

Life Events

Lesson 7: Teacher's Guide | Hall of Fame: Ages 18+

FINANCIAL FOOTBALL

Planning Routes for Life Events

Each phase of life brings its own unique adventures requiring complex decision-making. This 45-minute module builds students' awareness and provides them with the financial skills to navigate the challenges and opportunities that life presents.

Getting Your Class Game-Ready: In a rush of action on the field, players have to rely on their personal skills and training from their coaches to make on-the-spot decisions. In the process of running even the simplest play, unexpected events can completely change the game.

Just like players on the field, we can't predict everything that our future will bring, but we can focus our energy and time learning strategies and insights to make informed decisions. With each step we take to become better prepared mentally and financially, we can improve our ability to successfully manage our finances through major life events.

Module Level: Hall of Fame, Ages 18+

Time Outline: 45 minutes total

Subjects: Economics, Math, Finance, Consumer Sciences, Life Skills

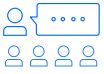
Materials: Facilitators may print and photocopy handouts and quizzes, and direct students to the online resources listed.

- **Pre- and Post-Test questions:** A short grouping of five questions may be used as a quick, formative assessment for the Life Events module or as a Pre- and Post-Test at the beginning and completion of the entire module series.
- **Practical Money Skills Life Events resources:** practicalmoneyskills.com/ff50
- **Life Event Action Plan handouts:** (One for each life event): Using the research tools provided, brainstorm and create action plans for life events such as buying a car and building an emergency fund.
- **Glossary of Terms:** Learn basic financial concepts with this list of terms.

Icon Key

**Activity**

Assign the given activity to students and have them complete it individually or with a group, depending on the instructions.

**Ask**

Pose questions to your students and have them respond.

**Assign**

Designate individuals or groups to complete a particular assignment.

**Debrief**

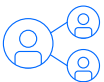
Examine the activities as a whole group and compare answers and findings.

**Did You Know?**

Share these fun facts with students throughout the lesson.

**Pre- and Post-Test**

Have students take the Pre-Test before the lesson, and take the Post-Test after completing the lesson.

**Share**

Read or paraphrase the lesson content to students.

**Turn and Talk**

Have students turn to a partner and discuss a specific topic or question.

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Learning Objectives

- Identify personal financial goals
- Examine strategies for handling a variety of life events
- Make informed financial decisions by comparing options, benefits, costs, and potential risks
- Create an action plan for navigating life events such as buying a car, going to college, or choosing housing
- Discover ways to plan for unexpected financial decisions and expenses

Key Terms and Concepts

Before you start the lesson, review the key terms and concepts below. The answers to each question will help you get students prepped and game-ready. Get deeper information around these concepts in the Facilitator Script section on pages 5 to 7 of this guide.

What steps can I take to make informed financial decisions?

Each phase of life brings exciting choices and unique challenges. When it comes to managing your money, you can make better decisions when you're well informed.

How can I prepare for unexpected expenses?

Unexpected events can take a lasting toll on your financial security. While you can't predict what experiences you will encounter in life, there are steps you can take to prepare for the unexpected. A job loss or an expensive car repair bill will be much more manageable if you've created a financial security net to fall back on. There are three key areas to consider when planning for the unexpected: emergency funds, insurance, and your overall budget.

How can I navigate complex financial decisions for buying a car? Going to college? Finding housing?

Life is full of exciting milestones and complex decisions. Whether you're buying your first car, heading off to college, or finding a new home; it's important to understand the potential impact on your finances. By examining costs, considering options, and planning ahead; you'll be better prepared to make decisions to reach your goals.

Module Section Outline with Facilitator Script

Introduction: Warm-Up



Share: Explain that, in this lesson, we'll explore strategies for tackling big life events. Here are some of the events that will be covered. Review and share details about the topics at: practicalmoneyskills.com/ff50

- **Going to college.** Heading off to college means a lot of new experiences — taking classes, living independently for the first time, and managing expenses for tuition, housing, food, books, and more. Creating a spending plan can help things go smoothly.

- **Buying a car.** Get ready to hit the road by looking at the costs of buying and maintaining a car. Looking at the numbers will help you avoid sending your budget into overdrive.



Did You Know?

Most new cars lose around 20% of their value within the first year of ownership.¹

- **Housing.** Looking to rent an apartment? Or maybe even to buy a house? There are a few key things you need to know before you do. The housing market is highly competitive, fast-moving, and ever-changing. Exploring the ins and outs of renting and buying now can prepare you for opportunities when they arise.

- **Landing a job.** Whether you're looking for your first job or just searching for a new opportunity, there are some key things to consider. It's important to think about your interests, skills, and financial goals.



Did You Know?

Some landlords subscribe to credit-building services that report on-time rent payments to Experian RentBureau, which can build a tenant's credit history.²

- **Health care.** Taking care of your health is an essential expense you can't forgo. Understanding your options is a crucial part of getting covered.

- **Family life.** Each stage of family life can present different challenges and rewards. Heading out on vacation? Getting a new pet? Figuring out entertainment for the month? Get prepared by planning ahead.



Did You Know?

You can open a bank account with a parent if you're a teenager.

- **Retirement.** It's never too early to plan ahead and start saving for retirement. To get the most out of your retirement savings, you'll want to start planning and saving at an early age. If you are starting your retirement savings early, you can afford to be aggressive and put money into riskier funds. Even if your funds lose value, you will still have time to grow them. It's important to plan where you want to be and how you're going to get there.



Did You Know?

A healthy diet and regular exercise could save you money on health care in the future.

Module Section Outline with Facilitator Script, cont.

- **Handling the unexpected.** While we can't predict what will happen in our future, we can prepare for the unexpected. Financial security is essential to successfully managing major life events, and that means planning to create an emergency fund and thinking about insurance.



Did You Know?

The estimated cost of raising a child from birth to age 17 is over \$233,610.³



Ask: Have students choose and prioritize the life events listed above — they should rank the three topics they're most interested in examining. They will have the chance to research one topic and ask classmates questions about each of the others.



Optional Pre-Test: Refer the class to page 5 of the Student Activities guide.



Did You Know?

Your parents' private health insurance can cover you until you turn 26, even if you don't live at home.⁴

Life Events: Research and Planning



Share: Have students turn to page 6 of their guide. Explain that each action plan handout asks key questions to guide planning for that life event, as well as providing suggested links for research. Break students into eight groups, each focused on exploring a Life Event topic.



Activity: Introduce the following eight student handout life planning sheets, available on pages 6–30 of the Student Activities guide.

- **Going to College Action Plan handout:** Research college options (trade school, two-year community college, four-year community college, and four-year university), and create action items for admissions, budgeting in school, and handling loans.
- **Buying a Car Action Plan handout:** Brainstorm car purchase options, find out how much car you can afford, and discover strategies to get the best deal.
- **Choosing Housing Action Plan handout:** Is renting or buying the better option? Find out as you consider the rights, responsibilities, and costs of choosing a home.
- **Landing a Job Action Plan handout:** Get job market savvy as you explore strategies for standing out as an employee; then prep your resume, cover letter, and personal brand.
- **Health Care Action Plan handout:** Examine health care coverage options and create a plan to make sure this essential expense is covered.
- **Family Life Action Plan handout:** Adding to your family is likely to be one of the bigger financial events you will face, so being ready for the change is vital. Get some budgeting practice by planning for a new pet, vacation, or party.
- **Retirement Action Plan handout:** It's never too early to check out retirement savings options, create a plan to reach your retirement goal, and start saving.

Module Section Outline with Facilitator Script, cont.

- **Handling the Unexpected Action Plan handout:** Are you ready for the unexpected? Brainstorm potential emergencies, create an emergency fund plan, and examine how insurance can help.

Assign: Have each group work on one Life Event topic, completing the topic action plan as a team. Support groups in researching and discussing the stages of their Life Event Action Plan. Refer to the answer keys on pages 11–27 of this guide.

Closing: Group Discussion

Group summary presentations: Have each group briefly share the key points of their action plan. After each group presents a summary, they should respond to one or two peer questions.



Ask: Pose this question to the group: What are you most excited about in terms of life events? What were you most surprised to discover?



Optional Post-Test: Have students turn to page 6 of their Student Activities guide to take the Post-Test.

Get more information on Life Events:

Learn more about examining costs, considering options, and planning ahead for life events at practicalmoneyskills.com/ff50

¹Carfax.com

²Experian

³U.S. Department of Agriculture (USDA) 2015 Expenditures on Children by Families report, also known as “The Cost of Raising a Child.”

⁴HealthCare.gov

Lesson 7 Life Events: Answer Keys

- > Life Events Pre- and Post-Test
- > Going to College Action Plan handout
- > Buying a Car Action Plan handout
- > Choosing Housing Action Plan handout
- > Landing a Job Action Plan handout
- > Health Care Action Plan handout
- > Family Life Action Plan handout
- > Retirement Action Plan handout
- > Handling the Unexpected Action Plan handout

Life Events Pre- and Post-Test

Directions: Have students answer the questions with the most appropriate answer, noting a, b, c, d or filling in the blank.

Answer Key

1. What are some common expenses for students?

(Possible answers: textbooks, rent, food, school supplies)

2. A car owner is NOT responsible for:

- a. License plates
- b. Proof of health insurance*
- c. A driver's license
- d. Annual vehicle registration

3. A _____ can help you find a new job.

- a. Strong professional network
- b. Resume
- c. Professional online presence
- d. All of the above*

4. Copays and deductibles are:

- a. Paid by the insurance company
- b. Paid by the hospital
- c. Paid by the person who is insured*
- d. Paid by physicians

5. If I save \$2,000 this summer, invest it in the stock market, where it earns 9% interest, how long until my original investment is worth \$4,000?

- a. 2 years
- b. 8 years*
- c. 22 years
- d. There is no way to tell

Life Events: Going to College Action Plan

Heading off to college can mean a lot of new experiences — taking classes, living independently for the first time, and managing expenses for tuition, housing, food, books, and more. Budgeting for this new stage of life can be challenging and creating a plan can help. Answer the questions below after researching the costs of going to college at the links provided.

Directions: Before you have students answer the questions on page 6 of their Student Activities guide, direct them to review the resource listed below at Practical Money Skills to learn more about preparing to go to college.

Resource: Going to College. practicalmoneyskills.com/ff51

Set Your Sights

What are the three general types of post-secondary schools?

Trade school, two-year community college, four-year university

Which appeal to you most and how does that align with your goals?

Consider SMART (Specific, Measurable, Attainable, Relevant, Time-Related) goals: practicalmoneyskills.com/ff52

Answers vary; should reflect personal goals aligned to school characteristics

Prepare Financially

How do I prepare for the college admissions process?

Choosing the path that is the right fit for you is a process that begins with your first year in high school. The U.S. Department of Education compiled a grade-level-specific checklist of recommended tasks. Review the tasks for your current grade level and, if you have time, future grade levels. As an option, add each task to a calendar, such as the calendar on your phone or school planner.

- 9th grade checklist: studentaid.ed.gov/sa/prepare-for-college/checklists/9th-grade
- 10th grade checklist: studentaid.ed.gov/sa/prepare-for-college/checklists/10th-grade
- 11th grade checklist: studentaid.ed.gov/sa/prepare-for-college/checklists/11th-grade
- 12th grade checklist: studentaid.ed.gov/sa/prepare-for-college/checklists/12th-grade

How much will school cost and what are my aid options?

The sticker price for college is rarely the price you pay. Many students receive grants or scholarships; however, they won't know what the price will be until they receive financial award letters. According to the College Board, the average tuition and fees for the 2018–2019 school year were \$35,830 at private colleges, \$10,230 for state residents at public

Life Events: Going to College Action Plan, cont.

colleges, and \$26,290 for out-of-state residents attending public universities. Note that these costs do not include room and board, and the amount of aid you receive may vary from one year to the next.

Before selecting colleges you want to apply to, explore costs for a number of factors, including tuition, using the U.S. Department of Education's College Scorecard tool and identify five affordable college options: collegescorecard.ed.gov

Answers vary; should include five college options aligned with personal goals

In order to receive financial aid for college, students will need to apply each year online at fafsa.ed.gov, which provides loans for almost all two- and four-year colleges, universities and career schools in the country. The amount of aid you receive may vary from one year to the next.

Remember that not everyone who applies receives aid. Grants and loan packages are awarded according to your income and the tuition of the school you're applying to. You can estimate how much aid you might be eligible for by using the federal government's Student Aid Eligibility calculator (studentaid.ed.gov/sa/fafsa/estimate).

When it comes to financial aid, you have two main options:

- **Scholarships and merit-based aid.** Did you get good grades in high school? That will help when you apply for scholarships and merit-based aid. Even if the answer is no, there are still plenty of opportunities — you'd be amazed at the sheer variety of scholarships out there. Do your research — there's money waiting for you depending on where you were born, what your career goals are and what extracurricular activities you've been involved in.
- **Student loans and need-based aid.** If you're not eligible for scholarships or merit-based aid (or if these don't cover the whole bill), there are other options. Find out how much need-based aid you're eligible for through your school or through a lender. If that's not enough, other institutions also offer financial assistance, though they may use different formulas, with different results.

Be sure you understand your loan repayment responsibilities before accepting financial aid. If it's a grant, it doesn't have to be repaid. Loans do have to be repaid with interest upon graduation. If you're going to go that route, shop around for a good interest rate — you'd be surprised how much difference a couple of percentage points make over time. To find out just how much, explore your options using the Repaying Student Loans calculator (studentloans.gov/myDirectLoan/repaymentEstimator.action).

Federal Financial Aid

The William D. Ford Federal Direct Loan Program is the sole government-backed loan program in the United States. Also known as Stafford Loans, these provide funding directly to students and their parents or guardians in two general varieties:

- **Subsidized.** Available only to undergraduate students. Eligibility is based on demonstrated financial need. The federal government pays the interest while you are in school on at least a half-time basis.
- **Unsubsidized.** Available to undergraduate and graduate students. Eligibility is not based on financial need and the borrower is responsible for paying all the interest.

Life Events: Going to College Action Plan, cont.

Federal Perkins Loans

The Federal Perkins loan is a campus-based loan program, awarded by the college or university's financial aid office to undergraduate and graduate students with exceptional financial need. The interest rate on the Federal Perkins loan is fixed at 5 percent.

PLUS Loans

As its name suggests, the federal Parent Loan for Undergraduate Students (PLUS) loans are loans that parents can take out on behalf of a dependent undergraduate child who is enrolled at least half-time at an eligible school. The child must meet general eligibility requirements for federal student aid. These loans can also be taken by graduate or professional students to supplement other financial aid packages. The loan amount is the total cost of attendance minus the borrower's total financial aid package. For example, if tuition costs \$30,000 per year and the student is receiving \$25,000 from other sources, the maximum PLUS loan would be \$5,000.

Loan Limits

Most student loans have several types of limits on the amount you can borrow:

- Annual loan limits determine the maximum amount you can borrow in a single academic year.
- Aggregate loan limits, sometimes called cumulative limits, describe the total amount you are allowed to borrow during your academic career.
- Cost of attendance (COA) limits specify that the loan amount must be less than the school's official cost of attendance minus other financial aid received.

Imagine that your parents aren't aware of options that can help you pay for college and you have to email them information on the basics. Construct an example email using the resources below (Prepare Financially and Grants), and explain to your parents the following:

- Why a subsidized loan is better than an unsubsidized loan, if you must borrow money.
- How grants and scholarships are similar.
- Why grants and scholarships are better than loans.

Resources: Prepare Financially. practicalmoneyskills.com/ff58

Grants. practicalmoneyskills.com/ff59

Answers vary; should explain the benefits of grants and scholarships, and how the federal government pays the interest on subsidized loans while you are enrolled in school on at least a half-time basis.

Comparing the costs of colleges can be challenging. Many experts believe you should never borrow more for college than what you can expect to earn your first year after graduation. To ensure you know before you owe, review the Consumer Financial Protection Bureau's (CFPB) Compare Schools tool and describe how it can help

Life Events: Going to College Action Plan, cont.

you make an informed financial decision. consumerfinance.gov/paying-for-college/compare-financial-aid-and-college-cost

Answers vary; should include reflection on the benefits of comparing college options

Budgeting in College

Research how your spending could look in school.

Resource: Budgeting in College. practicalmoneyskills.com/ff61

Would you choose to live at home, on campus, or off campus? Why?

Answers vary; may include cost, access to campus resources, and lifestyle choices

Beyond housing and tuition, what other expenses should be considered?

Answers vary; may include books, food, entertainment, and/or transportation

What ways could you earn money while in school? Can you invest while in school?

Answers vary; may include part-time work and/or work-study programs. Students can invest while in school; they may consider mobile apps that allow you to invest small amounts that build over time.

Repaying Loans

School loans are not free money. Thinking ahead for your future self, consider how much a loan will really cost.

How Much Will Your Loan Really Cost?

Assume you choose to borrow \$40,000 over four years to go to college. Respond to each of the questions using this

How Much Will Your Loan Really Cost? financial calculator: practicalmoneyskills.com/ff62

- **Loan #1:** 5% interest rate, length of loan 120 months
 - Minimum monthly payment: **\$424.26**
 - Total finance charge: **\$10,911.45**
 - Total payment amount (including interest): **\$50,911.45**
- **Loan #2:** 8% interest rate, length of loan 120 months
 - Minimum monthly payment: **\$485.31**
 - Total finance charge: **\$18,237.25**
 - Total payment amount (including interest): **\$58,237.25**
- **Loan #3:** 8% interest rate, length of loan 168 months
 - Minimum monthly payment: **\$396.53**
 - Total finance charge: **\$26,616.58**
 - Total payment amount (including interest): **\$66,616.58**

Life Events: Going to College Action Plan, cont.

How does the interest rate affect the cost of borrowing?

Answers vary; should include point that higher interest rates will cause greater finance charges over time

How does the length of the loan affect the monthly payment?

Answers vary; should include point that longer length of loan will result in lower monthly payments

How does the length of the loan affect the amount paid in interest?

Answers vary; should include point that longer-term loan may result in larger amounts of interest paid over time than a shorter-term loan would

Building a Support Team and Taking Next Steps

Who can you talk to in order to find out more about your college options? What actions can you take now to prepare for college?

Answers vary; actions to take should relate to grade-level checklists in Prepare Financially section of handout

Life Events: Buying a Car Action Plan

Ready to hit the road? Not so fast. A car can be more than just your personal transportation. Your new set of wheels can improve your quality of life by bringing more ease and convenience, but it's also a major purchase that involves regular maintenance and additional costs such as insurance, a license, and registration fees. Because of this, you'll want to choose a car that won't send your budget into overdrive. There are many routes you can take to buying a car.

Directions: Instruct students to review the resource listed below before they answer the questions on page 12 of their Student Activities guide.

Resource: Buying a Car. practicalmoneyskills.com/ff63

Set Your Sights

What type of car are you interested in and why?

(include estimated cost; the make, model, and year; whether it's new or used; and whether it is a hybrid, gas, or electric-powered car)

Answers vary; should include car type and reasonable price estimate for new or used car

What other costs will you need to consider besides the car payment?

Research common car expenses. practicalmoneyskills.com/ff63

Answers may include car insurance, license and registration fees, gas, and car maintenance

Prepare Financially

Will you buy used or new? Or will you lease your car? What are the benefits and drawbacks of each?

Research buying used or new, or leasing. Resource: Budgeting in College. practicalmoneyskills.com/ff61

Resources: Buying a Used Car. practicalmoneyskills.com/ff64

Leasing a Car. practicalmoneyskills.com/ff65

Answers may include: Used cars allow you to avoid immediate value depreciation. Leasing may be a good option if you want to get a new car every few years. Students should consider vehicle value and maintenance history in decision-making.

How much car can you afford?

Resource: How Much Car Can You Afford? financial calculator. practicalmoneyskills.com/ff66

Answers vary; should include reflection on current savings and potential amount per month that can be spent on a vehicle

Life Events: Buying a Car Action Plan, cont.

How will you pay for your car?

Resource: Auto Financing. practicalmoneyskills.com/ff67

Answers vary; may include auto dealership financing, bank loans, savings plan, etc.

Building a Support Team and Taking Next Steps

What strategies can you use to get a good deal?

Answers vary; may include negotiating price, refusing add-ons, comparison shopping, looking at dealer incentives, etc.

Resource: Getting a Good Deal. practicalmoneyskills.com/ff68

What actions can you take now to prepare for buying a car?

Answers vary; may include saving monthly or comparison shopping

Life Events: Choosing Housing Action Plan

Looking to rent an apartment? Or maybe even to buy a house? There are a few key things you need to know before you do. The housing market is highly competitive, fast-moving, and ever-changing. Exploring the ins and outs of renting and buying now can prepare you for opportunities when they arise.

Directions: Have students do their homework first before starting this activity on page 14 of their Student Activities guide. Research options for buying a home or renting an apartment using the resources listed below.

Resources: Buying a Home. practicalmoneyskills.com/ff69

Renting an Apartment. practicalmoneyskills.com/ff70

Set Your Sights

What are the rights and responsibilities of renting vs. buying?

Research renting and buying: practicalmoneyskills.com/ff69

practicalmoneyskills.com/ff70

Answers may vary slightly; should include:

	Renting	Buying
Rights	<ul style="list-style-type: none"> • Landlord keeps rental unit in good condition (working appliances, running water, stays on top of repairs) • Garbage and recycling cans available for regular use • 24-hour notice by landlord if he or she needs to enter rental unit 	<ul style="list-style-type: none"> • May modify the home as you see fit (painting rooms) • May rent out your property to make income • May take tax deductions
Responsibilities	<ul style="list-style-type: none"> • Paying rent on time • Not damaging property • Not disturbing neighbors • Take a video inventory of the apartment prior to moving in and just after moving out to document the condition of the apartment and any pre-existing damage. This will help to ensure return of security deposit. 	<ul style="list-style-type: none"> • Upkeep and maintenance • Paying up-front costs and monthly mortgage
Risks	<ul style="list-style-type: none"> • Consequences of failing to build long-term wealth through buying • Unruly neighbors • Could be forced to move by landlord 	<ul style="list-style-type: none"> • Lack of mobility (such as steep housing price declines at a time when you need to sell your home, need to move but cannot sell your home, etc.) • Expensive maintenance and repairs

Life Events: Choosing Housing Action Plan, cont.

Which appeals to you most and why?

Answers vary

Searching for the Right Place

What are the key things to consider in choosing a home or apartment?

Research and list at least three things to consider.

Resources: Choosing the Right Home: practicalmoneyskills.com/ff71

Searching for the Right Apartment: practicalmoneyskills.com/ff72

Answers vary; may include location, costs, and lifestyle goals

Prepare Financially

How do the costs compare for renting vs. buying?

Examine the costs of renting and buying: practicalmoneyskills.com/ff69

Use the calculators below to weigh the costs.

- Practical Money Skills Home and Mortgage Calculators: practicalmoneyskills.com/ff73
- New York Times calculator: Review the categories of expenses for renting and buying. nytimes.com/interactive/2014/upshot/buy-rent-calculator.html

Which will cost more up front?

- *Purchasing a home*

What are the recurring costs for renting? For buying?

- *Renting: renters insurance, utilities, and monthly rent*
- *Buying: homeowners insurance, mortgage payments, utilities, maintenance and renovation costs, and property taxes*

What is the potential long-term benefit of buying?

- *You own the property and may be able to sell or rent it to make a long-term profit.*

Taking Next Steps

What choices can you make now to put yourself in a better position to buy a home in the future?

- *Answers vary; may include building credit, saving consistently, and beginning to research what it will take financially to buy a home*

Life Events: Landing a Job Action Plan

Whether you're looking for your first job out of college, searching for a new opportunity, or making a career switch, landing a job is a major milestone. You will want to consider not only what job is best suited to your interests and skills, but also what career choice will let you live comfortably within your means.

Directions: Have students do their homework before starting this activity on page 17 of their Student Activities guide by learning more about landing a job using the resource listed below.

Resource: Landing a Job: practicalmoneyskills.com/ff75

Set Your Sights

If you had to choose a career for your adult self, what would it be, and why?

Answers will vary

What skills are valued most for the career and job you listed?

Answers will vary; should align with personal career goals described above, may include industry-specific skills such as coding, as well as general workplace skills

What kind of jobs can you take as a teen to help you prepare for your future career?

Answers will vary; should align with personal career goals described above

Preparing for the Job Search

Directions: Instruct students to research how to prepare for a job search before answering the questions at the resource listed below.

Resource: Preparing for the Search. practicalmoneyskills.com/ff76

You are your own brand and may have a digital footprint from social media or website interactions. If an employer or college admissions officer conducted an online search about you, what would they see? If you're not sure, try it yourself and do what's necessary to improve your digital brand.

Answers will vary; should reflect on current digital footprint and personal use of social media and web platforms to share information

Choose between the options below:

- **Option #1:** Write a resume and cover letter that you can add to a summer job application, to help you stand apart from other job applicants. You can find tips on creating an effective resume at practicalmoneyskills.com/ff96.
- **Option #2:** Imagine you are 30 years old. Based on your current career and education aspirations, construct a resume and cover letter for your 30-year-old self; when you're done, use these as a college and career road map.

Life Events: Landing a Job Action Plan, cont.

- **Option #3:** Create a LinkedIn account highlighting your professional strengths.

Answers will vary

Share three tips for making yourself stand out as a potential employee.

Answers will vary; may include highlighting personal strengths, positive work habits, or industry-specific skills

Acing the Interview

Directions: Instruct students to discover tips and resources for interview prep at the resource listed below.

Resource: The Interview. practicalmoneyskills.com/ff77

What kind of questions might an interviewer ask you? How might you prepare?

Answers will vary; may include sharing why you're interested in the position, what your strengths and weaknesses are, and why you think you'd be a good fit for the position. Preparation should include researching the company or organization, bringing copies of your resume, and practicing how you will answer questions to highlight your skills and interest in the position.

Using the Problem-Action-Solution (PAR) outline at the resource above, craft an example that highlights a time you successfully solved a problem.

Answers will vary

Working From Home: Business or a Side Hustle

One of the fastest-growing segments of America's workforce is the self-employed.

What does it take to be your own boss? Instruct students to use the resource listed below before answering the questions.

Resource: Working from Home. practicalmoneyskills.com/ff78

Answers will vary; may include being self-motivated, tracking your expenses and payments, pursuing contracts, etc.

What skills might you use to work from home?

Answers will vary; may include writing, research, coding, art development, etc.

Taking Next Steps

How could you begin building job skills now with an internship or volunteer position? Direct students to use the resource listed below before answering the question.

Resource: Internship Resources. practicalmoneyskills.com/ff79

Answers will vary

Life Events: Health Care Action Plan

Taking care of your health is an essential expense you can't forgo. Understanding your options is a crucial part of getting covered.

Directions: Instruct students to research health care options at the links provided below before answering the questions on page 20 of their Student Activities guide.

Resources: Health Care Options. practicalmoneyskills.com/ff80
 Selecting a Health Care Plan. practicalmoneyskills.com/ff81

Understanding Your Options

Research health care options before answering the questions below.

You are a health insurance expert. Four of your friends need to figure out the best health insurance option.

Your responsibility is to make a recommendation based on their situations, using the Practical Money Skills Life Events Resource Page: Health Care Options. practicalmoneyskills.com/ff80

Answers will vary slightly; may include key points below:

Jamal is a 27-year-old employee. His company has given him two health insurance options to choose from, a PPO and an HMO. Jamal's priority is making sure his plan provides coverage for any doctor he wants to see and he is willing to pay a little more. Which plan do you recommend for Jamal, and why?

PPO may cost more but will allow Jamal more flexibility in choosing his doctor.

Sofia is a 29-year-old employee. Her company has given her two health insurance options to choose from, a PPO and an HMO. Sofia's priority is making sure her plan's monthly premiums are budget friendly. Which plan do you recommend for Sofia, and why?

HMO will generally cost less than a PPO and may be the best option if cost is the priority.

Javier is a 19-year-old employee. His parents do not have employer-based insurance, so staying on his parents' plan is not an option. His company has given him two health insurance options to choose from, a POS and EPO. Javier's priority is to keep his medical plan costs to a minimum. Which plan do you recommend for Javier, and why?

An EPO (exclusive provider organization) plan will generally be less expensive but will limit which doctors and hospitals Javier can choose, as benefits will not be extended out of the network.

Emma is a 19-year-old entrepreneur who earns over \$40,000 a year. Her friends, who are the same age, are able to stay on their parents' health insurance plans. Unfortunately, her parents do not have employer-based health insurance, so that is not an option for her. Where can Emma purchase health insurance?

Emma could research and purchase insurance on the public exchange by visiting her state or federal online insurance marketplace.

Life Events: Health Care Action Plan, cont.

Selecting a Plan

Directions: Instruct students to research selecting a health care plan at the resource listed below before answering the questions.

Resource: Selecting a Plan. practicalmoneyskills.com/ff81

What is a deductible?

The amount an insured person must pay for services before the insurance provider begins to cover costs.

How can a high deductible impact your monthly premium payments?

A plan with a high deductible will usually require lower monthly payments.

How does having a high deductible impact your up-front costs?

You'll pay more up front when you need medical treatment.

Assume you are facing a medical emergency. You have a \$5,000 deductible, 20% coinsurance, and a \$105,000 medical bill. What will your out-of-pocket expense be for this medical emergency?

$\$5,000 + \$20,000 \text{ (20\% of \$100,000, coinsurance)} = \$25,000$

Employer Benefits

Directions: Instruct students to research employer-provided benefits using the resource listed below before answering the questions.

Resource: Employer Provided Benefits. practicalmoneyskills.com/ff82

What is an FSA? What are the benefits of taking part in it?

A flexible spending account (FSA) is part of many employee benefits packages. An FSA lets you use pretax dollars to pay for eligible health care expenses, including deductibles, copayments, coinsurance, monthly prescriptions, and more. An FSA can help you save money for medical costs that come up throughout the year.

What is an HSA? How does it differ from an FSA?

Both health savings accounts (HSAs) and flexible spending accounts (FSAs) are a way for those with health insurance to set aside money that is pretaxed to pay for their health care costs. However, not everyone can qualify for opening an HSA. Only those who have high-deductible health plans can select an HSA. For you to qualify for an HSA, this high-deductible health plan (HDHP) must be your only health insurance plan, you must not be eligible for Medicare, and you cannot be claimed as a dependent on someone else's tax return. HSAs generally allow larger annual contributions and do not expire from year to year.

Life Events: Family Life Action Plan

Each stage of family life can present different challenges and rewards. Heading out on vacation? Getting a new pet? Figuring out entertainment for the month? Get prepared by planning ahead.

Directions: Assign this as an individual or group exercise; refer students to page 23 of the Student Activities guide.

Set Your Sights

Which of the following family life adventures is most interesting to you? Why?

- Welcoming a new pet
- Planning a trip
- Hosting a party

Answers will vary

Note: Depending on your selection above, work on that section of your Action Plan only.

Welcoming a Pet

To provide the best care for a pet, you'll want to be able to afford to meet its needs, including the basics like food and health care. With this in mind, think carefully and review your budget before deciding to welcome an animal into your family.

Directions: Instruct students to read the article at the resource below before they begin this action plan on page 23 of their Student Activities guide.

Resource: How to Save Money While Welcoming a New Pet to Your Home. practicalmoneyskills.com/ff83

What kind of pet are you interested in?

Answers will vary

Is this pet affordable in your life? What are the up-front costs? What are the recurring costs?

(List items and estimated prices)

Answers vary; may include options below

Life Events: Family Life Action Plan, cont.

Items	Cost
Food	One bag a month \$35
Annual vet visit	\$45
Toys	\$20 a month
Pet sitting	\$15 per visit (average of 10 visits a year)
Emergency vet visit	\$450
	Total: \$1,305 a year

Planning a Trip

Directions: Explain to students that from choosing a destination to getting their gear, they can learn about five ways to save before setting off on their next adventure. Instruct them to read the article listed in the resource below.

Resource: How to Save Money on Your Next Outdoor Adventure. practicalmoneyskills.com/ff84

What kind of trip are you interested in taking? Where will you go?

Answers will vary

What will your budget be for the whole trip?

Answers vary; should include reasonable total estimate of expenses for the trip being taken

Calculate the costs and record your total. How did you stay within your budget?

Resource: Travel Budgeting financial calculator. practicalmoneyskills.com/ff85

Answers vary; should include reasonable estimate of expenses for the trip being taken

Hosting a Party

Hosting a party requires planning to budget for your party preparation so you don't overspend.

Resource: Entertainment Planner financial calculator. practicalmoneyskills.com/ff86

What kind of event are you hosting (birthday celebration, graduation party, Pi Day party, etc.)?

Answers will vary

What will your budget be for the whole event?

Answers vary; should include reasonable total estimate for party

Calculate the costs and record your total. How did you stay within your budget?

Resource: Entertainment Planner Calculator: practicalmoneyskills.com/ff86

Answers vary; should include reasonable estimate of expenses for the event

Life Events: Retirement Action Plan

It's never too early to plan ahead and start saving for retirement. To get the most out of your retirement savings, you'll want to start planning and saving at an early age.

Directions: Have students do their homework first and research how to plan for retirement by reviewing the resource listed below. This exercise begins on page 26 of their Student Activities guide.

Resource: Retirement. practicalmoneyskills.com/ff87

Understanding Your Options

A big part of being prepared is knowing the lingo. Research each of the following retirement options. Create a hashtag to explain each retirement option below:

Answers will vary; should highlight definition and summary of services below

401(k) Plans

Example: #EmployerSavingsPlan

457 Plans

457 plans are offered to employees of state and local municipal governments, as well as of some local school and state university systems. Example: #LocalGovEmployeePlan

Thrift Savings Plans

Thrift Savings Plans are offered to federal civilian and uniformed services employees. These plans have many features in common, although contribution limits, vesting schedules for employer-matched contributions, investment options, and other details may differ, so read the plan documents carefully for your exact plan. Example: #CivilServiceEmployeeSavingsPlan

Individual Retirement Accounts (IRAs)

A retirement account that allows individuals to contribute a limited yearly sum toward retirement on either a pretax (traditional IRA) or after-tax (Roth IRA) basis. Example: #RetirementGrowthWithSelfSaving

Annuities

An annuity is an investment agreement in which you pay an insurance company a specified amount and the insurer invests the money for you, with the promise to pay you back on a future date or series of dates. You can choose to receive your annuity income monthly, quarterly, annually, or in a single one-time payment. An annuity often includes very high fees that erode returns. Example: #InsuranceInvestingfortheFuture

Life Events: Retirement Action Plan, cont.

Kiddie IRA

A Roth IRA opened for a minor and managed by an adult. The minor must have earned income to contribute, which can be from babysitting or other work. Example: #StartYoungBuildingRetirementAccount

How much do you need for retirement?

Directions: Instruct students to review the resource listed below prior to answering questions.

Resource: Do I Have Enough Retirement Money financial calculator. practicalmoneyskills.com/ff88

If you want to retire at 65 years old and you need \$50,000 a year to live on for the next 20 years, how much money will you need to save for retirement?

\$1,000,000

Using the Save a Million Calculator, how can you reach your retirement goal if you receive an average 8% interest rate on accounts?

Resource: Save a Million financial calculator. practicalmoneyskills.com/ff89

Answers will vary; should include a plan for saving consistently and growing amount over time based on interest rate of 6%

Life Events: Handling the Unexpected Action Plan

While we can't predict what will happen in our future, we can prepare for the unexpected. Financial security is essential to successfully managing major life events, and that means planning to create an emergency fund and thinking about insurance.

Directions: Have students do their homework before completing this activity, which begins on page 28 of their Student Activities guide by learning more about handling the unexpected.

Building an Emergency Fund

Directions: Explain to students that experts say it's smart to build and maintain an emergency fund with three to six months' worth of living expenses. Instruct them to review the resource listed below prior to answering the questions.

Resource: Building an Emergency Fund. practicalmoneyskills.com/ff90

According to a recent BankRate survey, 40% of all Americans are unprepared to cover a \$1,000 emergency.⁵

Answers vary; may include dental or medical treatment, sudden car repairs, etc.

How much should you save for an emergency fund if your total monthly expenses are \$250? Or \$1,000?

Check out the Emergency Fund calculator to take a look at your finances and determine how much you should be saving in preparation for the unexpected. A typical emergency fund should cover three to six months' worth of expenses.

Resource: Emergency Fund financial calculator. practicalmoneyskills.com/ff91

- Monthly expenses of \$250, need to save \$750–\$1,500
- Monthly expenses of \$1,000, need to save \$3,000–\$6,000

If your friend has an emergency fund goal of \$1,500 and can save \$100 per month, how long will it take to build the emergency fund?

- 15 months

Insurance in Case of Emergency

Directions: Explain to students that unexpected events can take a lasting toll on your financial security. While you can't predict what experiences you will encounter in life, there are steps you can take to prepare for the unexpected by having insurance. Instruct students to review the resource listed below before answering questions.

Resource: Planning for the Unexpected. practicalmoneyskills.com/ff92

What is insurance?

Answers may vary slightly; could define as an agreement/service that helps protect against financial risk in the event something unexpected happens.

Life Events: Handling the Unexpected Action Plan, cont.

How can insurance help in handling the unexpected?

Answers may vary slightly; could include the point that with reliable insurance, many medical, auto-, and home-related payments may be covered in part or completely. Purchasing disability and life insurance policies is also worth considering. While having insurance won't eliminate unexpected expenses, it can make a significant difference if you find yourself in a difficult financial situation. Think ahead and learn more about health, life, auto, and homeowners insurance to protect your finances.

Summarize how each of the insurance types below protects you in case of the unexpected:

Medical/health insurance

Provides financial coverage for doctor visits and health care.

Life insurance

Provides financial protection for family members in the event of your death.

Auto insurance

Insurance covering some costs for a driver and vehicle in the event of an accident or theft.

Renters insurance

Property insurance that covers a policyholder's belongings, liability, and possibly living expenses in case of a loss event.

Homeowners insurance

Property insurance that covers losses and damages to an individual's house and to assets in the home. It also provides liability coverage in case of accidents in the home or on the property.

⁵Bankrate's January 2019 Financial Security Index survey

Glossary of Terms

Have students study this list of personal finance terms to warm up before playing Financial Football. By mastering these terms, students will have a better opportunity to answer questions in the game correctly and score.

401(k): A 401(k) is a feature of a qualified, employer-sponsored retirement plan that allows eligible employees to contribute a portion of their wages to individual accounts.

529 plan: A savings plan operated by a state or educational institution, designed to help set aside funds for future college costs. Savings deposited in a 529 plan grow tax-free until withdrawn.

Annuity: An annuity is an investment agreement in which you pay an insurance company a specified amount of money and the insurer invests it for you with the promise to pay you back on a future date or series of dates.

Asset: Anything of material value owned by an individual or company. This may include your house, car, furniture — anything that's worth money.

Auto insurance: Insurance designed to cover a driver, and often a vehicle, financially in the event of an accident or theft.

Bookkeeping: The recording of financial transactions and exchanges.

Budget: A plan for future spending and saving, weighing estimated income against estimated expenses.

Capital gains: Profits from the sale of an investment.

Career objective: The goal of your current career efforts, or a short statement of definition on a resume about the position you are seeking.

Cash flow: The total amount of money being transferred into or out of a business, account or an individual's budget.

Copayment: Primarily for health insurance; the amount you owe each time you visit the doctor after you have met your deductible.

Collateral: An asset or amount of money provided as security for repayment of a loan.

Collision insurance: Auto insurance that covers certain costs if your vehicle is damaged.

Cost comparison: Comparing the cost of two or more goods or services in an effort to find the best value.

Cost-benefit analysis: Analyzing whether the cost of an item is more than, equal to, or less than the benefit that comes from its purchase.

Deductible: The amount an insured person must pay for services before the insurance provider begins to cover costs.

Depreciation: The decrease in value of assets over time.

Down payment: The amount a consumer pays up front for something on the day of the purchase.

Emergency fund: Money set aside for emergency expenses, recommended to cover 3–6 months of expenses.

Glossary of Terms, cont.

Employer-sponsored savings plan: A benefit plan offered by an employer for employees at relatively low cost.

Entrepreneur: Someone who owns or operates his or her own business.

Estate: The whole of an individual's possessions, including property and debts.

Estate plan: The process of arranging for the dispersal of an individual's estate in the event of death.

Executor: A person or institution appointed to carry out the terms of a will.

Expenses: The money an individual spends regularly for items or services.

Federal taxable wages: The sum of all earnings by an employee that are subject to a specific taxation.

Flexible savings account (FSA): A special account you put money into that you use to pay for certain out-of-pocket health care costs. This means you'll save an amount equal to the taxes you would have paid on the money you set aside. There are two types of FSAs — one for health-care-related expenses and the other for dependent-care-related expenses. The accounts are separate, and you may sign up for either or both during your open enrollment period. FSAs offer a way for those with health insurance to set aside money that is pretaxed to pay for their health care costs, known as "qualified expenses," which include (but are not limited to) deductibles, copayments, coinsurance, monthly prescriptions, and more. They can also be used for expenses incurred out of network.

Foreclosure: A legal process in which a mortgaged property is confiscated because the borrower has failed to keep up payments.

Grants: Grants are a type of financial aid that you don't have to repay and are usually based on financial need. Grants can come from the federal government, your state government, your college or career school, or a private or nonprofit organization. It is a sum of money given for a particular purpose, such as college tuition.

Gross income: The total amount of money an individual has earned before voluntary deductions, such as 401(k) contributions, and involuntary deductions, such as taxes, are taken out.

Health insurance: Insurance designed to cover the costs of health care expenses.

Health savings account (HSA): A pretax savings account designed specifically for medical expenses. Only those who have high-deductible health plans can select an HSA. For you to qualify for a HSA, this high-deductible health plan (HDHP) must be your only health insurance plan, you must not be eligible for Medicare, and you cannot be claimed as a dependent on someone else's tax return.

Homeowners insurance: Insurance designed to cover the costs of damage to home or property in the event of a theft, natural disaster, or other unexpected event.

Income: Payment received for goods or services, including employment.

Income tax: Tax levied by a government directly on personal income.

Individual retirement account fund (IRA): A retirement account that allows individuals to contribute a limited yearly sum toward retirement on either a pretax (traditional IRA) or after-tax (Roth IRA) basis.

Glossary of Terms, cont.

Inflation: The overall increase in the cost of products and services over time.

Insurance: An agreement that helps to protect against financial risk in the event something unexpected happens.

Insurance policy: A contract between a consumer and insurance company outlining coverage plans.

Lease: A contract outlining the rental terms of a piece of property, whether a car, an apartment, or another space.

Liabilities: Everything that you owe, which may include your mortgage, credit card balance, interest, student loans, and loans from family and friends.

Life insurance: Provides financial protection for one's family in the event of one's death. It is primarily designed to replace the income stream relied on by beneficiaries.

Loan: Money or assets borrowed and paid back with interest over time.

Loan principal: An amount borrowed that remains unpaid, excluding interest.

Long-term financial goal: A financial goal that will take longer than a year to achieve.

Mortgage: A loan secured in order to purchase property.

Mortgage payment: The payment a borrower makes each month toward the purchase of a home.

Mortgage term: The agreed-upon amount of time to pay off a mortgage.

Net worth: Your financial wealth at one point in time. The formula to calculate net worth is simple:

Net worth = assets – liabilities

Opportunity cost: The loss of potential gain from other alternatives when one alternative is chosen.

Premium: The amount paid to an insurance provider monthly in order to maintain an insurance plan.

Private mortgage insurance (PMI): Insurance to help protect a mortgage lender in the event a borrower cannot make payments.

Property tax: A capital tax on property based on its estimated value.

Purchase price: The price paid for an item or service.

Renters insurance: Covers your personal property in a rented apartment, condo, or home against unexpected circumstances such as theft, a fire, or sewer backup damage — you receive payment for lost or damaged possessions. It can also help protect you from liability if someone is injured on your property.

Scholarship: An award of financial aid for the purpose of education that does not need to be repaid. This is a grant-in-aid to a student (as by a college or foundation).

Short-term financial goal: A financial goal that will require less than six months to achieve.

SMART goals: An acronym guideline for setting financial goals that are Specific, Measurable, Attainable, Relevant, Time-Related.

Glossary of Terms, cont.

Social Security taxes: A tax on individuals used to fund the U.S. government's Social Security program, based on earnings history.

Student loan: A loan offered to students for education-related expenses that must be repaid.

Thrift Savings Plan (TSP): A retirement savings and investment plan for federal employees and members of the uniformed services.

Tuition: Fees paid in exchange for instruction from a school (primary, high school, college, vocational).

Unexpected expenses: Unplanned for and unforeseen expenses. An emergency fund can help with these expenses.

Variable expenses: Expenses that change in price and frequency each month.