

DISCUSSION GUIDE

EVERFI: Financial Literacy



OVERVIEW

This document provides supplemental discussion questions to augment the EVERFI: Financial Literacy course experience. For in-depth information around course structure and implementation, please see the EVERFI Financial Literacy Curriculum Guide. For additional classroom instructional material, please see course lesson plans.

KEY COURSE TAKEAWAYS

This course uses evidence-based strategies to inform and empower students in the following ways:

Knowledge: *Students will be able to...*

- Recognize the differences between financial institutions and choose the right products for their life and financial goals.
- Assess the choices and understand paperwork presented when starting a new job.
- Set short-term and long-term financial goals and create a personal budget that tracks spending.
- Proactively research purchase decisions and select the best way to pay for those purchases.
- Recognize effective debt management practices and expensive borrowing behaviors.
- Understand how to plan for financing postsecondary education or training.
- Be aware of the need for a risk management strategy and how insurance plays a role.

DISCUSSION FOR LESSON 1: BANKING BASICS

Lesson Overview: In this lesson, students will build an understanding around how financial institutions work and how to use them. Students will first reflect upon their feelings about financial institutions and money management. Then, they'll explore different types of financial institutions and the products they offer. Once students are familiar with the products, they'll learn how to open a checking and savings account and how to manage it. They'll also learn the importance of continually monitoring and reconciling their account. In addition to savings products, they'll also learn the role investing can play in their overall financial strategy.

Learning Objectives: *Students will be able to...*

- Examine the functions, services, and products offered at various financial institutions.
- Compare the costs and benefits of select banking products.
- Demonstrate how to open and effectively use a checking and savings account.
- Monitor and reconcile bank statements to their personal records.
- Explain how investing can be used as part of a long-term financial strategy.

DISCUSSION QUESTIONS

Before Lesson 1:

Q1: What do you do with the money you earn or receive?

- What do you plan to do with your money from gifts, allowance, or paychecks?

Q2: Do you currently have a bank account?

- What are some places you might go to open an account?
- Do you drive by any of these places in your daily routine?

Q1-Q2 Suggested Activity: Think-Pair-Share Around the Room

Procedure: Students partner up and discuss the questions in Q1. Next, they find a new partner and discuss the questions in Q2. Process the activity by getting responses from the group on Q1-Q2.

After Lesson 1:

Q1: What are some examples of banking products and services?

- Why would you put money into a checking account?
- A savings account?

Q2: What steps would you take to opening a bank account?

- What items would you bring?

Q3: What are some things you should monitor regularly when you have an account?

- How would you go about fixing, or reconciling, your bank account if they noticed an error?

Q4: What would you like to know more about regarding investing?

- What are some of the investing options offered at banks?
- What types of investment products are you interested in researching?

Q1-Q3 Suggested Activity: Board Rotation and Summary

Materials:

- Sticky notes
- Poster paper

Procedure: Posters are set up around the classroom with one question written on each. Ask the students each question and have them record their answer on a sticky note. Then have students post their answers on the corresponding poster. Once all questions are complete, assign a small group to each poster to summarize student answers then wrap up this activity with a summary brief out of each poster.

DISCUSSION FOR LESSON 2: INCOME AND EMPLOYMENT

Lesson Overview: Students will explore how their employment and income decisions impact their own financial health. They'll learn about the impact that education and skill development has on their total income and the different sources of income they can access. Students will also learn how to navigate the paperwork and choices that come with starting a new job. They'll develop an understanding of the taxes and deductions that come out of their net income, and the benefits they can expect to receive from their employer.

Learning Objectives: *Students will be able to...*

- Analyze relationships between education, training, and earnings.
- Examine the different deductions that come out of a paycheck that determines net pay.
- Explain the content and purpose of standard tax forms.
- Identify other types of income that can supplement wages or a salary.
- Investigate benefits such as health insurance contributions, FSAs, HSAs retirement benefits, leave, life insurance, and disability.

DISCUSSION QUESTIONS

Before Lesson 2:

Q1: What careers are you interested in pursuing?

- What education and training might be required for that line of work?
- Any ideas on a salary range you might earn?

Q2: In addition to providing income, what else might a job provide?

- How much do benefits influence your choice about taking a job?
- Will benefits be more or less important to you in the future? Why?

Q3: How do you feel about paying part of your paycheck to government in taxes?

Q1 Suggested Activity: Stop and Jot

Procedure: Procedure: Students write a response to each question individually. Remind them that you will not collect their writing, but they may share it.

After Lesson 2:

Q1: Why do you think it's important to correctly fill out your tax forms?

Q2: What are some of the services and programs that are funded by income taxes?

- Which one do you think is most important?
- What do you think would happen if it lost its funding?

Q3: Imagine you are an employer trying to hire a new employee. What would you use to attract top candidates?

- What is the job description for the job?
- How much is the salary?
- What benefits are available to the employee?

Q3-Q4 Suggested Activity: Pitch Presentation Materials

Materials:

- Poster paper
- Markers

Procedure: Students partner up and create a poster for hiring a new employee by answering the questions in Q3. As each group presents, students in the audience ask questions and discuss whether they think an angel investor would invest. After each pair presents, wrap up by summarizing the main points of the pitch discussions.

Q4: Why isn't the financial market solely dependent on how the economy is doing? What else influences the financial market?

DISCUSSION FOR LESSON 3: BUDGETING

Lesson Overview: Students will develop a tactical strategy for managing their finances. First, students will be asked to reflect upon their own money personality. Then, they'll examine the benefits of using a budget. Once they understand the advantages, they'll learn about the individual components of a budget. Students will see how tracking their income and spending can help ensure they have enough money for their own financial goals, such as buying the things they want, maintaining an emergency fund, or donating to charity, and to cover unexpected expenses. Students will then be equipped with different tools they can use to start to manage their own budget.

Learning Objectives: *Students will be able to...*

- Discover money personality, including spending and saving propensity.
- Describe the reasons for maintaining a budget.
- Build a budget by prioritizing needs and wants.
- Develop a system for tracking income, spending, and savings.
- Devise a contingency plan for covering unexpected expenses.

DISCUSSION QUESTIONS

Before Lesson 3:

Q1: Do you typically have enough money to do what you want to do each week?

- Do you spend money as soon as you get it or do you spend it a little at a time?

Q2: Let's say we're making a budget. What items should we include? Why?

Q2 Suggested Activity: Anchor Chart

Procedure: Students help to make an anchor chart that reflects their thoughts and ideas about the topic. They will reflect on this chart after completing the learning.

After Lesson 3:

Q1: How would you prioritize spending?

- What are some spending areas that might be prioritized by people, yet shouldn't be?
- What are some spending areas that should be prioritized but often aren't?

Q2: What are some of your long-term financial goals that might be achievable by creating a budget and sticking to it?

- What tool or system would you consider using to help you stick to your budget?

Q1-Q3 Suggested Activity: Prioritization Exercise Materials

Materials:

- Sticky Notes
- Markers

Procedure: Students write or illustrate on sticky notes items that they like to spend their money on or would like to be able to purchase. One item per sticky note. They then categorize and rank items that should be prioritized (needs) versus

Q3: How much do you think you should have in your emergency fund?

- What would qualify as a good reason to use your emergency fund?

those that are wants. They then discuss why they ranked their spending choices in that order.

DISCUSSION FOR LESSON 4: CONSUMER SKILLS

Lesson Overview: Students will learn essential competencies for becoming an informed consumer. They'll learn how to apply critical thinking skills to discern the credibility of information and assess the opportunity costs associated with purchase decisions. They'll also learn how to evaluate which payment method to use when acquiring the goods and services they want.

Learning Objectives: *Students will be able to...*

- Recognize the responsibilities associated with personal finance decisions.
- Assess the quality of sources when researching products to buy.
- Analyze the costs and benefits of renting vs. owning.
- Apply strategies for making informed decisions when purchasing consumer goods.
- Describe when and how to use different payment methods.
- Recognize common consumer scams and how to avoid them.

DISCUSSION QUESTIONS

Before Lesson 4:

Q1: How do you make the decision of whether to buy something or not?

- Do you research an item before you buy it?
- How?

Q2: Has anyone ever tried to scam you?

- How did you handle it?
- If not, how would you handle it?

Q2 Suggested Activity: Think-Pair-Share

Procedure: Students take time to think about the question. They find a partner to discuss their initial ideas with, and then share their conclusions.

After Lesson 4:

Q1: Why is it important to be an informed consumer?

- How will you inform yourself before making a purchase decision?

Q2: What can you do to find credible reviews about an item that you want to purchase?

Q3: When might it be risky to pay for something in cash? Why?

Q2 Suggested Activity: Prioritization Exercise

Materials:

- Poster paper
- Markers

Procedure: Students are divided into groups of 4-6 to discuss the first question. Then two group members break off and join another group to discuss the second question. A new set of two group members who haven't moved break off and join another group to discuss the third question.

Q4: If you were to decide to get a car in 6 months...

- What features do you want in your car?
- Will you get it used or new? Why?
- Will you lease or buy? Why?
- What do you think will be the most challenging about buying a car?

That process repeats one last time for the fourth question. Have the students help you create an anchor chart to summarize their learning.

DISCUSSION FOR LESSON 5: CREDIT AND DEBT

Lesson Overview: Students learn the role that credit and debt can play in their spending strategy. Students will develop an understanding of what credit is and how it works. They'll learn the relevant terminology and what features and fees to look for when shopping for a credit card. They'll also learn the importance of using credit responsibly, with mention of credit scores. More broadly, students will learn about debt, the different types of debt, and how to use it for financing purchases. They'll learn about common pitfalls and consequences that come with misuse. They'll also develop strategies for effective debt management.

Learning Objectives: *Students will be able to...*

- Understand the reason for using debt to finance purchases.
- Compare and select credit cards based on features and impact to personal financial plan.
- Describe how credit repayment affects the cost of borrowing.
- Explain how the terms of a loan can affect the cost of credit.
- Develop strategies to manage debt and understand the consequences of not managing debt wisely.
- Recognize and avoid identity theft and fraud.

DISCUSSION QUESTIONS

Before Lesson 5:

Q1: What types of things do people buy with credit cards?

Q2: Is it a good idea or bad idea to have a credit card? Why?

- What do you think some benefits might be?
- What about some things to be cautious about?

Q2 Suggested Activity: Prioritization Exercise

Materials:

- Sticky Notes
- Poster Paper

Procedure: Students get two sticky notes and write one benefit on one note and one area to be cautious of on the other note. Have students post notes on the corresponding poster titled "benefits" or "cautions". Allow time to summarize the varying responses.

After Lesson 5:

Q1: What types of purchases do you think require the use of credit?

- What type of credit would be necessary?

Q3-Q5 Suggested Activity: Prioritization Exercise

Materials:

- Sticky Notes

- How will you obtain credit when you are ready to make those purchases?

Q2: What would you recommend to a friend who's having trouble paying their credit card bill in full and on time each month?

- Poster Paper

Procedure: List major purchases on poster paper around your classroom. (For example, list House, Car, College, Motorcycle, Furniture, each at the top of a different poster. Also ask students to label some additional posters that they think are major purchases.) Students then explain the type of credit needed to buy each item on a single sticky note for each item. They then place their sticky notes on the corresponding posters. Have students explore all posters and make corrections if they see any sticky notes that are incorrect or misplaced. Have students reflect on what is needed to obtain credit and synthesize on the board the comments.

DISCUSSION FOR LESSON 6: FINANCING HIGHER EDUCATION

Lesson Overview: Students learn about higher education options that can lead them to their careers of interest. They will discover different higher education settings to include details about what to expect. They explore different options for seeking financial assistance in paying for higher education and will experience the steps in filling out the FAFSA form.

Learning Objectives: *Students will be able to...*

- Analyze the relationship between cost of education versus return on investment.
- Compare costs of various higher education options.
- Analyze costs beyond tuition associated with postsecondary education and training institutions.
- Understand the costs and benefits of funding options.
- Discuss the purpose and components of the FAFSA.

DISCUSSION QUESTIONS

Before Lesson 6:

Q1: What are your plans after you graduate from high school?

- What type of post-secondary education or training are you interested in?
- What career can this education lead to?

Q2: Do you think the cost of post-secondary education is worth the investment? Why or why not?

Q3: What options do you know can help reduce the cost of post-secondary education or training?

Q2 Suggested Activity: Graffiti Wall

Materials:

- Sticky Notes
- Poster Paper

Procedure: Set up posters and have students go up to the board and write down their dream career and post-secondary education/training needed.

After Lesson 6:

Q1: Why would a person choose each of the following options after high school?

- Career training
- Community college
- 4-year college

Q2: Does higher education have to be expensive in order to get a high salary? Explain.

Q3: Which options for paying for post-secondary education are interesting to you? Why?

- Any that you will probably stay away from?

Q1-Q3 Suggested Activity: Board Rotation

Materials:

- Sticky Notes
- Poster Paper

Procedure: Set up posters and have students go up to the board and write down their dream career and post-secondary education/training needed.

DISCUSSION FOR LESSON 7: INSURANCE

Lesson Overview: Students investigate the need for risk management in various areas of their lives. They then explore the different types of insurance and learn how they play a role in their overall risk management strategy. They will then look at various types of insurance coverage and compare their differing benefits.

Learning Objectives: *Students will be able to...*

- Identify common types of risks and basic risk management methods.
- Explain the role insurance can play in a risk management strategy.
- Define insurance terminology.
- Distinguish among the types, costs, and benefits of insurance coverage.

DISCUSSION QUESTIONS

Before Lesson 7:

Q1: Why do you think people purchase insurance?

- What do you plan to do with your money from gifts, allowance, or paychecks?

Q2: What are some risks that insurance covers?

Q3: Do you think insurance is necessary? Why or why not?

Q1-Q3 Suggested Activity: Think-Pair-Share

Materials: • Sticky Notes • Poster Paper

Materials:

- Sticky Notes
- Poster Paper

Procedure: Students take time to think about the question. They find a partner to discuss their initial ideas with, and then share their conclusions.

After Lesson 7:

Q1: Do you think insurance is necessary? Why or why not?

- Note: this question has been asked before students took Lesson 7. Ask how many students have changed their minds and have them explain why).

Q2: How could a person's life be impacted if they didn't have insurance (such as medical, renter's, or car) but needed it?

Q3: Imagine you are an insurance salesman; how would you advertise and pitch your assigned type of insurance to get people to buy it?

Q3 Suggested Activity: Pitch Presentation

Materials:

- Sticky Notes
- Poster Paper
- Small cards with a type of insurance on each (renter's insurance, health insurance, car insurance, disability insurance, life insurance)

Procedure: In small groups, students create a poster advertising an assigned type of insurance. Then they present it to the class. Students in the audience ask questions and discuss whether they think this insurance is necessary. After each group presents, wrap up by summarizing the main points of the pitch discussions.