

LESSON PLANNING GUIDE: The Financial Banana Split

INTRODUCTION

The Financial Banana Split and this Lesson Planning Guide are designed to be used in the classroom during a 4 to 12 week semester. The information and examples provided herein are designed to give students a “real world” working understanding of how they, as consumers, can best use their money to achieve the American Dream: Home ownership, financial stability and financial independence within the framework of personal finance.

Answers to all questions are found on the pages the subjects appear.

STEP ONE – GAIN MONEY SELF-AWARENESS

Purpose

The purpose of Step One - Gain Money Self-Awareness is to first discover and clarify the student’s existing attitude towards money then transform it, as appropriate, into positive, empowering thoughts and actions which will support, not hinder, their financial success.

Goal

By the end of this Step students will have an understanding and grasp of their emotional relationship to money and how to control and use it in financial situations to empower their path towards the American Dream.

Student Prerequisites

A tenth-grade reading, comprehension and writing level and an eighth-grade math level will enable the student to understand and complete all sections and tasks in this book.

Materials List

- 1.The book: The Financial Banana Split.
- 2.The board game: Ice Cream and Money ... For Everybody!!
- 3.The website: www.FinancialBananaSplit.com
4. Books related to the subject matter in the bibliography.
- 5.Books related to the subject matter in the Further Reading section on the website: www.FinancialBananaSplit.com

Step-by-step Instructions

This book is intended to function as a workbook. Therefore, detailed instructions for each component are given within the book itself along with specific direction to resources as well as those contained in the Materials List, above.

Measurable Achievement Outcomes

1. Students list their three most important core values.
2. Students explain their current attitude towards money.
3. Students explain, in detail, their visualized future goals.
4. Students practice writing a general haiku(s).
5. Students write a financial haiku based on 1-2-3, above.

Note: The students written haiku can be used be as the basis

for creative expression such as setting the haiku to music, dance, a fine art interpretation (painting/sculpture), calligraphy, etc

Enrichment Experiences

1. The website: www.FinancialBananaSplit.com in related areas.
2. Books related to the subject matter in the bibliography
3. Books related to the subject matter in the Further Reading section on the above website.
4. The board game: Ice Cream and Money ... for Everybody!
5. Invite professionals working in related fields per page 127 Note to Educators and arrange field trips, as applicable.

Conclusion

Having developed a good understanding of who they are and a healthy idea of what they want their relationship to money to be, students are now ready to learn the mechanics of how money works in the Steps Two and Three.

STEP TWO – ACHIEVE FINANCIAL LITERACY

Purpose

The purpose of Step Two – Achieve Financial Literacy is for the student to first understand the mechanics of how money works in our consumer economy (as opposed to business) then be able to apply this knowledge to real life situations in order to achieve financial success.

Goal

By the end of this Step students will be able to evaluate almost any financial proposal or strategy through the filter of the basic financial information provided herein to determine the best course of action to take relative to their core values and overall financial goals.

Student Prerequisites – See Step One, above.

Materials list – See Step One, above

Step-by-step instructions – See Step One, above

Measurable Achievement Outcomes

Ingredient One: Cash Flow and Banking

1. Recite the bold, italicized second paragraph on page 61: ***“Being aware of and actively managing your cash flow is the difference between controlling your money or your money controlling you ... period.”***
2. Ask students to name three “conscious consumer” questions to ask yourself before buying something.

3. Have students name three services offered by banks.
 4. Give students a realistic amount of fictional take-home monthly pay. Have them work individually or in teams to construct a Monthly Budget and explain their choices.
 5. Have students name three features they would look for when choosing a bank.
 6. Fabricate a personal bank statement with errors or false charges and ask students to identify them.
 7. Ask students to balance a bank statement
- Note: For 5&6 above, ask your local bank for support.

Ingredient Two: Home Ownership

1. Ask students to name three wealth-related things that can happen when your home rises in value.
2. Name the type of loan used when buying a house.
3. Develop one or more examples from the “Home Ownership – Your Basic Financial Pathway” example for students to “fill-in-the-blanks” mathematically.
4. Define/discuss any of the Home Buying Basics:
Legal / Investment / House Affordability / Risks / Mortgages / Rent-to-Own / Location / Type-Physical Condition / Intention and Timing.
5. Have students define and calculate PITI examples.

Ingredient Three: Loans, Credit and Debt

1. Have students define loan terms: Credit / Debt / Creditor / Principal / Interest / APR / Truth-in-Lending-Statement / Simple interest / Compound Interest
2. Have students name two positive and two negative actions that will affect your credit score.
3. Have students name two steps to avoid identity theft.
4. Ask students to define what your FICO score indicates.

5. Ask students to name three actions to stay out of debt.
6. Ask students to describe the “Quick” and the “Smart” debt paydown methods.
7. Ask students to define: Debt Consolidation / Credit Counseling / Collection Agencies / Bankruptcy / Foreclosure / Student loan Forbearance & Deferment.

Ingredient Four: Avoiding Financial Landmines

1. Have students name three federal income tax return types and two basic reasons to use each type.
2. Have students define basic income tax related terms: Income tax / Income tax rate / Taxable earnings / tax – payer / Income tax deduction / Income tax credit / Personal tax exemption / Tax filing / Filing Deadline / Tax year / Income documentation / Deduction documentation
3. Have students state one question of each contract Element: Payment / Non-compliance / Termination / Duration / Performance / Returns / Assignment / Buy Option / Insurance.
4. Have students define Property Loss and Liability.
5. Have students describe the purpose of insurance.
6. Ask students to describe two differences between Term and Whole Life Insurance policies.
7. Have students name three document types to retain.
8. Ask students to describe the purpose of a Will, what a Revocable Trust is and why to avoid Probate Court.

Ingredient Five: Investing for Wealth and Retirement

1. Students to list the “Hierarchy of money Flow” and describe an important feature of each one.
2. Have students state the purpose of a pension plan.

3. Ask students two important features of pension plans.
4. What does IRA stand for and who can sponsor one?
5. Students: Why are stocks & bonds called “Securities”?
6. Students: Stock and bond periodic cash payments are each called what?
7. Have students describe the main purpose of each classic investment principles: Speculating versus Investing / How’s the Weather? / Plan and Goal / Risk versus Return / Price-to-Earnings Ratio / Multiple Income Streams / Automatic Deductions / Pay Yourself First / Dollar Cost Averaging / Buy and Hold / Diversification / Target Funds / The Rule of 72 / Stock “Splits” / Compound Interest.
8. Have students repeat the I-C-E-C-R-E-A-M anagram: **Interest Compounding Everyday Creates Real Easy Additional Money**
9. Ask Students: Define a mutual fund?
10. Ask students: What do the letters ETF stand for?
11. Ask students: What does a balanced fund invest in?
12. What is the classic investment money ratio?
13. Ask students to list the five basic steps to opening your own brokerage account.
14. Students list 2 secrets for successful money management to know before hiring an investment advisor.
15. Retirement planning focuses on which money basic?
16. Students: What is the 4% Rule in retirement planning.
17. Page 102: Develop age/future cost math examples.
18. Students: What is an annuity?

Ingredient Six: Goodwill and Charity

1. Students: Repeat Sir Isaac Newton’s 2 basic principles.
2. Students: What attitude should you have/not have for contributing to charities?

3. Students: "Putting money in order means accounting for and managing its inflow/outflow: Energy=cashflow.

Enrichment Experiences

1. See Enrichment Experiences listed in Step One.
2. Watch a financial channel on TV or computer.
3. Obtain copies of the newspaper The Wall Street Journal and magazines related to personal finance such as Money and Kiplinger's from the library.

Conclusion

Having developed a healthy relationship with money in Step One and a practical understanding of the mechanics of how money works in Step Two, students are now ready to work with others who share their knowledge and values, towards more efficiently achieving their long-term financial goals.

STEP THREE – COLLABORATE FOR WEALTH BUILDING

Purpose

The purpose of Step Three-Collaborate for Wealth Building is to define collaboration and state ways to use it, including

housing, which enable people to leverage each other in a joint effort to improve all participant's financial and social well-being. It's purpose? Achieving the American Dream sooner working with others than you would alone.

Goal

By the end of this Step students will be able to develop or evaluate and join collaborative ventures which are consistent with their core values and which reasonably enable them towards financial success.

Student Prerequisites – See Step One, above.

Materials list – See Step One, above.

Step-by-step instructions – See Step One, above.

Measurable Achievement Outcomes

Overview and General Collaboration

1. Student: Define collaboration.
2. Student: When can you use collaboration?
3. Student: What does collaboration save you?

4. Student: Give two reasons to collaborate.
5. Student: List three things used for collaboration.
6. Student: Describe two ways to collaborate.

Collaboration for Home Ownership

1. Student: List two reasons to collaborate on home ownership.
2. Define/explain each of the following key collaborative housing terms and documents:
Shareholder / House Collaboration Agreement/
House Budget / Emergency Fund Agreement//
Consent Agreements

Enrichment Experiences

See Enrichment Experiences listed in Step One.

Guide Conclusion

Having financial self-awareness, knowing the mechanics of how money works and understanding how to collaborate will put your students solidly on the path to their very own American Dreams!

