

**for Grades 6-8**

**Educator Guide**

**FDIC Disclaimer:**

The books and online resources referenced in the Educator Guide and Parent/Caregiver Guide are examples/options that may be used to support the subject being taught and should not be considered as an endorsement by the Federal Deposit Insurance Corporation (FDIC). Reference to any specific commercial product, process, or service by trade name, trademark, manufacture, or otherwise does not constitute an endorsement, a recommendation, or a favoring by the FDIC or the United States government.

The FDIC ***Money Smart*** curriculum references books and provides links to other websites for convenience and informational purposes only. Users should be aware that when they select a link on the FDIC’s website to an external website, they are leaving the FDIC’s site. Linked sites are not under the control of the FDIC, and the FDIC is not responsible for the contents of any linked site or any link contained in a linked site, or any changes or updates to such sites. The FDIC is not responsible for any transmission received from a linked site. The inclusion of a link does not imply endorsement by the FDIC of the site, its content, advertisers, or sponsors. External sites may contain information that is copyrighted with restrictions on reuse. Permission to use copyrighted materials must be obtained from the original source and cannot be obtained from the FDIC.

**TABLE OF CONTENTS**

[Welcome to Money Smart 4](#_TOC_250004)

[Getting Started 5](#_TOC_250003)

[Lesson At-a-Glance 10](#_TOC_250002)

Lesson 3: Designing Dreams (Financial Goals) 11

[Answer Key 16](#_TOC_250001)

[Glossary 17](#_TOC_250000)

# WELCOME TO MONEY SMART

Welcome to ***Money Smart***, an exciting interactive exploration of the concepts of money. This standards-aligned, cross-curricular program is designed to promote financial understanding for middle school students in grades 6 through 8. You can use ***Money Smart*** to add engaging and enriching activities to financial literacy and economics instruction. Extension activities support English Language Arts, Math, Social Studies and Economics, and Technology, while also helping your students build the foundation to become financially responsible adults.

In ***Money Smart*** you will find:

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

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

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

# GETTING STARTED

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

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

##### STANDARDS

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

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

##### GRADE-LEVEL MODIFICATIONS

Please note the modifications identified throughout lessons to differentiate learning experiences for beginner and advanced students. Modifications provide developmentally appropriate activity recommendations and extension opportunities.

##### PRESENTATION TIME

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

##### ASSESSMENTS

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

##### LESSON STRUCTURE

Each lesson is designed to include the following:

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

##### MONEY SMART AT HOME

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

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

##### INTERDISCIPLINARY PROJECTS

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

###### Financial Literacy Assembly or Community Awareness Campaign

Use arts-integration to allow students a creative outlet to demonstrate their learning from one, some, or all ***Money Smart*** lessons. Some options include:

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

###### Managing a Budget

Planning a field trip, an assembly, or a school party? Develop an interdisciplinary project to allow students to create and manage the budget. Some options include:

* + **Social Studies:** Assess the needs and wants of the event. Prioritize necessary items and then wanted items. Students can use their learning from **Lesson 4: *Being a Savvy Shopper*** to research to identify and evaluate costs.
  + **Math:** Develop a suggested budget based on assessing needs and wants for the event. If and when the budget is accepted, manage the spending to ensure that the event does not go over budget. Students can use their learning from **Lesson 3: *Designing Dreams*** and **Lesson 5: *Go with the Flow***.
  + **English:** Write a persuasive letter to the school administration explaining the needs and wants of the event, analyzing the suggested budget, and requesting the funds to execute the event. Students can use their learning from **Lesson 3: *Designing Dreams*** and **Lesson 5: *Go with the Flow***.

###### School Store

Whether your school has a school store, or it is something that the students might be interested in starting, consider developing a project to provide students with ownership, while allowing them to learn more about financial literacy. Some options include:

* + **Social Studies:** In coordination with other students and staff in the building, develop an inventory of needs and wants that can be supplied in the school store. Use research to identify and evaluate costs. Students can use their learning from **Lesson 4: *Being a Savvy Shopper***.
  + **Math:** Develop a budget for purchasing bulk items. Consider options for and create sale prices for each item. Create a cash flow statement to determine the amount of product that must be sold in order to turn a profit. Students can use their learning from **Lesson 3: *Designing Dreams*** and **Lesson 5: *Go with the Flow***.
  + **Art/Design:** Use advertising techniques to advertise and sell the school store products. Students can use their learning from **Lesson 4: *Being a Savvy Shopper***.
  + **English:** Write a persuasive argument to open a school savings account to keep school store profits in a safe place and earn interest. Alternately, write a persuasive argument to invest the profits in an investment vehicle like stocks or bonds. Students can use their learning from **Lesson 7: *How to Stash Your Cash*** and **Lesson 8: *Money Doesn’t Grow on Trees*.**

###### Create and Use Financial Literacy Games

Playing games is a great way to engage students in learning. Even better, is to allow students to create their own games to play. Students can demonstrate their learning from one, some, or all ***Money Smart*** lessons. These games can be created and played in several subject areas including Social Studies, English, Math, and Art. Some options include:

* + **The Path to Success**: Create a game where you must make choices about your education, your career, the jobs you get and the associated income, the taxes you pay on your income, and the insurance purchases that you can make. ***Money Smart*** connections: **Lesson 1: *The Path to Success***, **Lesson 2: *Bread and Butter*, Lesson 11: *Risky Business*.**
  + **Charge It!** Create a game where you can make choices about which credit card to apply for, make purchases with credit versus cash, and build credit. ***Money Smart*** connection: **Lesson 9: *Credit and Debt*.**
  + **Money, Money, Money**: Create a game where you can make choices about how to earn and spend money, factoring in cash flow, saving, and charitable giving. ***Money Smart*** connections: **Lesson 5: *Go with the Flow***, **Lesson 12: *Spend, Save, or Give?***

###### Solve a Community Problem

The intersection of problem-solving and real-life application is important for middle school students. What better way to combine the two than to solve a community-wide problem? Start by considering problems in your community. Problems could be split along content lines, for example:

* + **Science:** Does your community recycle? How “green” is your community? Investigate science career fields and discover how students might make a career of solving these community problems, using **Lesson 1: *The Path to Success***.
  + **Technology:** Who has access to technology in your community? Inform your community about online threats after covering **Lesson 10: *Protecting Yourself***.
  + **Arts:** Does any part of your community need beautifying? Determine a method to raise and spend money on community beautification using **Lesson 5: *Go with the Flow***.
  + **Foreign Language:** Do non–English speaking members of your community

need access to resources? Consider developing a foreign-language PSA that ties to student learning from **Lesson 4: *Being a Savvy Shopper***.

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

##### FINANCIAL LITERACY ALL YEAR LONG

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

* + Create bulletin boards or posters with students about financial literacy themes learned in

***Money Smart***.

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

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

# LESSON AT-A-GLANCE

**Lesson Title**

**Topic**

**Learning Objectives**

**Time Required**

**3 Designing Dreams**

**Financial Goals**

Identify and explain needs and wants

* Identify their own financial values and apply those values to their financial goals
* Create a financial goal and develop the process to achieve it, factoring

in possible barriers to that goal

* Understand and explain the importance of creating financial goals

**45 min**

**Session 1 (20 min)**

* Finances Gone Wrong (10 min)
* Financial Values and Goals (part 1)
  + Financial Values Slide (5 min)
  + Goals Slide (5 min)

**Session 2 (25 min)**

* Financial Values and Goals (part 2)
  + Financial Values and Goals Worksheet (20 min)
* Financial Values and Goals Discussion (5 min)



Answer Key 16

Glossary with key vocabulary 17

## LESSON OVERVIEW

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

**TOPIC:** Financial Goals

**TIME REQUIRED:** 45 minutes

*(excluding* **Extended Exploration** *activities)*

**LEARNING OBJECTIVES:**

*Students will be able to…*

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

**SUPPLIES:**

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

**PREPARATION:**

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

**STUDENT HANDOUT:**

*(found in* **Student Guide***)*

* ***Financial Values and Goals***

**TEACHER PRESENTATION SLIDES:**

* ***Financial Values Sample***
* ***Financial Goals Sample***

**ESSENTIAL QUESTIONS:**

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

**ASSESSMENT ACTIVITIES:**

**Pre-Assessment:**

* **Finances Gone Wrong** activity

**Post-Assessment:**

* **Values and Goals** activity
* **Financial Values and Goals** discussion



## INSTRUCTION STEPS

### WARM UP

**FINANCES GONE WRONG** [10 MINUTES]

Share a story about a celebrity who has experienced and declared bankruptcy, from current events or from history. Use one of the options noted below, or research another real-life example online.

Some options are:

**Current:**

* Clips of the ESPN documentary *Broke* (search videos online with keywords “espn” and“broke”)
* Toni Braxton’s story at [**http://abcnews.go.com/Entertainment/toni-braxton-reveals-story-**](http://abcnews.go.com/Entertainment/toni-braxton-reveals-story-bankruptcy-headlines/story?id=17839154)[**bankruptcy-headlines/story?id=17839154**](http://abcnews.go.com/Entertainment/toni-braxton-reveals-story-bankruptcy-headlines/story?id=17839154)
* Nicholas Cage’s story at[**http://www.cnn.com/2009/SHOWBIZ/11/17/nicolas.cage.lawsuit/**](http://www.cnn.com/2009/SHOWBIZ/11/17/nicolas.cage.lawsuit/) **Past:**
* Mark Twain’s story at[**http://www.marktwainhouse.org/man/biography\_main.php**](http://www.marktwainhouse.org/man/biography_main.php)
* Thomas Jefferson’s story at

[**http://www.history.org/Foundation/journal/Winter10/jefferson.cfm**](http://www.history.org/Foundation/journal/Winter10/jefferson.cfm)

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

* *What are some additional examples of needs and wants?*
* *How did needs and wants factor into this celebrity’s financial demise?*
* *What could this celebrity have done differently when it came to needs and wants?*

**Grade-Level Modification:**

**Beginner:** Provide students with additional background on the concept of needs and wants by reading and discussing the PBS Kids article *Managing Money: Needs vs. Wants*, found in the English Language Arts resource section.

#### MONEY SMART TIP!

**In 2011, 69 percent of households held some form of debt. While this was a decrease from 2000, when 74 percent of households held debt, the median amount of debt increased over this time period, from $50,971 in 2000 to $70,000 in 2011.** [**http://www.census.gov/people/wealth/files/Debt%20Highlights%202011.pdf**](http://www.census.gov/people/wealth/files/Debt%20Highlights%202011.pdf)



### GUIDED AND INDEPENDENT EXPLORATION

**FINANCIAL VALUES AND GOALS** [30 MINUTES]

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

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

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

Then, ask students to use their ***Financial Values and Goals*** handout to write down their top three financial values and give a justification for each. (See the **Answer Key** for a sample response to this handout.)

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

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

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



Then, allow students to develop their financial goals either using the costs on the slide or looking up the costs online. When they are done, ask students to share some of their financial goals. Discuss:

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

Based on their previous conversation, direct students into circling whether their goal is a short- or long-term goal. Allow students time to discuss their reasoning for labeling their goals

as short- or long-term. Some students may disagree on a similar goal being short- or long-term based on personal priorities.

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

**Short-term goal** examples:

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

**Long-term goal** examples:

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

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

Ask students to fill out one roadblock for each goal and one possible solution for each roadblock. Begin a discussion by asking: *What is one of your roadblocks and the solution for that roadblock?*

### WRAP UP

**FINANCIAL VALUES AND GOALS DISCUSSION** [5 MINUTES]

End the lesson by discussing the following questions with students:

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



### EXTENDED EXPLORATION

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

##### ENGLISH LANGUAGE ARTS

* **Writing Prompts:**
  + Write a narrative about the adventures and roadblocks you must overcome to reach one of your financial goals from your ***Financial Values and Goals*** activity today. Your narrative should read like an interesting memoir or novel. Include characters, dialogue, plot, and an interesting conflict.
  + In a quick-write, consider which of your three financial goals is most important for you to reach. Explain how you reached that conclusion and what you will need to do to achieve this goal.
* **Additional Readings/Resources:**
  + *Managing Money: Needs vs. Wants* by PBS Kids: A student-friendly article on the differences between wants and needs using student examples. [**http://pbskids.org/itsmylife/money/managing/article2.html**](http://pbskids.org/itsmylife/money/managing/article2.html)
  + *How to Achieve Your Financial Goals* by BizKids: A short video on tracking expenses, controlling spending, and investing money in order to achieve financial goals. (Time of video: 30 seconds) [**http://bizkids.com/episode/how-to-achieve-your-financial-goals**](http://bizkids.com/episode/how-to-achieve-your-financial-goals)
  + *Three Financial Goals to Focus on in Every Decade* by Forbes: A list of three financial goals per decade that people should focus on, starting in their twenties. **http://www.forbes.com/sites/learnvest/2014/08/13/3-financial-goals-to-focus-on-in-every-decade/#3d71673b306c**

##### MATH

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

##### SOCIAL STUDIES AND ECONOMICS

* **Activity/Project Ideas:**
  + Examine government financial goals by researching the government spending and income platforms of local politicians. Ask: *What do these politicians say about government spending and income? What steps do they hope to take to achieve their goals? Which politicians’ goals do you most agree with, and why?*

##### TECHNOLOGY

* **Online Games/Tools:**
  + Online Budgeting Tool by Mint. [**https://www.mint.com/t/hzpc/**](https://www.mint.com/t/hzpc/)

# ANSWER KEY

#### for Student Handouts

##### LESSON 3: FINANCIAL VALUES AND GOALS

Answers will vary. Completed Sample:

**MY #1 FINANCIAL VALUE:**

1) Education

**because** creating opportunities for education will allow me to make more money and have the career that I want.

**Financial Goal:** Pay for a part of my college tuition.

**Possible Cost:** $3,000 Long Term or

Short Term?

**Possible Roadblock**

**to My Goal:** Rising tuition costs.

**Roadblock Solution:** Keep track of tuition costs and possibly changing savings plan.

**MY #2 FINANCIAL VALUE:**

2) Travel

**because** I like discovering and experiencing other places and cultures.

**Financial Goal:** Pay for a trip to Mexico.

**Possible Cost:** $1,500 Long Term or

Short Term?

**Possible Roadblock**

**to My Goal:** Low priority, so I’ll designate the saved money for something else.

**Roadblock Solution:** Create a special, separate savings account and track money separately.

**MY #3 FINANCIAL VALUE:**

3) Retirement

**because** I want to live comfortably when I get older.

**Financial Goal:** Retire at 65.

**Possible Cost:** $1 million Long Term or

Short Term?

**Possible Roadblock**

**to My Goal:** Will seem low priority when I’m young.

**Roadblock Solution:** Invest money into accounts where it is difficult to get immediate access.

##### 

# GLOSSARY

**Annual Percentage Rate (APR):** The cost of borrowing money on a yearly basis, expressed as a percentage rate.

**Bank:** A financial institution and business that accepts deposits, makes loans, and handles other financial transactions.

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

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

**Cash Flow:** Income and expenses over a given period of time.

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

**Credit Card:** A plastic card that can be used to obtain credit (such as to purchase goods and services).

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

**Debit Card:** A plastic card that can be used to deposit or withdraw cash from a checking or other bank deposit account, such as at automated teller machines or at retail locations that accept cards.

**Debt:** Money that is owed.

**Discretionary Expenses:** Money that is not essential to spend; money spent on wants.

**Diversification:** The approach of spreading your money among various investments with the hope that if one investment loses money, the others will make up for those losses; also referred to by the phrase "don't put all your eggs in one basket".

**Earned Income:** Money you get from working, such as wages, commissions and tips.

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

**Federal Deposit Insurance Corporation (FDIC):** Preserves and promotes public confidence in the

* 1. financial system by insuring deposits in banks and thrift institutions for at least $250,000. An independent agency of the federal government, the FDIC was created in 1933.

**Financial Institution:** A bank or credit union.

**Fixed Expense:** An expense that does not change from month to month.

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

**Identity Theft:** When someone steals another person’s identity to commit fraud, such as by using his or her name or Social Security number to get something. Identity theft is a crime.

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

**Income Tax:** Taxes on income, both earned (salaries, wages, tips, commissions) and unearned (interest, dividends). Income taxes can be levied on both individuals (personal income taxes) and businesses (business and corporate income taxes).

**Insurance:** A contractual relationship that exists when one party (the Insurer), for a fee (the

##### GLOSSARY(continued)

premium) agrees to reimburse another party (the Insured or third party on behalf of the Insured) for a specific loss.

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

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

**Investment Vehicles:** The methods that a person (or business) can use to invest money.

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

**Mutual Fund:** An investment tool that pools the money of many investors and invests it in stocks, bonds, and money market assets, or other securities.

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

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

**Payroll Deduction:** Money that an employer withholds from earnings.

**Phishing:** When fraudsters impersonate a business or government agency to try to get you to give them personal information, such as through an email or text message. Can also be thought of as “fishing for confidential information”.

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

**Return:** Money made (profit) from an investment.

**Risk:** The possibility that something unplanned or unintended may happen (such as losing money). Uncertainty about outcomes that are not equally desirable. In finance, it refers to the degree of uncertainty about the rate of return and the potential harm that could arise when financial returns are not what the investor expected.

**Risk Management:** The process of calculating risk and choosing approaches to minimize or manage loss.

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

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

**Savings Bond:** People lend money to the Government so it can pay its bills. Over time, the Government gives that money, plus a bit extra (interest), back to those people as payment for using the borrowed money.

**Stock:** An investment that represents a share of ownership in a company.

**Tax:** Money that has to be paid to a government to provide public goods and services.

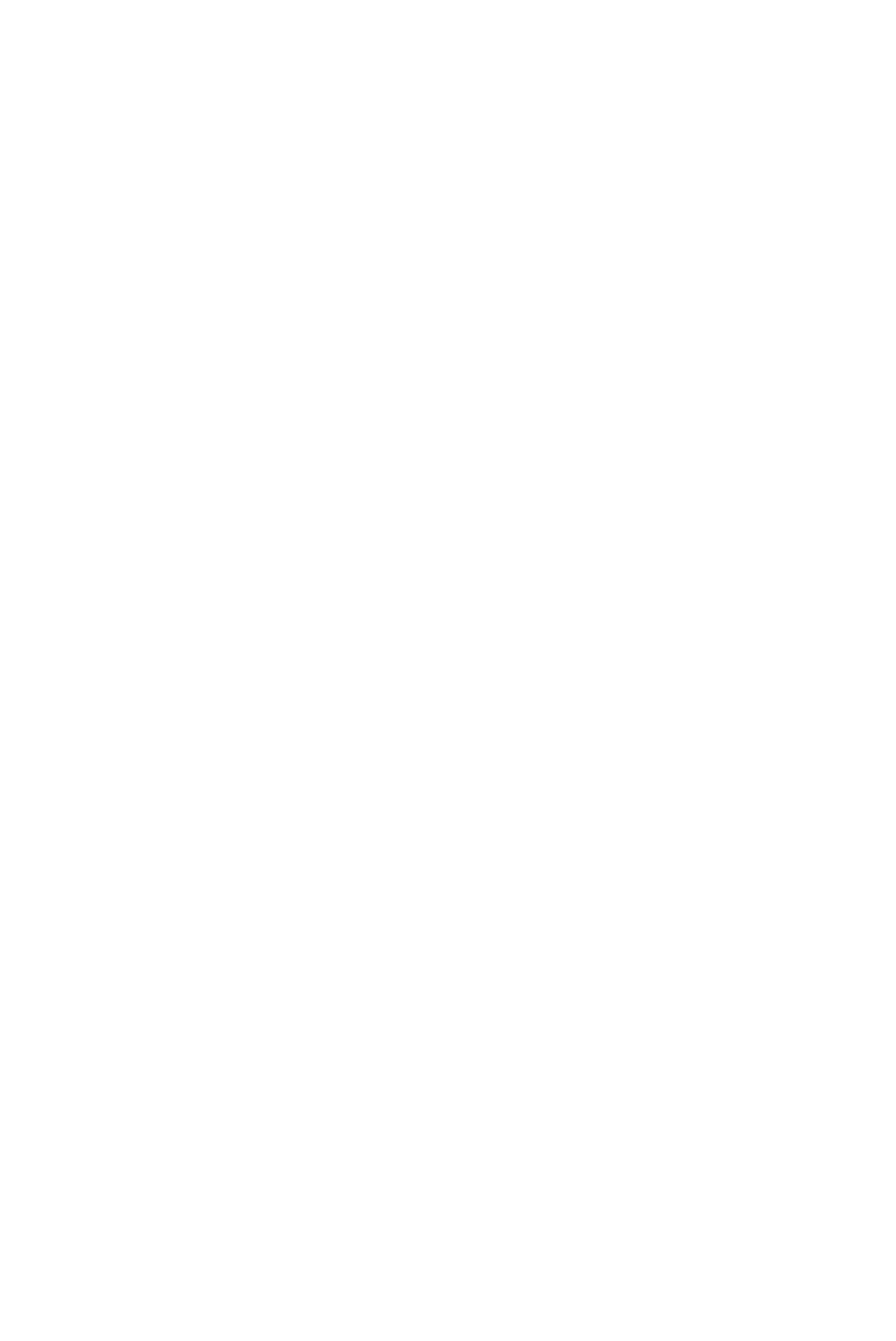
**Variable Expense:** Money that a person spends or gives away that varies from month to month.

**Want:** Something that you would like to have but that you could live without, such as a TV or tickets to a baseball game.

for Grades 6-8

Student Guide

A fun way to help kids get smart about money.





**FINANCIAL VALUES AND GOALS**

Name: \_

MY #1 FINANCIAL VALUE:

1) because

MY #2 FINANCIAL VALUE:

2) because

MY #3 FINANCIAL VALUE:

3) because

\_

Financial Goal: Financial Goal: \_ Financial Goal: \_

\_

\_

\_

\_

\_

Possible Cost:

Possible Cost:

Possible Cost:

Long-Term or Short-Term?

Possible Roadblock

to My Goal: \_

Long-Term or Short-Term?

Possible Roadblock

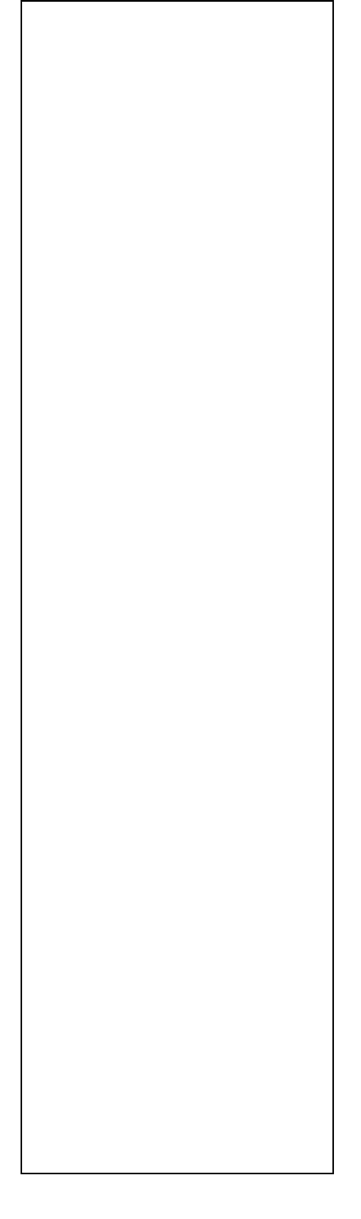
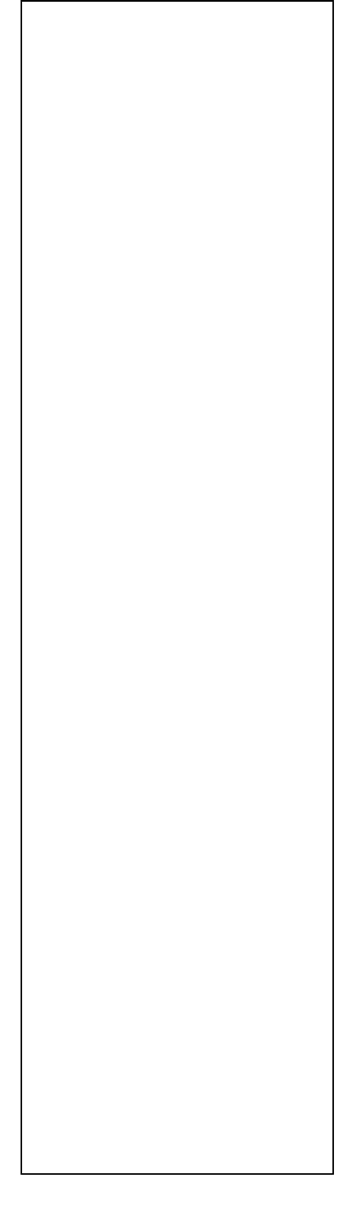
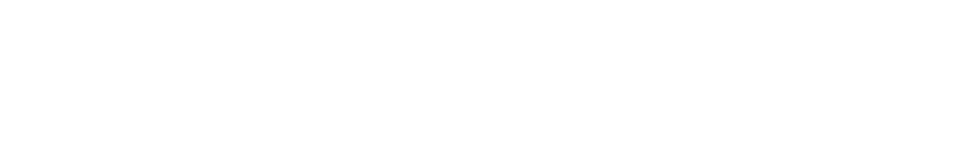
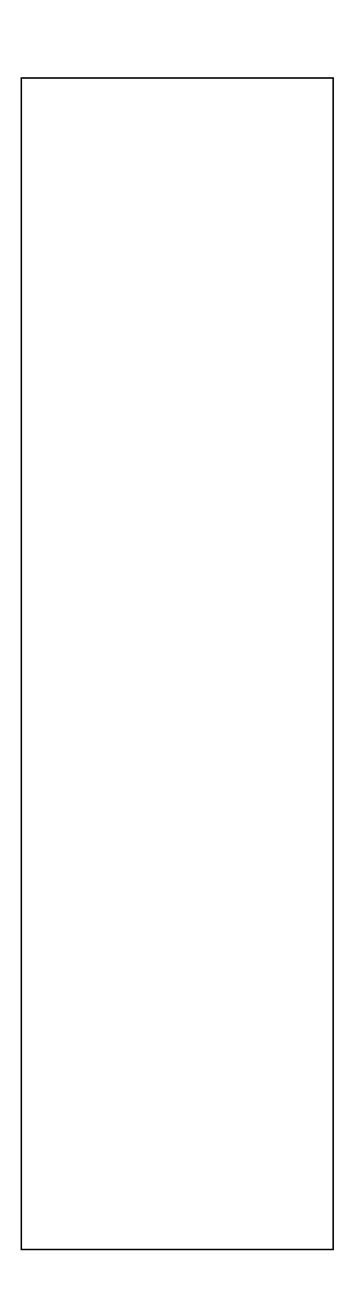
to My Goal:

Long-Term or Short-Term?

Possible Roadblock

to My Goal:

\_



\_

\_

\_

\_

Roadblock Solution: Roadblock Solution: Roadblock Solution: