



The Tools to Build Your Financial Dream

LESSON 20: TEACHER'S GUIDE

Between paying bills, figuring out taxes, saving hard-earned cash and planning for the future, it can be difficult to manage all your financial responsibilities on your own. In this lesson, students will learn how to seek out the tools that can help them manage their finances and reach their financial goals—whether via free or low-cost resources, government tools or paid advisors. They will also learn about different methods of financial recordkeeping that can make managing everything from saving for college, to tracking their spending, easier.

Topic: Financial Planning and Recordkeeping

Time Required: 60 minutes

SUPPLIES:

- Projector
- Computers or tablets
- Internet access
- Student activity sheet
- Notebooks

PREPARATION:

- Copy student activity sheet

STUDENT ACTIVITY SHEETS:

My Recordkeeping Plan

Students will create a plan for organizing and keeping important financial records, and research popular online financial tools.

LEARNING OBJECTIVES:

Students will...

- Uncover the resources available for managing finances
- Discover different types of financial recordkeeping
- Evaluate considerations when finding a financial advisor

STANDARDS:

Jump\$tart Standards:

- Financial Responsibility Standard 2
- Planning Standards 2 and 6

National Standards for Economics:

- Standard 11: Money and Inflation

Common Core ELA Anchor Standards:

- Reading: Integration of Knowledge and Ideas
- Speaking and Listening: Comprehension and Collaboration
- Speaking and Listening: Presentation of Knowledge and Ideas
- Language: Vocabulary Acquisition and Use

Essential Question*“How can I use the tools available to reach my financial goals?”***Investigate: Financial Resources and Recordkeeping**

[Time Required: 20 minutes]

1. Open the class by asking students what possessions they value most. Is it their bike? Comic book or video game collections? Childhood photos or keepsakes? Invite volunteers to describe their most valuable possessions and where they're stored for safekeeping, whether it's under the bed or in a locked drawer or safe. Also ask how their possessions are organized: Are books organized alphabetically or by subject category? Or are they jumbled together in no particular order?
2. Explain that just as it's important to securely store valued possessions, so should your personal financial records be well-organized and stored safely—things like outstanding bills and payment receipts, bank and credit card statements, paystubs and other job-related paperwork, insurance policies, car loan documents—anything that has a financial component.
3. Stress the need for taking extra care to protect certain other important documents that contain confidential personal information such as their Social Security card, driver's license, passport, credit and debit cards and health insurance card. Ask students where they keep important documents like these and discuss with the class whether they are taking enough precautions to keep their personal information safe. Remind them of the potential downsides of having this information lost or stolen.
4. Remind students that by properly cataloging and storing their financial and legal paperwork, they'll save a lot of time and anxiety when it comes to budgeting, tracking spending, paying bills, filing taxes—even gathering the information they'll need to apply for college and financial aid. Quick access to important account information also makes it easier to contact banks or other institutions in the event of an emergency, like a stolen wallet or lost ATM card.
5. Ask students how long they think financial paperwork should be retained before it can safely be tossed. Let them know that many financial records should be kept for at least seven years in case of an income tax audit down the road. Such records might include employer W-2 forms, year-end bank or investment statements showing interest or dividends earned, and proof of payment for charitable contributions; plus any other expenses being claimed as tax deductions. Some documents should be retained indefinitely, including mortgage and car loan documentation, records showing stock

**TEACHER'S TIPS****What is the Essential Question?**

The Essential Question is designed to “hook” the learner, promote inquiry and engagement with the lesson, and allow students to exercise problem-solving abilities. It addresses a larger concept, does not have a right or wrong answer, and requires higher-order thinking skills.

Link to Lesson 9:

Remind students about the budgets they created in **Lesson 9**. Ask them where they will keep their budgets and explain that comparing their spending (via receipts and bank statements) to their budgets can help them improve their financial habits and meet their financial goals.

Time Saver:

As homework for the day prior to the lesson, have students write down the contact information for their banks and other accounts (name of institution, address and phone number, number to report stolen cards, etc.), and bring that information to class. (Be sure to emphasize that students should leave blanks or placeholders for their actual account numbers or any other personal identification that shouldn't be shared publicly—like their Social Security number, driver's license number, passwords, etc.)

and mutual fund purchases, and personal documents like birth certificates, passports and Social Security cards.

- Remind students that there are many systems for organizing financial paperwork. Many people maintain file folders in which they store hard copies of important documents. One good system is to keep a single folder for unpaid bills; once they've been paid, file the receipt in that company's or subject's folder (for example, have separate files for utilities, credit cards, bank accounts, health insurance, car insurance, etc.) Tell students that they can also store financial records digitally, to save space. They can scan copies of important files and save them as PDF files on their computer. However, stress that they should also keep a backup of their digital files on a flash drive, external hard drive or some other storage method, in case their computer crashes.
- Distribute the **My Recordkeeping Plan** activity sheet and give students 10 minutes to fill in their account information and where they plan to keep their important financial records. If needed, they can fill in any remaining addresses or contact information at home. Let students know that it's also important to maintain a schedule with bill due dates and to regularly review all budgets and incoming statements for accuracy. When will they review their paperwork? Monthly? Weekly? On the activity sheet, have students record the days when they usually receive their paychecks or allowance, and the dates when any bills they have are due.

Student Preparation: Choosing Tools for the Job

[Time Required: 10 minutes]

- Next, remind students that there are many free and low-cost tools for tracking and managing their finances, including telephone banking, online budgeting tools (spreadsheets, calculators), tax preparation software and more. Give students ten minutes to explore the following websites and the kinds of tools they offer, including budgeting spreadsheets, investment calculators, tools for tracking and categorizing tax deductions, etc. Ask them to indicate on their activity sheets which, if any, tools they would like to use in order to keep their finances organized: Quicken, Mint.com, Yodlee, Mvelopes.

Challenge: Financial Advisors

[Time Required: 25 minutes]

- Ask students to think about their school counselor or advisor. What is their job? What advice do they give students? Introduce the concept of working with a personal financial advisor. Explain that like having a school counselor



TEACHER'S TIP

Link to Lesson 7:

Remind students of **Lesson 7** and that it's important to be cautious when sharing financial information in order to prevent identity theft. This is one reason it is so important to research advisors before handing over all of their financial information.

Teacher's Tip:

Tell students that to cut down on clutter, they can toss monthly paystubs, bank and credit card statements once they've received a final year-end statement. Also use this as an opportunity to remind them that any documents showing personal information should be shredded, not just thrown away.



who helps and guides students on classes, homework and college goals, many people who need to start setting long-term financial goals seek the assistance of a professional financial advisor. Financial advisors offer guidance on things like:

- Determining long-term financial goals (like college, home ownership, starting a family, retirement) and how to save to meet those goals.
- Advice on investing your money, including determining your tolerance for risk (low-risk savings options like savings accounts and CDs have less potential for growth and keeping up with inflation).
- Strategies for getting out of debt.
- Changing financial goals as your family situation changes (for example, marriage, divorce, birth of a child, new job or layoff).
- Structuring savings and investments tax-effectively. Estate planning.

10. Tell students that choosing the right financial advisor can take time. Share these suggestions and ask if they can think of any others:

- Look for someone well-qualified in their field, whose ethics and professional approach match your own beliefs and with whom you can be comfortable discussing private financial details.
- Seek someone who asks probing questions, listens to your needs and concerns, won't try to sell you unneeded products or services, and can explain the potential risks and rewards of every action they recommend.
- Ask for referrals from trusted friends and other professionals like accountants and lawyers.
- Ask about their fee structure: are they paid an hourly rate, a flat fee per task, by commission, or a combination of fees and commissions.
- Interview at least three candidates.

Reflection

[Time Required: 5 minutes]

Ask students to write in their notebooks about why it can be helpful to have support when managing their finances, whether through bookkeeping software or financial advisors.



TEACHER'S TIPS

Extension Idea:

If students have tablets or smartphones, encourage them to check out the Mint.com app featured on the Quicken website at Quicken.com. The app syncs bank accounts and creates graphs for tracking expenses, offering a budget based on spending habits. They can also go to TurboTax to see examples of how their tools can help students organize financial data for their taxes.

What is Reflection?

The Reflection part of the class gives students the opportunity to reflect on the bigger-picture meaning of the exercise, and to assimilate and personalize some of the concepts and ideas learned about in the class.