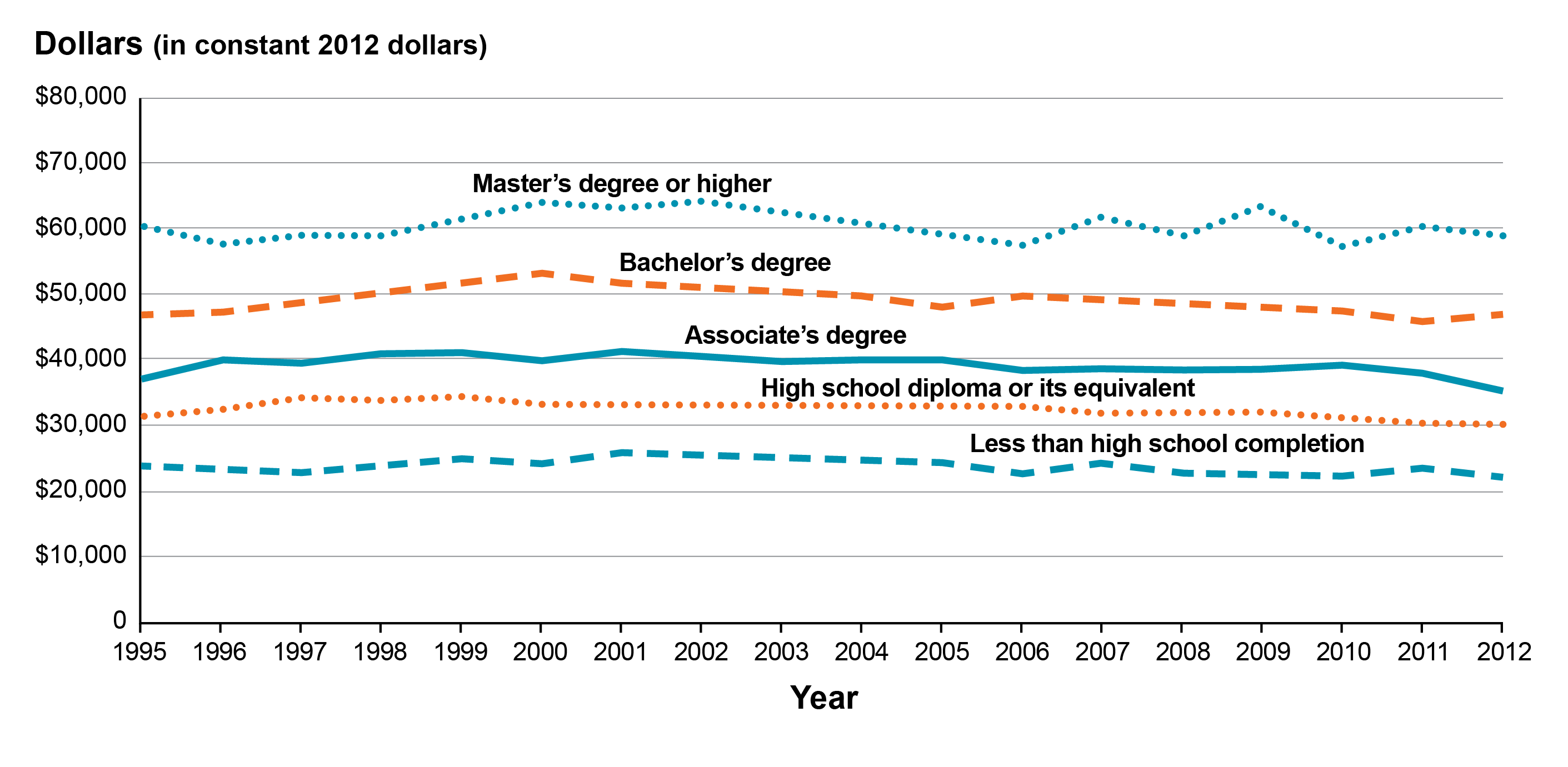
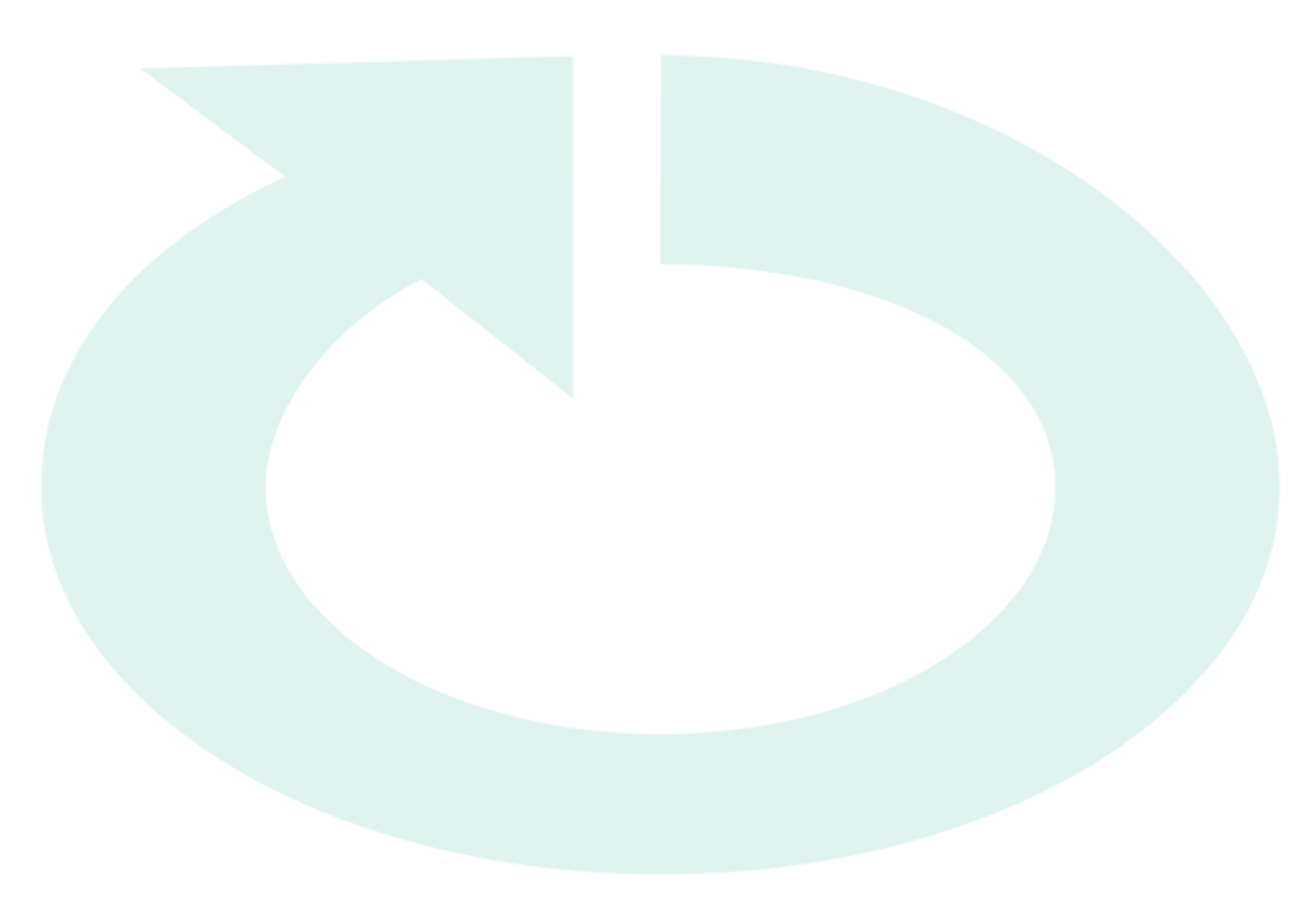
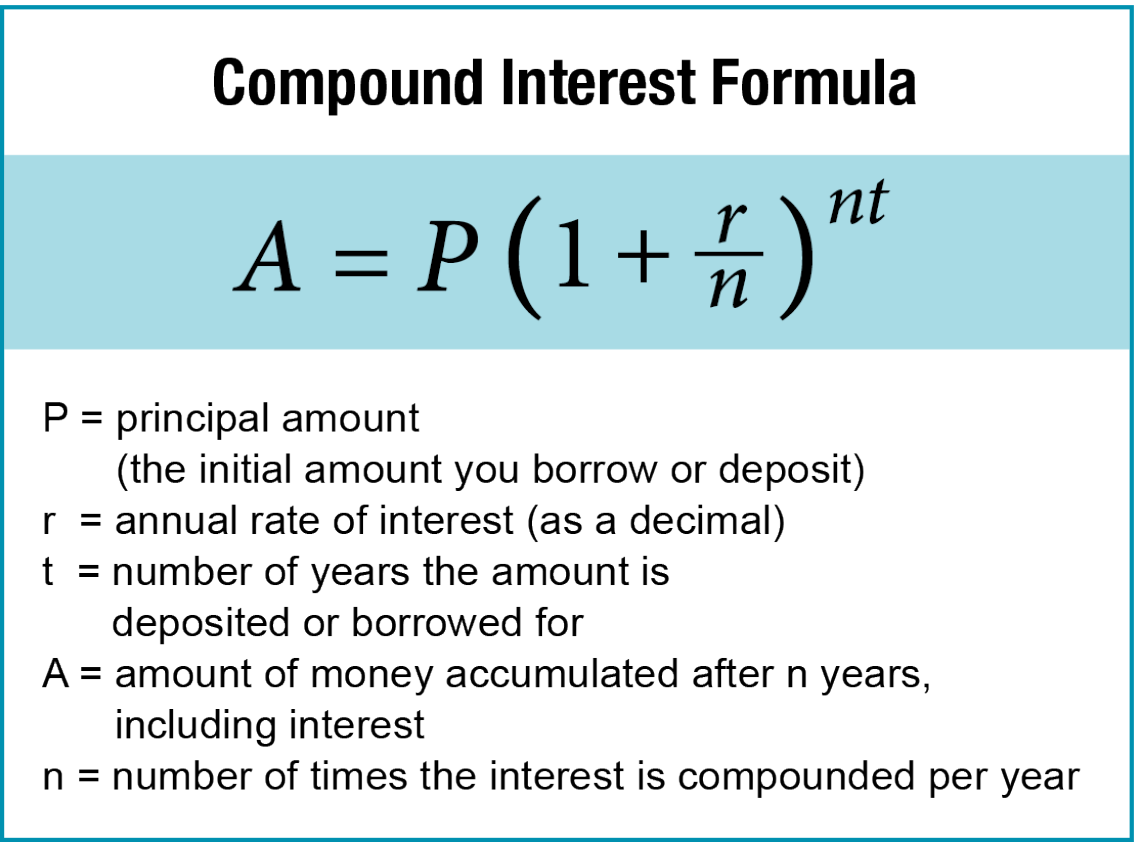
Description: MoneySmartLogoDescription: FDICLogoWtext282Government BuildingPerson handed paycheck graduationstock marketCharitable givingFamily of 4gaming setupMansionbeach_no_moneyOld Man Armchairgaming setupHousecargraduationstock marketbeach_no_moneyCharitable givingMansionCereal boxYogurtApplePizzaHousecarConstruction Worker - Paid_revstock marketArrowCircleCereal box mangaming setupTeddy BearPizza

Teacher

Presentation Slides

for use with Educator Guide

for Grades 6–8

Source: <http://nces.ed.gov/fastfacts/display.asp?id=77>

lesson 1: The Path to Success

degrees matter

lesson 2: bread and butter

explaining taxes

|  |  |  |
| --- | --- | --- |
| My First Job | My Second Job | My Third Job |
| Level of Education:  *Bachelor’s degree*  Job Experience:  *First month on the job*  Salary:  *$40,000 annually* | Level of Education:  *Master’s degree*  Job Experience:  *Five years on the job*  Salary:  *$76,000 annually* | Level of Education:  *Master’s degree plus an Advanced Certificate*  Job Experience:  *20 years on the job*  Salary:  *$122,000 annually* |

lesson 2: bread and butter

Income and Taxes

Source: http://www.irs.gov/irb/2013-47\_IRB/ar11.html

lesson 2: bread and butter

|  |  |
| --- | --- |
| If Taxable Income Is: | The Tax Is: |
| Not over **$9,075** | 10% of the taxable income |
| Over **$9,075** but not over **$36,900** | **$907.50** plus15%of the excess over **$9,075** |
| Over **$36,900** but not over **$89,350** | **$5,081.25** plus25%of the excess over **$36,900** |
| Over **$89,350** but not over **$186,350** | **$18,193.75** plus28%of the excess over **$89,350** |
| Over **$186,350** but not over **$405,100** | **$45,353.75** plus33% of the excess over **$186,350** |
| Over **$405,100** but not over **$406,750** | **$117,541.25** plus 35% of the excess over **$405,100** |
| Over **$406,750** | **$118,118.75** plus 39.6% of the excess over **$406,750** |

tax bracket for 2014

Based on: <http://www.ag.ndsu.edu/pubs/yf/fammgmt/fs591.pdf>

lesson 3: designing dreams

|  |
| --- |
| Education |
| Retirement |
| Investment |
| Travel |

|  |
| --- |
| Charitable Giving |
| Family |
| Entertainment |
| Lifestyle |

financial values Sample

|  |
| --- |
| Buying my mom a car. |
| Donating money and volunteering time every holiday season. |
| Buying a home. |
| Saving enough money to live a comfortable life. |
| Buying a gaming system. |
| Making money by investing in a company’s stock. |
| Paying for part of my college tuition. |
| Visiting my relatives in California. |

lesson 3: designing dreams

financial goals Sample

lesson 4: being a savvy shopper

cereal advertisement

lesson 5: go with the flow

What is Cash Flow?

lesson 6: super savers

Group 1:

Your parents have just informed you that, if you want a car, you’ll have to pay for it yourself. You’re 14, and right now you get a small allowance, but you plan to get a job as soon as you can. In the meantime, you want to make sure that you save money so that you’ll be able to buy your car.

Group 2:

The school dance is just two weeks away. The cost is $20. All of your friends are going, but you’re not sure you’ll have enough extra money for a ticket. You have two babysitting jobs lined up for the next two weeks, but that leaves you a few dollars short of purchasing a $20 ticket.

Group 3:

You’ve achieved your goal of getting a full scholarship to the college of your dreams. The only problem is that the scholarship will not cover the cost of textbooks, which you estimate will run you about $500 for the first semester. You have the summer to save money, and you have a summer job.

Group 4:

You like to look very put-together for the start of the new school year. This year, you’re on your own. No one is paying for any of your back-to-school clothes. It’s the summer, and you have a few bucks stashed away in your room, plus a couple of jobs lined up mowing neighbors’ lawns for money.

Scenarios

|  |
| --- |
| Cut Back  **Cut back on your spending. Think about the things you need versus the things you want. What can you afford to cut back on and still live a comfortable lifestyle?** |

lesson 6: super savers

|  |
| --- |
| Open a Savings Account  **Opening a savings account helps you save money. Putting  money into a savings account not only sets money aside so that you won’t spend it, but it also gains interest slowly but surely.** |

**OPTION 3**

**OPTION 2**

**OPTION 1**

|  |
| --- |
| Create New Habits  **Sometimes, developing new habits can help you save money. Are you willing to change some  of your habits in order  to save money?** |

|  |
| --- |
| Go Cheaper  **Of the things that you purchase, are they the least expensive brands?  Are you willing to swap brand names with  generic brands?** |

savings options

lesson 7: how to stash your cash

Principal:An amount of money originally invested, excluding any interest or dividends

Interest:Earnings from lending money

Compounding:Calculating interest on both principal and previously earned interest

You have placed $2,000 (called the principal) into a savings account. Your bank offers   
a generous interest rate of 5%, compounded annually. Using the table below, determine   
how much money your $2,000 would increase to in five years.

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Balance | Interest | Total |
| **1** | **$2,000** | **$100** | **$2,100** |
| **2** | **$2,100** |  |  |
| **3** |  |  |  |
| **4** |  |  |  |
| **5** |  |  |  |

Understanding Compound   
Interest Warm Up

|  |  |
| --- | --- |
| Stock | Mutual Funds |
| * **Investment in a company** * **Shares of ownership in a company** * **Value of investment based on  company performance** | * **Investments in several areas (companies, bonds, etc.)** * **Diversified** |

**Note:** These are two types of investments that are not federally insured.

Investors pool their money with a Registered Mutual Fund

Returns are passed to the investors

MUTUAL

FUND

Mutual Fund — Fund Manager invests this amount with securities

Returns on the pooled investments

What are examples of how I can invest money?

lesson 8: money doesn’t grow on trees

Investment Vehicles

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Yum! Brands (YUM)  Yum! Brands owns such popular chains as Taco Bell, KFC, and Pizza Hut.  At $73 per share, it sells  for 20 times projected earnings, while yielding 2%. The company is expected to increase profits over the next 3–5 years.  **Stock symbol:** YUM  **Today’s share price:** $73 |  | Target (TGT)  Target has 1,797 stores in the United States that sell everything from baby cribs to bananas. This retailer is expected to increase profits at an 11% pace in coming years. Shares are $62 each as of December 2013.  **Stock symbol:** TGT  **Today’s share price:** $62 |  | Walt Disney (DIS)  Walt Disney owns several business interests: animated films, theme parks, and  the sports network ESPN, among others. At $71  a share, it is expected  to increase profits at a  15% pace for the next several years.  **Stock symbol:** DIS  **Today’s share price:** $71 |

Share prices from 12/17/2013

Source: <http://www.kiplinger.com/slideshow/investing/T052-S003-17-stocks-your-kids-will-love/>

lesson 8: money doesn’t grow on trees

case study: three stocks