Thinking Money
A Financial Expedition

We all think about money. Not just how to earn it—but also how to spend, save, invest, and protect it.

When it comes to money management, the ultimate goal is financial security. This is a lifetime voyage. There are many sound principles and strategies to guide us, such as saving, budgeting, and investing. Understanding the risks and rewards of our choices is key.

But beware the pitfalls! They have a lot to do with how our brains work and can keep us from achieving our financial goals.

By joining this guide, you'll learn
- the rules of the game
- how to be in charge.
- the risks and rewards of different choices.
- the ever-changing world of personal finance.
BUDGET GAME:

Living on a 20 Square Salary
INTRODUCTION

• Managing money means making choices.
• There is never enough money for all the things we’d like to do.
• This game will help you decide what is most important to you!
• Need game board and pennies!
DIRECTIONS

- Today you have 20 pennies of income.
- The # indicates the number of pennies needed to buy that item.
- First you must select housing, food, clothing and transportation.
- Then allocate the remainder of your pennies!
DISCUSSION

• Compare your choices to those of others.

• How do your values, goals and past experiences affect your spending choices?

• What did you learn about yourself?
ROUND 2

• Your income has been cut into 15 pennies.
• What will you change or give up?
• Move your pennies to represent your new choices.
• Make changes until you have only consumed 15 pennies.
BUDGETING TIPS

- Wants vs Needs.
- Pay yourself first!
- Before charging – Do I need it? Will I have it 5 years from now?
- Rule of percentages:
  - 70% pay current bills
  - 20% save for future purchases
  - 10% invest for long term
- Money tracking – track expenditures – use budget
AR 2017 PERSONAL FINANCE STANDARDS

1. Employment/Income
2. College and Career Planning
3. Credit
4. Money Management
5. Insurance
6. Saving/Investing
EMPLOYMENT/INCOME

• Apply for a job
• Be successful in workplace
• Understand payroll and salary impacts
CAREER & COLLEGE PLANNING

Students will plan for potential careers.
A COLLEGE DEGREE IS WORTH $800,000

---Federal Reserve of San Francisco
A
COLLEGE DEGREE

Improved Self-Esteem
Healthy Choices
Higher Job Satisfaction
Passing on the Legacy
Higher Employment
Benefits of College

- Improved Self-Esteem
- Healthy Choices
- Higher Job Satisfaction
- Passing on Legacy
- Higher Employment
CREDIT

Understand implications associated with using credit.
BENEFITS OF A GOOD CREDIT SCORE

A 48-month loan for a used automobile in which the interest rate does not change during the entire term of the loan. Interest rates on loans for used cars are generally higher than for new cars.

Loan Savings Calculator

Step ONE
Select the type of loan
48-month used auto

Step TWO
Select the state you live in
Arkansas

Step THREE
Enter the loan principal amount
$10000

Step FOUR
Select your current FICO Score range
690-719

FICO Score | APR | Monthly Payment | Total Interest Paid
--- | --- | --- | ---
720-850 | 4.2% | $227 | $881
690-719 | 5.3% | $232 | $1,119
660-689 | 6.325% | $246 | $1,792
620-659 | 8.95% | $253 | $2,163
590-619 | 13.325% | $270 | $2,955
500-589 | 15.725% | $282 | $3,536

If your score changes to 720-850, you could save an extra $238
If your score changes to 660-689, you could pay an extra $672
If your score changes to 620-659, you could pay an extra $1,043
If your score changes to 590-619, you could pay an extra $1,835
If your score changes to 500-589, you could pay an extra $2,416
BUILDING CREDIT—WHAT COUNTS!

• Formula for a good credit score:
  • Pay bills on time.
  • Low credit utilization >30%.
  • Apply for few cards.
  • Use different types of credit responsibly.
  • Longer history a plus.
HOW CAN YOU ESTABLISH CREDIT?

- Retail cards
- Your bank’s credit card
- A secured card
- A credit union
- Someone co-signs for you
- As a secondary borrower on a joint account
- Authorized user on an account

It is important to start establishing credit!
MONEY MANAGEMENT
Banking and Money Management
SAVING/INVESTING

How saving and investing can impact future finances.
SAVING

• Short term goals
• Long term goals
IF YOU NEED CREDIT ASSISTANCE:

- 479.521.8877
- www.CCOAcares.com

They are there to help people with financial concerns to correct their wrongs!
MISSION

To deepen understanding, among Arkansas K-12 students and teachers, of the entrepreneurship-related opportunities afforded by the American economic system and to inspire students to pursue these opportunities.
QUESTIONS?

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