



mon... (nn)
n. pl. mon eys or mon ies
1. A medium that can be exchanged for goods and services and is used
measure of their values on the market, including among its forms a com
such as gold, an officially issued coin or note, or a deposit in a checking
or other readily liquifiable account.
2. The official currency, coins, and negotiable paper notes issued by a
government.
3. Assets and property considered in terms of monetary value; wealth.



MONEY Skills

Teacher's Guide


**THE
OKLAHOMAN**

Newspapers for this educational
program provided by:

wePro\$per

Content for this educational
program provided by:

career tech

iThryv
professor

Introduction

Every day we hear more bad news about America's finances. It's difficult to function without basic knowledge of personal finance even in the good times. But when much of the country is suffering from financial turmoil, financial literacy is even more important. 2007, the Oklahoma Legislature passed the *Passport to Financial Literacy Act*. This law requires Oklahoma students (beginning with those who were in 7th grade or higher in 2008) to learn the basic concepts of handling their finances, including earning an income, banking, savings and investing, loans, insurance, identity fraud, interest, bankruptcy, etc.



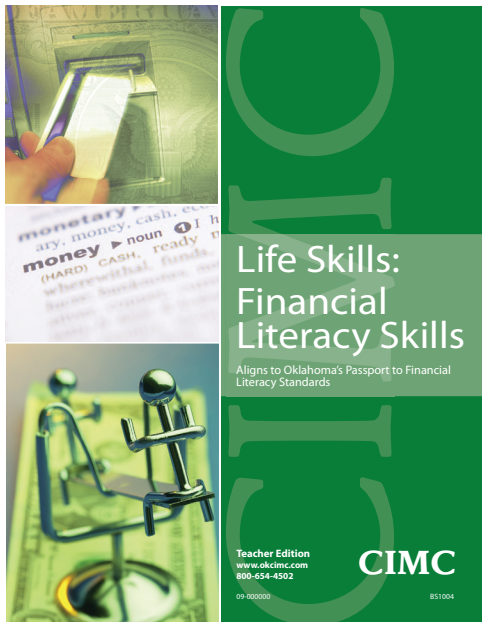
"Money Skills" is a 4-lesson series on financial literacy produced by the Oklahoma Department of Career and Technology Education (CareerTech) and weProsper (creators of the online iThryv Professor financial literacy teaching tool.) CareerTech and weProsper are working together to provide financial literacy education for students of all ages. The four lessons include:

Lesson 1: "Spending and Saving" – Students will examine personal spending habits, learn how to follow a budget, and learn why it's important to have a savings account.

Lesson 2: "Banking Basics" – Students will find out what a bank can do for them and learn about balancing a bank statement.

Lesson 3: "Employee vs. Entrepreneur" – Students will learn about different options for earning money and will compare the costs and benefits of running your own business vs. working for someone else.

Lesson 4: "Paycheck Basics" – Students will clear up some of the mysteries of paychecks and taxes. They will learn what is deducted from their paychecks, why it's deducted, and why they pay taxes.



These lessons are excerpts from the Financial Literacy Skills materials developed by the Oklahoma Department of Career and Technology Education (CareerTech). This curriculum covers all 14 subject areas mandated by the *Passport to Financial Literacy Act*. The lessons are supplemented by the online iThryv Professor teaching tool offered by weProsper. For more information on these products, visit:

www.okcimc.com/financial-literacy

www.weprosper.org

To learn more about Oklahoma's Personal Financial Literacy legislation, visit:

<http://sde.state.ok.us/Curriculum/PFLP/default.html>

iThryv Professor registration and setup

If you have registered to use the iThryv platform for the Money Skills program, you will have received an e-mail with your login information. Once you have your login information, go to <http://itp.ithryv.com> and log into iThryv Professor. You will be on the Favorites Desktop with the Group Setup widget opened. (If you have not registered and do not have your login information, please go to <http://www.newsok.com/nie> and click the "Money Skills" link.)

The screenshot shows the iThryv Professor Favorites Desktop. The top navigation bar includes links for Favorites (Personal Desktop), Banking (Account Tools), Customize (Control Panel), Learn (\$ University), Make \$ (My Business), and Help (Support). Below this, a row of widgets is displayed: Group Setup (Manage Groups), OK Department of Education (View), Account Management (Manage Accounts), Transaction & Lesson Generator (Manage Accounts), and Bulk Import (Import). The Group Setup widget is expanded, showing a 'Group Name' dropdown set to 'KSTeacher Group' with 'New' and 'Delete' buttons. Below this is a table with columns for First Name, Last Name, Email, Gender, and User Name. The table contains two records: Katherine Marie (234567@cox.net, female, 1-KatherineM) and Kim Stroh (kim@ithryv.com, female, KSSstudent). A '2 records' summary is shown below the table. To the right of the Group Setup widget is a 'Did You Know?' box with a quote about back-to-school budgeting and a source: 'Source: Capital One, July 2007'. The footer of the interface reads '© Copyright 2008 iThryv, LLC.'

First Name	Last Name	Email	Gender	User Name
Katherine	Marie	234567@cox.net	female	1-KatherineM
Kim	Stroh	kim@ithryv.com	female	KSSstudent

Use this widget to create a new group and manually add students. If you have a full list of students for a class, you can use the Bulk Import widget to load students from a text file.

For iThryv Professor technical support, visit: <http://www.weprosper.org/support/trainingcenter.aspx>

LESSON 1 – Spending and Saving

In this lesson, students will examine personal spending habits, learn how to follow a budget, and learn why it's important to have a savings account. This lesson includes activities that can be completed using the forms in the student materials, or online using iThryv Professor.

"Spending and Saving" addresses the following Oklahoma Financial Literacy Standards: 1.1, 1.2, 6.1. For more information on these standards, visit <http://sde.state.ok.us/Curriculum/PFLP/pdf/PASS.pdf>.

iThryv Professor Activity

To assign the transactions the students need for this lesson, open the "Transaction & Lesson Generator" widget. Select the class and the "Money Skills – Lesson 1" set; click "Assign." The students will now have account transactions for this lesson in their "Account Details" widget.

Students will be able to categorize each transaction as a "Want" or a "Need" using the drop down category list. Have them click "Save Changes" to save these categories. The percentage of their monthly spending will be updated as they go.

If you do not have computers in the classroom to complete this activity, a paper-based version can be found in the Appendix at the end of this Teacher's Guide.

Activity Answers

Online Activity 1: What Do I Want? What Do I Need?

Answers may vary, but in general, items such as haircuts, cable television, magazines/books, dining out, party clothes, and cat toys would be considered "wants," while utilities, gas, groceries, health care etc. would be considered "needs." Discuss areas of disagreement – for example, is the new car really a want, or is it a need?

The focus of the lesson is not to encourage students to eliminate wants from their budget, but to understand which items are more expendable and/or flexible than others.

Online Activity 2: Meet a Savings Goal

Again, answers may vary based on students' answers to the previous activity.

1. 40 months
2. $\$405.70$ (Kari's spending on wants) + $\$125$ (the amount Kari is already saving for a car) = $\$530.70$
3. $\$202.85$ (half of Kari's spending on wants) + $\$125$ (the amount Kari is already saving for a car) = $\$327.85$
4. 15.25 months



Paper Activity: Caitlin's Budget

Students should complete Caitlin's budget as shown below:

Caitlin's Budget

Monthly allowance	40.00
Income for petsitting neighbor's cat	20.00
Total available this month	60.00

<u>Expenses</u>	<u>Budget</u>	<u>Actual</u>
Savings	10.00	10.00
Clothing + accessories	15.00	12.97
Magazines + books	10.00	11.50
Music + Entertainment	10.00	4.95
Food + drink	5.00	4.50
Toys + Games	5.00	0.00
Other	5.00	4.95



Optional Activities and Resources

- Have students make a list of the items they need to include in their individual budgets.
- Work through a sample set of fixed and variable expenses of a family for a one-month period.
- Discuss the difference between a financial plan (the big picture, which includes income goals and savings objectives) and a budget (the details).
- Have students brainstorm ways teenagers can save and earn money.
- Have students define the terms conservative, thrifty, frugal, tightwad, and spendthrift. Have them name adjectives they would like used to describe their spending and saving habits.
- Discuss why "big spenders" may not be well-off financially, and people who seem to watch every penny may be quite well off.
- Work through a sample budget with the students. Use different sample income amounts to illustrate the choices/decisions that must be made.

LESSON 2 – Banking Basics

In this lesson, students will find out what a bank can do for them and learn about balancing a bank statement. This lesson includes activities that can be completed using the forms in the student materials, or online using iThryv Professor.

"Banking Basics" addresses the following Oklahoma Financial Literacy Standards: 3.1, 4.1, 4.2. For more information on these standards, visit <http://sde.state.ok.us/Curriculum/PFLP/pdf/PASS.pdf>.

iThryv Professor Activity

Note: this lesson relies on the transactions the students used in “Money Skills – Lesson 1” and have account transactions for this lesson in their “Account Details” widget.

Students will be able to reconcile each transaction against their check register. Using the “Account Details” widget, have students mark the “Recon” checkbox for each transaction in their register.

If you do not have computers in the classroom to complete this activity, a paper-based version can be found in the Appendix at the end of this Teacher's Guide.

Activity Answers

Online Activity: Balance Your Books

Students should find a debit card withdrawal of \$25 on April 14 that does not appear in Kari's register – this withdrawal caused the account to be overdrawn and receive a \$25 service charge.

Paper Activity: Deposits and Checks

Transaction 1:

CHECKING ACCOUNT DEPOSIT TICKET		Dollars	Cents
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL			
DATE <u>today's date</u>	<u>20</u>	<u>09</u>	
Cash	18	25	
Checks	20	00	
	25	00	
Total Deposit	63	25	
Less Cash Received	—	—	
Net Deposit	63	25	

Sign on line above only if cash is received.

#103901562#
8079311'



Transaction 2:

		No. 112
		56-202 550
(today's date) 20 09		
PAY TO THE ORDER OF	Manuel's Clothing Store	\$ 25.59
Twenty five and 59/100		DOLLARS
Mytown Bank		
FOR	shirt	Student Signature
⑆103901562⑆		8079311' 112



Optional Activities and Resources

- Invite a guest speaker from a bank or financial institution to discuss the functions and services of different financial institutions.
- Conduct a tour of a financial institution.
- Discuss the consequences of a bounced check – fees, deductions from your account that can result in more bounced checks, losing the privilege of writing checks at a certain store, etc.
- Have students share their experiences with banking, including checking and savings accounts.
- Review with students reasons for saving money (make a profit, keep pace with inflation, attain a specific goal, meet emergencies, etc.)
- Discuss ways to establish a savings habit, such as using automatic payroll deduction into savings or automatically saving a certain percentage of any income.

LESSON 3 – Employee or Entrepreneur?

In this lesson, students will learn about different options for earning money and will compare the costs and benefits of running your own business vs. working for someone else. This lesson includes activities that can be completed using the forms in the student materials, or online using iThryv Professor.

“Employee or Entrepreneur?” addresses the following Oklahoma Financial Literacy Standards: 1.1. For more information on these standards, visit <http://sde.state.ok.us/Curriculum/PFLP/pdf/PASS.pdf>.

iThryv Professor Activity

Students will use the “My Earnings” widget to enter their revenue and expenses for their eBay business. As they enter transactions they will see their profit or loss change accordingly. After entering all transactions, they will be able to see whether they made or lost money in their business.

If you do not have computers in the classroom to complete this activity, a paper-based version can be found in the Appendix at the end of this Teacher’s Guide.

Activity Answers

Online Activity: The Cost of Working

Felix earned \$141 and had \$51.95 in business expenses, giving him a net income of \$89.05. Shanna earned \$360 and had \$90 in work expenses, giving her a net income of \$270. Discuss the number of hours that Felix and Shanna probably worked to earn their income, and the potential expenses faced by both self-employed workers and those who are employed by others.

Paper Activity: Which Job for Me?

Answers will vary. The focus of this exercise is to show students that factors other than salary should be considered. While Job 2 has a higher salary, Job 1’s benefits are more valuable.

Optional Activities and Resources

- Develop three lists: Yesterday’s Jobs, Today’s Jobs, and Tomorrow’s Jobs. Start a discussion by listing a job under each category. Get the students thinking about how jobs have been eliminated, changed, or created. Ask the students to add jobs to each list.
- Ask students to define “job security” in terms of past, present, and future jobs.
- Visit the website for the show “Dragon’s Den” at <http://www.bbcamerica.com>. Have students watch an episode to see how entrepreneurs come up with ideas and approach investors.
- Visit the website of the U.S. Department of Labor, Bureau of Labor Statistics, at <http://stats.bls.gov>.
- Discuss other entrepreneurs students may be familiar with, especially local business owners.
- Discuss self-employment options for students.
- Discuss the drawbacks and benefits of being an employee and being self-employed.



LESSON 4 – Paycheck Basics

In this lesson, students will clear up some of the mysteries of paychecks and taxes. They will learn what is deducted from their paychecks, why it's deducted, and why they pay taxes. This lesson includes activities that can be completed using the forms in the student materials, or online using iThryv Professor.

"Paycheck Basics" addresses the following Oklahoma Financial Literacy Standards: 1.3, 2.1. For more information on these standards, visit <http://sde.state.ok.us/Curriculum/PFLP/pdf/PASS.pdf>.

iThryv Professor Activity

Students will use the "Using Money" widget to pay Carson's \$250.00 January tax payment. If Malini needs money to cover taxes, students can use the "Transfer" widget and move the correct amount from savings to checking so they can pay taxes. After evaluating, Alfonso's paystub, students may use the "Transfer" widget to move money from savings to checking accounts if needed.

If you do not have computers in the classroom to complete this activity, a paper-based version can be found in the Appendix at the end of this Teacher's Guide.

Activity Answers

Online Activity: Preparing for Tax Time

Students should pay \$1000 from Carson's account (you may choose to discuss Carson's other tax responsibilities as a business owner, such as his Social Security contributions). Malini has a sufficient amount deducted to cover her expected income tax (you may choose to discuss whether Malini should adjust her withholding to have a lesser amount deducted). Alfonso will only have \$600 deducted, so students should pay \$400 from his account to cover his expected shortfall. Note that if you use the paper version of this activity, the Carson scenario is not included.

Optional Activities and Resources

- Briefly discuss Social Security.
- Explain that the employer uses the information on the W-4 form to determine how much tax to withhold from the employee's earnings each pay period. Insure that students understand the difference between the tax withheld and the tax owed.
- Discuss why employees may choose to have more or less money withheld from their paychecks for federal income tax.
- Discuss the difference between pre-tax and after-tax deductions.
- Invite a guest speaker from the personnel or human relations department of a local employer to discuss benefits.
- Lead a discussion on the purposes of taxes by asking the following questions: What is the purpose of taxation? Do taxes influence behavior? How? Are taxes generally fair to different income groups? Why or why not? What would happen to public services without taxes?
- Explain the three kinds of taxes (progressive, flat rate, and regressive) and have students discuss whether they consider them fair or unfair. These terms are discussed in the publication "Taxes Affect Different Income Groups," one of seven units in a free instructional kit, Understanding Taxes, from the IRS Taxpayer Education coordinator in your state (In Oklahoma, call 405.297.4125).

APPENDIX

Lesson 1 Activities

What Do I Want? What Do I Need?

Kari has the following income and expenses last month. Which expenses are wants, and which are needs?

Check #	Date	Item	Description	Amount	Income, Want, or Need?
DEP	4/1/09	Deposit	Paycheck	\$1000.00	
1011	4/1/09	C&M Property Management	Rent	\$600.00	
1012	4/1/09	Luigi's Pizza	Dining	\$15.00	
DBT	4/1/09	Ted's Service Station	Gasoline	\$35.75	
1013	4/7/09	Midtown Market	Groceries	\$75.45	
1014	4/7/09	SuperGym	Monthly membership fee	\$25.00	
1015	4/10/09	Razor's Edge Hair Salon	Haircut and highlights	\$80.00	
EFT	4/11/09	State Auto	Monthly auto insurance premium	\$41.00	
DBT	4/14/09	Hastings	Magazines and books	\$40.70	
1016	4/14/09	Midtown Market	Groceries	\$47.50	
DEP	4/14/09	Deposit	eBay sales	\$15.00	
DEP	4/15/09	Deposit	Paycheck	\$1000.00	
1017	4/15/09	CVS	Prescription	\$25.00	
1018	4/15/09	Midtown Market	Groceries	\$80.40	
1019	4/18/09	Electric Company	Utilities	\$60.50	
1020	4/18/09	Cablevision	Cable television	\$35.50	
XFER	4/18/09	Transfer to savings	New car fund	\$125.00	
1021	4/19/09	Westies	Shoes for work	\$47.50	
1022	4/19/09	Dillards	Party dress	\$53.75	
DBT	4/20/09	Cheesecake Factory	Dining	\$21.00	
DBT	4/21/09	Ted's Service Station	Gasoline	\$25.25	
1023	4/25/09	PetSmart	Cat toys	\$9.75	
1024	4/27/09	AT&T	Phone bill	\$75.45	
EFT	4/30/09	Sallie Mae	Student loan payment	\$110.00	

Meet A Savings Goal

Use Kari's register above to answer the following questions:

1. If Kari saves the same amount every month, how long will it take her to save \$5000 for a new car?
2. If Kari had taken all of the money she spent on "wants" this month and put it in her new car fund instead, how much would she have saved toward her new car this month?
3. If Kari had taken half of the money she spent on "wants" this month and put it in her new car fund instead, how much would she have saved toward her new car this month?
4. If Kari cuts her "wants" spending in half every month, and puts the money she saves in her new car fund, how long will it take her to save \$5000 for a new car?

Lesson 2 Activities

Balance Your Books

Use the register from Lesson 1 to balance Kari's checkbook register to her bank statement. A reconciliation form is provided on the next page.

Second National Bank

Kari Plenderson
100 Home Street
Yourtown, OK 12345

Date: 5/2/09
Account Number: 008079311

Checking Account Summary

Statement Dates: 4/1/09 thru 5/1/09
Previous Balance: 10.00
Deposits/Credits: 2015.00
Payments/Debits: 1484.30
Service Charge: 25.00
Ending Balance: 515.70

Account Activity

Credits

4/1/09	Deposit	1000.00
4/14/09	Deposit	15.00
4/15/09	Deposit	1000.00

Debits

4/01/09	Check 1011	600.00	4/14/09	Service Charge	25.00
4/01/09	Check 1012	15.00	4/15/09	Check 1017	25.00
4/01/09	Debit Card	50.00	4/15/09	Check 1018	80.40
4/01/09	Debit Card	35.75	4/18/09	Check 1019	60.50
4/07/09	Check 1013	75.45	4/18/09	Check 1020	35.50
4/07/09	Check 1014	25.00	4/18/09	Transfer	125.00
4/10/09	Check 1015	80.00	4/19/09	Check 1019	47.50
4/11/09	EFT	41.00	4/19/09	Check 1020	53.75
4/14/09	Debit Card	40.70	4/20/09	Debit Card	21.00
4/14/09	Check 1016	47.50	4/21/09	Debit Card	25.25

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Lesson 3 Activities

The Cost of Working

How much money did Felix bring in from sales during this time period? What was the total of his business expenses? Subtract his expenses from his income to find out how much profit he made.

FELIX

Felix sells items on eBay. Some of his sales are his own personal items, such as video games he no longer plays. Others are items he buys at garage sales and thrift stores. He also sells items for his friends and family members and splits the profit with them.

Date	Item	Description	Amount
4/01/09	Deposit	Sale - video games	\$90.00
4/06/09	Deposit	Sale - CDs	\$25.00
4/10/09	Deposit	Sale - jeans	\$26.00
Felix needs to pay the following business expenses.			
4/01/09	Post Office	Shipping	\$15.00
4/03/09	eBay	Fees	\$1.50
4/04/09	Salvation Army	Jeans	\$5.00
4/05/09	Wal-Mart	Boxes and shipping tape	\$7.95
4/06/09	Chuck Wilson	Chuck's share of CD sale	\$8.50
4/07/09	Post Office	Shipping	\$5.00
4/07/09	eBay	Fees	\$2.00
4/10/09	Post Office	Shipping	\$5.00
4/10/09	eBay	Fees	\$2.00

How much money was Shanna paid during this time period? What was the total of her work expenses? Subtract her expenses from her income to find out how much she actually made.

SHANNA

Shanna delivers pizza. She drives her own car and must pay for her own gas and insurance. She is also required to wear a shirt with the pizza restaurant's logo that she must buy from the restaurant.

Date	Item	Description	Amount
4/01/09	Deposit	Paycheck	\$150.00
4/01/09	Deposit	Tips	\$55.00
4/08/09	Deposit	Paycheck	\$125.00
4/08/09	Deposit	Tips	\$30.00
Shanna needs to pay the following business expenses.			
4/03/09	Pizza Place	Work shirt	\$15.00
4/05/09	Ted's Service Station	Gasoline	\$45.00
4/10/09	State Auto Insurance	Monthly car insurance premium	\$30.00

Lesson 4 Activities

Preparing for Tax Time

Malini and Alfonso earn the same amount, but Malini chooses to have the maximum amount withheld from her paycheck. Alfonso chooses to have the minimum amount withheld from his paycheck.

Malini's paystub is below. She predicts she will owe \$1000 in federal income tax this year. She gets paid twice a month. If everything on her paystub stays the same throughout the year, will her federal withholding be enough to cover her taxes? If not, how much should she put in her savings account to cover her expected shortfall?

Malini Danyi 100 Main Street My City, OK 70000		Pay period ending: 1/15/09 Pay rate: \$10.00/hr		Tax Data Marital status: Single Allowances: 0	
Hours / Earnings	Description	Rate	Hours	Earnings	
	Regular	10.00	35.00	350.00	
	Holiday	15.00	10.00	150.00	
Total Earnings			45.00	500.00	
Taxes	Federal withholding	State withholding	Federal MED	Federal FICA	
	75.00	18.00	5.00	5.00	
Total	Total Gross	Taxable Gross	Total Taxes	Net Pay	
	500.00	500.00	103.00	397.00	

Alfonso's paystub is below. Alfonso predicts he will owe \$1000 in federal income tax this year. He gets paid twice a month. If everything on his paystub stays the same throughout the year, will his federal withholding be enough to cover his taxes? If not, how much should he put in his savings account to cover his expected shortfall?

Alfonso Rivera 301 Elm Street My City, OK 70000		Pay period ending: 1/15/09 Pay rate: \$10.00/hr		Tax Data Marital status: Married Allowances: 2	
Hours / Earnings	Description	Rate	Hours	Earnings	
	Regular	10.00	35.00	350.00	
	Holiday	15.00	10.00	150.00	
Total Earnings			45.00	500.00	
Taxes	Federal withholding	State withholding	Federal MED	Federal FICA	
	25.00	15.00	5.00	5.00	
Total	Total Gross	Taxable Gross	Total Taxes	Net Pay	
	500.00	500.00	50.00	450.00	