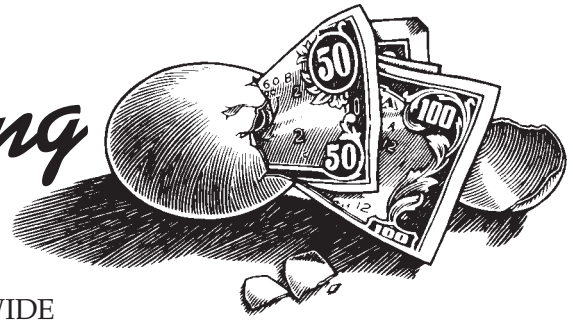


# High School Financial Planning Program

STATEWIDE  
NEWSBITS



Fall 2010

## Why Financial Literacy Matters

Teens today handle money – lots of it. Today's high school graduate will earn more than \$1 million in adulthood, without adjusting for inflation. However, like many adults, teens may not have a good concept of the amount of money they actually control (allowances, gifts and earnings) or where the money is going. The money is spent, often with an uneasy feeling that *I don't have enough to buy the things I need or to do what I want to do.*

As teens move to adulthood, careers and higher earnings, they may acquire a more expensive set of wants and needs. People who successfully manage their financial resources must learn to set priorities on their spending; control immediate gratification in favor of important goals; and balance income, spending and saving.

Knowing how to manage one's money effectively is an acquired skill. Not all youth grow up in families that model positive money management. North Dakota schools are required to include personal financial education as part of the

economics curriculum, which every student needs to graduate. The High School Financial Planning Program is one of the approved curriculums for personal financial literacy education in North Dakota.



### Teacher Trainings/HSFPP/N.D. Personal Finance Mandate

North Dakota students are mandated to have taken a personal finance curriculum as a result of legislation passed during the 2009 legislative session. The High School Financial Planning Program is an excellent program available that's **free of charge** and meets this educational requirement.

Several training programs were offered throughout the state this past summer to help teachers use this program to meet the new legislation.

Nearly 50 educators participated in the trainings; a shorter version of the training was provided at Invest ND as well. Lesson plans and PowerPoints are available at [www.ag.ndsu.edu/money](http://www.ag.ndsu.edu/money). Please share this information with instructors in your school system who may be teaching the course.

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# The Jump\$tart Coalition's 12 Personal Finance Principles for Young People

The Jump\$tart Coalition has developed 12 personal finance principles for young people. These principles are sound, practical, everyday ideas that could make a real difference in young financial lives, if followed.

- 1. Map Your Financial Future** – Take time to list your financial goals, along with a realistic plan for achieving them. You can go places you want to go without a road map, but seldom on the first try.
- 2. Don't Expect Something for Nothing** – Be leery of advertisements, sales people or other sources of financial offers promising anything free. Like nonfinancial opportunities, if it sounds too good to be true, it probably is.
- 3. High Returns Equal High Risks** – Recognize that no one will pay you high interest rates on a sure thing. In most cases, the higher the interest rate offered to you, the investor, the higher the risk of losing some, or all, of the money you invest. Diversification of assets is the best protection against risk.
- 4. Know Your Take-home Pay** – Before committing to significant expenditures, estimate how much income is likely to be available for you. Net income, after all mandatory deductions, is more important to estimate than gross income before deductions.
- 5. Compare Interest Rates** – Obtain rate information from multiple financial services firms to get the best value for your money.
- 6. Pay Yourself First** – Before paying bills and other financial obligations, set aside an affordable amount each month in accounts designated for long-range goals and unexpected emergencies.
- 7. Money Doubles By "The Rule of 72"** – To determine how long your money will take to double, divide the interest rate into 72. For example, an account earning 6 percent interest will double in 12 years (72 divided by 6 equals 12).
- 8. Your Credit Past is Your Credit Future** – Be aware that credit bureaus maintain credit reports, which record borrowers' histories of repaying loans. Negative information in credit reports can affect your ability to borrow at a later point.
- 9. Start Saving Young** – Recognize that your total savings are determined both by the interest you earn on those savings and the time period during which you save. The sooner you start saving, the more funds you'll be able to amass through time.
- 10. Stay Insured** – Purchase insurance to avoid being wiped out by a financial loss, such as an illness or accident. An insurance plan should be part of every personal financial plan.
- 11. Budget Your Money** – Create an annual budget to identify expected income and expenses, including savings. This will serve as a guide to help you live within your income.
- 12. Don't Borrow What You Can't Repay** – Be a responsible borrower who repays as promised, showing you are worthy of getting credit in the future. Before you borrow, compare your total payment obligations with income that you will have available to make these payments.

For further information and calendars and lesson plans that feature the 12 principles, visit [www.jumpstart.org](http://www.jumpstart.org). For information on the North Dakota Jumpstart Coalition, including how to become a member, go to [www.ndjumpstart.org/](http://www.ndjumpstart.org/).

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Debra Pankow  
Family Economics Specialist

## North Dakota Attorney General's LifeSmarts Competition

# Welcome to the North Dakota LifeSmarts Competition!

LifeSmarts, The Ultimate Consumer Challenge, is an educational program that develops the consumer and marketplace skills of high school students in a fun way and rewards them for the knowledge they gain. The program complements any high school curriculum and can be used as an activity for classes, groups, clubs and community organizations.

LifeSmarts will test your consumer knowledge. Anyone can take the practice quiz and test his or her LifeSmarts.

Students may participate at home or school, at a public library or anyplace where they have access to the Internet. They will go through a series of three tests that will assess their consumer awareness in five areas: personal finance management, health and safety, environment, technology, and consumer rights and responsibilities. The online competition will run from Sept. 13, 2010, to Jan. 5, 2011. Scores will be tabulated and the 12 teams scoring the highest will be invited to the North Dakota championship competition in Bismarck on Feb. 2, 2011. A coach can bring two teams to the state competition if they are among the top 12 teams.

The North Dakota champions will have the opportunity to compete at the national competition April 30 to May 3, 2011, in Los Angeles, Calif.

LifeSmarts is owned and operated by the National Consumers League and coordinated at the state level by the attorney general's office.

Join the fun and participate in the LifeSmarts program. Start practicing now and take as many of the practice quizzes as you like to increase your "lifesmarts" knowledge. We hope to see you in Bismarck.

For more information, visit [www.lifesmarts.org](http://www.lifesmarts.org). If you have any questions, please contact Joan Mork at [jmork@nd.gov](mailto:jmork@nd.gov) or you can call (800) 472-2600.

For more information, visit North Dakota's LifeSmarts website at [www.ag.state.nd.us/CPAT/LifeSmarts.htm](http://www.ag.state.nd.us/CPAT/LifeSmarts.htm). You also can send an e-mail to Mork at [jmork@nd.gov](mailto:jmork@nd.gov).

## Resources for You

### Debit and ATM Cards: Using Them Wisely

The way we pay for things is changing from paper (cash and checks) to plastic (credit cards and debit cards). Recently, debit cards have become the preferred form of payment by American consumers who use plastic for in-store purchases. Debit card transactions, which make an immediate transfer of funds from an account, such as a checking or savings account, may be more convenient than carrying cash, writing a check or paying a charge bill later.

For more information, see the NDSU publication at:

[www.ag.ndsu.edu/pubs/yf/fammgmt/fe1403.pdf](http://www.ag.ndsu.edu/pubs/yf/fammgmt/fe1403.pdf)

### Educational Savings Placemats From Montana State

Available at [www.montana.edu/wwwextec/savingsplacemats.html](http://www.montana.edu/wwwextec/savingsplacemats.html)

- **Saving and Investing for Kids**  
(Updated January 2010)
- **Retirement ... Plan For It!**  
(Updated January 2010)
- **Financial \$marts for Teens**  
(Updated January 2010)
- **Choose to Save For Your Future**  
(Updated January 2010)
- **PowerPay: Helping Debtors Become Savers**  
(New March 2010)