



# MONEY SMART

**Grades 9 - 12**

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# Lesson 1: Working Hard for the Money

## CAREER RESEARCH



Name: \_\_\_\_\_

Select two different careers that interest you, or that you would like to learn more about, and write them in the spaces below. Using the research resources or an Internet search engine, investigate the job description, training and education required, and the average income for each career.

Not sure which career to start with? Take a moment to reflect on your interests and skills by answering the questions below or taking an interest survey to assess strengths and capabilities, such as <https://careertech.org/student-interest-survey> or [www.careeronestop.org/Toolkit/Careers/interest-assessment.aspx](http://www.careeronestop.org/Toolkit/Careers/interest-assessment.aspx).

- What do you like to do?
- What are you interested in?
- What excites you?
- What are you good at?
- What fields are you interested in learning more about?

### Research Resources:

- Occupational Outlook Handbook.

[www.bls.gov/ooh](http://www.bls.gov/ooh)

- Career One Stop.

[www.careeronestop.org](http://www.careeronestop.org)

Check out the U.S. Bureau of Labor Statistics' A to Z guide for more career ideas!

[www.bls.gov/ooh/a-z-index.htm](http://www.bls.gov/ooh/a-z-index.htm)

Career	1.	2.
Description		
Training/ Education		
Average Income		

## Lesson 2: Designing Dreams SETTING & REACHING GOALS



Name: \_\_\_\_\_

### MEET AISHA

For as long as Aisha can remember, she has always wanted to be a nurse.

"I enjoy helping people," Aisha says. "When I was a little girl I would use up all of our band-aids pretending to fix anyone and everyone that crossed my path!"

Today, Aisha is 26 years old and working as a registered nurse. How did she do it?

"It took a lot of hard work, but really I think the key was to make a plan early on and to stick to my plan even when things got tough," Aisha says.

### CHALLENGES FOR AISHA

#### Needs vs. Wants

"When I was going to nursing school, my friends were always hanging out on Friday nights, grabbing food and maybe catching a movie. But I was tight on cash. It was really tempting, but I knew that if I spent my money going out every weekend, I would be in trouble when it came time to pay tuition next semester. I did go out and have fun with my friends...but I was careful not to overdo it."

#### Budget Blues

"By far the biggest thing I've learned about reaching my goals is to spend my money on paper first by creating a budget. At the beginning of the month I write down all of the things I'm going to need to spend money on and how much each will cost. Some expenses are the same each month, like my rent. But other costs are harder to predict, like buying groceries. I give myself a set amount of money to spend in each area of my budget and then I stick to it. Trust me, the sticking-to-it part is the hardest! By the third month of following a budget though, it really became a natural part of my financial plan."

### AISHA'S GOALS

#### Short-term goal:

work part-time in high school to save up money for college

#### Intermediate goal:

go to college for nursing and balance working part-time

#### Long-term goal:

obtain a job as a registered nurse

### DEFINING VALUES

"After high school I was working at a local grocery store as a cashier and one day my manager asked if I would ever want to become a manager. This made me really stop and think about what I wanted to accomplish in my life. Being a manager sounded fantastic. More money and benefits... who wouldn't want that?! But I had this dream of becoming a nurse and I knew that what I was really good at was helping take care of people when they needed it the most. Thankfully, I was able to keep my job at the grocery store all during nursing school, but I knew for me the path I valued the most was getting my nursing license."

## Lesson 2: Designing Dreams SETTING & REACHING GOALS *(continued)*



Name: \_\_\_\_\_

In thinking of Aisha’s story, what dreams and goals do you have for your life? What do you want to accomplish, whether it is reaching a certain career, buying a home, or going to college?

Write three goals you have for your future:

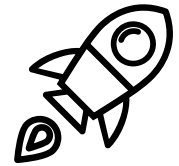
- 1.
- 2.
- 3.

What will you need to do in order to reach your goals? Like Aisha, think through what you would need to do today, in a few months, and in the next few years to reach your goals. These are your short-term, intermediate, and long-term goals. Write your ideas in the table below for each of your future goals.

GOALS			
	1:	2:	3:
Short-Term (What actions can I take today to reach my goal?)			
Intermediate (What actions can I take over the next few months to reach my goal?)			
Long-Term (What actions can I take over the next few years to reach my goal?)			

# Lesson 4: Boost Your Savings

## COMPOUNDING INTEREST OVER TIME



Name: \_\_\_\_\_

What would happen if you saved \$1,000 under your mattress for a year? Assuming that it hasn't been lost or stolen, it will still be \$1,000 at the end of the year. Your mattress is not paying you interest to keep your money.

But banks and financial institutions do pay interest on your deposited money, helping a \$1,000 deposit grow over time. Compounding means calculating interest on both principal and previously earned interest.

Interest can be compounded daily, monthly, or annually. Review the chart below and determine which method of compounding yields the greatest return.

	5 years	10 years
Mattress compounding — NO interest!	\$1,000.00 <i>(unless stolen or lost)</i>	\$1,000.00 <i>(unless stolen or lost)</i>
Annual compounding at 1%	\$1,051.01	\$1,104.62
Monthly compounding at 1%	\$1,051.25	\$1,105.12
Daily compounding at 1%	\$1,051.27	\$1,105.17

Complete the chart below by calculating how much savings grows with no interest versus 2% daily compounding interest.

To complete the calculations, use an online calculator (For example: <https://financialmentor.com/calculator/compound-interest-calculator>) or spreadsheet software using the following formula:  
**FV (rate, nper, pmt, [pv], [type])**

**FV (rate, nper, pmt, [pv], [type])**

**Rate** = interest rate per period

**Nper** = total number of payment periods

**Pmt** = payment made each period

**Pv** = present value, or the lump-sum amount that a series of future payments is worth right now

**Type** = indicates when payments are made (0 means at the end of the period and 1 is at the beginning of the period)

**Saving 50 cents a day:**

**Saving \$1 a day:**

	Saving 50 cents a day:		Saving \$1 a day:	
	No interest	2% Daily Compounding	No interest	2% Daily Compounding
<b>Year 1</b>				
<b>Year 5</b>				
<b>Year 10</b>				
<b>Year 30</b>				

# Lesson 8: The Almighty Dollar?

## COMPARING CARDS



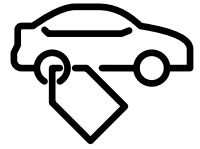
Name: \_\_\_\_\_

Using an Internet search engine, research three different credit card offers and complete the chart with your findings.

	Credit Card 1	Credit Card 2	Credit Card 3
<b>Name of credit card issuer/card</b>			
<b>What is the APR?</b> <ul style="list-style-type: none"> <li>▪ Introductory APR?</li> <li>▪ Rate for purchases?</li> <li>▪ Rate for cash advances?</li> <li>▪ Penalty APR?</li> </ul>			
<b>What are the fees?</b> <ul style="list-style-type: none"> <li>▪ Annual fee?</li> <li>▪ Late fee?</li> <li>▪ Over-the-limit fee?</li> <li>▪ Cash advance fee?</li> <li>▪ Other fees?</li> </ul>			
<b>Are there any benefits?</b> (For example: reward points earned, rebates)			
<b>Other?</b> (For example: customer service hours, online access, access to a real person)			

If you were going to get a credit card, which of the three cards from your research would you select, and why?

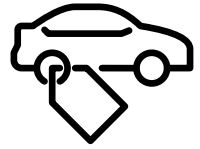
# Lesson 10: Convertible or Clunker? CASH, LOANS, AND LEASES



Name: \_\_\_\_\_

Factors	Vehicle Loans	Vehicle Leases	Paying All Cash
<b>Ownership potential</b>	<p>The vehicle belongs to you and the bank that gave you the loan until you have paid off the loan.</p> <p>Then, the vehicle becomes yours.</p>	<p>You are essentially renting the vehicle from the dealership. The lease is like a rental agreement. You make monthly payments to the dealership for a set number of months. The vehicle does not belong to you. When the lease ends, you have to return the vehicle to the dealership.</p> <p>You may decide to purchase the vehicle at the end of the lease. The total cost, however, generally ends up being more than it would have been if you had bought the vehicle.</p>	<p>The vehicle belongs to you because you paid for it in full at the time of purchase.</p>
<b>Cost</b>	<p>Purchasing a vehicle is usually more cost effective if you plan to keep the vehicle long-term.</p> <p>In the short term, however, the costs will generally be greater than a vehicle lease, because your total loan amount and monthly payments are likely to be higher.</p>	<p>A lease will probably cost less than a vehicle loan in the short term, because your total lease amount and monthly payments are likely to be lower.</p> <p>On the other hand, if you exceed the mileage on a leased vehicle or decide to buy it outright once your lease has expired, it will end up costing you more.</p>	<p>Paying in cash can be cost effective because you won't need to acquire any debt to own the car. But, saving up enough money to buy a vehicle outright requires planning ahead and saving diligently.</p>
<b>Monthly payments</b>	<p>Payments are higher, but you only pay them for a set term. Then, you own the vehicle.</p>	<p>Payments are lower because you are not purchasing the vehicle; the dealership still owns it.</p> <p>As long as you lease a vehicle, you will continue to make monthly payments.</p>	<p>No monthly payments, but you would have had to save up a large sum of money ahead of time in order to purchase the vehicle in full. This requires setting and sticking to savings goals.</p>

# Lesson 10: Convertible or Clunker? CASH, LOANS, AND LEASES *(continued)*

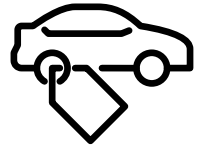


Name: \_\_\_\_\_

Factors	Vehicle Loans	Vehicle Leases	Paying All Cash
<b>Auto insurance</b>	<p>It is usually less expensive than auto insurance for leased cars.</p> <p>Insurance may cost more during the loan than it will after the loan is repaid because the lender may require more coverage.</p>	<p>It usually costs more if you lease a car than it does if you buy.</p> <p>Most vehicle leases require you to carry higher levels of coverage than purchase agreements do.</p> <p>Some insurance carriers may also consider leasing to be higher risk than purchasing.</p>	<p>Insurance may cost less than if you carried a loan because a lender may require more coverage.</p>
<b>Mileage limitations</b>	<p>There are no mileage restrictions.</p>	<p>Leases restrict the number of miles you can drive the vehicle each year.</p> <p>If you exceed the mileage allowed, you have to pay the dealer for each mile over the limit according to your lease.</p> <p>For example: a dealer may charge you \$.15 for every mile that you drive over 24,000 miles in two years. If you drive the vehicle an additional 3,000 miles, you would owe the dealer \$450 for those miles.</p>	<p>There are no mileage restrictions.</p>
<b>Wear and tear</b>	<p>No additional costs for wear and tear are included in your loan agreement.</p>	<p>Most leases charge you extra money for any damage found at the end of the lease that goes beyond normal wear and tear.</p>	<p>No additional costs for wear and tear are included in your purchase price.</p>



# Lesson 10: Convertible or Clunker? CASH, LOANS, AND LEASES



Name: \_\_\_\_\_

There are many different elements to consider when contemplating a vehicle purchase. Research three different types of vehicles that interest you and find out what the total cost of the vehicles will be in your area by investigating local vehicle prices, sales tax, and license and registration fees. Use an Internet search engine or the web links below to get started.

FDIC Consumer News

<https://fdic.gov/consumers/consumer/news/cnspr12/autoloans.html>

FTC Consumer Information

[www.consumer.ftc.gov/articles/0209-buying-new-car](http://www.consumer.ftc.gov/articles/0209-buying-new-car)

U.S. Department of Energy Fuel Economy

[www.fueleconomy.gov](http://www.fueleconomy.gov)

	Vehicle 1	Vehicle 2	Vehicle 3
<b>Make/Model</b>			
<b>Price</b>			
<b>Sales Tax</b>			
<b>License and Registration Fees</b>			
<b>Misc.</b>			
<b>Total</b>			

What research was surprising to you? Did the vehicles cost more or less than what you expected? Why?