CHAPTER OVERVIEW

This chapter introduces the topic of personal finance and highlights the importance of both knowledge and behavior when it comes to managing money.

GETTING STARTED

- Administer Pre-Test
- Review the intro pages for this chapter including the “I Can” statements before watching the videos
- Review the Key Terms

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CHAPTER SUMMARY

• Student Text – Recap & Review
• Summative Assessment

For more educational resources, check out: foundationsU.com/middle-school

LEARNING OUTCOMES

Refer to the “I Can” checklist in the beginning of Chapter 1. At the end of each lesson, your student(s) should be able to:

LESSON 1: GET SMART WITH MONEY

• Describe what it means to be financially responsible.
• Recognize the difference between assets and liabilities.
• Explain the meaning of net worth.

LESSON 2: CASH IN THE BANK

• Describe how saving money improves my financial well-being.
• Identify three basic reasons for saving money.
• Compare simple interest and compound interest.

LESSON 3: A MONEY PLAN

• Understand the difference between wants and needs.
• Describe the difference between a credit card and a debit card.
• Explain how to balance a checkbook or bank statement.

LESSON 4: MONEY MATTERS

• Recognize my money personality.
• Understand how to talk about money with family members.
• Describe different types of expenses.
LESSON 5: GIVING TO OTHERS

- Identify my core values.
- Explain the meaning of charitable giving.
- Describe the benefits of giving.

KEY TERMS

**Asset:** Anything of value that is owned by an individual

**Budget:** A monthly plan for how you are going to save and spend your income

**Compound Interest:** Interest paid on an investment and on any interest previously earned

**Consumer:** A person or organization that purchases a product or service

**Credit:** The granting of a loan and the creation of debt

**Debt:** An obligation to repay a loan of money

**Expense:** The cost of goods or services

**Interest:** The charge for borrowed money generally defined as a percentage; also, the earned interest on money you save or invest

**Investments:** Money put into an account intended for growth

**Liability:** Anything you owe; a debt

**Net Worth:** The total value of a person’s assets (things owned) minus their liabilities (things owed); may be a positive or negative dollar amount

**Nonprofit Organization:** A federally recognized, tax-exempt organization such as a church, hospital, charity, or school that serves the public in some capacity

**Personal Finance:** All the money decisions a person or family makes including earning, budgeting, saving, spending, and planning for the future

**Simple Interest:** Interest paid only on the principal investment

**Scarcity:** An unlimited amount of wants but limited resource
NATIONAL STANDARDS MET IN CHAPTER 1
(Note: For your state standards crosswalk, go to daveramsey.com/school/middleschool/standards)

SPENDING AND SAVING
Apply strategies to monitor income and expenses, plan for spending, and save for future goals.
- **Standard 1:** Develop a plan for spending and saving.
- **Standard 2:** Develop a system for keeping and using financial records.
- **Standard 3:** Describe how to use different payment methods.
- **Standard 4:** Apply consumer skills to spending and saving decisions.

CREDIT AND DEBT
Develop strategies to control and manage credit and debt.
- **Standard 1:** Analyze the costs and benefits of various types of credit.

EMPLOYMENT AND INCOME
Use a career plan to develop personal income potential.
- **Standard 1:** Explore job and career options.

INVESTING
Implement a diversified investment strategy that is compatible with personal financial goals.
- **Standard 1:** Explain how investing may build wealth and help meet financial goals.
- **Standard 3:** Demonstrate how to buy and sell investments.

FINANCIAL DECISION MAKING
Apply reliable information and systematic decision making to personal financial decisions.
- **Standard 1:** Recognize the responsibilities associated with personal financial decisions.
- **Standard 4:** Make criterion-based financial decisions by systematically considering alternatives and consequences.
- **Standard 5:** Apply communication strategies when discussing financial issues.
- **Standard 8:** Use a personal financial plan.
Lesson Plan 5/5

QUESTIONS

1. What would you most like to learn about managing money?
   
   **Answer:** Answers will vary.

2. What do you think is the biggest struggle when it comes to managing money?
   
   **Answer:** Answers will vary.

3. What does winning with money look like?
   
   **Answer:** Answers will vary.