

Personal Finance Themed Bell Ringers and Warm-ups

Start your class instruction with these bell ringers/warm-ups! Write the concept on the board, share the questions you see under Student Bell Ringer, and be ready for some engaging conversations to kick-off your class(es).

Concept	Student Bell Ringer/Warm-ups	Teacher Instructions
Corporation Partnership Sole proprietor	Would you rather work in a large company, as a partner in a small business with your best friend, or work in a business you own where you are the only employee? Explain your choice.	Working in a large company provides stability, potential for career advancement, and access to resources and benefits that may not be available in smaller businesses. Small businesses and partnerships offer flexibility, autonomy, and the potential for creativity and innovation in a more personalized work environment. Being the sole employee and owner of a business provides ultimate autonomy and control over decision-making and operations.
Credit Loan Capacity Collateral Character	A friend asks to borrow a significant amount of money from you. What factors do you think you might consider when making that decision?	Introduce the terms capacity, collateral, and character as they explain why or why not to loan the money to a friend. Additionally, they'll need to consider if they can afford to lend the money and how it might affect the friendship if it's not repaid.
Credit Car insurance Risk	Car insurance companies often view a lower credit score as an indicator of increased risk. Explain the connection between risky driving and poor money management.	Individuals with poor money management skills may struggle to prioritize essential vehicle maintenance due to financial constraints. Financial instability can lead to stressors that distract drivers or compel them to take risks on the road, such as skipping regular maintenance, ultimately increasing the likelihood of accidents or claims.
Credit score Credit report	What if there was a report card that shows how responsible you are with money? What "subjects" would be included? Describe what a person would need to do to earn an overall grade of A, C, and F.	Possible subjects: Saving, Spending, Earning, Borrowing, Budgeting Achieving high grades in each subject demonstrates responsible financial behavior, while lower grades may indicate areas for improvement and opportunities to enhance financial literacy and decision-making skills.
Diversify Investment	It is often suggested that investors not "put all their eggs in one basket." What do you think this means in terms of investment strategies?	It means diversifying investments across types, industries, and geographic regions. By spreading your investments, you reduce the risk of significant losses if one particular investment performs poorly. It can help balance risk and potentially enhance returns over the long term.
Economic decision making, trade-offs	Think of a decision you made recently. What other alternatives did you have?	For every decision made, all possible alternatives are called trade-offs. The single next best alternative (your second choice) is the opportunity cost.

Entrepreneur Business skills	You own your own business. What key skills or knowledge do you think you'd need to make it a success?	To do well as a business owner, you need to know who your customers are, make a good plan for your business, handle money smartly, make sure customers are happy, and be ready to change if things don't go as expected
Functions of money, barter	Imagine that all forms of money have vanished from the world. How would you trade or exchange goods and services without money? What problems would you encounter?	Students will answer that they will barter. Challenge that answer by asking if they will be able to barter enough to obtain everything that they will need to survive. Money functions as a unit of account, measure of value, and store of value.
Human capital	When you apply for a job, your employer looks at your experience, knowledge, and skills before making the decision to hire you. Which of the three – experience, knowledge, or skills – do you think is most important? Why?	Students can make a case for any of the three. Skills demonstrate an individual's ability to perform specific tasks or duties required for the job effectively. Experience shows how well someone can use their skills, displays their work ethic, and reveals if they need extra training or supervision. Knowledge encompasses facts, information, and skills that individuals accumulate and can apply to various situations and challenges.
Human capital	Complete a human capital inventory--a checklist of the skills, education, and talents that you possess. The inventory should include a variety of skills, such as the ability to read and write, compute, work in groups, play an instrument and make people laugh.	Human capital refers to the combination of a person's education, knowledge, experience, health, habits, training, and talent. A person who has acquired more human capital will be able to produce more. Adding to your human capital is closely connected to earning higher wages and income. This list can be used for a number of discussions including goal setting and improvement plans.
Insurance Risk	Imagine you have a valuable item, like a smartphone or a laptop, that you rely on every day. What are some ways you could protect this item from unexpected events that could damage or destroy it?	Insurance in general is meant to protect you financially if something bad happens that is expensive to fix or recover from. Insurance is a financial safety net, helping you and your loved ones recover after something bad happens — such as a fire, theft, or accident.
Interest Compound interest	Explain the following quote: “Compound interest is the eighth wonder of the world. He who understands it, earns it ... he who doesn't ... pays it.”	Those who know how compound interest works can take advantage of it to grow their savings or investments significantly over time. Those that do not understand compound interest end up paying it. This means that individuals who accumulate debt, such as credit card balances or high-interest loans, are subject to the effects of compound interest working against them.
Investing Risk	You have \$100,000 invested in the stock market and saw that investment drop to \$50,000. Would you buy more stocks (invest more money) or take your \$50,000 out before it falls further? Explain your answer.	What to do depends on risk tolerance and financial situation. The advice of “buy low, sell high” is often ignored and investors withdraw funds in a panic when staying the course and investing more money to cost average their initial investment would be the better decision.

Investing Stocks Bonds	Advice to someone who wants to invest in a company is to “buy what you know”. What companies do you “know” – meaning you use their product or service – and would you want to lend money or own part of that company? Why or why not?	Answers should include their experience with the company and why (or why not) they would invest. Stress that while familiarity with a company's products or services can provide valuable insights, it's just one aspect to consider and research is important.
Investing Speculation Risk	Mark Twain said, "There are two times in a man's life when he should not speculate: when he can't afford it and when he can." “Speculate” is another way to say that it is a risky investment. What did he mean?	The quote suggests that speculation, or risky investment, should be avoided regardless of one's financial situation. When a person can't afford to speculate, it's a clear warning against risking money that is needed for essentials or financial stability. Similarly, when one can afford to speculate, it implies that even with surplus funds, engaging in speculative ventures may jeopardize financial security or lead to unnecessary losses.
Long term savings goals Opportunity cost	Your friend is saving money to buy a new gaming system but having trouble reaching their goal. Explain to your friend why saving for an expensive purchase is so difficult to achieve.	With a long-term goal there is more time in which emergencies or other occasions for spending might arise, interfering with saving. The saver might give up on the savings (future) goal for something that looks more important in the present. In other words, the opportunity cost of saving is greater than the opportunity cost of the emergency.
Opportunity cost	Have you ever been treated to a free lunch? Was it truly free? What do economists mean when they say, “There is no such thing as a free lunch” (TINSTAAFL)?	Explain the TINSTAAFL Principle, and have students give examples of this principle in their own lives. The assumption is that “free” means it doesn't have a monetary cost. There is always a cost - a cost in time, effort, etc. even when no money is exchanged.
Retirement 401K Compound interest	You've started a new job and your employer has automatically enrolled you in a program to set aside \$100 a month towards your retirement. You can also fill out paperwork to cancel your enrollment. What should you do? Why?	Students who cancel will stress that they need the extra money today. While it may free up \$100 a month in their paycheck now, they'd be missing out on the opportunity to save for retirement and potentially benefit from compound interest. Retirement savings require long-term planning, and starting early can significantly impact
Saving	What does it mean to “pay yourself first”? What are some reasons that people save money?	Paying yourself first means saving money before you spend it on non-necessities. All savings decisions relate to some future use of money - giving up something in the short run to gain larger returns in the future. People might save money to make large purchases, to be prepared for an emergency, for retirement, etc.
Stocks Researching companies	“People waste their time researching stocks. Just pick one! If the market goes up, the stock will go up.” What are the advantages and disadvantages of selecting stock at random?	Advantages: It is almost impossible to know in advance whether a stock will yield and unexpectedly high return. Intense research on a company takes a lot of time, it might be better to simply select stock at random. Disadvantage: Not all stocks move as the market average moves. The time and cost of researching stocks may be worth paying if the research helps the investor.