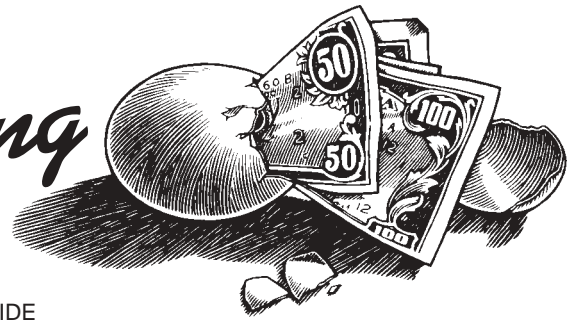


# High School Financial Planning Program



STATEWIDE  
NEWSBITS

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## Don't Forget The High School Financial Planning Program

In 1993, U.S. teens had a total income of \$86 billion. The average teen spent \$3,180 in 1993. Thirty-five percent of the teen population make purchases using either their parents' or their own credit cards.

Surveys show that most high school students are ill-informed about credit, savings, budgeting and other important life skills involving personal finance.

The Extension Service – U.S. Department of Agriculture in cooperation with the National Endowment for Financial Education (NEFE) in Denver, Colorado has developed a program to help teens learn the basics of personal financial management. The goal of the High School Financial Planning Program is to enhance the financial literacy of America's teens.

*For information on how to implement this program in your school or community, contact Debb Pankow, NDSU Family Economics Specialist, (701) 231-8593 or [dpankow@ndsuxext.nodak.edu](mailto:dpankow@ndsuxext.nodak.edu).*

The HSFPF covers such topics as:

*Understanding the financial  
planning process*

*Managing income and credit*

*Owning and protecting assets*

*Saving to achieve financial goals*

*Taking control of your own financial plan*

Free materials include a comprehensive instructor's manual and an extensive student workbook. The instructor's manual has information for each program unit, including a classroom preparation worksheet, teaching outline, overview, student handouts, learning activities, quizzes and exams. Each student is provided with all the necessary materials through a workbook.

## New Videotapes Available to Borrow

*To borrow, contact Debb Pankow,  
701-231-8593.*

### For Teens:

#### **Why Ads Work: The Power of Self Deception**

23 Minute Videotape,  
Learning Seed, 1996.

Close captioned videotape includes a reproducible study guide. Features analysis of sample ads that may be deceiving.

#### **Your Consumer Rights**

19 Minute Videotape,  
Learning Seed, 1996.

Live action tape and reproducible study guide (including quiz). Young adults learn about consumer rights through the experiences of actors in a theater workshop. Examples include telemarketing, a bike, a car and other consumer purchases along with how to handle complaints. Introduces consumer resources on the Internet.

#### **Buy Now\* \*pay later – Credit Basics**

23 Minute Videotape,  
Learning Seed, 1996.

Reproducible teaching guide with worksheets (debt worksheet, credit report). Uses the experiences of a young couple shopping for and using credit, being denied credit and cleaning up a credit record.

## Free Resource Available

### CreditReady? Five Essential Lessons Before Starting to Use Credit

American Express Company provides this material which is aimed at a young adult audience. A series of videoclips, lesson outlines, worksheets, posters and activities are all part of the package. They are available without charge by sending a written request to: American Express, Attention: Pat Faley, 801 Pennsylvania Avenue NW, Suite 650, Washington, DC 20004.



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This publication will be made available in alternative formats for people with disabilities upon request, 701/231-7881.

### So you Want to Move Out?

16 Minute Videotape, Creative Educational Video, 1995(?).

Includes a teaching guide with reproducible activity sheets. A graduating high school senior learns how to budget for her first apartment.

## Any Bright Ideas?

If you have a successful consumer education or personal finance program in your school, I would love to highlight your story in a future issue of Newsbits. Please call, write, email or fax (231-8568) c/o Debb Pankow.

## Teaching Tip

### Why Teens Spend So Much Money on Clothes

Why do teens spend so much money on clothes? All of us have emotional needs, and these are often reflected in our spending patterns. For teens, belonging to a group is an important emotional need for their developmental stage.

Clothes are a way to show others (and yourself) that you belong. Too often, though, the need to belong leads to overspending on clothes and can even create serious debt problems.

To help teens control spending on clothes, we need to help them understand their spending motives. To do this, ask students to inventory their wardrobe and recall why they bought different pieces of clothing. Did it make them feel like they belonged? Were they better liked by others because of the purchase? Were they happy?

If students can't remember how they felt at the time of purchase, ask them how wearing a particular item of clothing makes them feel today. In this way, teens can begin to see the relationship between emotions and money.

For another learning activity, have students keep a journal of all their purchases for a selected period of time, write down their feelings or emotions at the time of purchase, and explore the relationship between money and their emotions. Use this as a springboard for class discussion.

*Source: Arizona Cooperative Extension HSFPF Newsletter, Fall 1995.*

## Another Teaching Tip

### The True Costs of Credit

More and more, high school and college students are being targeted by credit card companies. Research shows that people generally keep and use and become loyal to the first credit card they receive. They may use other cards, but they typically continue to use the first one they received. Potential profits for credit card companies are therefore quite high.

Usually, students can qualify on their own for a credit card with a limit of \$500 to \$1000. This is enough to get them charging, but not much of a loss to the creditor if the student doesn't pay. Most young people can handle this line of credit with some credit education, but a problem develops when they acquire and use more than one card.

Credit education in high schools is needed now more than ever. Students need to understand the basics of annual percentage rates, grace periods, and the minimum payment trap. They need to understand that how they use credit cards is related to whether they choose one with low interest rates or no/low annual fee.

Many credit card companies offer "deals" that seem very enticing – for example, with super-low interest rates, rebates or frequent flier miles. Personal finance magazines such as **Kiplinger's Personal Finance**, **Consumer Reports**, and **Money** have periodic reports about these types of credit cards. Teachers can develop a resource file from such articles and include credit card offers they receive in the mail. Students could use such a resource file to analyze card "deals" and learn how to shop for their own credit cards.

In addition, NDSU Extension Service has a publication called "Credit-Using it Wisely" which is available free of charge at your local county extension office.

*Source: Montana State University, High School Financial Planning Program Newsletter, October 1995.*

## Scholarship Searches – to Pay or Not to Pay

A common sight in most guidance offices is the fliers and posters advertising scholarship searches. The advertisements guarantee results and give an 800 number for students to call.

Once students call, however, they find the search will cost them. Scholarship search companies' fees run from \$25 to \$179, but they guarantee the students' money back if the students don't get results.

The drawback: the student must personally contact each scholarship and grant source, and to receive a refund must prove he or she was ineligible for every source given by the company.

Generally, written rejection letters are required to prove all sources were contacted, and since many firms don't send out written rejection letters, the student will probably find it difficult if not impossible to receive a refund.

While some students do have success using a scholarship search company, most can find the same information, and receive it for free, simply by contacting college financial aid offices or the library.

A free scholarship search can also be done on the World Wide Web by contacting <http://web.studentservices.com> and going to the Loci money-finder site. The searcher sets up a personal profile and electronic mailbox, and within 15 minutes information matching the profile will be deposited in the mailbox. The information is updated daily, and if new sources are found they are added. The program also includes form letters you can print out to send directly to the scholarship for more information.

We have been testing this program in our office and find it a very useful source of scholarship information for students in high school through college.

*Source: Kiplinger's Personal Finance Magazine; North Dakota Attorney General Heidi Heitkamp, and Debra Pankow, NDSU Extension Service Family Economics Specialist.*