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## Financial Literacy Overview

### 1. Money Management – Play Home Alone Clip (Pg. 1-6)

- a. Saving- give examples of celebrities who saved money (Tyler Perry, Todd Chrisley, etc.)
  - i. How to save
  - ii. Importance of saving (interview 4 people about saving)
  - iii. Setting a goal
- b. Budgeting- Go over the \$20.00 given to each student, set goal and play ice breaker.
  - i. Money Management Tips (Pg. 6)
  - ii. Expenses (fixed, variable, & periodic)
  - iii. Have each student complete 4 interview sheets to bring back to next class.  
(They will earn participation cash)
- c. Decision Making- (Pg. 7-10, Play Want and Need)
  - i. Deciding between a need and want
- d. Consequences of not having a budget
  - i. What could happen
  - ii. Have student complete page 9-10. They will earn participation points for this.

### 2. Financial Services- Account Types( Pg. 11-15, Play Blank Check Clip, Play Role Play Game, Have Students Write a Check to cash or deposit)

- a. Checking
  - i. Deposits (cash, check, direct deposit-ACH, electronic transfers)
  - ii. Check Writing (different types of checks: official, personal, insurance, cashier's, certified, travelers, & money order)
  - iii. Bill Paying (Online, by check, ACH withdrawal)- briefly talk about not in booklet
- b. **Fees (Pg. 16- , Play It's a Wonderful Life Clip, Explain the function of fees, the function of deposits, withdrawals, business.)**
  - i. Why do you have to pay fees?
  - ii. Overdraft fees (when and why do they occur)
- c. Transactions
  - i. What's the difference between Credit vs. Debit? How to differentiate transactions
  - ii. What's a PIN?
- d. Online/ Mobile Banking
  - i. Benefits of using it

**3. Borrowing (Play the Little Rascals Clip, Have the Students come to “The Bank” to fill out an application for some type of trade line on credit.)**

- a. Credit Score
  - i. What is it? Your credit score is determined by the credit bureau. The credit bureau is a data collection agency that gathers account information from different lenders and provides a report on how well you pay your loans back. Credit is your promise to pay back later.
  - ii. When was credit invented and why? The use of credit originated in the 1920’s after the Great Depression to boost economy sales of products by private industries such as oil companies, hotels etc.
  - iii. Why is it important? Good credit allows you to purchase the things you need now, like a loan for a car, a home, a personal loan for home repairs, based on your promise to pay later.
- b. Loans (personal, auto, credit cards, mortgage, etc.)
  - i. How do you benefit from them?
  - ii. Why do you get a loan?
- c. Application Process
  - i. How to fill out an application
  - ii. Cosigner

**4. Average cost of living: ( Class 6)**

- a. What is the average cost of living in the United States?
  - i. Ask students how much they think it cost to live one month in their homes?
  - ii. Average cost for rent, power, water and Internet is \$1,500.00.
- b. What are some basic expenses everyone pays monthly?
  - i. Is it important to pay your power bill, your water and or your phone bill?
- c. Cannot paying your bill affect your credit?
  - i. What is a collection account?

**5. Life: (Play the Game of Life)**

- a. Allow the student to split into 2 groups, each group will play the board game life with an instructor. This will allow the students to practice and put the information they have learned so far into practice.