



JA Personal Finance[®]



Guide for Volunteers and Teachers

High School





Junior Achievement®

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Colorado Springs, Colorado

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Current web links used throughout this guide are available in the online program, and are also available in JA Program Resources accessible via the JA Learning Platform at learn.ja.org. If you do not already have access to the site, please contact your local JA Area office.

First Edition 2010

JA PERSONAL FINANCE®

Your Guide to a Great Volunteer Experience

Welcome!

Thank you for devoting your time and enthusiasm to *JA Personal Finance* and introducing students in your region to financial literacy and entrepreneurship.

As a *JA Personal Finance* volunteer, you join the ranks of Junior Achievement USA, a nonprofit organization that has contributed to the business and economic education of more than 100 million young people around the world since its founding in 1919.

Acknowledgments

Sponsorship

Junior Achievement USA gratefully acknowledges American Honda Finance Corporation for its dedication to the development and implementation of the High School financial literacy program *JA Personal Finance*. During the *JA Personal Finance* experience, participants will demonstrate the interrelationship between today's financial decisions and future financial freedom and quality of life.

Junior Achievement USA extends its gratitude to the following JA Area Offices for their work in piloting *JA Personal Finance*.

JA of Chicago

JA of South Dakota

JA of Greater South Carolina

JA of Southern California

JA of Greater St. Louis

JA of Tampa Bay

JA of Greater Washington

JA of Western New York

JA of New York

JA of Western Pennsylvania

JA of Northern Indiana

JA of Wisconsin

JA Rocky Mountain

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BEFORE YOU BEGIN

What You and Your Students Are About to Accomplish

JUNIOR ACHIEVEMENT GOALS

You will work toward achieving JA's three Pillars of Student Success:

- Work readiness
- Financial literacy
- Entrepreneurship

JA PERSONAL FINANCE GOALS

You will be introducing High School students to:

- Earning money
- Budgeting money
- Saving money for larger purchases and emergencies
- Managing credit and debt wisely
- Protecting finances
- Shopping smartly
- Managing potential risk to finances
- Investing to grow money

In addition, *JA Personal Finance* supports Common Core Standards learning objectives in English Language Arts.

GOAL OF THE SESSIONS

At the conclusion of your *JA Personal Finance* sessions, students will be able to:

Demonstrate that their personal finances affect their quality of life and will be the basis of how they get what they need and want.

The Volunteer Conduct Standards

WHY THE STANDARDS ARE IMPORTANT

Junior Achievement (JA) serves youth.

JA volunteers teach valuable lessons in their program delivery and especially in their conduct with students.

Adult misconduct with or in the presence of young people carries serious consequences. Because Junior Achievement cares that its volunteers have healthy, appropriate relationships with the students it serves, it has established its Volunteer Conduct Standards.

Junior Achievement conveys these standards IN WRITING to all volunteers prior to their first visit to the classroom. JA staff also review these standards verbally with volunteers teaching for the first time.

THE STANDARDS

Please be sure to read the standards now.

- Young people look to adults for examples of appropriate behavior. JA volunteers must use appropriate language and model honorable behavior, such as respect, integrity, honesty, and excellence. Profanity or sexualized language or jokes are inappropriate when working with students, regardless of whether it occurs face-to-face, over the Internet, or by any other means. JA strictly forbids violating any state law regarding interactions with youth; for example, providing them alcohol or legal or illegal drugs, or coaxing them into illicit relationships over the Internet or otherwise.
- Volunteers must take particular care when touching a young person. Most adults understand the difference between appropriate physical contact such as a handshake or pat on the back, and contact that is sexual or disrespectful. Volunteers also must be cognizant of how any physical contact may be perceived.
- Interactions with students must both be appropriate and appear appropriate. It is expected that volunteers' interactions with students are at all times appropriate and professional, and are strictly related to the role of business mentor. It is unacceptable to seek or engage in one-to-one meetings with students at any time.
- Volunteers are responsible for the quality of interactions. Students often find it difficult to state discomfort or objections. Volunteers must be especially sensitive to physical and verbal cues that students provide.
- The aforementioned standards do not represent a comprehensive list. Other actions not included could result in suspension or dismissal as a volunteer. Junior Achievement takes all complaints of misconduct seriously. Credible allegations of misconduct will be promptly reported to the appropriate authorities. During any such investigation, the JA volunteer will not perform services as a JA volunteer. If an investigation determines misconduct occurred, the result will be immediate and permanent dismissal as a JA volunteer. Any JA staff member or volunteer who reasonably suspects misconduct must report these suspicions immediately to the appropriate JA staff person with their JA Area.

Please be sure to sign the form.

Junior Achievement volunteers are required to sign a Volunteer Conduct Standards Form. *If you have not done so*, please contact your local JA Area office before your *JA Personal Finance* presentation.

More Information for You and the Teacher

JUNIOR ACHIEVEMENT PROGRAMS

What is the objective of JA USA programs?

As the nation's largest organization dedicated to educating students in grades K–12 about entrepreneurship, work readiness, and financial literacy, JA USA develops and delivers experiential, hands-on programs that help young people understand the economics of life.

Who develops JA programs?

All Junior Achievement programs are developed by the Education Group, and are piloted in classrooms and in after-school settings around the nation.

Members of the Junior Achievement USA Education Group who contribute to the development of *JA Personal Finance* have earned postgraduate degrees in education and business, have experience in the classroom, and are experts in curriculum development and design.

How are the programs delivered?

Programs are delivered in partnership with businesses and educators.

What is the academic content of programs?

JA high school programs focus on financial literacy, career entrepreneurship, and work readiness skills.

The programs show students the connection between education and the workplace.

For more information go to <http://www.ja.org>

THANK YOU

You are about to give students the gift of facts and ideas that can open the door to the world of business. Add in students' own imaginations and talents, and there's no limit to what they might accomplish. You have Junior Achievement's sincere gratitude and congratulations for the important work you are about to do.

GET READY

Check Out These Teaching Tips and Tools

ONLINE TRAINING

You can do it. See on JA’s website examples of volunteers just like you in action, and get guidance on everything from meeting with the teacher and presenting sessions to working with students and managing the class. Go to www.ja.org, scroll to the bottom of the page, and select “Go to the JA Central page.” Once there, select **JA Volunteer Training**. For even more support, select **Training Videos**.

TRAINING SESSIONS

If you are a first-time volunteer, you will need to attend an in-person volunteer training session. Contact your local JA Area for information about sessions and any program updates.

ARRANGE TO MEET WITH THE TEACHER BEFORE YOUR PRESENTATION BEGINS

Try to get together briefly with the teacher a few days before your session or 15 minutes immediately before your presentation.

- Briefly go over the day’s sessions and activities.
- Determine whether your classroom has computers available for student use so that you’ll know whether you can take advantage of **Direct Access** opportunities.
- Coordinate with the teacher on how best to present the video and onscreen content.
- Consider asking the teacher to help you keep track of the time during sessions and assist with classroom management.

Organize Your Materials

PROGRAM MATERIALS

If you received a kit from your local area office, you have all of the ready-to-use materials you require. Don’t have a kit? No need to worry. All of the ready-to-use materials you need to conduct each session’s activities and exercises are available on the JA Learning Platform. Your local JA Area office will have provided you with instructions for accessing this content.

A Master List of Materials in your program appears on pages 6–9.

JA Personal Finance is a blended learning program. You will deliver the content in the classroom with a combination of screens, interactives, and hands-on learning materials. You will find the instructions you need to be successful in the Volunteer Guide.

WORK WITH THE MATERIALS

Become familiar with session materials.

- Print or review each session's Volunteer Guide. Review each session's vocabulary and definitions in advance, and familiarize yourself with the instructions for each activity. Notice that each screen you will present is delineated by a thumbnail image in the Volunteer Guide. When you see the image change, it means you need to change screens. The text alongside each image contains the talking points, discussion starters, and student engagement tips that you'll need.
- Review the screens and interactive activities for each session. You will be presenting a blended program that contains a combination of screens, technology-assisted interactive activities, and hands-on experiential learning.
- Review the preparation section in each session's Volunteer Guide. Cue up videos (listed in each session's preparation) prior to each session. You may wish to preview these videos to ensure they are running properly and smoothly.
- Review the Preparation section for any **Direct Access** mode activity opportunities and note whether students in your class will have access to computers (either individually or in groups) or whether you will be projecting only.
- Print each session's **Student Guide** and any associated session handouts prior to the session, if you didn't receive a printed kit of materials. Pay attention to the number of copies required. You will see the session materials listed at the beginning of each session's guide. Note: copies of handouts may vary if you are using **Direct Access** activities.
- Prepare the Certificates of Achievement by downloading them from the final session of *JA Personal Finance* on the JA Learning Platform, if you wish. Ask the teacher for assistance. Sign the certificates.

TECHNOLOGY OPTIONS

All activities in *JA Personal Finance* have been designed to work in a classroom with limited technology, for example, a single computer from which to access the screens and a projection device to share them with the students and lead discussion and activities.

There are some activities, within the *JA Personal Finance* program that might create a more engaging or authentic experience if students were to have **Direct Access** (1:1 or small group) to the computer. Such activities are identified by the icon  and labeled **Direct Access** in the Volunteer Guide activity section. The instructions for **Direct Access** will follow the icon. If your students have the necessary technology to complete these activities, you should guide them

through the **Direct Access** option rather than the standard projection instructions. Students will be able to access these activities in the Student Resources section of each session of the *JA Personal Finance* program within the JA Learning Platform. For more information on getting your students logged in, contact your JA Area office.

The following are **Direct Access** opportunities:

Earning, Employment, and Income: Strengthen: Priorities and Values

Budgeting: Strengthen Party Budget Challenge: Sprint: Budget Sort

Savings: n/a

Credit and Debt: n/a

Consumer Protection: Strengthen: Finance Detective

Smart Shopping: Strengthen: Shop 'til You Drop

Risk Management: n/a

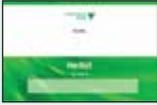
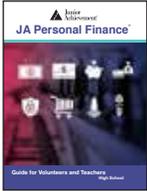
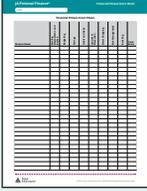
Investing: n/a

If you encounter difficulties with technology or Internet access during your *JA Personal Finance* program, consult the Appendix on page 98 for support.

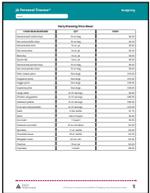
ORGANIZE SESSION MATERIALS

Consider placing each session’s materials into its own large envelope or bag labeled on the outside with the appropriate session number if you received a printed kit. If you are working from the JA Learning Platform, print your materials in advance and organize them similarly.

Master List of Materials

Qty	Image	Item	1	2	3	4	5	6	7	8
32 (optional)		Table Tents	•	•	•	•	•	•	•	•
1		Guide for Volunteers and Teachers	•	•	•	•	•	•	•	•
1 (optional)		Financial Fitness Score Sheet	•	•	•	•	•	•	•	•

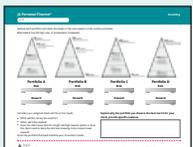
Master List of Materials

Qty	Image	Item	1	2	3	4	5	6	7	8
32		Earning, Employment, and Income Student Guide	•							
32		Priorities and Values Self-Evaluation	•							
32		Budgeting Student Guide		•						
8 (not required for Direct Access)		Party Budget Spreadsheet		•						
8 (not required for Direct Access)		Party Planning Price Sheet		•						
32		Savings Student Guide			•					
1		Savings and Emergency Cards Grab Bag			•					

Master List of Materials

Qty	Image	Item	1	2	3	4	5	6	7	8
32		Credit and Debt Student Guide				•				
32		Credit Fact Collection				•				
2		Profiles in Credit				•				
32		Consumer Protection Student Guide					•			
16 (Projection Mode only)		Clue Sheet					•			
32		Smart Shopping Student Guide						•		
32 (not required for Direct Access)		Shop 'til You Drop Spreadsheet						•		
32		Risk Management Student Guide							•	

Master List of Materials

Qty	Image	Item	1	2	3	4	5	6	7	8
1		Risk Management Scenario Cards								•
32		Blank paper								•
32		Investing Student Guide								•
1		Investor Profiles								•
8		Investment Portfolios								•
32		Certificate of Achievement								•

GET SET

Learn About the Sessions

PACE SESSIONS

Remember, each session lasts approximately 45 minutes. Each session begins with an introduction. Introduce yourself and tell the students what they will be learning.

The Warm-up activity will help you to initiate discussion and connect students to the topic they will be learning.

Hands-on activities engage students in experiential learning.

Activity Cool Downs enable you to bring the session to closure and reinforce essential learning.

Additional Opportunities are provided in the event there is extra time for the volunteer or teacher to delve further into session topics.

Pack Your Gear

Today's the day. Remember:

- Pack the Volunteer Guide and the program materials in your kit (if provided by the local JA Area office). You're all set. Have a great *JA Personal Finance* program!

EARNING, EMPLOYMENT, AND INCOME

Overview

In this 45-minute session, students learn that healthy personal finances take planning and managing. Students begin to analyze the financial implications of educational and career choices as a basis for understanding the relationship between earnings and personal finance.

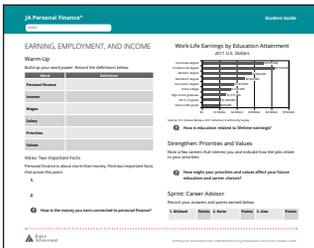
Objectives

Students will be able to:

- Define a relationship among educational choices, career prospects, and job satisfaction.
- Cite evidence to support the relationship between educational choices and earning potential.
- Recognize that education and training affect lifetime income.

Materials

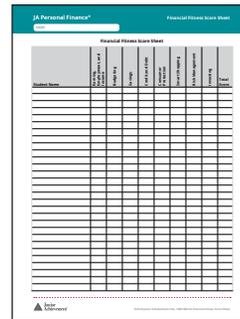
Earning, Employment, and Income Student Guide (one per student)



Priorities and Values Self-Evaluation (one per student)



Financial Fitness Score Sheet (one per class, optional)



Pencils

Table Tents (one per student, optional)

Preparation

- Copy the **Earning, Employment, and Income Student Guide** (one per student).
- Copy the **Priorities and Values Self-Evaluation** (one per student).
- Enter students' names into the **Financial Fitness Score Sheet** and print it out (one per class, optional); or download the **Financial Fitness (Excel) Score Sheet**, enter students' names into it, and save it to your computer.
- Log in to CrossKnowledge and select **JA Personal Finance Session Earning, Employment, and Income**. Review the session.
- Preview the videos:
 - How the NFL Keeps Its Players from Going Broke*
 - Junior Achievement Man on the Street: Paying for College*
- Preview the **Strengthen: Priorities and Values** activity to determine if your students will complete this as a **Direct Access** activity or if you will project it to the entire class.
- In the event of a technology or Internet failure in the classroom, consult the Appendix on page 98 for additional talking points and discussion questions.

Recommended Time

This session should take 45 minutes to complete. If needed, ask the teacher to help you keep track of the time.

Log In

- Go to CrossKnowledge: learn.ja.org.
- Log in with your username and password.
- Select **JA Personal Finance** under My Programs.
- Select **Session: Earning, Employment, and Income** from the menu.
- Select  to start the session.

WELCOME TO PERSONAL FINANCE BOOT CAMP

15 min.



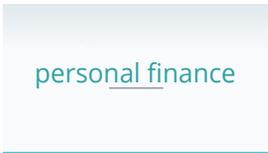
Program Overview

- Greet the students. Tell them your name, describe your job, and provide some information about your background.
- Explain that you are a volunteer with Junior Achievement, an organization dedicated to inspiring and preparing young people to succeed in a global economy.
- Distribute the table tents. If names are not preprinted, ask the students to write their first names on the tents in large letters.
- Present a brief overview of *JA Personal Finance*. Explain that the program is designed to demonstrate to students that their personal finances will affect their quality of life and will be the basis of how they get what they want and need.
- Remind students that personal finances generally consist of the following topics:
 - Earning money
 - Budgeting money
 - Saving money for larger purchases and emergencies
 - Managing credit and debt wisely
 - Protecting finances
 - Shopping smartly
 - Managing potential risk to finances
 - Investing to grow money

Program Structure and Purpose

- Tell students that *JA Personal Finance* will help them develop skills to keep their personal finances healthy.
 - ☞ Like physical fitness, keeping your personal finances healthy is something you need to work on all the time. Investing in your future is like investing in your personal fitness. You need to put the work in today to reach goals in the future.
- Explain the structure of *JA Personal Finance* sessions.
 1. Just like a workout, every session in *JA Personal Finance* Boot Camp begins with a **Warm-Up**.
 2. Then, you'll do an activity to **Strengthen** your knowledge.
 3. The **Sprint** activity gives you a chance to demonstrate what you learned.
 4. In the **Cool Down** at the end of the session, you'll review what you learned.





Session Overview

- Distribute the **Earning, Employment, and Income Student Guide** to each student. Tell students they will be referring to this guide during the session. They will also use it to take notes.
- Explain to the students that in this course, they are going to be thinking about the money they earn and how to manage it.

Dreams and Realities

- Invite students to examine the image and ask them what all of these people have in common.

Possible answers: Things they want; ideas they have; plans for the future

? What is necessary for people to achieve goals such as homes, cars, and education?

Possible answer: Money

- Explain to students that money isn't the only requirement. Knowing how to manage the money is equally important. That's where **personal finance** comes in.

Introducing Personal Finance

? Raise your hand if you've ever heard the term *personal finance*. What do you think it means?

Possible answers: Earning and saving money; having enough money to pay bills and for other expenses; having a savings account

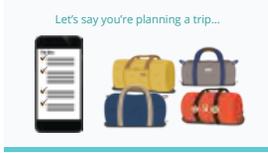
- Invite students to share their ideas about personal finance and then select the "Definition" button to reveal the definition.

... **Personal finance is the practice of determining and managing a person's financial needs and goals for the future.**

- Instruct students to write down the definition of *personal finance* in their **Student Guide**.

? Why would it be important to determine your financial needs for the future?

Possible answers: To have enough money to get what you need or want; to be able to take care of yourself and your family; to not have to give up things you want because you don't have enough money



Plan Wisely

- Ask students to imagine they are taking a trip across the country.

? If you are going on a trip, what do you need to plan in advance?

Possible answers: Clothes you'll need; where you'll go; where you'll stay; what you'll see; length of the trip; transportation

? How would you know how much money to bring?

Possible answers: Add up the cost of activities, food, places to stay; have some extra money for emergencies

? How would you handle that money safely so you could pay for what you need along the way?

Possible answers: Keep the money in a safe place; be careful about spending



Securing the Future

- Explain to students that the rest of their lives is a journey. They will want to be as smart about planning for that journey as they would a short trip now. To have a secure future, people need to set goals, plan wisely, be careful managers, and prepare for emergencies.

- Ensure the students understand that since it makes sense to consider these things in short-term financial situations, it is that much more important for their long-term plans and goals.

- Explain that personal finance is about more than just making money. It's about planning and managing funds to achieve short- and long-term goals.

... Personal finance skills are necessary for all people, no matter how much money they make.

- Invite the students to watch a video. Tell them to look for two important facts that prove personal finance is about more than money.

- Show the video: *How the NFL Keeps Its Players from Going Broke.*

- Ask students to list in their **Student Guide** a few facts that they remember from the video. Mention any facts that you felt were particularly interesting, such as:

- Even people who make a lot of money can make mistakes and end up in financial trouble.



Presentation Tip

When showing the video, turn off the lights and select the full screen icon in the video player controls.

- Learning about personal finances early can help prevent problems later.
- Although the NFL players in the video are men, the same rule applies to everyone who makes money—it is not enough to make money; you have to know how to manage it.
- State that athletes and other performers, such as NFL players, need to know a lot about health and fitness. They probably make healthy choices about what they eat and how they work out. But if they don't also practice financial fitness, they may go bankrupt.
 - ☞ **This program will show you how to be financially healthy.**
- Share personal examples about how good financial choices have helped you or share lessons you have learned from poor financial decisions.

WARM-UP **10 min.**



Work to Earn

? What are earnings?

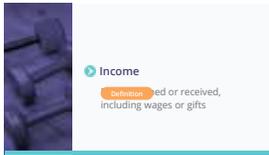
Possible answer: Earnings are the money you make.

- Tell students they will be learning about the first step to having healthy personal finances: earning money through work.
- Explain that, just as athletes need to plan their training to reach their fitness goals, students will need to prepare to achieve their goal of earning money.
 - The first step in developing a personal finance plan is to decide what kind of work they would like to do and the education required for it, in order to earn the money needed for a comfortable quality of life.
 - Many people will change careers over time, so it is important to reexamine choices periodically.
- Describe choices you made when you were in your teens that brought you to where you are today, or choices you wish you had made.

Income, Wages, and Salary

- Explain that personal finances are all about managing money. Ensure the students understand that money must be *earned*.

- Inquire whether anyone knows what **income** is and invite students to share with the class.
- Tell students that income includes any money they receive. For most people, the majority of their income is earned through work, but money received as a gift also counts as income.
- Tell students that earned income can take the form of **wages** or **salary**, and this may vary depending on their career or job.
- Ask students if anyone knows the difference between wages and salary and invite them to share with the group.
- Display the key terms for students and invite them to predict the definitions. Then share the definitions and instruct students to write them in their **Student Guide**.



Income
Definition: Money earned or received, including wages or gifts



Wages
Definition: Money paid to an employee for work done, usually given on an hourly, daily, or piecework basis



Salary
Definition: Money paid to an employee for work done, usually given biweekly based on an annual rate, regardless of hours worked

Income is money earned or received, including wages or gifts.

Wages are money paid to an employee for work done, usually given on an hourly, daily, or piecework basis.

- Ask students to brainstorm jobs that pay wages and write down a few examples on the back of their **Student Guide**.

Possible answers: babysitting, farmwork, food service

A Salary is money paid to an employee for work done, usually given biweekly based on an annual rate, regardless of hours worked.

- Ask students to brainstorm jobs that pay salaries and write down a few examples on the back of their **Student Guide**.

Possible answers: teachers, police, bankers

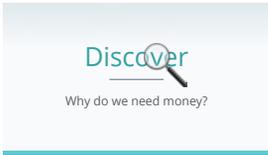
STRENGTHEN: PRIORITIES AND VALUES

10 min.



Education and Lifetime Earnings

- Direct students' attention to the Work-Life Earnings by Education Attainment chart in their **Student Guide**. Ask them to identify the education levels represented on the chart.
- Tell students that the bars on the chart show total lifetime earnings—the amount a person earns over the course of his or her entire earning years.
- Ask students to look at the lines on the chart and consider the relationship among them.



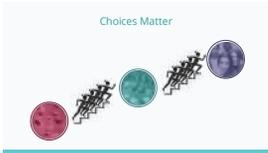
... People with a bachelor’s degree may earn over \$1 million more over a lifetime than those without a bachelor’s degree.

- Have students brainstorm what adults spend money on over the course of their lives. If possible, have students write their responses on the whiteboard.

Possible answers: housing bills, education, kids, transportation, groceries, hobbies, travel, retirement

? How might someone earning a small salary have to make very different spending decisions from someone making three times as much?

Possible answers: They will have to choose less expensive housing; they will have to be more cautious about spending money; it might be harder for them to save for retirement; overall quality of life will be different, based on earnings



Choices Matter

- Emphasize that salary and job stability can and do affect a person’s quality of life.
- Offer personal examples of how the career and education you chose has affected you and your quality of life.



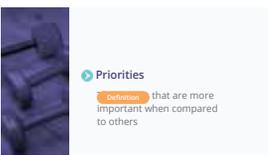
Priorities and Values

- Tell students that the educational choices they make can affect their future earning potential and job satisfaction.

? In addition to income, what else is important in choosing a career?

Possible answers: Choosing a career I am good at; choosing a career I enjoy; the challenge or stress level associated with the career

- Explain that while income is important, people also need to consider their personal strengths, values, and priorities when choosing a career path.
- Inquire whether anyone knows what **values** and **priorities** are and invite students to share with the class.
- Display the key terms for students and invite them to predict the definitions. Then share the definitions and instruct students to write them in their **Student Guide**.



... **Priorities** are the choices that are more important when compared to others.



... Values are strong beliefs and ideals that influence one's choices.

- Share some personal examples of values that are important to you, such as honesty, family, or helping others.



Self-Evaluation

- Distribute the **Priorities and Values Self-Evaluation**.
- Explain to students that they will complete a personal priorities evaluation to help them brainstorm personally relevant careers.
- Give students the following directions to complete the **Priorities and Values Self-Evaluation**:
 1. Check off any priorities that are important to you. You can check as many as you want.
 2. Choose your top three priorities and number them from one to three, with one being the most important.
 3. Note the High-Growth Career Options associated with your top priorities. You will have a chance to investigate these careers and others.
- Offer personal examples of the priorities most important to you as you have made career decisions.



Career Brainstorm

- Explain to the students that by considering their priorities, they can make a connection to a career that matches what is important to them.
- Introduce some examples of priorities or values that connect to careers. For example, a career as a nurse would be a good match for someone who values helping people.
- Decide whether your students will complete this activity in **Direct Access** mode or whether you will lead a class discussion. See **Direct Access** Box.
- Have students team with partners or form small groups. Instruct each group to generate a list of career options. Students should work with these questions as guides for brainstorming careers.
 1. What job does a family member or someone you know do well?
 2. What jobs have you seen either in a movie or on TV that seem interesting to you?



3. Consider some of the items in your home. What jobs are needed to keep them working?
 4. What jobs relate to major categories such as technology, education, law, finance, health, or sales?
 5. If you have access to a computer, explore the Federal Student Aid Career Search website.
- Instruct students to note the careers that seem the most interesting on their **Student Guide** and indicate how the jobs relate to their priorities.



Direct Access: Career Brainstorm

1. Direct students to the Federal Student Aid Career Search.
2. Instruct students to explore this website and note any fields or specific careers that are interesting to them.



Debrief

- Reconvene the entire class. Ask students to share some of their career choices and write them on the whiteboard.
- Discuss the relationship between priorities and careers.
 - Students may refer to the example careers on the **Priorities and Values Self-Evaluation** or come up with their own.
- Promote discussion with these questions. Allow multiple students to respond and react to each other's remarks.
 - ❓ What were your top three priorities?
 - ❓ Did any of them surprise you?
 - ❓ What was one of the priorities you “gave up” in order to narrow your list down to three?
 - ⋮ While your salaries or wages are the basis of your personal finances, the job you do to earn that money will take a large part of your time and energy. It is important to choose a job that takes into consideration your personal priorities and values.

SPRINT: CAREER ADVISOR

5 min.



Game Instructions

1. Read the character profile and four career options.
2. Choose the career option that best matches the character's priorities.
3. Select each career to learn more about it, and see how many points you earn.



Presentation Tip

For a less active option, allow students to vote from their seats using raised hands.

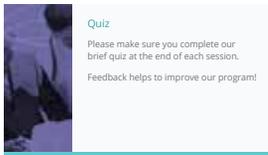


Priorities and Careers

- Explain to students that now they know about priorities and careers. It's time to put those ideas into action.
- Tell students that they will be looking at some character profiles and choosing careers for the characters that match their priorities and values.
- Tell them they will earn points for each correct match and can compete with their classmates for the highest score.
- Inform students that there may be multiple correct answers for each character, just like most people have multiple career options that suit them.
- Designate four areas in the classroom, one for each option on the screen. You will need to tell the students where to go for each round of the game. Alternatively, students can raise their hands and vote for an option for each round.
- Have all the students stand in the center of the room.
- Read aloud the first character profile on the screen and the four career options.
- Have students move to the area of the classroom that represents what they think is the best career option.
- Select each of the answer choices and read aloud the description and score.
- Award students points for their answers. Point values vary depending on how closely the selected answers fit the person's profile.
- Record scores on the **Financial Fitness Score Sheet**, if using it. If possible, display the score sheet for the class to see.
- Repeat this exercise with two additional profiles, if time permits.

COOL DOWN

5 min.



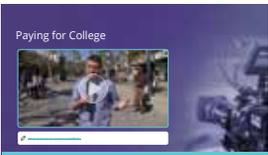
Review Key Concepts

- Review key concepts from the session and gauge student comprehension.
 - Personal finance is the management of money to achieve goals.
 - The money you earn is the basis of your personal finances.
 - The career you choose, generally speaking, will have a direct effect on how much you earn and your quality of life.
 - Most careers that offer a reasonable, living wage require education or training after high school.

Post-Session Quiz

- Direct students to the post-session quiz.

ADDITIONAL OPPORTUNITY



Paying for College

- Invite the students to watch a video. Tell them to look for the ways people in the video are preparing (or not preparing) to pay for their post-secondary education.
- Show the video: *Junior Achievement Man on the Street: Paying for College*.

? Payment is a consideration for any kind of post-secondary education, not just college. How can you prepare ahead of time to meet your educational goals?

Possible answers: Start thinking early about options for post-secondary education; research the cost of schools or programs that interest you; start saving money in advance

💡 Presentation Tip

When showing the video, turn off the lights and select the full screen icon in the video player controls.

Preparation

- Copy the **Budgeting Student Guide** (one per student).
- Copy the **Party Planning Price Sheets** (one set per group of three to four students; not required for **Direct Access** mode).
- Preview the **Strengthen: Party Budget Challenge** to decide if you will run this activity in **Direct Access** mode or project to the entire class. Students will need 1:1 or small group access to computers or mobile devices to run **Direct Access**.
 - If your students have access to computers and know how to operate a spreadsheet, you may have them complete the **Strengthen: Party Budget Challenge** using a digital spreadsheet. You will still need to walk them through the steps of the challenge and discuss the outcomes.
- Copy the **Party Budget Spreadsheet** handout (one per group of three to four students, if projecting to the entire class) or download and preview the **Party Budget (Excel) Spreadsheet** if running in **Direct Access** mode.
- Update student scores and information in the **Financial Fitness Score Sheet** or the **Financial Fitness (Excel) Score Sheet**, if using it, and provide the sheet to the teacher for help in tracking scores.
- Log in to CrossKnowledge and select **JA Personal Finance Session Budgeting**. Review the lesson.
- Preview the video: *Budgeting*.
- Preview the **Sprint: Budget Sort** to decide if you will run this activity in **Direct Access** mode or project it to the entire class. Students will need 1:1 or small group access to computers or mobile devices to run **Direct Access**.
- In the event of a technology or Internet failure in the classroom, consult the Appendix on page 98 or additional talking points and discussion questions.

Recommended Time

This session should take 45 minutes to complete. If needed, ask the teacher to help you keep track of the time.

Log In

- Go to CrossKnowledge: learn.ja.org.
- Log in with your username and password.
- Select **JA Personal Finance** under My Programs.
- Select **Session: Budgeting** from the menu.
- Select  to start the session.

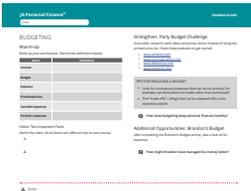
WARM-UP

10 min.



Program Overview

- Greet the students. Remind them of your name and job.
- Distribute the table tents.
 -  Personal finance is like personal fitness. Keeping your finances in healthy condition requires planning and continually working toward your goals. In this session, you're going to see how a budget is like a workout plan. It keeps you on track.
- Remind students that their personal finances will affect their quality of life. Personal finances are dependent upon earnings and savings and will be the basis of how students get what they want and need.
 - Keeping personal finances healthy is something they need to work on all the time.
- Remind students that personal finances generally consist of the following topics:
 - Earning money
 - Budgeting money
 - Saving money for larger purchases and emergencies
 - Managing credit and debt wisely
 - Protecting finances
 - Shopping smartly
 - Managing potential risk to finances
 - Investing to grow money



Session Overview

- Distribute the **Budgeting Student Guide** to each student. Tell students they will be referring to this guide during the session. They will also use it to take notes.
- Tell students that today, they will learn about planning their spending by making a budget.
- Invite the students to watch a video. Tell students to look for two different tips to save money, and write them down in their **Student Guide**.



Presentation Tip
 When showing the video, turn off the lights and select the full screen icon in the video player controls.



- Show video: *Budgeting*.
 - ❓ **When you budget, which should be higher, your expenses or your income?**
Income
 - ❓ **If your expenses were too high, what might you cut back in order to save?**
Accept all reasonable answers. Examples include find entertainment that is free, don't eat out, etc.
- Explain that people have to make their own decisions about the ways that they can save. Students can look at their own spending habits to make choices.

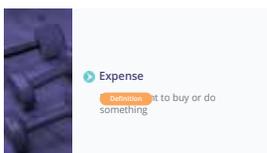
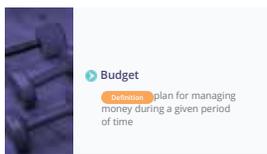
Think Before You Spend

- Lead a discussion about wise spending choices by asking these questions. Allow multiple students to respond and react to each other's remarks.
 - ❓ **Have you ever wanted something, but didn't have enough money to buy it? What did you do?**
Possible answers: I saved up money to buy it; I decided not to buy it; I found a cheaper alternative
 - ❓ **What do you think the consequences would be if you started spending more money than you earn?**
Possible answers: You would owe money to others; you would be in debt; you wouldn't have money in case of an emergency
 - ❓ **Why do so many individuals, families, cities, states, and even countries have so much trouble spending money wisely?**
Possible answers: It can be hard to resist spending money on something you want; it takes work to plan ahead
 - ❓ **Can you think of any strategies to prevent this from happening?**
Possible answers: Always know how much money you have/ how much you are earning; don't buy anything without thinking about it first; think about whether you really need the things you buy
- Describe a time when you had to pass on something you really wanted but couldn't afford at the time, or a time when you bought something you couldn't afford and faced a consequence.



Presentation Tip

Time permitting, organize the students into groups of three to four. Assign one key term to each group. Give groups a few minutes to predict the definition of their assigned word and to write their predictions on the back of their **Student Guide**. Before revealing the definition for each word, call on groups to share their prediction with the class to see if they are correct.



Making a Plan

- Ask students to imagine they are signing up for a new fitness program at a gym or a class at the local community center.
- Remind students that joining a fitness program or taking a class usually costs money.



How would you make sure you can afford the cost of the program or class before you join?

Possible answers: Know the cost of the program; know how much money you have available to spend; know the length of time you will be in the program

- Explain to students that spending wisely requires planning ahead. That’s why it is necessary to make a budget.
- Inquire whether anyone knows what a **budget** is and invite students to share with the group.
- Tell students that in order to plan, they need to be able to account for income and expenses.
- Ask students if they remember the definition of **income**. Remind them if needed.
- Inquire whether anyone knows what **expenses** are and invite students to share with the group.
- Display the key terms for students and invite them to predict the definitions. Then select the “Definition” button to share the definitions and instruct students to write them in their **Student Guide**.



Income is money earned or received, including wages or gifts.



A budget is a spending plan for managing money during a given period of time.



An expense is money spent to buy or do something.

Types of Expenses

- Ask students to brainstorm some expenses they might have if they joined a new fitness program or a community center class.

Possible answers: Monthly membership fees; sign-up fees; new gym clothes or equipment

- State that some expenses, like membership fees, would repeat every month. Other expenses, like buying clothes or equipment, would only occur once or cost a different amount each time.

- Explain that, because of these differences, expenses in a budget can fall into different categories.
- Ask students to think about each of the following terms. Invite them to guess what each means.
 - **Fixed expenses**
 - **Variable expenses**
 - **Periodic expenses**
- Define *fixed expenses*, *variable expenses*, and *periodic expenses*. Instruct students to write the definitions in their **Student Guide**.

☰ **Fixed expenses are expenses that do not change from month to month, such as rent.**

- Ask students to brainstorm a few examples of fixed expenses and write them down in their **Student Guide**.

Possible answers: rent; subscription fees for services; mobile phone bill; car payment

☰ **Variable expenses are expenses that vary from month to month, such as entertainment, electricity, or groceries.**

- Ask students to brainstorm a few examples of variable expenses and write them down in their **Student Guide**.

Possible answers: fuel; clothing; meals at restaurants

☰ **Periodic expenses are expenses that occur on an irregular basis, rather than monthly, for example, car repairs or a doctor's bills.**

- Ask students to brainstorm a few examples of periodic expenses and write them down in their **Student Guide**.

Possible answers: concert tickets; holiday gift-giving; car registration; prescriptions

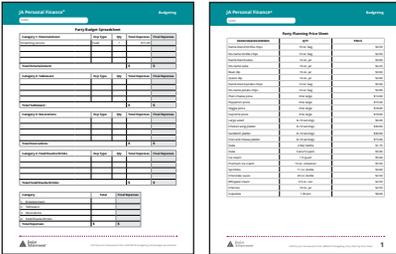
- Gauge students' understanding of the three categories by calling on a few students to provide an example of each expense category, using the following memory tool:

1. Fixed = bills paid every month, and the amount stays the same.
2. Variable = bills paid every month, but the amount changes from month to month.
3. Periodic = bills that do not happen regularly, just once or occasionally.



STRENGTHEN: PARTY BUDGET CHALLENGE

20 min.



Create a Budget

- Tell students that they are going to work together in groups to create a budget for a party to celebrate their ongoing success in the program for healthy fitness.
 - The party will be a recurring event, to be held once a month, but they only need to create a budget for the first party.
 - Groups will be sharing their party plans with the rest of the class, and voting on the best party, so they should aim to plan a fun event that their classmates will want to attend.
- Organize students into teams of three to four. Choose whether students will complete this activity in **Direct Access** mode or without access to technology. See **Direct Access** Box.
- Distribute one **Party Budget Spreadsheet** and one set of **Party Planning Price Sheets**, if using them, to each group.

? You may have an item in your budget, such as a streaming service for music, that has the same cost each month. What kind of expense is that?

Possible answers: Fixed expense

? Can you think of any other examples of expenses that might be included in a party-planning budget? Is your example a fixed, variable, or periodic expense?

Possible answers: Food and drinks are variable expenses; a yearly subscription or permitting fee is a periodic expense; space rental is a fixed expense



Direct Access

- Assign a computer, tablet, or laptop to each group of three to four students.
- Instruct students to download the Party Budget (Excel) Spreadsheet from CrossKnowledge.
- Tell students to research party ideas and prices online to complete their party budget.
 - Students can use the list of suggested websites in the **Student Guide** as a starting point.

Party Budget Challenge

1. Discuss ideas with your group.
2. Include at least one item from each category listed in the spreadsheet.
3. Note if each item is a fixed, a periodic, or a variable expense.
4. Divide the categories and responsibilities among your group. Conduct research to estimate the costs for the party.
5. Plan appropriate quantities for the size of your class.



Challenge Instructions

1. Discuss ideas with your group.
2. Your party must include at least one item from each of the four categories listed in the spreadsheet.
3. Note if each item is a fixed, periodic, or variable expense.
4. Divide up the categories and responsibilities to conduct research to estimate the costs for the party.
5. Be sure to plan appropriate quantities for the size of your class.
6. Use the Total Expenses column to add up your expenses.
 - Invite groups to select items from the **Party Planning Price Sheets**, if using them.
 - Give groups 15 minutes to complete this part of the challenge.
 - Call on each group to announce their total expenses for the party after all groups complete their budgets.
 - Optional: Record each group's amount on a whiteboard or somewhere else students can see so they can compare.



Cut the Budget

- Tell the groups that the challenge isn't complete. Often, plans need to be adjusted.
- Present bad news.
 -  **Planners must take some money from the party budget to cover emergency car repairs, so all party budgets need to be cut in half.**
- Call on student volunteers to suggest ways they could cut the budget.

Possible answers: Find less expensive food and beverage options; play party games rather than hiring entertainment
- Present tips for reducing a budget.
 - Look for unnecessary expenses that can be cut entirely, for example, can decorations be made rather than purchased?
 - Find "trade-offs" that can be replaced with a less expensive option.
- Instruct groups to discuss priorities, decide where to cut, and adjust their budget. Circulate among the groups to see if they need support.

Tips for Reducing a Budget

- ✓ Look for unnecessary expenses that can be cut. For example, can decorations be made rather than purchased?
- ✓ Find "trade-offs" that can be replaced with a less expensive option.





Presentation Tip

Write the name of the group or group leader on the board when each group presents. You will be able to tally the votes each team receives.

- Tell groups to use the Final Expenses column in their spreadsheet to add up expenses in their revised budget.
- Give each group a minute to present their revised party budget. Ask, “Which trade-off or item that you cut saved you the most money?”
- After all groups have presented, ask students to vote on the party they would most like to attend.
- Ensure that students listen to the presentations. They will need to vote on the party they would most like to attend.



Party Budget Wrap-Up



Which party would you most like to attend?

- Award one point to each member of the group that received the most votes, and record the scores on the **Financial Fitness Score Sheet**, if using it.
- Explain to the students that if they had known the amount of money they had in advance, they could have planned better. That’s the advantage of a spending plan or budget. Tell students that there will be times when they have to prioritize and find ways to cut, trim, compromise, or delay certain things they want.
-  **If you plan in advance, you can intentionally prioritize, instead of having to react when the money is gone.**
- Ask them to imagine if they had to place a non-refundable down payment on an item, only to find out they couldn’t afford it. A spending plan or budget can help avoid this type of loss.
- Share a personal example of a time when you found a budget helpful, or when a budget would have helped.

SPRINT: BUDGET SORT	10 min.
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Play and Discuss

- Choose whether you will run this activity in **Direct Access** mode or whether you will project it to the class. For **Direct Access**, see **Direct Access** box.



Direct Access

- Organize the class into groups of three to four.
- Assign each group a computer, laptop, or tablet to play the game.
- Instruct students to launch the interactive.
- Tell the students that they will have a chance to review by sorting expenses into budget categories.
 - Explain that sorting expenses into categories can help reveal how a person spends money and find areas where he or she might be spending too much.
- Circulate among groups to help generate discussion and provide assistance where needed.



- Tell the students that they will have a chance to review by sorting expenses into budget categories.
- Launch the interactive. Sort budget items into four categories: Income, Fixed Expense, Variable Expense, and Periodic Expense.

Answer key: Income: pay stub, \$300; birthday check from Grandma, \$40; babysitting earnings, \$50. Fixed expense: weekly bus pass, \$25; monthly car payment, \$150; mobile phone bill, \$35. Variable expense: groceries, \$50-\$70 per week; gasoline, \$20-\$60 per month; entertainment, \$20-\$40 per month. Periodic expense: oil change, \$35; yearly medical checkup, \$60; yearly car insurance, \$600 per year

- Invite a student volunteer to come to the front of the room and drag an item into the appropriate budget category.
- Read aloud the budget item as the student places it, or have the student do so.
 - Correct matches will stay in place. Incorrect matches will bounce back.
 - Time permitting, allow students to seek input from the rest of the class if they are unsure where to place the item.
- Call on additional student volunteers to repeat this process with all remaining budget items.
- Award students one point for each item they answer correctly on the first try.



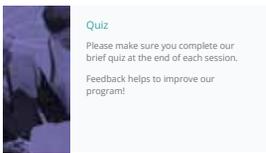
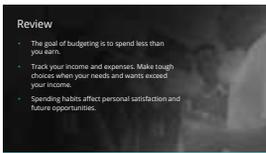
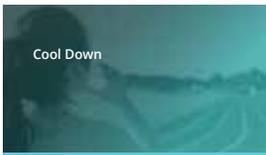
Presentation Tip

If using the **Financial Fitness Score Sheet**, ask the teacher to help record student scores.

- Record scores on the **Financial Fitness Score Sheet**, if using it. If possible, display the score sheet for the class to see.
- 💬 Budgets help you to manage the money you earn. You can see how much you need monthly and anticipate your expenses in order to prioritize. Budgets can also make it easier to see where you might cut or reduce spending as needed.

COOL DOWN

5 min.



Review Key Concepts

- Conclude the session by thanking students for their attention and reviewing the essential concepts.

❓ **What is the goal of budgeting?**

The goal of budgeting is to spend less than you make. That means tracking your income and expenses and making tough choices when your needs and wants exceed your income.

💬 **Spending habits affect personal satisfaction and future opportunities.**

Post-Session Quiz

- Direct students to the post-session quiz.

ADDITIONAL OPPORTUNITIES



Opportunity One

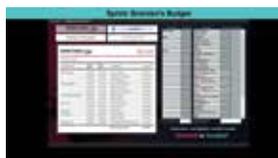
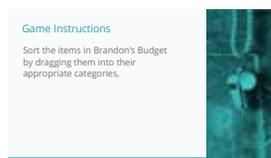
Brandon's Budget

- Tell the students that they will have a chance to earn points by sorting income and expenses in a sample budget.
- Choose whether you will run this activity in **Direct Access** mode or whether you will project it to the class. For **Direct Access**, see **Direct Access** box.



Direct Access : Brandon’s Budget

- Organize the class into groups of three to four.
- Assign each group a computer, laptop, or tablet to play the game.
- Instruct students to launch the interactive Brandon’s Budget.
- Invite students to sort the budget items by dragging them into the budget categories where they belong.
 - Explain that sorting expenses into categories can help reveal how a person spends money, and find areas where he or she might be spending too much.
- Circulate among groups to help generate discussion and provide assistance where needed.
- Let students sort for 8 minutes or until all items have been sorted.



- Launch the interactive. Point out the items to be sorted on the left side of the screen and the budget on the right side.
- Note that the budget is divided into Income and Expenses. Read aloud some of the categories under expenses to show students how the budget is organized.
 - For example, food, snacks, and drink are sorted into two categories: groceries at home, and eating out, not at home.
- Demonstrate the interactive by dragging the first item, *merchandise*, into the budget category “Household and hygiene expenses.”
- Explain that sorting expenses into categories can help reveal how a person spends their money and find areas where they might be spending too much.
- Invite a student volunteer to come to the front of the room and drag an item into the appropriate budget category.
- Read aloud the budget item as the student places it, or have the student do so.
 - Correct matches will stay in place. Incorrect matches will bounce back.
 - Time permitting, allow students to seek input from the rest of the class if they are unsure where to place the item.
- Call on additional student volunteers to repeat this process with all remaining budget items.

- Ensure that students are aware that there are additional items in four sections: “Spend Freely Credit Company, Your Friendly Bank, Random Receipts, and Spending Journal.”
 - As the budget expands in length, it may be necessary to scroll to show all of the categories. This can be done via an invisible scrollbar to the right of the expenses area.
- Record the scores on the **Financial Fitness Score Sheet** if using it. If possible, display the scoresheet for the class to see.



Brandon’s Budget Wrap-Up

- Reconvene the class.
- After all items have been placed, point out the shortfall in the lower right corner of the screen.

? Take a quick look at each category. Can you spot some areas where Brandon could manage his money a bit better?

Possible answers: He could spend less on clothing; he could eat out less often; he could choose not to go to a concert instead of borrowing money to buy a ticket

... Budgets help you to manage the money you earn. You can see how much you need monthly and anticipate your expenses in order to prioritize. Budgets can also make it easier to see where you might cut or reduce spending as needed.



Opportunity Two

Online Research: Mobile Budget Apps

- Have students research mobile budget apps.
- Explain that budget apps are external products and services, not related to JA, so students should do careful research before using them.

? What are some advantages to using a mobile app for budgeting?

Possible answers: It would be convenient; you would always have it with you; it will do the math for you

? Are there any reasons to be cautious?

Possible answers: There could be privacy concerns with giving sensitive financial information to a third party

SAVINGS

Overview

In this 45-minute session, students analyze the role that saving plays in their personal finances and how having a healthy savings plan is necessary in all phases of life, but is especially critical for big-ticket items and emergencies.

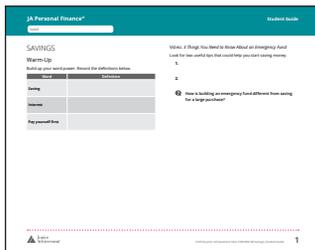
Objectives

Students will be able to:

- Recognize high-dollar items and unexpected costs that require savings.
- Review key concepts related to successfully saving money.

Materials

Savings Student Guide (one per student)

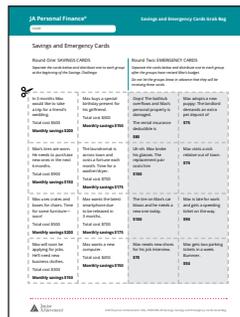


Pencils

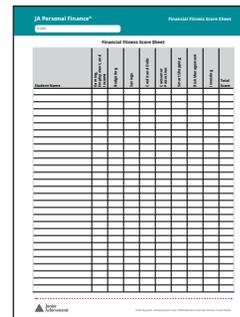
Table Tents (one per student, optional)

Two bags or containers

Savings and Emergency Cards Grab Bag (one per class)



Financial Fitness Score Sheet (one per class, optional)



Preparation

- Copy the **Savings Student Guide** (one per student).
- Copy the **Savings and Emergency Cards Grab Bag** sheet (one per class) and cut on the dotted lines to separate the savings and emergency items. Separate the items into two piles—savings and emergency. Place the savings items into one grab bag and the emergency items into another.
- Update student scores and information in the **Financial Fitness Score Sheet** or in the Excel file of the **Financial Fitness (Excel) Score Sheet**, if using it. Provide the sheet to the teacher for help in tracking scores.

- Log in to CrossKnowledge and select **JA Personal Finance Session Savings**. Review the lesson.
- Preview the Warm-Up video: *3 Things You Need to Know About an Emergency Fund*.
- Consider showing these videos for advanced classes in lieu of the Sprint activity. They are listed for your preview.
 - *Most Americans Don't Have Savings for Emergencies*
 - *More Than Half of Millennials Have Less Than \$1K*
- In the event of a technology or Internet failure in the classroom, consult the Appendix on page 98 for additional talking points and discussion questions.

Recommended Time

This session should take 45 minutes to complete. If needed, ask the teacher to help you keep track of the time.

Log In

- Go to CrossKnowledge: learn.ja.org.
- Log in with your username and password.
- Select **JA Personal Finance** under My Programs.
- Select **Session: Savings** from the menu list.
- Select  to start the session.

WARM-UP

10 min.

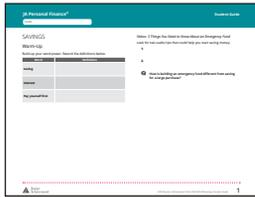


Program Overview

- Greet the students. Remind them of your name and job.
- Distribute the Table Tents.
- Ask if students remember what personal finances are.
- Remind students of the definition of *personal finance*.

 **Personal finance is the practice of determining and managing a person's financial needs and goals for the future.**

- Remind students that just like personal fitness is an ongoing effort toward a healthy lifestyle, so too will their personal finances affect their quality of life. Personal finances are dependent upon earnings and savings and will be the basis of how students get what they want and need.
- Remind students that personal finances generally consist of the following topics:
 - Earning money
 - Budgeting money
 - Saving money for larger purchases and emergencies
 - Managing credit and debt wisely
 - Protecting finances
 - Shopping smartly
 - Managing potential risk to finances
 - Investing to grow money



Session Overview

- Distribute the **Savings Student Guide** to each student. Tell students they will be referring to this guide during the session. They will also use it to take notes.
- Tell students that they will learn about saving money.
- Ask students to think about the largest purchase they have ever made with their own money.



How did you get enough money to pay for it?

Possible answer: Saving small amounts of money until they had enough for the purchase

- Explain that large purchases, and sometimes emergencies, can cost more than we make in the short term. Saving over a longer period of time provides a solution.



Think about our program theme, health and fitness. Physical fitness has to be developed over time. If you wanted to run a marathon, or if you were to be chased by a bear, it would be too late to think about getting into shape. Financial fitness is the same—you have to be ready for a big purchase or occasional emergency by saving money as you go.



Emergency Funds

- Invite the students to watch a video. Tell them to look for useful tips that could help them start saving money and note them in their **Student Guide**.



Presentation Tip
When showing the video, turn off the lights and select the full screen icon in the video player controls.

- Show the video: *3 Things You Need to Know About an Emergency Fund.*
- Discuss important points from the video.

? Did the video include any advice that you could use even now, as a teenager?

Possible answers: Start out by saving what you can afford, even if it's just a small amount; keep money in a savings account to earn interest; only use the emergency fund for true emergencies

? How is building an emergency fund different from saving up for a large purchase?

Possible answers: An emergency fund is only for emergencies; you should always keep an emergency fund, even if there is nothing you want to purchase

- Explain the need for saving money.
 - Budgeting helps us to spend the money we earn wisely, but sometimes we have unexpected expenses due to an emergency, or there is a large expense that we decide is worth it.
 - Saving money in advance helps ensure we can be ready for these challenges.



Importance of Saving

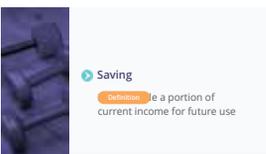
- Discuss the role of saving for healthy personal finances.

? What do people want to spend money on? What do they need?

Possible answers: People want to spend money on clothing, entertainment, and technology; people need health care, food, and places to live

- Tell students that wants are unlimited but income is limited, so if they buy everything they want, they will have no money left.
- Tell students that people need to save. Ask students what it means to save and invite them to share with the group.
- Invite students to share their definitions of *saving*. Then select the "Definition" button to reveal the definition and instruct students to write it down in their **Student Guide**.

... **Saving is setting aside a portion of current income for future use.**



- Explain to students that although most people know they should set aside money each month, many find it difficult to do.
- Share a personal example about a time there was a need for a big purchase or an emergency, and you were either glad you had savings or wished you had.



Consequences of Borrowing

? Why is saving money difficult?

Possible answers: People want more than they can afford; people think about what they want now and don't think about their future needs

? Why is it necessary?

Possible answers: People need to save to pay for big-ticket items, such as a car or refrigerator, medical expenses, an accident or emergency

- Without savings, people often choose to borrow to pay for their wants or even their needs. If they borrow money, they pay **interest** to someone else instead of being paid interest on a savings account, like they would if they had planned and saved.
- Ask students if anyone is familiar with the concept of interest and invite them to share with the group.
- Inquire who knows what interest is and then share the definition with students. Instruct them to write it down in their **Student Guide**.



... Interest is payment for the use of money, a fee paid to use someone else's money, or money earned from allowing someone else to use your money.

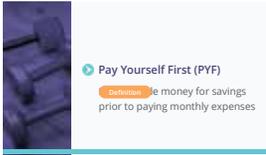
? Would you rather pay interest on a loan or get interest on money in a savings account?

- While the question may seem obvious, many people fail to save—and by doing so, choose to pay interest rather than earn it.

Pay Yourself First

- Ask the students to consider ways to save money.
- Tell students that an important concept in personal finance is **Pay Yourself First (PYF)**.





- Organize students into pairs. Give them a minute to brainstorm what the phrase *pay yourself first* might mean and have them write their guesses on the back of their **Student Guide**.
- Share the definition with students and instruct them to write it down in their **Student Guide**.
 - ☞ **Pay yourself first (PYF) means setting aside money for savings prior to paying monthly expenses.**
- Explain the concept of pay yourself first (PYF).
 - People who only save what’s left over from their paycheck at the end of the month never save.
 - ☞ **Remember, wants are unlimited but income is limited.**
 - For many people, that means there will never be money left over once bills are paid, because they just buy more of what they want until their paycheck is gone.
 - Explain that it is essential to set a savings goal in advance.
 - Saving, or paying yourself first, is the first bill that should be paid when the paycheck arrives.
 - Many experts agree that for young people, saving 10 to 15 percent of their income is a good goal.

STRENGTHEN: SAVINGS CHALLENGE

25 min.



Saving and Spending

- Explain to students that they will work in groups to track their savings and spending.
 - Groups will compete to see who has the most money left, including savings, after covering both expected and surprise expenses.
- Ask students to think of some examples of things that could happen to them that may require emergency spending.
 - ☞ **Think about the next three months. What unexpected events might occur in that time that would require emergency spending?**

Possible answers: A broken cell phone; needing to repair a car or bicycle; an accident or a sick pet requiring medical care
- If possible, list student responses on a whiteboard.
- Organize students into groups of three to four.



Maxed Out

- Remind students of the key learning for the session:
 - Pay yourself first—10-15% of your income.
 - Consider saving for emergencies and big ticket items.
 - Choose to save now and *earn interest* on your money, or use credit and *pay interest* on the loan amount later.
- Organize the students into groups of four.
- Tell students they will be using the tracker in the Maxed Out activity in their **Student Guide** to keep track of their savings and spending.
- Have each group select a recorder to write down group choices during the activity.
 - Other students in the group may choose to keep track on their own, but all group members should agree and make decisions together.
- Share the scenario with students.



Max has a problem. Max has just graduated high school and is new to living on his own. Every month he is spending more in expenses than he is earning in income. Max also has a special item he is saving to buy. Max's Income is: \$12/hr for 40 hrs per week, which is 160 hours per month. His gross income is \$1920 per month. After taxes and other required deductions, about 31% of his income, he takes home \$1325 to cover expenses. Your challenge is to adjust Max's spending so that he can save for the item he wants.



Instructions for Maxed Out Activity

1. Have a student representative from each group draw a **Savings Card** from the Savings Grab Bag to learn what Max is saving for and how much money he will need to buy it. Have students record the item and monthly cost in the Round One, Savings box on their **Student Guide**.
2. Instruct students to review Max's budget. They should find ways to revise Max's budget to help him live within his income. Include the amount he needs to save each month for his special item.
3. Encourage students to make lifestyle changes to find cuts for saving. Sometimes fixed expenses can be changed if you choose a cheaper alternative altogether. For each expense you change, note what Max did to change the amount; e.g., Got a roommate, sold his car, cut eating out in half, etc.



Emergency Reveal

- Distribute an **Emergency Card** to each group from the Emergency Grab Bag.
- Ask the students to record the emergency item and amount in the Round Two column, for the Other row at the bottom of their expenses.
- Ask the group to revise the budget once more to account for the emergency, or plan a way to pay.



Activity Results

- Ask each group to calculate the amount of money they have remaining (including savings) and share it with the class. If possible, record the amount for each group on a whiteboard.
- Award one point to each member of the group that saved the most money, and record scores on the **Financial Fitness Score Sheet**, if using it.



Debrief

- **?** Which group had the most money left after the emergency? Why do you think that was?

Possible answers: They put enough money in savings; they had lower expenses

- **?** Were any groups unable to cover the cost of the emergency? Why do you think that happened?

Possible answers: They didn't save enough at the beginning; they had high expenses

- Debrief by reviewing the need for savings for both big ticket items and emergencies.
- Remind students that saving money requires giving up items today in order to build savings for the future.



No Savings

- Ask students to imagine facing the same emergency scenario, but without savings.

- **?** What are some ways you could pay for an emergency if you don't have any savings?

Possible answers: Borrow from friends or family; use money that should go to another bill; take out an emergency loan

? Imagine someone who uses these strategies over and over again for years. What consequences might they face?

Possible answers: Friends and family relationships suffer; bills go unpaid; lots of interest builds up on emergency loans

SPRINT: SELECT A SAVINGS PLAN

5 min.



Savings Goals and Plans

- Decide whether you will show one of the videos below for advanced classes in lieu of the Sprint activity.
 - *Most Americans Don't Have Savings for Emergencies*
 - *More Than Half of Millennials Have Less Than \$1K*
 - If showing a video, refer to Additional Opportunities for discussion questions.

Select a Savings Plan

- Tell the students that they will be examining two savings plans and choosing the one most likely to accomplish a goal.
- Read aloud the first savings goal and two savings plans.
- Have students raise their hands to vote on the plan they think is most likely to achieve the goal.

? Which savings plan is most likely to achieve the savings goal?

Answer key: Prom: Plan A is best. Automatically setting aside \$20 per week will allow you to reach your goal in 10 weeks. If you rely on saving leftover spending money, the amount you save will be unpredictable.

PlayStation: Plan B is best. Paying yourself first and spending less can help you save money even faster.

- Encourage students to record their responses in their **Student Guide**.
- Click the answer selected by the most students and read the feedback aloud to the class. If incorrect, select the other answer to reveal correct feedback.
- Award students one point for each correct answer and zero points for each incorrect answer.
- Repeat with the additional example if time permits.
- Record scores on the **Financial Fitness Score Sheet**, if using it. If possible, display the score sheet for the class to see.

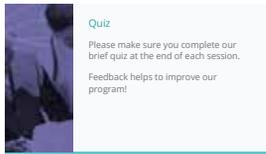
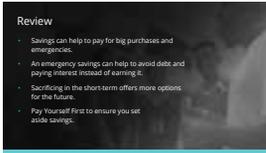
💡 Presentation Tip

Choose a student volunteer to read the budget item aloud to the class.

If using the Financial Fitness Score Sheet, ask the teacher to help record student scores.

COOL DOWN

5 min.



Review

- Conclude the session by reviewing key concepts.
 - Savings can help to pay for big purchases and emergencies.
 - Emergency savings can help to avoid debt and paying interest instead of earning it.
 - Sacrificing in the short term offers more options for the future.
 - Pay yourself first (PYF) to ensure you set aside savings.

Post-Session Quiz

- Direct students to the post-session quiz.

ADDITIONAL OPPORTUNITIES



More About Savings

- Show MarketWatch videos:
 - *Most Americans Don't Have Savings for Emergencies*
 - ❓ **Why do you think savings increase with income and education?**

Possible responses: People who earn a higher income have more money to save; highly educated people are more likely to earn a higher income
 - *More Than Half of Millennials Have Less Than \$1K*
 - ❓ **What problems did the video show?**

Possible responses: Too few millennials have enough money saved to cover an emergency; 62% of Americans have less than \$1,000 in savings
 - ❓ **What positive developments did the video show?**

Possible responses: Most older millennials have \$1,000 or more in savings; many young people are able to start saving money once they enter the workforce

CREDIT AND DEBT

Overview

In this 45-minute session, students analyze the importance of credit and the outcomes of wise and poor use of credit. Students role-play as lenders to evaluate risk and make decisions about giving credit.

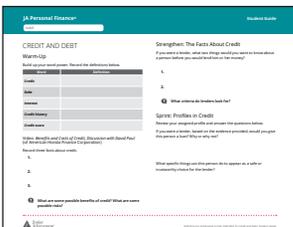
Objectives

Students will be able to:

- Differentiate between credit and debt.
- Recognize the factors that affect an individual's credit score and credit history.
- Recognize the consequences of a low credit score.

Materials

Credit and Debt Student Guide (one per student)



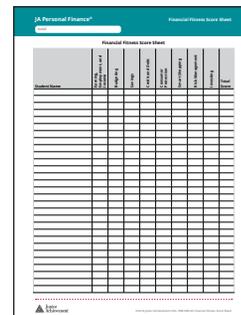
Credit Fact Collection sheets (one per student)



Profiles in Credit (two per class)



Financial Fitness Score Sheet (one per class, optional)



Pencils

Table Tents (one per student, optional)

Preparation

- Copy the **Credit and Debt Student Guide** (one per student).
- Copy the **Profiles in Credit** (two per class) and cut on the dotted lines to separate the profiles. There should be one profile per group of three to four students.
- Copy the **Credit Fact Collection** sheet (one per student).

- Update student scores and information in the **Financial Fitness Score Sheet** or the **Financial Fitness (Excel) Score Sheet**, if using it, and provide the sheet to the teacher for help in tracking scores.
- Log in to CrossKnowledge and select **JA Personal Finance Session Credit and Debt**. Review the lesson.
- Preview the video: *Benefits and Costs of Credit, Discussion with David Paul*. (Note: The full seven-minute video will be played during the session, but if time is limited, individual clips of the interview questions can be found in the Session Credit and Debt resources.)
- In the event of a technology or Internet failure in the classroom, consult the Appendix on page 98 for additional talking points and discussion questions.

Recommended Time

This session should take 45 minutes to complete. If needed, ask the teacher to help you keep track of the time.

Log In

- Go to CrossKnowledge: learn.ja.org.
- Log in with your username and password.
- Select **JA Personal Finance** under My Programs.
- Select **Session: Credit and Debt** from the menu.
- Select  to start the session.

WARM-UP

12 min.



Program Overview

- Greet the students. Remind them of your name and job.
- Distribute the **table tents**.
- Remind students that just like personal fitness, their personal finances will affect their quality of life. Explain that personal finances are dependent upon earnings and savings and will be the basis of how students get what they want and need.

- Remind students that personal finances generally consist of the following topics:
 - Earning money
 - Budgeting your money
 - Saving money for larger purchases and emergencies
 - Managing credit and debt wisely
 - Protecting your finances
 - Shopping smartly
 - Managing risk to your finances
 - Investing to grow money



Session Overview

- Distribute the **Credit and Debt Student Guide** to each student. Tell students they will be referring to this guide during the session. They will also use it to take notes.
- Tell students that in this session they will investigate the types of credit and their costs and benefits.
- Explain that most people will need to use some form of credit at some point in their lives.

⋮ **Not all credit resources are bad. In fact, in some cases, they can work to your benefit and help save you some money.**

- Ask students to imagine what would happen if they spent their **JA Personal Finance** Boot Camp lying on the couch instead of working out. Would they be fit for the future? Would other group members want them on their team?

⋮ **Financial fitness is the same way. You need to be financially healthy if you want to use credit in a beneficial way.**

Credit, Debt, and Interest

❓ **What do you know about credit?**

Possible answers: Credit cards are a form of credit; people can have bad credit or good credit

- Invite students to share any experiences they might have using a credit card or what they know about how one works.

Possible answer: You can make purchases using a credit card and pay for them later



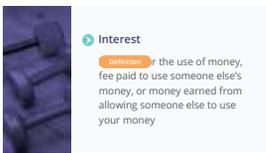
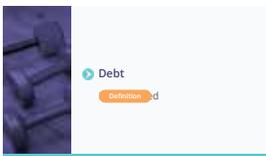
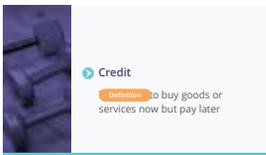
- Explain to students that using a credit card can be convenient, as long as it is paid off promptly.

☰ One way to think about credit is that you are spending future money now.

❓ What would happen if someone made expensive purchases using a credit card and did not pay the bill?

Possible answers: They would owe a lot of money; they would have to pay fees; they might not be allowed to get more credit

- Explain to students that in order to understand **credit**, they must also understand **debt** and **interest**.
- Ask students to share what they know about debt and interest with the class.
- Review the new key terms with students. Invite students to predict the meanings, and then select the “Definition” button to share each word’s definition. Instruct students to write the definitions in their **Student Guide**.



☰ Credit is the ability to buy goods or services now but pay later.

☰ Debt is money owed.

☰ Interest is payment for the use of money, a fee paid to use someone else’s money, or money earned from allowing someone else to use your money.

- Note that you can be given credit, but it is not until you use the credit that you accumulate debt.
 - If your credit card has a \$500 limit, you have \$500 in credit, but no debt until you make a purchase.
 - Credit is the ability or potential to borrow the funds.
- Explain that *buying on credit* means that you have debt, or owe money.
 - Debt includes the cost of an item plus interest and maybe fees. Interest and fees increase with time, so the longer you wait to pay, the more you will have to pay.

❓ In what situations might it be helpful to use credit?.

Possible answers: Making a large purchase when you know you will have the money later; making a purchase when you are not carrying cash but can pay it off



Presentation Tip

As each group shares a fact about credit, list them on a whiteboard or other highly visible area in the classroom.

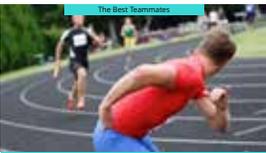


Benefits and Costs of Credit

- Invite the students to watch a video featuring David Paul, an executive from American Honda Finance Corporation. They will learn more about the advantages and possible pitfalls of using credit.
- Instruct students to write down three facts they learn about credit in their **Student Guide** as they watch.
- Show the video: *Benefits and Costs of Credit, Discussion with David Paul* of American Honda Finance Corporation.
- Organize the students into groups of three or four and direct them to:
 1. Discuss the facts they wrote down with their group.
 2. Choose one fact that they think is important.
 3. Take one minute to share the chosen fact with the class.
- Encourage discussion with these questions.
 - ? What are some benefits of credit?**
Possible answers: It can allow you to make large purchases that are difficult to save for; it's convenient; it's safer to carry than cash; it's good to have in an emergency; it is necessary to build credit history
 - ? What are the risks of credit?**
Possible answers: Credit makes it easier to make impulse purchases; it's easy to buy more than you can afford; sometimes terms and conditions are complicated; purchases can end up costing more if not paid off in time
- Explain to students that using credit can be beneficial for personal finances, and risks can be avoided.
 - ...** **People must be careful about when they choose to use credit. It is critical to pay the debt on time.**
- Share a personal example of a situation in which it was helpful to use credit. Be sure to describe your method or plan for paying back the money owed.

STRENGTHEN: THE FACTS ABOUT CREDIT

23 min.



Connecting Past and Future Behavior

- Explain that just as the habits of exercise and fitness help students build personal fitness and a healthier future, habits of credit and how they handle credit help build their financial future.



Lenders cannot just give money to anyone who wants it. Lenders must know if the person they are lending to will be able to pay off the loan. To do this, lenders look at the borrower's past behavior, or credit history, as a way to predict that person's future behavior.



If you had to choose a team to win a race, what would you be looking for in teammates?

Possible answers: People who are good runners; people who work well with a team

- Ask students how they could find out whether someone is a good runner.

Possible answers: Records of their past race times; recommendations from former teammates; knowing how often they train

- Explain that just as students want to take a chance on a runner who has a good record, so do lenders.
 - Lenders need a reliable source of information about past behavior when they choose who they will lend money to. They also need a way to evaluate that information. That's why credit history and credit score are important.

- Invite students to share what they think a **credit history** and a **credit score** are, and how they might differ.

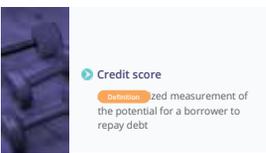
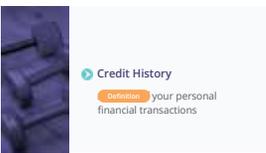
- Share the following definitions with students and instruct them to write them down in their **Student Guide**.



Your credit history is a record of your personal financial transactions.



A credit score is a standardized measurement of the potential for a borrower to repay debt.





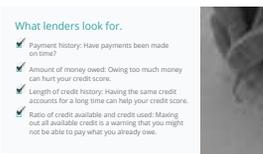
Importance of Credit History and Score

- Tell students that how they handle credit—starting even now—is recorded in their credit history and credit score, which will follow them and affect future opportunities.
 - Explain to students that when they use credit, they are building a credit history. This is a collection of major financial transactions, both positive and negative.
 - Explain that lenders need a way to measure and rate the credit histories of the people they extend credit to.
 - Just as judges in the Olympics use specific criteria to score a gymnastics routine, lenders score credit histories based on specific criteria.
- 💬 A loan, or an extension of credit, is not based on opinion. It is based on specific criteria and a credit history.**
- Remind students that it is a risk for a lender to lend money. There’s always a chance the money might not be paid back. A credit score provides lenders with data to decide how much of a risk they would be taking.



Thinking Like a Lender

- Organize students into pairs.
- Instruct pairs to brainstorm two things they would want to know about a person before they would lend that person money, and write those things in their **Student Guide**.
- Invite students to share their responses with the class.
- If possible, record student responses on the whiteboard.
- State the criteria lenders look for. Instruct students to write the criteria in their **Student Guide**.
 - Payment history: Have payments been made on time?
 - Amount of money owed: Owing too much money can hurt your credit score.
 - Length of credit history: Having the same credit accounts for a long time can help your credit score.
 - Ratio of credit available and credit used: Maxing out all available credit is a warning that you might not be able to pay what you already owe.
- Explain that all of the criteria that make up a credit score are tied to specific behavior that can be changed.



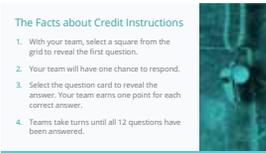
- Your credit score changes as time goes on. New, good choices can make a low score go up, but poor choices do the opposite.
- Credit scores can be improved through responsible behavior.

💬 You can improve a poor credit score by making responsible decisions with money. Keep in mind, though, it may be easier to keep a good score than to repair a low score.



Facts About Credit

- Organize students into teams of four to five.
- Distribute a **Credit Fact Collection** sheet to each student.
- Have team members divide the facts among themselves by each choosing one of the five sections to study. In teams with four students, one student should volunteer to take on two sections. Each member of the team will become the expert on his or her section for the upcoming game.
- Tell students they will be competing in a quiz game based on the facts they learned in the Warm-up and from the **Credit Fact Collection** sheet.
- Give students 5 minutes to study their assigned facts.
- Instruct students to put the sheets away or turn them over.



Game Instructions

1. Choose a team to go first and begin the game.
2. Have the team choose a square from the grid and select it to reveal the first question.
3. Read the question aloud and give the team a chance to respond.
4. Select the question card to reveal the correct answer and feedback. If the answer is correct, award the team one point.
5. Record scores on the **Financial Fitness Score Sheet**, if using it. If possible, display the score sheet for the class to see.
6. Choose a team to go next and have that team select the next question from the grid.
7. Repeat until all 12 questions have been answered.

Presentation Tip
If using the **Financial Fitness Score Sheet**, ask the teacher to help record student scores.



Answer Key

<p>1. Name the three main credit agencies.</p> <p><i>Answer: Experian, Trans-Union, Equifax</i></p>	<p>2. What is it called when you sign a loan for another person?</p> <p><i>Answer: Co-signing</i></p>	<p>3. How many times per year can you get a free credit report from each major credit agency?</p> <p><i>Answer: Once per year</i></p>	<p>4. Which credit source offers cash or a loan in exchange for an item?</p> <p><i>Answer: Pawn shops</i></p>
<p>5. What kind of loans are known for having extremely high interest rates and a very short time in which to pay them back?</p> <p><i>Answer: Payday or installment loans</i></p>	<p>6. Other than banks, name three groups that might review your credit before offering you services.</p> <p><i>Answer (any three): Car, home, or rental insurance; utility companies; landlords; employers</i></p>	<p>7. Is it preferable to open new credit cards to take advantage of low starting rates, or keep the same credit card for a long time?</p> <p><i>Answer: Keep the same credit card for a long time</i></p>	<p>8. Name one thing you should do before taking out student loans.</p> <p><i>Answer (any one): Build savings; research scholarships and grants; research the fine print; research job outlook and potential earnings</i></p>
<p>9. What is the term for the record of your personal financial transactions?</p> <p><i>Answer: Credit history</i></p>	<p>10. What standardized measurement do lenders use to rate the credit histories of people they give credit to?</p> <p><i>Answer: Credit score</i></p>	<p>11. Why can items purchased on credit end up costing a lot more than the original price?</p> <p><i>Answer: You have to pay interest on money you borrow, and other potential fees.</i></p>	<p>12. What kind of store offers high-cost items in exchange for a monthly rent?</p> <p><i>Answer: Rent-to-own store</i></p>

SPRINT: PROFILES IN CREDIT

5 min.



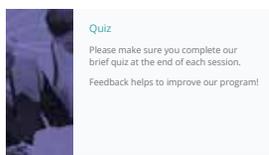
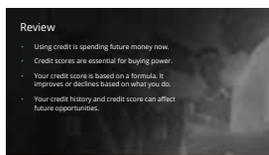
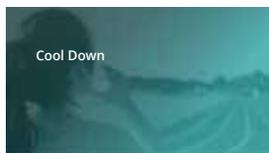
Profiles in Credit

- Organize students into groups of three to four.
- Distribute one **Profile in Credit** to each group.
- Ask students to imagine that they are a lender, and the person shown in the profile has applied to them for a car loan.
- Instruct each group to read and discuss their profile and write their responses to each question in their **Student Guide**.
 1. If you were a lender, based on the evidence provided, would you give this person a loan? Why or why not?
 2. What specific things can this person do to appear as a safer or trustworthy choice for the lender?



- Remind students that they can refer to any notes they took as well as the **Credit Fact Collection** sheet as they brainstorm ideas.
- Call on a few student volunteers to share their responses with the class.

COOL DOWN **5 min.**



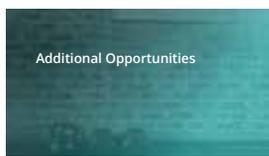
Session Review

- Review key concepts.
 - Using credit is spending future money now.
 - Credit scores are essential for buying power.
 - Your credit score is based on a formula, it improves or declines based on what you do.
 - Your credit history and credit score can affect future opportunities.

Post-Session Quiz

- Direct students to the post-session quiz.

ADDITIONAL OPPORTUNITIES



Opportunity One

Recent Trends in Credit Usage

- Invite the students to watch a video. Tell them to look for ways in which lenders and consumers have changed their approach to credit, according to the video.
- Show the video: *Credit Card Debt Nears \$1 Trillion*.

Opportunity Two

The Game of Credit

- Tell students they are going to play a game that will give them the opportunity to learn more about how credit can affect their financial future.
- Invite students to play the Game of Credit, by Experian Education.

CONSUMER PROTECTION

Overview

In this 45-minute session, students investigate factors that may pose a threat to their finances and learn ways they can protect themselves through vigilance and making smart choices.

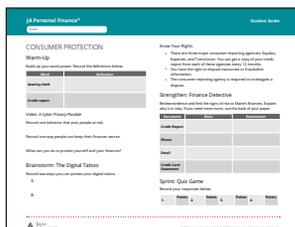
Objectives

Students will be able to:

- Identify behaviors that may harm their personal finances.
- Recognize ways to protect their finances.
- Define credit report. Summarize the rights people have to examine their credit reports.
- Define identity theft and propose solutions to identity theft.

Materials

Consumer Protection Student Guide (one per student)



Clue Sheet (Projection mode only, one per pair of students)



Financial Fitness Score Sheet (one per class, optional)

Pencils

Table Tents (one per student, optional)

Preparation

- Copy the **Consumer Protection Student Guide** (one per student).
- Copy the **Clue Sheet** (one per pair of students).
- Update student scores and information in the **Financial Fitness Score Sheet** or the **Financial Fitness (Excel) Score Sheet**, if using it, and provide the sheet to the teacher for help in tracking scores.

- Log in to CrossKnowledge and select **JA Personal Finance Session Consumer Protection**. Review the lesson.
- Preview the video for the Warm Up: *A Cyber Privacy Parable*.
- Preview the **Strengthen: Finance Detective** activity and choose whether your students will complete it in **Direct Access** mode or whether you will project it to the class.
- In the event of a technology or Internet failure in the classroom, consult the Appendix on page 98 for additional talking points and discussion questions.

Recommended Time

This session should take 45 minutes to complete. If needed, ask the teacher to help you keep track of the time.

Log In

- Go to CrossKnowledge: learn.ja.org.
- Log in with your username and password.
- Select **JA Personal Finance** under My Programs.
- Select **Session: Consumer Protection** from the menu list.
- Select  to start the session.

WARM-UP

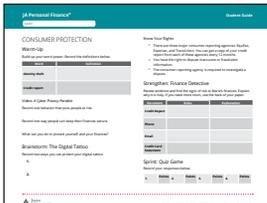
10 min.



Program Overview

- Greet the students. Remind them of your name and job.
- Distribute the table tents.
- Ask students if they remember what personal finance is.
- Remind students of the definition of personal finance.
 -  **Personal finance is the practice of determining and managing a person's financial needs and goals for the future.**
- Remind students that like personal fitness, their personal finances will affect their quality of life. Personal finances are dependent upon earnings and savings and will be the basis of how students get what they want and need.

- Remind students that personal finances generally consist of the following topics:
 - Earning money
 - Budgeting money
 - Saving money for larger purchases and emergencies
 - Managing credit and debt wisely
 - Protecting finances
 - Shopping smartly
 - Managing potential risk to finances
 - Investing to grow money



Session Overview

- Distribute the **Consumer Protection Student Guide** to each student. Tell students they will be referring to this guide during the session. They will also use it to take notes.
- Tell students that they will learn about protecting their finances from threats that can put them at risk.

🗨️ **Developing physical fitness helps you become stronger and better able to defend yourself if necessary. But, if you aren't careful and train in an unsafe way, you can end up with an injury. Financial fitness is similar. Making smart choices can help you defend yourself from financial harm, but you also need to know what to avoid.**

- Introduce the connection between online behavior and long-term consequences.

❓ **Can you think of a time you or someone you know has gotten into trouble over something shared online? Please keep responses legal and appropriate.**

Possible answers: Sharing private information that then became public; making negative comments or posting pictures that reflected badly on the person who posted

- Explain to students that, in addition to other consequences, carelessness with information online can harm their personal finances.

A Cyber Privacy Parable

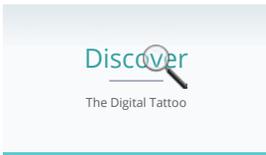
- Invite the students to watch a video. Tell them to look for behaviors that put people at risk and ways they can keep their finances secure, and write them in their **Student Guide**.





Presentation Tip

When showing the video, turn off the lights and select the full screen icon in the video player controls.



- Show the video: *A Cyber Privacy Parable*.
 - Discuss important points from the video.
- ?** What behaviors did you see in the video that put people's finances at risk?

Possible answers: Posting name, address, phone number, and social security number online; lack of awareness that information uploaded to the Internet can be intercepted and used to commit identity theft



? What can you do to protect yourself and your finances?

Possible answers: Be careful about what information you post online; keep software up to date; make secure passwords; use different passwords for each site

Digital Tattoo

- Explain to students that they should be cautious about what they share online because what they share will remain visible to the world and represent them for longer than they think.



Once information is shared online, it becomes like a "digital tattoo" and is very difficult to remove. Think BEFORE you post.

- Tell students that their digital tattoo can have financial consequences. People have even lost their jobs because of what they chose to share online.
- Organize students into pairs.
- Instruct students to brainstorm with their partners and write down two tips for protecting their digital tattoo in their **Student Guide**.

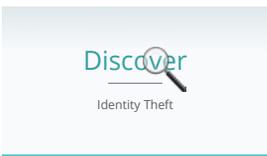
Possible answers: Never post your Social Security number; don't use public Wi-Fi for posting private information; don't use a public computer for private information; avoid posting information about when you will be away from your house (post your vacation pictures when you get home); never post pictures of yourself wearing your work uniform with the company logo on it.

- Invite students to share with the class.



Protect Your Digital Tattoo

- Share tips with the class.
 - Keep private information like your phone number, address, and Social Security number off social media.
 - Make secure passwords using a mix of numbers, symbols, and capital and lowercase letters. Use a different password for each account.
 - Negative, inappropriate, or abusive posts reflect poorly on you. Think before you share!



Identity Theft

- Inquire whether anyone has heard the term **identify theft**, and invite students to share with the class.
- Tell students that identity theft is one of the major threats to their personal finances.
- Select the “Definition” button to reveal the definition of identity theft and instruct students to write it down in their **Student Guide**.



Identity theft is a crime that occurs when someone uses your name, Social Security number, credit card number, or other personal information without your permission.

- Explain to students that identity thieves can use the personal information anyone posts online to commit identity theft.
- Share a personal example or a story you have heard that relates to identity theft or other negative consequences of online behavior. Ask students to volunteer one.

STRENGTHEN: FINANCE DETECTIVE **20 min.**



Evidence of Theft

- Ask students to imagine that someone has broken into their locker and stolen something.



? How would you know that a theft has happened?

Possible answers: The lock might be broken; the locker door might be left open; things would be missing; things in the locker may have been rearranged



Presentation Tip

For a deeper dive into identity theft recovery, refer students to the resources on this topic in Additional Opportunities.



- Explain to students that sometimes, even if they are very careful, threats to their finances, such as identity theft, may still occur, so they need to know what to look for to catch it early. There are hints to look for, just like hints to let you know your locker might have been affected.
- Ask students if they know what a **credit report** is and how it might relate to identity theft. Invite them to share with the class.
- Share the definition with students and instruct them to write it down in their **Student Guide**.



A credit report is a record of your personal financial transactions or your credit history.

- Explain to students that the information on a credit report includes credit accounts opened, amount owed on credit, purchase and payment history, and information on overdue debt.
- Tell students that they can use their credit report to protect their finances because it will often show evidence of any suspicious activity that may have occurred.



What’s an example of suspicious activity?

Possible answers: Items you didn't buy; transactions at stores where you don't shop; purchases in places you have never been physically or online; transactions in a country you haven't visited; extremely large purchases you haven't made

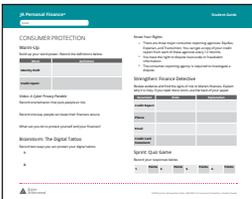
Consumer Rights

- Explain to students that suspicious activity on their credit report could potentially lower their credit score, making it more difficult for them to access credit in the future.
 - There are rules in place to help consumers dispute information on their credit report and restore their credit score if it is found to be inaccurate or fraudulent.
- Remind students that they have certain rights regarding their credit report.
- Invite a student volunteer to read aloud the Know Your Rights section in the **Student Guide**.



Finance Detective Activity

- Choose whether students will complete this activity in **Direct Access** mode or whether you will project to the class. For **Direct Access**, see the Direct Access box.
- Tell students that they will work with a partner to look for signs of risk to the personal finances of a college student.
 - Pairs will act as detectives to examine Marie’s credit report, emails, social media history, and other sources.
- Organize students into pairs.
- Distribute a **Clue Sheet** to each pair (Projection mode only).
- Tell students that the items on the credit report, credit card statement, emails, and smartphone (on the Clue Sheet) belong to Marie, a 19-year-old college student.
- Review the instructions for the activity.
 1. Examine the items carefully.
 2. Look for suspicious activity, such as credit card charges that seem out of place.
 3. Be on the lookout for examples of risky behavior, such as sharing information online.
 4. Select each item that is evidence of risk.
 5. Write each clue in your **Student Guide**. Include an explanation of why the clue is suspicious or shows risk.
- Give students 10 minutes to complete the activity.



Direct Access: Finance Detective Activity

- Assign a computer, tablet, or laptop to each pair of students.
- Have students select and discover the clues to reveal information.
- Instruct students to write their findings in their **Student Guide**.



Review the Clues

- Reconvene the class.
- Call on pairs of students to share a clue that they found.
- Select hotspots on each item to reveal feedback as students share.

Answer Key

Document	Risks	Explanation
Credit Report	<i>Below average credit score Late payment on a high-interest payday loan</i>	<i>Could lead to higher interest or denied credit in the future Could lead to expensive additional fees, considered higher risk for future credit</i>
Phone	<i>Careless posting on social media</i>	<i>Could lead to trouble with your boss or even job loss</i>
Email	<i>Asking for confidential information</i>	<i>Could be a scam or fraud meant to collect personal information, used to steal your identity</i>
Credit Card Statement	<i>Suspicious charges to a Senior Citizens' Golf Tourney and Men's Big N' Tall Shoe Emporium</i>	<i>Follow up on any purchases you don't recognize</i>

SPRINT: QUIZ GAME **10 min.**



Choices Challenge

- Tell students they are going to have a chance to test their knowledge and earn points by playing a quiz game.
 - The goal of the quiz game will be to select the right choices to protect their personal finances.
- Organize the class into two teams, and have teams sit on opposite sides of the room.
- Choose a team to go first and start the game.
- Read aloud the first question on the screen and give the team a chance to select a response.
- Select the answer choice chosen by the team and reveal feedback.
- If the answer is correct, award one financial fitness point to each team member.
- Repeat this process, alternating teams, until all questions have been answered.

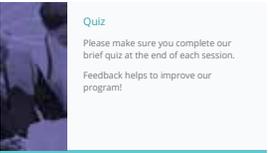
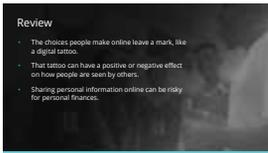
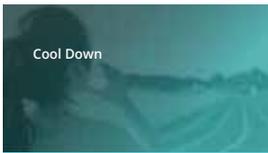
Answer Key (correct response in bold and underlined)

1. *How can a credit score be improved?* A: *Make a plan to pay bills on time.* B: *Try to pay off debts as soon as possible.* C: *Apply for a loan to pay off credit debt.* **D: A and B.**

Presentation Tip
If using the **Financial Fitness Score Sheet**, ask the teacher to help record student scores.

2. **What is the best way to protect a digital tattoo?**
*A: Delete offensive posts. **B: Think carefully before sharing online.**
 C: Post anything as long as it's honest. D: Use a fake name.*
 3. **What is the best plan if you accidentally respond to an email requesting personal information?** *A: Contact your bank and tell them to set an alert on your account. B: Monitor your credit report for suspicious activity. C: Nothing. The damage has been done. **D: A & B.***
 4. **How should suspicious charges on a credit card be handled?**
A: Notify the credit card company. *B. Call the stores where the suspicious charges occurred. C: Cut up the credit card. D: Track down the person who made the charges.*
- Explain to students that they can protect themselves by paying close attention to their own personal finances and examining them for signs of risk.

COOL DOWN **5 min.**



Session Review

- Review key concepts about identity theft.
 - The choices people make online leave a mark, like a digital tattoo.
 - That tattoo can have a positive or negative effect on how people are seen by others.
 - Sharing personal information online can be risky for personal finances.
 - Your credit report shows your financial history. Review it regularly for possible errors and threats to your digital reputation. If you find evidence of suspicious activity, you have the right to dispute it. This includes:
 - Items you didn't buy*
 - Transactions you don't recognize*
 - Purchases in places you have never been*

Post-Session Quiz

- Direct students to the post-session quiz.

ADDITIONAL OPPORTUNITIES



Opportunity One

Deeper Dive: Steps to Take After Identity Theft

- Invite the students to watch the video *Five Ways to Help Protect Your Identity*.
- Ask the students to note the five ways to protect identity on the back of their **Student Guide** and discuss as a group.
- Emphasize to students that by following these simple steps they are protecting themselves.

Opportunity Two

Online Research: Identity Theft Recovery

- Review the Federal Trade Commission's website for detailed steps on how to recover from identity theft.
- Have each student write down one tip from the website and share it with the class.
- If possible, record student responses on a whiteboard.

SMART SHOPPING

Overview

In this 45-minute session, students explore making informed purchasing decisions to maximize their buying power. They will work in groups to compare prices in a simulated shopping experience.

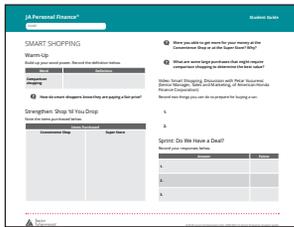
Objectives

Students will be able to:

- Identify the factors necessary for making an informed purchase.
- Compare and contrast prices and data when making a purchase decision.
- Calculate savings gained through smart shopping.

Materials

Smart Shopping Student Guide
(one per student)



Shop 'til You Drop Spreadsheet
(one per student; not required for **Direct Access** mode)

Financial Fitness Score Sheet
(optional, one per class)

Pencils

Table Tents (one per student, optional)

Preparation

- Copy the **Smart Shopping Student Guide** (one per student).
- Copy the **Shop 'til You Drop Spreadsheet** (one per student; not required for **Direct Access** mode).
- Update student scores and information in the **Financial Fitness Score Sheet** or the **Financial Fitness (Excel) Score Sheet**, if using it, and provide the sheet to the teacher for help in tracking scores.
- Log in to CrossKnowledge and select **JA Personal Finance Session Smart Shopping**. Review the lesson.

- Preview the **Strengthen: Shop 'til You Drop** activity to decide whether your students will complete it in **Direct Access** mode (recommended) or whether you will project it to the entire class.
- Preview the video: *Smart Shopping, Discussion with Petar Vucurevic, Senior Manager, Sales and Marketing, American Honda Finance Corporation.* (Note: To preview the video, watch it in the interactive resource. The full video will be played during the session, but if time is limited, individual clips of the interview questions can be found in the resources.)
- In the event of a technology or Internet failure in the classroom, consult the Appendix on page 98 for additional talking points and discussion questions.

Recommended Time

This session should take 45 minutes to complete. If needed, ask the teacher to help you keep track of the time.

Log In

- Go to CrossKnowledge: learn.ja.org.
- Log in with your username and password.
- Select **JA Personal Finance** under My Programs.
- Select **Session: Smart Shopping** from the menu.
- Select  to start the session.

WARM-UP

10 min.



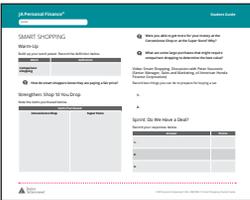
Program Overview

- Greet the students. Remind them of your name and job.
- Distribute the table tents.
- Ask students if they remember what **personal finance** is and remind them as necessary.
 -  **Personal finance is the practice of determining and managing a person's financial needs and goals for the future.**
- Remind students that personal finances are dependent upon earnings and savings and will be the basis of how students get what they want and need.

? What’s the connection between personal finance and personal fitness?

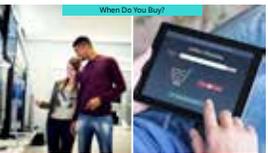
Possible answers: You have to work at both of them; they are lifetime habits; they require long-term commitment, etc.

- Remind students that personal finances generally consist of the following topics:
 - Earning money
 - Budgeting money
 - Saving money for larger purchases and emergencies
 - Managing credit and debt wisely
 - Protecting finances
 - Shopping smartly
 - Managing potential risk to finances
 - Investing to grow money



Session Overview

- Distribute the **Smart Shopping Student Guide** to each student. Tell students they will be referring to this guide during the session. They will also use it to take notes.
- Explain to students that when people are training to develop physical fitness, they need to make decisions about how they spend their resources. They need to know which exercise routines are effective and which are a waste of time.
 - These kinds of decisions are important for financial fitness, too. You need to make smart decisions about what you spend money on, to get the results you want.
 - When you work hard to earn your salary or wages, you want every dollar to go as far as it can.
- Tell students that in this session, they will learn how to be a smart shopper, able to buy items they want and need while keeping more of their money.



Smart Shopping

- Ask students to think about their most recent shopping trip or online purchase.

? When you make a decision to buy something, what factors do you consider?

Possible answers: Quality; price; choosing items that are on sale; online reviews; whatever is available now

- Ask students to imagine two people who make the same amount of money in a month and who both want to buy a television.
 - The first person goes into the store closest to his home and buys the first television he sees.
 - The second person checks multiple stores and websites to find the best price. She also finds a coupon in the newspaper for 15 percent off and uses it to save a little more.

? Which person made smarter choices?

Possible answer: The second person, unless convenience was the only priority for the first person

- Ask students to consider how shoppers know they are paying a fair price. Tell the students to note it in their **Student Guide**.
- Explain to students that every time they shop, they are comparing many different factors and personal priorities to help them make a decision.
 - ☰ **How people shop affects their finances, because smart decisions can help people spend less of their income and save more of their money.**
- Offer your own example of a time when you shopped wisely or a time when you wish you had.

How Shoppers Think

- Ask students to think about the last time they went shopping for jeans.
 - ? If you were choosing a pair of jeans to buy, what would you look for?**

Possible answers: Jeans that fit well; familiar brands; a price I can afford; high quality; styles I like

- Explain that the same principles students apply when they shop for jeans can be helpful for any kind of shopping.
- Ask students if they have heard the term **comparison shopping** and think they know what it means.

- Share the definition of comparison shopping with students and instruct them to write it down in their Student Guide.

☰ Comparison shopping is the practice of comparing price, quality, and quantity options before buying a product or service.

- Tell students that smart shoppers look at multiple sources and compare price, quality, and any other priorities.



- Explain that comparison shopping varies based on the priorities of the consumer. For example, when buying paper towels, some people prefer a high-quality product because it is softer or stronger, even if the price is more expensive. Others just want the lowest price.
- Offer your own example of priorities you consider when comparison shopping.



Buying in Bulk

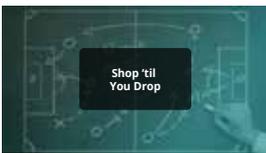
- Instruct students to compare the prices on the two sample food labels.
 - ❓ **Look at the total price on each label. Which one is lower?**
Answer: The label on the right has a lower total price
 - ❓ **Look at the unit price. Which one is lower?**
Answer: The label on the left has a lower unit price
- Explain that the unit price shows the price per a standard amount, such as ounces, pounds, or kilograms.
 - When comparison shopping, the unit price is useful for comparing packages that may contain different amounts of a product.
- Tell students that buying large amounts of a product can often result in savings because the unit price is lower.
 - This strategy is called buying in bulk.
- Explain that buying in bulk is a good strategy as long as people can use the entire amount that they buy. Large quantities of food, for example, could spoil before they are used.

STRENGTHEN: SHOP 'TIL YOU DROP

25 min.



Strengthen



Shop 'til You Drop

Shop 'til You Drop Directions

- Choose whether students will complete this activity in **Direct Access** mode or whether you will project it to the class. See **Direct Access** box.
- Explain to students that smart shopping can save them money and allow them to get more for the money they spend.
- Remind students that comparison shopping—comparing price, quality, and quantity options before buying—helps them make smart shopping decisions.

- You have \$25 to buy groceries to stock the *JA Personal Finance* Boot Camp kitchen. Try to spend as close to \$25 as possible without going over. Note: The goal is to get as much as possible for your money. Do not go over \$25.
- Instruct students to keep track of the items purchased in their **Shop 'til You Drop Spreadsheet**.
- Continue to play through the interactive with the Super Store.



Debrief

- After completing the interactive, discuss the activity.
 - **? Were you able to get more for your money at the Convenience Shop or at the Super Store? Why?**

Possible answers: We were able to get more groceries at the Super Store with more variety of choices; some identical items were much cheaper in the Super Store; the Convenience Store had fewer options than the Super Store

- Ask the students to imagine that one person bought her lunch every day at the convenience store while another person bought the same items at the less expensive grocery store. Over time, the first person would spend significantly more money on the same food—money that could have been used for other priorities.
- Explain to students that comparison shopping is more effective when there is a wide variety of options to compare. One way to increase variety is to look at prices from more than one shop, including shops that sell products in bulk.
- Share a personal example of strategies you use when grocery shopping and retail shopping.



Big-Ticket Items

- Explain that the same principles smart shoppers apply to shopping for groceries or jeans can apply to larger purchases as well.
 - For a small purchase like apples, shoppers can compare different varieties and quantities of apples from different stores, to determine the best value.
 - They can use the same principles for a large purchase.

- **? What are some large purchases that might require comparison shopping to determine the best value?**

Possible answers: a house; a car; electronics; a bicycle or scooter



Presentation Tip

When showing the video, turn off the lights and select the full screen icon in the video player controls.

- Invite the students to watch a video. Tell them to look for two things they can do to prepare for buying a car and write them down in their **Student Guide**.
- Show the video: *Smart Shopping, Discussion with Petar Vucurevic, Senior Manager, Sales and Marketing, of American Honda Finance Corporation*



Petar Vucurevic is the senior manager for sales and marketing at American Honda Finance Corporation. What ways did he suggest to prepare before buying a car?

Possible answers: Understand what you can afford; compare different finance plans to get the best terms; research the suggested price of the car you want

- Write student responses on a whiteboard if possible.

SPRINT: DO WE HAVE A DEAL?

5 min.



Do We Have a Deal?

- Tell the students that they will be comparing two options and deciding which is the better deal.
- Show the two options and read aloud the details for each deal.
- Instruct students to record their responses in their **Student Guide**.
- Have the students raise their hand showing one finger to choose option one and two fingers to choose option two.
- Select the option chosen by the majority of students to reveal feedback. If incorrect, select again to reveal feedback for the remaining choice.
- Award students one financial fitness point for each correct answer.
- Repeat this process with the remaining two sets.
- Record scores on the **Financial Fitness Score Sheet**, if using it. If possible, display the score sheet for the class to see.



Which is the better deal? A: Toothpaste, 6.2 oz. pkg. | \$0.48/oz., \$3.00 B: Toothpaste, 3.5 oz. pkg. | \$0.86/oz., \$3.00

Answer: A: Toothpaste, 6.2 oz. pkg. | \$0.48/oz., \$3.00

Feedback: Even though the total price for both tubes is the same, the unit price is cheaper for the larger tube.



Presentation Tip

If using the **Financial Fitness Score Sheet**, ask the teacher to help record student scores.

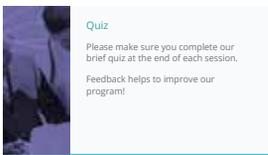
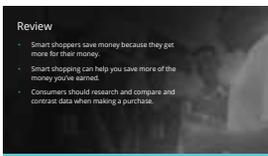
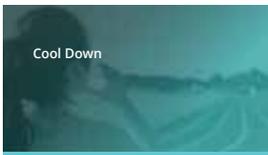
? Which is the better deal when eating out at a restaurant?
A: Soda drink B: Tap water

Feedback: Tap water is correct. Soda in restaurants is marked up as much as 1,150 percent and even more at places such as movie theaters and sporting events. Water is your best financial choice, and it's healthier too.

? Which is the better deal? **A: Lettuce, 10 oz. head | \$1.50**
B: Lettuce, 8 oz. bag. | \$2.79

Feedback: Buying a whole head of lettuce, washing, and tearing it up at home takes a few minutes longer than opening up a bag of pre-washed greens, but if you're willing to spend the time, it can be much cheaper.

COOL DOWN **5 min.**



Session Review

- Review the key concepts.
 - Smart shopping saves money and helps consumers get more for their money. These techniques can help you keep more of the money you've earned to use on other choices.
 - Consumers should research and compare and contrast data when making a purchasing decision.

Post-Session Quiz

- Direct students to the post-session quiz.

ADDITIONAL OPPORTUNITY



- Invite the students to watch the video: *Online Shopping Tips*.
- Tell students to look for three tips they can use when shopping online and write them down on the back of their **Student Guide**.
- Call on student volunteers to share tips they learned from the video.
- Write student responses on a whiteboard if possible.

RISK MANAGEMENT

Overview

In this 45-minute session, students explore risks that can lead to financial loss and practice applying appropriate risk management strategies in scenarios.

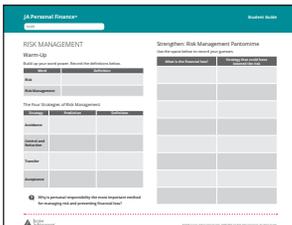
Objectives

Students will be able to:

- Recognize risk of financial loss as an everyday reality for everyone.
- Recognize risk management strategies and apply them appropriately.
- Understand the role of personal responsibility in preventing financial loss.

Materials

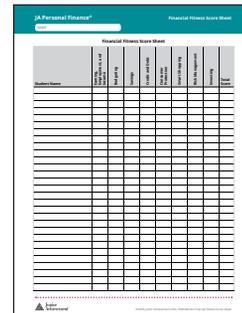
Risk Management Student Guide
(one per student)



Risk Management Scenario Cards sheet (one per class)



Financial Fitness Score Sheet
(optional, one per class)



Pencils

Plain white paper (one per student)

Table Tents (one per student, optional)

Preparation

- Copy the **Risk Management Student Guide** (one per student).
- Copy the **Risk Management Scenario Cards** sheet (one per class) and cut on the dotted lines to separate the items.
- Update student scores and information in the **Financial Fitness Score Sheet** or the **Financial Fitness (Excel) Score Sheet** if using it, and provide the sheet to the teacher for help in tracking scores.

- Obtain blank paper (one per student). Not provided.
- Log in to CrossKnowledge and select **JA Personal Finance Session Risk Management**. Review the lesson.
- In the event of a technology or Internet failure in the classroom, consult the Appendix on page 98 for additional talking points and discussion questions.

Recommended Time

This session should take 45 minutes to complete. If needed, ask the teacher to help you keep track of the time.

Log In

- Go to CrossKnowledge: learn.ja.org.
- Log in with your username and password.
- Select **JA Personal Finance** under My Programs.
- Select **Session: Risk Management** from the menu list.
- Select  to start the session.

WARM-UP

10 min.



Program Overview

- Greet the students. Remind them of your name and job.
- Distribute the table tents.
- Ask students if they remember what personal finance is and remind them as necessary.
 -  **Personal finance is the practice of determining and managing a person’s financial needs and goals for the future.**
 -  **How are personal finance and personal fitness alike?**
Possible answers: They both take effort; they are lifetime commitments, etc.
- Remind students that personal finances are dependent upon earnings and savings and will be the basis of how students get what they want and need.

- Remind students that personal finances generally consist of the following topics:
 - Earning money
 - Budgeting money
 - Saving money for larger purchases and emergencies
 - Managing credit and debt wisely
 - Protecting finances
 - Shopping smartly
 - Managing potential risk to finances
 - Investing to grow money



Session Overview

- Distribute the **Risk Management Student Guide** to each student. Tell students they will be referring to this guide during the session. They will also use it to take notes.
- Tell students they will learn about risks that have the potential to harm their personal finances and about strategies for managing those risks.

The Meaning of Risk

- Explain to students that when athletes train or play a sport, there is always a risk they could be injured. Even though the risk can never be completely eliminated, there are things they can do that make injury less likely.
 - For example, cyclists wear helmets to protect their heads if they have an accident.
- Gauge what students already know about risk.
 - ?** What do you think of when you hear the term *risk*?

Possible answers: Something that is dangerous; behavior that could get a person in trouble or hurt someone
 - ?** What do you think it means to manage risk?

Possible answers: Trying to control risk; avoiding things that are risky; learning about possible risks ahead of time
- Ask students for definitions of *risk* and *risk management*. Select the “Definition” button to reveal the definition. Share each definition with students and instruct them to write it down in their **Student Guide**.



... Risk is the possibility of financial loss or physical harm.

... Risk management is predicting and minimizing the chance of financial loss.

- Explain that risk is a part of everyday life, and that there is always a chance that personal finances can be affected by loss.

? What is an example of a risk that can cause financial loss?

Possible answers: Driving carelessly could damage your car; breaking rules at your job could cause you to get fired and lose income; hail or fire could damage your house; your cell phone could get wet and stop working

? For example, if you damage your car, how would that affect your finances?

Possible answers: If you use your car to get to work, it could affect your income; the damages will cost money to replace, meaning you'll have less money for the things you want and need

- Share a personal example of risk and financial loss that you have experienced or heard.



Unavoidable Risk

? Imagine that there is a cold going around. What might you do to avoid catching it?

Possible answers: Wear a coat if it's cold outside; avoid people who are sick; wash your hands frequently

- Ask students whether they have ever gotten sick even though they were careful to prevent it.
- Explain to students that some risks, like catching a cold, may not be avoidable, but it is possible to take steps to manage the risk.
 - People can and do experience financial loss even when they behave responsibly.
 - There are strategies that make it possible to manage risk and decrease the likelihood of financial loss.



Personal Responsibility

- Tell students that they should always take responsibility for the effect their choices and actions can have on their lives and their personal finances.

☰ Personal responsibility is the most important method for managing risk and preventing financial loss.

- Personal responsibility reduces risk.
- Many risks to personal finances come from factors we can control. For example, arriving to work on time and working hard may result in job security or even earn a pay raise.
- Being aware of your situation and proactively protecting yourself and your valuables can reduce risk.
- Avoiding dangerous or compromising situations can also reduce risk.

- Avoidance
- Control and Reduction
- Transfer
- Acceptance

Four Strategies of Risk Management

- Tell students that there are four main strategies for risk management: **avoidance**, **control and reduction**, **transfer**, and **acceptance**.
- Organize students into groups of three to four. Assign one strategy to each group.
- Give groups a few minutes to predict the definition of their assigned strategy and write their predictions in their **Student Guide**.
- Call on groups to share their predictions with the class.
- Introduce each new term. Ask students for their ideas about definitions. Share the definitions with students and instruct them to write them down in their guide.

☰ **Avoidance**
Definition to eliminate or skip the risk of financial loss

☰ **Control and reduction**
Definition to lower the risk of financial loss or select acceptable losses

☰ **Transfer**
Definition to share the risk of financial loss with another party, such as an insurance provider

☰ **Acceptance**
Definition to personally take on the risk of financial loss

☰ Avoidance is the choice to eliminate or skip the risk of financial loss.

☰ Control and reduction is the choice to lower the risk of financial loss or select acceptable losses.

☰ Transfer is the choice to share the risk of financial loss with another party, such as an insurance provider.

☰ Acceptance is the choice to personally take on the risk of financial loss.

- Explain that the four techniques can often be used together as part of a risk management strategy. For example, riding a bicycle requires acceptance of some risk, but wearing a bike helmet controls and reduces the level of risk.



Strategy Quick Sort

- Tell the students that they will identify examples of each of the four risk management strategies.
- Call on a student to volunteer for each item, to explain whether it is an example of avoidance, control and reduction, transfer, or acceptance.
- Drag the answer to the spot selected by the student. When all answers are in place, click “Submit.” If any answers are incorrect, try again.
 - After second attempt, incorrect answers will be displayed and a “Show Solution” button will be available.
- Provide a few personal examples of how you have managed risk and identify which strategy they exemplify.

Answer Key

Strategy	Example
Avoidance	<i>Choosing not to start a business that could lose money</i>
Control and reduction	<i>Installing a security alarm in your home</i>
Transfer	<i>Buying travel insurance on a plane ticket</i>
Acceptance	<i>Borrowing money to start a business that could be profitable</i>

STRENGTHEN: RISK MANAGEMENT PANTOMIME 20 min.



Risk Management Scenarios

- Tell students they will be acting out some scenarios that show risks that typically affect personal finances.
- Organize students into groups of three to four.
- Distribute one **Risk Management Scenario Card** to each group.

Instructions

1. Each group prepares a short pantomime (using no words) to act out the scenario on their assigned card.
2. Allow 5 minutes for each group to prepare.
3. As each group presents, the rest of the groups will try to guess the loss, and then list one of the four strategies that could



Presentation Tip

If using the **Financial Fitness Score Sheet**, ask the teacher to help record student scores.

have lowered the risk. They should write their guesses in their **Student Guide**.

4. The first group to give the correct guess about the pantomimed behavior and provide the correct strategy that could have been used to address the financial loss receives 5 points.
5. If a group guesses the pantomimed behavior correctly but cannot provide a correct strategy, the group receives 1 point and the next group gets a chance to earn 5 points for providing the strategy.

Example:

The scenario: Raj carries his tablet in his backpack. When he tossed his backpack on the ground at soccer practice, the screen cracked.

Audience response:

1. Correctly guess the financial loss (broken tablet).
 2. Name one of the four strategies and a specific behavior Raj could have done before the financial loss:
 - a. Avoidance (avoided the loss by not throwing the backpack or by leaving it at home)
 - b. Control and reduction (bought a shock-proof case and carried the tablet in it)
 - c. Transfer (taken out insurance on the tablet, covering accidents)
 - d. Acceptance (buy a new tablet if something happens to this one)
- Instruct students to read through their scenarios together.
 - The responses in the key on the next page are suggestions. More than one strategy can be correct, if the group has a reasonable explanation that matches the definition of the strategy.
 - Give groups 5 minutes to create and rehearse their pantomimes.
 - Ask each group to present and have the other groups guess.
 - Ask the teacher to help you judge responses and keep score.



Risk is a fact of life and cannot be avoided, but through personal responsibility and careful use of the four risk management strategies, you can reduce the risk and loss to your finances.

Answer Key

Scenario	Financial Loss	Possible Strategies
Scenario 1: Sergio and his new smartphone	Damaged smartphone	Avoidance—Avoid carrying the smartphone in the back pocket. Control and reduction—Keep the smartphone in a waterproof case.
Scenario 2: Kim the new driver	Car accident	Control and reduction—Drive cautiously to reduce the chance of an accident. Transfer—Purchase car insurance that will cover the cost of an accident.
Scenario 3: Maria’s friend	Cost of the video game	Avoidance—Do not lend money to friends. Acceptance—Lend the money to John knowing that he may not pay it back.
Scenario 4: Brian’s checking account	Penalty fees from the bank	Avoidance—Avoid using the checking account. Control and reduction—Keep track of the checking account to reduce the chances of bouncing a check.
Scenario 5: Liam and his new apartment	Cost of replacing the items damaged in the flood	Transfer—Purchase renter’s insurance to cover property damage in case something unexpected happens. Acceptance—Accept the loss and pay to replace the items.
Scenario 6: The Perez family’s new TV	Cost of replacing or repairing the TV	Transfer—Buy the extended warranty at the time of purchase to cover the cost if something goes wrong. Acceptance—Accept the loss and buy a new TV or pay for repairs.
Scenario 7: Tam’s unlocked door	Loss of necklace	Control and reduction—Lock the door to reduce the chances of being robbed. Transfer—Buy renter’s insurance that covers theft.
Scenario 8: Darrell and his mouth guard	Dental bills	Control and reduction—Wear a mouth guard to reduce the chances of injury. Transfer—Buy dental insurance.

SPRINT: RISKY TRIVIA **10 min.**



Trivia Competition

- Tell students that they will be competing for points based on their knowledge about risk.
- Distribute a sheet of plain white paper to each student or have students use the back side of their **Student Guide** for the Sprint activity.
- Instruct students to organize their paper into fourths by folding it in half vertically and horizontally.

Risky Trivia Instructions

1. You will be shown a question about risk management and financial loss.
2. You will have 10 seconds to write your answer in one quadrant of your paper.
3. When time is up, hold your paper up so the volunteer can read the answer.
4. You will earn one point for each correct answer.



Presentation Tip

If using the **Financial Fitness Score Sheet**, ask the teacher to help record student scores.

- Review the instructions.
 1. You will be shown a question about risk management and financial loss.
 2. You will have 10 seconds to write your answer in one quadrant of your paper.
 3. When time is up, hold your paper up so the volunteer can read the answer.
 4. You will earn 1 point for each correct answer.
- Show the first question and read it aloud to the class.
- Announce when 10 seconds are up and prompt students to show their answers.
- Select to reveal and read aloud the correct answer.

Answer Key

Question	Answer
Car insurance is an example of which risk management strategy?	<i>Transfer</i>
What is the most important method for preventing financial loss?	<i>Personal responsibility</i>
True or false? Avoiding risk is always the best strategy.	<i>False</i>
Installing fire alarms and a sprinkler system is an example of which risk management strategy?	<i>Control and reduction</i>

COOL DOWN

5 min.

Cool Down

Review

- Risk of financial loss is an everyday reality for everyone.
- The four main risk management strategies are: avoidance, control and reduction, transfer through insurance, and acceptance.
- Personal responsibility is the most important method of preventing financial loss.

Quiz

Please make sure you complete our brief quiz at the end of each session. Feedback helps to improve our program!

Session Review

- Review key concepts.
 - Risk of financial loss is an everyday reality for everyone.
 - The four main risk management strategies are avoidance, control and reduction, transfer, and acceptance.
 - Personal responsibility is the most important method of preventing financial loss.

Post-Session Quiz

- Direct students to the post-session quiz.

ADDITIONAL OPPORTUNITY



Risky Management Pantomime Instructions

1. With your group, act out the scenario on your assigned card. Use no words.
2. You have 5 minutes to prepare.
3. Watch each group. Try to guess the loss and list one of the four strategies that could have lowered the risk exposed.
4. Five points will be awarded to the first group to guess the risk and correctly label the strategy.
5. One point will be awarded to the group that guesses the risk but misses the strategy. Then, another group can guess the strategy and earn five points.



Risk Management Pantomime Take Two

- Instruct students to meet with their groups again, or organize students into new groups of three to four.
- Repeat the Strengthen: Risk Management Pantomime activity, with each group choosing a different scenario from what they chose in the first round.

INVESTING

Overview

In this 45-minute session, students explore investing and work in groups to simulate evaluating investments with different levels of risk and reward.

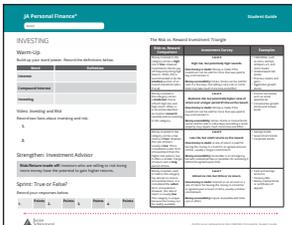
Objectives

Students will be able to:

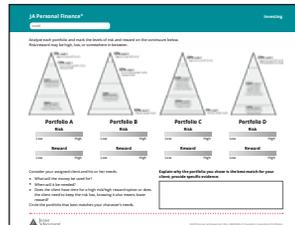
- Understand the role of compound interest in the growth of wealth over time.
- Recognize that investment options carry different levels of risk and reward.
- Analyze the risk tolerances for different investment strategies.

Materials

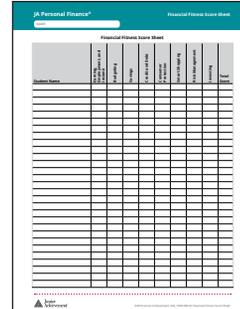
Investing Student Guide (one per student)



Investment Portfolios (one per group of three to four students)



Financial Fitness Score Sheet (optional, one per class)



Investor Profiles (one per class)



Certificate of Achievement (one per student)



Pencils

Table Tents (one per student, optional)

Preparation

- Copy the **Investing Student Guide** (one per student).
- Copy the **Investor Profiles** (one per class) and cut on the dotted lines to separate the profiles.
- Copy the **Investment Portfolios** (one for every group of three to four students).
- Update student scores and information in the **Financial Fitness Score Sheet** or the **Financial Fitness (Excel) Score Sheet**, if using it, and provide the sheet to the teacher for help in tracking scores.
- Log in to CrossKnowledge and select **JA Personal Finance Session Investing**. Review the lesson.
- Complete the students' **Certificates of Achievement** so you will be prepared to distribute them at the end of the session.
- Preview the video: *Investing and Risk*.
- In the event of a technology or Internet failure in the classroom, consult the Appendix on page 98 for additional talking points and discussion questions.

Recommended Time

This session should take 45 minutes to complete. If needed, ask the teacher to help you keep track of the time.

Log In

- Go to CrossKnowledge: learn.ja.org.
- Log in with your username and password.
- Select **JA Personal Finance** under My Programs.
- Select **Session: Investing** from the menu.
- Select  to start the session.

WARM-UP

10 min.

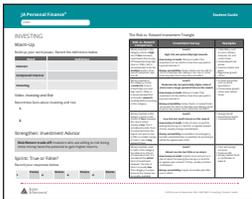


Program Overview

- Greet the students. Remind them of your name and job.
- Distribute the table tents.
- Ask students if they remember what personal finance is and remind them as necessary.

Personal finance is the practice of determining and managing a person’s financial needs and goals for the future.

- Remind students that personal finances are dependent upon earnings and savings and will be the basis of how students get what they want and need.
- Remind students that personal finances generally consist of the following topics:
 - Earning money
 - Budgeting money
 - Saving money for larger purchases and emergencies
 - Managing credit and debt wisely
 - Protecting finances
 - Shopping smartly
 - Managing potential risk to finances
 - Investing to grow money



Session Overview

- Distribute the **Investing Student Guide** to each student. Tell students they will refer to this guide during the session. They will also use it to take notes.
- Tell students that in fitness training, strength and abilities grow over time. The more time you have, and the earlier you start, the better you will be—so it’s good to start young, when you have a lot of time ahead of you.
 - Financial fitness is the same way. By investing early, students can potentially grow money over time.
- Remind students that previously they focused on earning money from income or maximizing money through smart shopping. They will now learn about a third way potentially to earn money: having their money grow through investing.



Introduction to Compounding

- Present the following quiz questions. As you read aloud each answer choice, have students raise their hands to vote on an answer.

Which of these is an example of interest?

Answer (correct response is bold and underlined): A: A percentage earned on a savings account; B: A percentage charged by a student loan company on the money you borrow;

Presentation Tip

For a demonstration of growing money, present the activity *\$1 Million or One Cent*, in the Additional Opportunity section.

*C: A percentage you pay to a credit card company on what you owe on a credit card; **D: All of the above***

☰ The answer is D: All of the above.

- A is an example of money you earn from allowing a bank to use your money. Putting your money in a savings account earns interest, but the amount is very small—less than 1 percent in most cases.
- B and C are examples of fees you pay to use someone else’s money.
- All of these are examples of interest.

❓ In which of the following situations would you make the most money?

*Answer: A: Interest paid on a deposit; B: Compound interest paid on a loan; **C: Compound interest paid on a deposit;** D: Interest paid on a loan*

☰ The answer is C: Compound interest paid on a deposit.

- A and C refer to interest that earns you money.
- B and D refer to interest that costs you money.
- Compound interest on a loan adds up even faster; therefore, the answer is C because it means that you are collecting interest not only on your original deposit but also on all the interest you’ve already made. Your deposit gets bigger each time interest is added back in, making your money grow faster.

- Ask students to volunteer definitions for these key terms. Select the “Definition” button to reveal the definition. Then display the definitions and instruct students to write them in their **Student Guide**.

☰ Interest is payment for the use of money, a fee paid to use someone else’s money, or money earned from allowing someone else to use your money.

☰ Compound interest is when the interest on an account is added back into the loan or deposit, making the original amount larger—causing the amount in the account to grow faster each time interest is added.

- Explain to students that they can use the power of compounding to grow their money.
 - Over time, the loan or deposit grows faster and faster as the account is growing.
 - This is good news if it’s money being paid to you on a deposit. This is not good news if it is interest you are paying on a loan.

Interest

Definition Interest is the use of money, fee paid to use someone else’s money, or money earned from allowing someone else to use your money

Compound interest

Definition Interest on an account is added back into the loan or deposit, making the original amount larger—causing the amount in the account to grow faster each time interest is added



Presentation Tip

When showing the video, turn off the lights and select the full screen icon in the video player controls.

Investing and Risk

- Invite the students to watch a video. Tell them to look for two facts about investing and risk, and write them in their **Student Guide**.
- Show the video: *Investing and Risk*.

? Why might an investor choose to make a riskier investment?

Possible answers: Riskier investments can have a higher potential for gain; a young person who has more time to invest might accept more risk than an older person approaching retirement

- Explain that there is generally a relationship between risk and potential gains.
- **...** The riskier an investment, the more likely it is to go up or down in value.
- Share a personal experience with investing, your reasons for doing so, and the level of risk involved.



Savings vs. Investments

- Tell students that a savings account is not the only way to earn interest.
 - Putting money in a savings account earns interest, but the amount is very small—less than 1 percent in most cases.

? What is another way to grow your money?

Possible answer: Earn interest by investing, or allowing a venture, such as a business, to use your money

- Explain that investments don't always make money. They come with risk. Remind students that risk means potential loss, meaning you could lose the money you invested and not get it back.
 - People who invest their money in a business benefit when the venture earns more money, but they carry a risk of loss if the venture loses money.
 - Investments have the potential to earn higher interest than the interest earned on a savings account, but the principal, or initial investment, might be lost, whereas the saving account is protected.



- Ask for a volunteer to define **investing**, and then reveal the definition. Instruct students to write the definition in their **Student Guide**.

Investing is putting money into a venture that offers the possibility of earning more money.

Investing for the Future

- Remind students that the main purpose of saving money is to keep earnings safe for an emergency or a bigger purchase, in the same way that exercise helps us build physical fitness and prepare for our futures.

Investing is for growing earnings for the future.

- Explain that investing is planning for the long term, and the money is generally not easily accessible, or liquid.

Investing is hoping to make the money you have earned grow into more money, but it also comes with the risk of loss.

- Explain that the purpose of investing money is usually for establishing long-term wealth and providing for retirement, future education costs for a child or grandchild, or other long-term goals that require more than the interest that a savings account would yield.
 - While it is a safe choice to leave a large amount of money in a savings account, it will grow very little.
 - In order to have your money grow through investing, it would need to be moved from the safe savings account to an investment opportunity.
- State that choice can come with a trade-off, such as having money unavailable for a longer period of time or the potential risk of losing it.

STRENGTHEN: INVESTMENT ADVISOR | 20 MIN.



Risk vs. Reward

- Direct students' attention to the Risk vs. Reward Investment Triangle section in their **Student Guide**. Ask them to identify what each row of the chart represents (high-risk investments at the top of the chart, and low-risk at the bottom).



? What relationships do you notice between levels of risk and reward in the triangle?

Possible answers: In general, safer options offer the lowest interest return; investments that offer a high rate of return also carry a high risk of loss

- Explain that risk and reward tend to move in the same direction.
 - As the level of risk increases, the potential reward increases.
 - As the level of risk decreases, the potential reward decreases.
 - This risk-reward relationship explains why the interest rate on savings accounts is generally pretty low and stocks tend to be more profitable over the long term.

• Introduce the concept of the risk return trade-off.

... Investors who are willing to risk losing more money have the potential to gain higher returns.

? Look at the investment triangle again. What are some examples of low-risk investments?

Possible answers: savings bonds; government bonds; corporate bonds

? What are some examples of moderate- or high-risk investments?

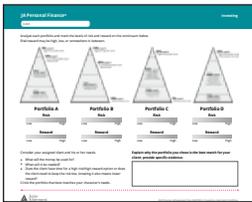
Possible answers: collectibles; undeveloped real estate; precious metals and gems; aggressive growth stocks; income growth stocks; mutual funds

- Explain that generally, investment experts recommend having a blend of low-risk, moderate-risk, and high-risk investments.
 - Blending different levels of risk allows the opportunity for potential reward but keeps a portion of the investment at a safer risk level.
- Explain to students that they should seek guidance from someone they trust before investing.
 - Investing can be complicated. Many people seek help from a professional certified investment advisor to help them decide how to invest their money.

Investment Advisor

- Tell students they will be working in groups to choose the best investment portfolio for an individual client based on that person's character profile.





- Organize students into groups of three to four.
- Distribute one **Investor Profile** and one **Investment Portfolios** handout to each group.
- Tell students that each of the four triangles on the Investment Portfolios sheet represents portfolios made up of different percentages of low-, moderate-, and high-risk investments.
- Instruct students to analyze all four portfolios and mark the level of risk and reward on the continuum below each triangle.
 - The risk/reward levels for the four portfolios range from low to high, with two moderate portfolios falling somewhere in the middle.

? Look at all four portfolios. Which one represents the highest risk/highest reward?

Answer: Portfolio D

? Which one represents low risk/low reward?

Answer: Portfolio A

Activity Instructions

1. With your group, examine the profile. Pay attention to your client's age and needs.
2. Choose the best portfolio option for your client. Circle it.
3. Write the explanation for your choice on the **Investment Portfolios** handout.
4. Use the information in the Risk vs. Reward Investment Triangle in your **Student Guide** to support your choice.

Debrief

- Call on groups to present their choices to the class.
- Have groups read their client profile aloud and announce the portfolio they chose.
- Ask each group to support its choice with evidence.

? Why is the portfolio you chose the best option for your character?

Possible answers: A portfolio with a higher percentage of high- and/or moderate-risk stocks is good for a young character who has more time to allow the stocks to grow; a low-risk portfolio is good for an older character who doesn't have time to recover from losses close to retirement



SPRINT: TRUE OR FALSE?

5 min.



Investment True or False

- Tell the students that you will share a statement about investment. Their job is to determine whether the statement is true or false.
- Review the instructions.
 1. You will be shown a statement about growing your money through investment.
 2. You will have 10 seconds to decide if the statement is true or false and write your answer in your **Student Guide**.
 3. When time is up, show your answer to the volunteer.
 4. For each correct answer, you will earn 1 point.
- Show the first question and read it aloud to the class.
- Announce when 10 seconds are up and prompt students to show their answers.
- Select to reveal the correct answer and feedback.
- Repeat this process with the remaining three statements.
- Record scores on the Financial Fitness Score Sheet, if using it. If possible, display the score sheet for the class to see.



Presentation Tip

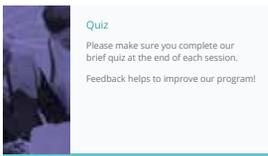
If time is tight, consider skipping the Sprint and moving straight to the **Cool Down**.

Answer Key

Statement	Answer
You don't need a ton of money to start investing.	<i>True: You can invest even small amounts of money. Research "ways to invest \$500 or less" to learn more.</i>
Investing is a good way to grow your money now.	<i>False: Investing is a way to grow money over the long term. The sooner you start, the better.</i>
People under age 18 cannot invest in stocks independently.	<i>True: People under age 18 can start trading with a parent and a custodial account. Find out if a parent or guardian will open a custodial account with you and begin with some small investments.</i>
Your cousin's friend offers you the opportunity to invest in a company he says is low risk with guaranteed high rewards. You should make the investment.	<i>False: The risk return trade-off means that high potential reward comes with high risk. If someone tells you otherwise, it is probably too good to be true.</i>

COOL DOWN

5 min.



Review

- Review key concepts.
 - Investing is a way to grow money over time.
 - Compounding increases the growth of money over time.
 - Different investment options carry different levels of risk and reward.

Post-Session Quiz

- Direct students to the post-session quiz.

PROGRAM WRAP-UP

5 min.



Program Review

- Remind students what they have learned.
 - Education and training are connected to career prospects and affect lifetime income.
 - The goal of budgeting is to spend less than you make. Spending habits affect personal satisfaction and future opportunities.
 - Savings can help to pay for big purchases and emergencies.
 - Using credit is spending future money now. How you handle credit determines your credit score, which will affect future opportunities.
 - The choices people make online leave a mark, like a digital tattoo, and can have a positive or negative effect on how others see them.
 - Smart shopping saves money and helps consumers get more for the money they earned.
 - Risk of financial loss is an everyday reality for everyone. The most important method of preventing financial loss is personal responsibility.
 - Investing grows money over time. Different investment options carry different levels of risk and reward.



“Net worth is not the same as self-worth. Money is important, but it’s not everything. Good friends, strong values, and work you enjoy count for more than all the money in the world. Money is only a vehicle to help you get where you want to go.”



money in the world. Money is only a vehicle to help you get where you want to go.”—National Endowment for Financial Education



- Thank the students for their participation and distribute Certificates of Achievement. Remind students to take the certificates home to share with their families.
- Share with students something you learned during your visits, and ask a few students to share something they will remember about this experience.

ADDITIONAL OPPORTUNITY



Week	Day	Amount	Day	Amount	Day	Amount	Day	Amount
Week 1	1	\$1.00	2	\$1.01	3	\$1.02	4	\$1.04
	5	\$1.06	6	\$1.12	7	\$1.19	8	\$1.27
	9	\$1.35	10	\$1.43	11	\$1.52	12	\$1.61
	13	\$1.71	14	\$1.81	15	\$1.92	16	\$2.03
	17	\$2.44	18	\$2.56	19	\$2.69	20	\$2.83
	21	\$3.47	22	\$3.61	23	\$3.76	24	\$3.91
	25	\$5.19	26	\$5.35	27	\$5.52	28	\$5.69
Week 2	29	\$7.85	30	\$8.13	31	\$8.42	32	\$8.72
	33	\$9.04	34	\$9.35	35	\$9.67	36	\$10.00
	37	\$10.34	38	\$10.67	39	\$11.01	40	\$11.36
	41	\$11.72	42	\$12.08	43	\$12.45	44	\$12.83
	45	\$13.22	46	\$13.61	47	\$14.01	48	\$14.42
	49	\$14.94	50	\$15.36	51	\$15.79	52	\$16.23
	53	\$16.68	54	\$17.13	55	\$17.58	56	\$18.04
Week 3	57	\$18.51	58	\$19.00	59	\$19.49	60	\$19.99
	61	\$20.50	62	\$21.01	63	\$21.52	64	\$22.04
	65	\$23.15	66	\$23.67	67	\$24.19	68	\$24.72
	69	\$26.48	70	\$27.02	71	\$27.56	72	\$28.11
	73	\$30.38	74	\$30.93	75	\$31.48	76	\$32.04
	77	\$35.08	78	\$35.64	79	\$36.20	80	\$36.77
	81	\$40.51	82	\$41.08	83	\$41.65	84	\$42.23



Presentation Tip

Invite student volunteers to select dates on the calendar and reveal each week.

\$1 Million or One Cent

- Engage students in an imaginative exercise about compound interest.
- If you could receive either a flat \$1 million today or one cent today and then double each day's new amount every day for a month, which would you choose?

Possible answers: I would choose \$1 million today because it's a greater amount; I would choose one cent today because by doubling, it will grow to be more than \$1 million by the end of the month

- Take a vote. Have students raise their hands—first if they would take the \$1 million, then if they would choose one cent.
 - Instruct students to guess what the total will be at the end of the month (31 days) if they chose the penny, and write their guess on the back of their **Student Guide**.

How the Penny Grows

- Reveal the amount after the first week. Point to each day, and have the whole class read the dollar amounts aloud.
- Continue to reveal the amounts for each week.
- Pause after revealing week three and point out the total of \$10,485.76.



At the beginning of the month, the increases are small, but the increases get bigger each day. Why?

Possible answers: The amount being doubled increases each day; as the amounts get bigger, the increases get bigger

- Explain that, by doubling each day, the amount grows by increasingly higher amounts each time.
- Invite students to revise their estimates of the final amount, if they'd like, and write the new guess on the back of their **Student Guide**.
- Continue until the final amount is revealed.
- Point out the final total of \$10,737,418.24 after 31 days and instruct students to write it on the back of their **Student Guide**.
- Invite students to share their guesses with the class and see whose guess was closest to the final amount.
- In one month, just by repeated doubling, one cent grew into over \$10 million.

GLOSSARY

Acceptance the choice to personally take on the risk of financial loss

Avoidance the choice to eliminate or skip the risk of financial loss

Budget a spending plan for managing money during a given period of time

Comparison shopping the practice of comparing price, quality, and quantity options before buying a product or service

Compound interest when the interest on an account is added back into the loan or deposit, making the original amount larger—causing the amount in the account to grow faster each time interest is added

Control and reduction the choice to lower the risk of financial loss or select acceptable losses

Credit the ability to buy goods or services now but pay later

Credit history a record of your personal financial transactions

Credit report a record of your personal financial transactions or your credit history

Credit score a standardized measurement of the potential for a borrower to repay debt

Debt money owed

Digital tattoo an online mark based upon the choices someone makes that can have a positive or negative effect on how others see them

Earnings the money you make

Expense money spent to buy or do something

Fixed expenses expenses that do not change from month to month, such as rent

Identity theft crime that occurs when someone uses your name, Social Security number, credit card number, or other personal information without your permission

Income money earned or received, including wages or gifts

Interest payment for the use of money, a fee paid to use someone else's money, or money earned from allowing someone else to use your money

Investing putting money into a venture that offers the possibility of earning more money

Pay yourself first (PYF) setting aside money for savings prior to paying monthly expenses

Periodic expenses expenses that occur on an irregular basis, rather than monthly, for example, car repairs, or a doctor's bills

Personal finance the practice of determining and managing a person's financial needs and goals for the future

Priorities choices that are more important when compared to others

Risk the possibility of financial loss or physical harm

Risk management is predicting and minimizing the chance of financial loss

Salary money paid to an employee for work done, usually given biweekly based on an annual rate, regardless of hours worked

Savings setting aside a portion of current income for future use

Transfer the choice to share the risk of financial loss with another party, such as an insurance provider

Values strong beliefs and ideals that influence one's choices

Variable expenses expenses that vary from month to month, such as entertainment, electricity, or groceries

Wages money paid to an employee for work done, usually given on an hourly, daily, or piecework basis

APPENDIX FOR INTERACTIVES

1. If you encounter difficulties with technology or Internet access during your *JA Personal Finance* program, consult this Appendix for support.
2. If any of the videos do not play in the classroom, refer back to the session talking points and questions to lead a brief discussion.
3. If the activity is not listed in this appendix, there is enough information in the Volunteer Guide to run the activity without technology.

Session: Earning, Employment, and Income, page 17

STRENGTHEN: PRIORITIES AND VALUES

10 min.

Introduce priorities and values. Students complete a personal priorities evaluation to help them brainstorm personally relevant careers. Brainstorm a list of career options.

- Work through the entire activity for Priorities and Values.
- Brainstorm careers with students related to technology, education, law, finance, health, or sales.

Technology: Possible careers include: computer programmer, information system architect, web developer, network and system administrator, engineer, software developer, software quality assurance tester, database architect, information security architect, audio visual technician

Education: Possible careers include: teacher, counselor, librarian, instructional designer, curriculum coordinator, training and development manager

Law: Possible careers include: paralegal, attorney, judge, police officer, customs agent, court clerk, corrections officer, criminologist, bailiff

Finance: Possible careers include: commercial banker, loan officer, mortgage lender, investment banker, trader, stock broker, insurance agent

Health: Possible careers include: physical therapist, pharmacist, physician, surgeon, dentist, nurse, nurse practitioner, physician's assistant, surgeon, dental hygienist, chiropractor

Sales: Possible careers include: real estate broker, retail sales, customer service representative, insurance agent

- Suggest to students that they investigate the Federal Student Aid Career Search website on their own for more information. If they find a career that interests them, suggest that they learn more about what the career is and the requirements for it.

Session: Earning, Employment, and Income, page 21

SPRINT: CAREER ADVISOR**5 min.**

Review character profiles and choose careers for the characters that match their priorities and values.

- Read aloud each profile.
- Read aloud each of the four options.
- Have students vote on the option that they think is the best career for the individual's profile.
- Share information and statistics on each option.
- Award points for correct answers.

Profile One

Michael values helping people directly. A high salary is not his top priority. He would like a career that has a flexible schedule or that allows him to work for himself. He's willing to complete a certificate program but doesn't want to commit to a four-year college. What career would be a good choice for him?

Choices**Personal Trainer**

Personal trainers help people stay healthy through exercise. Some on-the-job training is required, but a college degree is not necessary. While many personal trainers work for gyms or health clubs, some have their own private practices working directly for clients.

Median Pay: \$36,160 per year

Typical Entry-level Education/Training: High school diploma or equivalent; short-term, on-the-job training

Award: +2 points

Nutritionist

While this is a great career choice for those who prioritize helping people, most nutritionists need to have a bachelor's degree and complete on-the-job training through an internship.

Median Pay: \$57,910 per year

Typical Entry-level Education/Training: Bachelor's degree; internship/residency

Award: +0 points

Massage Therapist

Good choice! Massage therapists improve their clients' wellness. They often work on a flexible schedule and some have their own practices. This career requires a certificate but not a college degree.

Median Pay: \$38,040 per year

Typical Entry-level Education/Training: Post-secondary certificate program

Award: +2 points

Computer Programmer

This would be a great career choice for some people, but is probably not a good match for Michael. Programmers spend most of their time writing and testing computer code, and may not get the chance to help people directly. Most positions require at least a bachelor's degree.

Median Pay: \$79,530 per year

Typical Entry-level Education/Training: Bachelor's degree

Award: +0 points

Profile Two

Earning a high income is Katie's top priority. She doesn't mind working long hours and thrives under high pressure. She enjoys academics and would like to pursue a professional degree. What career would be a good choice for her?

Elementary School Teacher

While a bachelor's degree is required for elementary school teaching jobs, and many teachers have a master's degree, the salary is in the middle range, which doesn't meet Katie's top priority.

Median Pay: \$54,550 per year

Typical Entry-level Education/Training: Bachelor's degree

Award: +1 points

Bus Driver

A career as a bus driver would most likely not be a good match for Katie. The salary is in the lower range and post-secondary education is not required.

Median Pay: \$39,950 per year

Typical Entry-level Education/Training: High school diploma or equivalent

Award: +0 points

Surgeon

Surgeons have demanding education and training requirements. Almost all complete four years of undergraduate school, four years of medical school, plus three to seven years in internship and residency programs. Wages are among the highest of all occupations.

Median Pay: \$187,200 per year

Typical Entry-level Education/Training: Doctoral or professional degree

Award: +2 points

Lawyer

Pursuing a career as a lawyer would be a good choice for Katie. Many lawyers work more than 40 hours per week, and must possess strong problem-solving and critical-thinking skills. A high level of education is required.

Median Pay: \$115,820 per year

Typical Entry-level Education/Training: Doctoral or professional degree

Award: +2 points

Profile Three

Creativity is very important to Alex. He would also like to earn at least a moderate income to be financially secure. He wants to start working right away after earning his four-year bachelor's degree, without needing additional education. What career would be a good choice for him?

Lawyer

Lawyers earn a high income but a professional degree is required, which means Alex would not be able to begin his career for several years after earning his bachelor's degree.

Median Pay: \$115,820 per year

Typical Entry-level Education/Training: Doctoral or professional degree

Award: +0 points

Graphic Designer

Good choice! Graphic designers use their creativity to develop graphics for advertisements, logos, and websites. They earn a mid-level salary and can get started in the career with a bachelor's degree.

- Median Pay:** \$46,900 per year
- Typical Entry-level Education/Training:** Bachelor's degree
- Award:** +1 points

Nurse Practitioner

Nurse practitioners must earn at least a master's degree, and must also earn a license in their state and pass exams. While the job requires problem-solving and the ability to think on one's feet, it is not necessarily a creative profession.

- Median Pay:** \$104,740 per year
- Typical Entry-level Education/Training:** Master's degree
- Award:** +0 points

Film Editor

Good choice! Film editors work in the creative fields of film or broadcasting. They manipulate moving images used in movies, television, advertising, and online.

- Median Pay:** \$55,740 per year
- Typical Entry-level Education/Training:** Bachelor's degree
- Award:** +2 points

Session: Budgeting, page 29

STRENGTHEN: PARTY BUDGET CHALLENGE	20 min.
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Work in groups to create a budget for a party, once with an unlimited budget and again with half the budget.

If technology is not available for using a spreadsheet, the budget can be calculated manually.

Session: Budgeting, page 31

SPRINT: BUDGET SORT**10 min.**

Sort expenses into four budget categories.

- Tell the students that you will state an item. They should tell you whether the item is income, a fixed expense, a variable expense, or a periodic expense.
- Consider dividing the class into teams and keeping score by awarding a point (use a tally mark on the board) for the first team to categorize each item correctly.

Items

- mobile phone bill \$35 (fixed expense)
- entertainment \$20-\$40 per month (variable expense)
- birthday check from Grandma \$40 (income)
- babysitting earnings \$50 (income)
- yearly medical checkup \$60 (periodic)
- pay stub \$300 (income)
- oil change \$35 (periodic)
- monthly car payment \$150 (fixed expense)
- weekly bus pass \$25 (fixed expense)
- groceries \$50-\$70 per week (variable expense)
- yearly car insurance \$600 per year (periodic expense)
- gasoline \$20-\$60 per month (variable expense)

Session: Savings, page 44

SPRINT: SELECT A SAVINGS PLAN**5 min.**

If applicable, watch a brief video about savings. Examine two savings plans and choose the one most likely to accomplish a goal.

- Read the scenarios to the students. Ask them which plan is most likely to achieve the goal.

Scenario 1: Two prom tickets: Save \$200 in three months.

? Which plan is more likely to achieve the goal?

Plan A: Save \$20 every week until you reach your goal.

Plan B: Save 40% of your leftover spending money each month until you reach your goal.

 **Plan A is best.** Automatically setting aside \$20 per week will allow you to reach your goal in 10 weeks. If you rely on saving leftover spending money, the amount you save will be unpredictable.

Scenario 2: Playstation: Save \$400 as soon as possible.

Plan A: *Try to spend less of the \$30 per week you earn babysitting and save what you don't spend.*

Plan B: *Save 50% of the \$30 per week you earn babysitting AND supplement that with money you save by packing your school lunch instead of buying lunch.*

 **Plan B is best.** Paying yourself first and spending less can help you save money even faster.

Session: Credit and Debt, page 53

STRENGTHEN: THE FACTS ABOUT CREDIT

23 min.

Work in groups and compete in a quiz game based on the facts learned in the Warm-Up and from the Credit Fact Collection sheet.

All of the questions and answers to the online game are repeated on page 54 of the **Volunteer Guide**. Read aloud the questions from the grid and have student teams answer. Award points for correct answers.

Session: Consumer Protection, page 62

STRENGTHEN: FINANCE DETECTIVE

20 min.

Work with a partner to look for signs of risk to the personal finances of a college student.

- Have students complete the activity using the **Clue Sheet**.
- Review the answers using the chart on page 63 of the **Volunteer Guide**. You will not need to project the screen to complete the activity.

Session: Consumer Protection, page 63

SPRINT: QUIZ GAME

10 min.

Test students' knowledge about choices to protect personal finances.

- Read aloud the questions and answer choices on pages 63-64 of the **Volunteer Guide**.
- Instruct student teams to write down their answers or to raise their hands with the correct answers.
- The correct answers are identified on pages 63-64. They are in bold-face type and underlined.

Session: Smart Shopping, page 70

STRENGTHEN: SHOP 'TIL YOU DROP

25 min.

Learn that the choice of where to shop and what to buy have an impact on the amount spent.

- Distribute a **Shop 'til You Drop Spreadsheet** to each student.
 -  You are now living on your own, and it's time to go to the store for groceries. Should you shop at the local convenience store or the supermarket? Let's comparison shop, like you did earlier, at both stores and then compare receipts.
- Tell students the rules for their shopping.
 1. You should get as close to \$25 as you can without going over.
 2. You must also buy at least one item from each of the seven listed departments.
- Write the two lists of prices below in a visible location, e.g., the board or projector in the room.
- Instruct students to make choices at the Convenience Store and at the Super Store. They should spend as close to \$25 (without going over) at each location. Their goal is to purchase at least one item from each of the seven departments. They must spend as close to \$25 as possible, but they cannot go over.
- Debrief the activity with students. Price and variety are better at a supermarket than they are at a convenience store.

Fast Stop Convenience Store Session Smart Shopping

Fruits and Vegetables	Dairy/Eggs	Baked Goods	Snacks	General Grocery	Meats	Frozen Foods
bananas \$.69 (each)	eggs \$2.99 (dozen)	hot dog buns \$2.69 (13 oz)	lemon lime soda \$4.49 (12 cans)	spaghetti \$2.49 (1 lb)	hot dogs \$4.29 (16 oz)	ice cream \$7.19 (one gallon)
apples \$.99 (each)	milk \$2.99 (half gallon)	white bread \$1.49 (20 oz)	chocolate sandwich crême cookies \$4.59 (11.9 oz)	oat cereal \$4.99 (12.25 oz)	bacon \$6.99 (16 oz)	ice cream \$2.69 (half gallon)
	milk \$3.79 (gallon)	wheat bread \$3.19 (20 oz)	chocolate and peanut candy bar \$1.39 (1.86 oz)	macaroni and cheese \$1.99 (7.25 oz)		pepperoni pizza \$2.49 (10.8 oz)
	cheese \$5.79 (20 oz)	tortillas (fajita size) \$2.79 (20 oz, 28 count)	nacho cheese chips \$4.29 (11 oz)	spaghetti sauce \$3.89 (23.9 oz)		thin crust pepperoni pizza \$5.49 (15.4 oz)
			2 x 1 nacho cheese chips \$5.00 (11 oz)			



Session: Smart Shopping, page 73

SPRINT: DO WE HAVE A DEAL?**5 min.**

Compare two options and decide which is the better deal.

- Read aloud the two options to students. Ask them which is the better deal. The better deal is in bold-face.

Toothpaste

6.2 oz package \$3.00 (\$0.48 per oz)

3.5 oz package \$3.00 (\$0.86 per oz)

- Even though the price for the tubes is the same, the unit price is less expensive for the larger tube.

Restaurant Beverage

tap water

soda

- Soda can be marked up as much as 1,150% in a restaurant and even more in a stadium or movie theater. Water is the best financial choice, and it's healthier too.

Lettuce

10 oz head lettuce \$1.50

8 oz bag lettuce \$2.79

- Buying a whole head of lettuce, washing it, and tearing it up at home takes more time, but it is less expensive than buying a bag of pre-washed greens.

Session: Risk Management, page 80

WARM UP: QUICK SORT**10 min.**

Identify the risk management strategy demonstrated by the behavior listed.

- Read aloud the examples in the right-hand column of the chart on page 80 of the **Volunteer Guide**. Ask students to identify each as one of the four risk-management strategies. Answers are in the left column of the chart.

Session: Risk Management, page 82

SPRINT: RISKY TRIVIA

10 min.

Play a risk management trivia game. Identify the risk management strategy demonstrated by the behavior listed.

- Read aloud the examples in the left-hand column of the chart on page 83 of the **Volunteer Guide**. Ask students to answer rapidly. Answers are in the right-hand column of the chart.

Session: Investing, page 93

SPRINT: TRUE OR FALSE

5 min.

Determine whether statements about investments are true or false.

- Read aloud the examples in the left-hand column of the chart on page 93 of the **Volunteer Guide**. Ask students to rapidly identify whether the examples are true or false and the reason why. Answers are in the right-hand column of the chart.



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