

Better Money Habits

A collaborative effort of the Bank of America Foundation,
the Council for Economic Education and the
Oklahoma Council on Economic Education



COUNCIL FOR
**Economic
Education**



Presenters

Carrie Hixon, Mustang High School
Lori Goodbary, Cheyenne Middle School

Project Overview

Better Money Habits

- Review Bank of America's free online video series, Better Money Habits (www.bettermoneyhabits.com)
- Create lessons to incorporate videos into Financial Fitness for Life (6-8 and 9-12)
- Correlate lessons with CEE's national personal finance standards
- Create a workshop facilitator's guide

Project Director

Sue Lynn Sasser, PhD -- University of Central Oklahoma

Project Co-Coordinator

Amy Lee – OCEE

Project Co-Coordinator

Christopher Caltabiano -- CEE

Master Teachers Team

Sally Clickner -- Garber Public Schools

Andrea Douglas -- OCEE

Lori Kennedy-Goodbary -- Edmond Public Schools

Lee Hartman -- Victory Christian School, Tulsa

Carrie Hixon -- Mustang Public Schools

Jeff McNeill -- Broken Arrow Public Schools

Brent Rempe -- WEOKIE Credit Union

Financial Fitness for Life Lessons, Grades 6-8

<i>Lesson Title</i>	<i>Primary Lesson</i>	<i>Additional Lesson(s)</i>	<i>Video(s) Used</i>
Meeting Financial Goals	<u>Lesson 2</u> Making Decisions		Saving for a Large Purchase
Building a Better Budget	<u>Lesson 7</u> Managing Cash		How to Set a Budget and Stick with It
Checking Out Checking Accounts	<u>Lesson 8</u> Choosing and Using a Checking Account		Your Bank Account: 10 Questions to Ask
Setting Goals	<u>Lesson 10</u> Why Save?		Create a Safety Net for Life's Unexpected Events
Debit Cards vs Credit Cards	<u>Lesson 15</u> Cash or Credit		Credit and Debit: Two Very Different Cards
Establishing Credit	<u>Lesson 16</u> Establishing Credit		How to Build Credit from Scratch; Building Credit and Keeping It Healthy
What Car Should I Buy?	<u>Lesson 17</u> Comparison Shopping	<u>Lesson 1</u> Decision Making	Comparing the Cost of New and Used Cars
How Does Your Family Save Money?	<u>Lesson 17</u> Comparison Shopping		Easy Ways to Save on Everyday Expenses

Financial Fitness for Life Lessons, Grades 9-12

<i>Lesson Title</i>	<i>Primary Lesson</i>	<i>Additional Lesson(s)</i>	<i>Video(s) Used</i>
Getting Out of Debt	<u>Lesson 8</u> Managing Your Money	<u>Lesson 3</u> Decision Making <u>Lesson 11</u> What is Credit? <u>Lesson 12</u> Making Credit Choices	Steps to Help You Get Out of Debt
Renting a Place to Live	<u>Lesson 8</u> Managing Your Money		The True Cost of Renting a Place to Live
A Moving Experience: How Much Does it Cost?	<u>Lesson 8</u> Managing Your Money		The True Cost of Moving to a New Place
The Basics of Saving and Budgeting	<u>Theme 3</u> Money Management, Lessons 8-10		Steps to Better Money Habits
Budgeting Basics	<u>Theme 3</u> Money Management, Lessons 8-10	<u>Lesson 3</u> Decision Making	How to Set a Budget and Stick to It
Building Good Credit Scores	<u>Lesson 11</u> What is Credit?	<u>Lesson 13</u> Applying for Credit	Does Carrying a Balance on Your Credit Card Hurt Your Credit Score?

Financial Fitness for Life Lessons, Grades 9-12

<i>Lesson Title</i>	<i>Primary Lesson</i>	<i>Additional Lesson(s)</i>	<i>Video(s) Used</i>
Credit Reports and Credit Scores	<u>Lesson 13</u> Applying for Credit		What's the Difference Between a Credit Report and a Credit Score?
Buying a Home	<u>Lesson 16</u> Shopping for a Mortgage	<u>Lesson 3</u> Decision Making	Is Buying a Home Right for You?
Owning a Car	<u>Lesson 18</u> Financing a Car		The True Cost of a Car
Creating a Financial Safety Net	<u>Lesson 20</u> The Benefits and Opportunity Costs of Spending and Saving		Create a Safety Net for Life's Unexpected Events

Better Money Habits

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Featured lessons

VIEW ALL

How Does Your Family Save?

By Andrea Douglas

GRADES: 6-8

What Car Should I Buy?

By Sue Lynn Sasser

GRADES: 6-8

Establishing Credit

By Lori Goodbary

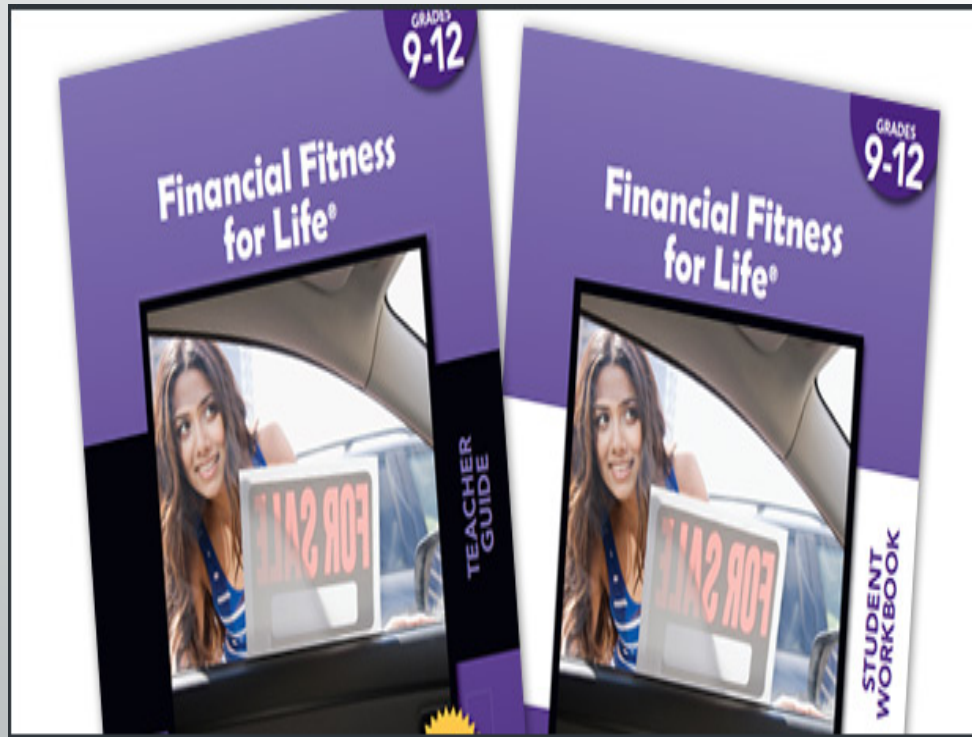
GRADES: 6-8



High School: Renting a Place to Live

Better Money Habits: High School

Classroom Resources



LESSON 8

Managing Your Money

LESSON DESCRIPTION AND BACKGROUND

This lesson introduces some basics of money management. By means of a radio call-in show script, students learn about setting up a family budget and distinguishing between income and net worth. To practice making budgeting decisions, the students make budgeting recommendations for a young family.

Lesson 8 correlates with national standards for economics and personal finance as shown in Tables 1-2 in the introductory section of the publication.

ECONOMIC AND PERSONAL FINANCE CONCEPTS

- Budget
- Disposable income
- Fixed expense
- Net worth
- Variable expense

OBJECTIVES

At the end of this lesson, the student will be able to:

- Identify and explain the meaning of key terms such as **disposable income**, **family budget**, **variable expense**, **fixed expense**, **occasional expense**, and **net worth**
- Identify the elements of a typical monthly family budget including income, expenses, and savings.
- Make spending recommendations for a fictional young family, taking account of the costs and benefits involved.

TIME REQUIRED

Two 45-minute class periods

MATERIALS

- A copy for each student of **Theme 3 Introduction** from the *Student Workbook*
- Five copies of **Exercise 8.1** from the *Student Workbook*
- A copy for each student of **Exercise 8.2A**, **8.2B**, and **8.3** from the *Student Workbook*

ADDITIONAL RESOURCES

To download visuals, find related lessons, correlations to state standards, interactives, and more visit <http://ffll.councilforeconed.org/9-12/lesson8>.

PROCEDURE

1. Explain that the purpose of this lesson is to help the students understand some key aspects of planning their financial future. Stress the idea that decisions about how to use income are similar to other decisions. There are advantages and disadvantages to various choices. Remind the students that financial sacrifices can be difficult to make when the costs must be paid in the present and most of the benefits occur in the future.
2. Distribute a copy of **Theme 3 Introduction** from the *Student Workbook*. Ask the students to read the section to become acquainted with the concepts presented in this theme.
3. Ask for five students to volunteer to participate in a call-in show activity. Distribute a copy of **Exercise 8.1** from the *Student Workbook* to each of these students. Determine which of the volunteers will play the roles of Budget Bob, Dr. Penny Saver, Connie from Connecticut, Calvin from California, and Minnie from Minnesota. Have the students read the script in front of the class. When they have read the script, thank them for participating in the activity and ask the class the questions that appear at the end of the script. Discuss the answers with the class.



Lesson Objectives

- Explain the costs associated with renting
- Describe the 30% rule for housing costs

Have You...

- considered finding a place of your own?
- thought about what kinds of housing you would want?
- any understanding of the costs of renting in our area?

[Handout 2.1](#)

[How much rent can you afford from Better Money Habits](#)

BETTER MONEY HABITS HIGH SCHOOL LESSON:

HANDOUT 2.1 – RENTING A PLACE

Answer the following questions based on the information presented in the video Better Money Habits: The True Cost of Renting a Place (www.bettermoneyhabits.com).

1. What are three factors to consider when looking for a place to live?

2. What is the 30 percent rule?

3. What expenses should you expect to pay when renting a place to live?

4. What options could you consider to reduce your monthly expenses when renting?

Costs Associated With Finding a Place to Live

- Factors to Consider:
 - How close to work, family, friends
 - How much space is needed
 - Living alone or with roommates

Costs Associated With Finding a Place to Live

- The 30% Rule: Take 30% of your GROSS income and allocate that to your general housing expenses, including:
 - Utilities
 - Insurance
 - Other costs associated with a place to live

Costs Associated With Finding a Place to Live

- Expenses you should expect to pay when renting
 - Monthly rent
 - Utilities (electric, gas, oil/fuel, water/sewer, garbage/trash)
 - Renter's insurance
 - Other (cable, internet, HOA fees)

Costs Associated With Finding a Place to Live

- Options to consider to reduce monthly expenses:
 - Find a roommate
 - Find smaller place
 - ???

BETTER MONEY HABITS HIGH SCHOOL LESSON:

HANDOUT 2.2 - RENTING A PLACE PROJECT

Using the information provided by your teacher, your assignment is to find a place to live in your community. You will need to compare two rentals (either a house or an apartment) and determine which option is best for you. For this assignment, you will only consider the monthly expenses listed below.

Assigned Monthly Income _____

Option 1

Location _____

Circle which is appropriate: House Apartment Other

Monthly Rent \$ _____

Total Utilities \$ _____ Electric, gas, oil/other fuels, water/sewer

Renter's Insurance \$ _____

Other costs \$ _____

Total costs \$ _____ Does this meet the 30 percent rule? _____

Option 2

Location _____

Circle which is appropriate: House Apartment Other

Monthly Rent \$ _____

Total Utilities \$ _____ Electric, gas, oil/other fuels, water/sewer

Renter's Insurance \$ _____

Other costs \$ _____

Total costs \$ _____ Does this meet the 30 percent rule? _____

Which option is best for you? _____










Handout 2.2

- Choose a number between one and four and write it on your handout.
- If you chose:
 - 1. You make: \$53,000/year. (Avg. salary in OKC)
 - 2. You make: \$45,000/ year. (Avg. salary in Edmond)
 - 3. You make: \$35,000/year. (first year teacher)
 - 4. You make: \$10/hour. Assume you work 40 hours a week for 51 weeks/year.

LEVEL Urban Apartments

123 NE 2nd Street, Oklahoma City, OK 73104
 Neighborhoods: [Bricktown](#), [Deep Deuce](#), [Flatiron District](#), [Downtown](#)

Floor Plans & Pricing

Style	Beds	Ba	1/2 Ba	Sq. Ft.	Rent	Term	Deposit
 Apartment	1	1		611	From \$980	Per Month	\$300
 Apartment	1	1		651	From \$880	Per Month	\$300
 Apartment	1	1		768	From \$1040	Per Month	\$300
 Apartment	2	2		950	From \$1360	Per Month	\$400
 Apartment	2	2		1004	From \$1335	Per Month	\$400
 Apartment	2	2		1049	From \$1340	Per Month	\$400
 Apartment	2	2		1051	From \$1360	Per Month	\$400
 Apartment	2	2		1093	From \$1410	Per Month	\$400
 Apartment	2	2		1093	From \$2140	Per Month	\$400

Apartment Features	Community Features	Special Features	Additional Features
<ul style="list-style-type: none"> Air Conditioning Alarm Balcony Cable Ready Ceiling Fan(s) Dishwasher Microwave New/Renovated Interior Smoke Free View Washer & Dryer In Unit 	<ul style="list-style-type: none"> Accepts Credit Card Payments Accepts Electronic Payments Clubhouse Covered Parking Emergency Maintenance Extra Storage Fitness Center Garage Gated Access Green Community High Speed Internet Access Public Transportation Swimming Pool Wireless Internet Access Pet Friendly Luxury Community 	<ul style="list-style-type: none"> Disability Access Furnished Available Pets 	<ul style="list-style-type: none"> Native Roots on-site grocery store Gated interior parking garage Oversized windows Granite countertops Spacious private balconies/terraces Resident swimming pool Resident fitness center Two courtyards Full-size washer/dryer Secure access community On-site bar and grill Pet-friendly Open floorplans Accessible to all Downtown districts Resident bike storage room Social venue for events Recycling bins Personal storage Cox digital services available Major appliances included



Location: [View Map](#)
 2004 S. Mustang Road
 Yukon, OK 73099
 Phone: (405) 577-5151
 Fax: (405) 577-5424

Directions:

From Hwy I-40, take Exit 138 to Mustang Road. Travel South on Mustang Road for 1.5 miles. The Links entrance will be on the left. From Hwy 152, go North on S. Mustang Road. The Links is located on the right just before SW 15th Street.

apartment features

built on beautiful 9-hole regulation golf course
 spacious 1 & 2 bedroom floorplans
 furnished apartments available
 golf course views available
 private balconies (select units)
 9 foot or 11 foot vaulted ceilings
 full size washer/dryer
 full-size kitchen appliances
 frost-free refrigerator w/ice maker
 dishwasher
 disposal
 microwave
 central heat & air
 energy efficient construction for lower utilities
 high speed internet service available
 built-in shelving in bedrooms (select units)
 built-in shelving in closets
 carpeted bedroom & living areas
 ceiling fans
 mini-blinds
 walk-in closets (select units)
 units accessible to persons w/disabilities available

community features

courtesy office on staff
 unlimited golf for residents
 10,000+ sq. ft. two-story colonial clubhouse
 clubhouse w/clubroom incl. fireplace & big screen tv
 golf shop for clothing and equipment
 state-of-the-art fitness center w/cardio & weight training equipment
 tanning beds
 business center w/computer, fax, & copy machine
 activity room w/billiards, table tennis & more
 resort-style swimming pool & sundeck
 poolside cabana & changing rooms
 whirlpool/spa
 playground
 lakes/ponds w/courtyards
 convenient to shopping & retail areas

bedrooms	baths	starting rates	sq. ft.	deposit	floorplan style
2	2	\$855	1,093	\$250	custom deluxe III
2	1	\$745	899	\$250	classic deluxe II
1	1	\$705	665	\$250	custom deluxe III
1	1	\$635	544	\$250	classic deluxe II

floorplans



classic deluxe II



Handout 2.2

- As you came in, you picked up a handout for an apartment or house for rent. Use this information to complete part one of Handout 2.2.
- Switch handouts with the person next to you and complete part two of Handout 2.2.

Handout 2.2

	1 BR apartment	2BR apartment	3BR house
Utilities/mo	\$110	\$175	\$ 250
Renter's Insurance/mo	\$10	\$15	\$25

Utilities include: electricity, heating, water, garbage

- Other expenses:

Cox Cable and Internet: Basic = \$65

Cox Bronze Bundle (with more channels and phone)= \$100

Cox Gold Bundle (more channels, faster internet, phone)= \$160

Handout 2.2

- On the bottom of your paper:
 - Explain the reason you picked the option you did
 - List three things you have learned from completing this assignment.



Middle School: Building a Better Budget

Building a Better Budget

- Students will be introduced to the six basic steps involved in building a budget or spending plan to meet their personal financial goals. In addition, this lesson will help them differentiate between fixed expenses, flexible expenses, planned expenses, and unplanned expenses.
- Link to Video: [Saving and Budgeting: Managing Your Money: How to Set a Budget and Stick with It \(5:50\)](#)

**BETTER MONEY HABITS MIDDLE SCHOOL LESSON:
HOW TO SET A BUDGET AND STICK TO IT**

HANDOUT 2.1 – BUILDING A BETTER BUDGET

Use this handout as a guide while watching the video Better Money Habits: How to Set a Budget and Stick to It (www.bettermoneyhabits.com). List the six steps shown in the video that are needed to build a budget or spending plan.

STEP 1.

STEP 2.

STEP 3.

STEP 4.

STEP 5.

STEP 6.

PLANNED EXPENSES

Rent

Car

FIXED EXPENSES

Insurance

Phone

UNPLANNED EXPENSES

Car
Repair

Medical

VARIABLE EXPENSES

Clothing

Entertainment



Lessons and Videos

So, how can you get these lesson?

- Lessons posted on EconEdLink
 - <http://www.econedlink.org>
- Additional videos
 - <http://www.bettermoneyhabits.com>

“Thanks” to.....

- Bank of America Foundation
- Council for Economic Education
- Oklahoma Council for Economic Education
- Development Team

Better Money Habits

Questions????????????