CEE

Welcome!

Personal Finance Day

Wednesday, January 24th
9 am to 12 pm

Presented By: Cynthia Fitzthum

EconEdLink Membership

You can now access CEE's professional development webinars directly on EconEdLink.org! To receive these new professional development benefits, **become an EconEdLink member**. As a member, you will now be able to:

- Automatically receive a professional development certificate via e-mail within 24 hours after viewing any webinar for a minimum of 45 minutes
- Register for upcoming webinars with a simple one-click process
- Easily download presentations, lesson plan materials and activities for each webinar
- Search and view all webinars at your convenience
- Save webinars to your EconEdLink dashboard for easy access to the event

Access our new **Professional Development** page here

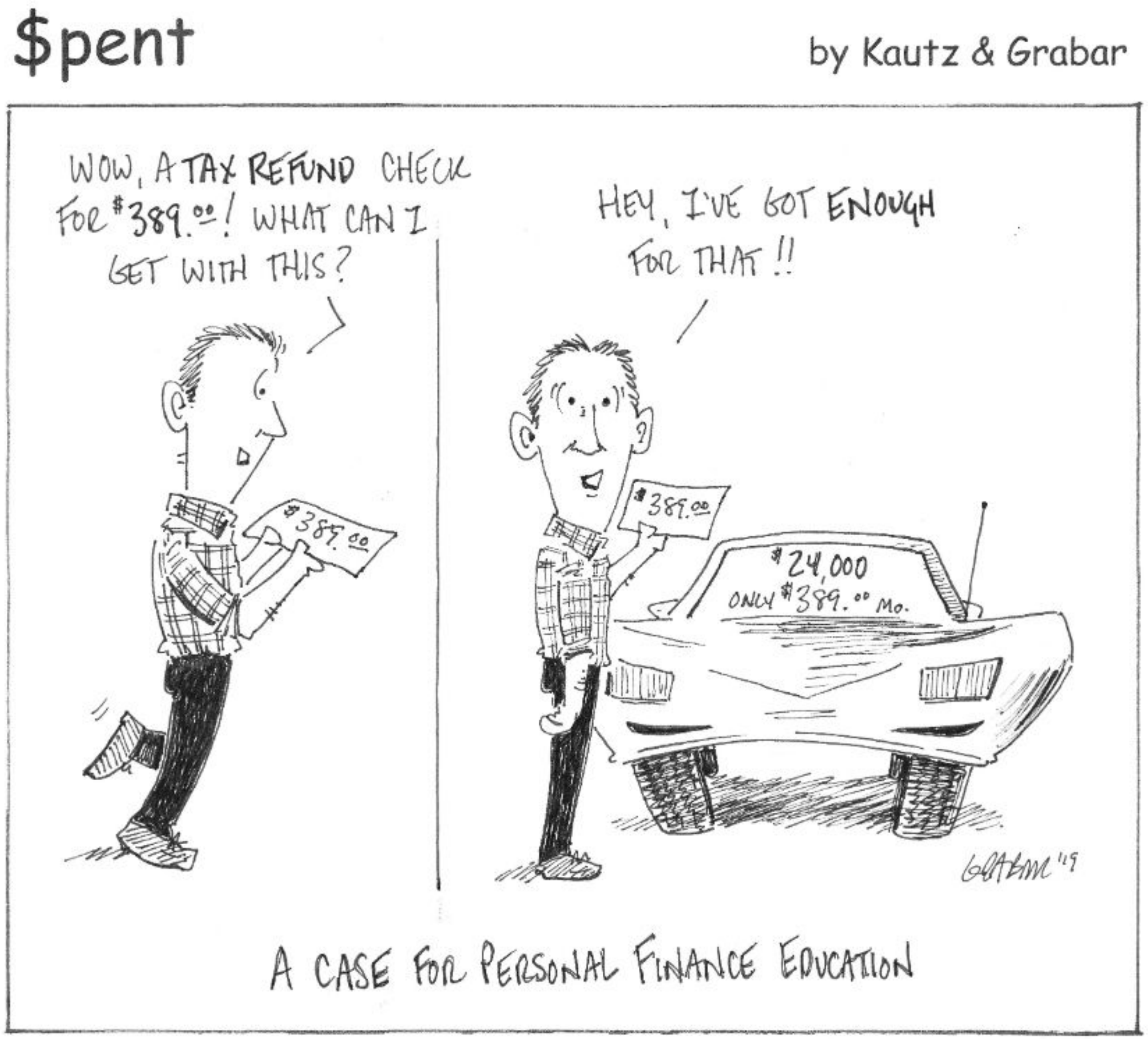
Professional Development Opportunities

To earn professional development credit for CEE webinars found on EconEdLink, you must:

- Watch a minimum of 45-minutes and you will automatically receive a professional development **certificate** via e-mail within 24 hours.
- Attendees can learn how much credit they will earn per workshop.

Accessing resources:

- You can now easily download presentations, lesson plan materials, and activities for each webinar from ***EconEdLink.org/professional-development/***


$pent
by Kautz & Grabar
WOW, A TAX REFUND CHECK FOR $389.00! WHAT CAN I GET WITH THIS?
$389.00
HEY, I'VE GOT ENOUGH FOR THAT!!
$389.00
$24,000 ONLY $389.00 MO.
A CASE FOR PERSONAL FINANCE EDUCATION

It's Me. Hi! Dr. Cynthia Fitzthum

Director of Economic Education, St. Cloud State University

- Professor of Social Studies Education and Economic Education
- K-16 Economic Education Projects
- Former 5-12 Social Studies Teacher
- K-12 Principal & K-12 Superintendent Licenses
- Swiftie Fan!

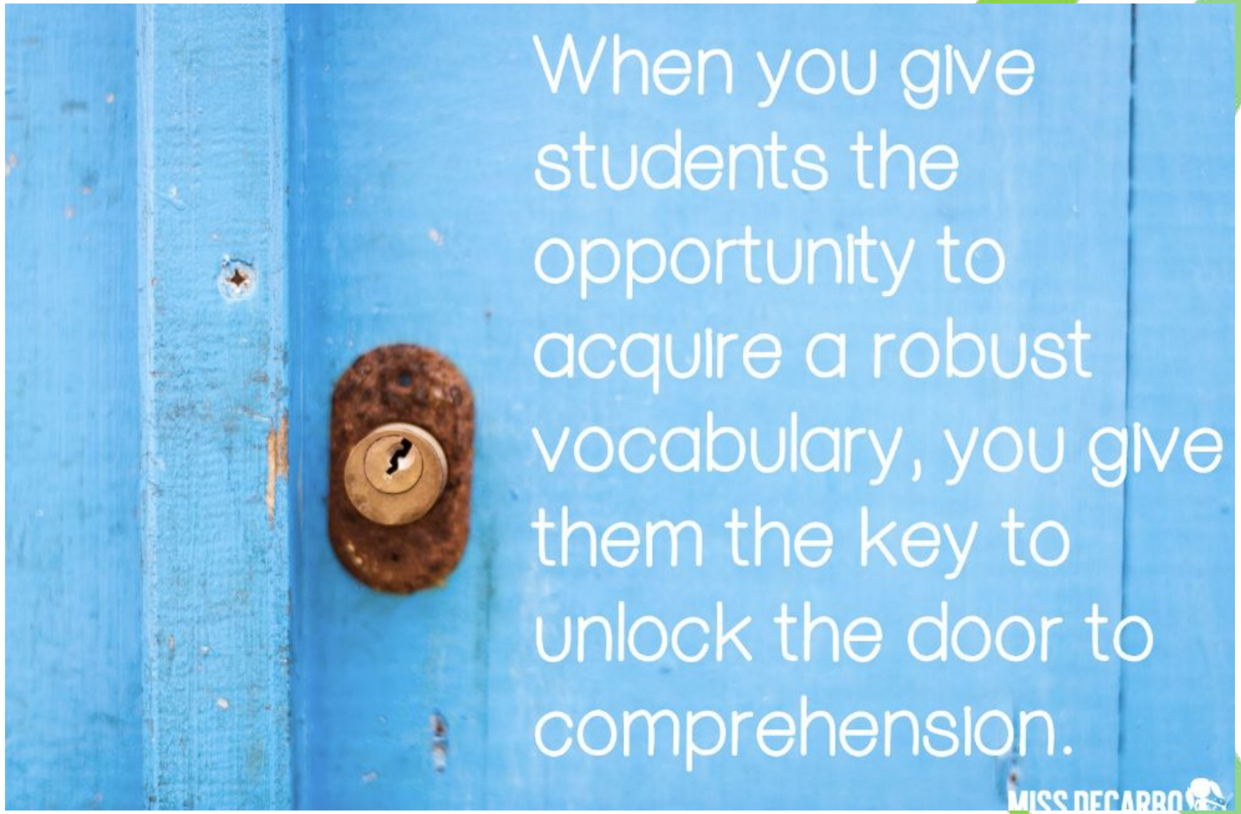
<u>Agenda (9:00 to 12:00)</u>

Welcome, Introductions and Announcements

9:15-10:30: Lecture
(Foundations of Personal Finance: Budgeting, Saving, Basic Investing)

Break (10:30-10:45)

10:45- 12: Activity Time (EconEdLink) & Closure, Q & A


When you give students the opportunity to acquire a robust vocabulary, you give them the key to unlock the door to comprehension.

Key Terms: EconEdLink Glossary

Opportunity Cost

The next-best alternative a person gives up in making a choice.

Saving

Disposable income (income after taxes) minus consumption spending.

Budget

A spending-and-savings plan, based on estimated income and expenses for an individual or an organization, covering a specific time period.

Investing

Putting money someplace with the intention of making a financial gain. Investment possibilities include stocks, bonds, mutual funds, real estate, and other financial instruments or ventures.

Reflection Journal

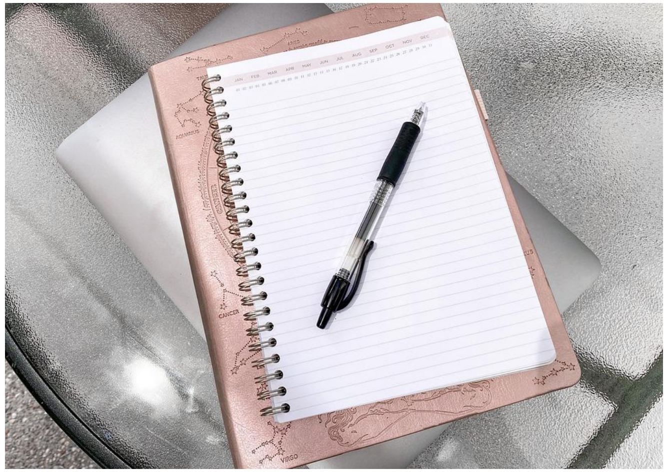
Paper or Word Document

•Pause and reflect:

–Answer the questions

–Make connections to your situation

–Application



What will we learn?

Part One Objectives

In this session teachers will :

- Acquire strategies to teach personal finance fundamentals, including earning income, saving, and investing.
- Gain access to a variety of resources and tools that can be immediately implemented in the classroom.
- Develop the ability to create engaging and interactive lessons that will resonate with students.
- Learn to contextualize personal finance concepts using real-life scenarios to enhance student understanding.

Lecture: Budgeting

CEE


CAN'T GO OVER BUDGET
IF I DON'T HAVE A BUDGET

Journal Time!

What is a budget?

What has been your experience with creating and maintaining budgets?

What vocabulary do you focus on?

“A budget is telling your money where to go instead of wondering where it went.”

DAVE RAMSEY

Budget: A plan for your money in and money out

Income: “Money in”

Expenses: “Money out”

What are some ways you approach teaching about budgets?

What is the most challenging thing for students to grasp about budgets? Balanced budgets?

Budgeting for Income and Expenses Lesson: Create a personal spending plan utilizing Mint resources

National Budget Simulation: Students review major choices the Federal Government faces when budgeting

Budget Odyssey Activity: Students work on categorizing expenses to advance in a budget game

Note: Standards listed with each lesson/activity online


"Used correctly, a
budget doesn't
restrict you; it
empowers you."
– TERE STOUFFER

Frugal: economical in use or expenditure; prudently saving or sparing; not wasteful

Cheap: costing very little; relatively low in price; inexpensive

Why is it important to differentiate between these within budgets?

Real-World Application Ideas:

- Have students create a fictional (or real) budget
- Have students complete EconEdlink interactive activities (micro to macro scale, multiple disciplines such as this example)
- Invite community members (bankers, financial planners) to present to your students
- Register for your state Personal Finance Decathlon, such as this example

Budget Recap:

1. Define key words, discuss experiences with students
2. Seek Econedlink resources to fit course and student level
3. Frugal vs. Cheap discussion
4. Real-world application ideas, such as guest speakers

Lecture: Saving

CEE


BOOK SHOP
I'VE JUST GOT TO BUY THIS!
SELF HELP
HOW TO STOP IMPULSE BUYING
CHRIS MADDEN.

Journal Time!

Are you a spender or a saver?

When is the last time you have saved for a goal?

What is one short term and one long term goal you have?

Reflect: Which money personality is yours?

Hoarder... You enjoy holding on to your money. It may be difficult for you to spend money on luxury items or immediate pleasures.

Spender... You probably love to use your money to buy whatever will bring you pleasure. You have a hard time saving and budgeting.

Money Monk... You may try to avoid having too much money. You would feel guilty if a large amount of money came your way unexpectedly.

Avoider... You tend to avoid performing various tasks of everyday money management. You may feel anxious about dealing with money.

Amasser... You're likely to be obsessed with keeping large amounts of money at your disposal to spend, save and invest. This preoccupation may be having a negative effect on your ability to enjoy life.

Journal Time!

How do you approach teaching about saving?

What is the main goal of your approach?

Recall:

***Saving** is defined as disposable income (income after taxes) minus consumption spending.*

Economic Mindset

<u>People who have a healthy money mindset believe things like:</u>

- *I have the freedom to spend, but I can also tell myself no to a purchase.*
- *I enjoy helping others who are struggling by giving generously.*
- *I don't have to compare myself to others.*

Reflect: What else would you add to this list? Write down two more.

Save Early and Often

These factors affect the growth of savings:

- **Time**

The earlier or longer you save, the more total savings (wealth) you will have.

- **Investment Size**

The more you save each year from your income, the more total savings (wealth) you will have.

- **Rate of Return**

The higher the interest rate or rate of return, the more total savings (wealth) you will have.

Saving Tips

1. Start by opening a savings account
2. Then, use that savings account
3. Start earning to start saving
4. Set a goal for yourself
5. Make a budget
6. And stick to the budget
7. Use an app if you need to
8. Look for ways to save on your expenses, and put those savings away
9. Start planning ahead and get motivated

Reflect:

"The sooner you start saving, the faster your money can grow from compound interest."

Discover the benefits of investing early....

- Compound interest is when your child earns interest on both the money they save and the interest they earn. Show your child the following: If they set aside $100 every year starting at age 14, they'd have about $23,000 at age 65. However, if they begin saving at age 35, they'd have about $7,000 at age 65. The example assumes the account earns 5 percent every year.
- Experiment with your child to show the effect of saving different amounts at different interest rates. Try out the SEC's compound interest calculator .

Reflect: How could you use this in your current classroom?

Side Bar: Why Save Lesson Demo

Overview of this EconEdLink Resource:

- What is the difference between simple interest and compound interest?
- Focuses on compound interest with hands-on activity
- Nine Minutes (live demonstration)
- Easy integration into a 9-12 classroom setting

Saving Recap:

1. Define key words, discuss experiences with students
2. Identify personal habits and values
3. Discuss economic mindset and saving tips
4. Simple interest vs. Compound interest

Lecture: Basic Investing

I BOUGHT MY FIRST STOCK AND IT WENT UP FIVE PERCENT IN ONE WEEK!
THAT MEANS I'M A STOCK—PICKING GENIUS. I PLAN TO MAX OUT ALL OF MY CREDIT CARDS AND BECOME A DAY—TRADER.
THE TOTAL MARKET WAS UP SIX PERCENT.
THAT'S JUST LUCK. IT CAN'T DO THAT FOREVER.
Dilbert.com DilbertCartoonist@gmail.com
2-25-15 © 2015 Scott Adams, Inc. /Dist. by Universal Uclick

Journal Time!

Define investing in your own words.

What is your experience with investing?

What is the main goal for your students to understand in regards in investing?

Investing Basics: EconEdLink and Voya Partnerships (~6 minutes Video)

1. Investing Concepts 101
2. Mixing It Up
3. Fundamentals of Funds
4. Professional Financial Advice

A good starter for 9-12 classroom discussion.

Investments 101 (Article):

1. Annuities
2. Employer-Sponsored Retirement Plans
3. IRAs
4. Mutual Funds
5. Government Bonds
6. Certificate of Deposit (CD)
7. Stocks
8. Real Estate
9. Other?

What is the “big” picture with investing?

Ask students if they know anyone who has retired and how those retirees spend their time. Tell students that retirees are much like anyone else – those who have planned and invested for their retirement tend to have more choices than those who have not.

Remind students that saving is generally for short-term goals while investing is for long-term goals.

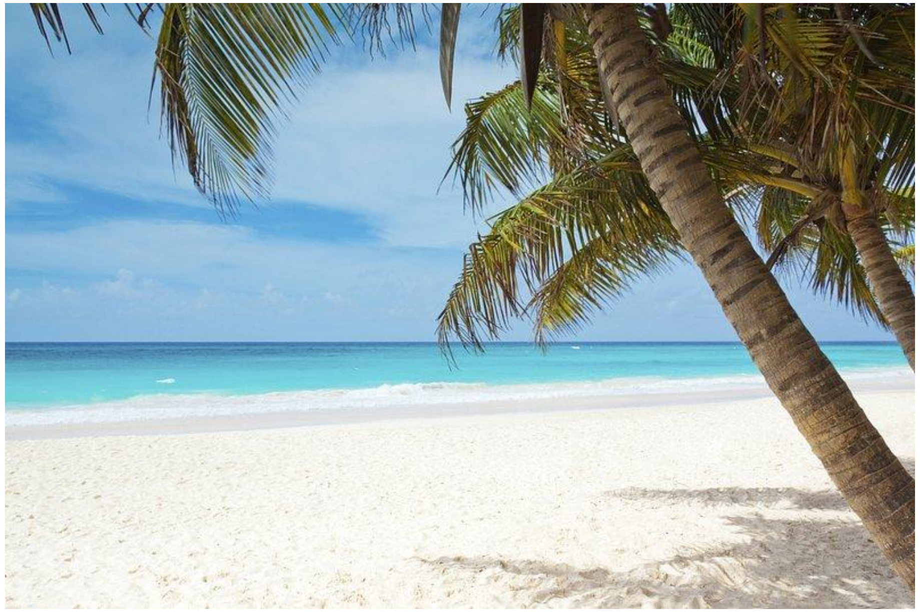
EconEdLink Investing Examples (More to follow during activity time….)

Mia Saver and Ima Spender are two 23-year-old women who recently graduated from college. For a couple of years after graduation, neither of them saves any money for retirement.

Both are focused on establishing their careers and purchasing household items. At age 25, both decide it's time to start a retirement account.

Reflect: What might your students suggest to do to start a retirement account at this point?


GA Photography



Age 25: Mia Spender starts to save money for retirement by investing $200 per month into an account paying 7% annual interest compounded annually. Ima Spender continues to spend all of her money.

Ages 25 to 35: Ima drives a nicer car than Mia and takes a more elaborate vacation each year.

Age 35: Mia chooses to work only part time and not invest more money into her retirement fund. However, she leaves it invested in the account paying 7% annually. Ima begins investing $200 per month toward retirement. Her account also pays a 7% rate of return compounded annually. Ima invests $200 per month for 30 years, until age 65.

Hmmmm, who will have more for retirement? What will your students do to answer this?

Mia Saver			Rate of Return	Ima Spender		
Age	Total invested to date	Accumulated Balance	7%	Age	Total invested to date	Accumulated Balance
Age 25	$0.00	0		Age 25	$0.00	0
Age 35	$24,000.00	$34,404		Age 35	$0.00	0
Age 45	$24,000.00	$67.678		Age 45	$24,000.00	$34,404
Age 55	$24,000.00	$133,133		Age 55	$48,000.00	$102.082
Age 65	$24,000.00	$261,893		Age 65	$72,000.00	$235,215

Mia Saver			Rate of Return	Ima Spender		
Age	Total invested to date	Accumulated Balance	8%	Age	Total invested to date	Accumulated Balance
Age 25	$0.00	0		Age 25	$0.00	0
Age 35	$24,000.00	$36,257		Age 35	$0.00	0
Age 45	$24,000.00	$78,275		Age 45	$24,000.00	$36,257
Age 55	$24,000.00	$168,992		Age 55	$48,000.00	$114,533
Age 65	$24,000.00	$364,841		Age 65	$72,000.00	$283,525

Debrief (refer back to previous slides as needed):

1. Who invested the most money overall?
   a. How much did Mia invest in total?
   b. How much did Ima invest in total?

2. Who had the highest investment totals at age 65?

3. Explain, using the term “compound interest”, in your answer.

<u>Investment Recap:</u>

1. Define key words, discuss experiences with students
2. Consider introduction/starter ideas
3. Discuss Investments 101 and define/give examples to students
4. Ima and Mia example/application activity

Lecture Recap:

1. Budgeting
2. Saving
3. Investing

After break, we will dive into EconEdLink activities and have discussions in breakout rooms. Come ready to engage!

BREAK: 10:30-10:45


SHORT GAME: ONE PLAYER IS NAMED BANKER. HE WINS.
RULES
HOUSES
MONOPOLY
TOLES
© 2010 THE WASHINGTON POST
AT LEAST YOU SEEM WELL-CAPITALIZED-
THIS IS MY BONUS TRAY.

What will we learn?

Part Two Objectives

In this session teachers will:

- Master interactive strategies to teach personal finance basics, such as earning income, saving, and investing, through hands-on activities.
- Discover and evaluate a range of resources and tools that can be directly applied to their teaching practice.
- Design and develop engaging, interactive lesson plans that effectively engage students with the subject matter.
- Apply personal finance concepts to real-life situations, enhancing students' practical understanding through contextual learning.

Activity: EconEdLink

CEE

Have you used this?

Financial Fitness for Life 9-12, 3rd Edition

- Link to Collection
- Updated lessons with slides and **1** new lesson
- **17** ready-to-use EdTechTools
- **6** new activities with Intuit Partnership

Journal Time!

Reflect (use journal!) and utilize chat:

1. Which lessons are you using already?
2. Which lessons do you want to explore further?
3. What will be the most challenging topics for your students?
4. What would you like to add to this collection?

Breakout Room #1

Breakout Room Activity #1: Application and Discussion Time

Activity 1

Redo the exercise with Mia Saver - continuing her contributions of $200 per month and earning 7% until retirement at age 65.

1. What are Mia's total earnings after this exercise update?
2. How do Mia's new earnings total compart to Ima's?
3. What lesson/concept do you want to highlight with your students within this exercise?
4. Any other comments or extension ideas? Please share with each other!

Link to lesson slides

Link to Compound Interest Calculator

Breakout Room #2

How can you apply personal finance to your classroom in an engaging, innovative way?

[EconEdLink Interactive Activities]

1. Locate one activity that is relevant to your curriculum/students.

2. Share with your group how you can utilize it in your current classroom, along with any ideas of how to best approach with your existing curriculum. (~3 minutes each)

Please note: Filter on left side for more detailed results pertinent to your classroom.

Closure

One of my all-time favorite personal finance articles was written by Liz Pulliam Weston many moons ago- “Nine Money Rules To Live By”. It has since gone offline, but there are many writers that reference and utilize these lessons to this day, in various examples and variations.

I would like to share these with you, with my feedback, in closure......

9 Money Rules To Live By

(Note: Reflect in journal and apply to your classroom curriculum.

What do you agree with? Disagree?)

RULE 1 — Understand the difference between needs and wants. Our actual needs in life are pretty limited: food, shelter clothing and transportation. Most everything else is just “wants” which can be endless. Because our financial resources can take us just so far we have to make choices. Many people, according to the author, believe they have to spend money in certain ways or certain amounts when, in reality; their spending is but a choice. For example, if you’re facing a monster mortgage, it is because you chose to buy that home. Taking responsibility for our choices is scary, but also can be empowering. Otherwise, you’re just going through life aimlessly as a victim of circumstances.

RULE 2 — <u>Scarcity can make choices for you.</u> Whether it's oil in the ground, cash in our pockets or our time here on earth, our resources can just go so far. People who ignore this reality are the ones who run out of paycheck each month before they run out of month. Furthermore, refusing to make the sometimes hard choices needed to responsibly manage money means more than likely fewer choices in the future.

RULE 3 — <u>Understand what is called the "Hedonic Treadmill."</u> By this, Weston illustrates due to our human nature we quickly adjust to improved circumstances. A raise, a new possession may offer temporary happiness, but we soon take our situation for granted. As our expectations continue to rise, so does our mindset, which causes us to adjust and quickly want more. The message here: true happiness is more than a fat wallet.

RULE 4 — Don’t let excuses keep you down. Move on with your life. The sun will rise again tomorrow.

RULE 5 — Understand the role risk plays. Each and every human endeavor carries some risk and handling money is no exception. But if you want to accumulate wealth and beat inflation over time, you will need to handle some of the volatility that comes with it, as well. The key here is in finding a comfort zone where risk doesn't keep you awake at night. In these situations, financial peace of mind becomes your best means of stomaching risk.

RULE 6 — Understand the time value of money. It's a relatively simple proposition — a dollar earned today is worth more than a dollar received down the road. Why is this? Primarily because a dollar down the road will be "potentially" less due to inflation; or, that you might not get it at all in the event a debtor reneges on his promise or dies.

RULE 7 — Know the miracle of compound interest. Let's say I give you a penny today, and promise to double the amount every day for a full month. Under this scenario, how much money would you have in a month?

Day 5: $.16 / Day 10: $5.12 / Day 15: $163.84 / Day 20: $5,242,88 / Day 25: $167,772 / Day 31: $10,737,418

Of course, no one is going to double their money every day. But the concept shows how people who save relatively small amounts regularly can accumulate a great deal — mostly by interest that grows on top of the interest. Unfortunately, this also illustrates the problem when debts balloon out of control. That's why it's always more desirable to earn interest. . . than to pay interest.

RULE 8 — Know that every money decision comes with a financial cost. Furthermore, with every choice, there's an opportunity cost. For example, if you go back to college, you give up income you could have earned by your continued work. However, with this cost comes the opportunity of more economic gain. Particularly in fields where one can make potentially much more over a lifetime than staying put where you are. Understanding the risks along with the opportunities gives us a much better chance of a sound decision.

RULE 9 — Don’t throw good money after bad. A “sunk cost fallacy” means an irrational belief that a further investment of money, time or effort can somehow resurrect what’s headed south. As the Kenny Rogers song goes, you got to know when to hold ‘em. . . and when to fold ‘em.

All in all, nine good common sense rules for the times we are living through right now. Putting good use to some of these ideas can serve us well as we approach the new year of 2013. Full Article Link

CEE

Reflect and Journal Last Thoughts:

1. What resonated with you the most today?

2. How will you apply this in your current classroom?

3. Note any follow-ups or action items (think short and long term)....

References

How To Change Your Money Mindset Article

What's the cost of Spending and Saving? (Lesson)

Teenagers and Saving Article

How to Save Money as a Teenager Article

Benefits of Investing Early (Lesson)

Saving and Investing Blitz (Activity)

Q & A (Or Comments!)

"Sometimes the questions are complicated and the answers are simple."
-Dr. Seuss

Invest In Girls

FREE TO JOIN

Invest in Girls
a CEE program

Girls, let's get smart(er) about money

Our FREE online programs are tailored to high school girls so they can learn about personal finance in a supportive environment and build confidence on money matters.

Winter offerings

- Master the basics of personal finance
- Learn how to invest money
- Discover careers in finance

Scan to see upcoming programs

Or visit investgirls.org/students

Questions? Email Cristina Medina at cmedina@investgirls.org


FIN ED50

FINANCIAL EDUCATION FOR AMERICA

FinEd50 is a coalition of non-profit organizations, researchers, corporate partners, and professional organizations that believes that personal finance education is a crucial tool to helping people better navigate their financial lives, make informed decisions regarding their life choices, and take more control over their own futures.

FinEd50: Financial Education for American

Currently, only 24 states require personal finance education courses in the United States. Research indicates that a quality financial education leads to improved future credit scores, declines in payday lending, student loan payment increases, student borrowing shifting to lower cost options, and overall financial well-being!

Recognizing that education is the realm of state and local leadership, FinEd50 is dedicated to achieving:

State Level Action: State-level action that guarantees equitable access for every student to a robust, high-quality personal finance course;

National Standards: Courses and educational materials that address the content outlined in National Standards for Personal Financial Education and are culturally relevant and respo to students' lived experiences;

Innovative Funding: Innovative funding mechanisms and professional development place to support and develop a corps of high-quality teachers with access to n professional development opportunities to teach personal finance; a

Measurement: A mechanism for measuring access to courses on personal fir equitable reach of state requirements.

Learn more about FinEd50:

Advocacy

CEE Affiliates

A network of 200 nationwide affiliates

Provide professional development for K-12 teachers, advocate for including economics and personal finance in K-12 schools, conduct research, and forge partnerships.

https://www.councilforeconed.org/resources/local-affiliates/

Thank You to Our Sponsors!

UPS Foundation

AMERICAN EXPRESS

ALFRED P. SLOAN FOUNDATION

UNITED STATES FEDERAL RESERVE SYSTEM

PETER G. PETERSON FOUNDATION

INTUIT

turbotax credit karma quickbooks mailchimp

nearpod

WELLS FARGO

STASH

sifma

Thank You

Dr. Cynthia Fitzthum

cjfitzthum@stcloudstate.edu