

Activity 1: Rule of 72

- Have you ever wondered how long it might take for your savings to double? There is a simple rule of thumb to figure that out: The *Rule of 72*.
- Let's say you have an investment that's earning 8% per year. Start with the number 72 and divide it by the interest rate, eight. 72 divided by 8 equals 9. This means it would take about nine years for your original investment to double.

$72 \div \text{interest rate} = \text{years it will take to double your investment}$

1. Take the interest rate of your investment.
2. Divide 72 by the interest rate.
3. The number you come up with is how many years it will take your original investment to double.



Here's another example, if you have an investment that's earning 4% per year, the *Rule of 72* is a tool you can use to determine how many years will it take to double your investment?

$72 \div \text{interest rate} = \text{years it will take to double your investment}$

- Take the interest rate of your investment: **4%**
- Divide 72 by the interest rate: **(72/4)**
- The number you come up with is how many years it will take your original investment to double: **18 years**

Let's play the *Rule of 72* game. I will provide ten examples, using the interest rate. You and your group need to write down the number of years that it will take for the investment to double using the *Rule of 72*. Each correct answer earns one point.

Remind participants that the amount of the investment isn't relevant and to use the *Rule of 72* formula:

$72 \div \text{interest rate} = \text{years it will take to double your investment}$

Example	Interest Rate	Number of Years to Double
1	1%	72
2	2%	36
3	12%	8
4	10%	7.2
5	36%	2
6	6%	12
7	9%	8
8	5%	14.4
9	15%	4.8
10	8%	9

Activity 2: Build a Portfolio

- Review the *Saving vs. Investing* Activity
- List differences and similarities between investing and saving
- Compare the differences between investing and saving
- Any time you sell an investment for a profit, your earnings are called capital gains. If you lose money when you sell your investment, you'll have what's called a capital loss.
- With investing, there's always a risk of losing some or even all of your money if the investment doesn't perform well.
- The greater the risk of a loss on an investment, generally, the greater the potential return. The lower the risk of loss, generally, the lower the potential return.
- Return on investment (ROI) reflects changes in value and income that an investment produces for the investor.
- Research stock prices of some of your favorite companies.
 - a. Make a list of companies that you think you could invest in and will do well over the long term.
 - b. Find out what the stock prices were for these same companies a year ago, five years ago or ten years ago.
 - c. What might you have gained or lost if you owned the stock 5 years ago?

Materials

Credit Risks vs. Benefits Activity

Writing utensils (pens/pencils)

Saving vs. Investing Activity

Articles: *About Bonds* and *About Stocks*



Lesson Summary/Closure

- There are lots of possible investments. Examples include stocks, bonds and real estate.
- Investing is putting money you've saved into things you think will increase in value over time
- Buy investments when the price is low, then try to sell when the price is high. That's how you make a profit.
- One big difference between saving and investing is that investing always involves risk.
- If the value of your investment goes up, you could earn more than you would in a savings account. But if the value goes down, you could lose some or even all of your money.
- Never invest money that you can't afford to lose.



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Lesson 9: Investing Basics

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
I can calculate the time that it will take for my investment to double using the <i>Rule of 72</i> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I know that investing involves risk.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Lesson 9: Investing Basics

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
I can calculate the time that it will take for my investment to double using the <i>Rule of 72</i> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I know that investing involves risk.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Article: About Bonds

Corporations, governments and municipalities issue bonds to raise funds. In return they typically pay the bond owners a fixed interest rate. In this way, a bond is like a loan. As part of a diversified portfolio, bonds can help you manage market fluctuations and generate income.

What makes a bond price go up and down?

- Interest rates may be the most significant factor affecting a bond's value. When interest rates fall, the market price of existing bonds rise because their fixed-interest rates may be more attractive in the market than the rates for new issues. Similarly, when interest rates rise, the market price of existing bonds with lower, fixed-interest rates tend to fall.
- Inflation may erode the purchasing power of interest income. Generally, bonds with longer maturities are more sensitive to inflation than bonds with shorter maturities.
- Economic conditions may cause bond values—particularly corporate bonds—to fluctuate. An economic change that adversely affects a company's business may reduce the perceived ability of a company to make interest or principal payments.

How to invest in bonds

Bonds may be traded in the market just like stocks, and you will typically pay a broker a fee if you buy or sell a bond. There is, however, one exception; you may purchase U.S. Treasury securities directly through the Treasury Direct program of the Federal Reserve System, in which case you do not need a broker's services and incur no fee beyond the bond's purchase price.

Two other ways to purchase bonds that offer diversification are bond mutual funds and unit investment trusts (UIT).

Bond mutual funds sold through a brokerage firm may charge a sales fee, or "load." No-load funds may be purchased directly from the fund company. You may also purchase a variety of load or no-load funds through most online brokerage firms. Some funds are sold on discount brokerage sites without a transaction fee, while others are subject to trading fees.

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advice. Any discussion of tax or accounting matters herein (including any attachments) should not and may not be relied on by any recipient or reader. The recipient/reader should consult his/her tax adviser, legal consultant and/or accountant for a statement of tax and accounting rules applicable to his/her particular situation and for all other tax and accounting advice.

We invite you to contact Wells Fargo for further information and assistance. Visit our Web site at wellsfargo.com or any Wells Fargo store.

Article: About Stocks

Buying stock means taking an ownership or equity stake in a corporation. If you are a shareholder, you own an undivided interest in the assets of the corporation and may be paid a proportionate share of the company's earnings in the form of dividends.

Stocks are usually bought and sold in units called shares. A share's value, or share price, rises and falls based on how much people will pay for a share. People will pay money for the stock if they think the company will be successful. If it is, its stock will increase in value.

The amount you pay per share is, at first, set by investment banks during a company's initial public offering (IPO), and is determined by the company's value. For example, if a \$100 million company offers 10 million shares, its shares go for \$10 each. But that's just the starting point. The price of a share can go up and down over time.

Stocks are generally considered to be a riskier investment than bonds or cash. Stock prices tend to fluctuate more sharply—both up and down—than other types of asset classes. However, stocks can help you build long-term growth into your overall financial plan. History has repeatedly demonstrated that stocks, as an asset class, have outperformed every other type of investment over long periods of time.

Be sure to research a company before investing in its stock. You should understand its products or services, its market, as well as whether it has a sound balance sheet, cash-flow management, and competent directors and managers. You should also consider analysts' projected earnings estimates.

What makes a stock price go up and down?

There are many factors, including:

- How the company offering the stock is doing: Good news from a company, such as a new product launch or exceeding quarterly financial projections, tends to make a stock's price go up. Bad news, such as a product recall or lawsuits against the company, generally can cause the price to drop.
- World events: Major political shifts, natural disasters, wars and social unrest can all affect a stock's price. When people are uncertain about what's happening in the world, they're less likely to take on the high risk associated with stocks, so less money is put into the stock market.



- **The U.S. economy:** When the government enacts policies that seem to help the economy, such as tax breaks to spur consumer spending, stock prices are apt to rise. Policies that may hurt the economy, such as the Federal Reserve raising interest rates, can cause stock prices to decline.
- **Market conditions:** When people are optimistic about the economy and investing more money, a bull market can occur. During this time, stock prices rise faster than usual and people experience positive returns on their investments. But when people are pessimistic about the economy, a bear market can ensue, which brings falling stock prices.
- **Supply and demand:** A company offers a limited number of shares—that's the supply. People who want to buy the stock create the demand. When demand is high and supply is low (because shareholders are not selling), the stock's price goes up. When there is low demand and high supply, a stock's price goes down.
- If you want to be a savvy investor, you can't just watch the ups and downs of your individual stocks (collectively known as your portfolio). You should also monitor the market's overall performance.

Stock exchanges

Places where stocks are bought and sold are called stock exchanges. The Dow, S&P 500, and NASDAQ Composite Index are stock indexes that are used to measure the upward or downward trends of stock values. The Dow consists of about 30 very large U.S. companies. The S&P 500 is 500 of the largest publicly traded U.S. corporations. In order to be traded, a stock has to be listed on an exchange. Different stocks list on different exchanges. The stocks of approximately 3,200 companies are traded on the NASDAQ exchange.

There are a number of Web sites where you can check stock prices for free. Keep in mind that information from the stock markets is not posted in real-time. There may be a short time delay, often as much as 20 minutes. These sites usually feature other information that can help you make investment decisions, such as interactive charts and recent company news. Many daily newspapers also list the closing stock prices from the previous day.

Getting started

In order to buy or sell stocks, known as making trades, you must go through a licensed broker. As a first step, you need to set up a brokerage account by contacting a brokerage



firm and filling out an application. Every time you buy or sell a stock, your brokerage firm will typically charge you a service fee.

You can invest independently using an online discount brokerage firm. These firms will give you access to research tools to help you decide what stocks to buy, but will not provide advice or recommendations. This helps to keep the service fees low.

Alternatively, you can invest with the guidance of a professional broker who will monitor your portfolio and give advice on what stocks you should invest in—but this help typically comes with higher fees.

But before you invest in stocks, consider visiting one of the many Web sites offering tools to research, select, and track stocks.

How do you make money in the stock market?

There is no guaranteed method for making money with stocks. Making your investments pay off takes a lot of work. You need to follow the financial news, use the Dow and S&P 500 to watch market trends, and thoroughly research companies you want to invest in.

One way to earn money is to look for companies that pay dividends, which is a payment given to shareholders based on the company's profit. The amount of your individual dividend payment is based on the number of shares you own. So if the dividend pays \$5 a share and you own 250 shares, you'll receive a dividend payment of \$1,250. You can choose to keep the money or reinvest it to buy more shares of the company.

The basic goal is to buy low and sell high. The difference between your purchase price and your sale price is your capital gain—and that's your profit.

While it may be tempting, don't jump into buying a stock just because it looks cheap. Find stocks that are of good value, or even slightly undervalued (as recommended by your research), and buy as many shares as you can. Hold onto those stocks, watching their performance over time, and sell when the price is higher than what you paid for it. Sounds easy—but it takes strategy, diligence and time to master the technique.

Some investors use a strategy called dollar cost averaging, which can be implemented as a "constant dollar plan." With this practice, dollar cost averaging means adding the same amount of money to an investment account on a regular basis. By doing this, you purchase fewer shares when the share price is high, and more when the price is low. This generally results in a lower average cost per share than purchasing a constant *number* of shares at the same periodic intervals. However, dollar cost averaging does not ensure a profit or protect against loss.

Keep in mind that you will pay taxes on all the money you make in the stock market, whether you earn it from dividends or from capital gains.



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Lesson 10: Staying Safe

Lesson Objectives

- Learn valuable tips for protecting against fraud and identity theft
- Understand tips for keeping money safe online and at home

Introduction and Opening Questions

This lesson will help make you aware of fraud and identity (ID) theft and provide tips that can help you protect against both.

- Have you or someone you know been a victim of a scam or ID theft?
- What might be some online scams you should watch for?
- What steps can you take to protect yourself from identity theft?

Key Discussion Points

Tell students that it is up to them to take care of their money and watch out for fraud. As you prepare to show participants the FTC video (<https://www.consumer.gov/articles/1015-avoiding-identity-theft>), discuss the following key points:

1. There are just too many ways that dishonest people or businesses, such as hackers, scammers, identity thieves, may try to take your hard-earned money.
2. It is important to protect yourself whether you're on the phone, the internet, at a store, or elsewhere.
3. Identity theft is a criminal activity involving stealing personal information from others and forging their signatures in order to apply for credit in their names.

Materials

Blank paper

Pens/Pencils

Quiz: *Security at Home and Online*

An Urgent Email Activity

Activities

Activity 1: An Urgent Email

An Urgent Email (Instructor's Copy)

Share the story about Jeena below:

Jeena receives an email that states her immediate attention is required due to a serious problem with one of her banking accounts. The message says if she doesn't act quickly, her account may be closed and her credit record damaged. The email asks her to contact the company immediately about her account by clicking on a link to their website. What should Jeena do? In small groups, decide the best action, write a few sentences about why the option was right or wrong for Jeena's situation.

1. Click on the web link and respond to the questions.

If Jeena clicked the link and entered her information, she may be a victim of a “phishing” scam, which means she gave her financial information to fraudsters. You're likely to become a victim of fraud if you provide information to someone who requests it without double checking that the company is legitimate. If you're not sure whether you're actually communicating with a company that you know and trust, don't respond. Contact the company yourself before you respond to an email that says “Immediate attention required” or “Please contact us immediately.”

2. Don't click the link. Call the credit card company directly at the number printed on your card.

Jeena played it safe because she knew one of the ways criminals commit fraud is by directing people to phony websites that look real. So unless she initiates the communication, she won't respond. Instead, she calls the company herself to make sure it's the real phone number for a real company. Not responding to the email is smart. If you provide that info, you're likely to become a victim of fraud. In this case, contact the legitimate company directly –using contact info you know is genuine.

3. Click on the link. Make sure the site looks legitimate. If so, provide the information requested.

By clicking on the link, Jeena made a mistake. The site looked legitimate, but after she entered her information, she had a bad feeling about it. She called her credit card company and found out the website was phony and that email was an example of “phishing.” Now it looks like her identity and some money may have been stolen. It's going to take her tons of time to resolve this mess! If you provide information to someone who requests it without double checking that the company is legitimate, you're likely to find you're the victim of fraud. If you're not sure whether you're actually communicating with a company that you know and trust, don't respond. Jeena's money and identity could now be in the hands of fraudsters.

Scenario Activity—An Urgent Email

Read Jeena’s story. Based on her situation, write a few sentences about why the option was right or wrong for Jeena’s situation.

Jeena’s Story

Jeena receives an email that states her immediate attention is required due to a serious problem with one of her banking accounts. The message says if she doesn’t act quickly, her account may be closed and her credit record damaged. The email asks her to contact the company immediately about her account by clicking on a link to their website. What should Jeena do?

- 1. Click on the web link and respond to the questions.**
Should she choose this option? Why or why not?

- 2. Don’t click the link. Call the credit card company directly at the number printed on your card.**
Should she choose this option? Why or why not?

- 3. Click on the link. Make sure the site looks legitimate. If so, provide the information requested.**
Should she choose this option? Why or why not?



Activity 2: Security at Home and Online

- Divide the participants into two groups. Explain that they are participants in a Quiz Show today.
- A recommended tip to protect against fraud and identity theft will be read.
- The first group spokesperson to respond with the correct answer will earn one (1) point for their team.
- The team with the most points at the end of the game wins!
- If time permits, have the participants complete the bonus round challenge.

Tips	Recommended
After a web transaction, close your web browser ASAP.	YES
Don't send personal financial info via email.	YES
Keep credit card offers you receive for one year.	NO
Never click on email hyperlinks from sources you don't know.	YES
Regularly update your firewall, virus protection, and spyware.	YES
Leave financial info, debit cards, and checks on your desk.	NO
Shred old and unnecessary financial documents.	YES
Turn off your computer when not using it, vs. "sleep" mode.	YES
Use a different credit card for every online purchase.	NO
Use only one low-limit credit card for all online purchases.	YES

Bonus Round: The teams will have 3 minutes to generate a list of answers on a piece of paper. Each answer is worth one (1) point: **What can you do to maximize web transaction safety?**

- Use a recent version of your web browser
- Use web addresses starting with "https"
- Use web pages with a padlock symbol in the lower right corner
- Verify legitimacy of websites before placing an online order



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Lesson Summary/Closure

- It's up to you to take care of your own money and watch out for fraud.
- When you are online, pay attention to spam and pop-up ads that ask you to share any personal financial information, including your social security number.



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Lesson 10: Staying Safe

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
The key to avoiding fraud is to stay alert, aware, and cautious.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am confident that I can keep my money safe online and at home.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Lesson 10: Staying Safe

End of Lesson Assessment

Based on the information I learned:

	Definitely	Maybe	Probably Not	Definitely Not
The key to avoiding fraud is to stay alert, aware, and cautious.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am confident that I can keep my money safe online and at home.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



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High School

Appendix



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Dear Parents and Caregivers:

In collaboration with Wells Fargo, we are offering a financial educational program that is designed to help your child develop money management knowledge and skills. Using the Hands on Banking® curriculum, your child will learn life skills that can help improve their quality of life¹. The critical thinking and analysis skills gained from financial education can help youth better understand the increasingly complex financial marketplace¹. An important part of Wells Fargo's commitment is helping families, parents, and children succeed financially. To learn more about Hands on Banking, a free non-commercial public service provided by Wells Fargo, please visit www.handsonbanking.org or www.elfuturoentusmanos.org, available in Spanish.

Financial Parenting: What You Can Do

Parental influence is important; in fact, *it's more about what parents do than what parents have*². There's no right or wrong age to start talking to your children about money. As soon as they become interested in it, start teaching them to handle it wisely. Here's what you can do²:

- **Model:** Your child is watching - help them understand what you are doing and why. For example, discuss your comparison shopping strategies when making large purchases.
- **Discuss:** Talk about financial decisions with your child and help them understand your rationale. Consider talking about your vacation plans or how you can afford after school or summer programs.
- **Set expectations:** Personal finance is personal and value-based. As such, each family manages finances differently. Set clear expectations with your child. For example, some families decide to establish a pattern of savings when their child is given or earns money. This expectation and the benefits of saving can be reinforced by taking your child to the bank and opening an account. This is a good way to introduce him/her to the concept of saving. Many banks have programs and activities to encourage good financial habits. If your child is working towards a long term financial goal, you could offer to match whatever your child saves.
- **Teach:** At developmentally appropriate ages and times, introduce financial strategies. For example, you can reinforce the idea of needs and wants by discussing items that you see in your normal daily activities and asking your child whether the item is a need or a want and why. Consider visiting your local library to explore books on various financial topics – the librarian can help you with this.



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Research has consistently demonstrated that parents directly and explicitly teach financial behaviors through formal and informal instruction which supports financial topics and extends financial understanding².

There are several important lessons you can teach your children to give them a solid foundation for a lifetime of sound financial decisions. Provide opportunities to practice making financial choices and recognize that financial decision-making is a daily event.

The topics that your child will be introduced to include:

Lesson	Topic
1	How Money Works
2	Your Money Toolkit
3	Starting Your Search and Getting the Job
4	Consider Entrepreneurship
5	Be a Savvy Shopper
6	Saving to Buy a Car
7	Understanding and Creating Budgets
8	Credit Basics
9	Investing Basics
10	Staying Safe

We are dedicated to helping prepare youth to make smart financial decisions now and in the future by giving meaning to the financial realities they will face. Additional resources for these lessons and other important financial topics can be found at www.handsonbanking.org. Have fun feeding your child's financial curiosity!

¹ Campos, C. R. and Hess, A. (2016). Financial Education and Mathematics Education: A critical approach. 13th International Congress on Mathematical Education

² Take Charge America Institute, 2014



Glossary

Account	A banking service allowing a customer's money to be handled and tracked. Common bank accounts are savings and checking accounts.
Annual fee	The fee a credit card company charges a credit card holder to use the card for a year. Or, the fee a lender charges a borrower for the use of a line of credit for a year.
Annual percentage rate (APR)	A measurement used to compare different loans, the APR takes into account a loan's interest rate, term, and fees to illustrate the total cost of credit expressed as a yearly rate. The lower the APR, the lower the total cost of the loan.
Annual percentage yield (APY)	The rate of return on an investment, such as a deposit in an interest-bearing savings account, for a one year period.
Appreciation	The amount of value an item such as a car, home or stock, gains over time from the original purchase price.
Asset	Anything of value owned by a person or company. For example, a person's assets might include cash, a house, a car, and stocks. A business's assets might include cash, equipment, and inventory.
Automated Teller Machine (ATM)	A specialized computer used by bank customers to manage their money, for example, to get cash, make deposits, or transfer money between accounts.
Available balance	The amount of money in your account that you can use or withdraw. Your available balance may not reflect all transactions that you have made; for example, checks you have written that have not yet been paid from your account.
Bad credit	A situation in which lenders believe that, due to a borrower's poor history of repaying his or her debts, further loans to this person would be especially risky.
Bad or bounced check	See Non-sufficient funds (NSF).
Bank	A financial institution that handles money, including keeping it for saving or commercial purposes, and exchanging, investing, and supplying it for loans.



Benefits	In addition to wages, some employers reward their employees in extra ways for example: medical insurance, vacation pay, holiday pay, profit sharing plans, stock options and bonuses.
Bond	An investment offered to the public by a corporation, the U.S. Government, or a city. A bond pays interest annually and is payable in full at a specified date. Bonds are rated, and the rating indicates their probability of default.
Capacity	A borrower's ability to make monthly loan payments. When reviewing loan applications, lenders look at a borrower's income and debts to determine his or her capacity to repay.
Capital	The assets a borrower owns, for example a car, or cash in a savings account minus your liabilities. If a borrower is unable to make his or her loan payments, a lender might use these assets to pay the debt. Capital is also known as collateral or assets.
Capital gain	The dollar amount by which an asset's selling price exceeds its initial purchase price. For example, if you buy a stock for \$4 per share and sell it for \$7 per share, your capital gain is \$3 per share.
Capital loss	The decrease in value of an investment or asset. The opposite of capital gain.
Cardmember (Cardholder) agreement	The Terms and Conditions of your credit card account. It includes information such as the rate, fees, and other cost information associated with the account.
Cash flow	A measure of the changes in a company's cash during a specific period of time (usually a month, quarter, or year). Specifically, a company's cash income minus the cash payments it makes.
Certificates of Deposit (CDs)	A bank account in which you agree to keep the money for a specified period of time, usually anywhere from three months to several years. As a result, this account usually offers higher rates of return than a savings account. Money removed before the agreed upon date is subject to an early withdrawal penalty. The account pays interest on the deposit and is FDIC-insured. Banks issue an actual certificate for a CD account. If no certificate is issued, the account is known instead as a "time deposit."



Character	The financial steadiness and stability of a borrower. For example, when reviewing your loan application, a lender may look at how long you've lived at your current address or worked at your current job.
Check	A written order instructing the bank to pay a specific amount of money to a specific person or entity. The check must contain a date, payee (person, company, or organization to be paid), amount, and an authorized signature.
Checking account	A bank account that allows a customer to deposit and withdraw money and write checks. Using a checking account can be safer and more convenient than handling cash.
Collateral	Any assets of a borrower (for example, a home) that a lender has a right to take ownership of if the borrower doesn't repay the loan as agreed.
Collection agency	A business that specializes in collecting past due debts.
Commission	The amount a real estate agent earns for negotiating a home sale. The commission amount is often a percentage of the home sale price.
Compound interest	When a financial institution pays you interest not only on your initial principal (the amount you originally deposited) but also on the interest your deposit has earned over time.
Credit	When a bank or business allows its customers to purchase goods or services on the promise of future payment. Also used to describe any item that increases the balance in a bank account. Deposits and interest payments are both examples of credits.
Credit bureau	A company that gathers information on consumers who use credit. These companies send this information to lenders and other businesses in the form of a credit report. The three largest bureaus are Equifax, Experian, and TransUnion.
Credit check	A lender, landlord, employer, or insurer's inquiry at a credit bureau for the purpose of evaluating the credit history of an applicant.
Credit history	A written record of a person's use of credit, including applying for credit, and using credit or loans to make purchases. Also called a credit record.



Credit limit	The maximum dollar amount the lender is willing to make available to the borrower according to the agreement between them. For example, if you have a credit card, the credit agreement will usually specify the maximum amount of money you're allowed to charge.
Credit rating	An evaluation of an individual's or business's financial history and the ability to pay debts. Lenders use this information to decide whether to approve a loan. The credit rating is usually in the form of a number or letter.
Credit report	A report issued by an independent credit agency that contains information concerning a loan applicant's credit history and current credit standing.
Credit score (FICO)	A numerical rating that indicates an individual's creditworthiness based on a number of criteria. Credit scores are used by lenders in the loan approval decision process. (FICO).
Credit union	A non-profit financial institution that is owned and operated entirely by its members. Credit unions provide financial services for their members, including savings and lending. Large organizations may organize credit unions for their members, and some companies establish credit unions for their employees. To join a credit union, a person must ordinarily belong to a participating organization, such as a college alumni association or labor union. When a person deposits money in a credit union, he or she becomes a member of the union because the deposit is considered partial ownership in the credit union.
Debit card	A card linked to a checking account that can be used to withdraw money and make deposits at an ATM and to make purchases at merchants. When you use a debit card, the money will be deducted from the linked checking account.
Debt	Money, goods, or services you owe to others.
Default	Failure to repay a credit agreement according to its terms.
Depreciation	A loss of value in real property brought about by age, physical deterioration, functional or economic obsolescence.



Discretionary expenses	The purchase of goods or services which are not essential to the buyer, or are more expensive than necessary. Examples include entertainment and restaurant meals.
Dividend	If a company does well financially, its board of directors may decide to pay a small amount of its profits, called a dividend, directly back to its shareholders. Dividends are usually cash, but may also take the form of stock or other property.
Earning power	The amount of money a person is able to make from his or her work.
Endorse	To sign the back of a check, authorizing the check to be exchanged for cash or credit.
Equity	The value of your investment about the total of your lien (debt).
Establishing credit	Giving lenders the trust and confidence to make loans to you based on a good history of paying your debts.
Federal Deposit Insurance Corporation (FDIC)	An independent agency of the United States government that protects customers from the loss of their deposits if an FDIC insured financial institution fails. The basic insurance amount is specified per depositor per insured financial institution. Certain retirement accounts, such as Individual Retirement Accounts, are insured up to specified amount per depositor per insured financial institution. Customers can increase the amount of money insured at any one financial institution by owning deposit accounts in different ownership categories (e.g., Individual Accounts, Retirement Accounts, Joint Accounts, Revocable Trust Accounts). Please visit www.fdic.gov for the most current deposit insurance amounts.
Fees	Charges for services by a financial institution or lender.
Finance charge	The amount of money a borrower pays to a lender for the privilege of borrowing money, including interest and other service charges.
Financial institution	Companies such as banks, credit unions, and savings institutions that provide a wide range of money management products and services to consumers. Financial institutions collect funds from the public and place them in financial assets, such as deposits, loans, and bonds.



Fixed expenses	For an individual, a fixed cost is an expense that stays the same each month, such as rent or a car payment. For a business, a fixed cost is an expense that does not vary depending on production or sales levels, such as an equipment lease or property tax.
Flexible expenses	An expense that you can control or adjust, for example, how much you spend on groceries, clothes, or long distance phone calls.
Foreclose, repossess	The legal process by which an owner's right to a property is terminated, usually because of failure to make loan payments as agreed. Foreclosure typically involves a forced sale of the property at public auction, with the money applied to the remaining debt.
Garnishment	A court order requiring a portion of the debtor's wages to be paid to the lender.
Good credit	A situation in which lenders are willing to make loans to an individual, due to his or her good history of repaying debts.
Gross income	For an individual, the full amount of money earned during a specific time period. For a business, the pre-tax net sales minus the cost of goods sold.
Guarantee	A lender may require an additional signature on a loan to insure that this person will pay the loan if you do not.
Income	For an individual, income means the amount of money received during a period of time, including money received in exchange for labor or services, from the sale of goods or property, or as profit from financial investments. For a business, income is revenues (all the money brought in) minus cost of sales, operating expenses, and taxes, over a given period of time.
Inflation	An increase in the general price level of goods and services; a decrease in the purchasing power of the dollar.
Installment credit	A loan that is repaid to the lender in equal amounts, over a fixed period of time.
Installment loan	A loan that is repaid to the lender in equal amounts, over a fixed period of time.



Interest	The amount of money paid by a borrower to a lender in exchange for the use of the lender's money for certain period of time. For example, you earn interest from a bank if you have a savings account and you pay interest to a lender if you have a loan.
Interest rate	The amount of interest paid per year divided by the principal amount (that is, the amount loaned, deposited, or invested). For example, if you paid \$500 in interest per year for a loan of \$10,000, the interest rate is 500 divided by 10,000, or five percent (5%).
Investing	Purchasing something of value (for example, stocks or real estate) with the goal of earning money over time if the value increases.
Late fees	The charge or fee that is added to a loan or credit card payment when the payment is made after the due date.
Lender, creditor	A business that makes money available for others to borrow.
Liability	The amount of money an individual or business owes to someone else: a debt.
Loan	An agreement between a borrower and a lender, where the borrower agrees to repay money with interest over a period of time.
Minimum wage	An hourly amount voted into law by the U.S. Congress. All employers in the U.S. have to pay their employees at least the minimum wage unless their state law says differently. Some states actually allow some employers to pay a lower minimum wage. Usually these are very small businesses that only do business locally.
Mobile banking	Allows an individual to access their financial accounts through a web browser on their mobile device such as cellular phone.
Money order	A document issued by a post office, bank, or convenience store ordering payment of a specific sum of money to an individual or business. There is generally a small charge for purchasing a money order.
Mutual fund	A type of investment where an investment company sells shares to the public and then invests the money in a group of investments such as stocks and bonds.



Net income (Take home pay)	For a business, the amount of money earned after all expenses and taxes. For an individual, total take-home pay after all deductions (taxes, social security, etc.). Also called after tax income or net salary.
Net worth	The value of a company or individual's assets. Including cash, less total liabilities.
Non-sufficient funds (NSF)	The lack of enough money in an account to pay a particular check or payment. Also known as insufficient funds. A check with insufficient funds may be returned unpaid to the person cashing it. This has a negative impact on the check writer's history of handling his or her account, and may prevent opening of future accounts. See also Overdraft.
Overdraft	When there is not enough money in an account to cover a transaction and the bank pays it on your behalf, creating a negative balance in the account that you need to repay.
Overdraft Protection	Offered by many banks, overdraft protection is a service that automatically transfers money from a linked account that you select, such as a savings or credit account, when you don't have enough money in your checking account to pay your transactions.
Pay period	A length of time (for example, one week or one month) used to calculate the amount workers are paid on their paychecks.
Pay stub	The additional form that's attached to the check is called the pay stub. It shows the details of what you have earned and what amounts have been deducted during the pay period.
Paycheck	Document issued by an employer to pay an employee for services rendered (could be in electronic or paper form).
Payee	The person, company, or organization to whom a check is written: a person or company who is to receive money.
Personal identification number (PIN)	A secret combination of letters or numbers you use to gain access to your account through an electronic device such as an ATM.



Phishing	Is usually a two-part scam involving email and spoof websites. Fraudsters, also known as phishers, send email to a wide audience that appears to come from a reputable company requesting personal information accounts numbers. This is known as a phish email.
Point-of-sale	When you use a debit card to make a purchase from a merchant at a store, by telephone, or through the internet.
Principal	The total amount of money borrowed, loaned, invested, etc., not including interest or service charges.
Profit	The positive gain from an investment or a business operation after subtracting all expenses.
Rate of return	The annual rate of return is the percentage change in the value of an investment. For example: If you assume you earn a 10% annual rate of return, then you are assuming that the value of your investment.
Reconcile	The process used to determine if the balance in your account register matches the balance reported by the bank on your account statement. Also called balancing your account.
Required payment	The least amount of money to be repaid on a loan or credit card in order to keep the account in good standing.
Returned item	This is also known as “non-sufficient funds” or a “bounced check.” If you spend more money than you have in your checking account, the bank may return the transaction unpaid and charge a fee.
Revolving credit	A type of credit allowing an individual to borrow up to a certain amount of money, repay the money borrowed with interest when it is due, and then borrow the money again. The most popular kind of revolving credit account is the credit card.
Rule of 72	A way to estimate the time or interest rate you would need to double your money on an investment. For example, if you have an investment that’s earning 8% per year, 72 divided by 8 equals 9. This means it would take about nine years for your original investment to double.
Salary	The same set dollar amount every month in exchange for your work.



Savings & loan	A financial institution that accepts deposits from individuals, makes home mortgage loans, and pays dividends.
Savings account	A bank account that allows a customer to deposit and withdraw money and earn interest on the balance.
Secured credit card	A credit card secured by a savings account. The money in the savings account is collateral and may be claimed by the company issuing the card if the account holder fails to make the necessary payments. Using a secured credit card, and paying according to the terms of the agreement, can be a good first step for individuals or businesses that want to establish or rebuild their credit.
Simple interest	Interest that is calculated only on the principal sum, that is, the amount of money that was originally deposited. (By contrast, compound interest is when a financial institution pays you interest not only on your initial principal but also on the interest your deposit has earned over time.)
Spending limit	The maximum dollar amount the lender is willing to make available to the borrower according to the agreement between them. For example, if you have a credit card, the credit agreement will usually specify the maximum amount of money you're allowed to charge.
Spending plan	Also known as a budget, a method of tracking your monthly income and expenses.
Statement	A monthly accounting document sent to you by your bank that lists your account balance at the beginning and end of the month, and all of the checks you wrote that your bank has processed during the month. Your statement also lists other deposits, deductions, and fees, such as service charges.
Stock	Certificate of ownership in a company.
Term	A period of time over which a loan is scheduled to be repaid. For example, a home mortgage may have a 30-year term, meaning it must be repaid within 30 years.
Transaction register	A register that allows you to keep accurate records of your deposits and withdrawals. Use your check and/or savings register to record every deposit and withdrawal you make.



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Unpaid balance

The amount that is still owed on a loan or credit card debt.

Wage

The money or compensation you earn in exchange for your work is called a “wage” Some common ways employers pay wages are hourly, salary and commission or some combination of these ways.