

## LESSON 1

# Why Does Money Matter?

**Today's youth will be required to take more personal responsibility for managing their finances than any generation before them. Therefore, financial education is more important than ever. A vital part of that education is understanding why money matters. This lesson is about the importance of teaching youth about money—not just financial tips and processes, but a deeper look at the meaning of money and factors that influence how they use money.**

## **WARM-UP**

Ask the students: **Why do you need money right now? In five years, why would you need money? In ten years, why would you need money? Does money matter? Explain.** (*Journal* page 1.)



## **ACT ON IT** | Money Talk Activity

**Group Instructions:** Place the *Money Talk* cards in a bowl or a bag and have each student draw one card. Give each student 30-60 seconds to answer the question on the card. Other students should not comment while the student is talking. The *Money Talk* cards are designed to help initiate guided discussion. (Alternatively, they can be used as a writing prompt.) The cards can be used at any time during this curriculum. You can also use them more than once because it is very unlikely that a student would get the same question twice. Many of the same questions are also in the *Journal*.

## **TALK ABOUT IT** | Why Does Money Matter?

Summarize the following information in your own words:

**Money—it's great to have, fun to spend, and hard to keep. Many of you would agree with this statement, but have you ever stopped to think about *why* money matters? Why do people spend so much time and energy thinking about money, working for more money, and talking about money? Money is an important**



### **LESSON GOALS:**

- Discover why money matters.
- List four barriers that keep teens from reaching financial literacy.

### **MATERIALS NEEDED:**

- In the *Journal*: *Why Does Money Matter?* pages 1-16.
- In the Appendix: *Money Talk* activity cards
- On the CD: *Why Does Money Matter?* PowerPoint presentation.

### **GETTING READY:**

- Preview the *Why Does Money Matter?* PowerPoint.
- Preview the *Why Does Money Matter?* *Journal* pages 1-16. Students can complete these worksheets as the lesson topic is presented or at the end of the lesson as a review.
- Cut out and laminate (if possible) the *Money Talk* cards located in the Appendix.

part of our lives, but most of us know very little about why it is so important. For instance, how many of you have ever attended “Money School”? Think about it for a minute; how much formal training have you received about how to handle money? For most of you, the answer is “very little.” When it comes to financial literacy, many teenagers fail to make the grade. But you can beat the average! When asked about basic financial concepts, high school seniors correctly answered only 48% of the questions, down from 52% in 2006. College students didn’t fare much better, with college seniors scoring 65% on their survey (administered for the first time in 2008).<sup>1</sup> So, here’s how you can make the grade with flying colors!

Young people need to:

1. Develop realistic expectations about money
2. Find the best people from whom to learn about money.
3. Appreciate all the ways money matters in our society
4. Be aware of how money affects relationships and how relationships can affect the way you manage your money

**THINK ABOUT IT:** Lead your students as they complete page 1 of the *Journal*.

Discussion questions:

- On a scale of 1-10, how would you rank yourself?
- What do you already know about managing money?
- What would you like to learn about managing money?

## **ACT ON IT** | Where Does the Money Go?

**Individual Instructions:** Have the students individually complete the *Where Does the Money Go?* activity on page 2 of the *Journal*. Introduce this activity this way:



It’s hard for most young people to understand what it takes to make money because they usually do not have to earn their own or pay for everyday expenses. This activity is designed to help you start thinking about when, where, and why we need money.

**Group Instructions:** The above *Journal* activity can also be turned into a group activity by using the following instructions. Break the class into small groups and have the students locate the *Where Does the Money Go?* activity on page 2 of the *Journal*. For each category, the groups should brainstorm a list of things they have done, items they have used, places they have been, etc. that month which require money. Once the groups have made their lists, they should create posters to present to the class. Groups can draw pictures or use pictures and words from magazines to create their poster. Allow each group to present their list using their posters. Consider making a master list on the board for each category. Once each group has presented, lead a class discussion. Ask the students to list things they had forgotten. The teacher may need to add some items at this time to the master list. (*Instructor’s Note:* To save time, you might assign one topic for each group to brainstorm, create a visual and present to the class.)

End by asking the students:

**Were you surprised by any of the expenses or how many there are?**



# Where does the money go?

This activity is designed to help you start thinking about when, where, and why we need money. Begin by thinking about a typical month in your life. Using the topics below, brainstorm a list of everything that requires money. Use words or draw pictures in the boxes below.

<b>Housing</b>	<b>Food</b>	<b>Clothing and personal care items</b>
<b>Transportation</b>	<b>Entertainment and electronics</b>	<b>Insurance and taxes</b>
<b>Gifts and contributions</b>	<b>Work and education expenses</b>	<b>Other</b>

Were you surprised by any of the expenses or how many there are?

