

Education Content Created By



# Your Money Adventure

## 03: Build your roadmap



# Participant Guide

## 03: Build your roadmap

### **Purpose**

The purpose of this participant guide is to provide an overview for 03: Build your roadmap. Use this guide in conjunction with the 03: PowerPoint slides and activities to answer questions and record your responses, thoughts, ideas, and observations. This guide includes questions, prompts, and a vocabulary list to help maximize the session.

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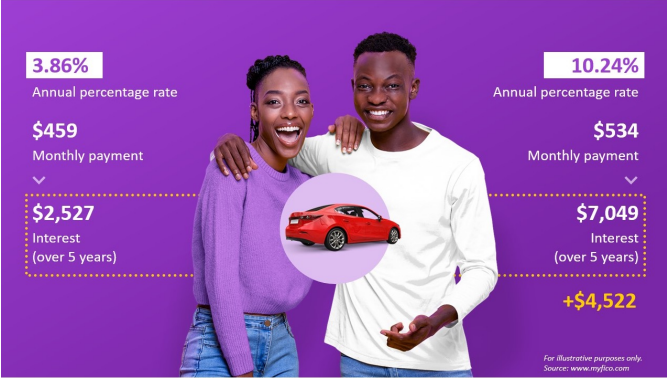
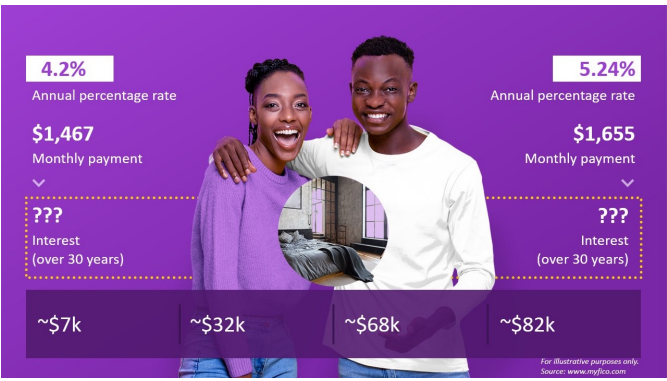
### **Module description**

In this module, you are introduced to spending concepts. You will be presented with visuals featuring cash, credit card, borrowing, and spending scenarios. You'll learn about two friends who have major life purchases, and the difference a credit score makes when borrowing money for these purchases.




Slide	Content	Record your responses, thoughts, ideas, and observations
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?	

Slide	Content	Record your responses, thoughts, ideas, and observations
9	Activity: Guess the price!	
13	Question: Would you rather have \$1 million or the sum of a penny doubled every day for 30 days?	
16	Question: How many hours of work would it take to pay off the interest for the credit card bill?	

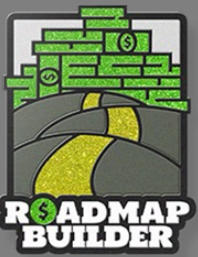
Slide	Content	Record your responses, thoughts, ideas, and observations	Thumbnail
20-23	Slides 20-23 cover a use case for Soraya and Jason, each with different credit scores. Soraya has a credit score of 790, and Jason has a credit score of 655.		 <p>The thumbnail displays a comparison of car financing for Soraya and Jason. Soraya (left) has a credit score of 790, resulting in an annual percentage rate of 3.86%, a monthly payment of \$459, and interest of \$2,527 over 5 years. Jason (right) has a credit score of 655, resulting in an annual percentage rate of 10.24%, a monthly payment of \$534, and interest of \$7,049 over 5 years. The total interest difference is highlighted as +\$4,522. A red car is shown in a circular inset.</p>
20	Question: Who has the better credit score, Soraya or Jason?		 <p>The thumbnail displays a comparison of home financing for Soraya and Jason. Soraya (left) has a credit score of 790, resulting in an annual percentage rate of 4.2%, a monthly payment of \$1,467, and interest of ??? over 30 years. Jason (right) has a credit score of 655, resulting in an annual percentage rate of 5.24%, a monthly payment of \$1,655, and interest of ??? over 30 years. A house is shown in a circular inset. Below the comparison, four price points are listed: ~\$7k, ~\$32k, ~\$68k, and ~\$82k.</p>
22	Question: What do you think the difference in their interest payments will be?	<ul style="list-style-type: none"> <li>a. ~7K</li> <li>b. ~32K</li> <li>c. ~68K</li> <li>d. ~82K</li> </ul>	

Slide	Content	Record your responses, thoughts, ideas, and observations	Thumbnail
22	Question: What do you think about this?		
22	Question: What did you learn about the difference good credit can make?		

Slide	Content	Record your responses, thoughts, ideas, and observations	Thumbnail
25	Guess the price!		 <p>The thumbnail is a teal-colored graphic titled "Guess the price!". It features a smartphone on the left displaying "2:30 PM" and "\$800.00". To its right are three circular icons connected by dotted lines. The first is a "Credit Card 20.00%/APR Over 2 months" with options A. \$860.00, B. \$905.00, and C. \$933.00. The second is a "Credit Card 22.00%/APR Over 1 year" with options A. \$905.00, B. \$940.00, and C. \$995.00. The third is a "Payday loan" icon with a diagonal slash through it. A small note at the bottom right says "For illustrative purposes only".</p>
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 two months.</p> <p>Question: How much would it cost you?</p>	<ul style="list-style-type: none"> <li>a. \$860</li> <li>b. \$905</li> <li>c. \$933</li> </ul>	
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>	<ul style="list-style-type: none"> <li>a. \$905</li> <li>b. \$940</li> <li>c. \$995</li> </ul>	



Slide	Content	Record your responses, thoughts, ideas, and observations
25	Finally, let's say you took out a payday loan...	



You've finished this session and earned a roadmap builder pin!



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 that 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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