­­­­­What is Personal Finance?

Name:

Class ID:

Class Hour:

What is Personal Finance

Objectives

* What is Personal Finance
* What are The Elements of Personal Finance
* What is Financial Literacy
* What is a Want and a Need
* Financial Pitfalls

Personal Finance (defined):

Personal Financial Planning (defined);

What are the five elements of Personal Finance?

|  |  |
| --- | --- |
| 1 | Definition: |
| 2 | Definition: |
| 3 | Definition: |
| 4 | Definition: |
| 5 | Definition: |

**Financial Literacy** (defined):

In your own words, define what effective money management will do for you?

**Wants Versus Needs:**

**Needs (defined):**

**Wants (defined):**

**Watch the Video about Alex and Jimmy. Answer the following:**

* **What did Jimmy do differently than Alex to get money for a bike?**
* **Was Alex spending his money to fulfill a want or a need?**
* **Could Alex have done anything differently and still get a snack?**

**Examples of Five Types of Needs:**

**1**

**2**

**3**

**4**

**5**

**Examples of Wants:**

**Assignment:**

# Watch the video found on our webpage and in the notes presentation “The Biggest Money Mistakes We Make—Decade by Decade”

* **In 20s:**
* **In your 30s:**
* **In your 40s –**
* **In your 50s –**
* **In Your 60s -**

**Read the article found on the class webpage “10 Money Mistakes”. In the left column list the mistake. In the right column define what that means in your own words.**

|  |  |
| --- | --- |
| List Mistake | Define what this means |
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Read another article of your choice. Use “top money mistakes” as your google search term. It must be a different article than the one required by your instructor. List the additional money mistakes that you do not have listed above.

What is Personal Finance?

Section 0-2

What is Personal Finance?

Objectives

* What is a Goal
* Three Types of Goals
* What is a SMART Goal

Goals:

Three Types of Goals:

* Short-Term Goals:
* Intermediate Goals
* Long-Term Goals

SMART Goals are:

|  |  |
| --- | --- |
| Definition | Examples: |
| S = |  |
| M - |  |
| A = |  |
| R = |  |
| T = |  |

Smart Goals Group Assignment

Directions, in groups at your table, come up with SMART Goals for the two scenarios below.

1. **Specific** Personal Financial goal – specific and single minded

2. **Measurable-** how you know you met the goal?

3. **Action -** what is your Financial Plan to reach the goal

4. **Realistic -** obtainable

5. **Timely** – when to be done by

If your Goals is:

1. Get more exercise:

S =

M =

A = (give 3 ideas how)

R = (give 2 – 3 reasons it is attainable)

T =

Write your entire goal statement here: (This is what you listed as the S, M, and the T)

1. Improve my grades

S =

M =

A = (give 3 ideas how)

R = (give 2 – 3 reasons it is attainable)

T =

Write your entire goal statement here: (This is what you listed as the S, M, and the T)

**Individual Assignment:** On Your Own: Write a Financial Goal around savings to buy a used car for $7500:

Write a SMART Goal: You want to create a savings account to save enough funds to purchase a used car in three years when you graduate from high school or college if you are a senior.

Currently while in high school, let’s pretend you earn $150 net weekly from the $12.00 an hour job. So you earn net $600 a month. Write a smart goal of how much of you would save monthly (this is your measurement) over the next three years to afford a used car for $9500.

You get paid twice a month. What is a good SMART goal to save for an apartment?

S

M

A

R

T

Final Smart Goal Statement:

Would you save every left-over penny you have to create another goal or would you spend it all? Explain your answer?