

Education Content Created By



# Your Money Adventure

## 03: Build your roadmap



# Facilitator Guide

## 03: Build your roadmap

### Purpose

The purpose of this facilitator guide is to provide an overview for 03: Build your roadmap. Use this guide in conjunction with the 03: PowerPoint slides and speaker notes to prepare for your third session with participants. This guide includes speaking points to help you ask questions and prompt discussion to generate responses. In addition, there are suggested facilitator notes and a vocabulary list to help maximize the session.

### Module description

In this module, participants are introduced to spending concepts. They are presented with visuals featuring cash, credit cards, borrowing, and spending scenarios. Participants learn about 2 friends who have major life purchases, and the difference a credit score makes when borrowing money for these purchases.

### Learning objectives

After completing this module, participants will be able to:

- Analyze personal spending patterns and pricing of tracked expenses
- Analyze how paying credit card bills in full and on time avoids fees and interest
- Participate in pricing scenario to establish baseline prices for 5 needs/wants
- Recognize the importance of having a good credit score when Soraya and Jason apply for car loans and mortgages
- Understand how spending cash has positives and negatives associated with it
- Identify the importance of avoiding payday loans
- Understand how credit cards work

### What you'll need

To make the most of your time, you should have the following:

- Facilitator computer, LCD projector, 03: "Build your roadmap" PowerPoint slides, presenter script (digital or paper), participant guides (digital or paper), participant computers (dependent upon instruction being on-site or virtual).

### Module time

This module will take approximately 60 minutes. See slide 4 for specific timing breakdown.

# Process

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Use these prompts and speaking points to help facilitate the discussion.

Slide	Content	Speaking point
7	Welcome. Explore more: track your spending this week.	Reminder: We ended last week asking you to keep track of what you spend or to pay attention to how much the things around you cost.
7	Question: Did anyone get a chance to do this?	<p>If participants answer <b>yes</b> (possible questions and follow-up discussion prompts):</p> <ul style="list-style-type: none"> <li>• Was anyone surprised at what you found out?</li> <li>• Were prices higher than you thought?</li> <li>• Lower?</li> <li>• Maybe you thought you spent less during the week, for example, on food, and when you added it up you thought that might be a place to cut back.</li> <li>• Keep track because each week is going to vary. Some weeks you'll pay for gas and other weeks you'll have something like a yearbook fee. The goal for now is just to get a better sense (on average) of what your costs are each month.</li> </ul> <p>If participants answer <b>no</b> (possible questions and follow-up discussion prompts):</p> <ul style="list-style-type: none"> <li>• Maybe you didn't get a chance to or maybe you didn't spend any money this week, so the prompt didn't apply to you yet.</li> <li>• If you didn't get a chance to do it this week, I encourage all of you to start tracking your expenses or become more mindful of daily expenses and costs in general; it's a great habit to get into.</li> <li>• Not only will it help you develop a smart spending and saving plan but staying on top of these things will help you take care of your needs and hopefully have a little fun with your wants. At the end of the day when it comes to finances, knowledge = power.</li> </ul>

Slide	Content	Speaking point
9	Activity: Guess the price	<p><i>Responses:</i></p> <ul style="list-style-type: none"> <li>• New sneakers: \$100</li> <li>• Monthly phone bill: \$70</li> <li>• Takeout for 2 delivered: \$27</li> <li>• Monthly groceries for one: \$340</li> <li>• One-bedroom apartment for rent in Brooklyn: \$3,080.</li> </ul>
13	Question: Would you rather have \$1 million or the sum of a penny doubled every day for 30 days?	<ul style="list-style-type: none"> <li>• <i>Participant responses will vary.</i></li> <li>• Response: The sum of a penny doubled every day for 30 days <ul style="list-style-type: none"> <li>○ For those of you who chose the penny, you'd be over \$5 million richer at the end of those 30 days</li> </ul> </li> </ul>
16	Question: How many hours of work would it take to pay off the interest alone for the credit card bill?	<ul style="list-style-type: none"> <li>• <i>Participant responses will vary</i></li> <li>• Suggestion to solve: \$60 divided by your state's minimum wage to calculate number of hours.</li> </ul>

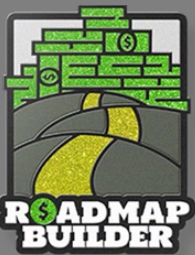
Slide	Content	Speaking point	Thumbnail
20-23	Slides 20–23 cover a use case for Soraya and Jason, each with different credit scores. Soraya has a credit score of 790 and Jason has a credit score of 655	<i>Participant responses will vary</i>	
20	Who has the better credit score, Soraya or Jason?	<p><i>Response: Soraya has the better credit score</i></p> <ul style="list-style-type: none"> <li>Your credit score is like grades at school—the higher the better. And while the difference between Jason and Soraya’s scores may not seem that big on the scale from 300–850, the difference becomes clear when we look at the impact their credit scores could have in dollars.</li> </ul>	
22	Question: What do you think the difference in interest they’ll be paying will be?	<p>a. ~7K</p> <p>b. ~32K</p> <p>c. ~68K</p> <p>d. ~82K</p> <p><i>Response is c. Over 30 years, those seemingly small differences become quite large.</i></p>	

Slide	Content	Speaking point	Thumbnail
22	Question: What do you think about this?	<i>Participant responses will vary</i>	
22	Question: What did you learn about the difference good credit can make?	<i>Participant responses will vary</i>	
23	Take a few moments to open session up for questions and discussion on slide 23.	<p>Possible questions to ask include:</p> <ul style="list-style-type: none"> <li>• Did the difference a good credit score can make surprise you?</li> <li>• What do you think about this?</li> <li>• What other ways could you imagine credit score impacting Jason and Soraya?</li> <li>• What can we learn from this example?</li> <li>• What might you do differently now that you know this?</li> </ul> <p><i>Responses to all these questions will vary</i></p>	

Slide	Content	Speaking point	Thumbnail
25	Guess the price!		
25	<p>Let's say you paid with a credit card with a 20% interest rate, but your birthday was coming up and you knew you'd get some cash, so you paid it off in 2 months.</p> <p>Question: how much would it cost you?</p>	<p>a. \$860</p> <p>b. \$905</p> <p>c. \$933</p> <p><i>Response: The correct answer is a: \$860.</i></p>	
25	<p>This time you paid with a credit card with a slightly higher interest rate—22%—but it took you a year to pay off.</p> <p>Question: How much does this now cost you?</p>	<p>a. \$905</p> <p>b. \$940</p> <p>c. \$995</p> <p><i>Response: The correct answer is b: \$940.</i></p>	



Slide	Content	Speaking point
25	Finally, let's say you took out a payday loan...	<p><i>Response: Trick question...you wouldn't...this is NOT a smart way to spend with loans!</i></p> <p>We want to avoid payday loans because with all the added fees and interest, it's just not worth it.</p>



### Closing comments

Thank participants for their time and let them know that they have now earned their "Roadmap Builder" virtual pin. They are now prepared for next week's lesson on spending. Remind participants to track their expenses during the week; if they find themselves not spending money, then ask them to look up/research prices and write them down.

# Glossary

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## 03: Build your roadmap

Term	Definition
<b>Annual percentage rate</b>	Annual percentage rate (APR) is the yearly cost for a loan, expressed as a percentage. All lenders must disclose this standardized number, which is helpful when comparing loans. You probably have an APR for your credit card or car payment.
<b>Compounding</b>	Compounding refers to the value of an investment increasing because the earnings on an investment are reinvested and earn additional interest as time passes.
<b>Credit</b>	Credit is an agreement between a borrower and a lender which allows access to funds immediately with the promise that the lender will be paid back with interest. Examples of credit can be loans, mortgages, car loans, and credit cards.
<b>Credit card</b>	A credit card is a physical plastic card that acts as a medium of exchange for you to borrow money with the promise to repay.
<b>Credit score</b>	A credit score is a number from 300 to 850 that helps banks and credit card companies make decisions about lending you money.
<b>Interest rate</b>	Interest rate, like APR, is the amount of money lenders charge you to borrow for a loan.
<b>Loan</b>	A loan is the total amount of money borrowed from a lender that must be repaid (usually with interest).
<b>Minimum payment</b>	The minimum payment is the minimum amount that must be repaid each month to remain in good standing with the lender. Typically associated with credit cards; interest is accrued as well.
<b>Mortgage</b>	A mortgage is a type of loan for a home; usually taken out for 15 or 30 years.
<b>Payday loan</b>	A payday loan is a high-interest loan given in advance of your paycheck; often granted by check cashing businesses.
<b>Rewards</b>	Rewards are perks and benefits programs available through certain credit card companies. Examples of rewards include gas, cash back, airline mileage points, etc.

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