

BEFORE YOU BEGIN

This Lesson Plan is available in pdf format at: MillionairesClub.Org
 Free iPad version at the Apple BookStore - "[Millionaire's Club Advisor Guide](#)"

1. Register at MillionairesClub.Org - Once registered, visit the "Clubhouse," too, for useful peer advice
2. Order ample student/instructor materials from NEFE
All materials are provided at no cost, shipping included
 - a) Go to www.hsfpp.org
 - b) Register and record your username and password:
 Username: _____
 Password: _____
 - c) Click on "Get Materials" and order ample supplies
 - d) Order at least one Instructor Pack for yourself and when received, place it in the back of this binder. (you can order more than one)
 - e) Get enough Student Materials for each member of your Club, a few extras, too



Competitions add spice to the Millionaire's Club and turn a "course" into a "Club." The most successful Clubs participate in one or more of these competitions, some of which award cash and scholarships to finalists.

You'll find detailed information under the "COMPETITIONS" tab at MillionairesClub.Org once you register on the site.

3. Prepare for participation in the **Stock Market Game**¹ (SMG)
 - a) Register at www.stockmarketgame.org
 - b) Register yourself for the adult competition
 - c) Become familiar with the SMG site
 - d) Prepare to register your Club teams
 - (i) The Fall & Spring 10-week SMGs are \$15 per team
 - (ii) The year-long competition is \$30 per team
 - (iii) Budget & pay for team registrations from Club funds
 - (iv) Once your teams are established and pre-registered you will receive an email bill



4. Register for the **Personal Finance Challenge**
 - a) Research the Challenge at:
<http://www.econed.org/economic-and-personal-finance-challenges/>
 - b) Register your Club by emailing the Maryland Council on Economic Education - DBaker@towson.edu
5. Invite Club Members to participate in **Budget Challenge™**, a personal finance simulation that teaches Club Members money management skills.
 - a) Watch the short, "[What is Budget Challenge™?](#)"
 - b) Discover more at hrbds.org



¹ If your Club is participating in the fall Stock Market Game cover Lesson 4-1 after Meeting 2 so Members will grasp the fundamentals of investing

MILLIONAIRE'S CLUB

6. Register a team for the **Economics Challenge**
 - a) Visit <http://councilforeconed.org/national-economics-challenge/>
 - b) Email the Maryland Council on Economic Education with questions - *DBaker@towson.edu*
7. **Evaluate the Club's impact** by measuring your Club Members' baseline knowledge score
 - a) Pre-test your Club Members and test again at the end of the year to gauge progress
 - b) Use the Practice Questions in the appendix, or go to econed.org/testing
 - c) Instructions on registering and using the assessment are included in the appendix





The Millionaire's Club Advisor Guide is now available for free download on your iPad with iBooks 2 or on your computer with iTunes.

Link:

<http://itunes.apple.com/us/book/millionaires-club-advisor/id548018385?i=1>

Or search "Millionaire's Club Advisor Guide"



LESSON PLAN &
FACULTY ADVISOR GUIDE

Lesson 1-0

Lesson 1-1

Lesson 1-2

Lesson 1-3

Lesson 1-4

Lesson 1-5

Lesson 2-0

Lesson 2-0 (continued)

Lesson 2-1

Lesson 2-2

Lesson 2-3

Lesson 2-4

Lesson 2-5

Lesson 3-1

Lesson 3-2

Lesson 3-3

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Lesson 3-5

Lesson 4-1

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Lesson 4-4

Lesson 5-1

Lesson 5-2

Lesson 5-3

Lesson 5-4

Lesson 6-1

Lesson 6-2

Lesson 6-3

A Note About Guest Speakers:

- The Millionaire's Club is fertile ground for guest speakers. Guests lend real-life context to Club materials and serve as experts and role models for Club Members.
- Your Credit Union Club Sponsor is an ideal source for speakers to address personal financial and general business topics.
- Arrange for guest speakers in advance to complement Club lessons.
- To help your speakers prepare, send them copies of the corresponding Student Booklet for the lesson(s) you want them to address. Send the booklet well in advance.

Lessons Ideal For Guest Speakers:¹

- Lesson 2-0 - A local entrepreneur
- Lessons 2-1 through 2-5 - A professional from your sponsoring credit union
- Lessons 3-1 through 3-5 - A human resources professional
- Lessons 4-1 through 4-4 - An investment professional
- Lessons 5-1 through 5-4 - A professional from your sponsoring credit union
- Lessons 6-1 through 6-4 - An insurance professional

Family Emails

- Pre-drafted emails are available to help bring Club discussions into Members' homes. You will find them on your Advisor Thumb Drive as well as the iPad version of the Faculty Advisor Guide. Send these emails regularly to your Club Members' parents to keep them informed and to generate out-of-Club discussions.
- Your Advisor's Guide includes notes as to when and which emails to send.
- These family emails extend the benefit of your Club activities into your community and generate productive family discussions.

¹ Your credit union sponsor can provide and help you find qualified speakers

"Too many people spend money they haven't earned,
to buy things they don't want, to impress people they
don't like."

Will Smith

Club Overview

Overview:

Organizing the Club, introduction to Club resources, leadership

A Club; Not A Class

1. Introduce the concept of approaching the Club like a corporation
 - a) Faculty Advisor (you) serves as "President"
 - b) Club Members are the Board and will elect a Chair(man), Vice-Chair(man), Treasurer, & Secretary
2. Club is self-directed and managed
3. Goals for the Club
 - a) To prepare for financial security

Review Resources

1. NEFE Student Module Booklets (There are six module booklets)
2. brass Magazine - a youth-oriented finance periodical
3. Club banner
4. Quicken™ personal finance software
5. Funding to establish the Club and seed the entrepreneurial project that will produce income and sustain the Club into the future
6. Opportunities to earn scholarships and national travel via the Personal finance challenge
7. Your credit union sponsors may also provide refreshments, Club tee-shirts, mouse pads, etc.

Ground Rules

1. Respect each other, that means
 - a) Everyone can participate though they don't always need to agree

2. The Club needs defined roles for Members
 - a) By the end of the second meeting, leadership roles need to be defined
 - (i) Elections at following (#3) meeting
3. Money is a part of this Club
 - a) The Club has been awarded a “seed” grant to get off the ground
 - b) You will need to
 - (i) Budget (sample budget included, see Lesson 1-0)
 - (ii) Add to your seed funding
 - (iii) Safeguard it from misuse
 - (iv) Funds will be watched carefully, logged, transactions recorded, etc. (You’ll be given Intuit’s Quicken™ financial software for this)
4. The Club will be enjoyable
 - a) approach the Club as a team sport - every Member can participate
5. There will be competitions and rewards
 - a) The Stock Market Game¹
 - (i) Local, regional, state & national awards
 - b) Personal Finance Challenge
 - (i) State & national awards and scholarships

Presentations

1. Presentations are part of the Club
 - a) The President will make presentations
 - b) Members will participate through presentations
 - (i) That’s how entrepreneurs and business people share ideas

Vocabulary

1. Club Members will learn the “passwords” used by all millionaires
 - a) These words are the vocabulary of success
 - b) The select phrases of financially-secure people
 - c) A handful of words and concepts that express the activities and pathways to financial self-sufficiency.
 - d) brass Magazine is a great window into those passwords
 - (i) The quarterly crossword puzzles are a good way to learn these new phrases.

The Future (each lesson plan will include a preview called “The Future” to help you prepare)

Review job descriptions of the Club’s Executive Team (see Meeting 2)

Ask Members to think about who they may want to serve in the elected positions.

¹*If your Club’s Members are participating in the fall Stock Market Game, teams must be registered no later than October 1.*

If participating in the fall Stock Market Game, explain the SMG and have Members begin to think who they want on their SMG Team - teams are comprised of five or fewer Members. Be mindful of your budget - SMG teams are not free!

Also, if your Club will be participating in the Stock Market Game, you will be covering Lessons 4-1 to 4-5 on Investments soon. Find an investment professional to address the Club on investing basics. Ask your credit union sponsor for help in identifying a suitable investment professional speaker.

Send “Module 1 Parent E-Mail”

Notes

"Coming together is a beginning. Keeping together is progress. Working together is success."

Henry Ford

Lesson 1-0

Leadership

Let's Get Started

Distribute the Module 01 Booklet, "Money Management: Control Your Cash Flow"

Prepare for Nominations & Election of Officers

1. Review the "job descriptions" for the positions of Chair(man), Vice-Chair(man), Treasurer, and Secretary (see below)
2. Beginning with Secretary and working toward Chair, open the floor for nominations.
 - a) Nominees may make a statement indicating their interest or special skill set to serve in the respective positions.
 - b) Close the nominations. Take the vote.
 - (i) After the Secretary is elected, have them begin their duties by recording the election results in the Club's minutes.

The Stock Market Game

1. Introduce the Stock Market Game
 - a) Go over the processes used in the game
 - b) Review the competition associated with the game
 - c) Ask the Treasurer to review the costs per team (\$15 per team for 10-week competition, \$30 per team for year-long competition)
 - d) Have the Club members break into teams and be sure to only have as many teams as you have allowed for in the Club Budget.

The Club Account

1. Review importance of a Club account
 - a) Club funds deposited and expenses paid
 - b) Your funds may be kept by the school but it very important that the Treasurer maintain an accounting of every penny deposited and withdrawn. Your Quicken™ software is ideal for doing this as well as for establishing a Club budget and producing reports
1. Review various options for opening an account.
 - a) Compare and contrast the options.
 - (i) Bank
 - (ii) Credit Union
 - (iii) Other
2. Ask Members for three different options for the Club Account
 - a) Using the internet compare
 - (i) Convenience
 - (ii) Fees
 - (iii) Dividend rates
 - b) Have the Treasurer keep notes on the results
 - c) Have Members select the best financial institution option for the Club's Account (even though your funds may be held in your school's or organization's account)

Design the Club's Budget

1. We'll cover budgeting more in-depth later but for now we need to establish a draft Club budget so we are prepared for the costs associated with Club activities like the Stock Market Game.
2. Establish a school-year budget for the Club
 - a) Use this exercise to help Members visualize establishing their own budgets.
3. Have the Members suggest all the income and expense categories that may be used in the Club's budget. Some suggestions are:
 - a) Income
 - (i) Grant funding (make sure you include your Sponsor's seed funding)
 - (ii) Entrepreneurial project income
 - (iii) Donations
 - (iv) Account Dividends
 - (v) Other?
 - b) Expenses
 - (i) Supplies
 - (ii) Refreshments
 - (iii) Entrepreneurial project expenses
 - (iv) Other?

- (v) Use the sample format below to establish your draft Club budget.
4. Once established, ask the Club Treasurer to use the “Set-Up Budget” feature in Quicken to establish the Club’s annual budget. This will help when reporting progress.

Millionaire's Club Annual Budget	
	Budget
Income	
Sponsorships/Seed Funding	
Entrepreneurial Project Gross Income	
Donated Refreshments	
Other	
Income Subtotal	0
Expense	
Stock Market Game ¹	
Refreshments	
Money U ²	
Entrepreneurial Project Expenses	
Other (field trips, etc.)	
Expense Subtotal	0
Net	0

¹ Registration for the Stock Market Game is currently \$15 per team for the fall competition or the spring competition and \$30 per team for the year-long competition (September through April).

² Money U., a supplemental online financial literacy program, costs \$15 per student.

The Club Banner

1. End the meeting by hanging the Club banner.
2. Take a photo of the Members and the banner with your sponsor.

Officers' Duties (Executive Team)

President (Faculty Advisor)

The President attends all Club meetings and serves as Advisor to the Executive Team (Chair, Vice-Chair, Treasurer & Secretary). The President runs the Club's meetings, organizes the curriculum, serves as liaison with the school administration and sponsoring organizations. The President is appointed by the school administration and confirmed by the sponsoring organization(s). As a Member of the Executive Committee (President, Chair, Vice-Chair, Treasurer, & Secretary), the President attends any meetings of the Executive Committee.

Chair (or Chairperson)

The Chair attends all Club meetings and presides over them, generally oversees the Club's activities, and appoints any committees or Members to tasks or activities the Club will be hosting or planning. This should be someone with good leadership skills. The Chair is elected by majority vote of the Club Members. As a Member of the Executive Committee (President, Chair, Vice-Chair, Treasurer, & Secretary), the Chair attends any meetings of the Executive Committee. The Chair, like all Members of the Club, serves in a non-paid, voluntary basis.

Vice-Chair (or Vice-Chairperson)

The Vice-Chair oversees the income-producing entrepreneurial project adopted by the Club and is therefore responsible for the future of the Club. The Vice-Chair also steps into the role of Chair if the Chair is unavailable. This person should be a good organizer and motivator of others. The Vice-Chair is elected by majority vote of the Club Members. As a Member of the Executive Committee (President, Chair, Vice-Chair, Treasurer, & Secretary), the Vice-Chair attends any meetings of the Executive Committee. The Vice-Chair, like all Members of the Club, serves in a non-paid, voluntary basis.

Treasurer

The Treasurer's job is to keep an organized and itemized list of incoming and outgoing monies associated with the Club. They should be someone everyone in the Club agrees can be trusted with money and be good with the allocation of funds. The Treasurer is elected by majority vote of the Club Members. As a Member of the Executive Committee (President, Chair, Vice-Chair, Treasurer, & Secretary), the Treasurer attends any meetings of the Executive Committee. The Treasurer, like all Members of the Club, serves in a non-paid, voluntary basis.

Secretary

Decisions made at Club meetings should be recorded by written record for future reference. Keeping the Club's records and correspondence is the main duty of the Secretary. This should be someone with good organizational skills. As a Member of the Executive Committee (President, Chair, Vice-Chair, Treasurer & Secretary), the Treasurer attends any meetings of the Executive Committee. The secretary is also responsible for names, addresses, phone numbers and emails of all the Members of and resources used by the Club. The Secretary is elected by majority vote of the Club Members. The Secretary, like all Members of the Club, serves in a non-paid, voluntary basis.

Vocabulary

“Account”

Definition: An arrangement whereby a financial institution holds funds on behalf of another.

Context: I opened my first savings account when I was just a kid.

The Future

Ask the Treasurer and any other interested Members to stay after the Club meeting to review the Quicken software where the Club's account will be maintained and the budget developed and tracked

Are your Members participating in the Stock Market Game? If “yes”, you will now move to Lesson 4-1 and begin the “Investing” section to prepare for SMG success. Distribute the Module 4 Student Booklet now if your Club is participating in the SMG. See the “Before You Start” session at the beginning of this Guide and the Stock Market Game materials in the Appendix.

Notes

"The average millionaire can't tell you who got thrown off the island last night."

Dave Ramsey, finance author

Lesson 1-1

Money Habits¹

Overview:

Understanding money habits and attitudes toward money

NEFE Materials

Lead Lesson 1-1, "Money Habits"

Module 1 Student Guide pages 3- 13

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

The Future

Ask Members to keep a week-long spending log and collect receipts

¹ If your Club is participating in the fall Stock Market Game, hold off on this Lesson and jump to Meeting 4-1 now so Members will grasp the fundamentals of investing

Vocabulary

“Needs”

Definition: Basic things we must have to survive.

Context: Food, shelter, these are basic needs. Transportation to school or a job, because it has an impact on our future or income, can also be considered a need.

“Wants”

Definition: Things that make life more interesting or fun, but that you can do without.

Context: I may need a roof over my head, but I only want the flat-screen TV.

Notes

"What keeps me going is goals"

Muhammad Ali

Lesson 1-2

Goals

Overview:

How to manage money, income & expenses

Setting Personal Financial Goals & Budgeting

Developing the Club's Budget

NEFE Materials

Lead Lesson 1-2, "Goals"

Module 1 Student Guide pages 14-16

1. Have Members produce Personal Spending Logs from last meeting
 2. Discuss
-

Stock Market Game

If participating, have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Expenses
 - b) Income
 - c) Balance

Vocabulary

“Goal”

Definition: The object of your ambition or effort

Context: When I keep my goal in mind it makes all the work I put in meaningful to me.

“Budget”

Definition: An estimate of income and expenses over a specific period of time.

Context: I have a monthly budget that I check regularly to make sure I end the year with more savings than I started with.

The Future

Find a local successful entrepreneur to address the Club. Need help? Contact your sponsoring credit union or the local Chamber of Commerce.

Search here: <http://www.uschamber.com/chambers/directory>

Notes

Money is only a tool. It will take you wherever you wish, but it will not replace you as the driver.

Ayn Rand, author

Lesson 1-3

Decisions

Overview:

Making good spending decisions

NEFE Materials

Lead Lesson 1-3, “Decisions”

Module 1 Student Guide pages 19-21

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

Vocabulary

“Fixed, Variable & Periodic Expenses”

Definition:

Fixed Expense - cost the same amount every time, like a monthly car insurance bill.

Variable Expense - the amount fluctuates, many times based on your own control, like entertainment expenses

Periodic Expenses - occur irregularly, sometimes unexpected, like car repairs, and can be either fixed or variable

The Future

Review the planning documents in preparation for discussing the Club's entrepreneurial project.

Notes

"If you work for money, you give the power to your employer. If your money works for you, you keep and control the power."

Robert Kiyosaki, author of "Rich Dad Poor Dad"

Lesson 1-4

Spending Plan

Overview:

Members learn how to create an effective spending plan

NEFE Materials

Lead Lesson 1-4, "Spending Plan"
Module 1 Student Guide pages 22-31

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

Vocabulary

“Opportunity Cost”

Definition: The "cost" incurred by not enjoying the benefit that would be had by taking the second best choice available.

Context: Jamal values three goods in this order: (1) a CD player; (2) a computer game; and (3) a sweatshirt. Each item costs \$50. Jamal bought the CD player, his first choice. His opportunity cost is the computer game, his second choice.

The Future

Inform the Club that they will be responsible for envisioning, planning, budgeting and performing an entrepreneurial project

Offer examples of the types of projects that the Club could undertake

- *Car wash*
 - *Selling items for profit*
 - *Soliciting charitable support (business or personal sponsors)*

Let the Members know that the future of the Club depends on the successful outcome of the project

Notes

"Happiness is a positive cash flow."

Fred Adler, venture capitalist

Lesson 1-5

Cash Flow

Overview:

Establishing strategies for a positive cash flow

NEFE Materials

Lead Lesson 1-5, "Cash Flow"

Module 1 Student Guide pages 31-39

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

Vocabulary

“Cash Flow”

Definition: The movement of money into or out of a business, project, financial account, your wallet, or your pocket

The Future

Introduce the entrepreneurial project - the year-capping business venture

Envisioned by the Club

Planned by the Club

Executed by the Club

Notes

"You have to think anyway, so why not think big?"

Donald Trump

Lesson 2-0

The Entrepreneurial Project

Overview:

Determine the year-end entrepreneurial project, begin planning and task assignments

Start building the project's business plan

NEFE Materials

No NEFE materials for this lesson

Defining & Refining the Entrepreneurial Project

1. Review the objectives of the project
 - a) To apply the steps necessary to plan and launch a successful entrepreneurial project and learn from our successes and failures
 - b) To "Blue Sky" ideas as a Club and settle on a single agreed-upon project
 - c) To generate funds for next year's Club (amount needed based on the Club's budget)

The Entrepreneurial Project's Leadership

1. The elected Vice-Chair is responsible for leading the entrepreneurial project
2. The Vice-Chair coordinates other Members who serve on focused project sub-committees
 - a) Sub-committee responsibility examples
 - (i) Logistics (securing space for the project)
 - (ii) Promotion (getting the word out about the project)
 - (iii) Sales/Service

Building a Business Plan

1. The project will need to generate funding for next year's Club activities
 - a) Your Club's budget (see Lesson 1.0) will determine the Club's financial needs and hence, the minimum profitability goal for the project.
2. What activities can generate the required net income between now and the end of the school year?
 - a) Provide a service
 - (i) What service?
 - (ii) At what price?
 - (iii) What will be our costs?
 - (iv) What will be our net income per sale?
 - (v) How will the service be delivered?
 - (vi) Who will want to buy the service?
 - (vii) What permissions, permits, licenses, etc. are necessary?
 - b) Sell a product
 - (i) What product?
 - (ii) At what price?
 - (iii) What will be our costs?
 - (iv) What will be put net income per sale?
 - (v) How will the product be delivered?
 - (vi) Who will want to buy the product?
 - (vii) What permissions, permits, licenses, etc. are necessary?

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

Vocabulary

“Entrepreneur”

Definition: A person who starts his or her own business based on the belief that he or she can make a better product or provide a better service than what existing companies provide.

Context: My neighbor is an entrepreneur - he started out working on computers as a hobby, then he launched his own business in the computer field.

The Future

Distribute the Millionaire's Club Business Plan Builder

Have the Members review the Plan Builder and begin thinking about distributing responsibilities among the Members. The Plan Builder will provide a framework to develop the entrepreneurial project

Call your credit union sponsor and invite a loan officer to visit the Club for up-coming Lesson 2-2 to discuss how loan applications are processed and how credit history affects that processing.

Notes

"A good plan today is better than a perfect plan tomorrow"

General George Patton

Lesson 2-0 (continued)

The Entrepreneurial Project

Overview:

Get the entrepreneurial project plan down in writing with input from all Members

NEFE Materials

No NEFE materials for this lesson

Entrepreneurial Project - Moving From Vision To Written Plan

1. Have the Club's Vice Chair take the lead on this meeting's efforts
 - a) Use the Project Plan Builder to make sure you "cover all bases"

Club-wide Project or Intra-Club "Competition?"

Have the Members decide if they want to tackle one project that all Club Members are involved in, or if they want to set up some "friendly competition" and have two projects launched by "competing" Club teams.

The Millionaire's Club Project Plan Builder

1. A complete version of the Millionaire's Club Project Plan Builder follows. A file in Microsoft Word™ format is also available on your Advisor's CD.
2. The project plan consists of a narrative and several financial worksheets. The narrative template is the body of the project plan.
3. The real value of creating a project plan is not in having the finished product in hand; rather, the value lies in the process of researching and thinking about your project in a

systematic way. The act of planning helps you to think things through thoroughly, study and research if you are not sure of the facts, and look at your ideas critically. It takes time now, but avoids costly, perhaps disastrous, mistakes later.

4. Modify the plan to suit your Club's entrepreneurial project. Before you begin, review the section titled Refining the Plan, found at the end.
5. Keep your project simple. There are already several examples of projects performed by other groups in your organization to raise the resources they need to operate. Learn from them and then create your own.

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

The Future

Hand out Student Module 02 Booklet

Make copies of the credit report instructions to hand out at the next meeting so Members can download their own credit reports

See if your credit union sponsor has a speaker who can talk with the Members about credit and loans.

Notes

GUIDELINES FOR ENTREPRENEURIAL PROJECTS SPONSORED BY THE MILLIONAIRE'S CLUB

In order to schedule appropriate activities that will foster the Millionaire's Club in our school, the Members will perform an annual entrepreneurial project. The following criteria will be used to evaluate each project:

1. The project maintains the image and integrity of the Club.
2. The project is promoted and operated in an ethical and professional manner.
3. The project is scheduled in a suitable way that will be in harmony with other activities of the school and will not be a burden on its students or administration.

To this end, policy and procedures have been established as follows:

The Club Advisor (President) must approve all projects prior to implementation of any plans for the project. And, where required, the Club will secure approval from school administration in advance of any planned project.

The Club Advisor must approve the date and location of the event. The Club Advisor will take responsibility for signing any contracts or agreements that may be required.

At least one member of the Club will be assigned to chair the steering committee for the project.

Once the project is approved, a memo of understanding will be signed by the chairperson of the steering committee, who will act as liaison with school administration in coordinating the project from start to finish.

School administration may request regular status reports during the planning and promotional period that may be presented by the chairperson of the project along with other Members of the Club.

The Club Advisor or a person designated by the Club Advisor will approve all promotional material, brochures, etc. to maintain the proper image for the Club.

If required, any entry tickets and raffle tickets must be paid for in advance by cash or check.

All revenue will be turned in to the Club Treasurer upon receipt and the Club Treasurer will pay all expenses.

The accounting records pertaining to the event will be kept by the Treasurer and may be audited at any time by the Club Advisor.

The Club will take responsibility for obtaining all licenses, permits, and insurance as needed and as warranted by the type of project being performed. The committee will agree to abide by the rules set by governing organizations including the school administration or local authorities.

Guidelines for performing a project include:

1. Where appropriate, the Club will be responsible for completing the required IRS Forms (i.e. W-2G or 1099 misc.) for raffle winners and silent auction participants.
2. Projects that net less than 50% of gross income are discouraged.
3. The vast majority of the participation in the project will come from students or the school community, so:
 - i. Make sure the project is within the means of the majority of this community.
 - ii. Make sure the project will be of interest to the students and the local community.
 - iii. Make sure the project will take place in a location that is convenient to a majority of the students and the local community.
4. Don't copy another student organization's traditional project.
5. Promoting the project is very important. Spend time planning how and to whom you will promote your project.
6. Never say something is tax deductible if it isn't. The value of what participants could receive even if donated is not tax deductible.
7. If you plan an event it should be fun so people will want to attend again next year.
8. Don't try to force people to spend more than they expected.
9. Don't belabor people with long speeches or with long introductions.
10. Do tell people how great they are for participating in your project and always explain how the proceeds will be used. Thank everybody!
11. Organize your project like a business venture. Successful projects require a committee structure with conscientious committee chairs. A written list of the duties and responsibilities of each committee and its chair should be produced.
12. Formulate a realistic, detailed budget in advance and stick to it. Never guess about what your expenses will be.
13. Collect the names and addresses of all the participants and volunteers for the event. These people are now friends of the Club and can be counted on in the future.



INSERT YOUR
IMAGE HERE

Your Project Name

Address Line 1

Address Line 2

City, ST ZIP Code

Telephone

Fax

E-Mail

Executive Summary

Write this section last.

Make it no more than one page long; three to five paragraphs.

Include what you would cover in a three-minute interview.

What will your product or service be? Who will your customers be? Where will you operate?

What will you charge? What will your expenses be?

Make it enthusiastic, professional, complete, and concise.

Products and Services

Describe your product or service (use drawings, photos, sales brochures, etc.)

What factors will give you competitive advantages or disadvantages?

What will you charge for your product or service?

Marketing Plan

In your marketing plan, be as specific as possible; give statistics, numbers, and sources. The marketing plan will be the basis of the all-important sales projections.

What is the total size of your market? Is it the student body? Your community?

Estimate current demand for your product or service in the target market.

What barriers do you face in starting your project? Some typical barriers are:

Costs

Getting permissions

Consumer acceptance

Getting enough workers

How will you overcome the barriers?

Features and Benefits

Describe the most important features of your product or service. What is special about it?

Describe the benefits. That is, what will the product or service do for the customer?

Note the difference between features and benefits, and think about them. For example, a discount booklet that you sell contains various money-saving coupons; those are its features. Its benefits include saving your customers money, and driving business to the businesses that participate in your coupon booklet. You build features into your product so that you can sell the benefits.

What after-sale services are necessary? Some examples are delivery or refund policies.

Know Your Customers

Identify your targeted customers, their characteristics, and their geographic locations, otherwise known as their *demographics*.

Age

Gender

Location

Income level

Know Your Competition

What other clubs or businesses compete with you?

Will they compete with you directly with a similar product or service, or just for certain customers, or in certain locations?

How will your product or service compare with the competition?

Now, write a short paragraph stating your competitive advantages and disadvantages.

Publicity & Promotion

How will you get the word out to customers?

Advertising: What media, why, and how often?

Have you identified low-cost methods to get the most out of your promotional budget?

In addition to advertising, what plans do you have for graphic image support? This includes things like brochures, and signage

Should you have a system to track repeat customers so you can contact them in the future?

How much will you spend on the items listed above?

Price

Explain your method or methods of setting prices. For most Clubs, having the lowest price is not always a good policy. It robs you of needed profit margin; customers may not care as much about price as you think. Usually you will do better to have average prices and compete on quality and service.

Compare your prices with those of the competition. Are they higher, lower, the same? Why?

How important is price as a competitive factor? Do your intended customers really make their purchase decisions mostly on price?

Place

Maybe you do not have a precise location picked out yet. This is the time to think about what you want and need in a location. Many Clubs run entrepreneurial projects successfully right from their high school.

Is your location important to your customers? If yes, how?

If customers come to your place of business:

Is it convenient? Parking? Interior spaces? Not out of the way?

Sales Forecast

Develop a simple sales forecast spreadsheet like the one below. You may want to develop both a “Best Case” and “Worst Case” spreadsheet.

Item	Cost/Item	Price/Item	Profit/Item	Estimated Sales	Total Estimated Profit
Discount Coupon Book	\$2.50	\$10.00	\$7.50	100	\$750.00
General Project Expenses					\$100.00
Total Project Profit					\$650.00

Operational Plan

Use this section to explain the daily operation of the project, its location, equipment, staffing, processes, and surrounding environment.

Production

How and where are your products or services produced?

Explain your methods of:

- Production techniques and costs, if any
- Quality control
- Customer service
- Inventory control
- Product development
- Financial controls (handling the income and expenses)

Location

What qualities do you need in a location? Describe the type of location you'll have.

Physical requirements:

- Amount of space
- Type of building
- Permits/permissions needed
- Power and other utilities like water for a car wash

Access:

Is your location convenient? Do you need easy walk-in access? What are your requirements for parking?

Include a drawing or layout of your proposed location if it is important.

Cost: Will there be any costs for your use of the location? Will you be charged rent or a portion of your sales?

What will be your business hours?

Describe the following:

- Permits or permissions needed?
- Will you be required to have insurance coverage?

Personnel

- Number of Club Members needed to run the project, both overall and during any given operating hours.
- Quality of existing Club Members and their best fit within the project (like a Member with good art skills can come in handy with designing the marketing flyers)
- Training requirements
- Do you have schedules and written procedures prepared?
- Have you drafted job descriptions for each specific job associated with the project? If not, take time to write some. They really help internal communications with Club Members.
- For certain functions, will you use additional staff from outside the Club? Will parents be needed for your project?

Inventory

- What kind of inventory will you keep: raw materials, supplies, finished goods?
- Average value in stock (i.e., what is your inventory investment)?
- Lead-time for ordering?

Suppliers

If you are making and/or selling a product identify key suppliers:

- Names and addresses
- Type and amount of inventory furnished
- Credit and delivery policies

Should you have more than one supplier for critical items (as a backup)?

How much lead time do your suppliers need (the time between when you order the items from your supplier and when they arrive)?

Are supply costs steady or fluctuating? If fluctuating, how would you deal with changing costs?

Management and Organization

Which Club Member will manage the business on a day-to-day basis? It is suggested that the Vice Chair accept this responsibility. Is there a plan for someone to cover for this person if they are not available?

If you'll have more than 10 Club Members involved, create an organizational chart showing the management hierarchy and who is responsible for key functions.

Include job descriptions for key Members.

Startup Expenses

You will probably have startup expenses before you even begin operating your project. It's important to estimate these expenses accurately and then to make sure the Club has enough funds in its treasury to cover these costs.

Starting a project has a way of costing more than you anticipate. There is a way to make allowances for surprise expenses. Add a separate line item, called *contingencies*, to account for the unforeseeable.

Talk to others who have started similar projects to get a good idea of how much to allow for contingencies. A rule of thumb is that contingencies should equal at least 20 percent of the total of all other start-up expenses.

Financial Plan

Businesses need a profit and loss projection, a cash-flow projection, a projected balance sheet, and a break-even calculation. Together they constitute a reasonable estimate of your Club's financial future. More important, the process of thinking through the financial plan will improve your insight into the inner financial workings of your Club.

The Club's project will probably take place over a time period like 3 – 4 months. But you may want to develop a longer term financial plan to help the Club with it's project next year.

Profit and Loss Projection

Many Clubs think of the profit and loss projection as the centerpiece of their plan. This is where you put it all together in numbers and get an idea of what it will take to make a profit and be successful.

Your sales projections will come from a sales forecast in which you forecast sales, cost of goods sold, expenses, and profit month-by-month for a year.

An Excel-format profit and loss template is located on the Advisor CD. Have the Treasurer work with Club Members to complete the P&L spreadsheet.

Cash Flow

The point of the cash flow projection is to plan how much you need before startup, for preliminary expenses, operating expenses, and reserves. The Club's cash flow statement will enable Members to foresee shortages in time to do something about them—perhaps cut expenses.

There is no great trick to preparing it: The cash-flow projection is just a forward look at your Club account.

For each item, determine when you actually expect to receive cash (for sales) or when you will actually have to write a check (for expense items).

You should also track cash outlays prior to starting the entrepreneurial project in a pre-startup column. You should have already researched those for your startup expenses plan.

Your cash flow will show you whether your Club account is adequate. Clearly, if your projected cash balance ever goes negative, your Club is out of money!

An Excel-format cash flow template is located on the Advisor CD. Have the Treasurer work with Club Members to complete the spreadsheet.

Opening Day Balance Sheet

A balance sheet is one of the fundamental financial reports that a Club needs for reporting and financial management of its project. A balance sheet shows what items of value are held by the Club project (assets), and what the project debts are (liabilities). When liabilities are subtracted from assets, the remainder is the Club's equity.

An Excel-format balance sheet template is located on the Advisor CD. Have the Treasurer work with Club Members to complete the spreadsheet.

Break-Even Analysis

A break-even analysis predicts what sales are required to cover total costs. In other words, it's the point between operating your project at a loss and operating at a profit.

An Excel-format break-even template is located on the Advisor CD. Have the Treasurer work with Club Members to complete the spreadsheet.

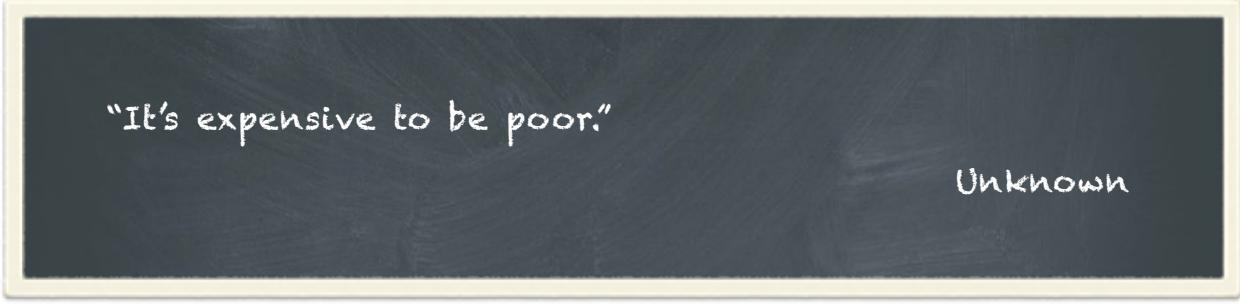
Appendices

Include details and studies used in your Club's project plan; for example:

- Brochures and advertising materials
- Blueprints and plans
- Maps and photos of location
- Magazine or other articles
- Lists of any equipment used
- Letters of approval/support from your organization's administration
- Any other materials needed to support the assumptions in this plan

Now you're ready for your Club's Entrepreneurial Project.

Good Luck!

A chalkboard with a light beige border. Inside, the quote "It's expensive to be poor." is written in white chalk at the top left. At the bottom right, the word "Unknown" is written in white chalk.

"It's expensive to be poor."

Unknown

Lesson 2-1

Using Credit

Overview:

Know when to, and when to not use credit

NEFE Materials

Lead Lesson 12-1, "Using Credit"
Module 2 Student Guide pages 3-8 & 18-19

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

Vocabulary

“Credit”

Definition: Credit means that someone is willing to lend you money. It's something you have, like an education, and there is “good” credit and “bad” credit.

Context: I pay my bills on time. I can show a steady income. And because I have a good, clean track record, I have earned good credit - people are willing to lend me money at a reasonable rate.

I am late paying my bills. My employment record is spotty. There are a few people willing to lend me money, but because of my payment history they charge me a very high lending rate. I have bad credit.

“Grace Period”

Definition: The amount of time a borrower has between receiving a payment statement and the due date.

Context: When considering two similar credit card offers with the same fees, interest rates, and debt ceilings I noticed in the fine print that one offered a longer grace period. I went with that card.

“Interest”

Definition: Interest is the amount you pay to use someone else’s money.

Context: Financial institutions like banks and credit unions make their income by lending money to people and charging interest. The better your credit score is, the lower your interest rate can be.

“Principal”

Definition: Money that is loaned to you.

Context: When my car needed work I borrowed \$400 for the repair from my parents, so the beginning principal was \$400. I’ve paid them \$50 a week for the past three weeks, and since they don’t charge me interest, my outstanding principal is now \$250. “[Interest](#)”

The Future

Hand out the credit report form that follows and have the students pull their own credit reports and bring them to the next meeting.

Notes

"Wealth consists not in having great possessions, but in having few wants."

Epictetus, Greek philosopher

Lesson 2-2

Credit Costs

Overview:

Calculating the cost of borrowing

NEFE Materials

Lead Lesson 2-2, "Credit Costs"

Module 2 Student Guide pages 9-15

Lending Professional Visit

If you have arranged for a lending professional visit from your credit union sponsor, introduce your speaker to discuss loan applications and their processing

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

The Entrepreneurial Project - Update

1. Have the Project Chair (Club Vice Chair) brief the Members on progress on the entrepreneurial project
 - a) What issues need to be addressed?
 - b) What new task assignments need to be made?

Vocabulary

“Secured loan or secured credit card”

Definition: A type of loan in which the borrower offers assets as collateral for the loan.

Context: When I applied for my first credit card I asked for a secured card and used money in my savings account as collateral for charges I placed on the card. If I was ever late with a payment, my financial institution would deduct funds from my savings account.

“Ceiling”

Definition: The top interest rate than can be charged on an adjustable rate loan.

Context: When I got my new credit card it came with an adjustable interest rate. I checked to see what the top interest rate, or “ceiling”, that I could be charged and it was 22%.

“Floor”

Definition: The lowest interest rate that will be charged ob an adjustable rate loan.

Context: My credit card interest rate is tied to the Prime rate established by the government. Even if the prime rate goes to 0%, the “floor” of my credit card's interest rate is 6%.

The Future

Remind Members to look up their credit scores and to share look-up instructions with their parents. Bring credit scores to next meeting.

Ask your credit union for a speaker to address identity fraud.

Notes

"That money talks, I'll not deny,
I heard it once: it said, 'goodbye'"

Richard Armour, American poet

Lesson 2-3

Credit Rating

Overview:

Introduction to borrowing money, its benefits, risks, and its specialized vocabulary.

NEFE Materials

Lead Lesson 2-3, "Credit Rating"
Module 1 Student Guide pages 23-31

Credit Reports

1. Members should review their credit reports that they printed since the last meeting
 - a) Discussion
 - (i) Were you able to read and understand the credit reports?
 - (ii) Any surprises?

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses

- (ii) Income
 - (iii) Balance
-

The Entrepreneurial Project - Update

1. Have the Project Chair brief the Members on progress on the entrepreneurial project
 - a) What issues need to be addressed?
 - b) What new task assignments need to be made?
-

Vocabulary

“Consolidate”

Definition: To combine separate loans into a single loan.

Context: To get better control over my debt I consolidated three credit card balances I had into the one credit card that offered the lowest interest. Then I put away the credit cards to avoid going further into debt.

“Risk-based Lending”

Definition: Financial institutions adjust the interest they charge on loans based on the borrower's credit score/background.

Context: Because I had earned good credit by paying my past bills on time, the credit union offered me their lowest interest rate when I borrowed money to buy my car. That saved me a lot of money over the life of the loan.

The Future

Find a human resources professional to speak to the Members when you begin Lesson 3.

Notes

"The price of greatness is responsibility."

Winston Churchill

Lesson 2-4

Rights & Responsibilities

Overview:

How much is too much debt and what are your rights and responsibilities

NEFE Materials

Lead Lesson 2-4, "Rights and Responsibilities"
Module 2 Student Guide pages 31-34, 39

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

The Entrepreneurial Project - Update

1. Have the Project Chair brief the Members on progress on the entrepreneurial project
 - a) What issues need to be addressed?

- b) What new task assignments need to be made?

Vocabulary

“Foreclosure”

Definition: When a borrower fails to honor the terms of a loan on a home they may be forced to vacate the home and the lending institution assumes ownership under a legal procedure called foreclosure.

Context: When a bank or credit union lends money to someone to buy a new home they require protection for their risk and may resort to foreclosure if the loan payments are late or stopped.

“Repossession”

Definition: When a borrower fails to honor the terms of a loan for which they have provided something as collateral, under the terms of the loan, the borrower may lose their right of possession and the collateralized item is taken by the party with the right of ownership.

Context: New cars purchased with a loan are often used as collateral by the borrower to ensure repayment of the loan. If the borrower fails to repay the loan (defaults), the lender may take back the car via repossession. If the borrower then brings their loan (and fees) up to date, the car can be returned to the borrower.

“Bouncing”

Definition: When you write a check for more money than is in your checking account.

Context: To avoid bouncing checks, I keep an accurate record of my checking account balance.

The Future

Notes

"That's where the money is."

Quote attributed to bank robber Willie Sutton
when asked by a reporter why he robbed banks

Lesson 2-5

Identity Theft

Overview:

How to protect yourself from being a victim of identity theft

NEFE Materials

1. Lead Lesson 2-5, "Identity Theft"
2. Module 2 Student Guide pages 34-38

Guest Speaker

If you've arranged for a guest speaker to visit, introduce them to lead discussions on identity theft and ways to avoid becoming a victim

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

The Entrepreneurial Project - Update

1. Have the Project Chair brief the Members on progress on the entrepreneurial project
 - a) What issues need to be addressed?
 - b) What new task assignments need to be made?
-

Vocabulary

“Phishing”

Definition: An identity theft tool that appears in the form of an email or pop-up message; usually looks like it's from a legitimate financial institution and prompts you to provide your personal information in order to fix a “problem” with your account.

Context: Some phishing scams can have a very close “look and feel” to a legitimate site.

“Spyware”

Definition: A bad side effect of free downloads that may be used to send you pop-up ads, redirect your computer to unwanted Web sites, monitor your Internet surfing, or record your keystrokes in an effort to steal your identity.

Context: My computer slowed to a crawl because of spyware that infected my computer after I downloaded a pirated movie.

The Future

Distribute the Module 3 Student Booklets

Notes

"An investment in knowledge pays the best interest."

Benjamin Franklin

Lesson 3-1

Invest In Yourself

Overview:

Maximizing your future earning potential so you can achieve your dreams

NEFE Materials

Lead Lesson 3-1, "Invest In Yourself"
Module 3 Student Guide pages 3-20

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
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 - a) Report on opening Club's Account
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 - (ii) Income
 - (iii) Balance

The Entrepreneurial Project - Update

1. Have the Project Chair brief the Members on progress on the entrepreneurial project
 - a) What issues need to be addressed?
 - b) What new task assignments need to be made?

Vocabulary

“Career”

Definition: An occupation that is your chosen field and that provides you with income, an activity, challenges, opportunities for advancement, and satisfaction.

Context: When I was a teenager I had a lot of jobs, but when I found my passion for helping others, I discovered my career in health care.

“Direct Deposit”

Definition: To have all or a portion of one's pay deposited directly into their account(s).

Context: I direct deposit half of my pay into my spending account and half into my savings account.

The Future

Do you know a local business person who has built a successful business? Work with the Club Executive Team to invite them to address the Club and provide basic insights into how they accomplished their success.

Notes

"Choose a job you love and you will never work a day in your life."

Confucius

Lesson 3-2

Job Benefits & Costs

Overview:

Assessing job options for the best outcome

NEFE Materials

Lead Lesson 3-2, "Job Benefits & Costs"
Module 3 Student Guide pages 25-29

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
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3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

The Entrepreneurial Project - Update

1. Have the Project Chair brief the Members on progress on the entrepreneurial project
 - a) What issues need to be addressed?
 - b) What new task assignments need to be made?

The Future

If you haven't secured a business person to address the Club, keep trying - nothing motivates students like real-life role models of success!

Notes

"We don't pay taxes - they take taxes"

Chris Rock

Lesson 3-3

Pay & Taxes

Overview:

Factors that impact take-home pay and how to make the most of your hard earned money

NEFE Materials

Lead Lesson 3-3, "Pay & Taxes"

Module 3 Student Guide pages 21-25

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
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 - (ii) Income
 - (iii) Balance

The Entrepreneurial Project - Update

1. Have the Project Chair brief the Members on progress on the entrepreneurial project
 - a) What issues need to be addressed?
 - b) What new task assignments need to be made?

Vocabulary

“Tax Withholding”

Definition: Taxes that you have deducted from your pay toward your income tax liability.

Context: I had more taxes withheld from my pay so that I would get a refund after I filed my tax returns..

The Future

If your Club is not participating in the Stock Market Game, and therefore you are leading the Lessons in sequence, as you prepare for Lesson 4, which centers on Investing, start to think about a local investment manager to visit the Club and discuss basic investing strategies as you begin Module 4.

If your Club has already reviewed Module 4 (and you participated in the Stock Market Game), you'll soon be asking your credit union sponsor to help you with a guest speaker to discuss financial services during Module 5.

Notes

"You only live once, but if you do it right,
once is enough"

Mae West

Lesson 3-4

Lifestyle

Overview:

Achieving the lifestyle and financial goals of your dreams

NEFE Materials

Lead Lesson 3-4, "Lifestyle"

Module 3 Student Guide pages 30-36

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

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 - a) Report on opening Club's Account
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The Entrepreneurial Project - Update

1. Have the Project Chair brief the Members on progress on the entrepreneurial project
 - a) What issues need to be addressed?
 - b) What new task assignments need to be made?

Vocabulary

“The Rule of 72”

Definition: The number in the title is divided by the interest percentage per period to obtain the approximate number of periods (usually years) required for doubling.

Context: For instance, if you were to invest \$100 with compounding interest at a rate of 9% per annum, the rule of 72 gives $72/9 = 8$ years required for the investment to be worth \$200; an exact calculation gives 8.0432 years.

The Future

If your Club did not participate in the Stock Market Game, and therefore have not already reviewed Lesson 4, invite an investment professional to address the Members when you begin Lesson 4.

If you have participated in the SMG and have covered Lesson 4 already, up-coming Lessons 5-1 through 5-4 deal with financial services. Here's where your credit union sponsor can really shine. They have several financial service professionals who can talk with the Club about making wise choices in selecting financial services. Invite them to speak when you begin Module 5.

Notes

"A nickel isn't worth a dime today."

Yogi Berra, professional baseball player, manager

Lesson 3-5

Plan for Change

Overview:

Dealing with temporary or unexpected drops in income

NEFE Materials

Lead Lesson 3-5, "Plan for Change"
Module 3 Student Guide pages 32-39

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
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 - a) Report on opening Club's Account
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 - (ii) Income
 - (iii) Balance

The Entrepreneurial Project - Update

1. Have the Project Chair brief the Members on progress on the entrepreneurial project
 - a) What issues need to be addressed?

- b) What new task assignments need to be made?

Vocabulary

“Tax Deduction”

Definition: An entry, generally an expense, that reduces a tax filer's income, and therefore reduces the filer's taxes. Most mortgage interest payments on the filer's primary home are tax deductible.

Context: To calculate the actual cost of my mortgage loan, I need to take into consideration the tax deduction I receive for the interest payments on that loan.

The Future

If your Club has not participated in the Stock Market Game, hand out the Module 4 Student Guide Booklet, “Investing: Money Working for You”.

Otherwise distribute Module 5 Student Guide Booklet, “Financial Services”, as you have already covered Module 4.

Notes

"The art is not in making money, but in keeping it."

Proverb

Lesson 4-1

Put Savings To Work

Overview:

How to make your savings work for you 24/7

NEFE Materials

Lead Lesson 4-1 "Put Savings To Work"
Module 4 Student Guide pages 3-12

Stock Market Game¹

Have Members break into Stock Market Game teams of 3 - 5 members. You can have as many teams as your budget permits.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

¹ If your Club Members are participating in the Stock Market Game you should be covering this chapter early in the school year. Your SMG teams will benefit from knowing the fundamentals of investing as they launch into their stock selections.

The Entrepreneurial Project - Update

1. If the Club is covering this Lesson early in the school year, you haven't begun the Entrepreneurial Project materials yet. So don't worry about the project for now. If, however, you are not participating in the Stock Market Game, and therefore have not moved this Lesson to early in the school year, you can cover "2" below.
2. The Club should be well underway with their entrepreneurial project.
 - a) What final issues need to be addressed?
 - b) What new task assignments need to be made?

Vocabulary

Stocks

Definition: Money raised by a company or corporation through the issuance of shares

Context: Between 2012 and 2013 the company's stock rose 15%.

Bonds

Definition: A certificate issued by the government or a public company promising to repay borrowed money at a fixed rate of interest on a specific time.

Context: I bought a bond issued by General Electric that is due in 2025 and pays a rate of 7%.

The Future

Have you found that insurance expert to address the Club yet? Ask your credit union sponsor for help. They have several contacts in the insurance world.

Lesson 4-3 is a perfect time for your investment professional to address the Club. It's coming up soon!

Notes

"Money is better than poverty.
If only for financial reasons."

Woody Allen

Lesson 4-2

How Investing Works

Overview:

How investing early can help you get a jumpstart on achieving your financial goals

NEFE Materials

Lead Lesson 4-2, "How Investing Works"
Module 4 Student Guide pages 12-23

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

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 - (ii) Income
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The Entrepreneurial Project - Update

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however, you are not participating in the Stock Market Game, and therefore have not moved this Lesson to early in the school year, you can cover "2" below.

2. The Club should be well underway with their entrepreneurial project.
 - a) What final issues need to be addressed?
 - b) What new task assignments need to be made?

Vocabulary

"Capital gains (or losses)"

Definition: The difference between the purchase price and the selling price of shares of stock.

Context: I bought Apple Corporation at \$130 a share and sold it at \$250 a share, creating a capital gain of \$120 for every share I sold.

The Future

Up-coming Lessons 5-1 through 5-4 deal with financial services. Here's where your credit union sponsor can really shine. They have several financial service professionals who can talk with the Club about making wise choices in selecting financial services. Invite them to speak when you begin Module 5.

Notes

"You miss 100% of the shots you never take"

Wayne Gretzky, ice hockey's "The Great One"

Lesson 4-3

Choosing Investments

Overview:

A review of risk as an inherent part of many investments and how to measure your risk/return tolerance

NEFE Materials

Lead Lesson 4-3, "Choosing Investments"
Module 4 Student Guide pages 16-30

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
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 - (ii) Income
 - (iii) Balance

The Entrepreneurial Project - Update

1. If the Club is covering this Lesson early in the school year, you haven't begun the Entrepreneurial Project materials yet. So don't worry about the project for now. If, however, you are not participating in the Stock Market Game, and therefore have not moved this Lesson to early in the school year, you can cover "2" below.
2. The Club should be well underway with their entrepreneurial project.
 - a) What final issues need to be addressed?
 - b) What new task assignments need to be made?

Vocabulary

"Rate of return"

Definition: The percentage of gain or loss on an investment over a period of time.

Context: I sold 50 shares of Apple stock that I had bought for \$6,500, and received \$12,500 on the sale for capital gains of \$6,000, so I received a rate of return of 92% from the date of purchase to the date of sale of the stock.

The Future

If your Club is participating in the Stock Market Game you'll soon be finished with Module 4 and moving on to Lesson 1-1, "Think Like A Millionaire." How about bringing a successful business person to address the Club? Think of someone your Club Members might know, like a successful real estate broker (they see their signs and advertisements) or another local entrepreneur. If you need help, contact your local Chamber of Commerce.

If you didn't participate in the Stock Market Game and you are covering the Modules in order, ask your credit union sponsor's experts to speak on checking accounts in Lesson 5-1, and on identity theft when you cover Lesson 5-3.

Notes

"Sometimes your best investments
are the ones you don't make."

Donald Trump

Lesson 4-4

Investment Strategy

Overview:

How to develop a personal investment philosophy

NEFE Materials

Lead Lesson 4-4, "Investment Strategy"
Module 4 Student Guide pages 29-40

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

The Entrepreneurial Project - Update

1. If the Club is covering this Lesson early in the school year, you haven't begun the Entrepreneurial Project materials yet. So don't worry about the project for now. If,

however, you are not participating in the Stock Market Game, and therefore have not moved this Lesson to early in the school year, you can cover "2" below.

2. The Club should be well underway with their entrepreneurial project.
 - a) What final issues need to be addressed?
 - b) What new task assignments need to be made?

Vocabulary

"Diversification"

Definition: Reducing investment risk by putting money in several different types of investments.

Context: My investment portfolio includes investments in stocks from various industries, bonds, and money markets. I am well diversified.

The Future

If you didn't participate in the Stock Market Game and you are covering the Modules in order, have you firmed up that guest speaker from your sponsoring credit union to address the Club on selecting the best financial services provider as you begin Module 5?

See if you can also get one of your sponsor's experts to speak on checking accounts in your next Lesson (5-1), and on identity theft when you cover Lesson 5-3.

If your Club is participating in the Stock Market Game you'll soon be finished with Module 4 and moving on to Lesson 1-1. Any progress on finding that entrepreneur to address and inspire your Club Members? If you need help, contact your local Chamber of Commerce.

Notes

"Education costs money.
But then so does ignorance."

Sir Claus Moser, British statistician

Lesson 5-1

Checking Accounts

Overview:

How to use a checking account!

NEFE Materials

Lead Lesson 5-1, "Checking Accounts"
Module 5 Student Guide pages 3-21

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

The Entrepreneurial Project - Update

¹ This is a perfect topic for a speaker from your credit union sponsor

1. Have the Project Chair brief the Members on the outcome or progress of the entrepreneurial project. It should be wrapping up.
 - a) What went right?
 - b) What could be improved next time?

Vocabulary

“Dividends”

Definition: A sum of money paid regularly by a financial institution to its customers/Members out of its profits (or reserves)

“Statements (or eStatements)”

Definition: Periodic (generally monthly) reports from your financial institutions and investment brokers that reflect the balances and activities in your accounts.

Context: To save paper and filing, I enrolled in my financial institution’s eStatement program. Now they send me monthly statements right to my computer.

The Future

Insurance can be a valuable financial tool to safeguard your assets. Start thinking of inviting an insurance agent/broker to visit the Club and share their knowledge on basic insurance strategies as you approach Module 6

Notes

"I saw a sign that read, "24-Hour Banking,"
but I didn't have that much time."

Stephen Wright, comedian

Lesson 5-2

Financial Tools & Technology

Overview:

Using technology to help you manage your personal finances

NEFE Materials

Lead Lesson 5-2, "Financial Tools and Technology"
Module 5 Student Guide pages 12-35

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

The Entrepreneurial Project - Update

4. Wrap up that project!
 - a) How well did the Club do?
 - b) Time to celebrate?

- c) What was learned.
 - d) Lead a discussion on the project and what each Member gained from the experience.
-

Vocabulary

“Dividends”

Definition: The portion of the profits paid to the shareholders of a company (or Members of a credit union).

Context: At the end of each quarter the credit union where I have my savings, and the dividend-paying companies I have invested in, make dividend payments into my accounts.

“Compound Interest”

Definition: Earning interest on interest

Context: Because I started saving at an early age, the interest paid on my savings began to earn interest, too, and that compounded interest allowed my savings to grow more quickly.

The Future

If the entrepreneurial project isn't finished yet - focus entirely on the project to wrap it up.

Insurance can be a valuable financial tool to safeguard your assets. Start thinking of inviting an insurance agent/broker to visit the Club and share their knowledge on basic insurance strategies when you start Module 6.

Notes

"Any informed borrower is simply less vulnerable to fraud and abuse."

Alan Greenspan, former Chairman, Federal Reserve

Lesson 5-3

Financial Fraud

Overview:

Exploring ways to protect your financial information

NEFE Materials

Lead Lesson 5-3, "Financial Fraud"
Module 4 Student Guide pages 35-39

Stock Market Game

5. Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.
-

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

The Entrepreneurial Project - Update

Wrap it up!

Vocabulary

“Fees”

Definition: Money paid as part of a transaction

“Balancing your accounts”

Definition: A periodic (at least monthly) exercise where you compare your financial institution's banking account balances with your personal tracking method (checkbook, Quicken accounts, etc.)

Context: When balancing my checking account records with my last month's eStatements, I noticed a difference that was caused by an expenditure I had forgot to enter.

The Future

If the entrepreneurial project isn't finished yet - focus entirely on the project to wrap it up.

Notes

"A bank is a place that will lend you money
if you can prove that you don't need it."

Bob Hope

Lesson 5-4

Financial Service Providers

Overview:

Choosing the best provider for your financial services needs

NEFE Materials

Lead Lesson 5-4, Financial Service Providers”
Module 4 Student Guide pages 25-30

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

The Entrepreneurial Project - Update

1. Have the Project Chair brief the Members on progress on the entrepreneurial project
 - a) What issues need to be addressed?
 - b) What new task assignments need to be made?

Vocabulary

“Bank”

Definition: A for-profit financial institution that invests funds deposited by customers, pays it out when required, and makes loans at interest

Context: I put my paycheck right into the bank as soon as I get it.

“Credit Union”

Definition: A not-for-profit financial cooperative whose member/owners can borrow from pooled deposits at low interest rates and whose members/owners share in any excess revenues over expenses.

Context: I put my paycheck right into the bank as soon as I get it.

The Future

If the entrepreneurial project isn't finished yet - focus entirely on the project to wrap it up.

Notes

"Education is what you get from reading the small print; experience is what you get from not reading it."

Common, rapper-actor

Lesson 6-1

Manage Risk

Overview:

Strategies to protect your health, money, and property

NEFE Materials

Lead Lesson 6-1, "Manage Risk"
Module 6 Student Guide pages 3-11

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

The Entrepreneurial Project - Update

1. Have the Project Chair brief the Members on progress on the entrepreneurial project
 - a) What issues need to be addressed?
 - b) What new task assignments need to be made?

Vocabulary

“Insurance Premium”

Definition: The amount you pay for an insurance policy.

Context: I used to pay my car insurance premiums on a monthly basis, but then I saved enough to pay annually and that saved me some money.

The Future

Last chance to get that insurance professional to address the Club. Send them a pdf of the Module 6 Student Guide so they'll have a good foundation on the materials you are covering. Log on to your NEFE account for the pdf file - <http://www.hsfpp.org>.

Notes

"Fun is like life insurance.
The older you get the more it costs."

Kin Hubbard, humorist

Lesson 6-2

How Insurance Works

Overview:

Becoming familiar with the language of insurance, how to get insurance, and how to file claims

NEFE Materials

Lead Lesson 6-2, "How Insurance Works"
Module 6 Student Guide pages 8-12, 23

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

The Entrepreneurial Project - Update

1. Have the Project Chair brief the Members on progress on the entrepreneurial project
 - a) What issues need to be addressed?

- b) What new task assignments need to be made?

Vocabulary

“Deductible”

Definition: The amount of a loss you must pay out of your own pocket before the insurance company will step in and pay the rest.

Context: I was able to lower my car insurance payments by increasing my deductible from \$500 to \$1,000, but if I wreck my car, I have to pay the first \$1,000 in damages.

The Future

If the entrepreneurial project isn't finished yet - focus entirely on the project to wrap it up.

Notes

"If a child, a spouse, a life partner, or a parent depends on you and your income, you need life insurance."

Suze Orman, financial advisor, TV host

Lesson 6-3

Selecting Insurance

Overview:

Learn about common types of insurance with different coverage for specific circumstances.

NEFE Materials

Lead Lesson, 6-3 "Selecting Insurance"
Module 6 Student Guide pages 16-25

Stock Market Game

Have Stock Market Game Team(s) log-in and monitor and/or execute transactions.

Officers' Reports

1. Chair
2. Vice-Chair
3. Treasurer
 - a) Report on opening Club's Account
 - (i) Expenses
 - (ii) Income
 - (iii) Balance

The Entrepreneurial Project - Update

1. Have the Project Chair brief the Members on progress on the entrepreneurial project
 - a) What issues need to be addressed?
 - b) What new task assignments need to be made?

Vocabulary

“Claim”

Definition: A claim is a formal request from the policyholder to have the insurance company make payment for a loss.

Context: I had to get a written estimate for the damage done to my parked car and include it in the claim I filed for damage repair.

“Coverage Limit”

Definition: The maximum amount an insurance company will pay you if you file a claim.

Context: My car insurance policy has coverage limits on liability claims of \$100,000 per person and \$300,000 per accident.

The Future

If the entrepreneurial project isn't finished yet - focus entirely on the project to wrap it up.

Notes

Appendix

Vocabulary

Lexicon	Definition
Account	<p>An arrangement whereby a financial institution holds funds on behalf of another.</p> <p>Context: I opened my first savings account when I was just very young.</p>
Balancing (Your Accounts)	<p>A periodic (at least monthly) exercise where you compare your account balances with your personal tracking method (checkbook, Quicken™ accounts, etc.)</p> <p>Context: When balancing my checking account records with my last month's eStatements, I noticed a difference that was caused by an expenditure I had forgot to enter.</p>
Bank	<p>A for-profit financial institution that invests funds deposited by customers, pays it out when required, and makes loans at interest</p> <p>Context: I put my paycheck right into the bank as soon as I get it.</p>
Bonds	<p>A certificate issued by the government or a public company promising to repay borrowed money at a fixed rate of interest on a specific time.</p> <p>Context: I bought a bond issued by General Electric that is due in 2025 and pays a rate of 7%.</p>
Bouncing	<p>When you write a check for more money than is in your checking account.</p> <p>Context: To avoid bouncing checks, I keep an accurate record of my checking account balance.</p>
Budget	<p>An estimate of income and expenses over a specific period of time.</p> <p>Context: I have a monthly budget that I check regularly to make sure I end the year with more savings than I started with.</p>
Capital Gains (or losses)	<p>The difference between the purchase price and the selling price of shares of stock.</p> <p>Context: I bought Apple Corporation at \$130 a share and sold it at \$250 a share, creating a capital gain of \$120 for every share I sold.</p>

Lexicon	Definition
Career	An occupation that is your chosen field and that provides you with income, an activity, challenges, opportunities for advancement, and satisfaction. Context: When I was a teenager I had a lot of jobs, but when I found my passion for helping others, I discovered my career in health care.
Cash Flow	The movement of money into or out of a business, project, financial account, your wallet or your pocket
Ceiling	The top interest rate than can be charged on an adjustable rate loan. Context: When I got my new credit card it came with an adjustable interest rate. I checked to see what the top interest rate, or ceiling, that I could be charged and it was 22%.
Claim	A claim is a formal request from the policyholder to have the insurance company make payment for a loss. Context: I had to get a written estimate for the damage done to my parked car and include it in the claim I filed for damage repair.
Compound Interest	Earning interest <u>on</u> interest Context: Because I started saving at an early age, the interest paid on my savings began to earn interest, too, and that compounded interest allowed my savings to grow more quickly.
Consolidate	To combine separate loans into a single loan. Context: To get better control over my debt I consolidated three credit card balances I had into the one credit card that offered the lowest interest. Then I put away the credit cards to avoid going further into debt.
Coverage Limit	The maximum amount an insurance company will pay you if you file a claim. Context: My car insurance policy has coverage limits on liability claims of \$100,000 per person and \$300,000 per accident..
Credit	Credit means that someone is willing to lend you money. It's something you have, like an education, and there is good credit and bad credit. Context: I pay my bills on time. I can show a steady income. And because I have a good, clean track record, I have earned good credit - people are willing to lend me money at a reasonable rate.

Lexicon	Definition
Credit Union	<p>Definition: A not-for-profit financial cooperative whose member/owners can borrow from pooled deposits at low interest rates and whose members/owners share in any excess revenues over expenses.</p> <p>Context: I put my paycheck right into the bank as soon as I get it.</p>
Deductible	<p>The amount of a loss you must pay out of your own pocket before the insurance company will step in and pay the rest.</p> <p>Context: I was able to lower my car insurance payments by increasing my deductible from \$500 to \$1,000, but if I wreck my car, I have to pay the first \$1,000 in damages.</p>
Direct Deposit	<p>To have all or a portion of one's pay deposited directly into their account(s).</p> <p>Context: I direct deposit half of my pay into my spending account and half into my savings account.</p>
Diversification	<p>Reducing investment risk by putting money in several different types of investments.</p> <p>Context: My investment portfolio includes investments in stocks from various industries, bonds, and money markets. I am well diversified.</p>
Dividends	<p>A sum of money paid regularly by a financial institution to its depositors out of its profits (or reserves)</p> <p>Context: At the end of each quarter the financial institution where I have my savings makes dividend payments into my accounts.</p>
Entrepreneur	<p>A person who starts his or her own business based on the belief that he or she can make a better product or provide a better service than what existing companies provide.</p> <p>Context: My neighbor started out working on computers as a hobby, then he started his own business in the computer field.</p>
Fees	Money paid as part of a transaction
Fixed Expense	<p>An expense that costs the same amount every time, like a monthly car payment.</p> <p>Context: My monthly car insurance payments are always the same so it's easy for me to budget for them.</p>

Lexicon	Definition
Floor	The lowest interest rate that will be charged on an adjustable rate loan. Context: My credit card interest rate is tied to the Prime rate established by the government. Even if the prime rate goes to 0%, the floor of my credit card's interest rate is 6%.
Foreclosure	When a borrower fails to honor the terms of a loan on a home they may be forced to vacate the home and the lending institution assumes ownership under a legal procedure called foreclosure. Context: When a bank or credit union lends money to someone to buy a new home they require protection for their risk and may resort to foreclosure if the loan payments are late or stopped.
Goal	The object of your ambition or effort Context: When I keep my goal in mind it makes all the work I put in meaningful to me.
Grace Period	The amount of time a borrower has between receiving a payment statement and the due date. Context: When considering two similar credit card offers with the same fees, interest rates, and debt ceilings I noticed in the fine print that one offered a longer grace period. I went with that card.
Insurance Premium	The amount you pay for an insurance policy. Context: I used to pay my car insurance premiums on a monthly basis, but then I saved enough to pay annually and that saved me some money.
Interest	Interest is the amount you pay to use someone else's money. Context: Financial institutions make their income by lending money to people and charging interest. The better your credit score is, the lower your interest rate can be.
Needs	Basic things we must have to survive. Context: Food, shelter, these are basic needs. Transportation to school or a job, because it has an impact on our future or income, can also be considered a need.

Lexicon	Definition
Opportunity Cost	<p>The "cost" incurred by not enjoying the benefit that would be had by taking the second best choice available.</p> <p>Context: Jamal values three goods in this order: (1) a CD player; (2) a computer game; and (3) a sweatshirt. Each item costs \$50. Jamal bought the CD player, his first choice. His opportunity cost is the computer game, his second choice.</p>
Periodic Expense	<p>Expenses that occur irregularly, sometimes unexpectedly, like car repairs.</p>
Phishing	<p>An identity theft tool that appears in the form of an email or pop-up message; usually looks like it's from a legitimate financial institution and prompts you to provide your personal information in order to fix a problem with your account.</p> <p>Context: Some phishing scams can have a very close look and feel to a legitimate site.</p>
Principal	<p>Money that is loaned to you.</p> <p>Context: When my car needed work I borrowed \$400 for the repair from my parents, so the beginning principal was \$400. I've paid them \$50 a week for the past three weeks, and since they don't charge me interest, my outstanding principal is now \$250.</p>
Rate of Return	<p>The percentage of gain or loss on an investment over a period of time.</p> <p>Context: I sold 50 shares of Apple stock that I had bought for \$6,500, and received \$12,500 on the sale for capital gains of \$6,000, so I received a rate of return of 92% from the date of purchase to the date of sale of the stock.</p>
Repossession	<p>When a borrower fails to honor the terms of a loan for which they have provided something as collateral, under the terms of the loan, the borrower may lose their right of possession and the collateralized item is taken by the party with the right of ownership.</p> <p>Context: New cars purchased with a loan are often used as collateral by the borrower to ensure repayment of the loan. If the borrower fails to repay the loan (defaults), the lender may take back the car via repossession. If the borrower then brings their loan (and fees) up to date, the car can be returned to the borrower.</p>

Lexicon	Definition
Risk-based Lending	Financial institutions adjust the interest they charge on loans based on the borrower's credit score/background. Context: Because I had earned good credit by paying my past bills on time, the credit union knew I was "low-risk" and they offered me their lowest interest rate when I borrowed money to buy my car. That saved me a lot of money over the life of the loan. If I were higher risk, by rate would have been set higher.
Rule of 72	The number in the title is divided by the interest percentage per period to obtain the approximate number of periods (usually years) required for doubling. Context: For instance, if you were to invest \$100 with compounding interest at a rate of 9% per annum, the rule of 72 gives $72/9 = 8$ years required for the investment to be worth \$200; an exact calculation gives 8.0432 years.
Secured Loan	A type of loan in which the borrower offers assets as collateral for the loan. Context: When I applied for my first credit card I asked for a secured card and used money in my savings account as collateral for charges I placed on the card. If I was ever late with a payment, my financial institution would deduct funds from my savings account.
Spyware	A bad side effect of free downloads that may be used to send you pop-up ads, redirect your computer to unwanted Web sites, monitor your Internet surfing, or record your keystrokes in an effort to steal your identity. Context: My computer slowed to a crawl because of spyware that infected my computer after I downloaded a pirated movie.
Statements (or eStatements)	Periodic (generally monthly) reports from your financial institutions and investment brokers that reflect the balances and activities in your accounts. Context: To save paper and filing, I enrolled in my financial institution's eStatement program. Now they send me monthly statements right to my computer.
Stocks	Monies raised by a company or corporation through the issuance of shares Context: Between 2012 and 2013 the company's stock rose 15%.

Lexicon	Definition
Tax Deduction	An entry, generally an expense, that reduces a tax filer's income, and therefore reduces the filer's taxes. Most mortgage interest payments on the filer's primary home are tax deductible. Context: To calculate the actual cost of my mortgage loan, I need to take into consideration the tax deduction I receive for the interest payments on that loan.
Tax Withholding	Taxes that you have deducted from your pay toward your income tax liability. Context: I had more taxes withheld from my pay so that I would get a refund after I filed my tax returns..
Variable Expense	An expense that changes. Often the change is under your control, like entertainment and recreation expenses
Wants	Things that make life more interesting or fun, but that you can do without. Context: I may need a roof over my head, but I only want the flat-screen TV.

Personal Finance Practice Questions¹

1. Which strategy is most likely to improve most people's financial situation over a lifetime?
 - a) using credit to spend more than a person earns
 - b) making financial decisions quickly based on intuition
 - c) saving early in life when a person begins earning an income
 - d) gaining work experience early instead of continuing in school
2. Jamal values three goods in this order: (1) a CD player; (2) a computer game; and (3) a sweatshirt. Each item costs \$50. Jamal bought the CD player, his first choice. His opportunity cost is the:
 - a) sweatshirt
 - b) CD player
 - c) computer game
 - d) sweatshirt and the computer game
3. If Jessica chooses to buy more auto insurance this year than she bought last year, then Jessica has probably decided that:
 - a) the benefits of more auto insurance are greater than the costs.
 - b) more auto insurance will reduce her risk of an accident.
 - c) this added insurance will help her savings grow faster.
 - d) she will drive more safely in the future.
4. Which of the following is typically true?
 - a) Correct choices have no costs.
 - b) People do not respond to Incentives.
 - c) Voluntary trade causes winners and losers.
 - d) People's choices have consequences for the future.
5. Some people choose to stop attending high school before graduation. What is the opportunity cost to the individual of dropping out of high school?
 - a) The higher income earned with more education.
 - b) The lower interest rates one is charged for credit.
 - c) The higher taxes one pays for leaving school early.
 - d) The income earned at companies hiring drop-outs.

¹ Download the Millionaire's Club Advisor Guide for iPad to get these review questions in a more engaging self-test format. go to: [http://itunes.apple.com/us/book/millionaires-club-advisor/
id548018385?ls=1](http://itunes.apple.com/us/book/millionaires-club-advisor/id548018385?ls=1)

6. One consequence of scarcity is that:
 - a) there is full employment of resources.
 - b) the production of goods and services is constant.
 - c) people have to make choices among alternatives.
 - d) products which are plentiful have relatively high prices.
7. The first three steps of economic decision-making are to:
 - a) draw a conclusion, construct a model, and make a generalization.
 - b) identify assumptions, make a policy, evaluate the policy.
 - c) gather facts, form a theory, and conduct a simulation.
 - d) define the problem, list alternatives, and state criteria.
8. An approach to finding out about job opportunities that consists of contact with friends and family members who might be able to connect you to a potential employer is called
 - a) log-rolling.
 - b) recruiting.
 - c) connecting.
 - d) networking.
9. A typical characteristic of entrepreneurs is that they:
 - a) like to work part-time.
 - b) are willing to take risks.
 - c) would rather save than invest.
 - d) enjoy working under supervision.
10. Human capital consists of:
 - a) stocks and bonds.
 - b) knowledge and skills.
 - c) plant and equipment.
 - d) savings and investments.
11. Which will most likely result from an increase in the demand for software programmers?
 - a) a decrease in the price of software
 - b) a decrease in the supply of software
 - c) an increase in the wage of software programmers
 - d) an increase in unemployed software programmers
12. What is the difference between gross and net pay?
 - a) Net pay is gross pay minus saving.
 - b) Gross pay is net pay minus saving.
 - c) Gross pay is net pay minus deductions.
 - d) Net pay is gross pay minus deductions.

13. Emily works full-time at Handy Dandy Hardware. Who pays the FICA (Social Security) contributions on Emily's wages?
- a) Emily only
 - b) her employer only
 - c) Emily and her employer
 - d) the federal government
14. An employee works for 40 hours per week at \$10 per hour. The deductions per week are \$50 in federal income taxes, \$20 in state income taxes, and \$30 in Social Security taxes. What is the net pay for the week?
- a) \$300
 - b) \$330
 - c) \$350
 - d) \$400
15. Charlie opens a savings account and deposits \$500. If the savings account has a fixed annual interest rate of 5 percent, and he makes no additional deposits or withdrawals, what amount will Charlie have in his savings account at the end of two years?
- a) exactly \$505
 - b) exactly \$550
 - c) less than \$550
 - d) more than \$550
16. Beginning to save while you are young is recommended by financial experts because it:
- a) is easier to save when you first begin earning income.
 - b) is hard to save later in life when you have more income to spend.
 - c) allows you to lock in higher interest rates when you buy on credit.
 - d) lets compound interest work in your favor by earning interest on interest.
17. Using the rule of 72, about how many years would it take for \$1,000 to become \$2,000 if \$1,000 is deposited in a savings account with an interest rate of 7.2 percent
- a) 7.2
 - b) 10.0
 - c) 14.4
 - d) 20.0
18. Liquidity risk is highest for which type of investment?
- a) real estate
 - b) mutual fund
 - c) savings account
 - d) individual stocks

19. What is the general relationship between risk and reward?
- a) the higher the risk, the lower the potential reward
 - b) the higher the risk, the higher the potential reward
 - c) the amount of risk does not influence potential reward
 - d) there is a relationship, but it is uncertain
20. What are the three most important criteria to consider when investing?
- a) size, insurance, taxes
 - b) leverage, margins, credit
 - c) risk, rate of return, liquidity
 - d) collateral, access to accounts, dividends
21. A key advantage of getting credit is that it can help people:
- a) sell assets.
 - b) increase their net worth.
 - c) reduce risk when investing in stocks.
 - d) buy a good or service today and pay for it later.
22. Which three things do creditors consider to be most important when judging a person's creditworthiness to buy a house or car?
- a) marital status, gender, location
 - b) character, collateral, and capacity
 - c) length of loan, credibility, commissions
 - d) occupation, connections, income sources
23. What is the main function of a credit bureau?
- a) extends credit to qualified buyers
 - b) provides advice on how to use credit
 - c) tracks the bill-paying habits of consumers
 - d) sends warnings to people in credit trouble
24. If a borrower chooses to pay back a loan over a longer period of time, the monthly payment is:
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- a) Individual Retirement Account
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 - d) Money Market Account
55. The opportunity cost of saving part of your income is the:
- a) interest you receive on your money.
 - b) current spending you must forgo.
 - c) time your money is in the saving account.
 - d) your income minus the taxes you pay.
56. Which of the following typically offers both the lowest risk as well as the lowest return?
- a) stocks
 - b) bonds
 - c) mutual funds
 - d) savings accounts

57. When comparing a stock with a bond, we know that:
- a) both represent ownership in a corporation
 - b) both represent an indebtedness
 - c) a stock represents ownership in a corporation and a bond represents an indebtedness
 - d) a stock represents tin indebtedness and a bond represents ownership in a corporation
58. Which of the following investments has the lowest risk?
- a) corporate stocks
 - b) government bonds
 - c) corporate bonds
 - d) real estate
59. When you purchase an equal dollar amount of the same stock at equal intervals, you are using:
- a) direct investments
 - b) dividend investments
 - c) dollar-cost averaging
 - d) margin buying
60. You love Hershey's Kisses. You bought 500 shares of Hershey's Company at \$44 to add to your portfolio. While eating away, you earned a dividend of \$.50 a share. Later you decide you are getting fat and you sell your Hershey's stock for \$54 a share. Not including the broker's commission how did your candy affection affect your investment?
- a) you made \$4,750 profit
 - b) you lost \$4,750
 - c) you made \$5,250 profit
 - d) you lost \$5,000
61. In a "Pump & Dump" scheme:
- a) dividends are paid to earlier investors from money paid in by later investors.
 - b) investors bid up the price of stocks in order to sell their stock at a higher price.
 - c) traders pretend to trade shares of a stock in order to create demand and increase the price.
 - d) a reporter secretly learns a company has a new product coming out and buys the stock before the announcement is made.
62. Generally bond prices increase when:
- a) the demand for real estate increases
 - b) the quantity saved decreases
 - c) stocks prices remain unchanged
 - d) interest rates fall

63. Investors sometimes buy precious metals such as gold as a hedge against:

- a) inflation
- b) unemployment
- c) deflation
- d) recession

64. Which of the following is the best financial definition of saving?

- a) The discount received by buying something on sale
- b) Disposable income minus consumption spending.
- c) Putting your money under your mattress.
- d) The interest paid on a savings account.

65. A company's stock price will most often rise when:

- a) the company makes above average profits.
- b) companies do not pay a dividend.
- c) there are many similar companies in its industry.
- d) there are more sellers than buyers.

66. Mary Smith has determined that the value of her assets is \$56,000 and that the value of her debts is \$42,000. The difference between these two is \$14,000. This calculation would be an example of:

- a) an opportunity cost
- b) profit
- c) net worth
- d) a liquid asset

67. Living below your means requires that you:

- a) pay all bills before doing any saving.
- b) spend less than you make and save the rest.
- c) pay fixed expenses before paying flexible expenses.
- d) use credit cards to pay for things you can't pay for with your income

68. Disposable personal income is:

- a) gross income minus 401 k deposits.
- b) net income minus credit payments.
- c) taxable personal income.
- d) gross income minus payroll deductions

69. Human Capital Theory suggests that investment in education is justified as long as:

- a) return on investment is less than the cost.
- b) the return on investment exceeds the cost.
- c) the return on investment can be calculated in the short run.
- d) the return on investment can be calculated in the long run.

70. Raising the deductible on car insurance, generally:
- is against the law in Maryland.
 - can only be done by drivers over 25.
 - lowers insurance premiums.
 - has no effect on your budget.
71. Which of the following are you agreeing to do if you co-sign a loan?
- You are agreeing to be responsible for the down payment on the loan
 - You are agreeing to be responsible for 25% of the loan payment.
 - You are agreeing to be responsible for half of the total loan payment.
 - You are agreeing to be responsible for the entire loan payment.
72. This year Sarah's earnings place her in the 15% marginal tax bracket. If she itemizes her return and makes a \$500 contribution to a charity, she could reduce her tax bill by:
- \$15
 - \$75
 - \$425
 - \$500
73. The Dodd-Frank Wall Street Reform Act charged a federal agency with power to write rules governing mortgages, credit cards and other consumer-finance products. Which of the following is that agency?
- Federal Reserve
 - U.S. Treasury
 - Financial and Consumer Science Bureau
 - Consumer Financial Protection Bureau
74. When purchasing life insurance, to receive a death benefit for the lowest cost, a person should purchase:
- whole life insurance.
 - term life insurance.
 - comprehensive life insurance.
 - universal life insurance.
75. Which is the best description of liability coverage in an auto insurance policy?
- It covers the cost of damage to an auto as a result of fire, theft, or storm.
 - It provides income over a specified period when the policyholder is unable to work.
 - It covers the cost of property damage or injuries to others caused by the policyholder.
 - It provides for the repair or replacement of the policyholder's auto if it is damaged in an accident

76. According to the Credit Card laws enacted in 2010, which of the following is no longer allowed?

- a) Convenience checks
- b) Cash advances
- c) Pay day loans
- d) Two-cycle billing

77. Credit unions and banks offer similar services. However, unlike banks, credit unions

- a) cannot have branch facilities.
- b) are member owned.
- c) do not offer certificates of deposit.
- d) must provide investment advice.

78. One of the first steps in creating a spending plan is to:

- a) determine where to invest your retirement savings.
- b) record your payments in the appropriate categories
- c) determine where you are currently spending money
- d) record your insurance premiums in the record book.

79. An exemption affects a person's tax situation by

- a) reducing the taxpayer's taxable income.
- b) increasing the standard deduction.
- c) decreasing itemized deductions.
- d) increasing tax-exempt income.

80. Which one of the following accounts is insured by the Federal Deposit Insurance Corporation (FDIC)?

- a) a mutual fund
- b) a stock portfolio
- c) corporate bonds
- d) bank checking account

Personal Finance Practice - Answer Key

1. Which strategy is most likely to improve most people's financial situation over a lifetime?
 - a) using credit to spend more than a person earns
 - b) making financial decisions quickly based on intuition
 - c) **saving early in life when a person begins earning an income**
 - d) gaining work experience early instead of continuing in school
2. Jamal values three goods in this order: (1) a CD player; (2) a computer game; and (3) a sweatshirt. Each item costs \$50. Jamal bought the CD player, his first choice. His opportunity cost is the:
 - a) sweatshirt
 - b) CD player
 - c) **computer game**
 - d) sweatshirt and the computer game
3. If Jessica chooses to buy more auto insurance this year than she bought last year, then Jessica has probably decided that:
 - a) **the benefits of more auto insurance are greater than the costs.**
 - b) more auto insurance will reduce her risk of an accident.
 - c) this added insurance will help her savings grow faster.
 - d) she will drive more safely in the future.
4. Which of the following is typically true?
 - a) Correct choices have no costs.
 - b) People do not respond to Incentives.
 - c) Voluntary trade causes winners and losers.
 - d) **People's choices have consequences for the future.**
5. Some people choose to stop attending high school before graduation. What is the opportunity cost to the individual of dropping out of high school?
 - a) **The higher income earned with more education.**
 - b) The lower interest rates one is charged for credit.
 - c) The higher taxes one pays for leaving school early.
 - d) The income earned at companies hiring drop-outs.
6. One consequence of scarcity is that:
 - a) there is full employment of resources.
 - b) the production of goods and services is constant.
 - c) **people have to make choices among alternatives.**
 - d) products which are plentiful have relatively high prices.

7. The first three steps of economic decision-making are to:
 - a) draw a conclusion, construct a model, and make a generalization.
 - b) identify assumptions, make a policy, evaluate the policy.
 - c) gather facts, form a theory, and conduct a simulation.
 - d) **define the problem, list alternatives, and state criteria.**
8. An approach to finding out about job opportunities that consists of contact with friends and family members who might be able to connect you to a potential employer is called
 - a) log-rolling.
 - b) recruiting.
 - c) connecting.
 - d) **networking.**
9. A typical characteristic of entrepreneurs is that they:
 - a) like to work part-time.
 - b) **are willing to take risks.**
 - c) would rather save than invest.
 - d) enjoy working under supervision.
10. Human capital consists of:
 - a) stocks and bonds.
 - b) **knowledge and skills.**
 - c) plant and equipment.
 - d) savings and investments.
11. Which will most likely result from an increase in the demand for software programmers?
 - a) a decrease in the price of software
 - b) a decrease in the supply of software
 - c) **an increase in the wage of software programmers**
 - d) an increase in unemployed software programmers
12. What is the difference between gross and net pay?
 - a) Net pay is gross pay minus saving.
 - b) Gross pay is net pay minus saving.
 - c) Gross pay is net pay minus deductions.
 - d) **Net pay is gross pay minus deductions.**
13. Emily works full-time at Handy Dandy Hardware. Who pays the FICA (Social Security) contributions on Emily's wages?
 - a) Emily only
 - b) her employer only
 - c) **Emily and her employer**
 - d) the federal government

14. An employee works for 40 hours per week at \$10 per hour. The deductions per week are \$50 in federal income taxes, \$20 in state income taxes, and \$30 in Social Security taxes. What is the net pay for the week?
- a) **\$300**
 - b) \$330
 - c) \$350
 - d) \$400
15. Charlie opens a savings account and deposits \$500. If the savings account has a fixed annual interest rate of 5 percent, and he makes no additional deposits or withdrawals, what amount will Charlie have in his savings account at the end of two years?
- a) exactly \$505
 - b) exactly \$550
 - c) less than \$550
 - d) **more than \$550**
16. Beginning to save while you are young is recommended by financial experts because it:
- a) is easier to save when you first begin earning income.
 - b) is hard to save later in life when you have more income to spend.
 - c) allows you to lock in higher interest rates when you buy on credit.
 - d) **lets compound interest work in your favor by earning interest on interest.**
17. Using the rule of 72, about how many years would it take for \$1,000 to become \$2,000 if \$1,000 is deposited in a savings account with an interest rate of 7.2 percent
- a) 7.2
 - b) **10.0**
 - c) 14.4
 - d) 20.0
18. Liquidity risk is highest for which type of investment?
- a) **real estate**
 - b) mutual fund
 - c) savings account
 - d) individual stocks
19. What is the general relationship between risk and reward?
- a) the higher the risk, the lower the potential reward
 - b) **the higher the risk, the higher the potential reward**
 - c) the amount of risk does not influence potential reward
 - d) there is a relationship, but it is uncertain

20. What are the three most important criteria to consider when investing?
- a) size, insurance, taxes
 - b) leverage, margins, credit
 - c) **risk, rate of return, liquidity**
 - d) collateral, access to accounts, dividends
21. A key advantage of getting credit is that it can help people:
- a) sell assets.
 - b) increase their net worth.
 - c) reduce risk when investing in stocks.
 - d) **buy a good or service today and pay for it later.**
22. Which three things do creditors consider to be most important when judging a person's creditworthiness to buy a house or car?
- a) marital status, gender, location
 - b) **character, collateral, and capacity**
 - c) length of loan, credibility, commissions
 - d) occupation, connections, income sources
23. What is the main function of a credit bureau?
- a) extends credit to qualified buyers
 - b) provides advice on how to use credit
 - c) **tracks the bill-paying habits of consumers**
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24. If a borrower chooses to pay back a loan over a longer period of time, the monthly payment is:
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 - c) Certificate of Deposit
 - d) Money Market Account**
55. The opportunity cost of saving part of your income is the:
- a) interest you receive on your money.
 - b) current spending you must forgo.**
 - c) time your money is in the saving account.
 - d) your income minus the taxes you pay.
56. Which of the following typically offers both the lowest risk as well as the lowest return?
- a) stocks
 - b) bonds
 - c) mutual funds
 - d) savings accounts**

57. When comparing a stock with a bond, we know that:

- a) both represent ownership in a corporation
- b) both represent an indebtedness
- c) a stock represents ownership in a corporation and a bond represents an indebtedness**
- d) a stock represents tin indebtedness and a bond represents ownership in a corporation

58. Which of the following investments has the lowest risk?

- a) corporate stocks
- b) government bonds**
- c) corporate bonds
- d) real estate

59. When you purchase an equal dollar amount of the same stock at equal intervals, you are using:

- a) direct investments
- b) dividend investments
- c) dollar-cost averaging**
- d) margin buying

60. You love Hershey's Kisses. You bought 500 shares of Hershey's Company at \$44 to add to your portfolio. While eating away, you earned a dividend of \$.50 a share. Later you decide you are getting fat and you sell your Hershey's stock for \$54 a share. Not including the broker's commission how did your candy affection affect your investment?

- a) you made \$4,750 profit**
- b) you lost \$4,750
- c) you made \$5,250 profit
- d) you lost \$5,000

61. In a "Pump & Dump" scheme:

- a) dividends are paid to earlier investors from money paid in by later investors.
- b) investors bid up the price of stocks in order to sell their stock at a higher price.**
- c) traders pretend to trade shares of a stock in order to create demand and increase the price.
- d) a reporter secretly learns a company has a new product coming out and buys the stock before the announcement is made.

62. Generally bond prices increase when:

- a) the demand for real estate increases
- b) the quantity saved decreases
- c) stocks prices remain unchanged
- d) interest rates fall**

63. Investors sometimes buy precious metals such as gold as a hedge against:

- a) **inflation**
- b) unemployment
- c) deflation
- d) recession

64. Which of the following is the best financial definition of saving?

- a) The discount received by buying something on sale
- b) **Disposable income minus consumption spending.**
- c) Putting your money under your mattress.
- d) The interest paid on a savings account.

65. A company's stock price will most often rise when:

- a) **the company makes above average profits.**
- b) companies do not pay a dividend.
- c) there are many similar companies in its industry.
- d) there are more sellers than buyers.

66. Mary Smith has determined that the value of her assets is \$56,000 and that the value of her debts is \$42,000. The difference between these two is \$14,000. This calculation would be an example of:

- a) an opportunity cost
- b) profit
- c) **net worth**
- d) a liquid asset

67. Living below your means requires that you:

- a) pay all bills before doing any saving.
- b) **spend less than you make and save the rest.**
- c) pay fixed expenses before paying flexible expenses.
- d) use credit cards to pay for things you can't pay for with your income

68. Disposable personal income is:

- a) gross income minus 401 k deposits.
- b) net income minus credit payments.
- c) taxable personal income.
- d) **gross income minus payroll deductions**

69. Human Capital Theory suggests that investment in education is justified as long as:

- a) return on investment is less than the cost.
- b) **the return on investment exceeds the cost.**
- c) the return on investment can be calculated in the short run.
- d) the return on investment can be calculated in the long run.

70. Raising the deductible on car insurance, generally:

- a) is against the law in Maryland.
- b) can only be done by drivers over 25.
- c) **lowers insurance premiums.**
- d) has no effect on your budget.

71. Which of the following are you agreeing to do if you co-sign a loan?

- a) You are agreeing to be responsible for the down payment on the loan
- b) You are agreeing to be responsible for 25% of the loan payment.
- c) You are agreeing to be responsible for half of the total loan payment.
- d) **You are agreeing to be responsible for the entire loan payment.**

72. This year Sarah's earnings place her in the 15% marginal tax bracket. If she itemizes her return and makes a \$500 contribution to a charity, she could reduce her tax bill by:

- a) \$75
- b) \$500
- c) \$3,333
- d) \$4,050

73. The Dodd-Frank Wall Street Reform Act charged a federal agency with power to write rules governing mortgages, credit cards and other consumer-finance products. Which of the following is that agency?

- a) Federal Reserve
- b) U.S. Treasury
- c) Financial and Consumer Science Bureau
- d) **Consumer Financial Protection Bureau**

74. When purchasing life insurance, to receive a death benefit for the lowest cost, a person should purchase:

- a) whole life insurance.
- b) **term life insurance.**
- c) comprehensive life insurance.
- d) universal life insurance.

75. Which is the best description of liability coverage in an auto insurance policy?

- a) It covers the cost of damage to an auto as a result of fire, theft, or storm.
- b) It provides income over a specified period when the policyholder is unable to work.
- c) **It covers the cost of property damage or injuries to others caused by the policyholder.**
- d) It provides for the repair or replacement of the policyholder's auto if it is damaged in an accident.

76. According to the Credit Card laws enacted in 2010, which of the following is no longer allowed?

- a) Convenience checks
- b) Cash advances
- c) Pay day loans
- d) Two-cycle billing**

77. Credit unions and banks offer similar services. However, unlike banks, credit unions

- a) cannot have branch facilities.
- b) are member owned.**
- c) do not offer certificates of deposit.
- d) must provide investment advice.

78. One of the first steps in creating a spending plan is to:

- a) determine where to invest your retirement savings.
- b) record your payments in the appropriate categories
- c) determine where you are currently spending money**
- d) record your insurance premiums in the record book.

79. An exemption affects a person's tax situation by

- a) reducing the taxpayer's taxable income.**
- b) increasing the standard deduction.
- c) increasing the standard deduction.
- d) increasing tax-exempt income.

80. Which one of the following accounts is insured by the Federal Deposit Insurance Corporation (FDIC)?

- a) a mutual fund
- b) a stock portfolio
- c) corporate bonds
- d) bank checking account**

Suggested Resources to Help Prepare for the Personal Finance Challenge

The Maryland Council on Economic Education and the Maryland Coalition for Financial Literacy have developed the following suggested list of possible resources to use when preparing your students for the Personal Finance Challenge. Personal Finance Challenge questions will be developed from the following concepts but not necessarily from the resources listed below.

In General:

Have your students take the Financial Fitness for Life test. See the accompanying instructions for directions. As a suggestion have your students take it as a pretest when they begin preparing for the Challenge to identify areas in which your students need the most work. Then have them take it as a post test right before the Challenge.

Check out the Capabilities Toolkit at the U.S. Treasury website - www.challenge.treas.gov/toolkit/topics.htm

For recent lessons try www.econedlink.org.

Click on "Teachers"

Click on "Lessons"

In the search area, type in the subject of the lesson for which you are looking.

Students can work independently using the Council on Economic Education website, Geni Revolution.

Students can register at www.genirevolution.org.

Additional information can be found at www.jumpstart.org.

Decision-Making

Decision-making process, analyzing costs and benefits, and opportunity cost, financial obligations such as college loans, impact of philanthropy and volunteer service in community development, outcomes of financially responsible and irresponsible decisions, retail markets, effect of inflation on a market, impact of global events

Suggested resources:

www.handsonbanking.org – Lessons 3 and 6

Financial Fitness for Life: Bringing Home the Gold (Council on Economic Education publication)

It's Your Paycheck! Unit C Lesson 9 – www.stlouisfed.org/education_resources/paycheck.cfm

Financing Your Future (Council on Economic Education publication)

Yahoo Finance - www.yahoo.com/finance

www.izzit.org

www.practicalmoneyskills.com/foreducators/ - Lesson 1

Building Human Capital

Building human capital (education, training, practice, work experience, attitude, health) and how this affects income, differentiate types of income, effect of benefits on income, how education affects purchasing and spending decisions, gross and net pay, taxes (income, payroll, sales, property, estate, etc.), deductions, exemptions, tax credits, withholding, tax forms, employee benefits such as retirement plans and health care, Social Security.

Suggested resources:

Financial Fitness for Life: Bringing Home the Gold (Council on Economic Education publication)

It's Your Paycheck! Unit A Lesson 1 & 2 – www.stlouisfed.org/education_resources/paycheck.cfm

www.genirevolution.org Missions 2 and 3 Human Capital

Allocating Disposable Income

Allocating disposable income, analyze and compare income and spending plans, fixed/variable expenses, trade-offs from competing financial goals, financial institutions, calculate interest and fees applied to various forms of saving, spending, debt, compare strategies for funding a future event, impact of various forms of taxation on individuals (progressive, proportional, regressive), how taxes (income, payroll, sales, property, estate, etc) affect individuals, families and communities, written contracts, rights and responsibilities of all parties entering into a contract such as college loans, cell phones, car loans, collateral loans, passbook loans and mortgages.

Suggested resources:

Cards, Cars and Currency Lesson 4 – www.stlouisfed.org/education_resources

www.stlouisfed.org/education_resources/paycheck.cfm - Lesson 9

Financing Your Future (Council on Economic Education publication)

Financial Fitness for Life: Bringing Home the Gold (Council on Economic Education publication)

Building Wealth – www.dallasfed.org/ca/wealth/index.cfm

www.practicalmoneyskills.com/foreducators/ - Lesson 3

www.irs.gov/app/understandingTaxes/teacher/whys/jsp

www.genirevolution.org Mission 4 Budgeting

Debt

Debt, advantages and disadvantages; differences between short-and long-term loans, predatory lenders such as pay day loans; compare sources of consumer credit, strategies of credit and debt management, financial benefits and services of different types of lending institutions, effect of interest paid over time, calculate and compare the total cost of borrowing, annual percentage rate, collateral, credit bureaus, using a credit card vs. a debit card and money management, advantages and disadvantages of different payments methods, different types of mortgages loans (fixed, variable, and balloons), insurance and fees, credit score and factors that affect creditworthiness, how can credit scores be used to obtain between products and employment opportunities, strategies to manage credit problems, problems of not meeting credit obligations, credit counseling, Credit Card Act of 2009.

Suggested resources:

Cards, Cars and Currency Lessons 3 and 4 – www.stlouisfed.org/education_resources

www.practicalmoneyskills.com/foreducators/ - Lessons 5 and 13

Financial Fitness for Life: Bringing Home the Gold (Council on Economic Education publication)

www.econedlink.org – Search for lessons

www.theABCsofcredit.com – New credit card law in addition to credit information.

Family Economics & Financial Education - <http://fefe.arizona.edu/>

www.stlouisfed.org/education_resources/paycheck.cfm - Lesson 8

Selecting Financial Services

Selecting financial services to achieve personal financial goals (cash, checking/saving accounts, MMDAs, CDs, stocks, bonds, real estate, mutual funds, etc), compare returns and fees of various financial products (rate of return, transaction fees), banked vs unbanked, FDIC and NCUA programs, effect of compounding, asset allocation on short- and long-term goals, factors influencing financial planning (age, income, liabilities, assets, goals, family size, risk tolerance), relation between interest rates and inflation, processes and vehicles for buying and selling investments, sources for investment products (banks, investment companies, financial planners, etc.), risk, return, liquidity, net worth, assets, liabilities, explain how supply and demand work in various situations, impact of various events on stock market prices, personal financial strategies that respond to and use tax deductions.

Suggested resources:

www.genirevolution.org Missions 6 – 15 or Learning, Earning, Investing

Financing Your Future (Council on Economic Education publication)

Yahoo Finance - www.yahoo.com/finance

Building Wealth – www.dallasfed.org/ca/wealth/index.cfm

Legal Documents

Legal documents to protect individuals' personal assets, insurance for selected situations (life, home, health, automobile, etc), types of coverage (liability, comprehensive, collision, casualty, etc.), compare, rates, premiums, and deductibles to minimize costs, co-pays, risk sharing, premiums, influence of advertising and media on decision making and spending, consequences of business practices to individuals, families, and society, informed consumer, how fraudulent activities affect consumers and methods for protection against fraudulent activities, situations that put consumers in financial risk (sharing account information, identity theft, co-signing on loans), rights and responsibilities of buyers and sellers under consumer protection laws such as the "Credit Card Bill of Rights", disputing a claim.

Suggested resources:

Financial Fitness for Life: Bringing Home the Gold (Council on Economic Education publication)

Family Economics & Financial Education - <http://fefe.arizona.edu/>

www.stlouisfed.org/education_resources/paycheck.cfm

www.stlouisfed.org/education_resources - Extra Credit: It's No Fairy Tale

www.practicalmoneyskills.com/foreducators/ - Lesson 10

www.oag.state.md.us/Consumer/index.htm

www.ftc.gov

Current Events

Suggested resources:

Yahoo Finance - www.yahoo.com/finance

www.izzit.org

Consumer Financial Protection Bureau – www.consumerfinance.gov

Business section of daily newspapers

Navigating the Stock Market Game Teacher Support Center

The Teacher Support Center is the teacher's best friend when using the StockMarket Game™ (SMG) in the classroom. It removes concerns associated with teaching economic concepts by providing a resource-rich support system of lessons, management strategies, ancillary materials, and plug-ins. Listed below are some of the features of the Teacher Support Center

UNDERSTANDING SMG

- **Teacher Guide:** contains step-by-step instructions on how to prepare for the SMG simulation
- **Understanding Portfolios:** Provides information about logging on, key pages, research, and entering a trade. This section also provides a quiz that can be used with students.
- **Rules of the Game:** outlines the SMG rules
- **Promotional Items:** A link for purchasing item\`s such as SMG mugs, hats, etc.
- **Related Links:** Links to the various Exchanges, databases and research sites. A Dictionary of Financial Terms is located in this section.

MANAGE STUDENT PORTFOLIOS

- **View Rankings and Team Portfolios:** allows teacher advisors to look at each student-team portfolio and view the rankings in the competition
- **Change Passwords:** Enables the advisor to change a team's password should the password become compromised
- **Troubleshooting:** Provides assistance with technical difficulties, should any occur
- **Help Desk:** Furnishes an email format for submitting questions
- **Participation Certificates:** Provides a professional-looking "Certificate of Participation" that can be printed, signed ,and awarded to student participants at the completion of the SMG

IN THE CLASSROOM

- **Lesson Sequence:** Enables teachers to search for lessons by grade, mastery level, and subject or to view a complete outline of all lessons
- **Projects:** Provides a variety of projects that can be accessed by unit, topic, grade, subject, and mastery
- **Standards:** Provides an alignment of lessons to national standards
- **Investor Background:** Contains information about the history of the Stock Market, how stocks are bought/sold, the three major types of securities, and includes another pathway to a *Dictionary of Financial Terms*
- **Lessons & Activities:** Provides lessons and activities accessed by searching unit/topic and keyword
- **Assessments:** provides pre- and post-tests by grade band
- **Publications:** Contains articles and lessons from a variety of newsletters and other media

INVESTWRITE: National writing competition that reinforces critical thinking skills and helps reinforce newly-learned content and concepts

PATH TO INVESTING: Provides helpful basic investing information

Stock Market Game “To Do” List

Before the SMG begins:

1. Pre-register at www.stockmarketgame.org for the SMG Promotional Game so that you can become familiar with the overall simulation by looking up ticker symbols, making transactions, and learning the rules before bringing your students onboard.
2. Become familiar with all of the curricular materials available to you (using your advisor password and ID) within the Learning Resource Center component of the Stock Market Game™.
3. Introduce your students to an Internet site such as www.finance.yahoo.com where they can begin to research industries, companies, stocks, mutual funds, etc.
4. Introduce newspapers and magazines as sources of research. Ensure that they know that research information can be gleaned from articles throughout and not just from the Business section and stock tables.
5. Teach your students the importance of saving and investing while they are young so that they can take advantage of dividend and interest accumulation.
6. Practice relating current news events to what is happening in the market.
7. Investigate the InvestWrite competition shown on the Stock Market Game's Advisor Homepage.

During the SMG:

1. Play the SMG yourself in the adult competition to model the behavior that you want your students to exhibit during the SMG.
2. Monitor the team work within your class. Is everyone participating? (Assigning roles such as Team Captain, Industry Analyst, Strategist, etc... sometimes helps.)
3. Monitor student team portfolios via your Advisor site. If teams have not become fully invested by Week 5, encourage them to do additional research and invest most of their money.
4. By Week 7, your students should have sold their “losers” and should be looking for companies or mutual funds that might be better short-term investments.
5. Collect the InvestWrite entries and submit the best to the national competition.

After the SMG:

6. Debrief the activity by having students reflect on what might have caused their stocks or mutual funds to increase or decrease in value during the semester
7. Ask your students to think about what they might do differently if they participate in the SMG again in the future.

Pre- and Post-Club Assessment Tool

Testing Assessment Online Instructions

Teacher registration:

- Go to econed.org/testing
- You must Create an Account.
- You will get the following message:
- You will not be able to log in to the teachers' section until an administrator has assigned at least one assessment to your account. The administrators have been notified that this is necessary; when that process is complete, you will receive an email notifying you that your account is set up and ready for use.
- In your email you will get
- The following tests are available:
• {NAME OF REQUESTED TEST}
- [Click here to log in and set up your class or classes.](#)
- Click Login
- (You may have to type in econed.org/testing and click on teacher login)
- Click new class
- Name the class (period 1, Accounting, Business, etc.) Use a name that your students will recognize as they will have to choose it from a drop down box should you be registering more than one class)
- Select the grade level
- Click add
- Select add students now
- Type in student names (no punctuations)
- Click Submit

When students are ready to take the assessment:

- Go to econed.org/testing
- Click on Take An Assessment
- Enter teacher username (the one you created at registration)
- Class password (the one you created at registration)
- The student should:
 - Select their class from the drop down menu
 - Select their name from the drop down menu
 - Click next
 - Select grade level from the drop down menu
 - Select test assessment (i.e. Personal Finance 9-12, Personal Finance 6-8 etc.)
 - Click button in FRONT of pre-test

- Check all information to make sure it is correct
- Click Begin Assessment (DO NOT HIT THE BACK BUTTON ANYTIME DURING TESTING, IT WILL LOCK YOU OUT OF TAKING THE TEST) Make sure that you tell your students that they cannot go back.
- Student should take the test, when complete, click submit
- A Message box appears, “Are you sure that you are finished and ready to submit your answers”
- Click submit
- The student’s score will appear on the screen. (How many correct)
- Click return home. (you are back to the home testing page)



Millionaire's Club of the Year 2016/17 Application



Schools and organizations that host a Credit Union Foundation MD|DC Millionaire's Club are eligible to compete for the Millionaire's Club of the Year Trophy.

The custom "gold bar" traveling trophy is awarded annually to one Club location based on enrollment, level of activity, cooperation with their sponsoring organization, and other criteria.

For consideration, complete this form and return it to the CU Foundation no later than May 12th.

Club Location:

Club Advisor:

Advisor Email:

Points Earned	Max Points	Criteria
0.....	10.....	Advisor attended Orientation/Review at Foundation's Columbia Offices
0.....	5.....	Submitted Club "Extras" Poll (<i>online poll that gathered preferences for items like Club lapel pins, mouse pads, Club banners, etc.</i>)
5.....	20.....	Number of active Club members $\leq 15 = 5; > 15 \text{ to } \leq 20 = 10; > 20 \text{ to } \leq 30 = 15; > 30 = 20$
0.....	5.....	Displayed Club banner
0.....	30.....	Engaged credit union sponsor as a Club guest speaker (<i>10 points per guest appearance, max 30</i>)
0.....	20.....	Launched or continued a Club entrepreneurial project
0.....	10.....	Enrolled at least one team in the Stock Market Game™
0.....	10.....	Top team placement in the Stock Market Game™
0.....	10.....	Entered a team in the Personal Finance Challenge™
0.....	15.....	Top team placement in the <u>Maryland</u> Personal Finance Challenge™ <i>First place = 15</i> <i>Second place = 10</i> <i>Third place = 5</i>
0.....	15.....	Top team placement in the <u>National</u> Personal Finance Challenge™ <i>First place = 15</i> <i>Second place = 10</i> <i>Third place = 5</i>
0.....	10.....	Entered a team in the 2015 <u>National</u> Economics Challenge™
0.....	10.....	Top team placement in the 2015 National Economics Challenge™ <i>National Finalist Team = 10</i> <i>National Semi-Finalist Team = 5</i>

- 0 10 Performed a pre- and post-evaluation of Club members
- 0 10 Accomplished 75% of the Club Curriculum (NEFE materials)
- 0 5 Sent prepared emails to Club members' parents
- 0 50 Helped recruit school/organization to launch a new Millionaire's Club
(10 pts. Per newly established Club)
Newly recruited Club sites:
- 0 25 Registered at MillionairesClub.Org

_____ - Total

Extra Credit: (applicants may add features and accomplishments from their Millionaire's Club that they believe earns them additional points – maximum extra credit points is 50 and will be determined by the application reviewers)

