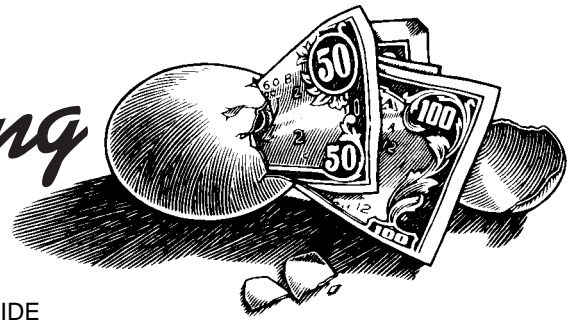


# High School Financial Planning Program

STATEWIDE  
NEWSBITS



Fall 2000



## Welcome Back!!

If you are currently using the High School Financial Planning Program (HSFPP) in your teaching, you can feel confident that you are providing an excellent opportunity for youth to increase their financial knowhow. The High School Financial Planning Program has been proven effective in increasing the knowledge, behavior and self confidence of youth across the nation.

What the research indicates is that teachers using the High School Financial Planning program can make a difference in the financial futures of young people. Through HSFPP, students are taught the principles of goal-setting, record-keeping, income enhancement, the habit of saving, wise use of credit, risk protection and investing early for sound lifelong financial management practices.

Think about all the things you have learned about financial management over the years. Would you have

handled your finances differently had you taken a course such as HSFPP? What do you want your students to know about financial management before they graduate?

HSFPP can help you provide your students with experiences for becoming a good financial manager that you may not have had in your teen years. Use the High School Financial Planning Program in your classroom or with your youth group. Included with this newsletter is a revised list of resources available to help you teach they HSFPP, and information on incentives, new resources and ideas to help you make this the best year ever!!

Have a great year!

Debb Pankow  
Family Economics Specialist



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# Teaching HSFPP Enhancement Ideas

The following are some suggestions for enhancing the learning of financial planning principles taught in each of the learning units.

## Unit 1 What in the World is Financial Planning?

### **Want-Need Continuum.**

Prepare a list of items that teenagers are likely to buy (use popular name brands when appropriate). Ask students to clear a long aisle in the classroom for them to easily walk through. With masking tape or string, make a midpoint on the imaginary line that will serve as a continuum. Indicate to the teens which end represents “wants” with the opposite end representing “needs.” As you call out an item, instruct them to walk to a position on the “want” and/or “need” end. After naming two or three items, discuss the definitions of wants and needs and talk about the effect of peer pressure on spending habits. Ask them to suggest a couple of items for assessment on the continuum.

## Unit 2 How To Make Your Dreams a Reality

### **Career Impact on Income.**

Place the amount of paper money corresponding to the different occupations (see page 30 of the HSFPP student workbook) in envelopes marked with the occupation title. You may need to make one person the “banker” with funds

for making change. Deal only in whole dollars to simplify transactions. Set up an officer to collect payroll deductions as a percentage of income.

Cut out pictures that represent different levels of purchases (i.e., sports car, family car, used car) and mount on poster board labeled with the cost of each selection in whole dollars. Do the same for housing (rent versus home purchase, including utilities), clothes (dry clean only and washable), furniture (used or new), food (dining out, cook at home, heavy or light on convenience foods), entertainment (Direct TV, cable with and without all the movie channels, video rentals or movies in theaters), include expenditures for personal items such as toiletries, haircuts, hobbies, and such.

You can include a credit line for a loan from the “banker.” If appropriate, have them work as couples to make the decisions as to how they will spend their earnings. You may have them do this for three or more rounds of credit and expenditures and then have them report their satisfaction/ dissatisfaction with the choices they have made.

## Unit 3 Your Road Map to Success

### **Ball/Budgeting Analogy.**

Purchase five soft Nerf-like balls of different colors (four small and one large) and five plastic cups to balance the balls on at the end of the ball passing activity. Place the balls in an opaque bag; make sure there is room to form a circle in the

classroom. Ask for six to 10 volunteers to form a circle and hand a small ball to any individual in the circle. Instruct them that they are to slowly toss the ball back and forth across the circle. After all have touched the first ball, quickly place the next ball in the hand of the same starter, repeat until all balls are in motion. When it becomes chaotic, ask all participants to hold the balls and give them some new rules for passing the balls...for example, holding the ball in the right hand ready to pass with the palm of their left hand up ready to receive. Tell them to pass their ball to the right when you say, “PASS.”

After all balls are moving smoothly around the circle, ask them to place the balls on the cups lined up on the front table. Ask them to describe the balls they see and then ask them to use the balls to describe financial management principles . . . that is, what do the balls represent? Any response related to financial management is acceptable, but probe them to think it through. Have them note the difference in the first way of passing the balls and the second way of passing the balls (first month of bill payment versus one who is suffering from over-commitment of income, causing them to juggle finances to meet bills; having a plan for income and spending). As a final note, suggest that the big ball can become an emergency savings account (3 to 6 month’s expenses) to enable them to keep on track with their financial goals.

# Money Sense for Teens

*You must be registered for the HSFPP to participate in this offer!*

## SERIES OF FOUR NEWSLETTERS TARGETED AT HIGH SCHOOL STUDENTS

**FREE!!!** to teachers/financial professionals who register a class for the High School Financial Planning Program  
**AND . . .**

**Participants who fill out an evaluation of the HSFPP will be eligible for a prize drawing each semester . . .  
one U.S. Savings Bond to the lucky student and a subscription to Young Money for their teacher!**

**To reserve your copies, return this form to: NDSU Extension CDFS, 277 EML, Fargo, ND 58105.**

Name of Teacher or Financial Professional \_\_\_\_\_

School Address \_\_\_\_\_

Number of Students in Class \_\_\_\_\_ Date Needed By \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

*You must be registered for the HSFPP to participate in this offer!*

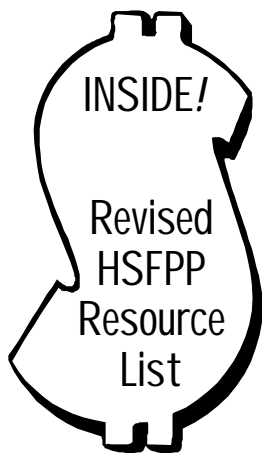
## Unit 4 Don't Get Caught in the Credit Trap

**Credit Card Selection Exercises.** Use large cards with current options for five credit card terms: annual fee, grace period, credit limit, method of computation, and annual percentage interest rate. Ask five volunteers to take all the cards of the same color and arrange the options by placing the best option on the top, ranking them down to the least desirable option on the bottom. Using overhead lists of the options for each credit card term, solicit class participation as you sort

out the basic definition of each term. Have volunteers share their reasons for their ordering of options. Discuss how the use of a credit card (paying the balance in full each month versus carrying a balance) affects the selection of each option.

Collect credit card offers received in the mail and destroy the legibility of personal names, addresses and any assigned numbers. In the credit card offer, find a rectangular box (known as the Schumer Box) which spells out the terms of agreement for using this card.

Arrange the offers in packets with one of the credit card terms mentioned above and distribute them to students working in small groups. Instruct them to find the different options for that term. Then have them select the best offer for the way they would use their credit card. Share the options with others in the class. Talk about the average number of credit cards owned by American families (see <http://www.bankrate.com>). This could lead into a discussion of debit cards, check guarantee cards, ATM cards and a combination of these cards.



## Unit 5 Is Your Safety Net in Place?

**“Auto Insurance — The Law of Large Numbers.”** Show the video “Choice, Chance and Control: That’s Life” which features Kramer from the popular Seinfeld television series as narrator. The video is produced by the Insurance Education Foundation, Inc./ 3601 Vincennes Road/ P.O. Box 68700/ Indianapolis, IN 46209-6872. Order your own copy using your school letterhead or online at <http://www.ubs-ed-fdn.org>, or borrow the copy housed in the state Extension specialist’s office at Utah State University.

## Unit 6 Time’s On Your Side

Give each student \$10,000 to invest in different types of investment instruments with the option to buy, sell or hold for each of 10 rounds. Determine how much each person gained or lost; share strategies of the winners (see “Be Money Wise” by Colorado State University).

## Unit 7 You Are In Control

Pull together worksheets from your personal financial future — always be sure YOU are in control of your money.

*Source: South Dakota Vocational Teachers Conference, Sioux Falls, SD, August 2, 1999.*