NTC Financial Literacy K-12 Curriculum

MONEY SMART 2.0

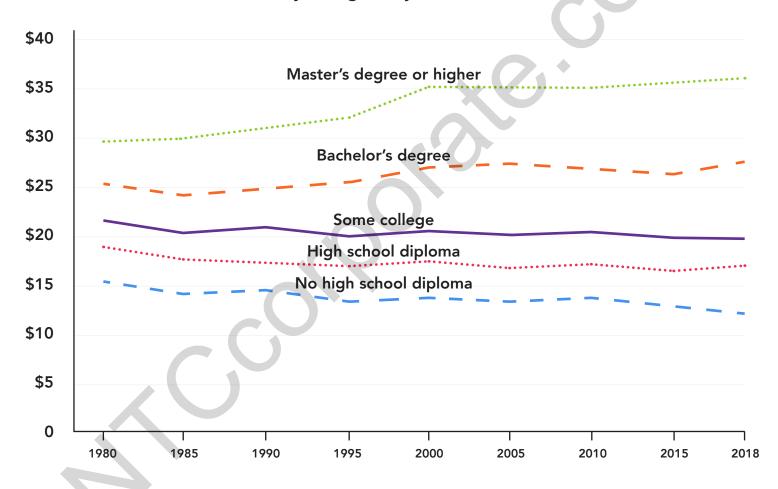
TEACHER Presentation Slides

for Grades 6-8



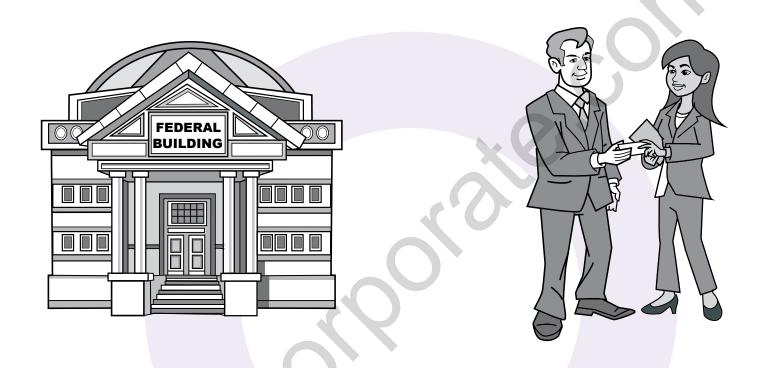
DEGREES MATTER

Median Real Hourly Wages by Educational Attainment



Source: fas.org/sgp/crs/misc/R45090.pdf

EXPLAINING TAXES



Current Amount Wit		Withholdi	Withholdings/Deduction		urrent Amount	Year to Date
600.00		FICA Med Tax			8.70	191.40
		FICA SS Tax			37.20	818.40
		FICA Tax			59.57	
		MA St Tax			28.19	820.15
Net Pay 466.34		Earnings 3,200.00	YTD Deductions 2,790.50	s	YTD Net Pay 10,259.97	Check No. 2715

INCOME AND TAXES

MY FIRST JOB	MY SECOND JOB	MY THIRD JOB
Level of Education: Bachelor's degree	Level of Education: Master's degree	Level of Education: Master's degree plus an Advanced Certificate
Job Experience:	Job Experience:	Job Experience:
First month on the job	Five years on the job	20 years on the job
Salary:	Salary:	Salary:
\$40,000 annually	\$76,000 annually	\$122,000 annually

TAX BRACKET FOR 2019

IF TAXABLE INCOME IS:	THE TAX IS:
Not over \$9,700	10% of the taxable income
Over \$9,701 but not over \$39,475	\$970 plus 12% of the excess over \$9,700
Over \$39,476 but not over \$84,200	\$4,543 plus 22% of the excess over \$39,475
Over \$84,201 but not over \$160,725	\$14,382.50 plus 24% of the excess over \$84,200
Over \$160,726 but not over \$204,100	\$32,748.50 plus 32% of the excess over \$160,725
Over \$204,101 but not over \$510,300	\$46,628.50 plus 35% of the excess over \$204,100
Over \$510,301	\$153,798.50 plus 37% of the excess over \$510,300

FINANCIAL VALUES SAMPLE



Education



Charitable Giving



Retirement



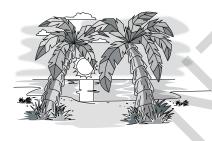
Family



Investment



Entertainment



Travel



Lifestyle

FINANCIAL GOALS SAMPLE

Buying my mom a car



Donating money and volunteering time every holiday season



Buying a home



Saving enough money to live a comfortable life



Buying a gaming system



Making money by investing in a company's stock



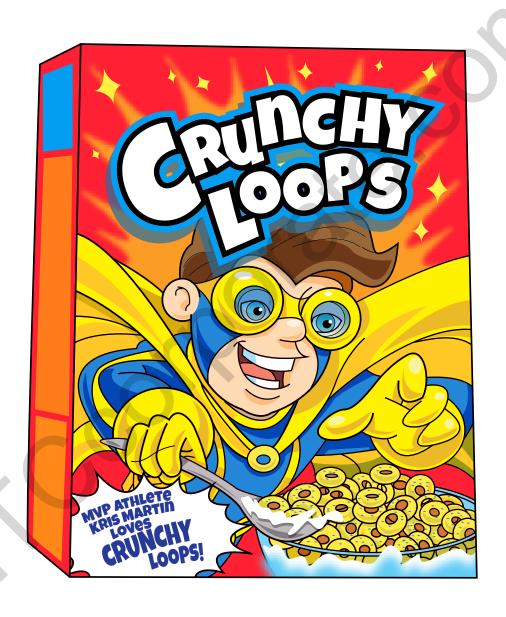
Paying for part of my college tuition



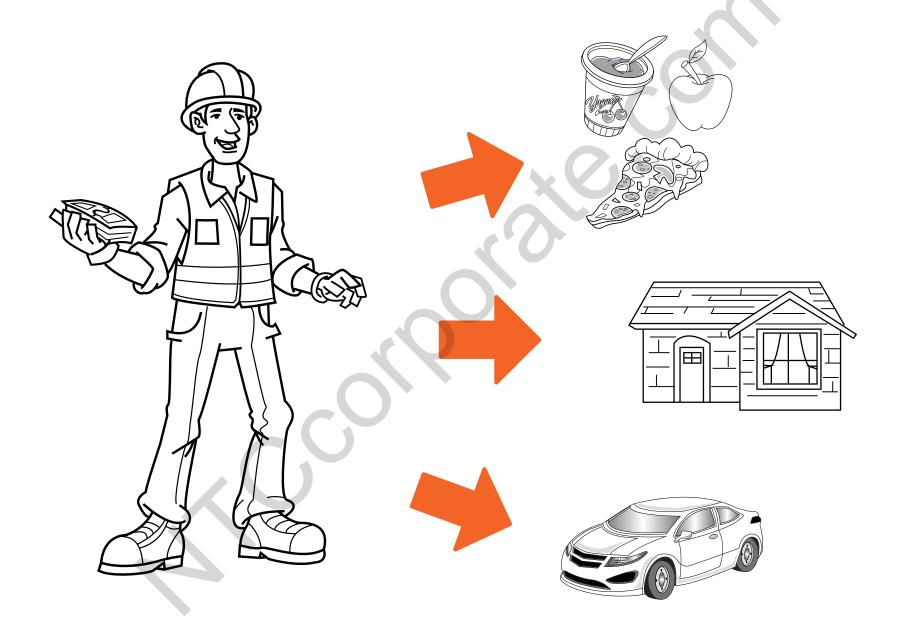
Visiting my relatives in California



CEREAL ADVERTISEMENT



WHAT IS CASH FLOW?



SCENARIOS

GROUP 1:

Your parents have just informed you that, if you want a car, you'll have to pay for it yourself. You're 14, and right now you get a small allowance, but you plan to get a job as soon as you can. In the meantime, you want to make sure that you save money so that you'll be able to buy your car.

GROUP 2:

The school dance is just two weeks away. The cost of a ticket is \$20. All of your friends are going, but you're not sure you'll have enough extra money for a ticket. You have two babysitting jobs lined up for the next two weeks, but that leaves you a few dollars short of purchasing a \$20 ticket.

GROUP 3:

You've achieved your goal of getting a full scholarship to the college of your dreams. The only problem is that the scholarship will not cover the cost of textbooks, which you estimate will run you about \$500 for the first semester. You have the summer to save money, and you have a summer job.

GROUP 4:

You like to look very put-together for the start of the new school year. This year, you're on your own. No one is paying for any of your back-to-school clothes. It's the summer, and you have a few bucks stashed away in your room, plus a couple of jobs lined up mowing neighbors' lawns for money.

SAVINGS OPTIONS

OPEN A SAVINGS ACCOUNT

Opening a savings account helps you save money. Putting money into a savings account not only sets money aside so that you won't spend it, but it also gains interest slowly but surely.



1



CUT BACK

Cut back on your spending. Think about the things you need versus the things you want. What can you afford to cut back on and still live a comfortable lifestyle?

GO CHEAPER

Of the things that you purchase, are they the least expensive brands? Are you willing to swap brand names with generic brands? **CREATE NEW HABITS**

Sometimes, developing new habits can help you save money. Are you willing to change some of your habits in order to save money?

OPTION 1 OPTION 2

OPTION 3

UNDERSTANDING COMPOUND INTEREST WARM UP

PRINCIPAL: An amount of money originally invested, excluding any interest or dividends

INTEREST: Earnings from lending money

COMPOUNDING: Calculating interest on both principal and previously earned interest

You have placed \$2,000 (called the principal) into a savings account. Your bank offers a generous interest rate of 5%, compounded annually. Using the table below, determine how much money your \$2,000 would increase to in five years.

YEAR	BALANCE	INTEREST	TOTAL
1	\$2,000.00	\$100.00	\$2,100.00
2	\$2,100.00	- 0	
3			
4			
5			

COMPOUND INTEREST FORMULA

$$A=P(1+\frac{r}{n})^{nt}$$

P = principal amount (the inital amount you owe or borrow)

r = annual rate or interest (as a decimal)

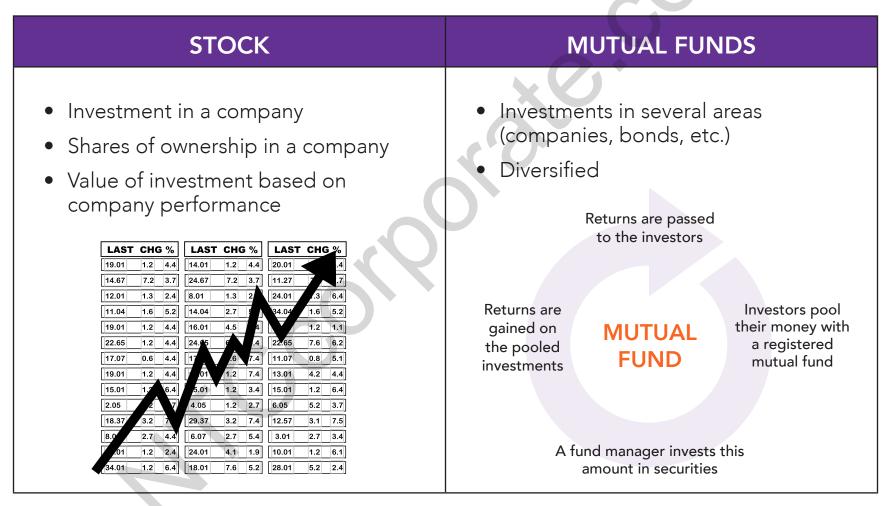
t = number of years the amount is deposited or borrowed for

A = amount of money accumulated after n years, including interest

n = number of times the interest is compounded per year

INVESTMENT VEHICLES

What are examples of how I can invest money?



Note: These are two types of investments that are not federally insured.

CASE STUDY: THREE STOCKS

YUM! BRANDS (YUM)

Yum! Brands owns such popular chains as Taco Bell, KFC and Pizza Hut. It currently sells for \$113 a share.

Stock symbol: YUM

Today's share price: \$113



Source: www.nasdag.com

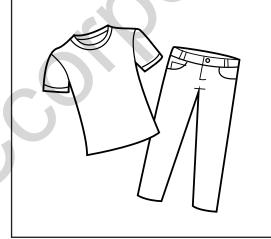
(**TGT**) as 1,853 sto

TARGET

Target has 1,853 stores in the United States that sell everything from baby cribs to bananas. Shares are \$88 each as of July 2019.

Stock symbol: TGT

Today's share price: \$88



www.nasdaq.com/symbol/tgt/analyst-research

WALT DISNEY (DIS)

Walt Disney owns several business interests: animated films, theme parks and the sports network ESPN, among others. It sells for \$141 a share.

Stock symbol: DIS

Today's share price: \$141



www.nasdag.com/symbol/dis/analyst-research

Teacher Presentation Slides Answer Key

UNDERSTANDING COMPOUND INTEREST WARM UP

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1	\$2,000.00	\$100.00	\$2,100.00
2	\$2,100.00	\$105.00	\$2,205.00
3	\$2,205.00	\$110.25	\$2,315.25
4	\$2,315.25	\$115.76	\$2,431.01
5	\$2,431.01	\$121.55	\$2,552.56

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