



Chapter Two: Your Financial Future

Chapter Learning Objectives

1. Review SMART goals.
2. Understand opportunity costs.
3. Differentiate between wants and needs.
4. Recognize that achieving financial goals can be done in small steps over a period of time.

Episode 106 Synopsis

Join the BizKid\$ as they determine where they want to be financially, and then make plans to reach their goals. Goals need to be “SMART.” When you make a choice, you are also giving up other choices – opportunity costs. Meet the entrepreneurs in this episode and see their choices.

Jump\$Start Standards Correlations

Financial Responsibility and Decision-Making

- Take responsibility for personal financial decisions.
- Make financial decisions by systematically considering alternatives and consequences.

Planning and Money Management

- Develop a plan for spending and saving.
- Develop a personal financial plan.

Washington State Standards Correlations

SOCIAL STUDIES

2. ECONOMICS - The student applies understanding of economic concepts and systems to analyze decision-making and the interactions between individuals, households, businesses, governments, and societies.

2.1 Understands that people have to make choices between wants and needs and evaluate the outcomes of those choices. (9-12)

Lesson Prep and Supplies

Getting Started

1. Familiarize yourself with this **BizKid\$** episode by watching it ahead of time. The episode will serve as a springboard to student learning, discussions, vocabulary exploration, and related hands-on activities.
2. Determine what equipment is required to show the episode in the classroom and request it if needed.
3. Choose an activity and gather the supplies needed to complete the lesson.

Equipment & Supplies for Preview and Screening

Time Needed: 45-60 minutes

Items Needed For Class:

TV/DVD Player
DVD of Episode 106
Projection System

Items Needed for Each Student:

Pencil or Pen
Paper for taking notes
Copy of BizTerms sheet for each student

Activity One: Preview and Screening

Introduction

Briefly explain that **BizKid\$** is a public television series that teaches kids about money and business. Mention that the bizkids.com website has lots of video clips, games, a blog, and other resources to help kids start businesses and learn about money.

Episode Preview Activity

Before you show **BizKid\$** episode 106, “Your Financial Future” lead your students in a brief activity.

- Distribute scratch paper and pen or pencil to each student. Let students know to list any questions they have for later discussion.
- Ask students if any of them have financial goals. If so, did they have a plan or strategy to reach their goals? What are they willing to sacrifice or give up in order to achieve their goals?
- Ask students what they consider as a want versus a need. Have students list some examples. Do all students agree on wants versus needs? Is one choice better than another, or just different? Why or why not?

After the students discuss these questions as a group, tell them what they will see in episode 106 “Your Financial Future” as described below.

About the Episode

In this episode, you’ll learn about setting SMART financial goals and making a plan to achieve them. You’ll recognize that we all have to make choices and set priorities. See how the entrepreneurs featured in this episode handled these challenges.

Next Steps

Show the BizKid\$ episode. After the episode, ask students if they found answers to any of the questions they wrote on their sheets. Allow them to share and ask any questions that remain. Did they learn anything from the episode that will influence their behavior?

Distribute the list of BizTerms vocabulary to each student. Have them look up definitions. Papers are due in about 30 minutes. After 30 minutes have passed, give the students a copy of the definition sheet and they can check their own answers against the sheet.

Activity Two: BizTerms Vocabulary and Definitions

BizTerms Vocabulary

1. Barter
2. Delayed gratification
3. Entrepreneur
4. Essentials
5. Opportunity
6. Opportunity cost
7. Perseverance
8. Prioritize
9. Revenue
10. Specific

BizTerms Definitions

1. Barter happens when you trade items (commodities) instead of using money. For example, trading a loaf of bread for a carton of milk, instead of using money to pay for the bread or the milk.
2. Delayed gratification is the willingness to give up something you want now in order to get something better in the future.
3. An Entrepreneur is a person who starts their own business.
4. Essentials are items that you need, those which are absolutely necessary or indispensable.
5. Opportunity is a situation which is good for achieving your goal, a circumstance that gives you a good chance for success.
6. Opportunity cost is the value of what is given up when you choose one option over another.
7. Perseverance is when you stay in one course of action without giving up, in spite of any difficulties or discouragement.
8. Prioritize is to arrange items in the order of their importance, so you will know which ones are the most important and which ones are the least important.
9. Revenue is income; it is money that you receive.
10. Specific is something which is definite or particular. For example, when you do not want just any pair of shoes, you want a specific pair of shoes.

Activity Three: Personal Spending Log

Activity Learning Objectives

- Align financial goals and spending.
- Become aware of personal spending habits.

Supplies Needed

- Pen or pencil
- Student copies of “Personal Spending Log” worksheet

Directions

- Distribute a “Personal Spending Log” worksheet and a pen or pencil to each student.
- Allow 15 to 30 minutes for students to read the directions and write their answers.
- Then have a class discussion about wants and needs, different money personalities, and values. For example, one person’s ‘want’ may be another person’s ‘need.’ There can be more than one way to solve a problem. Have students support their choices by explaining their thinking.
- Challenge students to create an expense log of their own and actually use it for one week. In a future class session, have them write a summary of their results and whether the experience changed their behavior. Have a discussion where students may share their findings with the class if they wish. Students may wish to keep their own papers for reference.

Activity Four: Opportunity Cost

Activity Learning Objectives

- Consider and weigh opportunities and opportunity costs.
- Take personal responsibility for financial choices.

Supplies Needed

- Pencil with eraser
- Student copies of “Opportunity Cost” worksheet

Directions

- Distribute an “Opportunity Cost” worksheet and a pencil with eraser to each student.
- Allow 15 to 30 minutes for students to read the directions and write their answers.
- Then have a class discussion about personal financial choices and decision making. Have students support their choices by explaining their thinking.
- Have students each create one of their own opportunities and let them share it with the class.

Opportunity Cost Worksheet

Whenever you receive money, you have choices for how you would like to use it. There are four major options to consider: save, spend, invest, and donate.

Consider the following opportunities and write down what type of opportunity it is and what you would choose to do in that situation, and what the opportunity cost is.

Opportunity	Category	Would I do it?	What is the opportunity cost?
<p>Example:</p> <p>Your friend has a puppy for sale for \$75, and you have \$75 in your piggy bank.</p>	Spend	Yes	If I spend \$75 on a puppy, then I will not have that money for other things like saving, investing, or donating. Saving or donating is a \$75 opportunity cost, but investing could be worth even more, because invested money could grow over time.
Your friend is selling an extra concert ticket for \$25.			
A local charity is outside the grocery store asking for donations.			
Your financial institution is advertising a special student checking account, and you can open one for only \$10 today.			
A credit union offers new customers 3% interest on a one year CD for \$100.			

Resources

- National Financial Educators Council (NFEC) NFEC and the NFEC EduNation Campaign provides complementary personal finance materials for parents, educators and concerned citizens interested in teaching children about money.
<http://www.financialeducatorsCouncil.org>
- Banking and Financial Systems This is a textbook published by Goodheart-Wilcox. The ISBN number is 978-1-60525-778-5.
<http://www.g-w.com>
- Voluntary National Content Standards in Economic Education This book is the 2nd edition from the Council for Economic Education. The ISBN number is 978-1-56183-733-5.
<http://www.councilforeconed.org>
- Improving Financial Literacy: What Schools and Parents Can and Cannot Do This book is published by Jump\$tart Coalition for Personal Financial Literacy. The ISBN number is 0-9666010-1-7.
<http://www.jumpstart.org>