Active Classroom Guide for Managing Money

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MANAGING MONEY
Module Overview

This module focuses on providing new students with the appropriate perspective and the necessary skills to successfully manage their personal finances *while they are currently attending college.* The goals of this module are for students to be able to:

1. Develop a broader perspective on the financial value of an education.
2. Explore the connection between responsible money management and college success.
3. Analyze your personal spending habits to better understand your personal money management strengths and weaknesses.
4. Develop an action plan to manage your personal finances while you attend college.
5. Prepare yourself to make the tough financial decisions that will help you reach your financial goals

First Module Section: Students discuss and complete an activity focusing on the value of a college education by utilizing the opportunity cost concept to contrast the alternative.

Second Module Section: Students analyze their own discretionary spending and savings habits, including an activity that demonstrates their influence over their own financial well-being.

Third Module Section: Students explore income, spending, and savings in more detail, providing the foundation to create and manage their own personal budget, which concludes with an activity that asks students to do some advanced planning for the inevitable financial crisis that derails so many college dreams.

Ultimately, *Create Success* separates the financial skills needed to successfully complete college (as found in this module) with those that will be necessary upon graduation. The Planning for Financial Success feature, which is included in each module, takes a forward view to financial planning and management. In those segments, the purpose is to enable the student to prepare for and envision him or himself having already graduated. Thus, we discuss financial tools and concepts that in some cases are beyond the current needs of some students. The principal purpose with these segments is to provide a clear connection between students' enrollment decision and their career/financial goals and dreams.

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Managing Money, Section 1

In this section, students will discuss and complete an activity focusing on the value of a college education by utilizing the opportunity cost concept to contract the alternative.

LESSON OVERVIEW

SECTION 1: UNDERSTANDING THE BIG PICTURE: THE FINANCIAL VALUE OF AN EDUCATION		
Learning Outcomes	1. Develop a broader perspective on the financial value of an education.	

Lesson Flow Overview	60 minutes	• Lecture and Discussion
		  • Get Ready! Exercise—Warm-Up
		  • LO 1: The Value of Finishing: Developing Your Financial Perspective
		  • Lecture/Activity
		  • Discussion
		• Student Activity: Big Picture Career Path Income Opportunities
		• Lesson Review, Wrap-Up and Discussion

Lecture and Discussion	30 minutes	• Get Ready! Exercise • Refer to the Instructor Guide on pages 5–9 • PowerPoint slides
Student Activity	25 minutes	• Students work individually or in groups on the exercise presented on pages 8–9 in the textbook—Understanding the Big Picture: Career Path Income Opportunities • Additional Activity—Planning for Retirement
Lesson Review and Wrap-Up Discussion	5 minutes	• Review of topics • Class discussion • Lesson takeaways
Resources	• Textbook pages 1–11 • PowerPoint slides 1–19 • Detailed Class Notes for Activity	

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Managing Money, Section 1 Lesson Plan

LESSON FLOW	INSTRUCTOR GUIDE	ADDITIONAL RESOURCES

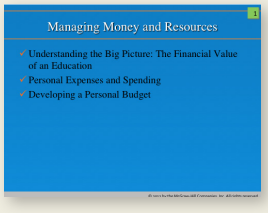
GET READY! EXERCISE (5 MIN.)

Outline

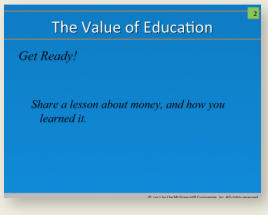
- Get Ready! Exercise
  - Reflection
- Section Overview

Resources

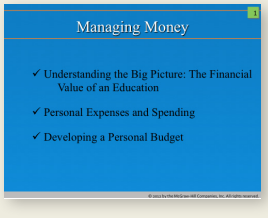
PowerPoint slides 1–3



Slide 2, The Value of Education: Get Ready!



Slide 3, Topics Covered



Lesson Notes

Open up PowerPoint, briefly present the module, topics, and begin with this warm-up exercise.

*Ask students to **reflect:***

You've been handling money for most of your life; think about how you learned to manage it.

- Share a lesson about money, and how you learned it.
- What's the most important topic about money that you think high school students should be taught?
- Have you ever taken a college course on personal financial management? If not, have you ever been taught about this topic, whether in high school or from family or friends?

*Call on volunteers to **share** their reflections.*

Section Overview: *Introduce **topics covered** in this class session:*

- What is the financial value of education?
- What does responsible money management and college success look like?

TRY IT

Consider asking your students these questions or offering your own insights: If you were a high school counselor advising students about what courses to take before they graduate, would you include financial management? Why or why not? Is there a specific topic you would want to make sure was covered?

TRY IT

If you use the whiteboard, you may want to suggest that students first write their responses and then volunteer to share with the class, or you could draw a chart of the questions on the whiteboard, ask students to write their responses in the appropriate categories, and then ask the class to identify similarities amongst their responses.

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LESSON FLOW	INSTRUCTOR GUIDE	ADDITIONAL RESOURCES

THE VALUE OF FINISHING: DEVELOPING YOUR FINANCIAL PERSPECTIVE (25 MIN.)

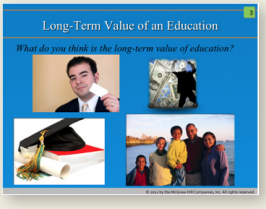
Outline

- Lesson Notes
  - Introduction
  - Background
  - Connect
  - Discussion
  - Conclusion

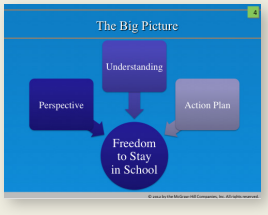
Resources

PowerPoint slides 4–17

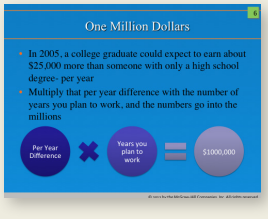
Slide 4, Long-Term Value of Education



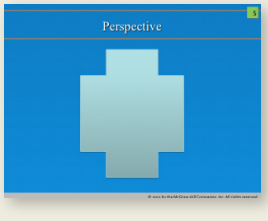
Slide 5, Big Picture



Slide 6, One Million Dollars



Slide 7, Perspective



Lesson Notes

Introduction: What is the true value and long-term financial impact of completing your education?

Build on Background: *Ask students to reflect:*

Do you ever think in terms of long term? 20–30 years from now? Do you think about what your life would be like?

Connect: *Ask students to think about the long-term value of education. Provide a minute to hear answers. Ask students to think about how receiving an education directly affects family members.*

Introduce the concept of the **Big Picture-** perspective, understanding, and action plan. Students need to see the big picture so they can manage their daily financial decisions in order to work towards their educational goals.

Using the PowerPoint, **discuss** explain the one million dollars theory to earning an education

- Research shows that for every level of education completed, average earnings increase.
- In 2005, a college graduate could expect to earn about $25,000 more annually than someone with only a high school degree.
- Multiply that per year difference with the number of years you plan to work, and the numbers go into the millions

Using the PowerPoint as a reference, ***discuss*** *the following terms with class:*

Perspective—A broad perspective on the value of an education, which will provide you with a stronger mind-set as the daily financial sacrifices that school often requires start to add up.

Understanding—Knowing where your money goes is the first step to being able to control it.

- Indulgences, social life, cell phone
- How to recognize spending habits, then make smarter choices

GOT TIME?

Divide students into three groups and provide each group a term (Perspective, Understanding, and Action Plan)

Tip: To extend the understanding of perspective, provide an interesting geometric image and ask students to describe what they see. Emphasize how people see from different perspectives.

Tip: Provide a moment for students to draw an image of the "big picture" of their life.

GOT TIME?

If time permits, allow an opportunity for students to explain the definition of the terms before explaining the real meanings.

TRY IT

Have students reference page 3 for a more in-depth explanation of one million dollars.

Tip: Use the PowerPoint slide and ask your students to identify two examples of unexpected bills on the slide. You may also provide them with additional examples of large unexpected bills.

Tip: Ask students to provide some of the differences between the unemployment rate and degree earned.

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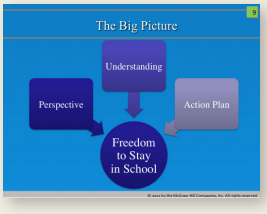
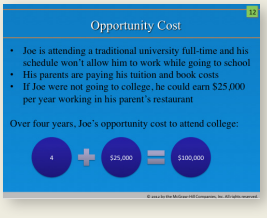
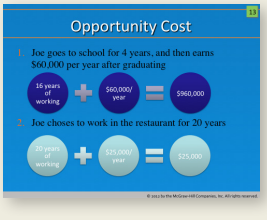
LESSON FLOW	INSTRUCTOR GUIDE	ADDITIONAL RESOURCES
THE VALUE OF FINISHING: DEVELOPING YOUR FINANCIAL PERSPECTIVE (25 MIN.)		
Slide 8, Understanding 	**Action Plan**—A plan for both daily spending and the unexpected big bills. Having a plan will better prepare you to successfully complete your education. • What is required in order to achieve freedom to stay in school. • Instructor will help develop their perspective of the value of their education.	Tip: Opportunity cost is the value of not doing or buying something, and instead choosing something else. To gauge students' understanding, you may consider asking them for an example of opportunity cost.
Slide 9, Action Plan 	***Explain*** *to students the cost of opportunity.* **Cost of opportunity**—The value of not doing or buying something, and instead choosing something else. *Use PowerPoint and explain* ***opportunity cost*** *using Joe's example. Explain Joe's earning getting an education versus going to work. Joe's opportunity cost to not pursue education is $460,000* ***Ask*** *students to think about their opportunity cost:* Does Joe's example help you gain a perspective on the big picture of your future? How?	Tip: Joe's example can be found on page 5 of the text. **GOT TIME?** Provide the opportunity for students to freewrite about their own definition of wealth. What does wealth mean to you?
Slide 10, The Big Picture  	Using this plan will help you complete your education, and education pays! • **Explain** that the U.S. Census Bureau provides a graphic breakdown of the average earning by level of education. • **Examine** the table on slide 14. What does this graph reveal about their earning opportunities through higher education? ***Call*** *on students to answer the following questions:* • What does this graph reveal about their earning opportunities through higher education?" • Where would you like to fall on this graph? • What can you conclude about finishing your education by looking at this graph?	**TRY IT** Write students' responses on the board. As a class, recognize the trends.
Slide 11, Opportunity Cost  	***Refer*** *back to the question in the beginning:* What is the true value and long-term financial impact of completing your education?	
Slide 12, Opportunity Cost  		

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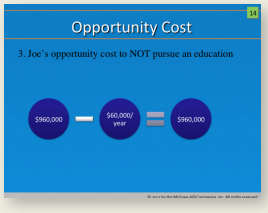
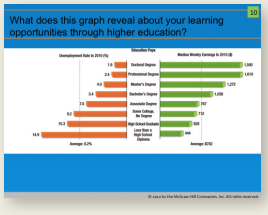
LESSON FLOW	INSTRUCTOR GUIDE	ADDITIONAL RESOURCES

THE VALUE OF FINISHING: DEVELOPING YOUR FINANCIAL PERSPECTIVE (25 MIN.)

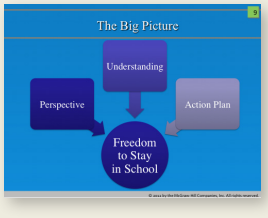
Slide 13, Opportunity Cost



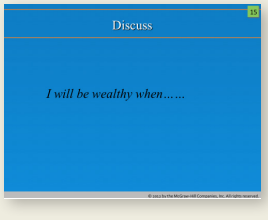
Slide 14, Learning Opportunities



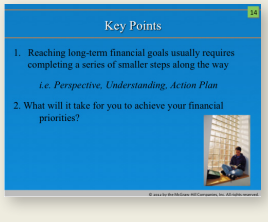
Slide 15, Personal Definition of Wealth



Slide 16, Discuss



Slide 17, Key Points



*Use this to **introduce** the concept of personal definition of wealth. Have students think about what is important to them to help define their own definition of wealth.*

Discussion

Discuss: *Give students a moment to complete the following on their own, and then with a neighbor.*

Ask students to complete the sentence: "I will be wealthy when . . .

- Example: "I will be wealthy when I'm not living paycheck to paycheck and am capable of purchasing a home of my own."
- Close the discussion by asking students to share their personal definition of wealth with a partner.

Key Points: *Share these important key points:*

- Reaching long-term financial goals usually requires completing a series of smaller steps along the way.
- Everyone has their own personal definition of wealth.

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LESSON FLOW	INSTRUCTOR GUIDE	ADDITIONAL RESOURCES

STUDENT ACTIVITY: BIG PICTURE CAREER PATH INCOME OPPORTUNITIES (25 MIN.)

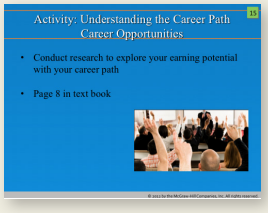
Resources:

Access to computers with Internet connectivity or Printed materials providing job title and salaries

Detailed Activity Notes

PowerPoint slides

Slide 18, Activity



Activity Notes

Introduction: *Explain to your class that they will be conducting some research to explore their earning potential with their career paths.*

Build on Background: Have class complete their program and education information on page 8 in the textbook.

*Use the **Detailed Activity Notes** to conduct this activity. Prepare students to locate page 8 in the textbook.*

Activity Wrap-Up

Ask students the following questions:

- *How did you do completing your career income activity?*
- *Were you surprised at your 20-year number?*
- *What is more motivating to finish school—how much you can make with an education OR how much you can miss out on by dropping out of college?*

Conclusion: What did you discover about your earning potential and your career path?

Tip: Before beginning this activity, you may want to gather some helpful websites for students to visit for the research portion of this activity.

WEB RESOURCES

Additional Instructor Resources/Activities:

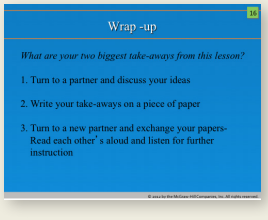
1. Planning for Retirement

LESSON WRAP-UP, DISCUSSION, REFLECTION (5 MIN.)

Resources

PowerPoint

Slide 19, Wrap-Up



Lesson Wrap-Up

Have the class come together as a whole group, ask students to share with a partner their two biggest takeaways from this lesson.

Direct students to write these on a piece of paper, turn to a partner, and switch papers. Invite students to read aloud the shared takeaways to the class.

Tip: Having students come together in a circle helps to build community. Encourage students to connect with each other as much as possible during Lesson Wrap-Up. A sense of community will help students to open up and engage more deeply with their learning.

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Section 1: Detailed Activity Notes

BIG PICTURE CAREER PATH INCOME OPPORTUNITIES

Web Research Activity

Activity Objective: This activity teaches students how to connect their education with their possible earning potential in their career path in order to facilitate a stronger understanding of the value of their education, as well as set realistic expectations for salary ranges as they progress in their industry.

Preparation: This activity requires access to computers with Internet connectivity or printed materials providing job titles and salaries, which may be provided by the Career Services Department or the school's library. If these resources are unavailable, this activity may be assigned as homework.

Classroom Management: This activity should be completed individually; however, for classes with only one or two majors, you may divide students into groups of 2–4 and have them work together. In either situation, each student should write the information in his or her textbook. Once everyone is finished, you will reconvene as a class for the wrap-up discussion.

INSTRUCTOR GUIDE	STUDENT ACTIONS
Explain to your class that they will be conducting some research to explore their earning potential with their career paths. • To begin, **have your class** complete their program and education information. • **Tell** your class that they will research three different earning potentials: 1. Two entry-level job titles for their field. 2. Two mid-level job titles for their field. 3. Two upper-level job titles for their field.	• Students should fill out the program name, education level, and potential educational level for their field.

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INSTRUCTOR GUIDE	STUDENT ACTIONS
Explain that each job level will command a different annual salary, so in order to see the full earning potential of their career path, they will need to look up all three positions.	• Students should be researching entry-level job titles in their field.
• In addition to Google, **steer** students to additional Internet sites, such as www.monster.com or online newspaper classifieds.	• Students will fill in the two entry-level job titles for this field.
• **Encourage** students to raise their hands for assistance if they encounter difficulties with their online research.	• Students will fill in the two mid-level job titles for this field.
• You should also **have students share** what they have discovered with you, so you can verify that the title is, in fact, an entry-level job, a mid-level job, or an upper-level job.	• Students will fill in the two upper-level job titles for this field.
• Once students have completed their research, **explain** that they will now calculate their estimated salaries in each position.	
• For the entry-level job, they will multiply the number of years in that position (4) by the average annual salary they researched online.	Example: 4 × $30,000 per year Four years of entry-level salary = $120,000
• For the mid and upper-level jobs, they will multiply the number of years in each position (8 for mid and 8 for upper) by the average annual salary they researched online.	Example: 8 × $60,000 per year Eight years of mid-level salary = $480,000 Example: 8 × $90,000 per year Eight years of upper-level salary = $720,000
• After your students have calculated their salaries for four and eight years, **have them add** them up for an overall total of their earning potential for 20 years of work.	Example: $120,000 + $480,000 + $720,000 = $1,320,000 of salary potential for 20 years.
• Again, you should **review** your students' answers to ensure accurate calculations.	• Students should have completed this activity.
• **Refer** to the discussion questions on page 9 of the lesson notes in the Lesson Review and Wrap-Up Discussion 1.	• Students will reconvene as a class to begin the discussion.
Ask your students the following discussion questions: ***How did you do completing your career income activity?*** ***Were you surprised at your 20-year number?*** ***What is more motivating to finish school—how much you can make with an education OR how much you can miss out on by dropping out of college?***	

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Section 1 Additional Activity: Understanding the Big Picture–The Financial Value of an Education

PLANNING FOR RETIREMENT

Web Research Activity

Activity Objective: This activity will educate students on retirement plan options and which plans will best fit their future financial needs.

Preparation: This activity will require computers with Internet connectivity. You may previously select particular sites in order to best direct student research, as well as explain how to access and navigate their content.

Classroom Management: Students will complete the first part of this activity individually, and then they will form groups of three or four for a collaborative exercise and small group discussion.

INSTRUCTOR GUIDE	STUDENT ACTIONS
To begin this activity, **remind** your class of the retirement plans they have learned: • 401k plans • 403b plans • Defined benefit pension plans • IRA plans • Social Security plans	• Students should have their textbooks opened to this activity.
Explain to your students, that they will select one of the above plans in which to further their knowledge. • Once each student has selected a plan, you will **have them log into a computer.** • To **guide** them with their research, have them refer to this activity in their textbook. • They **will answer** the following eight questions in their textbook: 1. What is the plan (definition)? 2. How does the plan work? 3. Does this plan offer different types or options? If yes, what are they?	• Students will write their selection in their textbook. • Students will conduct research and record their responses in their textbook.

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INSTRUCTOR GUIDE	STUDENT ACTIONS
4. What companies or jobs offer this plan? 5. What are the eligibility requirements in order to qualify for the plan? 6. What role do taxes have in the plan? 7. Can this plan transfer into any of the other retirement plans? 8. What are the benefits for having this as your plan?	• Students will group themselves with classmates who have different plans.
After your students have completed these questions based on the research they performed about the retirement plan they selected, **have them form groups of three or four** with classmates who researched a different plan.	• Students should be teaching their plan to their classmates in their group.
• **Instruct** your class, that in these small groups, they will each take turns sharing their eight responses while welcoming any questions to better understand the different retirement plans. • This process should only take about 10 minutes per person. • After all the students have taught their plan in their small group, **have the groups conduct a discussion** on the following questions: 1. Which plan or plans best match your future retirement needs? 2. Which plan or plans have the strictest eligibility requirements? 3. Which plan or plans can transfer into others? 4. Which plan or plans would you most encourage others to create for their retirement? **Encourage** your students to start working toward their long-term retirement goal.	• Students should be discussing these questions within their small group.

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Managing Money, Section 2

In this section, students will analyze their own discretionary spending and savings habits, including an activity that demonstrates their influence over their own financial well-being.

LESSON OVERVIEW

SECTION 2: PERSONAL EXPENSES AND SPENDING		
Learning Outcomes	2. Understand the connection between responsible money management and college success. 3. Analyze your personal spending habits to better understand your personal money management strengths and weaknesses.	

Lesson Flow Overview	60 minutes	• Lecture and Discussion
		  • Get Ready! Exercise—Warm-Up
		  • LO 2: Be a Good Financial Manager: Understand Your Current Financial Situation
		  • Lecture/Activity
		  • Discussion
		  • LO 3: Smart Spending, Smart Choices
		  • Lecture/Activity
		  • Discussion
		• Student Activity: Money Decisions
		• Lesson Review, Wrap-Up and Discussion

Lecture and Discussion	30 minutes	• Get Ready! Exercise • Refer to the Instructor Guide on pages 15–19 lecture/discussion notes.
Student Activity	25 minutes	• Students work individually or in groups for the exercise presented on page 18 in the textbook – Money Decisions • Additional Activity: Practical Affirmations for Smarter Spending
Lesson Review and Wrap-Up Discussion	5 minutes	• Review of topics • Class discussion • Lesson takeaways
Resources	• Textbook pages 11–19 • PowerPoint slides 20–34	

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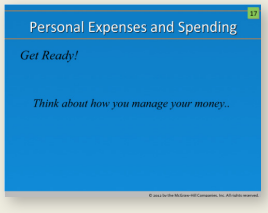
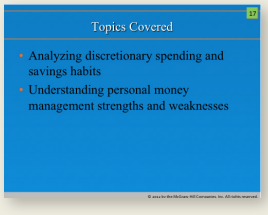
Managing Time, Section 2 Lesson Plan

LESSON FLOW	INSTRUCTOR GUIDE	ADDITIONAL RESOURCES
GET READY! EXERCISE (5 MIN.)		
Outline • Get Ready! Exercise • Reflection • Section Overview **Resources** **PowerPoint slides 20–21** *Slide 20, Personal Expenses and Spending*  *Slide 21, Topics Covered*  	**Lesson Notes** *Open up PowerPoint and begin class with a warm-up exercise. Provide students with a few moments to **reflect** on the following:* 1. How do you manage your money? 2. When you work a full-time job, how would you prefer to be paid: once per month or every two weeks, or every day (such as a job that pays tips)? 3. Why? *Call on volunteers to **share** their reflections.* **Section Overview:** *Introduce **topics covered** in this class session:* • Analyze discretionary spending and savings habits. • Understand personal money management strengths and weaknesses.	**GOT TIME?** Give students a few minutes to share with a partner before sharing with the class, allowing each student a chance to share.
LO 2: BE A GOOD FINANCIAL MANAGER: UNDERSTAND YOUR CURRENT FINANCIAL SITUATION (10 MIN.)		

Outline
• Lesson Notes
  • Introduction
  • Background
  • Connect
  • Discussion
  • Conclusion
	Lesson Notes
	Introduction: *Ask students to think about the following questions:*
	• Do you see yourselves as managers?
	• How does management relate to your personal finances?
	Make the point that even though not everyone may have identified themselves as managers, that, in fact they are all financial managers.	

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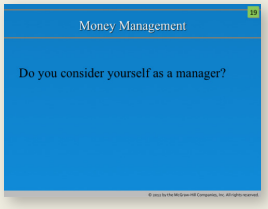
LESSON FLOW	INSTRUCTOR GUIDE	ADDITIONAL RESOURCES

LO 2: BE A GOOD FINANCIAL MANAGER: UNDERSTAND YOUR CURRENT FINANCIAL SITUATION (10 MIN.)

Resources

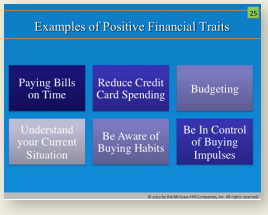
PowerPoint slides 22–27

Slide 22, Money Management

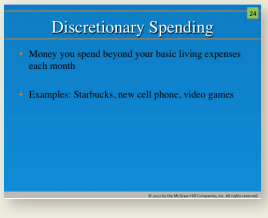


Slide 23, Positive Financial Management Traits

Slide 24, Positive Financial Traits



Slide 25, Discretionary Spending



Build on Background: *Ask students to reflect:*

Think about managers you have had in the past. Were some better than others? What made them good managers and what made them poor managers?

- *How successful was the working environment when you had a poor manager?*
- *If poor management continues, will that business be able to succeed?*
- *What if poor management continues with your finances? Will you be financially successful?*

Connect: *Encourage your students to view this position as a financial manager as an empowering stem to controlling their financial future.*

Ask *your students to identify positive financial management traits.*

Explain *examples of positive financial traits:*

- Paying bills on time.
- Reducing credit card spending.
- Budgeting.
- Understanding their current situation.
- Being aware of current buying habits.
- Being in control of buying impulses.

Ask students to quickly make a list of what they spend extra money on—things that they don't need in everyday life. Begin the list with examples like: Starbucks, games, cell phone apps, etc.

These are all examples of **discretionary spending.**

Define discretionary spending—money you spend beyond your basic living expenses each month.

Discuss **strategies** to control this type of spending.

Explain to students that discretionary spending is something **they can control** in their spending. Choosing to save on a few of these items may seem small, but the small spending adds up.

Tip: Manager

1. A person who has control or direction of an institution, business, etc., or a part, division, or phase of it.
2. A person who manages: the manager of our track team.
3. A person who controls and manipulates resources and expenditures, as of a household.

(www.dictionary.com)

Tip: Allow your students to discuss all three questions for a few minutes.

GOT TIME?

Divide students into small groups to make a poster indicating the community resources available to them. Have groups share with the rest of the class.

Discretionary Spending: Money you spend beyond your basic living expenses each month

or

Money spent on items of choice or desire, not necessities.

Tip: If students are stumped on making the list, give them the following examples: Starbucks, new cell phone, video games, etc.

TRY IT

Overspending on discretionary items is a major cause of financial hardship with college students. Students can consider seeking financial advice from their Financial Aid department.

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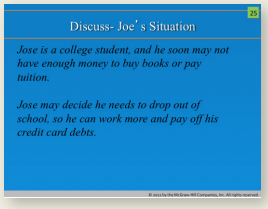
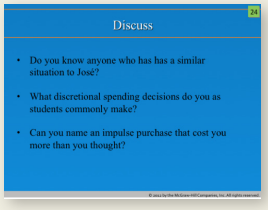
LESSON FLOW	INSTRUCTOR GUIDE	ADDITIONAL RESOURCES

LO 2: BE A GOOD FINANCIAL MANAGER: UNDERSTAND YOUR CURRENT FINANCIAL SITUATION (10 MIN.)

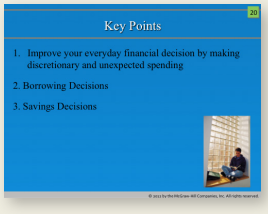
Slide 26, Discuss—Joe



Slide 27, Discuss



Slide 28, Key Points



Discussion

Small Group: Use the PowerPoint to explain Jose's situation. As a class, or in small groups have students answer the following questions:

- Do you know anyone who has been in a similar situation to Jose? (who has had to drop out of college due to financial hardships?)
- What discretional spending decisions do you as students commonly make?
- Can you name an example of an impulse purchase that cost you more than you thought?

*Come back together as a **whole class** and call on students to answer the questions.*

Key Points: *Share these important key points about career services:*

- Improve your everyday financial decision making by discretionary and unexpected spending.
- Borrowing decisions.
- Savings decisions.
- Students *can* control spending

Tip: How to make the best buying decision tips.

Answer the following questions before making an impulse purchase:

1. What are the reasons for making this purchase?
2. What are the reasons against making this purchase?
3. What don't I know about this product that is important to know before making this purchase?

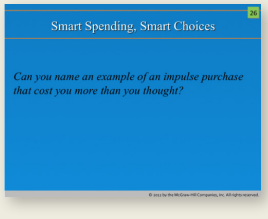
LO 3: SMART SPENDING, SMART CHOICES (10 MIN.)

Outline

- Lesson Notes
  - Introduction
  - Background
  - Connect
  - Discussion
  - Conclusion

Resources

Slide 29, Smart Spending, Smart Choices



Lesson Notes

Introduction: Cell phones are a great example of advertising and marketing that can lead you to believe things are free, when in fact they end up costing you much more than expected.

Build on Background: Ask students to raise their hand if they can name an example of an impulse purchase that cost more than you thought.

Connect: As your own personal financial manager, you need to understand hidden costs and Impact advertising.

The advertising claim and the product reality can lead you to horrible consequences.

Tip: Have an example cell phone bill and highlight costs that are not advertised.

GOT TIME?
Have your students bring in advertisements. In groups, allow students to review some advertisements. Discuss potential hidden costs and advertising strategies.

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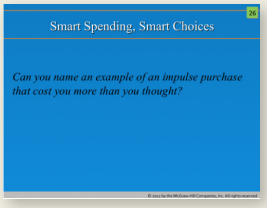
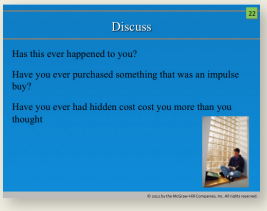
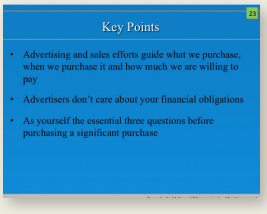
LESSON FLOW	INSTRUCTOR GUIDE	ADDITIONAL RESOURCES
LO 3: SMART SPENDING, SMART CHOICES (10 MIN.)		
Slide 30, Examine Your Reasons  	Think about an item you recently purchased, and discuss with a partner the following questions: 1. What are the reasons for making this purchase? 2. What are the reasons against making this purchase? 3. Why don't I know about this product that is important to know before making this purchase? Explain these concepts: **Hidden costs**—Many purchases seem cheap early on, but there are many hidden costs. There may be payments later on. **Impact advertising**—Advertisers don't really care about the well-being of the people buying the product. They will do almost anything to sell the product. **Wise choices**—Examine the choices behind making the purchase. Examining the reasons will help you stay away from making emotional decisions.	Tip: Begin the lecture by providing a few moments for students to write down their responses for the questions in the lecture.
Slide 31, Discuss  	**Discussion** **Small Group:** *Ask students to reflect:* You see and hear ads for the latest mobile phone in magazines, on TV, and in the newspaper. Plus your friends have that phone and love it. When you walk past the phone store at the mall, you're tempted to buy. You WANT that phone. • Has something like this ever happened to you? • Were hidden costs involved? • What can you do to avoid this type of purchase in the future? *Come back together as a* ***whole class*** *and call on students to answer the discussion questions.*	Tip: Provide an opportunity for a few students to share their experiences.
Slide 32, Key Points  	**Key Points:** *Share these important key points about smart spending, smart choices:* • Advertising and sales efforts guide what we purchase, when we purchase it, and how much we're willing to pay. • Advertisers don't care about your financial obligations. • Ask yourself the essential three questions before making a significant purchase.	

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LESSON FLOW	INSTRUCTOR GUIDE	ADDITIONAL RESOURCES

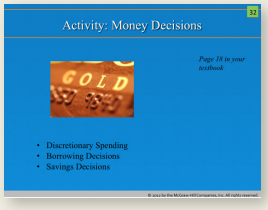
STUDENT ACTIVITY: MONEY DECISIONS (25 MIN.)

Resources

Detailed Activity Notes

PowerPoint slides

Slide 33, Activity



Textbook, page 18

Activity Notes

Introduction: Have students reflect on their financial decisions such as spending, borrowing, and saving.

Build on Background: *Take an informal survey and ask students:*

- Raise your hand if you think you are a good personal financial manager.

*Use the **Detailed Activity Notes** to conduct this activity. Prepare students to locate page 18, Money Decisions, and continue with directions from the instructor guide.*

Activity Wrap-Up

Ask students the following questions:

- *Were you surprised by your total amount for purchases?*
- *How did your purchase amount compare to your savings?*
- *How does advertising influence your purchase decisions?*
- *What changes can you make to improve your spending decisions?*

Conclusion: Encourage your students to use the resources they learned today.

Additional Instructor Resources/Activities:

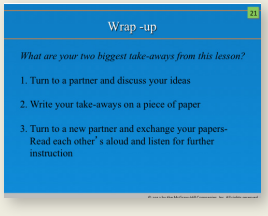
1. Practical Affirmations for Smarter Spending

Tip: Your students can complete this exercise online in the Connect program.

LESSON WRAP-UP, DISCUSSION, REFLECTION (5 MIN.)

Resources

Slide 34, Wrap-Up



Lesson Wrap-Up

*Have the class come together as a whole group, ask students to share with a partner their **two biggest takeaways** from this lesson.*

*Direct students to **write** these on a piece of paper, turn to a partner, and switch papers. Invite students to **read aloud** the shared takeaways to the class.*

Tip: Having students come together in a circle helps to build community. Encourage students to connect with each other as much as possible during Lesson Wrap-Up. A sense of community will help students to open up and engage more deeply with their learning.

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Section 2: Detailed Activity Notes

MONEY DECISIONS

Activity Objective: This activity informs students on the impact of their financial decisions—spending, borrowing, and saving.

Classroom Management: This activity should be completed individually with students responding to questions in their textbook. Once everyone is finished, you will reconvene as a class for the wrap-up discussion.

INSTRUCTOR GUIDE	STUDENT ACTIONS
Introduce the activity by having your students reflect on their financial decisions—spending, borrowing, and saving.	
• **Explain** that this activity will assist your students in identifying where their money goes, as well as if they are making smart decisions about its allocation.	
• **Emphasize** that in order to create and implement better financial management skills, they need to first establish their financial behaviors.	• Students should be recording this information in their textbooks.
• **Have** your class indicate the most recent month and year in their textbook.	• Students should be listing 12 purchases and costs of those purchases.
• For the selected month, **direct** them to list all of the items they have paid for with cash, checks, or debit card (they are not to include credit card purchases in this section or essential living expenses).	
• You may consider **encouraging** students to first brainstorm their purchases on a piece of scratch paper before transferring their answers into their textbook.	• Students should be completing this section with all of their borrowed decisions.
• After they have completed the discretionary spending section, you will **direct** them to continue with filling in information for the borrowing section.	• If students make savings decisions, they will complete this section.
• Then, **you will have** your students complete the savings decision section. Remind them to be honest; if they do not save any money, then they should leave it blank.	• Students will reconvene as a class to begin the discussion.
• **Refer** to the discussion questions on page 19 of the lesson notes in the Lesson Review and Wrap-Up Discussion.	

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INSTRUCTOR GUIDE	STUDENT ACTIONS
Ask your students the following discussion questions: ***Were you surprised by your total amount for purchases?*** ***How did your purchase amount compare to your savings?*** ***How does advertising influence your purchase decisions?*** ***What changes can you make to improve your spending decisions?***	

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Section 2 Additional Activity: Personal Expenses and Spending

PRACTICAL AFFIRMATIONS FOR SMARTER SPENDING

Activity Objective: This activity teaches students the importance of not only making smart spending decisions, but how to gain control over impulsive or emotional spending with the creation of practical spending questions and statements.

Classroom Management: Students will complete the first section of the activity individually, and then students will partner with a classmate to take turns as a "seller" and "spender" role, as well as to discuss their experiences in these roles.

INSTRUCTOR GUIDE	STUDENT ACTIONS
To begin this activity, **explain** to your class the importance of making smart spending decisions particularly if control is lost over impulsive spending or emotional purchasing.	• Students should be following along to instructions.
• To assist them in making more intelligent spending decisions, **tell** your students that will be important for them to have a plan to remind them of the practical side of the purchase.	• Students should write these questions in their notebook.
• In their notebooks, **have** your class create three questions that they know will force them to effectively evaluate whether the purchase should be made or not.	• Students should write these statements in their notebook.
• After your students have written their three questions, **have them create** two statements that will remind them of why they may not want to make the purchase.	• Students should pair up with one classmate.
• Once the entire class has finished their statements, **have students partner** with another classmate.	• Students should choose a role.
• **Explain** that one classmate will take the role of the "spender," and other the role of the "seller."	• The seller students should write their sales pitch in their notebook.
• **Elaborate** that the seller will try to persuade the "spender" to purchase his or her product.	
• The seller may opt to market a favorite existing product, or the seller may sell a product of his or her own.	• The seller students should be trying to convince their spender partners to buy their product.
• Provide the sellers of the class with five minutes to create their sales pitch.	• Students should be switching roles.
• After five minutes have lapsed, **explain** that the seller now has five minutes to try to persuade the spender to buy the product with the sales pitch.	

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INSTRUCTOR GUIDE	STUDENT ACTIONS
• Once the five minutes are finished, **tell** the partners to switch roles and repeat the process. • After each student has had the opportunity to be the seller and the spender, **tell** them to respond to the following questions in their notebook with their partner: 1. Was it difficult to resist buying the product? Why or why not? 2. Were the questions or statements more effective in preventing you from wanting to make the purchase? Why? 3. Overall, in a real scenario, how successful do you think you will be if you use your practical questions and statements? Why? • **Encourage** your students to write their questions and statements in their phones or personal organizers to have on hand as constant practical purchasing reminders.	• Students should be responding to these questions with their partner and recording their answers in their notebook.

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Managing Money, Section 3

In this section, students learn how to develop a personal budget. They also will learn how to plan for unexpected spending and complete an action plan.

LESSON OVERVIEW

SECTION 3: DEVELOPING A PERSONAL BUDGET		
Learning Outcomes	4. Develop an action plan to manage your personal finances while you attend college. 5. Prepare yourself to make the tough financial decisions that will help you reach your financial goals.	

Lesson Flow Overview	60 minutes	• Lecture and Discussion
		  • Get Ready! Exercise—Warm-Up
		  • LO 4: Actively Managing Your Personal Finances
		  • Lecture/Activity
		  • Discussion
		  • LO 5: Planning for Unexpected or Significant Expenses
		  • Lecture/Activity
		  • Discussion
		• Student Activity: Develop an Action Plan and Unexpected Expenses
		• Lesson Review, Wrap-Up and Discussion

Lecture and Discussion	30 minutes	• Get Ready! Exercise • Refer to the Instructor Guide on pages 25–29, lecture/discussion notes
Student Activity	25 minutes	• Students work individually or in groups for the exercise presented on pages 26–29 in the textbook—Develop an Action Plan and Unexpected Expenses.
Lesson Review and Wrap-Up Discussion	5 minutes	• Review of topics • Class discussion • Lesson takeaways
Resources	• Textbook pages 20–29 • PowerPoint slides 35–47	

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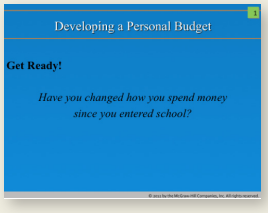
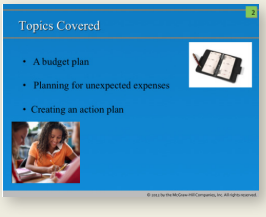
Managing Time, Section 3 Lesson Plan

LESSON FLOW	INSTRUCTOR GUIDE	ADDITIONAL RESOURCES
GET READY! EXERCISE (5 MIN.)		
Outline • Get Ready! Exercise • Reflection • Section Overview **Resources** PowerPoint slides 35–36 *Slide 35, Developing a Personal Budget: Get Ready!*  *Slide 36, Topics Covered*  	**Lesson Notes** *Open up PowerPoint and begin class with a warm-up exercise.* *Ask students to **reflect:*** School expenses can add up to a big financial commitment. • Have you changed how you spend money since you entered school? • Share a budgeting suggestion you'd give to a new student. *Call on volunteers to **share** their reflections.* **Section Overview:** *Introduce **topics covered** in this class session:* • Defining a budget plan. • The importance of creating a budget. • Planning for unexpected expenses. • Creating an action plan.	**TRY IT** Provide students a minute to write down school expenses they've already had to pay. Tip: Consider also asking your students what they can do now to prepare themselves to manage this increased financial responsibility, as well as if they have a trusted advisor to go to when they have financial questions or dilemmas. Who? Tip: Encourage your students to take notes on this important information. You may also consider writing a few of these steps on the whiteboard.
LO 4: ACTIVELY MANAGING YOUR PERSONAL FINANCES (10 MIN.)		

Lesson Notes
• Lesson Notes
  • Introduction
  • Background
  • Connect
  • Discussion
  • Conclusion
	Lesson Notes
	Introduction: *Explain that learning to budget is critical for financial success.*
	Build on Background: *Ask students to think how they've managed their personal finances. Did they have a plan in place? Or did they spend at random?*
		TRY IT
		Provide students with budget templates. Allow them an opportunity to practice creating budget plans.

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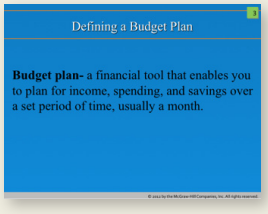
LESSON FLOW	INSTRUCTOR GUIDE	ADDITIONAL RESOURCES

LO 4: ACTIVELY MANAGING YOUR PERSONAL FINANCES (10 MIN.)

Resources

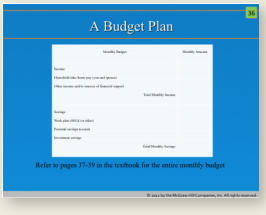
PowerPoint slides 37–47

Slide 37, Defining a Budget Plan

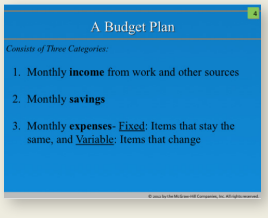


Slide 38, Money Decisions

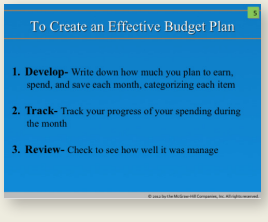
Slide 39, A Budget Plan



Slide 40, A Budget Plan



Slide 41, Create an Effective Budget Plan



Connect: *Explain the purpose of creating a budget. Define a budget plan, using PowerPoint.*

Budget Plan: A financial tool that enables you to plan for income, spending, and savings over a set period of time, usually a month.

Draw a quick chart on the board showing the three categories within a budget plan. A budget plan consists of:

- Monthly income from work and other sources.
- Monthly savings.
- Monthly expenses: Fixed—items that stay the same, and variable—items that change.

Explain to students to follow these steps to create an ***effective budget plan:***

1. Develop—Write down how much you plan to earn, spend, and save each month, categorizing each item.
2. Track—During the month, track your progress, and try to limit your actual spending to the dollar amounts assigned to each category in your plan.
3. Review—At the end of the month, check to see how well it was managed.
4. Adjust dollar amounts for each category to help reach your end-of-the-month goal.

At the end of the month, you will either be "on budget," have overspent, or have money left over. Take a moment to explain each of these.

TIP: Remind students that their plans will change. Expect changes in credit cars, student loans, car loans, etc.

GOT TIME?

Ask students to raise their hand if they currently use a budget. Ask for a volunteer to share how having a budget has helped.

ONLINE EXTRA

Show an example of websites available as budget tools.

Additional Instructor Resources/Activities:

1. Survey Free Online Budgeting Tools
2. Create a Budget Account in Mint.com
3. Optional Class Discussion

ONLINE EXTRA

Your students can complete this exercise online in the Connect program.

Tip: You may want to further clarify these three points:

Planned spending should not exceed planned income (exception: car or house loan).

Total monthly income should be equal to or less than monthly savings + home expenses + school expenses + personal/discretionary spending.

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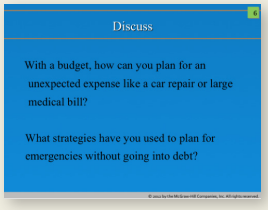
LESSON FLOW	INSTRUCTOR GUIDE	ADDITIONAL RESOURCES

LO 4: ACTIVELY MANAGING YOUR PERSONAL FINANCES (10 MIN.)

Slide 42, Discuss



Discussion

Discuss: *Give students a moment to share answers to the following questions with someone nearby:*

- With a budget, how can you plan for an unexpected expense like a car repair or large medical bill?
- What strategies have you used to plan for emergencies without going into debt?

*Come back together as a **whole class** and call on students to answer the discussion questions.*

Conclusion: The **challenge** to managing a budget is sticking to a plan. Mention there are websites available as financial management tools.

GOT TIME?

If a student has a good example of a budget plan they've used, allow them to share their concept with the class.

LO 5: PLANNING FOR UNEXPECTED OR SIGNIFICANT EXPENSES (10 MIN.)

Outline

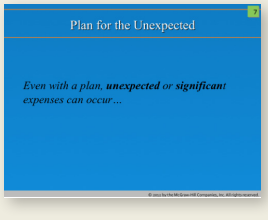
- Activity
  - Introduction
  - Background
  - Connect

Resources

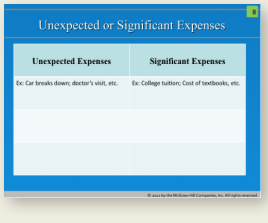
Links and pamphlets to your school's student services

PowerPoint slides 43–47

Slide 43, Plan for the Unexpected



Slide 44, Unexpected or Significant Expenses



Activity Notes

Introduction: *Explain that even when you have a plan, unexpected events can occur.*

Build on Background—*Ask students to reflect:*

- Think of a time you had an unexpected payment. Did this place you in a predicament? Are there things you think you could've done to help you prepare?

Connect

*Provide one minute for students to **discuss** with a neighbor, unexpected expenses that could occur in a month. Create two columns on the board (Unexpected Expenses and Significant Expenses). **Brainstorm** a few unexpected expenses with the students on the board, for example:*

- Cost of textbooks
- Car breaks down
- Doctor visit
- Etc.

Take a minute to **complete** the column with examples of significant expenses.

Explain: Create a plan that anticipates and addresses potential and significant expenses. Add a set dollar amount into your monthly spending to cover unexpected costs.

GET CONNECTED

Real-life connection—Gather a stack of index cards and write an unexpected event on each index card. Pass out a card to each student. Tell students this event just happened to them and ask them to think about what they would do. Open this as a discussion.

Tip: Have your students set a goal for themselves to use one or more of these resources by a certain date. Provide the contact information.

Tip: If students are struggling to respond, provide them with personal examples of what you have done to avoid debt.

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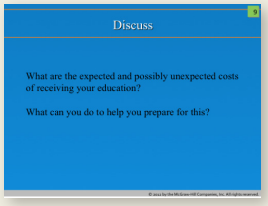
LESSON FLOW	INSTRUCTOR GUIDE	ADDITIONAL RESOURCES

LO 5: PLANNING FOR UNEXPECTED OR SIGNIFICANT EXPENSES (10 MIN.)

Slide 45, Discuss



Discussion

Small Groups: *Give students a brief moment to share answers to the following questions with someone near them:*

- What are the expected and possibly unexpected costs of receiving your education?
- What can you do to help prepare for this?

Come back together as a ***whole class*** *and call on students to answer the discussion questions.*

Key Points: *Share these important key points to managing personal finances:*

- Budgeting and proper planning for unexpected expenses are essential skills you must develop in order to have the freedom to stay in school and graduate.
- The key to assisting in this development is through understanding how you spend and manage your finances.

Tip: Brainstorm a list of education-related costs.

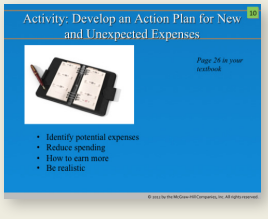
STUDENT ACTIVITY: DEVELOP AN ACTION PLAN FOR NEW AND UNEXPECTED EXPENSES (25 MIN.)

Resources

Detailed Activity Notes

PowerPoint

Slide 46, Develop an Action Plan for New and Unexpected Expenses



Textbook, page 26

Activity Notes

Introduction: *Explain the purpose of this activity is to assist students in creating an action plan for new or unexpected finances.*

Build on Background: *Ask students to reflect on big purchases from the past, and possible new purchases for the future.*

Use the ***Detailed Activity Notes*** *to conduct this activity. Prepare students to locate page 26, Develop an Action Plan for New and Unexpected Expenses, and continue with directions from the instructor guide.*

Activity Wrap-Up

Ask students the following questions:

- How will this action plan help you in overcoming any unforeseen financial obstacles?
- Did creating this plan help you to identify some financial areas for improvement?
- What are some of these areas?

Conclusion: Budgeting and proper planning for unexpected expenses are essential skills students must develop in order to have the freedom to stay in school and graduate. The key to assisting in this development is through the understanding of how you spend and manage finances.

TRY IT

If you want students to create a thorough action plan, treat this activity as a first draft. Have your students use this activity to create their own draft of an actual action plan. Allow students to choose a template from the suggested websites.

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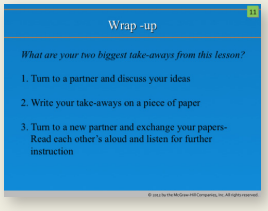
LESSON FLOW	INSTRUCTOR GUIDE	ADDITIONAL RESOURCES
LESSON WRAP-UP, DISCUSSION, REFLECTION (5 MIN.)		
Resources PowerPoint *Slide 47, Wrap-Up*  	**Lesson Wrap-Up** *Have the class come together as a whole group, ask students to share with a partner their **two biggest takeaways** from this lesson.* *Direct students to **write** these on a piece of paper, turn to a partner, and switch papers. Invite students to **read aloud** the shared takeaways to the class.*	Tip: Having students come together in a circle helps to build community. Encourage students to connect with each other as much as possible during Lesson Wrap-Up. A sense of community will help students to open up and engage more deeply with their learning.

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Section 3: Detailed Activity Notes

DEVELOP AN ACTION PLAN FOR NEW AND UNEXPECTED EXPENSES

Activity Objective: This activity teaches students how to create an action plan for new or unexpected expenses.

Classroom Management: This activity should be completed individually with students responding to questions in their textbook. Once everyone is finished, you will reconvene as a class for the wrap-up discussion.

INSTRUCTOR GUIDE	STUDENT ACTIONS
Instruct your class to create an action plan for new or unexpected expenses. • Have them **refer to the example** in the textbook on page 26 to gain more clarity on how to complete this activity. • Then, **have your class list** three desired possible future purchases, three possible expenses, and three unexpected expenses (anticipate future costs). • Once they have listed all items, **have them add** up the complete total for all categories. • **Explain** that now, they have identified potential expenses, they can empower themselves with a plan for how to cover any of these future costs. • In order to accomplish this task, your students **will identify all of their sources of funding.** • After they have included their sources of funding, **explain** that they will need to make some changes to their spending habits in order to afford these new or unexpected expenses. **Tell** your students they will need to: 1. List three ways to reduce spending. 2. List two ideas for how to earn more money. 3. If absolutely necessary, list one loan source (but emphasize that this strategy is not the most advisable). 4. List possible family or friends who could offer you emergency funds, as well as the amount they would be willing to provide. • **Encourage** your students to be realistic and honest in order to create a successful plan, as well as take the opportunity to review their responses. • **Refer** to the discussion questions on page 28 of the lesson notes in the Lesson Review and Wrap-Up Discussion.	• Students should be reading page 26 in their textbook. • Students will be recording all their responses in their textbook. • Students will reconvene as a class for the discussion.

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INSTRUCTOR GUIDE	STUDENT ACTIONS
• **Ask** your students the following discussion questions: ***How will this action plan help you in overcoming any unforeseen financial obstacles?*** ***Did creating this plan help you to identify some financial areas for improvement?*** ***What are some of these areas?*** **Remind** your students: • Budgeting and proper planning for unexpected expenses are essential skills they must develop in order to have the freedom to stay in school and graduate. And the key to assisting in this development is through the understanding of how they spend and manage their finances.	

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Section 3 Additional Activity: Developing a Personal Budget

CREATE AN ONLINE BUDGETING ACCOUNT

Web Research Activity

Activity Objective: This activity teaches students how to create an online budgeting system through online financial management sites.

Preparation: This activity will require computers with Internet connectivity. You may need to register with the sites prior to class in order to best explain how to access and navigate their content.

Classroom Management: Students will complete this activity individually and, once finished, will reconvene for a wrap-up class discussion.

INSTRUCTOR GUIDE	STUDENT ACTIONS
Introduce the activity by explaining to the class that they will log into one of the pre-selected financial management sites (example: mint.com) to create their own personal account to assist with their monthly budgeting. • **Elaborate** by informing your students that this site links all online financial information (credit cards, checking/savings accounts, etc.) to form a comprehensive breakdown of where their money is going, as well as determining how much they have available to spend each month.	• Students should be following along to directions with this activity in their textbook.
• **Have your class log into** a site and explain that they will need to follow the directions to make a complete personal profile: • Adding loans • Adding bank accounts • Adding spending information	• Students should be logging into one of the financial management sites and beginning to create their accounts.
Tell your students that once their profile reaches 100% completion, they will be able to view their entire overview of spending: • Accounts • Spending alerts • Monthly budget of expenses • Advice • Goals • Additional resources	• Students should be clicking on the various website options of their financial breakdown. Students may require some assistance navigating the site. • Students should be reflecting on this experience by responding to activity questions in their textbook, as well as setting two budget goals.

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INSTRUCTOR GUIDE	STUDENT ACTIONS
Once your students have browsed their financial overview, **direct them** to complete the activity questions in their textbook. • After the class finishes the five response questions in their textbook, **reconvene** as a class to discuss the outcome of this experience.	• Students do not need to write their answers, they may simply participate verbally with their responses.
Ask your class the following questions: ***What surprised you the most about your monthly spending habits?*** ***Collectively, what areas of spending need the most improvement?*** ***Collectively, where could we save the most money?*** ***What strategies will you implement in order to reach your budget goals?***	
• After the class discussion, have your students fill in their textbook three strategies that they and their classmates brainstormed to assist with their financial goals. • **Encourage** your class to continue to use their online account and remind them that they may even sync it to their smartphones.	• Students will write three strategies to assist them with reaching their two financial goals.

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Section 3: Additional Activity

SURVEY FREE ONLINE BUDGETING TOOLS

Web Research Activity

Activity Objective: This activity educates students about the online options available to them for personal budgeting or financial management assistance.

Preparation: This activity will require computers with Internet connectivity. You may need to register with the sites prior to class in order to best explain how to access and navigate their content.

Classroom Management: Students will complete this activity individually and once finished, will reconvene for a wrap-up class discussion.

INSTRUCTOR GUIDE	STUDENT ACTIONS
To begin, **have your students refer** to the web resources at the end of the chapter (page 32): www.fool.com/retirement/retirement02.htm www.mint.com www.wesabe.com www.justthrive.com	• Students should be logged into a computer.
• **Explain** to your class that they will access and navigate each site to determine which online resource will best fit and assist their budget/financial needs. • After all of your students have explored each of the free financial websites, **ask** them the following questions: ***Which site was the easiest to navigate?*** ***Which site was the most comprehensive in the information and advice it offered?*** ***Which site best fit your financial needs?*** ***How can you use this site to assist you in your financial management?***	• Students should log into each website and browse the provided financial tools. • Students should verbally respond to each question in the class discussion.

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Class Discussion

Activity Objective: This discussion has students examine their previous savings and unexpected expense experiences.

INSTRUCTOR GUIDE	STUDENT ACTIONS
Ask your class the following questions: ***Recall a big purchase you made in the past that you paid for using cash. It could be your car, a vacation, or any item that you desired but had to save for over a long time in order to be able to make the purchase.*** ***Once you achieved your savings goal and made the purchase, was it worth all the effort to plan and not spend your money on other "impulse" buys in order to save enough money to make the big purchase?*** ***How did it feel watching your savings grow toward your goal?*** ***Did you find that the more you saved toward your goal, the more motivated you became to achieve it?***	• Students can use a separate sheet of paper to respond before participating in the class discussion, or students may simply share their answers verbally.
To add to this discussion, you can **ask** your students to: ***Think of a large "unexpected expense" you've had in the past.*** ***How did you manage to pay for it?*** ***How did the expense affect the rest of your finances?*** ***What could you have done, both before and after the unexpected expense occurred, to diminish its impact on your finances?***	• Again, your students may write out their answers to assist in their participation, or they may share their responses verbally.

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