



Money Matters: Know the Lingo

LESSON 1: STUDENT ACTIVITY SHEET 1

Do you ever feel like money terms go right over your head? The reality is that you probably already know and use a lot of financial vocabulary. Read through the terms below and think about how they connect to your life.

Terms to Know

How Does This Relate to Me?

Cost Comparison

Comparing the cost of two or more goods or services in an effort to find the best value.

When have you used cost comparison?

Provide an example: _____

Cost-Benefit Analysis

Analyzing whether the cost of an item is more than, equal to, or less than the benefit that comes from purchasing that item.

- **Cost** - The price paid for a good or service.
- **Benefit** - An outcome that promotes well-being.

When have you used cost-benefit analysis?

Provide an example: _____

Identify something you want to do or purchase: _____

What is the cost? _____

What is the benefit? _____

Calculating Future Expenses

Identifying the cost of meeting future needs and goals.

- **Short-term, medium-term and long-term goals** - Goals to achieve over specific periods of time.

Identify 3 personal goals. Think about what is needed to accomplish each goal.

Short-term goal: _____

Medium-term goal: _____

Long-term goal: _____

Budget

A plan for future spending and saving, weighing estimated income against estimated expenses.

- **Income** - Payment received for goods or services, including employment.
- **Expense** - Cost paid to secure a good or service.

Choose one of your goals from above and estimate its expense. How much income do you estimate will be needed to support your goal?

Goal: _____

Estimated (monetary) expense: _____

Estimated income needed: _____



Money Matters: What Would You Do?

LESSON 1: STUDENT ACTIVITY SHEET 2

If you were faced with a major financial decision...would you know what to do? With your team, read your assigned scenario (below) and discuss the financial information and strategies you would use in that case. Use the websites listed and the handout **Money Matters: Know the Lingo** to help you form a plan to present to the rest of the class.



Scenario 1: Saving for a car

You want to buy a car in the next year so you can drive to your job and school without relying on family members.

What financial information do you need?

What financial decision-making strategies can you use?

(Cost comparison, cost-benefit analysis, and calculation of future expenses or budgeting?)



Scenario 2: Saving for college

You are a freshman in high school and have your eye on a college degree. But college is expensive, especially since the costs include tuition, food, living expenses, travel and books.

What financial information do you need?

What financial decision-making strategies can you use?

(Cost comparison, cost-benefit analysis, and calculation of future expenses or budgeting?)



Scenario 3: Buying a cell phone plan

It's time to buy a new cell phone plan, and you will be paying for this one yourself. The providers offer a lot of options, and your budget is limited.

What financial information do you need?

What financial decision-making strategies can you use?

(Cost comparison, cost-benefit analysis, and calculation of future expenses or budgeting?)

The websites below will help with your research

Car Buying Resources

- Edmunds.com
- kbb.com

College Cost Resources

- collegeboard.org
- finaid.org

Cell Phone Plan Resources

- myrateplan.com
- phonedog.com