

Personal Finance Lessons and Resources

Federal Reserve Tools for Teachers

Lesley Mace

Senior Economic and Financial Education Specialist

Federal Reserve Bank of Atlanta

Jacksonville Branch

What is the Federal Reserve?

Most central banks have the following characteristics:

1. A bank for bankers
2. Issuer of common currency
3. Payments clearing
4. Regulatory authority
5. Bank of last resort (for ailing institutions)
6. Banker to the home government



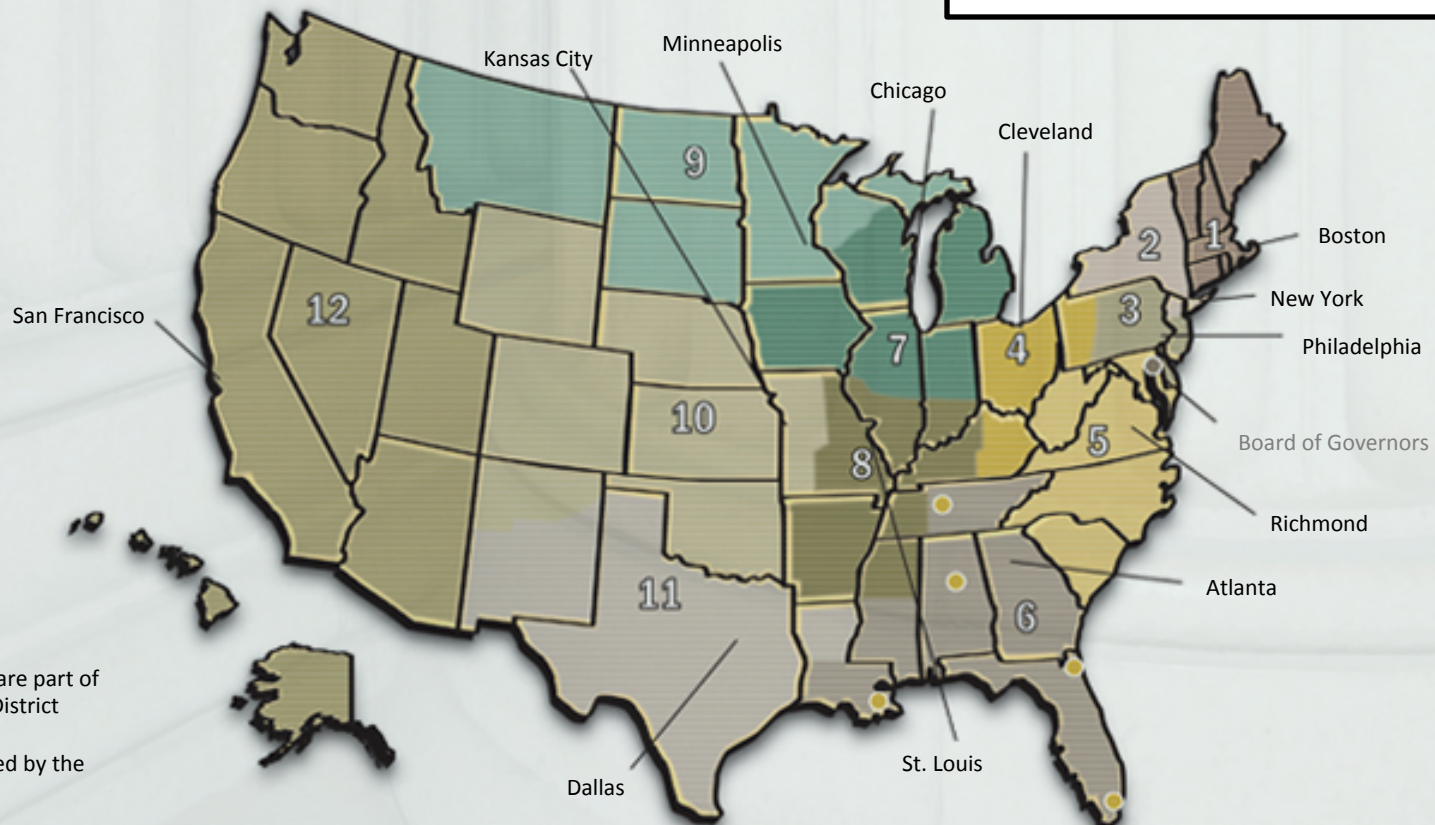
12 Reserve Banks

Why is the Fed successful?

- Independent within the government
- Regional representation

Fed Functions

1. Monetary policy
2. Promote the stability of the financial system
3. Supervision and regulation
4. Payment services
5. Consumer protection and community development



Alaska and Hawaii are part of the San Francisco District

Puerto Rico is served by the New York District

Name Tents Activity



Directions

Listen to all directions and be given complete
Instructions before starting!



Don't start yet!

- Fold the piece of construction paper in half, shorter edges together.
- Crease the center fold.
- Open the page.
- Fold the bottom edge to middle crease. Crease the fold.
- Open the page.
- Fold the top edge to the middle crease. Crease the fold.
- The paper should now have four sections.



Directions

- Starting from one end of the paper, count down three rectangles. Print your first name in large letters in the rectangle.
- Turn the paper upside-down. Again count down three rectangles and print your first name in large letters in the rectangle.
- Fold the paper to create a tent with the name displayed on both sides.
- ***Don't start yet!***

Group Directions

Listen to all directions and be given complete instructions before starting!



- Group 1 - remain seated; use only one hand—your nondominant hand; keep dominant hand behind your back
- Group 2 - remain seated; use only one hand—your dominant hand; keep nondominant hand behind your back
- Group 3 - remain seated; use both hands
- Group 4 – stand; use only one hand—your nondominant hand; keep dominant hand behind your back; may not use the desk, table, chair, or wall

Don't start yet!

Additional Directions

- 60 seconds
- Track how many in your group finish in 15, 30, 45, and 60 seconds
- **Start in 3...2...1!**



Productivity Results

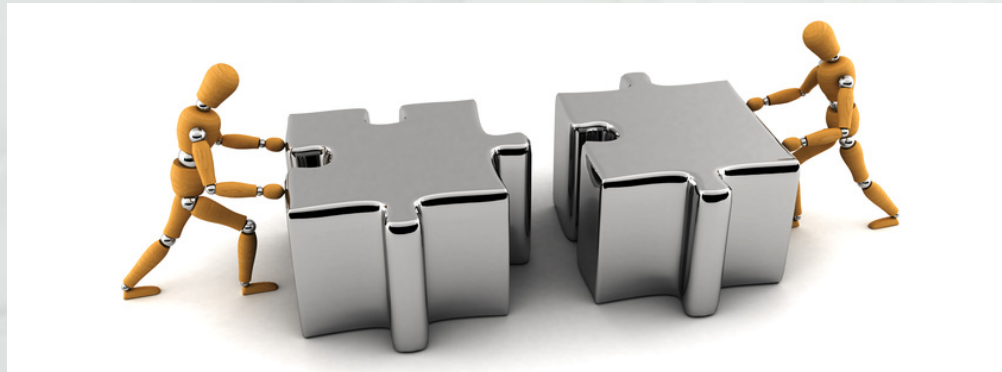
	Group 1	Group 2	Group 3	Group 4
15 sec.				
30 sec.				
45 sec.				
60 sec.				

Invest in Yourself Activity: Who's Who

- Group 4 represents those with the smallest investment in human capital—high school dropouts
- Group 1 represents those who graduate from high school
- Group 2 represents those who pursue additional training following high school—associate's degrees, bachelor's degrees or trade school
- Group 3 represents those who pursue advanced degrees

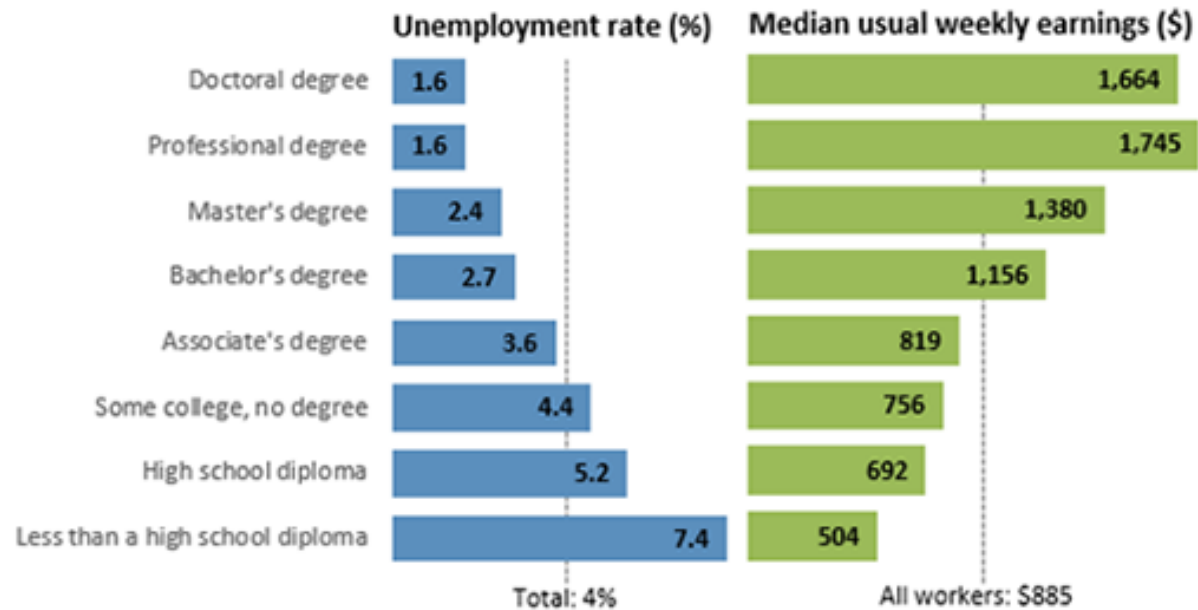
Invest in Yourself

- An important investment that students make in their future is their investment in **human capital**—their efforts to acquire and improve human capital.
- There is a very strong correlation between the level of human capital a person possesses and the amount of income the person earns.



The Graph

Unemployment rates and earnings by educational attainment, 2016



Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Visual reinforcement

Infographic set
Downloadable PDFs
Lesson Plans



• WHY DEVELOP •

Human Capital?

What to Expect with Less
Than a High School Diploma

WHAT IS HUMAN CAPITAL?

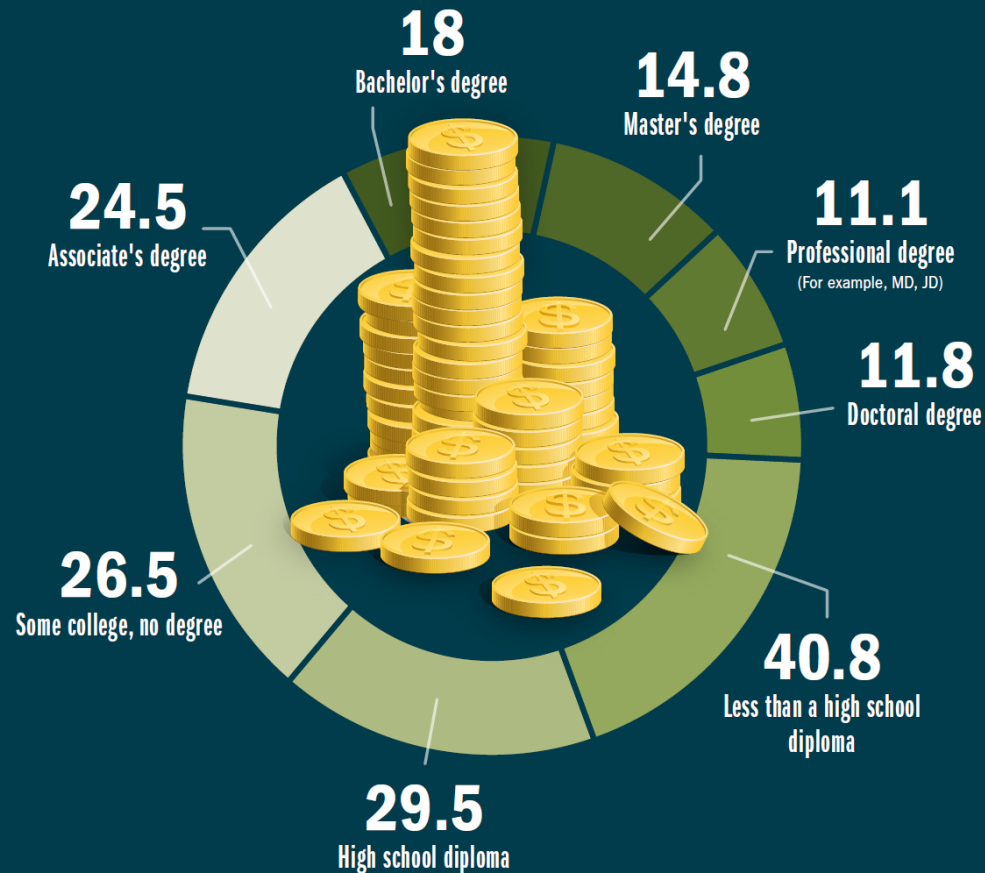
The skills, knowledge, and training people possess, measured by their economic value.





HOW LONG DOES IT TAKE TO EARN A MILLION?

YEARS TO EARN \$1 MILLION BY EDUCATION LEVEL



Source: Current Population Survey, U.S. Bureau of Labor Statistics, bls.gov/emp/ep_chart_001.html, Atlanta Fed calculations



40.8
years

at 2012 annual
median income to
earn a million dollars
with less than a high
school diploma



28
percent

2011 poverty rate
for individuals 25
and older with less than
a high school diploma



12.4
percent

2012 unemployment
rate for those in the
labor force with less
than a high school
diploma



471
dollars

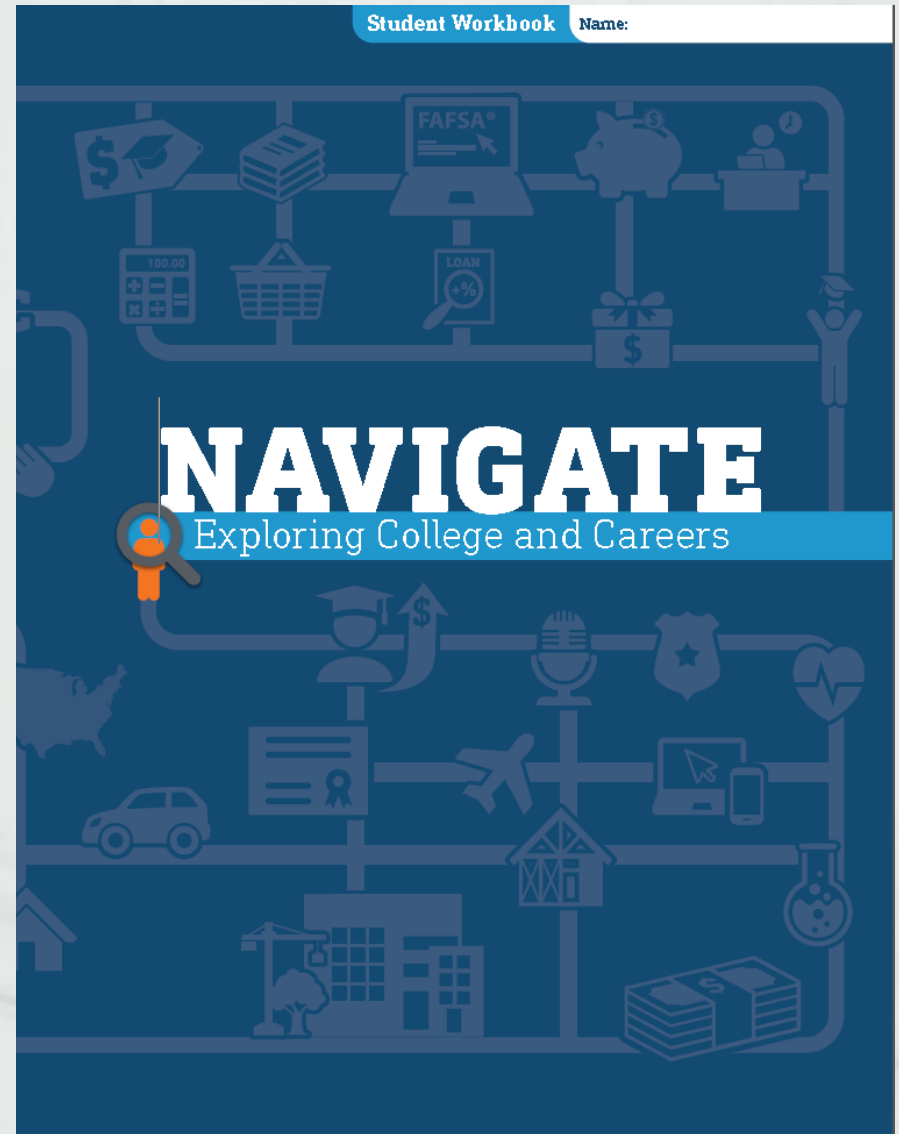
2012 median weekly
earnings for workers
with less than a high
school diploma

Sources: Sandy Baum, Jennifer Ma, and Kathleen Payea, *Education Pays 2013: The Benefits of Higher Education for Individuals and Society*, trends.collegeboard.org/sites/default/files/education-pays-2013-full-report.pdf; Current Population Survey (U.S. Bureau of Labor Statistics, bls.gov/emp/ep_chart_001.htm); and Atlanta Fed calculations

Navigate: Exploring College and Careers

New classroom resource that allows students to:

- Examine various careers and educational requirements
- Identify academic choices and extracurricular activities that will enhance their college applications
- Research the cost of postsecondary education
- Explore types of financial aid and educational assistance
- Imagine their own path to success



Exploring Careers

Six units in the workbook

- Exploring Careers
- What About College?
- How Do I Get In?
- How Much Does College Cost?
- Paying for College
- Future Paths

Unit 1 • Exploring College

Legal



- Court Reporters
- Lawyers
- Judges and Hearing Officers
- Paralegals and Legal Assistants

Life, Physical and Social Sciences




- Agricultural and Food Scientists
- Economists
- Historians
- Medical Scientists
- Anthropologists and Archeologists
- Political Scientists
- Chemists and Materials Scientists
- Psychologists

Management




- Administrative Services Managers
- Financial Managers
- Compensation and Benefits Managers
- Preschool and Child Care Center Directors
- Construction Managers
- Sales Managers

Math




- Actuaries
- Operations Research Analysts
- Mathematicians
- Statisticians

Media and Communication



- Announcers
- Photographers
- Editors
- Public Relations Specialists
- Interpreters and Translators
- Writers and Authors

Military




- Army
- Air Force
- Navy
- Marines

Office and Administrative Support



- Bookkeeping, Accounting, and Auditing Clerks
- Postal Service Workers
- Desktop Publishers
- Receptionists
- Financial Clerks
- Tellers

Personal Care and Service




- Animal Care and Service Workers
- Fitness Trainers and Instructors
- Barbers, Hairdressers and Cosmetologists
- Funeral Service Occupations
- Childcare Workers
- Recreation Workers

Production




- Assemblers and Fabricators
- Welders, Cutters Solderers and Brazers
- Machinists and Tool and Die Workers
- Woodworkers
- Quality Control Inspectors

Protective Service




- Correctional Officers
- Police and Detectives
- Firefighters
- Security Guards and Gaming Surveillance Officers

Sales




- Cashiers
- Securities, Commodities and Financial
- Insurance Sales Agents
- Travel Agents
- Real Estate Brokers and Sales Agents

Transportation and Material Moving



- Air Traffic Controllers
- Heavy and Tractor-Trailer Truck Drivers
- Airline and Commercial Pilots
- Railroad occupations
- Bus Drivers
- Water Transportation Occupations
- Delivery Truck Drivers and Driver/Sales Workers

Other:


 You can learn about many different careers by using the Occupational Outlook Handbook from the Bureau of Labor Statistics. Every career profile describes the job, the work environment, educational requirements and median pay. Find out more at www.bls.gov/ooh.

From Exploration To Personalization

Students identify:

- Skills and areas of interest that they are passionate about
- How they would like to develop their interests
- How their interests translate into future career choices
- How much education they will need to reach their desired career
- How much money someone typically earns in that occupation



Exploring College • Unit 1


Explore: Your Career

My career choice:

Explain what you do:

Describe where you work:

How much education will you need?

High school diploma or GED


Postsecondary non-degree award (certification)

Associate degree

Bachelor's degree

Master's degree


Doctoral or professional degree



How much will you earn?

Yearly:

Weekly:



What About College?

College admission is competitive.

- Create a plan to make the most of high school years
- Vocabulary of the college application process
- State requirements for graduation may be different than college minimum requirements for entry

Unit 3 • How Do I Get It?

Explore: Your Path to College

The infographic is divided into three horizontal sections. The top section, 'Explore: Your Path to College', features a magnifying glass icon and a blue header. Below it, an open book is labeled 'Courses' and is surrounded by icons for a globe, a calculator, a paint palette, a laptop, a smartphone, a beaker, and a notebook with a pencil. To the right, a stack of folders is labeled 'Grades' with large letters 'A B C'. The middle section, 'Extracurricular at School', shows a white t-shirt with 'YHS YOUR HIGH SCHOOL' and icons for a soccer ball, a football, a basketball, a musical note, and a person at a desk. The bottom section, 'Extracurricular Outside of School', shows a large white hand icon with smaller icons of two hands shaking and a person planting a tree. The bottom of the infographic features a blue header 'Track Your Extracurricular Activities at School' with a dropdown arrow, followed by a table with two columns and five rows of blank lines for tracking.

Extracurricular at School

Extracurricular Outside of School

Track Your Extracurricular Activities at School

How Much Does College Cost?

Direct Expenses

Unit 4 How Much Does College Cost?



Besides tuition and fees, the cost of continuing your education after high school includes books and supplies, room and board, personal expenses and transportation.



Weigh your choices! The cost of attending college varies widely among schools.

Career Path Phlebotomist

As a phlebotomist, I meet lots of interesting people and serve an important role in the medical community. I earned my certificate through a program at my local community college. I completed my program in three months and found a job at our county hospital. Recently I applied for and got a position working with our mobile blood drive team. We travel to locations around the city and provide opportunities for individuals to donate blood.

Median Wage: \$29,730
Expected Job Growth 2012–2020: 27%

Think About This

2014–15 Tuition and Fees

2-Year Community College \$3,347

4-Year Public University (In State) \$9,139

4-Year Public University (Out-of-State) \$22,958

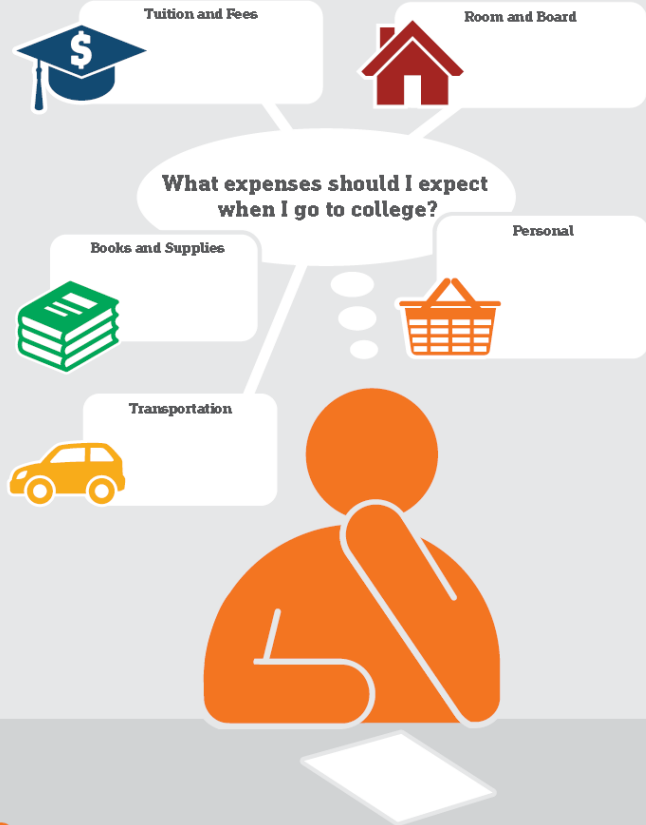
4-Year Private Nonprofit University \$31,231

<http://nces.ed.gov/ipeds/data/ipedsonline/tables.aspx>



Indirect Expenses

Unit 4 - How Much Does College Cost?



College Budget

- Students look at what type of expenses they will encounter in college
- The use the national average as a baseline to see if they need to modify their spending
- If modification is necessary, they have to choose what budget column to adjust
- They examine if the budget doesn't add up do they need a part-time job

Explore: College Life on a Budget

Personal Expenses
National Average
\$2,105 per year*
 OR
\$234 per month
(School year = 9 months)



Create a Budget

Some possible expenses that are included in this budget are listed below. They currently total \$725. You must reduce the expenditures to \$234 or plan to get a part-time job.

Expense	Current Amount	Change	New Amount	Explanation
Dining out	\$120			
Student tickets to athletic events	\$60			
Snacks for dorm room	\$100			
Clothes	\$100			
Fraternity/sorority dues	\$125			
Movies	\$45			
Cell phone	\$60			
Personal care (haircut, toiletries, etc.)	\$75			
Laundry	\$40			

Total Expenses
\$725

Change
 New Amount



Was working with this budget difficult?
 Some students work part-time while they are enrolled in school. How would your choices change if you had an extra \$300 income from a part-time job each month?

* Source: The College Board, Annual Survey of College, October 2013

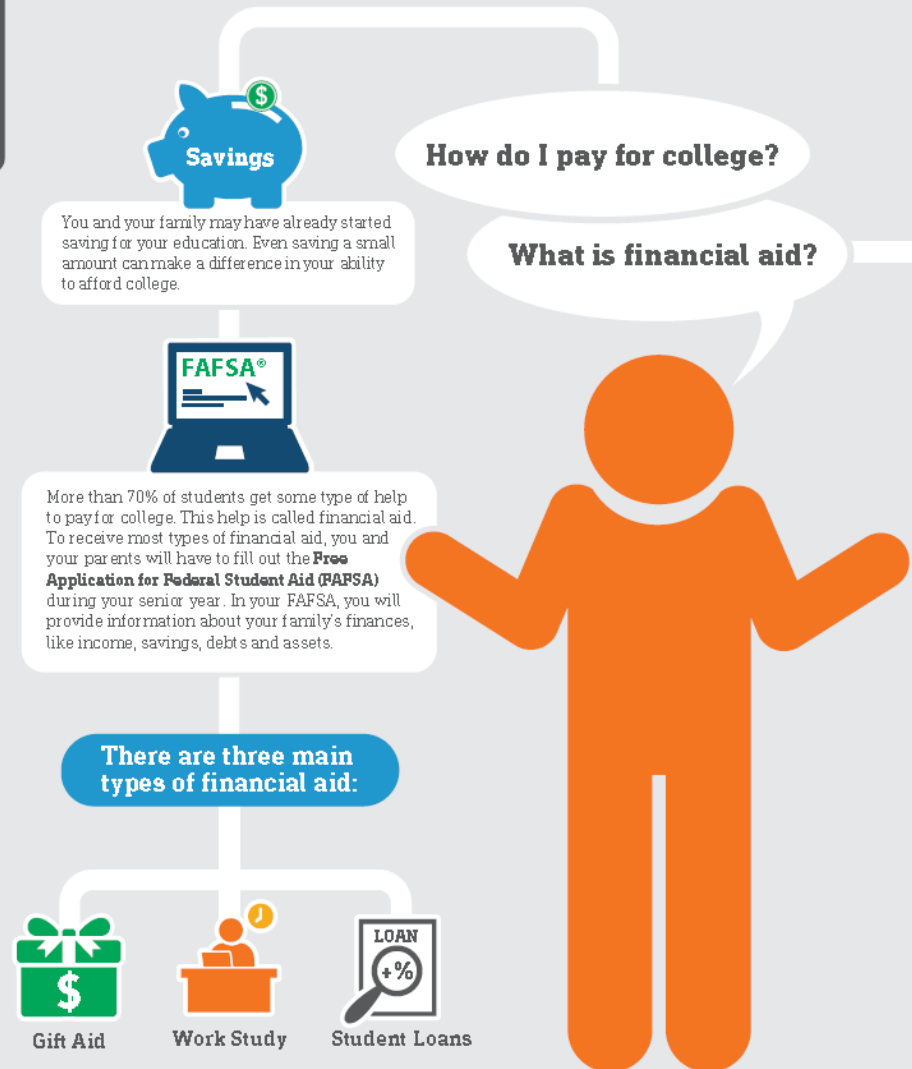
How Much Does College Cost? • Unit 4

Paying for College

Once students have identified what type of program they need for their career path and how much it will cost, they will now look at strategies for how to pay for it.

- Gift Aid
- Work Study
- Student Loans

Unit 5 • Paying for College



Future Paths

Studies show that, besides having a higher median salary and a lower unemployment rate; college graduates are:

- ✓ More satisfied in their jobs
- ✓ More likely to exercise
- ✓ Less likely to smoke and less likely to be obese
- ✓ More likely to be civically involved and vote



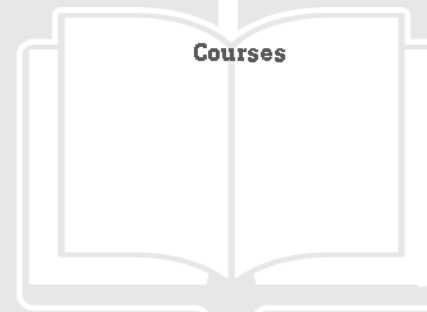
Explore: Planning Your Future



You can start today preparing for a career. The courses that you take in high school, the clubs that you join, the activities that you pursue and the experiences that you have can all develop your human capital that will make you a more valuable employee.

Pick a career from the cards and read the description.

Think about some things that you could do in high school to prepare for that career.



Courses



Extracurricular
at School

YHS
YOUR HIGH SCHOOL



Extracurricular
Outside of School



References

This resource is designed for 7th – 9th grade students.

- The teacher book and student workbooks are FREE
- The information can also be accessed online

Federal Reserve Bank of Dallas
El Paso | Houston | San Antonio

Search: GO

Research & Data | Banking | Community Development | Economic Education | Globalization Institute | Publications

FRB Dallas Home » Economic Education » Navigate » Navigate: Exploring College and Careers

Follow the Fed | fm -->

Economic Education Publications

Navigate: Exploring College and Careers

Navigate: Exploring College and Careers is a new classroom resource from the Federal Reserve Bank of Dallas that allows students to:

- > examine various careers and educational requirements;
- > evaluate different educational opportunities after high school;
- > identify academic choices and extracurricular activities that will enhance their applications;
- > research the cost of postsecondary education;
- > explore types of financial aid and educational assistance;
- > imagine their own path to success.

This resource is an introduction to the investigation of careers and college and is designed for 7th through 9th grade students. Many students and their families may not be familiar with the pathways to education after high school, and Navigate provides information to begin preparing for success.

Download Navigate below, or order free copies of the consumable student workbook and teacher handbook.

Navigate Workbook and Handbook

- > Student Workbook
- > Teacher Handbook

Procedure Documents

- > Unit 1
- > Unit 2
- > Unit 3
- > Unit 4
- > Unit 5
- > Unit 6

Visuals

- > Unit 3 Slides
- > Unit 5 Slides
- > Unit 6 Slides

NAVIGATE
Exploring College and Careers

Order Navigate

Econ Lowdown Online Learning

<https://www.stlouisfed.org/education/econ-lowdown-online-learning>

Econ Lowdown Online Learning

Looking for online courses for your students? This award-winning collection of new and improved resources will help bring economics lessons to life for your students with interactive activities, online courses, podcasts and more. Watch as we continue to add new online courses.

Teachers: To register your students for one or more of our online courses, visit the [Instructor Management Panel](#).

Go to the [Econ Lowdown Student Login](#).

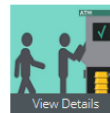
Learn more about all of the online courses for:

- Elementary School teachers and students
- Middle School teachers and students
- High School teachers and students
- College teachers and students

We also offer [online courses for consumers / general audience](#).



Teachers: Go directly to the [Online Course Login](#)

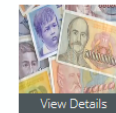


Benefits of a Fiat Money System

🕒 • 5 minutes • High School - College

Inflation, Money

[View Details](#)

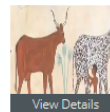


Classroom Economist: Inflation

🕒 • 20 minutes • High School

Inflation, Federal Reserve System, Fiscal and Monetary Policy...

[View Details](#)

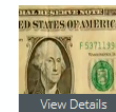


Classroom Economist: Early Forms of Money?

🕒 • 10 minutes • High School

Inflation, Money

[View Details](#)

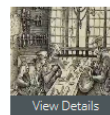


Classroom Economist: Fiat Money

🕒 • 10 minutes • High School

Inflation, Money

[View Details](#)



Classroom Economist: Historical Background of Fractional Reserve Banking

🕒 • 15 minutes • High School

Inflation, Institutions, Money

[View Details](#)



Classroom Economist: How Fractional Reserve Banking Works

🕒 • 15 minutes • High School

Inflation, Institutions, Money

[View Details](#)

No Frills Money Skills

<https://www.stlouisfed.org/education/no-frills-money-skills-video-series>

No-Frills Money Skills Video Series



The No-Frills Money Skills video series covers a variety of personal finance topics. The brief videos use clear, simple language, and graphic elements so that viewers can better visualize the personal finance content being presented. In the end, they will see how important these concepts are to their everyday lives.

To provide students with online questions following each video, register your class through the [Instructor Management Panel](#) or download a pdf of the classroom discussion questions. [More about the Q&A Resources for Teachers and Students »](#)



Episode 1 - Growing Money - Compound Interest

Video

[Discussion questions \(pdf\)](#)

In this episode, economic education specialist Kris Bertelsen explains compound interest, or "Growing Money."

Katrina's Classroom

<https://www.frbatlanta.org/education/katrinass-classroom.aspx>

KATRINA'S CLASSROOM

TEACHING MONEY SKILLS FOR LIFE

Katrina's Classroom: Teaching Money Skills for Life is a four-part curriculum unit designed for personal finance-related high school classrooms. The robust curriculum uses hands-on learning strategies and technology integration to teach students about key personal finance concepts and how to apply what they've learned to explore options, make decisions, and complete projects using real-world tools.

The lessons are correlated to the Jump\$tart National Personal Finance Standards and meet the requirements of several components of the Common Core Standards. The activities incorporate opportunities for students to write, research, report, graph, calculate, evaluate, support a position, make decisions, and reflect as well as to work collaboratively in groups or individually.

Each lesson segment is presented in multiple formats so you can select what works best for your classroom. The curriculum unit focuses on goals, decision making, financial institutions, credit, education, careers, and budgeting. All of the lessons include an underlying theme of emergency and financial preparedness built on the personal stories highlighted in the original *Katrina's Classroom: Financial Lessons from a Hurricane* videos.

KATRINA'S CLASSROOM LESSONS:

[Lesson 1: Katrina Strikes](#)

[Lesson 2: In the Aftermath](#)

[Lesson 3: A Fresh Start](#)

[Lesson 4: Back to School](#)

RELATED LINKS: [Classroom Economist](#) • [Classroom Tools](#) • [Making Finance Personal: Project-Based Learning for the Personal Finance Classroom \(Curriculum\)](#) • [Curriculum Order Form](#) • [Infographics Poster Order Form](#) • [How to open SMART notebook without the SMART software](#)

RELATED LINKS ON OTHER SITES: [Federal Reserve Education](#)

Building Wealth

<https://www.dallasfed.org/-/media/microsites/cd/wealth/index.html>

Building Wealth

A Beginner's Guide to Securing Your Financial Future

Building Wealth is a personal finance education resource that presents an overview of wealth-building strategies for **consumers**, **community leaders**, **teachers** and **students**.



For Consumers

I want to learn how to build wealth for myself and my family.

[READ MORE >>](#)



For Community Leaders

I lead a group of adults interested in improving our personal finance skills.

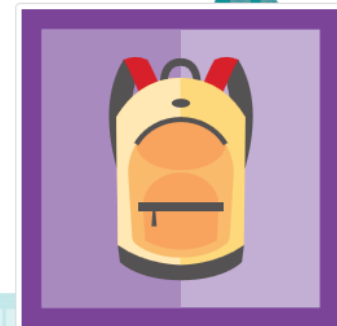
[READ MORE >>](#)



For Teachers

I teach financial education to high school or college students.

[READ MORE >>](#)



For Students

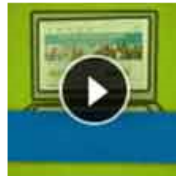
I am a student and want to learn how to create personal wealth and meet my financial goals.

[READ MORE >>](#)

Personal Finance 101 Conversations

<https://www.stlouisfed.org/education/personal-finance-101-conversations>

Personal Finance 101 Conversations



Personal Finance 101 Conversations is a series of short videos related to timely financial topics for students and consumers in their teens and 20s.

To provide students with online questions following each video, register your class through the [Instructor Management Panel](#).

[More about the Q&A Resources for Teachers and Students »](#)



Episode 14: FAFSA 101

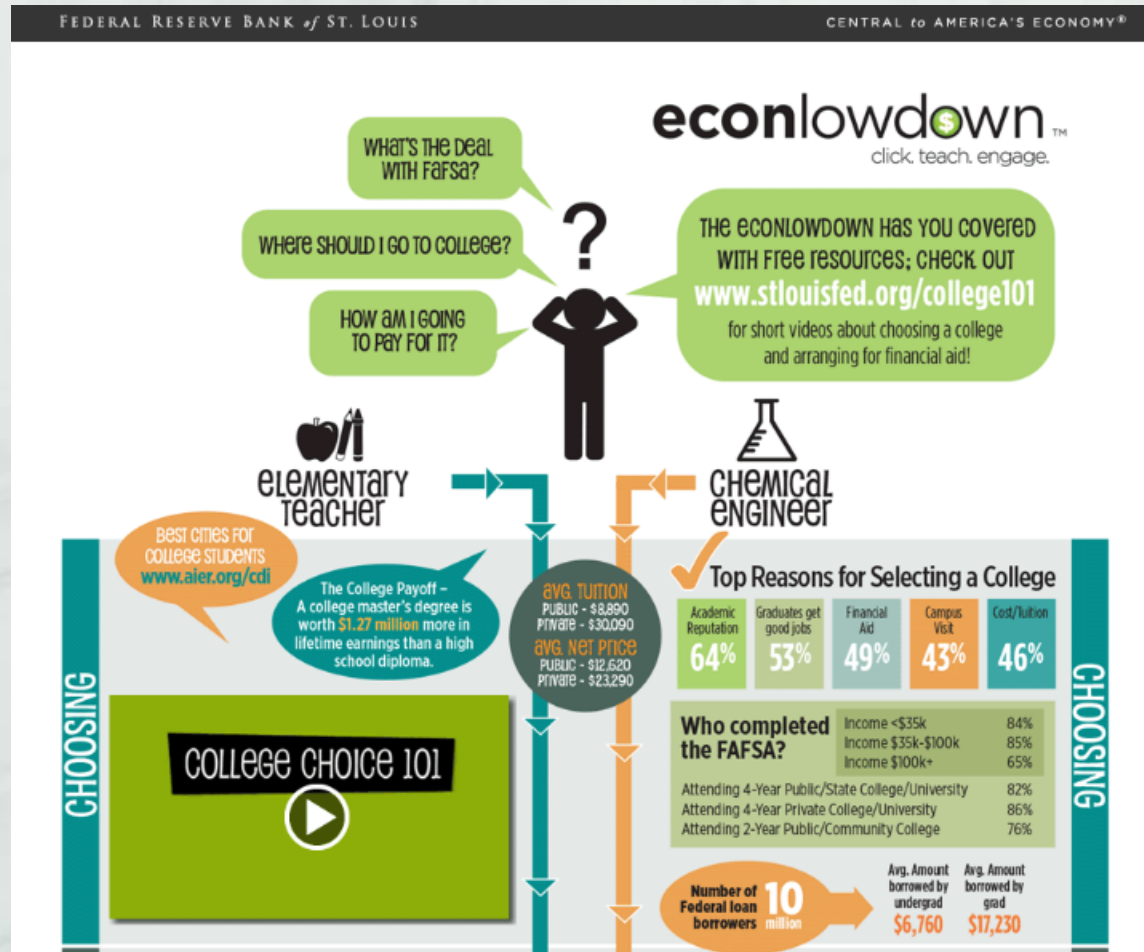
Take a stroll through each screen of the online FAFSA to see what information you'll need on hand to complete the application quickly and accurately.

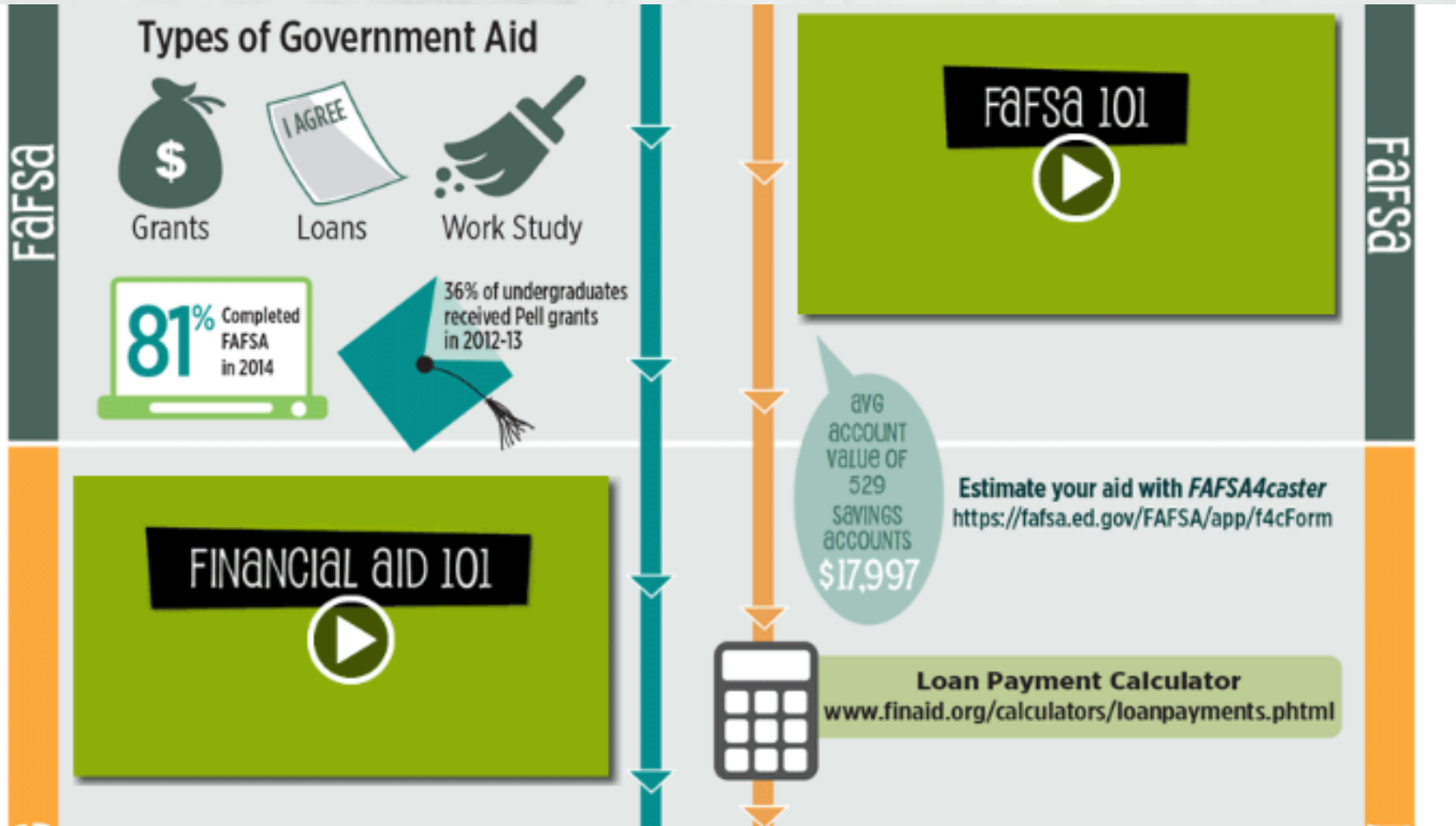


Episode 15: College Choice 101

College 101 Infographic

https://www.stlouisfed.org/education_resources/college101/index.html





Types of Government Aid



Grants



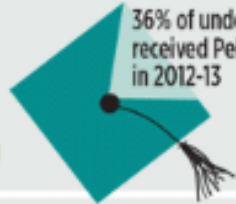
Loans



Work Study



81% Completed FAFSA in 2014



36% of undergraduates received Pell grants in 2012-13



FINANCIAL aid 101



FAFSA 101

avg ACCOUNT VALUE OF 529 SAVINGS ACCOUNTS \$17,997

Estimate your aid with *FAFSA4caster*
<https://fafsa.ed.gov/FAFSA/app/f4cForm>



Loan Payment Calculator
www.finaid.org/calculators/loanpayments.phtml

FAFSA

FAFSA

PAYING

TYPES OF LOANS AND GRANTS

PELL GRANT Most common grant given to low-income undergraduates

FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS (FSEOG) "Campus-based" aid administered directly by the financial aid office at each school. Not all schools participate and funds are limited.

STAFFORD LOAN (SUBSIDIZED) These are loans given to eligible students who demonstrate financial need.

STAFFORD LOAN (UNSUBSIDIZED) These loans are given to eligible students, but don't require a demonstration of financial need.

PERKINS LOAN Federal loan available to students with extreme financial need.

DIFFERENCE
BETWEEN LOANS
AND GRANTS?
GRANTS DO NOT
HAVE TO BE
REPAID!

Government Aid Package Amount
Public vs. Private

	4 year	2 year
Public	\$6,270	\$4,530
Private for profit	4,990	4,110
Private non-profit	17,040	5,630

Out-of-Pocket Costs (Net)
Total cost minus financial aid

	4 year	2 year
Public	\$12,410	\$6,980
Private for profit	21,330	19,300
Private non-profit	23,540	17,610

While more expensive, private schools often have very large endowments and are able to offer more aid to highly talented students.

INCOME

Average Starting Salaries

Broad Category	2014 Avg. Salary	2013 Avg. Salary	Percent Change
Business	\$53,901	\$54,234	-0.6%
Communications	\$43,924	\$43,145	1.8%
Computer Science	\$61,741	\$59,977	2.9%
Education	\$40,863	\$40,480	0.9%
Engineering	\$62,719	\$62,535	0.3%
Health Sciences	\$51,541	\$49,713	3.7%
Humanities & Social Sciences	\$38,365	\$37,058	3.5%
Math & Sciences	\$43,414	\$42,724	1.6%
Overall	\$45,473	\$44,928	1.2%

Median salary gap
between high school
and college grads

1995 \$15,780
2013 \$17,500

MEDIAN ANNUAL EARNINGS
BY EDUCATIONAL ATTAINMENT:

Less than high school diploma	\$24,544
High school diploma	\$33,852
Some college, no degree	\$37,804
Associate's degree	\$40,404
Bachelor's degree	\$57,616
Master's degree	\$69,108
Professional degree	\$89,128
Doctoral degree	\$84,396

Elementary Teacher
Starting salary: **\$36,141**
Average student loan debt: **\$33,000**
Monthly loan payment: **\$344.56**



Since 2008, credit scores have decreased for young adults with student loans.

Chemical Engineer
Starting salary: **\$66,000**
Average student loan debt: **\$33,000**
Monthly payment: **\$344.56**



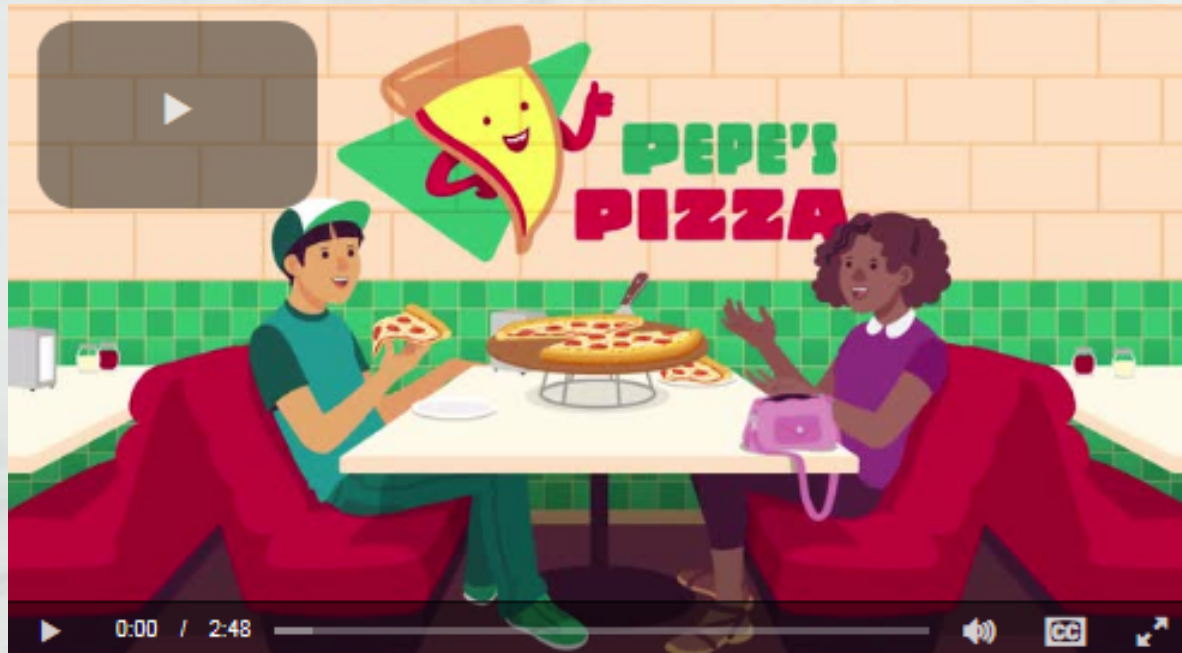
PAYING

INCOME

E03148 06/13

E04-6200 1/14

2,000 Pizza (Continuing Feducation)



Focus on the Finance

[CONTENT](#)[ADVANCED SEARCH](#)

"The back story on front page economics." These accessible essays cover the basics of economic topics, with a separate version for use in the classroom. Special "Focus on Finance" essays cover personal finance.

Posted 2018-02-01



On the Move: Renting Basics

by **Kris Bertelsen**

There are many factors to consider when finding a place to rent. The February 2018 issue of *Page One Economics®: Focus on Finance* walks you through the process.

Posted 2018-01-02

Will Robots Take Our Jobs?

by **Scott A. Wolla**

Robots are in the headlines, and many of us are wondering if they'll also be taking over our jobs. Is the "Robot Apocalypse" upon us, or is this part of a larger trend that's been occurring for...

Lesson Plans

www.federalreserveeducation.org



RESOURCES BY AUDIENCE ABOUT THE FED

EQUIPPING EDUCATORS, EDUCATING STUDENTS AND EMPOWERING CONSUMERS

Search for educational resources



Find Your Federal Reserve District

Locate your local Federal Reserve office for programs, museums and tours.



Follow Us On Twitter

Get the latest on educational resources from the Federal Reserve.



Order Publications

Access classroom resources that are available in print.

Questions?

