



MIDFIRST BANK

PRESENTS

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This workbook and the coordinating lesson plans are designed to give seventh through 12th grade students a solid understanding of the 14 Oklahoma Personal Finance Standards. These short lessons are suitable for use in schools and organizations supporting teens.

Access the full slate of lesson plans and answer keys at
<https://bit.ly/2020MoneyMoments>.

- Earning an Income
- Taxes
- Banking & Financial Services
- Managing a Bank Account
- Savings & Investing
- Retirement Planning
- Borrowing Money
- Online Shopping & Credit Cards
- Fraud & Identity Theft
- Renting vs. Buying
- Insurance
- Gambling
- Bankruptcy
- Charitable Giving

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Stretch That Paycheck

Oklahoma PFL Standard #1: Earning an Income and Budgeting

Living on your own can be exciting, but it can be surprising to discover how much living expenses actually cost. Choices must be made to divide your paycheck between living expenses, saving and fun. Creating a budget helps you stay on track with your spending.

Objective

Determine how income and budgeting affect your standard of living

Activity

Create a budget by selecting one item from each of the categories listed below. Your monthly income is \$2,000. To successfully create the budget, you must not spend more than you make and you must have at least 27 comfort points.



Car Insurance (Required)

- \$115, 1 comfort point

Renters Insurance (Required)

- \$15, 1 comfort point

Bills (Required)

- Water/Electricity/Gas: \$160, 3 comfort points

Phone

- Phone A: \$50, 2 comfort points
- Phone B: \$100, 4 comfort points

Housing

- Apartment A: \$500, 1 comfort point
- Apartment B: \$700, 3 comfort points
- Apartment C: \$1,000, 5 comfort points

Auto/Gas

- Car payment A: \$100, 1 comfort point
- Car payment B: \$200, 3 comfort points
- Car payment C: \$300, 5 comfort points

Savings

- \$0, 0 comfort points
- \$100, 1 comfort point
- \$300, 3 comfort points
- \$500, 5 comfort points

Groceries/Food

- Cheap groceries & fast food: \$200, 1 comfort point
- Moderate groceries & occasional restaurant, \$300, 3 comfort points
- Expensive groceries & luxurious dining, \$450, 5 comfort points

Entertainment

- 1 night out a month, \$20, 1 comfort point
- 3 nights out a month, \$50, 3 comfort points
- 5 nights out a month, \$100, 5 comfort points

Miscellaneous

- Basic internet, \$30, 1 comfort point
- High-speed internet, \$60, 3 comfort points

Expense	Amount	Comfort Points
Car Insurance	\$115	1
Renters Insurance	\$15	1
Bills	\$160	3
Phone		
Housing		
Auto/Gas		
Savings		
Groceries/Food		
Entertainment		
Miscellaneous		
Total Expenses		
Total Income/Points	\$2,000	
Difference		

Reflection:

1. What was your strategy for meeting the comfort requirement?
2. Why do you think “comfort points” were included in this activity?
3. Why do you think putting money into savings awarded comfort points?

How Taxes Improve a City

Oklahoma PFL Standard #2: Understanding Taxes

State and city taxes pay for many things we enjoy. Imagine how much it costs to build and maintain a library or park. Oklahoma City proved just how much difference a penny can make with its MAPS program. MAPS, which stands for Metropolitan Area Projects, began in 1993 when voters approved a temporary one-cent sales tax, to be collected through July 1999. During this period, over \$309 million was collected, which was invested and earned \$54 million in interest. These funds were used for MAPS construction projects. Since then, additional MAPS programs have been voter-approved to fund additional projects to improve Oklahoma City.

Objective

Discover how taxes can improve a city

Activity

Think about the last time you were in the downtown/Bricktown area of Oklahoma City. In the table below, list some of the things you saw or did.

Downtown/Bricktown Attractions	Funded by MAPS?

Now, let us see if these attractions were built with MAPS pennies.

1. Go to tinyurl.com/OKCMAPS and review the list of projects MAPS 1 and MAPS 3 built. (Some MAPS 3 projects are still underway.)
2. Enter “yes” or “no” in the chart to indicate if the attraction you listed was funded by MAPS.
3. What did MAPS 2 fund? (Hint: It is called MAPS for Kids.)

Reflection:

1. Now that you can enjoy what the extra MAPS tax built, do you think the MAPS programs were worthwhile?
2. An extra penny sales tax on every dollar spent can add up on a purchase. Do you think it was a difficult decision for taxpayers to vote “yes” on the MAPS projects, knowing they would pay more taxes on all of their purchases for a number of years?



Bank On It!

Oklahoma PFL Standard #3: Banking and Financial Services

If you do not already have a bank account, chances are you will open one when you get your first job. As you get older, you may need additional bank services, such as a loan to purchase a car, or an investment account to save for retirement. While almost everyone is familiar with banks, many types of financial institutions offer financial products and services, including some that are online only, such as PayPal or Venmo digital wallets.

Objective

Identify and compare physical bank products with online financial products

Activity

Research the financial products and services in each column. Place a check mark indicating which payment method(s) you could use in the following situations (the first entry is an example).

I want to:	Debit Card	Credit Card	Savings Account	Digital Wallet	Printed Check	Loan	Online Banking
Pay for gas at the pump	✓	✓					
Pay my landlord who does not use technology							
Earn interest on my money							
Pay for my Uber ride							
Request money from a friend							
Order a shirt online							
Pay my electric bill							
Send money to a friend							
Borrow money to purchase a car							

Reflection:

1. Do banks offer digital wallet services?
2. Do digital wallet providers offer loans?
3. Do you think most people need more than one type of financial institution?



The Inflation/Interest Battle

Oklahoma PFL Standard #5: Saving and Investing

Inflation is the increase in the prices of goods and services over time, which decreases the purchasing power of money. Simply put, next year, \$100 probably will not buy the same amount of goods as it does this year. The U.S. inflation rate is approximately 2% per year.

Our savings grow with interest, but inflation works against its purchasing power. Let us take a look at why it is important for your long-term financial health to make sure your money is growing faster than the inflation rate.

Objective

Understand the costs and benefits of saving and investing

Activity

Your parents decided to start a college savings account when you were born. Use the *Saving for College Calculator* at tinyurl.com/calccollsave to discover how much they need to save each month to pay for four years of college when you graduate.

Input the following *Student Information* in the calculator:

Current age	0
Age at college start	18
Years of college	4
Annual college cost	\$25,000
College cost inflation	0
Current savings	0
Monthly college savings	\$100
Expected rate of return	5%

College Savings Summary			
	Monthly College Savings	Planned Savings	Required Savings
1	\$100	\$	\$100,000
2	\$200	\$	\$100,000
3		\$	\$100,000
4		\$	\$

1. Write the calculated results from the top of the *College Savings Summary* chart on line 1 above.
2. Will you have enough saved to pay for college? Yes No
3. Change the *Monthly College Savings* field to \$200 and enter the result in the chart above. Now will you have enough? Yes No
4. Change the *Monthly College Savings* field until the *Planned Savings* field approximately equals the *Required Savings* field. Complete line 3 of the chart above with the numbers you discovered.
5. Now, let us see how inflation affects your savings. Change the *College Cost Inflation* field on the calculator to 2%. Write the new *Required Savings* amount on line 4 in the chart above.
6. Recalculate the new amount that must be saved by changing the *Monthly College Savings* field until the *Planned Savings* field approximately equals the *Required Savings* field. Complete line 4 of the chart above with the numbers you discovered.
7. How much more per month must be saved to have enough for college, including the inflation factor? \$_____

Reflection:

1. Are you surprised at the effect inflation has on saving for college?
2. How does this affect families saving for college?
3. Should the amount you have saved for college affect your decision on the college you attend?

Retirement Roundup

Oklahoma PFL Standard #6: Retirement Planning

Even if retirement seems like a long way off, it is important to begin gaining an understanding of ways to save for retirement so you can begin saving wisely when you start your career.

Objective

Determine retirement goals and identify lifestyle choices that affect retirement goals

Activity

According to the Bureau of Labor Statistics, the average annual income of a retiree is \$48,000 before taxes. Complete the table below to calculate how much money you would need in your retirement account if you retired at age 67. The first row has been completed as an example.

(A) Life expectancy	(B) Retirement Age	(C) Years to Fund (A-B)	(D) Amount needed in retirement fund (C x \$48,000)
80	67	13	\$624,000
85	67		
90	67		
95	67		
100	67		

- What are some activities or lifestyles someone might want to engage in during retirement?
- If you were planning on traveling around the world during retirement, how might that affect your retirement goals?

Pretend you plan to go on a \$4,000 trip each year during retirement. Complete the table again including your \$4,000 trip in your required annual income (\$52,000).

(A) Life expectancy	(B) Retirement Age	(C) Years to Fund (A-B)	(D) Amount needed in retirement fund (C x \$52,000)
80	67		
85	67		
90	67		
95	67		
100	67		

- Reflection:**
- How would retiring at age 62 affect the amount you would need to save?
 - Why is it important to estimate how much money you will need in retirement?

Risky Borrowing

Oklahoma PFL Standard #7: Borrowing Money

“Predatory loans” have misleading or unaffordable terms that generally benefit the lender at the expense of the borrower. Predatory practices include charging unfair fees and interest rates or setting borrowers up for failure. Payday loans can fall into this category. While marketed as being a quick and easy way to get some extra cash to make it until payday, the interest rates and fees on these loans can be astronomical. An Annual Percentage Rate (APR) is defined as the rate and fees on a loan calculated over a one-year period. Payday loans often have an APR of more than 300 percent! To understand what that means, let us say you borrowed \$400 for 14 days with a \$50 fee. The APR would calculate to be 325.89%.

Objective

Understand the cost of predatory loans

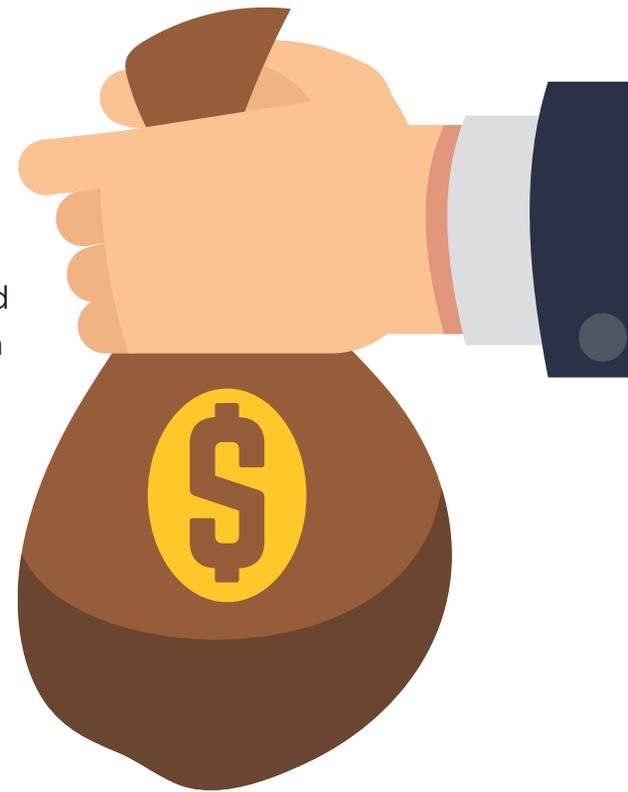
Activity

Imagine that your favorite band is playing at a nearby venue and you want to buy a \$100 ticket for yourself. Although you have a job, you have not saved any money in the months leading up to the concert. You obtain a payday loan so you can purchase the ticket. The fee for the loan is \$15 for 14 days.

Calculate each line on the chart to determine the Annual Percentage Rate.

1	Finance Charge	\$15
2	Loan Amount	\$100
3	Divide Line 1 by Line 2	
4	Multiply Line 3 by 365	
5	Divide Line 4 by loan term (14)	
6	Multiply Line 5 by 100	%

Now, go check your work by using the APR calculator at tinyurl.com/PDAPR. Did you calculate it correctly?

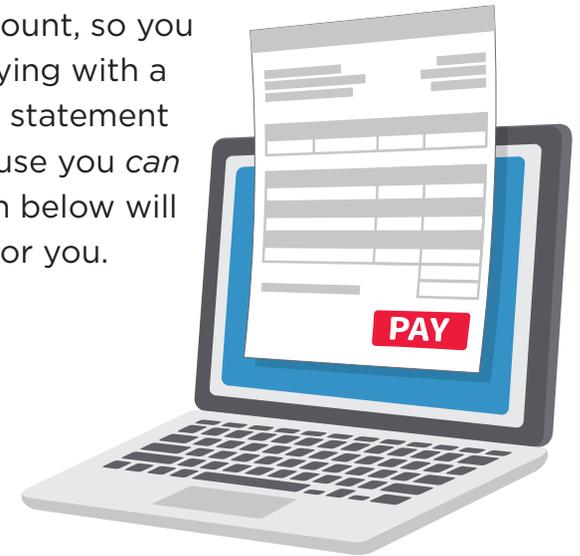


In the space to the left, explore different ways you could have paid for the ticket, then discuss as a class.

Credit Card Payment Options

Oklahoma PFL Standard #8: Online Shopping and Credit Cards

When paying with a debit card, money comes directly out of your bank account, so you have no choice but to pay for the full amount of the item at once. When paying with a credit card, you have a choice to pay the full amount of the item when your statement comes or to make smaller monthly payments over time. However, just because you *can* spread out the payments, does not mean you necessarily *should*. The lesson below will help you compare several credit card payment options to see what is best for you.



Objective

Evaluate options for credit card payments

Activity

You want to buy a new big-screen TV online. You find it on sale for \$1,000 and decide to use your credit card to complete the purchase. When the credit card bill arrives at the end of the month, you see that you have several options. You can pay the full balance of \$1,000, the minimum payment of \$30 or you can choose any amount higher than the minimum payment.

Fill in the chart below using the “How Long Will it Take to Pay Off a Debt” calculator at tinyurl.com/PAY1CC. In the calculator, enter \$1,000 in the *Card Balance field*, “0” in the *Monthly Charges field* and 19% in the *Interest Rate field*.

I want to:	Option #1 Pay in Full	Option #2 Pay Minimum (\$30)	Option #3 Pay More than Minimum (your choice)
Total interest	0		
Months to pay off	1		
Total cost	\$1,000		

Reflection:

1. Which option do you think is the best? Why?
2. What might seem appealing about the other two options? Why?

Avoiding Consumer Fraud

Oklahoma PFL Standard #9: Fraud and Identity Theft

Fraud is a broad term referring to any deceptive practice resulting in a loss to consumers. It can range from a fake business blatantly stealing money to a legitimate business using less than ethical business practices. As a consumer, it is important to be aware of common frauds and how to spot them.



Objective

Describe unfair, deceptive or fraudulent business practices

Activity

Review the 5 common fraud types listed below. Then, match each fraud to the lemonade stand scenario listed.

Common Fraud Types:

- Bait and switch** - A store advertises a great deal to get the customer in the store, but the deal does not actually exist
- Pyramid scheme** - A fraudulent business in which the victim pays a fee to join, but then must recruit more people to also join the business in order to receive compensation
- Phishing** - When a criminal uses email to pose as a legitimate company with the intent of tricking you into giving up personal information
- Fake lottery** - Victims are told they won a large prize but need to pay a small sum of money to collect the prize; the criminal takes the victims' money and there is no prize
- Fake charity** - A criminal solicits donations for a charity that does not exist and steals victims' money instead

Scenario	Type of Fraud
A criminal sends emails to people posing as a lemonade stand asking them to log in to their lemonade account to update their personal information.	
A lemonade stand advertises 5 cent lemonade, but when the customers arrive to buy it, they are told they are out of 5 cent lemonade. Instead, they have 10 cent fruit punch, which is still a great deal and they should buy it.	
A criminal poses as a charity promising to provide free lemonade to thirsty children, but then he keeps the donations instead.	
People are given the opportunity to “invest” in a lemonade stand by paying \$100, with the promise of making \$500 later if they find 10 more people to “invest” in the lemonade stand, too.	
Someone receives an email that says they have won free lemonade for a year and all they have to do is pay a small processing fee of \$30 to claim their prize.	

Reflection:

- Why do people fall for frauds and scams? What can make them seem particularly convincing?
- Do you know anyone who has been a victim of fraud? What happened?

Know the Terms

Oklahoma PFL Standard #10: Renting vs. Buying

You and your best friend have decided to get a two-bedroom apartment together. The landlord who owns your complex has just emailed you the lease agreement to look over before signing in person on move-in day. You and your friend both realize there are terms in the paperwork you do not understand.



Objective

Understand how to examine a lease agreement

Activity

Below is a list of terms that are typical in a standard lease agreement. Match the term with the correct definition.

Letter	Definition
A. Landlord	A sum of money that the tenant agrees to pay the landlord before moving into a rental property
B. Tenant	The additional period of time a landlord provides for the tenant to make a payment without penalty
C. Deposit	A person who pays rent to use or occupy a property owned by another
D. Due Date	A set of services provided by organizations and consumed by the public (e.g., electricity, natural gas, water, sewage, telephone and internet)
E. Term	A person or organization that owns and leases properties to others
F. Grace Period	A fixed period of time for which the rental agreement is intended to last
G. Late Fees	A charge imposed upon the tenant for failure to pay rent on time
H. Utilities	The date you are contractually obligated to pay your rent, typically the first of the month

Reflection:

Why might it be a good idea to have someone look over a lease agreement with you before signing it?

Loss Protection

Oklahoma PFL Standard #11: Insurance

Insurance helps protect people against the risk of loss, such as damages from a house fire or car accident. Insurance policies have a deductible, which is the amount of money to be paid out of pocket before the insurance provider covers a loss. For example, if you have a medical procedure that costs \$5,000 and you have a \$500 deductible, you are responsible for the first \$500, and your insurance will pay the remaining \$4,500. When choosing your deductible, you have to decide how much risk you are willing to accept or how much you can afford to pay out of pocket in the event of a loss. Naturally, a lower-deductible plan costs more than a high-deductible plan.

Objective

Identify key terms associated with insurance

Activity

Complete the crossword puzzle to identify key insurance terms.

Across

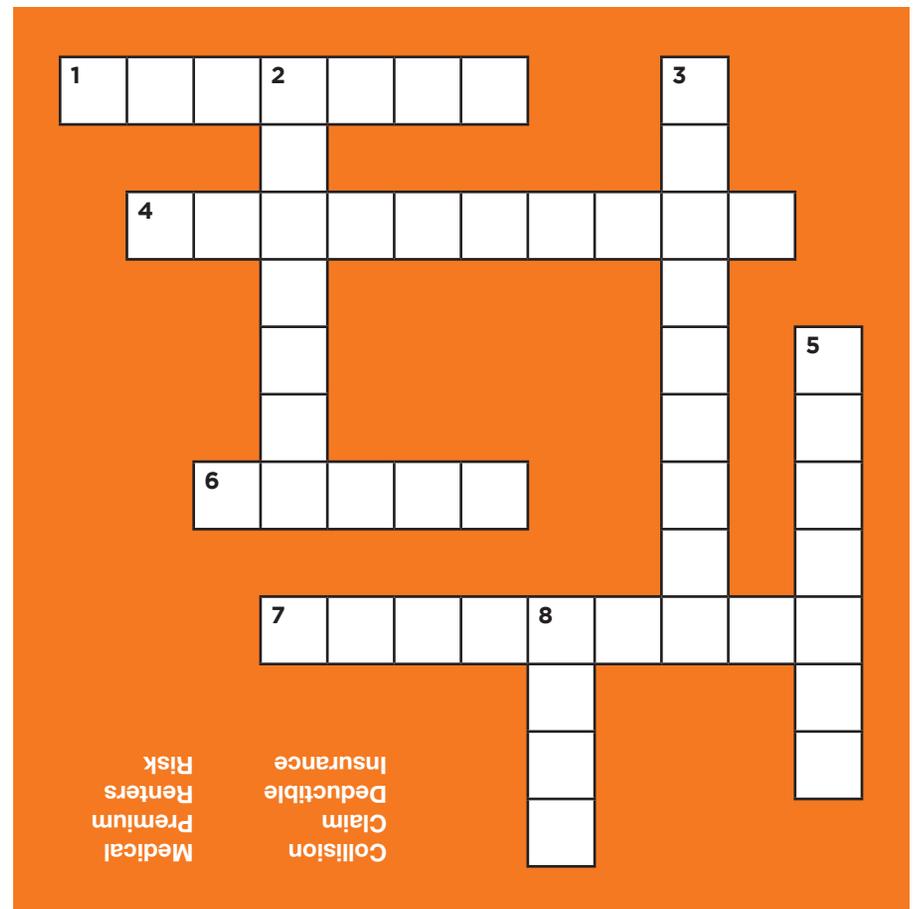
1. Money paid to the insurance company for an insurance policy
4. Money paid out of pocket before insurance coverage
6. A request to an insurance company for coverage or compensation
7. A way to reduce risk in the event of a loss

Down

2. Pays for health-related costs
3. Pays for damage if your car collides with something
5. Insurance that replaces personal belongings in case of theft, fire or water damage in an apartment
8. A situation involving exposure to danger or loss

Reflection:

What factors should one consider when choosing the deductible on a car insurance plan?



Gambling: What is the Cost?

Oklahoma PFL Standard #12: Financial Impact and Consequences of Gambling

Some people gamble as entertainment and others struggle with a gambling disorder. No matter the situation, gambling impacts the individual, his/her family and the economy. Gambling can wreak havoc on the individual's and his/her family's budget and the ability to pay their bills. It can also impact the economy.

Objective

Evaluate the costs and benefits of gambling to the individual, his/her family and the economy

Activity

Break into small groups and list and discuss the financial impact and consequences of gambling to the individual, his/her family and the economy.

Financial Impact	Consequences
Individual: 	Individual: 
Family: 	Family: 
Local/state economy: 	Local/state economy: 

Reflection:

The definition of a gambling disorder is “problematic and reoccurring gambling behavior that has caused impairment and distress.”* As a group, discuss the signs of someone having a gambling disorder.

* *Diagnostic and Statistical Manual of Mental Disorders, 5th edition*

The Impact of Bankruptcy

Oklahoma PFL Standard #13: Evaluate the Consequences of Bankruptcy

Bankruptcy is a costly and discouraging process of consolidating or eliminating debt to make life more manageable. The process of filing bankruptcy can negatively impact a person's credit score and ability to borrow money in the future. It is important to know how to build a positive credit history and credit score.

Objective

- Define bankruptcy
- Discuss the importance of establishing a positive credit history
- Identify the steps to improve a credit score after bankruptcy

Activity

Answer the following questions:
(<https://tinyurl.com/CreditScoreModel> is an excellent resource.)

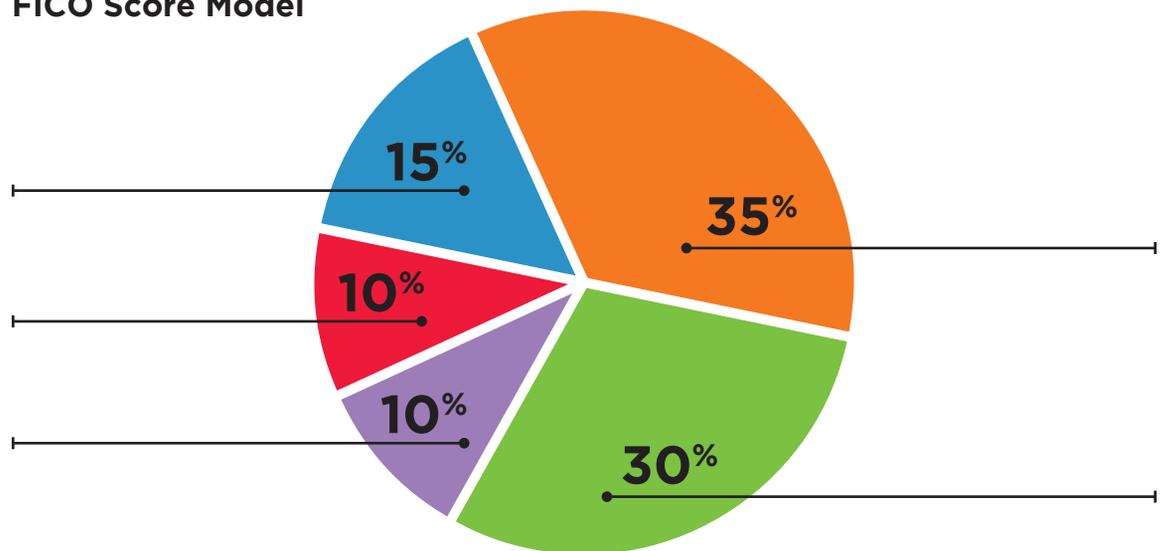
1. What is bankruptcy?
2. Why is it important to have a good credit score?
3. What does FICO stand for?
4. FICO scores range from 300-850. Fill in the FICO chart below.
5. What makes up a credit score? Fill in the FICO Score Model below.
6. If someone has poor credit, what can they do to improve his or her credit score?
7. How does a person's low credit score affect their ability to borrow?



FICO Score Chart

Credit Standing	Credit Range
Excellent	720 and above
Good	
Fair/Average	
Not Good	
Poor	

FICO Score Model



Charity of Your Choice

Oklahoma PFL Standard #14: Costs and Benefits of Charitable Giving

You are part of a larger community and can make a positive impact. Giving to charity can be rewarding. Learning about types of charities can help you find causes that are important to you.

Objective

- Identify types of giving and charitable organizations
- Identify benefits of charitable giving and the impact it can have on the community

Activity

Research one charitable organization that falls under each category and complete the table.



	Educational Charity	Health Charity	Arts or Culture Charity	Faith or Religious Charity	Animal or Environmental Charity
1. What is the name of the charity?					
2. What is their website?					
3. What is their mission or purpose?					
4. What type of giving does the charity accept?					
5. Who does this charity benefit?					

Reflection:

What kind of positive impact can contributions of your time or money make in your life and the community?