FLY

Financial Literacy for Youth

FLY PLAYBOOK

abn network sociale

XANO CHANNEL

ASSET TECHNOLOGY

MONOMYTHS – Joyful learning experiences –

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FLY: Financial Literacy for Youth
Educación Financiera para
Jóvenes
2021-1-IT03-KA220-YOU-000028694

Financial Literacy for Youth

Editor:
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Contributors:
Consorzio ABN, Italy
Monomyths, Romania
Mobilizing Expertise, Sweden
Asset Technology, Greece

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Fly Playbook Content

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Fly Playbook Content

- Module 1: Finance education essentials for YP Content: Tips & tricks to deliver financial literacy learning activities
- Module 2: The Psychology behind financial management
- Module 3: Expenses & Budgeting
- Module 4: Saving and investing
- Module 5: Loans & Debt Risk Management
- Module 6: Insurance
- Module 7: Personal Finance Skill Development
- Module 8: Taxes and pension
- Module 9: FLY tools for financial literacy

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CHAPTER 1

Introductory Summary

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Chapter 1 Content

- Welcome to FLY Playbook
- Objectives of the FLY Playbook
- How an who can use the FLY Playbook

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Welcome to FLY Playbook

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The PR2 Fly Playbook is an innovative financial literacy curriculum designed to meet the specific needs of young people and youth workers. Developed by a team of educators, financial professionals, and financial education experts from partner organizations and the project network, this curriculum aims to bridge the gap between theory-based education and practical application.

The Playbook is intended to serve as a compass for youth workers, educators, trainers active in the youth sector and in educational institutions, prepared within the project “Financial Literacy for Youth” (FLY), coordinated by Consorzio ABN (Italy), in partnership with Monomyths Association (Romania), Asset Technology (Greece), Xano Channel (Spain), Mobilizing Expertise (Sweden), and co-financed by the Erasmus + program “Strategic partnerships in the field of youth.”

Financial literacy is a critical skill for young people to develop in order to manage their finances effectively, make informed decisions, and achieve their financial goals. However, many young people do not have access to high-quality financial education, and there is often a gap between what is taught in schools and the real-world financial challenges that young people face.

This is the gap that PR2 Fly Playbook wants to tackle!

We believe that the PR2 Fly Playbook will make a significant contribution to financial education for young people and youth workers, and we are excited to share it with you.

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The PR2 Fly Playbook curriculum includes basic and intermediate concepts in finance, such as budgeting, saving, investing, credit management, and taxes, as well as non-formal education (NFE) activities, handouts, and worksheets to support learning and retention providing a comprehensive and engaging approach to financial literacy.

By using the PR2 Fly Playbook, youth organizations and youth workers can equip young people with the essential tools they need to manage their finances, make informed decisions, and build positive financial habits. This curriculum is not only relevant and practical, but it is also designed to be fun and engaging, making it an enjoyable and effective way for young people to learn about financial literacy.

Objectives of the Playbook

Financial education is acknowledged as a long-term solution to mitigate economic exclusion. Accordingly, the European Commission has initiated several strategies, policies, and programs to foster financial literacy across the EU. However, there exists a pressing need for harmonized strategies and action plans at a national scale to enhance financial education for consumers within each Member State.

In line with this, the PR2 FLY Playbook seeks to bolster this aim, offering an all-encompassing financial literacy program tailored for the youth. The core objectives of this initiative encompass:

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By achieving these objectives, the PR2 FLY Playbook will contribute to the development of coordinated strategies and integrated action plans in each Member State to increase the level of financial education of consumers in the EU.

Its objectives include:

- Increasing the level of financial literacy among young people: The Playbook seeks to equip young people with the knowledge and skills they need to make informed financial decisions and manage their finances effectively.
- Bridging the gap between theory-based education and practical application: The Playbook aims to help young people apply financial concepts in real-world situations by providing practical tools and resources.
- Supporting youth organizations in delivering effective financial literacy education: The Playbook is designed to assist youth workers in delivering financial literacy education to young people by providing a comprehensive curriculum and non-formal education activities.
- Promoting financial inclusion: The Playbook aims to empower young people to access financial services and products by increasing their financial literacy.
- Encouraging positive financial habits: The Playbook seeks to promote healthy financial habits among young people that will serve them throughout their lives.

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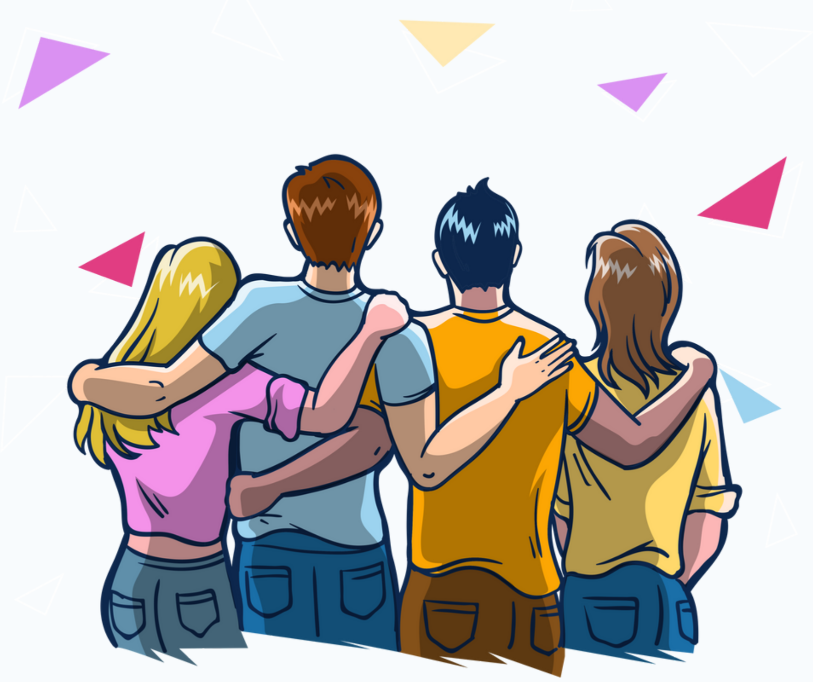
HOW AND WHO CAN USE THE FLY PLAYBOOK

The PR2 FLY Playbook is specifically designed for a broad spectrum of individuals and organizations invested in youth education and development. Its primary audience includes:



YOUTH WORKERS

Active youth facilitators in organizations, community centers, or academic institutions can leverage the FLY Playbook to impart financial literacy education. It offers a comprehensive curriculum and casual learning activities that can without any problems integrate into their existing programs.

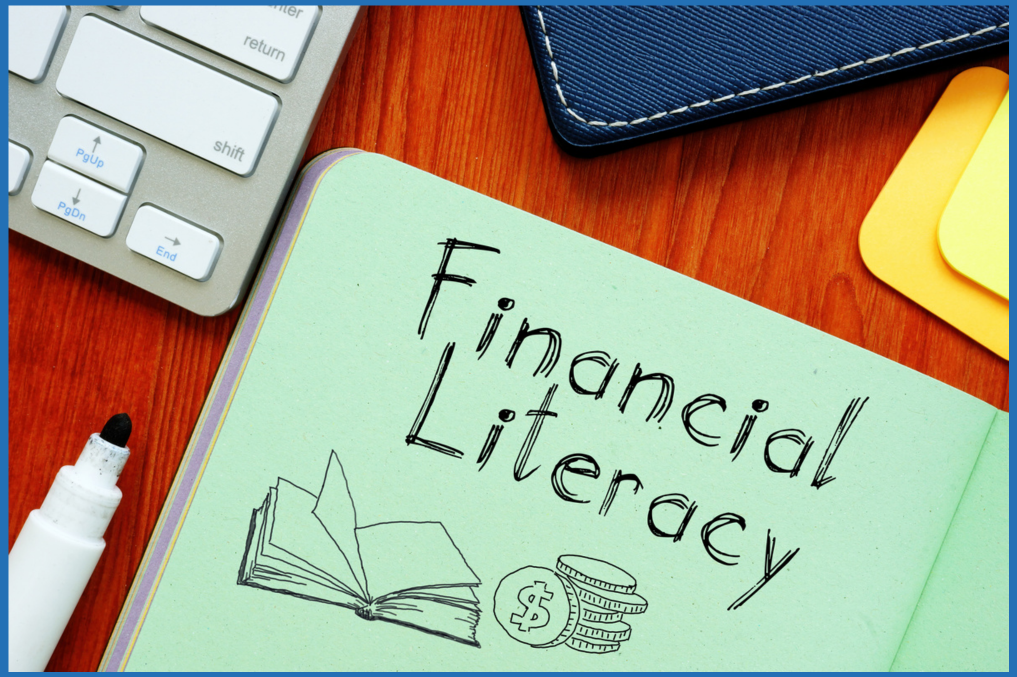
EDUCATORS

School and college educators can adopt the FLY Playbook as a supplemental resource for their financial education courses. The curriculum delivers structured content and hands-on tools to aid educators in effectively teaching financial concepts.

TRAINERS

Those involved in youth training programs or workshops can weave the FLY Playbook into their sessions. The Playbook provides a stepwise guide and pertinent resources for trainers to conduct engaging financial literacy sessions.

The FLY Playbook's versatility makes it suitable for various environments, including formal classrooms, informal learning spaces, workshops, or one-on-one coaching sessions. It provides a flexible framework that can be tailored to the distinct needs and preferences of the target audience



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To use the FLY Playbook effectively, users can adhere to these steps:

1. Assess the Needs: Evaluate the financial literacy necessities of the youth you are engaging with. Identify the pivotal areas that require additional guidance and support.
2. Plan and Customize: Forge a plan to incorporate the Playbook into your educational programs or sessions. Adapt the activities and materials to align with the age group, educational level, and cultural context of the participants.
3. Implement: Launch the Playbook by delivering the financial literacy curriculum to the young individuals. Foster discussions, practical exercises, and hands-on activities to strengthen their learning.
4. Evaluate and Reflect: Continually assess the Playbook's effectiveness in achieving the targeted learning outcomes. Gather feedback from participants and reflect on their progress. As required, refine and enhance your approach.

By deploying the PR2 FLY Playbook, youth workers, educators, and trainers can arm young people with crucial financial literacy skills, enabling them to make well-informed financial decisions. The Playbook's interactive and practical approach ensures that the youth develops healthy financial habits that will serve them throughout their lifetime.

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- Chapter 2. About FLY
  - Financial Literacy for Youth: purpose, objectives, tools for financial education
  - Consortium
  - Erasmus + and KA2 - Strategic partnerships in the field of youth
  - FLY Main tools (PR1 and PR2)

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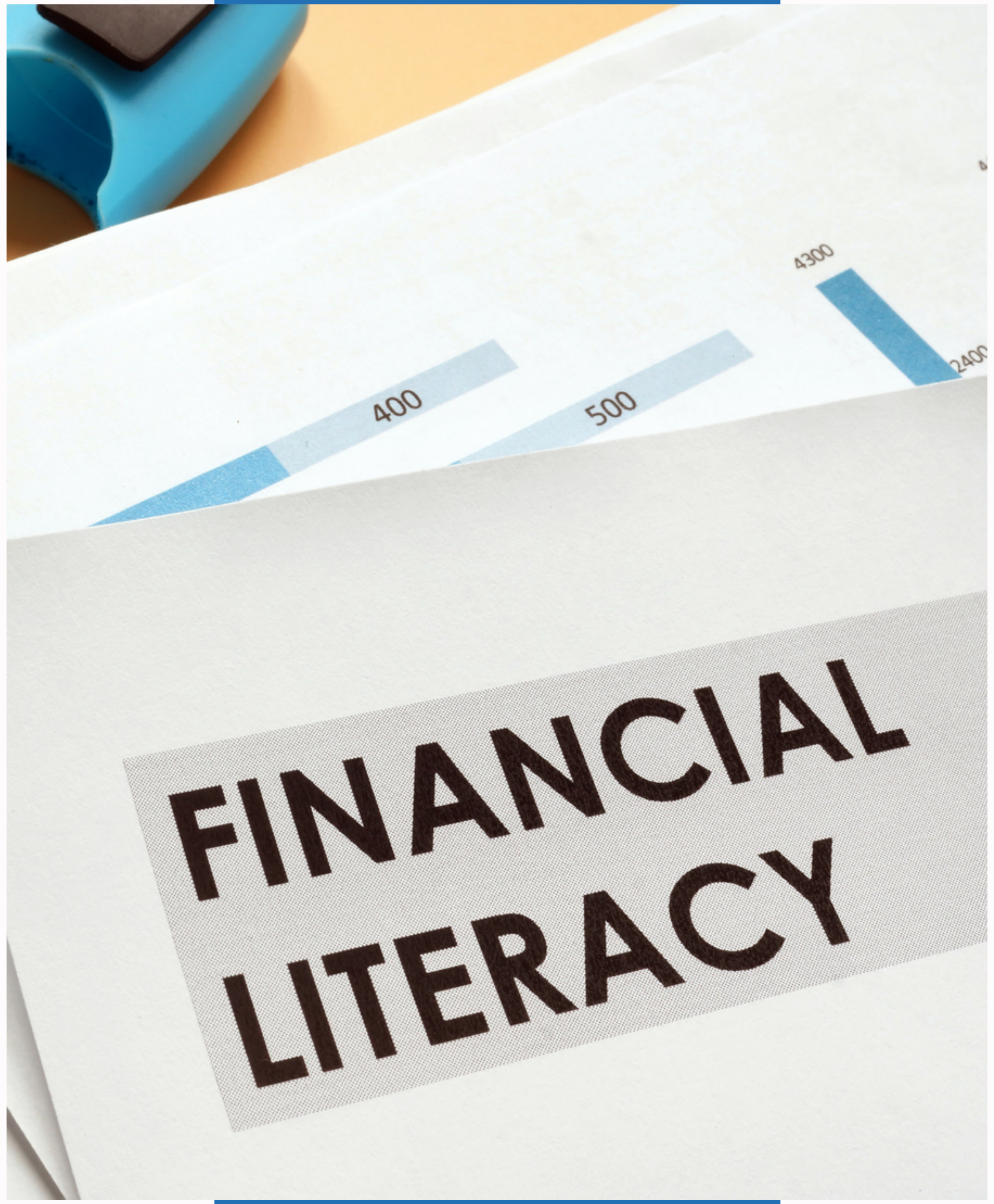
CHAPTER 2

About FLY



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Chapter 2 Content

- Financial Literacy for Youth: purpose, objectives, tools for financial education
- Consortium
- Erasmus + and KA2 -Strategic partnerships in the field of youth
- FLY Main tools (PR1&2)

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Financial Literacy for Youth

Financial Literacy for Youth: purpose, objectives, tools for financial education

The project "Financial Literacy for Youth" represents the European initiative that capacitates the Youth Work sector to support the young people to develop financial awareness, skills, and habits at key transformative moments. With the proper educational tools, learning environments, 100 young people who attend the activities of the FLY project will be able to make more educated financial choices and have more influence over their lives and finances.

The collective aim of these five organizations is to devise a duo of financial education resources. These resources, designed for Youth organizations, will furnish young people with the necessary knowledge and key competencies to secure a high-quality financial life. This aim aligns with the guidelines set by the European Union in the "Financial Education for all" guide.

During the Financial Literacy project, 5 organizations from 5 European countries will collaborate with private/public financial sector institutions to establish a high-impact inclusive financial education training and quality financial content. As a result, youth workers will provide quality financial education advice through local seminars, empowering them to resolve financial challenges.

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CONSORTIUM

Consorzio ABN, Italy

Consorzio ABN is a non-for-profit consortium of Italian social cooperatives, established in 1997. Today, 42 social cooperatives are members of Consorzio ABN, and they collectively employ about 2,500 people, with about 570 staff belonging to disadvantaged groups.

Consorzio ABN is an accredited training provider. It works directly and indirectly, through the work of its member cooperatives, in different sectors. The distinguishing element of its work is “how” it operates: primarily through employing disadvantaged people; working with a strong environmental ethos; seeking maximum profit for the community rather than for the individual.

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Its main sectors of work are the following:
1. Training (accredited courses);
2. Social services to people and the community;
3. Training, consultancy, social enterprise start-up projects;
4. Renewable energy;
5. Social housing, ethical building, self-building;
6. Training and employment opportunities for disadvantaged people.

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CONSORTIUM

Xano Channel, Spain

The association, created in 2010, aims to promote growth opportunities for individuals and for society in general by creating synergies, tools and methodologies for the dissemination of culture and promotion of active citizenship among people and organizations.

The organisation is an association of secondary education school teachers, vocational education teachers and trainers in different disciplines that focuses its activities on the field of education, training and cultural promotion in the European environment, qualified in fields such as youth work, student entrepreneurship, voluntary aid and other topics. Furthermore, the association works as a hub for the guidance of socially disadvantaged young people by means of strategies that insert young people into the educational system or the world of work.

The activities and objectives of the organization are inspired by the principles of equal opportunities for disadvantaged people and between men and women.

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CONSORTIUM

Mobilizing Expertise, Sweden

Mobilizing Expertise, also known as Mexpert, is a successful Swedish social enterprise that works on Nordic, European, and international projects. Mexpert was founded in 2015 and is located in the south of Sweden in the Ideon Science Park, where all innovative ideas grow. Its team consists of five experts with diverse backgrounds.

Their main 5 areas of work are:

- Training: They have several training packages which have been created through our international projects. These trainings combine online courses, study visits, and pragmatic knowledge.
- Education: They are creating non-formal, alternative, and easy-to-use educational tools for youth workers, educators, volunteers, and staff.
- Project Management: They help people bring their ideas into reality through project management tools and processes.
- Volunteer/Expert: They recognize the value of volunteerism in several NGOs and social enterprises. They take the volunteers to the next level; making them experts in the area in which they are volunteering, by involving them in our strategic partnership projects.
- Entrepreneur: They promote entrepreneurial values. "Think out of the box" when helping entrepreneurs develop their businesses and how their businesses can be an added as a value for society through CSR.

SCAN ME

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CONSORTIUM

Asset Technology, Greece

Asset Technology was founded in 1997 under the aegis of the Ministry of Development as a high technology and knowhow transfer enterprise.

The main fields of activities include: Consulting Business Development, Innovation, Know-How Transfer, Project Management, Capacity Building); Information Technologies (On-Line Platforms, Smart Cities, Business Intelligence, Digital Transformation); Training (Vocational Training, Open and Distance Learning, New Qualifications, Skills Development, European Training Networks); Human Resources (HR Management, Counseling, Career Guidance).

Asset Tec has implemented and maintains a Management System which fulfills the requirements of ISO 9001:2015 Standard. In addition: since 2011 it is Intermediary Organisation for the Erasmus for Young Entrepreneurs Programme in Greece; from 2018 it is member of the Network Skillman.eu and National Coordinator in Greece; it is certified provider of technical support (consultancy and expertise) to the National Coordination Authority of the NSRF / Ministry of Development.

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CONSORTIUM

Monomyths Association, Romania

Monomyths Association is a for-impact organization created in 2014 who designs international learning experiences focused on personal growth, essential skills development and we facilitate creative processes where young people and youth workers all over the world can organically grow.

The main expertise of the organization is build on 5 pillars:

- Joyful learning: Engage in life-long learning journeys with curiosity and openness.
- Future skills: Prepare yourself for the future: activate your creative and critical thinking, improve your decision-making process and financial literacy.
- Positive Intelligence: Become mentally fit to handle great challenges, be happier, and perform better
- Talent management: Explore new horizons for your talents and passions.
- Entrepreneurship education - Cultivate your entrepreneurial mindset

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About Erasmus+ and KA2 - Strategic partnerships in the field of youth

The 'Financial Literacy for Youth' project receives co-funding from the European Commission’s Erasmus + program, specifically under the Strategic Partnerships in the Field of Youth - Key Action 2 (KA2). The Erasmus + program is engineered to bolster the efforts of the participating countries in capitalizing on European talent and social capital, supporting both formal and non-formal educational models. Furthermore, the program enhances opportunities for collaboration and mobility amongst partner countries, with a focus on higher education and youth.

Youth projects operating under Strategic Partnerships aim to foster and enrich the skillset of young individuals in general, and youth workers specifically. They achieve this by internationalizing their activities and fostering cross-sectoral cooperation.

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FLY Main tools (PR1 and PR2)

The FLY project harbors a dual objective: to fill the financial literacy gap among young individuals aged 18 to 30 and to equip them with applicable knowledge and skills through the development of multilingual digital tools. By accomplishing this, the project endeavors to empower young adults to make informed financial decisions, fostering a positive impact on their lives.

In the course of the project, Digital Mind Maps have been produced, leveraging insights from best practice research and a comprehensive survey administered to 518 young people across five countries.

Now, the FLY Playbook is ready for deployment. It is crafted to engage and educate youth workers and volunteers in each participating country on how to impart financial literacy to young people in an interactive and enjoyable manner.

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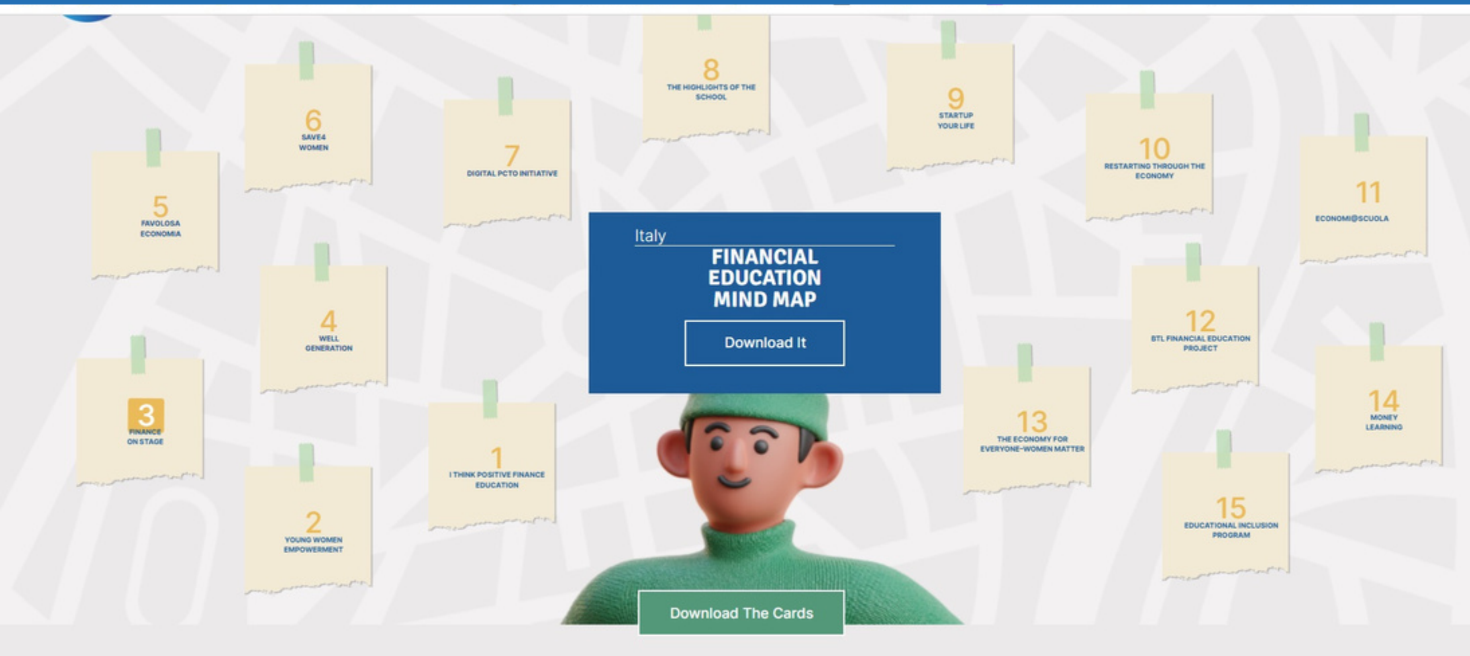
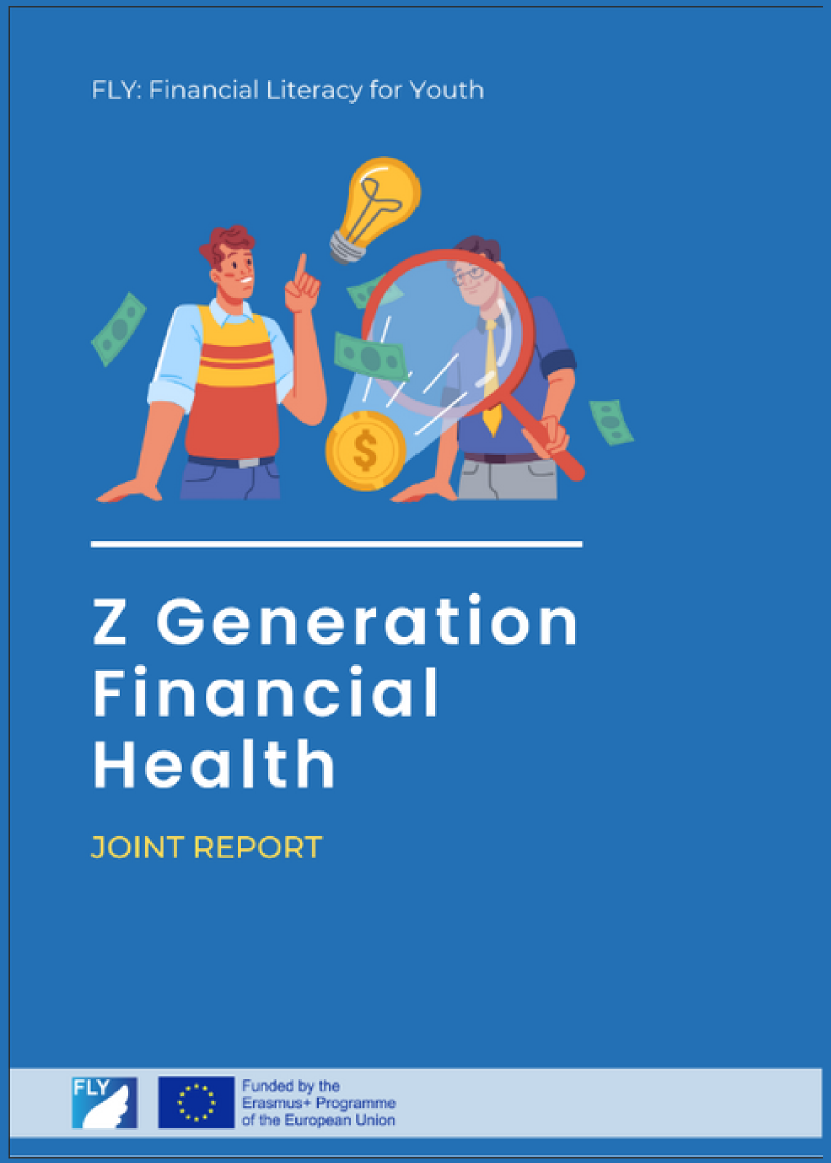
FLY MIND MAPS

Mind Maps pointing to existing materials and resources on financial lietracy in the 5 FLY partner countries



FLY MIND CARDS

Cards for each existing resource that FLY project partners researched and short-listed as good practice resources.



GEN Z REPORT

This report shows the financial literacy gap of Gen Z in the 5 FLY partner countries

FLY MAIN TOOLS (PR1 AND PR2)

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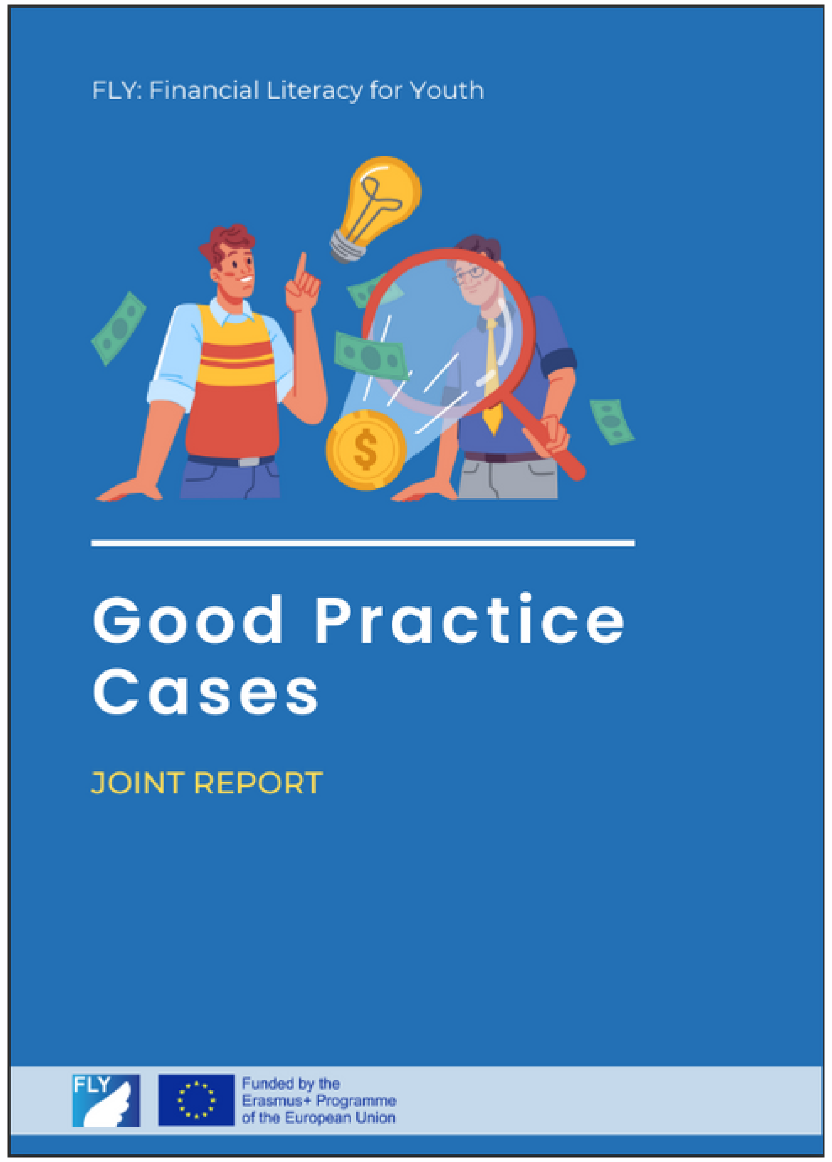

GOOD PRACTICE CASES

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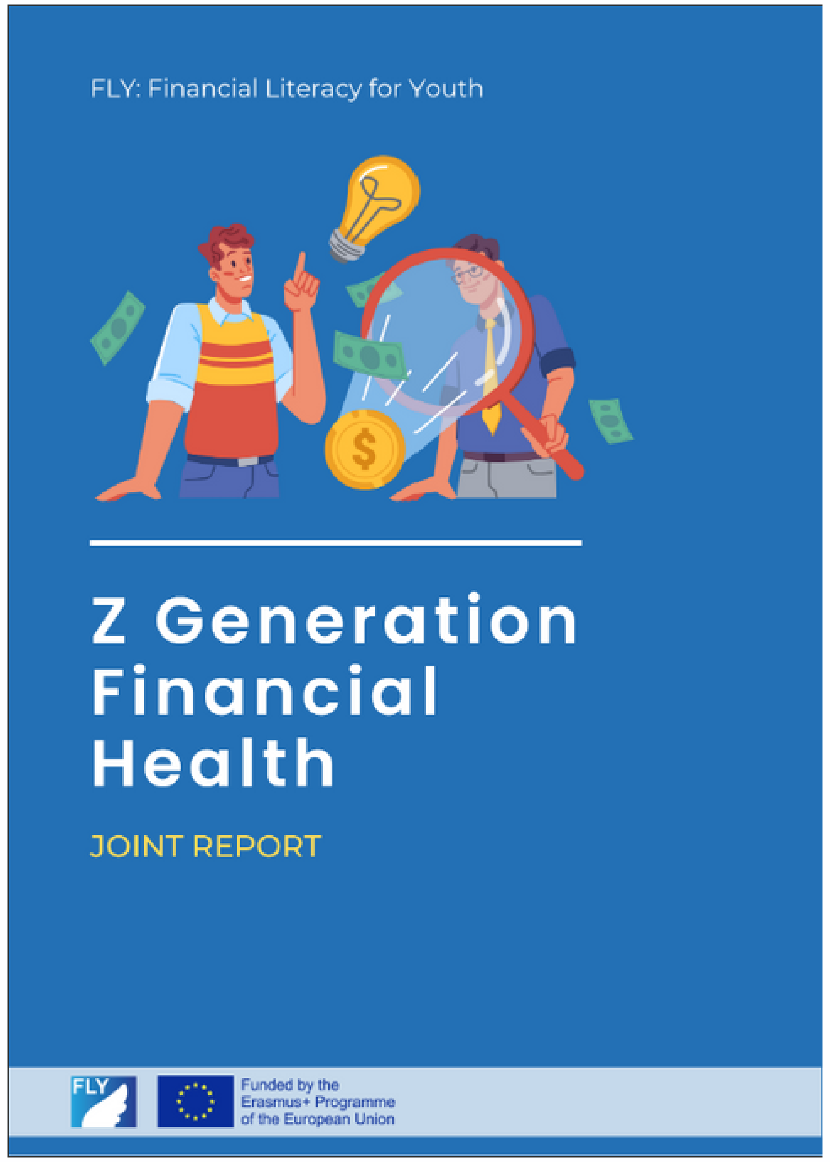
FLY MIND MAPS

SCAN ME



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CHAPTER 3

FLY Modules

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MODULE 0

INTRODUCTION OF THE TRAINING MODULES

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Introduction

Welcome, young financial explorers! Are you ready to unlock your fullest potential and conquer the thrilling realm of finance?

The modules within the FLY PLAYBOOK are meticulously crafted to offer you a crucial financial education in an engaging and approachable manner. Through interactive activities, role-plays, and group dialogues, we will embark on a captivating journey into the realm of financial literacy.

Get ready to develop skills that will be useful at every step of your financial life!

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FLY PLAYBOOK MODULES

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MODULE 1

MODULE 1: FINANCE EDUCATION ESSENTIALS FOR YP

This module provides an overview of the key concepts and skills that youth workers or trainers can employ to augment their proficiency in educating young individuals using the Fly Playbook. It includes strategies for conducting effective lessons, essential skills for trainers, and methods for boosting financial literacy improvements via social media.

Non-Formal Education Activities: This module comprises 5-10 non-formal education activities designed to reinforce the covered concepts and promote active learning:

- Activity 1: Quiz My Knowledge
- Activity 2: Be the One - Financial Protagonist
- Activity 3: Be the One - Social Media Genius
- Activity 4: Be the One - Presentation
- Activity 5: Plan Your Action

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MODULE 2

MODULE 2: THE PSYCHOLOGY BEHIND FINANCIAL MANAGEMENT

This module delves into the manners in which attitudes, beliefs, and emotions can sway financial decision-making, and offers strategies to combat prevalent biases and cognitive errors. Additionally, it presents an introduction to behavioral finance, a field that scrutinizes how psychological factors can impact financial decision-making. It uncovers typical decision-making biases and provides counsel on making more rational and informed financial choices. Moreover, we delve into various financial mindsets, such as the abundance mindset and growth mindset, among others.

Non-Formal Education Activities: This module comprises 5-10 non-formal education activities designed to reinforce the covered concepts and promote active learning.

- Activity 1: Money script exercise
- Activity 2: Money Mindset Mapping
- Activity 3: Money Memory Lane
- Activity 4: Emotional Spending
- Activity 5: Mindful Money Management

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MODULE 3

MODULE 3: EXPENSES & BUDGETING

This module offers an understanding of the common financial challenges and problems that young people encounter. It assists participants in comprehending the challenges they may encounter while managing their expenses and budget efficiently. Also, tools and strategies to aid them in crafting and managing a personal budget effectively. This includes comprehending diverse budgeting techniques, tracking expenses, and identifying areas for potential expense reduction.

In addition, it delves into a range of methods and techniques for effectively imparting financial literacy.

The Non-Formal Education Activities incorporated in this module are designed to reinforce the concepts discussed and stimulate active learning:

- Activity 1: The Art of Budgeting
- Activity 2: Build Your Budget
- Activity 3: Inflation Over Time
- Activity 4: Fixed vs Variable Income
- Activity 5: The Bean Game
- Activity 6: Quiz

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MODULE 4

MODULE 4: SAVING AND INVESTING

This module presents guidelines on initiating savings and investment practices. Participants will learn about distinct savings facilities available to them and the different types of investments, including options like stocks, bonds, mutual funds, and real estate.

In addition, it underscores the key factors individuals should take into account when considering savings and investments. Participants will be educated about aspects such as risk tolerance, investment goals, investment time horizons, and liquidity needs. An understanding of these factors will assist them in aligning their savings and investment strategies with their financial goals. In the final section, expert tips are provided.

The module may also incorporate non-formal educational activities, designed to reinforce the concepts broached in the module and encourage active learning.

- Activity 1: Do I need what I buy?
- Activity 2: Saving Smarts: A Journey to Financial Security
- Activity 3: Exploring savings and investment options
- Activity 4: Learning to invest
- Activity 5: Money Mindfulness Meditation

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MODULE 5

MODULE 5: LOANS & DEBT RISK MANAGEMENT

This module imparts teachings on understanding debt, including the reasons why individuals might need to take out a loan. We delve into the concept of borrowing money, the potential benefits and risks associated with incurring debt, and the importance of borrowing responsibly. Furthermore, this module offers strategies for managing and mitigating debt-associated risks, as well as understanding the importance of credit history and its impact on an individual's ability to secure loans.

Also, it introduces the different types of loans available, such as personal loans, student loans, mortgages, and credit cards. Additionally, it presents alternatives to loans, such as saving for purchases, negotiating payment plans, seeking financial assistance programs, or exploring crowdfunding options.

Activities:
- Activity 1: to loan or not to loan?
- Activity 2: grant funding vs loan
- Activity 3: build your credit history
- Activity 4: LAL - learn alternatives to loan
- Activity 5: quiz my loan

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MODULE 6

MODULE 6: INSURANCE

This module presents various forms of insurance coverage, encompassing health insurance, auto insurance, homeowner's insurance, life insurance, and disability insurance. It elucidates insurance terminology, introducing key terms such as premium, deductible, coverage limits, policyholder, beneficiary, and claim.The module goes on to cover more types of insurance, including liability insurance, long-term care insurance, renters insurance, and travel insurance.

Additionally, the module elaborates on how insurance policies function, discussing aspects like policy terms, conditions, and exclusions.
Non-Formal Education Activities: This section includes 5-10 non-formal educational activities. These are designed to reinforce the concepts outlined in the module and foster active learning.

- Activity 1: What is insurance?
- Activity 2: Which insurance for which purpose?
- Activity 3: Understand How Insurance Works
- Activity 4: Insurance Risk Assessment Simulation
- Activity 5: Claims Investigation role-play

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MODULE 7

MODULE 7: PERSONAL FINANCE SKILL DEVELOPMENT

This module provides a comprehensive overview of crucial personal finance skills, encompassing budgeting, saving, and investing. It delivers actionable guidance on crafting and implementing a personal finance plan that aligns with individual financial goals and ambitions. The module also discusses strategies young people can employ to bolster their personal finance acumen. Additionally, this module delves into the fundamental principles of finance, and Tools for personal finance skill development.

Non-Formal Education Activities: This section incorporates 5-10 non-formal education activities. These are designed to reinforce the concepts explored in the module and stimulate active learning.

Activities:

- Activity 1: Cash Flow Forecast
- Activity 2: Playing an Investment game
- Activity 3: Calculating Rate of return
- Activity 4: The Tools to Build Your Financial Dream
- Activity 5: Sharpening Money Decisions

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MODULE 8

MODULE 8: TAXES AND PENSION

This section offers a comprehensive overview of diverse types of taxes, encompassing income taxes, sales taxes, and property taxes. Moreover, it presents an analysis of various pension plans, including defined benefit and defined contribution schemes, as well as types of pension and key areas of retirement.

Non-Formal Education Activities: This segment includes five non-formal educational activities. These have been designed to reinforce the concepts discussed in the module

- Activity 1: Retirement matters
- Activity 2: Retirement saving goals challenge
- Activity 3: Taxes, Taxes, Taxes
- Activity 4: Picture your retirement
- Activity 5: Secure your retirement against inflation

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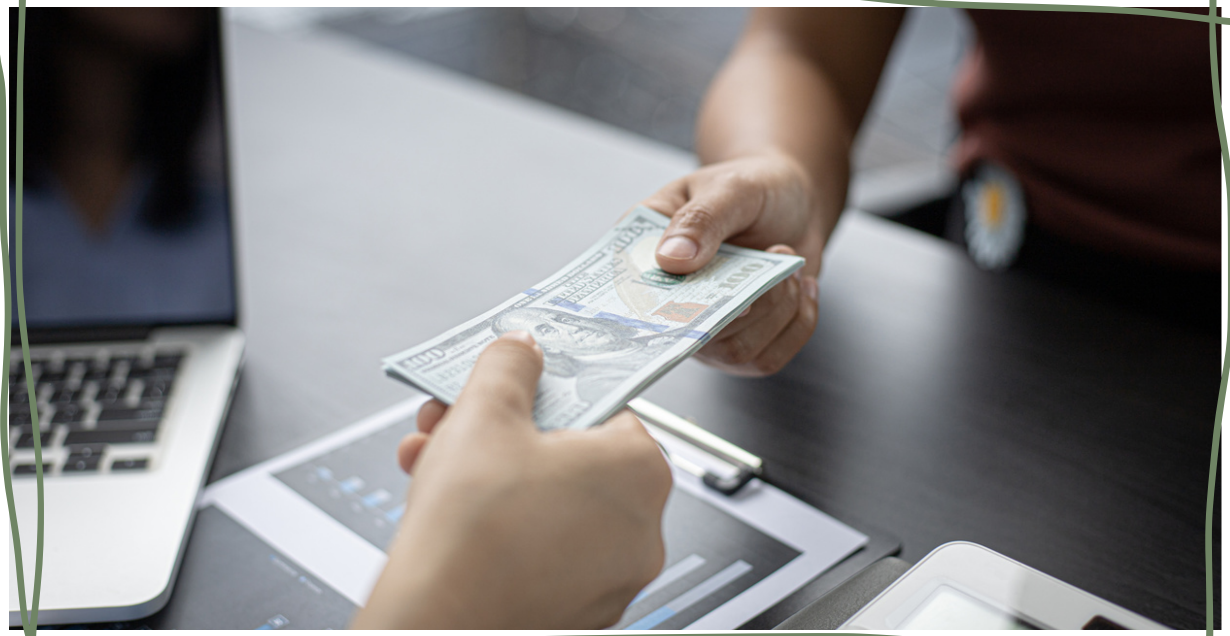
MODULE 9

MODULE 9: FLY TOOLS FOR FINANCIAL LITERACY

This section provides an overview of different FLY (Financial Literacy for Youth) tools that are available to young people to support their financial literacy. FLY tools are specially designed to help young people gain a better understanding of financial concepts, develop their financial skills and habits, and manage their money more effectively. This section will cover the different types of FLY tools, such as:



- FLY Mind Maps,
- FLY Mind Cards,
- Research Report on GenZ financial health
- Good Practice cases
- FLY Playbook

www.financialliteracyfly.eu

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Financial Literacy for Youth

FLY PLAYBOOK

abn network sociale

XANO CHANNEL

ASSET TECHNOLOGY

MONOMYTHS
– Joyful learning experiences –

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FLY

Financial Literacy for Youth

MODULE 1

FINANCE EDUCATION ESSENTIALS FOR YOUNG PEOPLE

TIPS & TRICKS TO DELIVER FINANCIAL LITERACY LEARNING ACTIVITIES FOR YOUNG PEOPLE

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Content

- Introduction
- Context and background
- Strategies for engaging young people
  - Making it real and practical
  - Making it safe (and fun!)
  - Stimulating protagonism
  - Action planning
- Activities:
  - Activity 1: quiz my knowledge
  - Activity 2: be the one - financial protagonist
  - Activity 3: be the one - social media genius
  - Activity 4: be the one - presentation
  - Activity 5: plan your action

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"ACHIEVEMENT IS THE GIFT OF YOUR GROWTH AND CONSUMPTION OF LIFE"

SUJIT KUMAR MISHRA

FLY
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Introduction

The need for awareness raising about: the importance of being educated on financial management, the availability of training materials and resources in all EU countries, often available for free and easy to access (from full training courses to short podcasts)

In this module we will look at strategies to engage young people in financial literacy training, making it something that they want to learn about and share

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Context and Background

Young people need to learn about financial management but in most EU countries this is not tought in school.

Without a structured learning path on financial education, young people are often left to ask information when they need it and often ask their families, who may not have complete, relevant, updated information, particularly in a digitally changing world.

However, **much information and many resources are available everywhere**, which young people do not look for, because they don't know that they exist.

Raising awareness about financial education needs

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MAKING IT REAL AND PRACTICAL

Our reasearch shows that young people lack an understanding about how much they need financial education.

WHY DO THEY NEED FINANCIAL EDUCATION?

- To start planning a secure financial future
- To learn why and how to save
- To learn why and how to invest
- To understand new ways of managing funds (digital banking, digital investing, crypto-currencies etc)

We need to make this need clear to them in order to engage young people into financial learning opportunities.

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SOMETHING TO WATCH

This video shows that young people are worried about their financial future and want to learn more!

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MAKING IT SAFE AND FUN
Creating the learning space and fun activities

The learning space must be welcoming and "safe"
Young people might come from very different family and economic backgrounds - this means that they may feel judged and might prefer not to share.
For these reasons, the learning space must have **RULES:**

- People are free to share and not to share
- Use case studies and NOT real-life examples from people in the group
- The learning should be fun and active, not passive:
- Use videos from YouTube, Tik Tok or other
- Create "activities" for the group - ex. reasearch with their classmates or friends about a specific financial topic; turn them into teachers: they research a topic to teach the group & maybe even their friends

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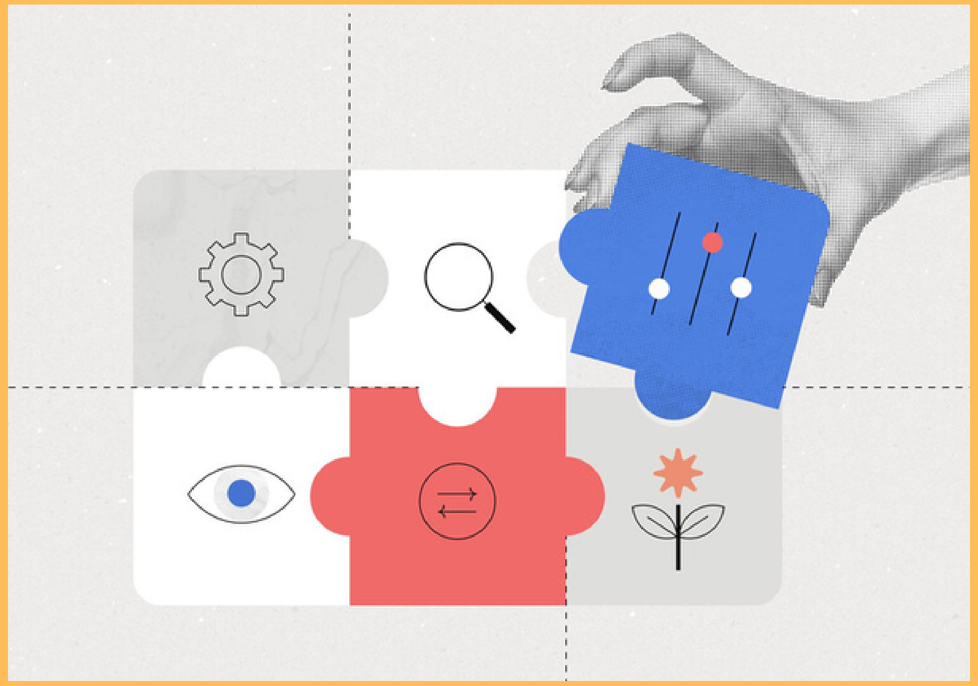
LISTENING & UNDERSTANDING BODY LANGUAGE

The trainer must be able to listen to the young people and understand their engagement, interest etc. even when not expressed in words

FLEXIBILITY

The trainer must be able to change plans to suit the needs of the young people in training



ADAPTABILITY

The trainer must be able to adapt the training content and sessions to the needs of the young people

KEY ABILITIES OF THE TRAINER

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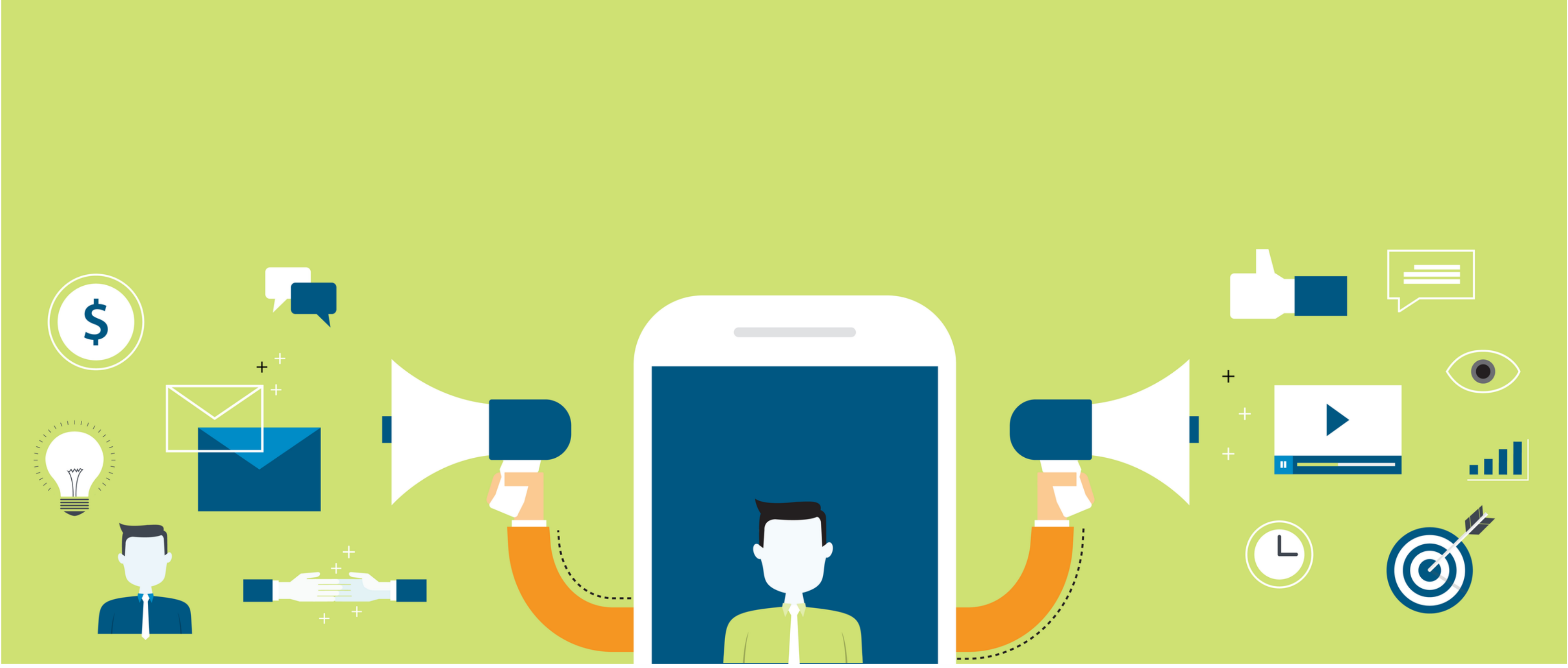
STIMULATING PROTAGONISM

Young people can become the best ambassadors of financial literacy learning with their peers and have a role in: raising awareness about financial literacy needs, reaching more young people, cascading the training.

In order to make use of their outreach and their possibility to spread the word about financial literacy faster and more widely, we need to make them **PROTAGONISTS** during the learning process.
How can we make this happen?

Some suggestions in the next slides about using
action research on social media.



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TIP #1: ACTION RESEARCH

Ask the young participants to talk to their friends about the topic discussed and see how many of them know about it.

Ask them to report back about:

- how many of their friends know about the topic?
- how many of their friends would like to know more?
- how many of their friends had asked information about it in the past?
- How many of their friends asked them to give some information during the conversation?

Ask them to organise a small presentation to help their friends who would like to know more

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TIP #2: SOCIAL MEDIA

Ask the young participants to post on social media about their learning and using a FLY project hashtag.

Ask them to:

- create social media posts for their peers
- create reels aimed at their peers
- they can post as themselves whenever
- they want, or even post as the FLY project (under supervision when in the training space)
- they can create posts and videos with friends from the learning group or from outside

Ask them to organise a small presentation to help their friends who would like to know more.

Ask them to check if the posts generate interest in their peer group.

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ACTION PLANNING

What is an ACTION PLAN?

An action plan is a document that lists what steps must be taken to achieve a specific goal. It breaks down the goal into actionable steps that can be easily followed and tracked.

The trainer should give young people all the necessary support to create their own personal action plan about, for example:

- opening a current account / savings account
- starting to save
- starting to invest
- tracking their finances through apps/digital tools
- asking for a bank loan
- asking for a scholarship

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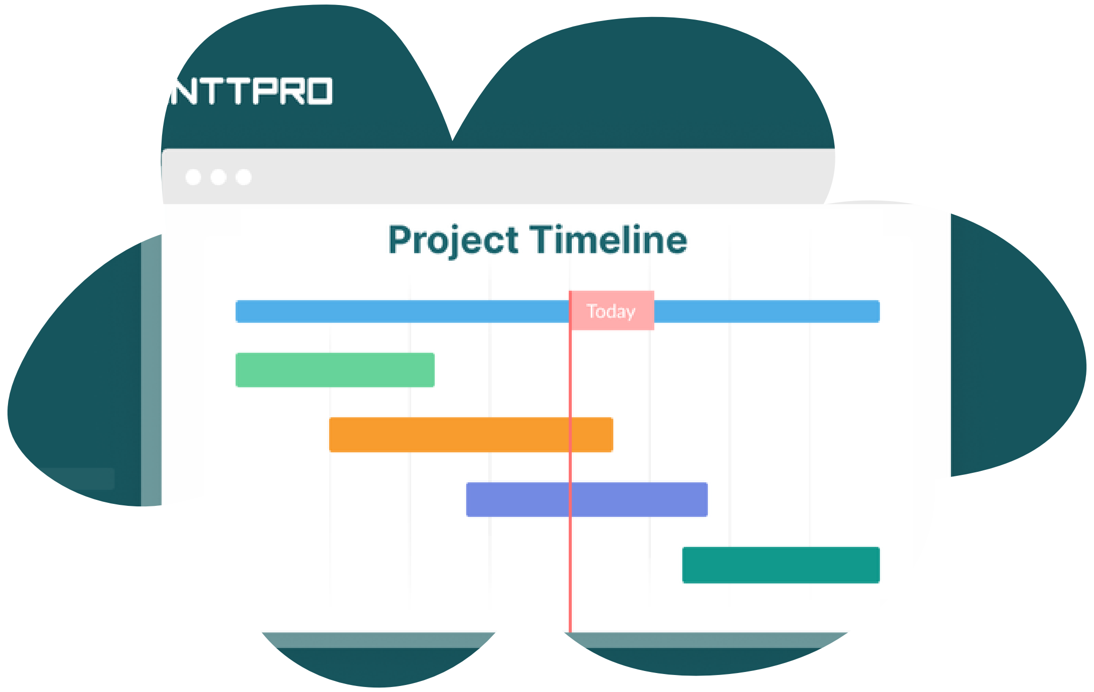
ACTION PLANNING

1. DEFINE A GOAL FOR YOURSELF

2. DEFINE ACTION STEPS TO REACH THE GOAL

3. DEFINE TIMELINES TO ACHIEVE EACH ACTION STEP & PRIORIOTIZE ACTIONS



4. MONITOR ACTION STEPS AND TIMELINES

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ACTIVITIES MODULE 1

FINANCE EDUCATION ESSENTIALS FOR YP CONTENT:
TIPS & TRICKS TO DELIVER FINANCIAL LITERACY LEARNING ACTIVITIES

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MODULE 1

ACTIVITY 1: QUIZ MY KNOWLEDGE

Learning Objectives

1. The participants will have to understand their initial level of financial knowledge by completing our questionnaire: https://docs.google.com/forms/d/e/1FAIpQLScYuG4LCVLKyAZ7VkBYkXf7MvnaiIhuDXfrzHJhXRuQCwoS8A/viewform

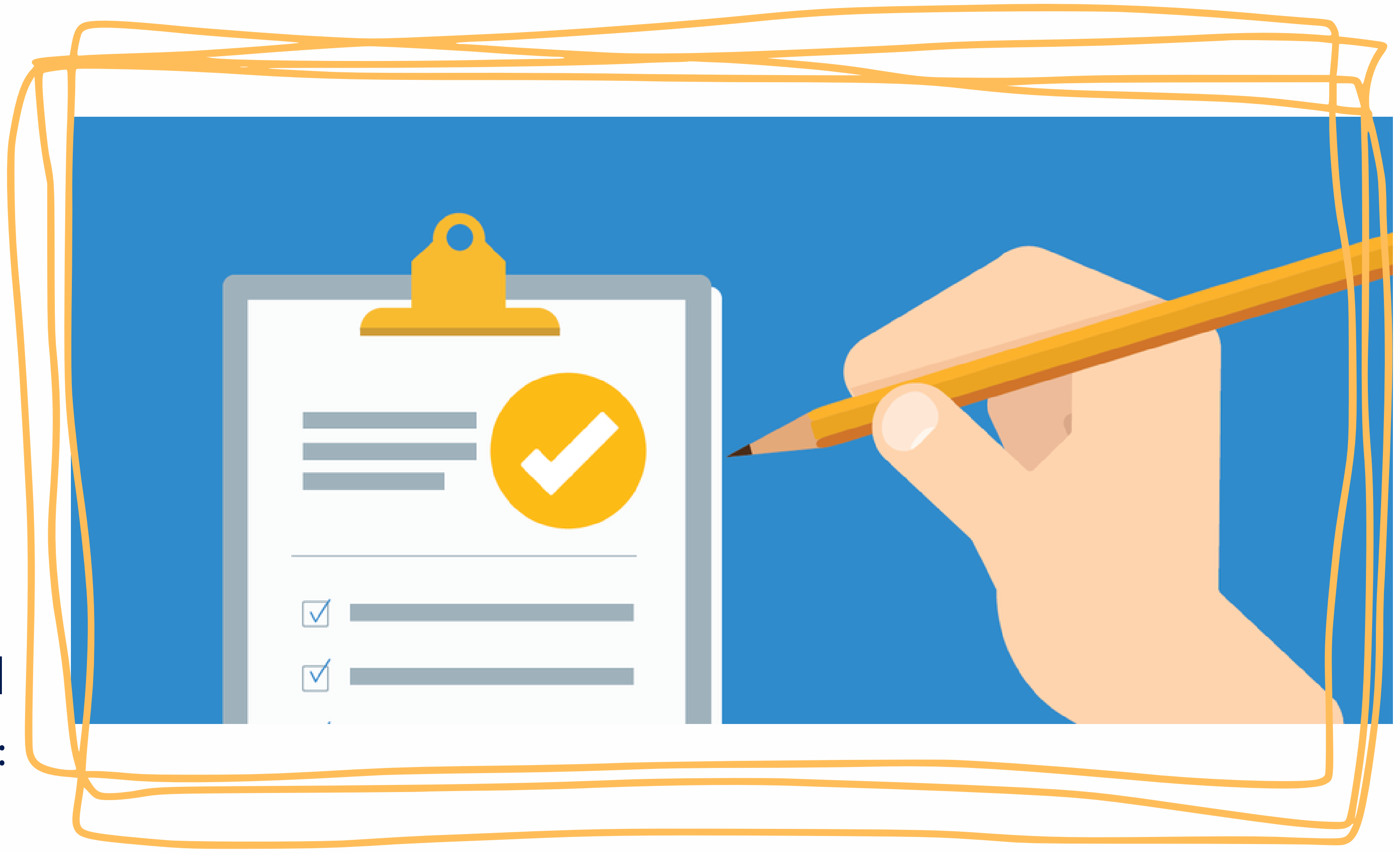
2. It is very important to understand your starting point so that you have an idea of where you can get to.

Duration

1 hour

Level

- [x] Beginner
- [ ] Intermediate
- [ ] Advanced



Materials /Resources

- Questionnaire on basic financial terminology, useful words and common knowledge. For example: https://www.surveymonkey.co.uk/r/financialtermsquiz

  http://financialdictionary.net/financial-quiz.php

- Paper and pencils.

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Activity 1: quiz my knowledge

Descriptions

This activity is intended to be useful to find out the starting level of young people when they begin their journey of discovery of financial knowledge. Professionals can use the project's initial questionnaire or create a new one to test the basic knowledge of young people. The questionnaire should revolve around knowledge of basic financial language, a useful and often used terminology.

Round-table discussion: end the activity with a round-table discussion where participants can justify their initial choice. This will help them reflect on their decisions and share the knowledge they have acquired with others. Encourage participants to ask questions and engage in a constructive discussion.

Wrap up: Finally, wrap up the activity by summarizing the key takeaways and, if you find it useful/necessary, providing participants with additional resources for learning more about financial literacy. Encourage participants to continue learning and practicing their skills.

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MODULE 1

ACTIVITY 2: BE THE ONE - FINANCIAL PROTAGONIST

Learning Objectives

1 The participants will look at strategies to engage young people in financial literacy training, making it something that they want to learn about and share.

2 This first activity aims to encourage protagonism and active research.

Duration

2 hours approx.

Level

☑ Beginner
☐ Intermediate
☐ Advanced

Materials /Resources

- Cards with general information about financial education. These can be created by the trainer.
- Videos and additional material can be found online by the trainer in the national language.

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Activity 2: Be the one - Financial protagonist

Descriptions

The importance of being educated on financial management and the availability of training materials and resources in all EU countries, often available for free and easy to access (from full training courses to short podcasts). Unfortunately, generally financial education isn't taught in schools and young people don't know where to look for it.

Most information is available online and young people have the educational skills to be able to distinguish between important and unimportant notions.
A very important factor in the development of financial education is to make young people ambassadors of financial literacy learning with their peers. This activity wants to stimulate protagonism among young people and active research about finance.

This activity takes place as part of a **round-table discussion** in which trainers and participants discuss how to reach as many young people as possible. Participants are encouraged to engage with their peers, see if their knowledge can be passed on, and help each other discover new information on financial education.

Wrap up: Finally, wrap up the activity by summarizing the key takeaways and providing participants with additional resources for learning more. Encourage participants to continue learning and practicing their skills.

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MODULE 1

ACTIVITY 3: BE THE ONE – SOCIAL MEDIA GENIUS

Learning Objectives

1. The participants we will look at strategies to engage young people in financial literacy training, making it something that they want to learn about and share.
2. This activity aims to encourage protagonism among participants through the use of social media channels.

Duration

1 hour

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Cards with general information about financial education may be created by the trainer.
- Mobile devices or personal computers.
- Access to social medias.

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Activity 3: Be the one - social media genius

Descriptions

This activity is a natural continuation of the previous one on stimulating protagonism in young people. If active research helps young people to highlight and discover information about finance that was previously missing, social media is the perfect way to share one's findings. During this activity, participants will be asked to create content on their personal social media and, with supervision, on the project's social media. Content creation can be varied and meet the needs and curiosities of participants. They can create posts on Instagram and Facebook, reels and stories on Instagram, videos on TikTok. They can collaborate or act alone or even get help from friends outside the learning group they are in.

Round-table discussion: end the activity with a round-table discussion where participants can justify their initial choice and the changes they made. This will help them reflect on their decisions and share the knowledge they have acquired with others. Encourage participants to ask questions and engage in a constructive discussion.

Wrap up: Finally, wrap up the activity by summarizing the key takeaways and providing participants with additional resources for learning more about financial literacy. Encourage participants to continue learning and practicing their skills.

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MODULE 1

ACTIVITY 4: BE THE ONE – PRESENTATION

Learning Objectives

1. The participants will look at strategies to engage young people in financial literacy training, making it something that they want to learn about and share.
2. This activity aims to encourage protagonism among participants by creating a presentation to be used to introduce the topic to their peers.

Duration

1 hour and half

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Cards with general information about financial education may be created by the trainer.
- Mobile devices or personal computers
- Paper and pencils.

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Activity 4: be the one - presentation

Descriptions

This activity is a natural continuation of the previous two activities on stimulating protagonism in young people. If active research helps young people to highlight and discover information about finance that was previously missing, social media is the perfect way to share one's findings. During this activity, participants will have to use the knowledge gained from the two activities and produce presentations to give to their peers.

Participants will be divided into groups of three to four people and together - with constant guidance and help - they will create a presentation using social media and the active research practised previously.

Round-table discussion: end the activity with a round-table discussion. This will help them reflect on their decisions and share the knowledge they have acquired with others. Encourage participants to ask questions and engage in a constructive discussion.

Wrap up: Finally, wrap up the activity by summarizing the key takeaways and providing participants with additional resources for learning more about financial literacy. Encourage participants to continue learning and practicing their skills.

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MODULE 1

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ACTIVITY 5: PLAN YOUR ACTION

Learning Objectives

1. The participants have to create an action plan listing all the steps to be taken to achieve a specific goal.
2. This activity aims to encourage young people to have a clear vision and clear objectives and to be able to create a coherent plan of action.

Duration

1 hour and half

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Cards with general information about financial education may be created by the trainer.
- Paper and pencils.
- Addiotional material for the creation of the action plan (ex. https://www.indeed.com/career-advice/career-development/how-to-write-an-action-plan)

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Activity 5: plan your action

Descriptions

Action Planning is an approach, rather than a specific method, which helps focus ideas and decide what steps you need to take to achieve particular goals.

In this activity, participants will have to create an action plan based on the help provided to them by professionals. Creating an action plan requires a certain amount of self-reflection on one's abilities, means and knowledge. First, participants should set themselves a goal: what do they want to learn? How deep does their knowledge on that topic need to be? They will then have to define the steps they know how to take to achieve the goal. In this regard, professionals will have to help them understand what the right method is to achieve their goals. Each step must be **s.m.a.r.t.** that is: specific, measurable, achievable, realistic, time-bound.

Round-table discussion: end the activity with a round-table discussion where participants can justify their initial choice and the changes they made. This will help them reflect on their decisions and share the knowledge they have acquired with others. Encourage participants to ask questions and engage in a constructive discussion.

Wrap up: Finally, wrap up the activity by summarizing the key takeaways and providing participants with additional resources for learning more about financial literacy, which the trainer may already know or research - if found to be useful for the young participants. Encourage participants to continue learning and practicing their skills.

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FLY PLAYBOOK

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MODULE 2

THE PSYCHOLOGY BEHIND FINANCIAL MANAGEMENT

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Content

- Introduction
- Context and background
- Behavioral Financial Biases
- Financial Mindsets
- Activities:
  - Activity 1: Money script exercise
  - Activity 2: Money Mindset Mapping
  - Activity 3: Money Memory Lane
  - Activity 4: Emotional Spending
  - Activity 5: Mindful Money Management

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"MONEY IS NOT JUST A FINANCIAL INSTRUMENT, IT IS ALSO A PSYCHOLOGICAL INSTRUMENT. HOW WE THINK AND FEEL ABOUT MONEY AFFECTS HOW WE ACQUIRE, SPEND, AND SAVE IT."

DR. BRAD KLONTZ, FINANCIAL PSYCHOLOGIST.

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Introduction

Money is a powerful force in our lives, shaping our experiences, values, and aspirations. Yet, despite its significance, many of us struggle with managing our finances effectively. From overspending to undersaving, we often make financial decisions that contradict our own long-term interests.
Why is this the case? **What drives our financial behaviors, and how can we improve our financial decision-making?**

To answer these questions, we must turn to the field of **financial psychology**, which examines the psychological factors that influence our financial attitudes, beliefs, and behaviors. By understanding the complex interplay between our minds and money, we can gain insights into our financial habits, motivations, and goals, and make more informed choices about how we earn, spend, save, and invest our money.

In this module, we will explore the psychology behind financial management, delving into the cognitive, emotional, and social factors that shape our financial decisions. We will explore topics such as financial attitudes and beliefs, self-control and willpower, risk-taking and uncertainty, and social influence. Through this exploration, we will gain a deeper understanding of our relationship with money and discover practical strategies for improving our financial well-being. **Are you ready?**

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Context and Background

The **psychology behind financial management** refers to the study of the mental and emotional processes that influence how individuals make decisions about their money. It encompasses a broad range of topics, including ***attitudes towards money, financial beliefs and behaviors, goal-setting, decision-making, and the impact of emotions on financial decision-making.***

Research in this field has shown that individuals' financial behaviors and decision-making are influenced by a complex interplay of factors, including their upbringing, social and cultural background, personal values and beliefs, cognitive biases, and emotional responses to financial situations.

For example, individuals who grew up in households where money was scarce may develop a scarcity mindset, leading them to hoard money and avoid spending, even when it is in their best interest to do so. Similarly, individuals who have a high need for social status may be more likely to overspend on luxury goods to signal their social status to others.

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Financial management is not just about acquiring wealth, but also about managing it effectively. To do this, **individuals need to understand their own psychological biases and develop strategies to overcome them**, such as setting realistic financial goals, creating a budget, and automating savings. By understanding the psychology behind financial management, individuals can make more informed and effective financial decisions, leading to greater financial security and wellbeing.

Behavioral Financial Biases

Common Influences and Biases That May Affect Decision-Making

Financial biases refer to the various cognitive biases that influence our financial decision-making and behaviors. These biases are often rooted in our emotions, experiences, and social conditioning, and can impact our financial habits and outcomes.

Take a look on the next page at some common behavioral biases and mental shortcuts that might affect a person's ability to make logical financial decisions. **Can you relate to any of these?**

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Behavioral Financial Biases

- **Confirmation bias:** The tendency to seek out information that confirms our pre-existing beliefs about money and to ignore information that contradicts those beliefs.
- **Anchoring bias:** The tendency to rely too heavily on the first piece of information we receive when making a financial decision, even if it's irrelevant or inaccurate.
- **Loss aversion bias:** The tendency to place greater emphasis on avoiding losses than on achieving gains, which can lead to overly conservative investment and spending habits.
- **Herding bias:** The tendency to follow the crowd and make financial decisions based on the actions of others, rather than on our own independent research and analysis.
- **Sunk cost fallacy:** The tendency to continue investing in a project or financial decision even when it no longer makes sense, simply because we have already invested time, money, or resources into it.

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The psychology behind financial management for young people is a complex and multifaceted topic, influenced by a variety of cognitive, emotional, and social factors. By understanding these factors and developing the skills to manage them effectively, young people can set themselves up for a lifetime of financial success and security.

The psychology behind financial management is especially important for young people who are just starting their financial journey. Early adulthood is a critical period for developing financial habits and attitudes that can shape a person's financial future. Unfortunately, many young people struggle with managing their finances effectively, often making decisions that can have long-term negative consequences.

Next, we will explore some of the factors that influence young people when making financial decisions. Lets do it!

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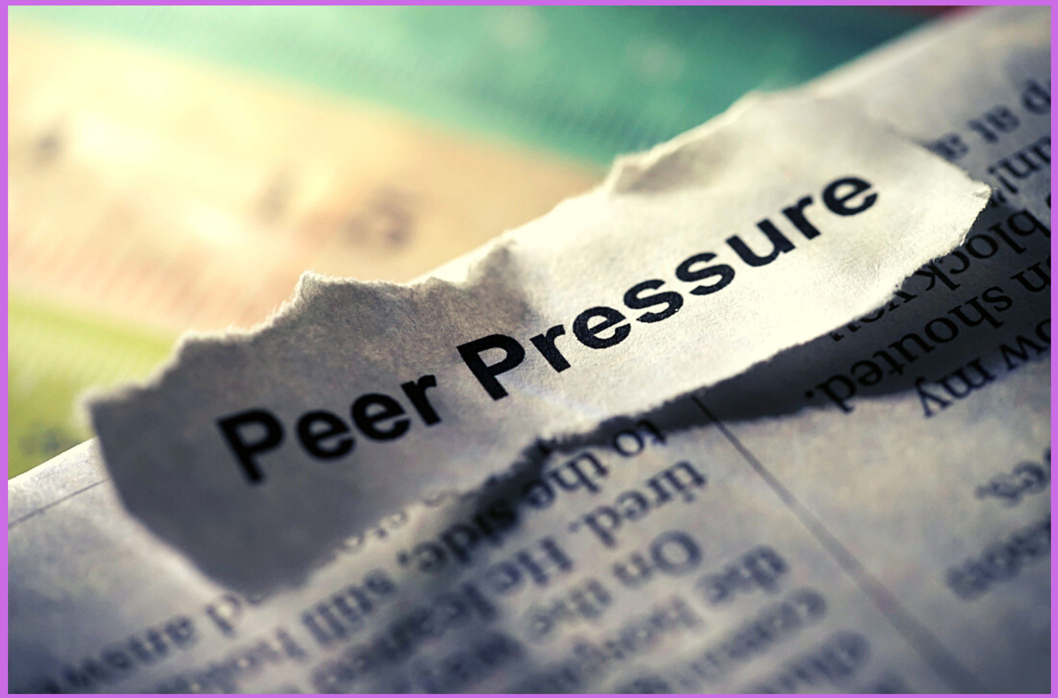
SELF-CONTROL AND WILLPOWER

Young people are often faced with competing financial demands, such as paying for college, housing, transportation, and entertainment. They may also be tempted by instant gratification purchases, such as clothes, gadgets, or vacations. Developing self-control and willpower can be difficult, but it is essential for making responsible financial decisions that align with long-term goals.

FINANCIAL ATTITUDES AND BELIEFS

Research suggests that our financial attitudes and beliefs are largely formed during our childhood and adolescent years, and can have a lasting impact on our financial behaviors in adulthood. For example, young people who grow up in households with positive financial role models, who are encouraged to save and invest, and who are taught about basic financial concepts are more likely to have positive financial attitudes and behaviors later in life.



SOCIAL INFLUENCE AND CONFORMITY

Peer pressure and social norms can have a significant impact on financial behaviors, such as spending habits, saving rates, and investment choices. Young people may feel pressure to conform to the spending habits of their peers, even if those habits are not aligned with their own financial goals. Developing the skills to resist social influence and make independent financial decisions can be critical for financial success in the long term.

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Financial Mindsets

Financial mindset refers to an individual's beliefs, attitudes, and behaviors related to money and financial management. Financial mindset can be influenced by a variety of factors, including **upbringing, cultural background, education, and life experiences.** One's financial mindset can also be influenced by cognitive biases, which we have previously discussed earlier in this module.

By understanding their financial mindset, individuals can identify areas where they may need to make changes in their approach to financial management. It's important to note that **financial mindset is not static and can be changed over time**.

With effort and education, individuals can develop a more positive and empowering financial mindset. **Developing a positive financial mindset can help individuals make better financial decisions, reduce financial stress, and improve their overall quality of life.**

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THERE ARE VARIOUS MINDSETS THAT PEOPLE CAN HAVE ABOUT MONEY. HERE ARE SOME EXAMPLES:

Scarcity mindset: This mindset is characterized by the belief that there is never enough money to go around. People with a scarcity mindset may feel anxious about money and focus on just getting by. They may be more likely to hoard money and avoid taking risks.

Money avoidance mindset: This mindset is characterized by the belief that money is bad or that pursuing money can lead to negative consequences. People with a money avoidance mindset may avoid dealing with money or making financial decisions.

Abundance mindset: This mindset is characterized by the belief that there is always enough money to go around. People with an abundance mindset may feel more confident about money and focus on achieving financial goals. They may be more likely to invest in themselves and take calculated risks.

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Money worship mindset: This mindset is characterized by the belief that money is the most important thing in life. People with a money worship mindset may focus on accumulating wealth at the expense of other areas of life, such as relationships or personal well-being.

Growth mindset: This is the belief that one's financial situation can improve with effort and education, leading to a sense of empowerment and motivation to take action to improve one's financial situation.

Money status mindset: This mindset is characterized by the belief that money is a measure of social status or success. People with a money status mindset may use money to signal their status or to compare themselves to others.

Fixed mindset: This is the belief that one's financial situation is predetermined and cannot be changed, leading to a sense of helplessness and resignation about money. People with a fixed mindset may not take action to improve their financial situation.

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ACTIVITIES MODULE 2

THE PSYCHOLOGY BEHIND FINANCIAL MANAGEMENT

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MODULE 2

ACTIVITY 1: MONEY SCRIPT EXERCISE

Learning Objectives

1. To allow participants to gain a better understanding of how their beliefs and attitudes can impact their financial decisions;
2. To increase self-awareness;
3. To challenge limiting beliefs and improve financial decision-making.

Duration

45 min

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- A flipchart paper with the 6 sentences to be filled in
- Pens and colorful markers
- Paper and sticky notes

Learn more: THE PSYCHOLOGY OF MONEY (BY MORGAN HOUSEL)

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Activity 1: Money script

Description

Start by explaining to the participants what a money script is: Money scripts are the beliefs and attitudes that individuals have about money, often formed in childhood or early adulthood, which can shape our financial behaviors and decision-making throughout our lives. These scripts are often deeply ingrained and may be influenced by a variety of factors, including family background, cultural values, and personal experiences. Some common money scripts include beliefs such as "money is the root of all evil," "money can buy happiness," or "there will never be enough money." These scripts can impact an individual's financial behaviors in a variety of ways, such as influencing their spending habits, their ability to save money, and their willingness to take on debt.

To conduct the exercise, ask the participants to reflect on their own attitudes and beliefs about money and complete the following sentence stems:

1. Money is...
2. Rich people are...
3. Poor people are...
4. I feel about money...
5. The most important thing about money is...
6. I handle money by...

Once they have completed the sentence stems, have them reflect on their answers and consider how their beliefs and attitudes may be impacting their financial behaviors. Encourage them to think critically about any limiting or negative beliefs they may hold and work to reframe them in a more positive and empowering way. This can help young people develop a better understanding of their financial psychology and make more informed and effective financial decisions in the future.

Debriefing questions

01

How did it feel to explore your money script? Was it easy or difficult to identify your money script?

02

How do you think your money script influences your financial behaviors? Have you noticed any patterns in your spending, saving, or investing habits that reflect your money script?

03

How do you think your money script was shaped by your personal experiences and background?

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MODULE 2

ACTIVITY 2: MONEY MINDSET MAPPING

Learning Objectives

1. To explore the relationship between mindset and financial behavior;
2. To identify strategies for developing a positive and empowering relationship with money;

Duration

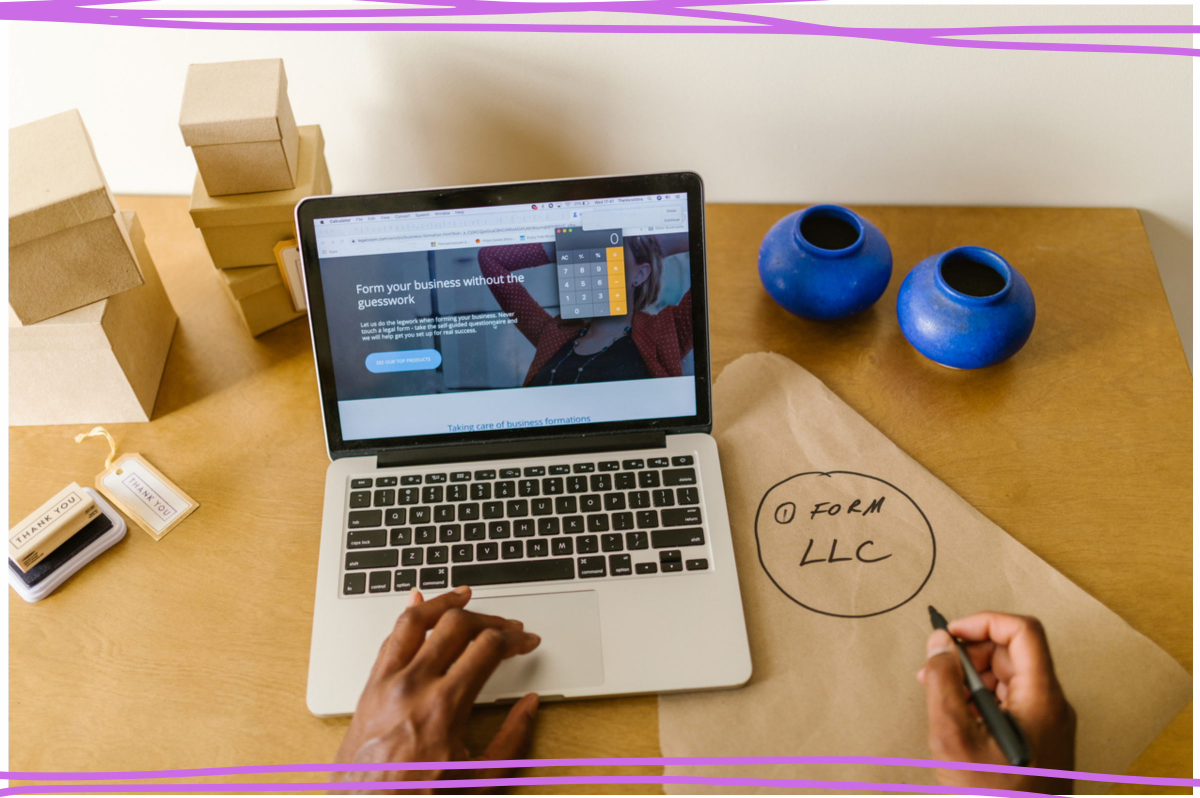
1 hour

Level

- ☐ Beginner
- ☑ Intermediate
- ☐ Advanced

Materials /Resources

- Large sheets of paper or a whiteboard
- Markers
- Sticky notes



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Activity 2:
Money Mindset Mapping

Descriptions

Begin by explaining to the participants the concept of money mindset and how it can impact financial behavior: Money mindset refers to a set of beliefs and attitudes that individuals hold about money, wealth, and financial success. These beliefs are often deeply ingrained and can shape our financial behaviors and decision-making throughout our lives. A positive money mindset can help individuals feel confident and empowered in their financial decision-making, while a negative money mindset can lead to feelings of scarcity, anxiety, and even self-sabotage

Divide participants into small groups and provide each group with a large sheet of paper or a whiteboard and markers. Ask each group to create a mind map or visual representation of different mindsets that people can have about money, such as scarcity mindset, abundance mindset, growth mindset, fixed mindset, etc. Encourage them to include both positive and negative mindsets.

Once the groups have created their mind maps, ask them to discuss and reflect on how each mindset might influence financial behavior. For example, a scarcity mindset might lead to hoarding or overspending, while an abundance mindset might encourage more intentional spending and saving habits.

Next, ask the groups to consider strategies for developing a positive money mindset. Encourage them to brainstorm specific actions or behaviors that can help cultivate a more positive and empowering relationship with money. Finally, have each group share their mind maps and strategies with the larger group. Encourage discussion and reflection on the various mindsets and strategies, and how they can be applied to personal financial behaviors.

Debriefing questions

01

How did it feel to explore the different money mindsets? Were there any surprises or insights?

02

What strategies did your group come up with for developing a positive money mindset? Which strategies do you think would be most effective for you personally?

03

Are there any challenges or obstacles to developing a positive money mindset? How can you overcome them?

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MODULE 2

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ACTIVITY 3: MONEY MEMORY LANE

Learning Objectives

1. To teach young people about the role of money in their lives;
2. To help young people become more aware of their financial history and how it has shaped their attitudes and behaviors;
3. To give young people the space to reflect on their emotions and beliefs, so that they can begin to identify and shift negative money mindsets that may be holding them back from achieving their financial goals.

Duration

1 hour 20 min

Level

- ☐ Beginner
- ☑ Intermediate
- ☐ Advanced

Materials /Resources

- Flipchart papers
- Colorful markers and pens
- Sticky notes

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Activity 3: Money Memory Lane

Descriptions

Let the participants know that you are about to go all together down the memory lane. In order to do so, ask participants to create a timeline of their financial life, starting from their earliest memories of money and continuing to the present day. They should include significant financial events, such as receiving an allowance, buying their first car, or getting a job. Participants can use pictures, drawings, or written descriptions to illustrate each event.

Once participants have created their timelines, have them reflect on the emotions and attitudes associated with each event. For example, they may feel proud of themselves for saving up to buy a new bike, or embarrassed about going into debt. Encourage participants to think about how their emotions and attitudes have influenced their financial behaviors over time and note them down next to each event.

Finally, have participants identify any negative money mindsets that they would like to shift, such as a belief that they are "bad with money" or that they will never be able to save enough. Have them brainstorm strategies for shifting these mindsets, such as seeking out positive financial role models, practicing gratitude for what they have, or setting small, achievable financial goals.

Debriefing questions

01
How did creating a timeline of your financial life make you feel? Were there any surprises or unexpected emotions that came up?

02
Did you notice any patterns or trends in your financial history? For example, did you tend to overspend during certain periods or save more during others?

03
How have your attitudes and beliefs about money evolved over time? Have there been any significant shifts in your money mindset?

04
Were there any events or experiences that had a particularly strong impact on your financial behavior? If so, how did they influence your financial decisions?

05
Based on your timeline, what are some positive financial habits that you have developed? What are some areas where you would like to improve?

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MODULE 2

ACTIVITY 4: EMOTIONAL SPENDING

Learning Objectives

1 To help young people learn about how emotions can influence financial management:

2 To help young people develop strategies to make mindful spending choices.

Duration

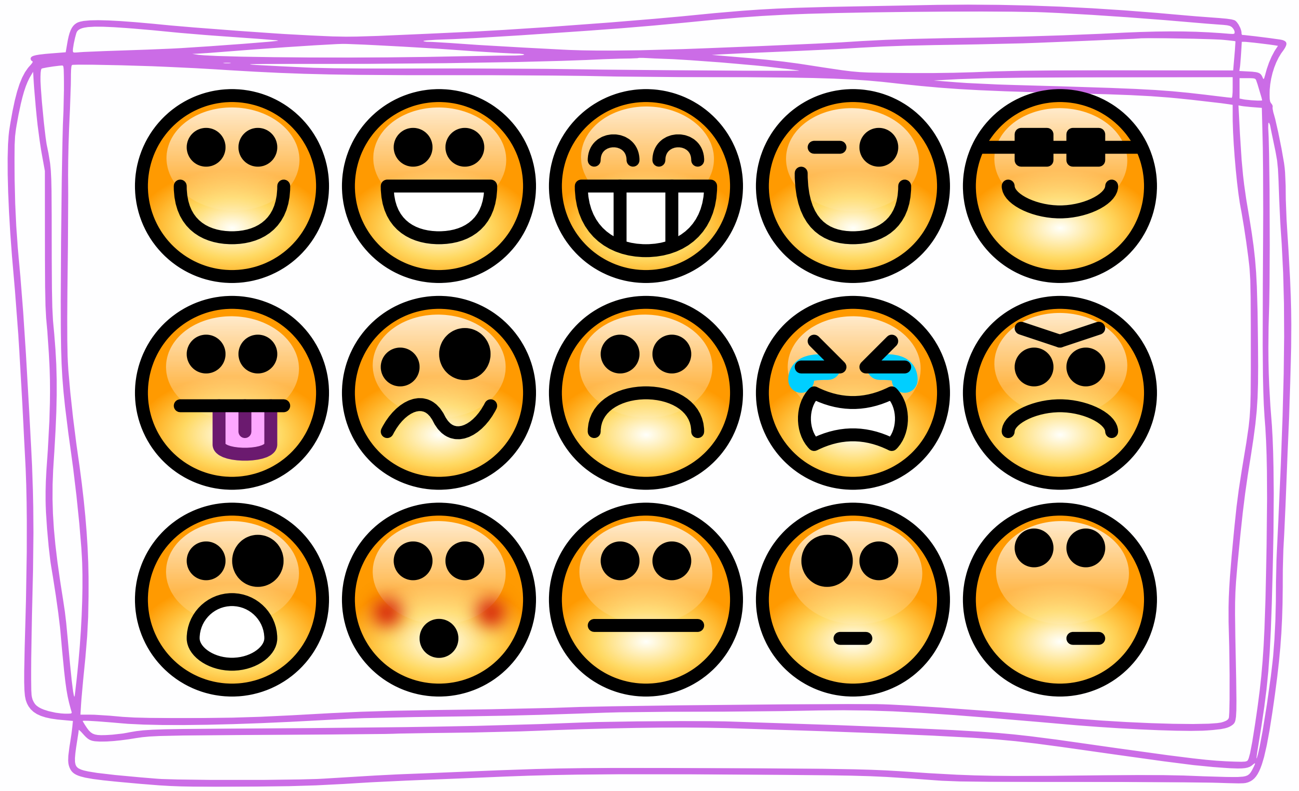
1 hour

Level

- [ ] Beginner
- [x] Intermediate
- [ ] Advanced

Materials /Resources

- Pens and markers, A4 paper
- Empty index cards
- Cards with emotions (e.g. happy, sad, stressed, anxious, bored, excited)



Learn more: What Is Emotional Spending? | Kati Morton

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Activity 4: Emotional Spending

Description

Begin by introducing the concept of emotional spending and how it can affect financial decisions: Emotional spending refers to the act of spending money as a way to cope with or fulfill emotional needs or desires, rather than as a means of meeting practical needs or achieving financial goals. It is a type of impulsive behavior that can lead to financial problems if not managed properly. Emotional spending can be triggered by a range of emotions, such as happiness, sadness, stress, boredom, and even jealousy. The key is to recognize when emotional spending is taking place and to develop healthy strategies for managing these emotions that do not involve spending money unnecessarily.

Divide participants into small groups and distribute the materials. Give each group a different card with an emotion written on it and ask them to brainstorm spending categories that might be associated with that emotion. For example, if the emotion is "happy," spending categories might include: food, entertainment, clothing, technology etc.

Once the groups have identified spending categories for their assigned emotion, have them create index cards with specific spending scenarios that match those categories. For example, a spending scenario for the "happy" emotion might be "buying a new outfit for a night out with friends." After the index cards are created, have each group share their spending scenarios with the larger group. Discuss as a group how these scenarios reflect emotional spending.

Ask the participants to reflect on their own emotional spending habits and identify any patterns they may have noticed. Encourage them to think about how they can make more mindful spending choices in the future. Finally, have participants write down one strategy they can use to manage their emotional spending on a separate index card. These could include things like setting a budget, waiting 24 hours before making a purchase, or finding free or low-cost alternatives to spending activities. End the activity by asking participants to share their strategies with the group and discuss how they might implement them in their own lives.

Debriefing questions

01

Did you find yourself identifying with any of the spending scenarios on the index cards?

02

Have you ever experienced negative consequences from emotional spending in the past? If so, can you share your experience and what you learned from it?

03

How can you use the insights gained from this activity to make more mindful spending decisions in the future?

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Activity 4: Emotional Spending

Tips for the facilitator

Here are some examples of spending scenarios that could be written on index cards for the Emotional Spending activity:

- Happy: Buy a new outfit for a night out with friends.
- Sad: Treat yourself to a fancy coffee and pastry.
- Stressed: Buy a new gadget to help manage your stress.
- Anxious: Purchase a new outfit for a job interview.
- Bored: Go to a movie theater and buy popcorn and a drink.
- Excited: Book a weekend getaway to celebrate a promotion.
- Angry: Buy an expensive piece of jewelry as a revenge purchase.
- Nostalgic: Purchase a childhood favorite candy or snack.
- Jealous: Buy a new item of clothing to keep up with friends.
- Impulsive: Buy an item that is not needed, but is on sale.

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MODULE 2

ACTIVITY 5: MINDFUL MONEY MANAGEMENT

Learning Objectives

1. To encourage participants to explore their personal relationship with money and how their emotions can impact financial decision-making;
2. Identifying commonalities and patterns in personal experiences related to finances;
3. Developing empathy and understanding towards others' financial experiences.

Duration

40 min

Level

- ☐ Beginner
- ☑ Intermediate
- ☐ Advanced

Materials /Resources

- Flipchart papers or whiteboard, A4 paper
- Markers, pens

Debriefing questions

01

How do these emotions impact our financial decision-making? Are they helpful or harmful?

02

Were there any surprises or unexpected emotions that came up during the discussion?

03

What are some practical strategies we can use to regulate our emotions and make more informed financial decisions?

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Activity 5: Mindful Money Management

Description

Begin by asking participants to brainstorm different emotions they feel when it comes to managing money. Write these emotions on a whiteboard or flipchart. After the group has identified several emotions, have each participant select one emotion and share a personal experience related to that emotion and their finances. Encourage them to be open and honest in sharing their experience.

Once everyone has had a chance to share, ask the group to reflect on the commonalities between the different experiences. For example, are there any common themes or patterns in the emotions people shared? How do these emotions impact financial decision-making?

Next, have the group break into smaller pairs or trios. Assign each group a financial behavior or decision and ask them to discuss the emotions that may be driving that behavior or decision. For example, if the assigned behavior is overspending, what emotions might be driving that behavior? If the assigned decision is to save for retirement, what emotions might be motivating that decision?

Other examples of financial behaviors that can be used for the activity are: Procrastinating on paying bills; Avoiding checking bank account balances; Not saving for emergencies; Living paycheck to paycheck; Not negotiating salary or asking for a raise; Not tracking expenses or creating a budget; Sharing expenses unequally with a partner or roommate. Some examples of financial decisions are: Investing in the stock market; Taking out a loan for a major purchase; Investing in a small business or startup; Changing careers or starting a new job; Deciding whether to start a family.

After each group has had time to discuss, bring the group back together and have each group share their findings. Facilitate a discussion around the different emotions that may be driving various financial behaviors and decisions. Conclude the activity by encouraging participants to reflect on their own emotions when it comes to managing money. Ask them to identify any patterns or themes they noticed and think about how they can use this information to make better financial decisions in the future.

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IF YOU WANT TO KNOW MORE ABOUT FLY PROJECT:

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FLY PLAYBOOK

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MODULE 3

EXPENSES & BUDGETING

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Content

- Introduction
- Young People Financial Problems & Literacy
- Tools for Budgeting & Managing Expenses
- Steps to Create a Budget
- Activities:
  - Activity 1: Fixed vs Variable Income
  - Activity 2:The Art of Budgeting
  - Activity 3: Build Your Budget
  - Activity 4: Inflation Over Time
  - Activity 5: The Bean Game
  - Activity 6: Quiz

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"YOU MUST GAIN CONTROL OVER YOUR MONEY OR THE LACK OF IT WILL FOREVER CONTROL YOU"

DAVE RAMSEY

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Introduction

Teaching budgeting and expense management skills to youth is an important part of financial literacy

How can this be done?

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Context and Background

What are the main problems young people face about their Financial Literacy?

1. Lack of education
2. Debt
3. Poor spending habits
4. Limited income
5. Lack of financial planning
6. Overconfidence
7. Misinformation

Financial literacy is crucial for young people to ensure that they can make informed decisions, avoid debt and plan a secure financial future.

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Explanation of Youth Financial Literacy Problems

1) Financial education is not always taught in schools or at home, which can leave young people without the knowledge they need to make informed financial decisions.

2) Young people often start their adult lives with significant amounts of participant loans or credit card debt, which can be overwhelming and lead to financial stress.

3) Young people may not have developed good spending habits, and may struggle to manage their money effectively.

4) Young people may be working part-time or in entry-level jobs with lower salaries, making it difficult to save money or plan for the future.

5) Young people may not have a clear idea of their financial goals or how to achieve them, which can lead to poor decision-making.

6) Some young people may feel invincible and believe that financial problems will not affect them, leading them to take unnecessary risks or make unwise investments.

7) With the abundance of financial advice available online, it can be challenging for young people to discern credible sources and make informed decisions.

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How can Financial Literacy be taught ?

1. **Start early**: It's never too early to start teaching budgeting and expense management. As soon as receiving an allowance or earning money starts, you can begin to introduce the concepts of budgeting and saving.
2. **Set a good example**: Young people often learn by example, so make sure you're setting a good one. Let them see you budgeting, saving, and making responsible financial decisions.
3. **Use real-life examples**: Teach youth about budgeting and expense management using real-life examples that they can relate to. For example, if they want to buy a new video game, help them create a budget and figure out how much they need to save each week to reach their goal.
4. **Make it fun**: Learning about finances doesn't have to be boring. You can make it fun by turning it into a game or challenge. For example, you could have a competition to see who can save the most money in a month or create a scavenger hunt to find the best deals on everyday items.
5. **Use technology:** There are many apps and tools available that can make budgeting and expense tracking easier for young people. Consider using a budgeting app or setting up an online spreadsheet to help them manage their money.
6. **Be patient**: Learning about finances takes time and practice. Be patient with young people as they learn these skills and provide plenty of encouragement and support along the way.
7. **Provide real-world experiences**: Giving youth real-world experiences can help reinforce the importance of budgeting and expense management. For example, you could take them grocery shopping and have them compare prices.

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Tools for Budgeting & Managing Expenses

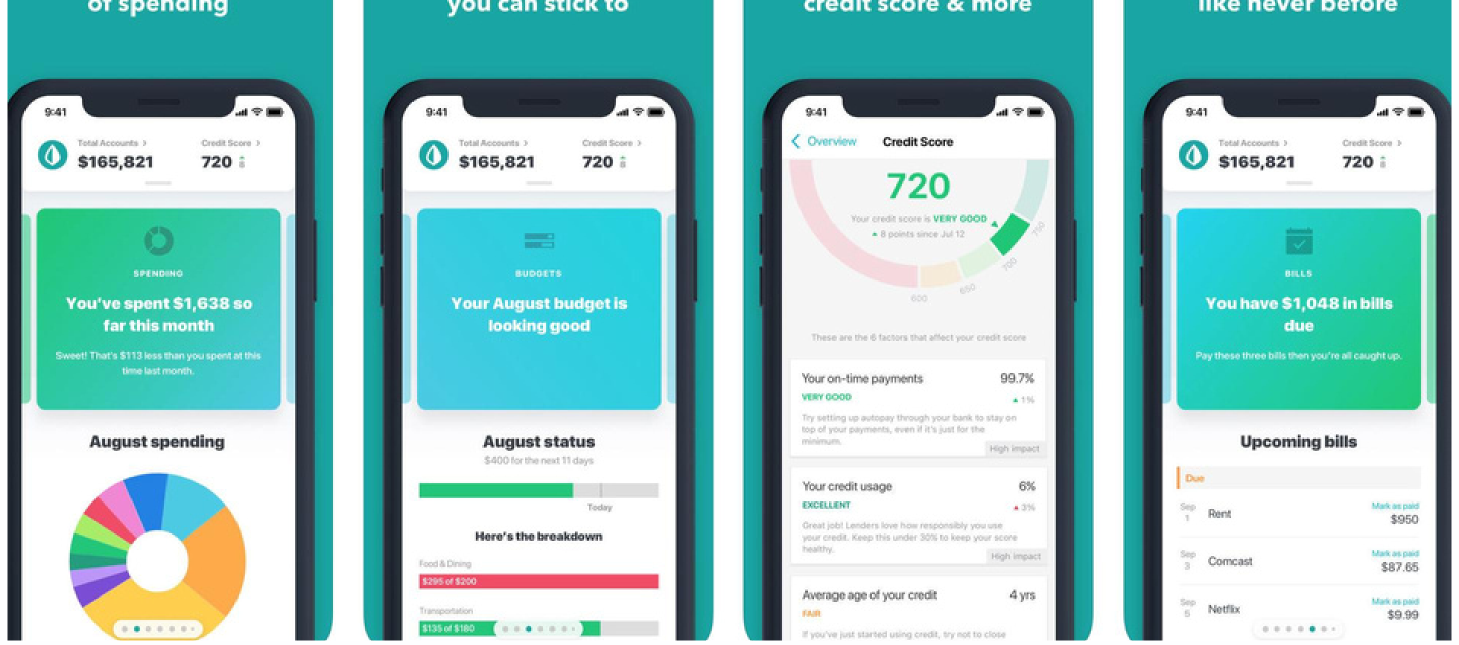
1. Mint: Mint is a free budgeting and expense tracking app that can help young people learn how to manage their money.

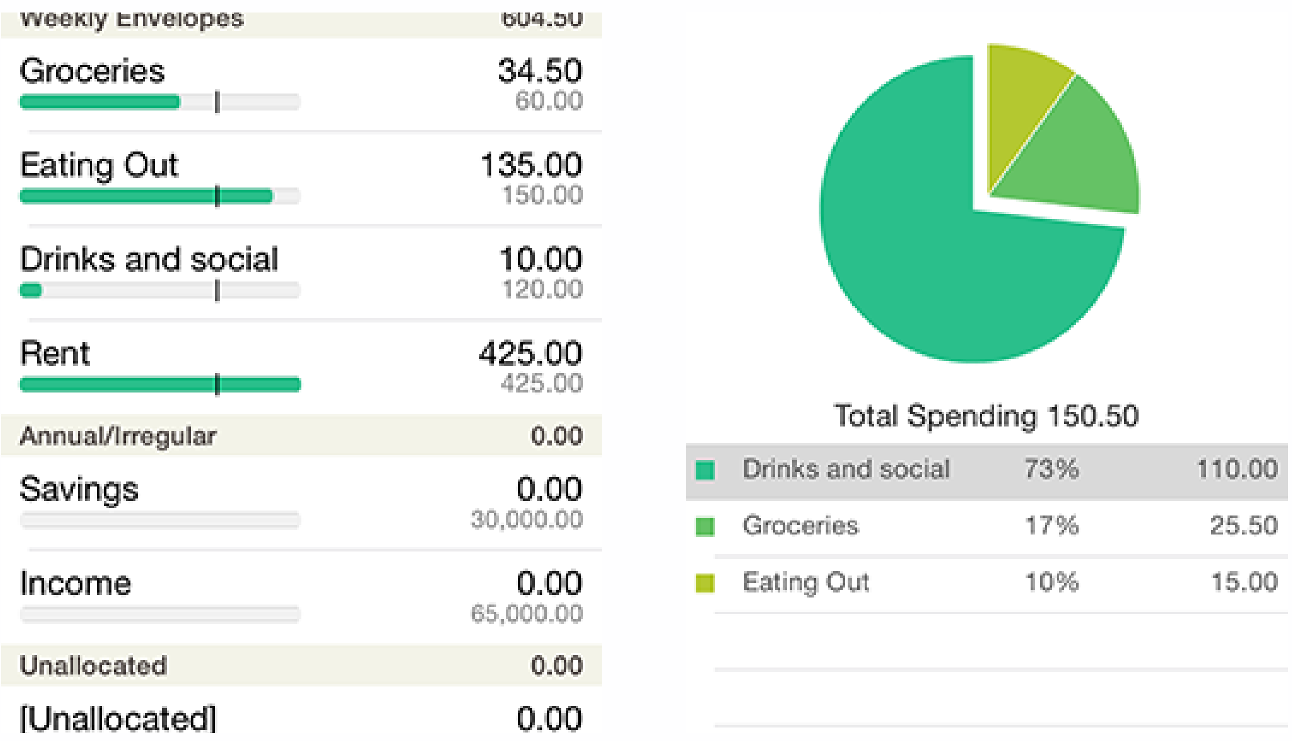
2. Goodbudget: Goodbudget is a budgeting app that uses the envelope method to help users allocate their money to different categories.

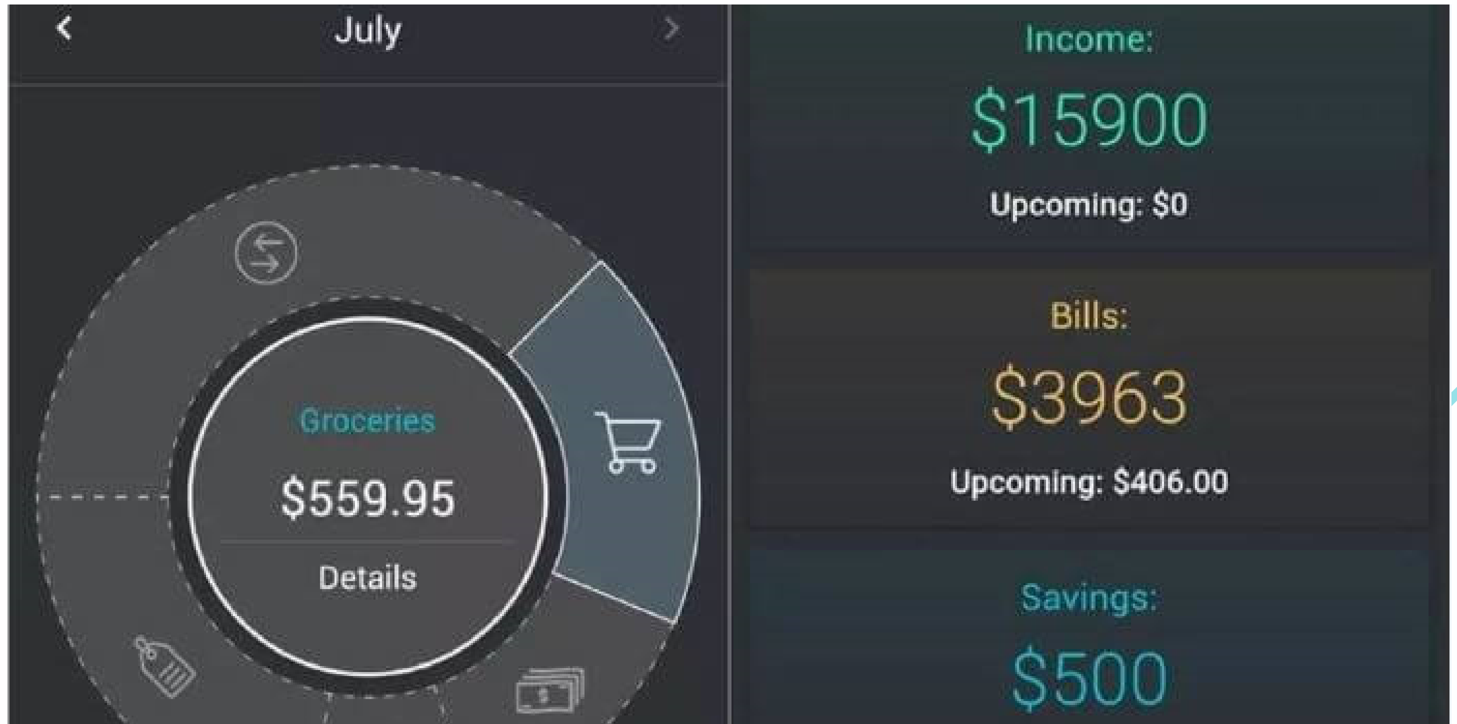
3. PocketGuard: PocketGuard is another budgeting app that can help young people manage their money.

4. YNAB (You Need A Budget): YNAB is a popular budgeting app that can be a great tool for young people to learn about budgeting and managing their expenses.

5. Excel/Google Sheets: For a more manual approach, using a spreadsheet can be a great way for young people to learn about budgeting and expense tracking.







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STEPS TO CREATE A BUDGET

STEP 1- DETERMINE YOUR INCOME

Determining the income of young people can be challenging since it can vary significantly based on factors such as education, work experience, location, and industry.

STEP 2 - CALCULATE YOUR MONTHLY EXPENSES

Some common monthly expenses that young people may incur:

1. Rent or mortgage payments
2. Utilities (electricity, water, gas)
3. Internet and cable bills
4. Cell phone bills
5. Transportation expenses (car payments, gas, public transportation, etc.)
6. Groceries and dining out expenses
7. participant loan payments or credit card payments
8. Health insurance or medical expenses
9. Entertainment expenses (movies, concerts, hobbies, etc.)
10. Personal care expenses (haircuts, toiletries, etc.)

STEP 3 - SET REALISTIC GOALS

Once you know how you've been spending your money, take some time to set goals on how you want to manage your money going forward

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STEPS TO CREATE A BUDGET

STEP 4 - TRACK YOUR SPENDING

Tracking your income and setting goals for how you want to spend your money is one thing, but it won't do much good if you don't keep track of your spending

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STEP 5 - PICK A BUDGETING PLAN

Some posibble options may be:

- Envelope System
- 50/30/20 Plan
- The Two-Account Plan
- Zero-Based Budgeting Plan

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ACTIVITIES MODULE 3

SAVING AND INVESTING

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MODULE 3

ACTIVITY 1: FIXED VS VARIABLE INCOME

Learning Objectives

1. Identify different forms of income
2. Define fixed income, variable income and irregular income

Duration

1 hour

Level

- [x] Beginner
- [ ] Intermediate
- [ ] Advanced

Materials /Resources

- Whiteboard, whiteboard marker
- Fixed, Variable, or Irregular Income? Worksheet and pencils (1 per participant)

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Activity 1: Fixed vs. Variable Income

Description - Activity Steps

1. Ask participants the following question: how do people get money? Write responses on the whiteboard. If they have difficulty answering, provide them with some examples from the list below:
Sources of money (income)
- wages
- salaries
- gratuities/tips
- commissions
- monetary gifts
- allowances
- tax refunds
- investments

2. Share with the participants how income falls into three categories:
- fixed income: money a person receives that does not change from one period to the next (e.g. salary)
- variable income: money a person receives that changes from one period to the next (e.g. tips)
- irregular income: money a person receives occasionally (e.g. monetary gifts)

3. Distribute the Fixed, Variable, or Irregular Income? worksheet and pencils to participants

4. Review the answers with participants after they have completed the worksheet.

Debriefing questions

01

What is the fixed income?

02

What is the variable income?

03

What is the irregular income?

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Activity 1: Fixed vs. Variable Income

Worksheet

1. Michela just started her first job as a sales associate at a clothing store. She works 10 hours per week and earns €14 per hour. She also receives 3% commission on all clothing he sells.
   - *Answer: Sources of income: hourly wage (fixed), commission (variable)*

2. Sandra works as a hairdresser. She earns a monthly salary plus a commission for selling the salons products to customers.
   - *Answer: Sources of income: monthly salary (fixed), commission (variable)*

3. George works as a musician. He sometimes plays at events, such as parties or weddings, where he negotiates his hourly fee.
   - *Answer: Sources of income: hourly fee (irregular)*

4. Alina is a waitress in a restaurant. She earns an hourly wage and receives tips from customers.
   - *Answer: Sources of income: hourly wage (fixed), tips (variable)*

5. Helen babysits her neighbor's children every Friday evening and earns €50.
   - *Answer: Sources of income: babysitting (fixed)*

6. Kate receives a monthly allowance from her parents. She also receives monetary gifts for her birthday.
   - *Answer: Sources of income: monthly allowance (fixed), monetary gifts (irregular)*

7. Stratos owns a house and rents out a spare room. Each month, he receives a rental cheque from his tenant.
   - *Answer: Sources of income: rental cheque (fixed)*

8. Giannis inherited €1,000 when his uncle passed away.
   - *Answer: Sources of income: inheritance (irregular)*

9. Jason's dad pays him to shovel the driveway each time it snows.
   - *Answer: Sources of income: money from shoveling driveway (irregular)*

10. Fred sold his old video games at a garage sale.
   - *Answer: Sources of income: selling video games (irregular)*

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MODULE 3

ACTIVITY 2: THE ART OF BUDGETING

Learning Objectives

1. Identify and prioritize some of your personal and financial goals
2. Identify the steps you can take and the resources you will need to achieve your goals
3. Identify and examine your current spending behaviors and patterns
4. Understand what it means to budget, and identify the reasons to maintain a budget
5. Create and maintain a personal budget that supports your personal and financial goals

Duration

1 hour

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Worksheets
- Quiz (printed)

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Activity 2: The art of budgeting

Description - Activity Steps

What Are Your Goals?

- Ask participants about their goals, based on their situation. Make a list, separating them into short, intermediate and long-term goals.
- Pick one goal from each group. Have the class brainstorm about the steps they can take and the resources needed to achieve those goals.
- Participants individually work through "What Are Your Goals?" and "Working with Your Goals."

Where Does Your Money Come From?

- Participants identify their current or potential (new job, career change) sources of income.
- Discuss the feelings of being financially dependent vs. financially independent.

Where Does Your Money Go?

- Participants keep a record of everything they spend during a one-month period.
- Ask participants what patterns they can see in their spending habits.
- Discuss topics such as impulse buying and what factors might influence purchasing decisions.

Setting Up and Maintaining a Personal Budget

- Guide participants set up a personal budget that supports their personal and financial goals.
- Ask participants to try to stick to their budget for one month.
- At the end of the month, discuss what it was like to stick to a budget. Was the budget realistic? Where did they overspend and where did they spend less? What would they change about their budget?

Mini Quiz: Evaluation of learners' understanding

Debriefing questions

01

Where does your money come from?

02

Where money goes?

03

Record your expenses and revise your budget

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Worksheet (1)

Income	Budget	Actual	Difference
Source #1	€	€	€
Source #2	€	€	€
Source #3	€	€	€
Total monthly Income	€	€	€

Expenses	Budget	Actual	Difference
Fixed regular expenses	€	€	€
Fixed irregular expenses	€	€	€
Transportation	€	€	€
Other	€	€	€
Total monthly expenses	€	€	€

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Activity 2: The art of budgeting

Worksheet 2 (Expenses Analysis)

Fixed regular expenses			
Rent	€	€	€
Car insurance	€	€	€
Car payment	€	€	€
Credit card	€	€	€

Fixed irregular expenses			
Savings	€	€	€
Food	€	€	€
Utilities	€	€	€

Transportation			
Bus fare	€	€	€
Gas and oil	€	€	€
Parking and tolls	€	€	€
Repairs	€	€	€

Other			
Medical expenses	€	€	€
Clothing	€	€	€
Entertainment	€	€	€
Household items	€	€	€
Personal Items	€	€	€
Tuition / School expenses	€	€	€
Other	€	€	€

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Activity 2: The art of budgeting

QUIZ

TRUE - FALSE

1. The budgeting process starts with monitoring current spending ___ (F)
2. Most short-term goals are based on activities over the next two or three years ___ (F)
3. A common long-term goal for parents of a new born child may involve saving for college ___ (T)
4. Rent is considered a fixed expense ___ (T)
5. Flexible expenses stay about the same each month ___ (F)

MULTIPLE CHOICE

6. The final phase of the budgeting process is to: ___ (C)
   A. set personal and financial goals
   B. compare your budget to what you have actually spent
   C. review financial progress
   D. monitor currentspending patterns

7. An exampleof a long-term goal would be: ___ (B)
   A. an annual vacation
   B. saving for retirement
   C. buying a used car
   D. completing college within the next six months

8. A clearly written financial goal would be: ___ (B, D)
   A. “To save money for college for the next five years”
   B. “To pay off credit card bills in 12 months”
   C. “To investin an international mutual fund for retirement”
   D. “To establish an emergency fund of $4,000 in 18 months”

9. An example of a fixed expense is: ___ (B)
   A. Clothing
   B. Auto insurance
   C. An electric bill
   D. Educational expenses

10. It is commonly considered a flexible expense: ___ (D)
   A. Rent
   B. A mortgagepayment
   C. Home insurance
   D. Entertainment

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MODULE 3

ACTIVITY 3: BUILD YOUR BUDGET

Learning Objectives

1 The objective of this activity is for young people to make simplified budgeting decisions for their adult life. Young people vote on a series of budgeting options to collaboratively create a zero-based budget for the whole class.

Duration

1.5 hour

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Slide Deck (please see slides 23, 24)
- Spreadsheet - make 1 electronic copy

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Activity 3: Build Your Budget

Description - Activity Steps

Part I: Prepare the Game

Post signs labeled A, B, and C in three corners of your classroom
Make a copy of the Spreadsheet. You will use this to track the class budget as you go through the activity.
Open the Slide Deck in one tab of your computer and your copy of the Spreadsheet in another tab.
Note: You can also keep the budget manually on your chalk/whiteboard or large poster paper if you prefer.

Part II: Play the Game

1. Project the Slide Deck
2. Explain to participants that on each decision slide, they should choose whether they, personally, would choose Option A, B, or C if they were moving into an apartment. Then, they should move to the corresponding corner of the classroom
3. Each participants gets to choose independently, but you will record into the class spreadsheet the Option that receives the most votes (by most learners standing in that corner)
   Note: You may want to give participants the opportunity to talk amongst themselves in their groups, to convince others from around the class to join their corner, or to explain their reasoning
4. For each decision slide, record the cost of the most popular Option into your copy of the Spreadsheet. This serves as your class' pretend budget
5. As rounds progress, you'll want to frequently draw participants' attention to the "Monthly Budget Remaining" line of the spreadsheet, so they know how to make upcoming decisions without going over budget
6. When you get to slide 18, "the fun stuff" you can decide how much time to devote here. Some options include:
   a. Participants vote on the top 3 things they will spend money on from this list
   b. Participants vote on each expense by giving a thumbs up/down
   c. Participants vote on each expense by moving to a corner (A for YES, B for NO)

Debriefing questions

01

If all of your own personal decisions were going into the spreadsheet, how would your overall budget change?

02

Would your budget survive if you had a major life change or a large expense?

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Slide deck

Imagine Your Future...

Picture yourself as an independent adult, post-college, starting your first career...
Where do you live?
How do you envision your lifestyle?
How do you spend your free time?

Starting income

(Hypothesis) Salary of a college graduate 2023: GROSS PAY 55,260 € per year (4,605 € per month)

Paycheck Deductions

Your Pay Check Results		Calculation based on	
Monthly Gross Pay:	**€4605**	Tax Year	**2022**
Federal Withholding:	**€490.27**	Gross Pay	**€55,260**
FICA	**€285.51**	Pay Frequency	**Monthly**
Medicare	**€66.77**	Federal Filing Status	**Single**
Virginia	**€217.31**	# of Federal Allowances	**1**
		Additional Federal W/H	**0**
		State	**Virginia**
NET PAY	**€3,545.14**	Filing Status	**Single**
MONTHLY NET PAY: **€3,545**		Allowances	**1**
		Add. Allowances	**0**
		Additional State W/H	**0**

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Activity 3: Build Your Budget

Slide deck

Fixed Payments

participant LOAN DEBT Average debt: 393 €

HEALTH INSURANCE Average bronze premium: 448 €

Saving & Retirement

How much will I save every month?

A: 5% (177 €)

B: 10% (355 €)

C: 15% (532 €)

Rent

How much will I pay for half of a 2-bedroom?

A: 552 €

B: 770 €

C: 895 €

Renters Insurance

Do I choose to get renters insurance? (YES/NO) Cost 15 €

Utilities

Electric & Gas: 90 €

Water & Sewer: 35 €

Trash & Recycling: 7 €

Streaming

How much entertainment do I want?

A: Netflix 13€

B: Disney 14€

C: YoutubeTV 65€

High-Speed Internet

How fast do I need to surf?

A: 30 €

B: 36 €

Transportation

How will I commute & get around town?

A: Public Transit 67 €

B: Used Car 465 €

C: New Car 609 €

Car Ownership

A: Insurance: 157 €

B: Maintenance: 66 €

C: Gas: 90 €

Total: 313 €

Food

How much will I spend on food?

A: Low Cost 252 €

B: Moderate Cost 312 €

C: Liberal Cost 390 €

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Slide deck

Cell Phone Plan
How much cell data do I need?
A: Value Plan 50 €
B: Unlimited 75 €
C: Unlimited Elite 85 €

Basic Necessities
A: Shower/bathroom products 17 €
B: Dental hygiene 10 €
C: Laundry 10 €
D: Kitchen/cleaning 25 €

Total: 62

Clothes/Shoes
How much will I spend on clothes and shoes?
A: Thrifty 60 €
B: Fast Fashion 120 €
C: Designer 180 €

What about the fun stuff?

- ❑ Apple Music, Spotify Premium 5 €, 10 €
- ❑ Hair appointment 17 € /40 € / 75 €
- ❑ Gym Membership 58 €,
- ❑ Manicure 25 €, Pedicure 40 €
- ❑Going out 240 €
- ❑Hobbies ?
- ❑Vacations 170 €
- ❑Electronics 35 €
- ❑Donations ?
- ❑Gifts 25 €
- ❑Pets 58 €

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MODULE 3

ACTIVITY 4: INFLATION OVER TIME

Learning Objectives

1 The objective of this activity is for young people to explore how inflation impacts purchasing power over time.

Duration

2 hours

Level

☑ Beginner
☐ Intermediate
☐ Advanced

Materials /Resources

- Printed Material (3 Axes)
- Calculator

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Activity 4: Inflation Over Time

Description - Activity Steps

Part I: Prepare the Game

Preview the Slide Deck or Slide Deck with Answers and make any adjustments you'd like for your class. You can add or remove slides by clicking "File" then "Make a Copy".

Prepare your space. For each prompt, participants will be moving and choosing a spot along an axis. You will need room for participants to move an a way for them to know where they are along that axis. Here are some options:

- Project the Slide Deck or Slide Deck with Answers, which includes an x-axis. This works best for small groups or small spaces.
- Draw a line for an x-axis across the whiteboard with 5 tick marks. For each round, write the starting and ending values for the x-axis.
- Print out one copy of the Axis Marker Deck. For each round, tape the numbers in order along a wall or floor to form an x-axis.

Part II: Play the Game

Project the slides so all participants can see them and ensure there is enough room for them to move around the classroom. If you are using the Slide Deck with Answers, put the slide deck into PRESENT mode, so the animations will work and participant s cannot see what content is coming next.

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Description - Activity Steps

Explain the activity directions, which are written on slide 2 of the Slide Deck. Participants will be making guesses about prices over time. After you show each prompt, participants will move to the corresponding area of the classroom. There will be three rounds with slightly different types of questions:

Round 1: Guess the year
Round 2: Guess the price
Round 3: Guess the effect on purchasing power

Play each round. Read each prompt and give participants 30 seconds to silently decide on their answer. When you say GO, they move to that area of the classroom. Once they have moved, you can facilitate as little or as much conversation as you like.

This activity is intended for young people to explore how prices and purchasing power change over time; They may not be able to determine the exact answer and that's okay!

Debriefing questions

01

In your own words, what is inflation?

02

Considering the impact of inflation, why is investing important?

03

Who do you think is likely to be most affected by inflation? Why?

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Activity 4: Inflation Over Time

Round 1

1.Imagine a timeline across the room, with one end representing 1950 and one end representing the present day.
2.Your teacher will tell you the price of each item. In your head, silently guess the year when that item cost the specific price.
3. When your teacher says GO, move to that “year” in the classroom

Questions:

1. When did a McDonald’s hamburger cost 0,15 €?

2. When did a movie ticket cost 4.35 €? (An average movie ticket cost 9.16 € in 2021.)

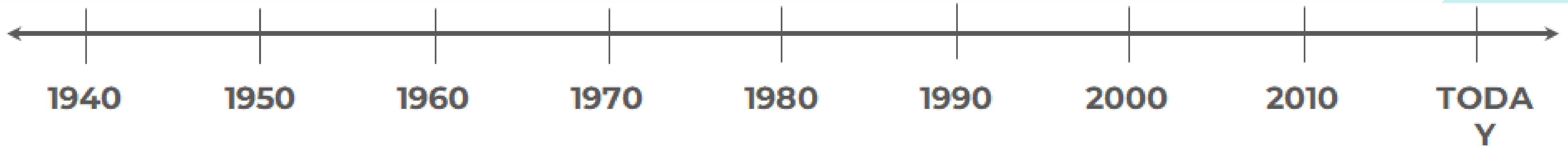
3. When did a large bag of potato chips cost 2.50 €? (It cost 5.27 € in 2021)

4. When did the average pair of shoes cost 30 €? (The average cost of footwear was 141 € in US Cities in 2021)

5. When did a pack of chocolate chip cookies cost 2.00 €? (It cost 3.81 € in 2021)

6. When did the average new car cost 3,450 €? (The average new car cost 45,031 € in September 2021)

7. When did the average rent cost 592 €? (The average cost of monthly rent was 1,164 € in October 2021)



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Activity 4: Inflation Over Time

Round 2

I Imagine an axis running across your classroom, with one end representing 1 € and the other end representing 100 €.
2. Your teacher will tell you the price of the item, and a number of years. In your head, silently guess how much that item will cost if inflation averages 2% per year.
3.When your teacher says GO, move to that "price" in the classroom

Questions:
8. How much will a Nalgene water bottle cost in 15 years? (Assume it costs 12 € today and inflation averages 2% per year)

9. How much will a pack of 3 plain t-shirts cost in 30 years? (Assume it costs 14 € today and inflation averages 2% per year)

10. How much will a cup of coffee cost in 20 years? (Assume it costs 2.70 € today and inflation averages 2% per year)

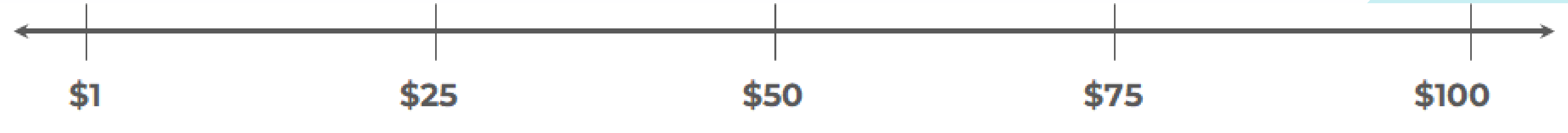
11. How much will a new pair of sneakers cost in 10 years? (Assume it costs 60 € today and inflation averages 2% per year)

12. How much will a backpack cost in 25 years? (Assume it costs 40 € today and inflation averages 2% per year)

13. How much will a large pizza cost in 30 years? (Assume it costs 9.99 € today and inflation averages 2% per year.)

14. How much will a pack of gel pens cost in 20 years? (Assume it costs 14.79 € today and inflation averages 2% per year)

15. How much will a pair of jeans cost in 20 years? (Assume it costs 39.95 € today and inflation averages 2% per year)



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Round 3

Your teacher will describe a scenario.
Decide whether you think your purchasing power would increase, decrease, or stay the same in this scenario.
When your teacher says GO, move to the corresponding place in the classroom.
After you've moved, your teacher will give you a chance to explain your reasoning and recruit more classmates to your corner.

Questions:

16. What Happened to Your Purchasing Power?
Scenario: You have 250 € in a no-interest savings account and 200 € in a savings account that earns 0.50% interest annually. Over the next five years, inflation rates are: 2%, 1.8%, 1.8%, 2.1%, 2.3%

17. What Happened to Your Purchasing Power?
Scenario: You have 100 € in a savings account that earns 1% annual interest and 300 € in a 5-year CD that earns 2% interest. Inflation average 2.5% over the next 5 years.

18. What Happened to Your Purchasing Power?
Scenario: You invest 300 € in the stock market. Over the next 5 years, your annual returns are: 7.5%, 8.5%, 9.5%, 6%, 2%
Inflation averages 3% over the next 5 years.

19. What Happened to Your Purchasing Power?
Scenario: You have 500 € in no-interest savings and 500 € invested in a bond with a coupon rate (interest rate) of 4% per year. Over the next 5 years, annual inflation rates are: 2.1%, 1.9%, 1.7%, 2%, 2.3%

20. What Happened to Your Purchasing Power?
Scenario: You invest 1000 € in the stock market. Over the next 3 years, your annual returns are: 8.5%, 4%, -6.5%
Inflation averages 2.6% over the next 3 years.

Purchasing Power Decreased | **Purchasing Power Stayed the Same** | **Purchasing Power Increased**

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MODULE 3

ACTIVITY 5: THE BEAN GAME

Learning Objectives

1. Practice budgeting basics using The Bean Game
2. Understand the impact a restricted budget can have on their spending habits
3. Reflect on their personal budgeting choices

Duration

2 hours

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Worksheet (Bean Map)
- Working Scenarios

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Description - Activity Steps

Define the objective: The first step is to define the objective of the activity. In this case, the objective is to help youth discover what is most important to them to spend money on and how their personal experiences and values affect your money management decisions.

Prepare the materials: Print copies of the Worksheet and distribute them to the participants.

Start the activity: This game can be played individually, or in small groups, each with max. 5 people. Provide each participant or small group 20 beans.
Note: If beans, peanuts, or small candies are unavailable, participants can also shade in the empty bean icon on the worksheet with a colored pencil or marker.

Part II: Play the Game

Round 1: Explain to participants that the 20 beans represent their “income”. Each item on their worksheet has a set number of beans which indicates how many beans are needed to “pay” for that item. Instruct each learner or small group to go through each of the starred categories (Housing, Food, etc.) and choose which options they want to "spend" their beans on. Have them physically place the beans on the paper for the options they choose. Once they have finished selecting items in the required categories, they continue to select options in the other categories until they have used up their 20 bean income. Direct participants to answer the Round One Discussion Questions on their Worksheet.

Round 2: Explain to participants that their income has been cut to 13 beans for Round 2. Instruct them to remove 7 beans from their existing bean allocation. Direct them to answer the Round Two Discussion Questions on their Worksheet.
As participants share their main takeaways, highlight that bean allocation ranges differently for each learner, as these decisions are a reflection of their personal values and attitudes around money.

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Activity 5: The Bean Game

Description - Activity Steps

Round 3: Have participants complete the questions from Round 3: Reflection on the Worksheet, either in writing or as a class discussion.

Wrap up: Finally, wrap up the activity by summarizing the key takeaways and providing participants with additional resources for learning relevant videos and additional activities in order to encourage them to continue learning and practicing their skills.

Debriefing questions

01

Did the cost of any of the categories and options surprise you? Which ones and why?

02

Explain the reasoning behind how you spent your 20 bean income.

03

What 3 main takeaways did you learn from this activity to help you create strong, realistic budgets for yourself in the future?

Animation/ graphics/ visuals/ videos

Alternative to the use of The Bean Game (Virtual Template)

Wheel decide (https://wheeldecide.com/) to use extention material or Extension to the Bean Game scenarios

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Activity 5: The Bean Game

The Bean Map

Housing	
Living with family, sharing cost of utilities	
Share an apartment or house with roommates	
Rent your own place	

Food	
Cook at home; dinner out once a week	
Frequent fast food lunches and weekly dinner out	
All meals away from home	

Transportation	
Walk or bike	No cost
Ride bus or join carpool	
Buy fuel for family car	
Buy a used car and gas	
Buy new car and gas	

Insurance		
Auto	No coverage (ONLY if select no car below)	No cost
	Liability coverage only	
	Comprehensive coverage	
Health and Disability	No coverage	No cost
	Basic health coverage	
Property	No coverage	No cost
	Renters insurance	

Clothing		
Clothing	Wear present wardrobe	No cost
	Shop at discount or thrift stores	
	Shop for new clothes	
	Shop for designer clothes	
Laundry	Do laundry at parents' house	No cost
	Use laundromat; some dry cleaning	
	Rent or purchase washer and dryer	

Recreation	
Hiking, hanging out with friends, scrolling your phone	No cost
Streaming service for music, TV, movies	
Movie theaters, gym membership, clubs or hobby groups	
Concerts, sporting events	
Big vacations	

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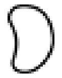
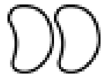
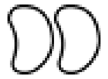
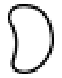
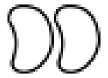
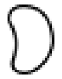
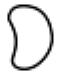
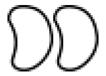
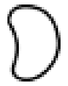
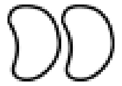
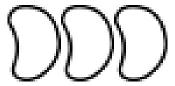
Activity 5: The Bean Game

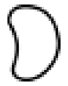
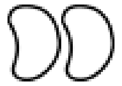
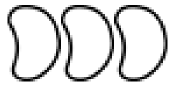
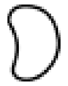
The Bean Map

Furnishings	
Second-hand from relatives or friends	No cost
Buy at a garage sale, thrift shop, or used online	
Rent furniture or live in furnished apartment	
Buy new furniture	

Communication	
No phone	No cost
Phone with limited data	
Phone with unlimited data	
Wifi at your home	

Savings	
Keep cash in a piggy bank at home	No cost
5% of income	
10% of income	
Invest for retirement	

Personal Care	
Basic products: soap, shampoo, toothpaste, make-up, etc.	
Occasional professional haircuts, basic personal care products	
Regular hairstyling, nails, name brand personal care products	

Gifts	
Make your own	
Purchase cards or small gifts occasionally	
Purchase frequent gifts for family and friends	
Contributions to charities and/or religious groups	

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Activity 5: The Bean Game

The Bean Scenarios

Scenario 1

Someone in the family just broke their leg. If you have health insurance, you don’τ need to do anything. If you don’t have health insurance, take off 3 beans.

Scenario 2

Your parent or guardian just got a 2 bean raise! Decide where it should be spent.

Scenario 3

Inflation has hit food prices!All food categories are now 1 bean more expensive.
Adjust your budget to account for the higher prices.

Scenario 4

Your employer has decided to match a portion of your retirement investment contributions. Add 2 beans to your budget if you choose to invest for retirement.

Scenario 5

A neighbor's dog ate yourcouch cushions (shame he didn't have an appetite for your homework)! Unless you're living on your own AND paying renters' insurance, take off 1 bean for repairs.

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MODULE 3

ACTIVITY 6: QUIZ

Learning Objectives

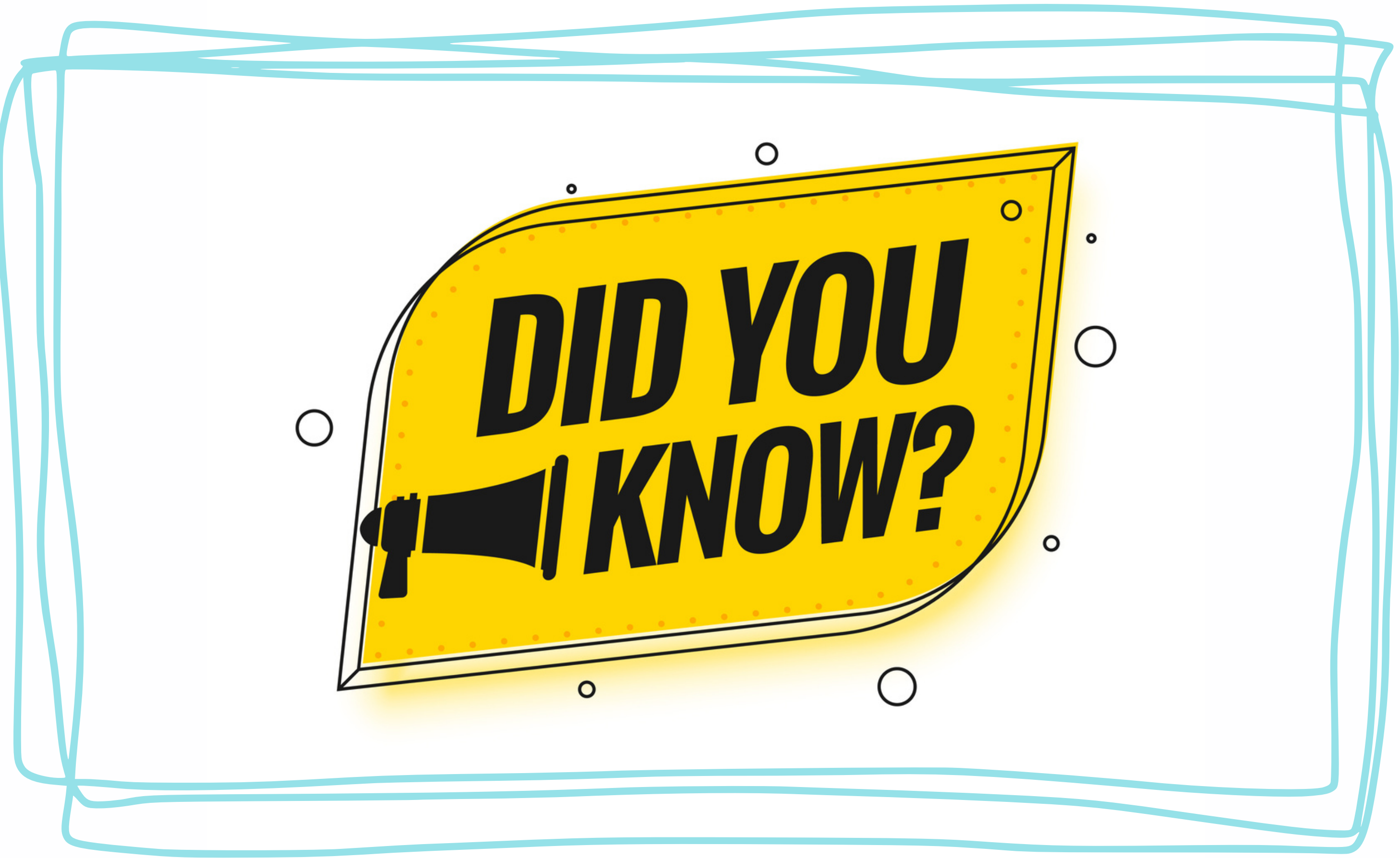
1. The session will highlight what was learnt during theory and during the other activities
2. In this final quiz, participants will use the knowledge they have learnt to challenge each other in a friendly manner and win.

Duration

1 hour

Level

- [x] Beginner
- [ ] Intermediate
- [ ] Advanced



Materials /Resources

- Final quiz on knowledge acquired from previous activities.
- Printed Quiz

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Activity 6: Quiz

Description - Activity Steps

GIve points to each question of the quiz according to the level of difficulty and set them into three categories (easy, medium, hard).

Divide the participants into teams and give each team a quiz. Set the timer for half an hour.

Begin the game. The teams should discuss and choose an answer in every question. If they answer correctly, they earn the point value of the question.

At the end of the game, add up the points and declare the winning team.

Conclude the activity with a discussion on the financial concepts covered and how to apply them in real life. Encourage participants to share their insights and ask questions.

Round-table discussion: end the activity with a round-table discussion where participants can justify their initial choice and the changes they made. This will help them reflect on their decisions and share the knowledge they have acquired with others. Encourage participants to ask questions and engage in a constructive discussion.

Wrap up: Finally, wrap up the activity by summarizing the key takeaways and providing participants with additional resources for learning more about loans and debt risk management. Encourage participants to continue learning and practicing their skills.

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Activity 6: Quiz

QUIZ (1)

1. What is a budget?
   A) A list of your monthly bills
   B) A plan for managing your expenses and income ✓
   C) A way to track your daily expenses

2. What is the 50/30/20 rule?
   A) A rule for creating a balanced diet
   B) A rule for dividing your income into spending categories ✓
   C) A rule for saving money for emergencies

3. What are fixed expenses?
   A) Expenses that stay the same every month, like rent or car payments ✓
   B) Expenses that vary from month to month, like groceries or entertainment
   C) Expenses that are optional, like eating out or shopping

4. What is an emergency fund?
   A) A fund for entertainment and leisure activities
   B) A fund for daily expenses, like groceries and gas
   C) A fund set aside for unexpected expenses, like car repairs or medical bills ✓

5. What is the difference between a want and a need?
   A) A need is something essential for survival, while a want is something desirable but not necessary ✓
   B) A want is something essential for survival, while a need is something desirable but not necessary
   C) A need and a want are the same thing

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Activity 6: Quiz

QUIZ (2)

6. What is a common mistake people make when creating a budget?
   A) Saving too much money
   B) Spending too much on fixed expenses
   C) Not tracking their expenses ✓

7. What is a good way to reduce expenses?
   A) Take more vacations
   B) Spend more money on entertainment
   C) Cook meals at home instead of eating out ✓

8. What is the best way to track your expenses?
   A) Use a budgeting app or software ✓
   B) Write them down on a piece of paper
   C) Keep them in your head

9. What is a good strategy for paying off debt?
   A) Pay off low-interest debt first
   B) Pay off high-interest debt first ✓
   C) Ignore your debt and hope it goes away

10. Why is it important to have a budget?
    A) It makes you feel more stressed about money
    B) It helps you track your expenses and achieve your financial goals ✓
    C) It doesn't matter, as long as you have a job

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FLY PLAYBOOK

abn network sociale

XANO CHANNEL

ASSET TECHNOLOGY

MONOMYTHS – Joyful learning experiences –

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MODULE 4

SAVING AND INVESTING

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Content

- Introduction
- How to start saving and investing?
- Types of saving
- Types of investment
- Key factors to take into account
- Expert tips
- Activities:
    - Activity 1: Do I need what I buy?
    - Activity 2: Saving Smarts: A Journey to Financial Security
    - Activity 3: Exploring savings and investment options
    - Activity 4: Learning to invest
    - Activity 5: Money Mindfulness Meditation

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"DON'T SAVE WHAT IS LEFT AFTER SPENDING; SPEND WHAT IS LEFT AFTER SAVING."

WARREN BUFFETT

FLY

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Introduction

Saving and investing are 2 concepts that can have a big impact on everyone's financial future, especially for young people. As the Z Generation Financial Health Join Report showed, young people want to know more about how to start to save money, and how to invest.

Let 's start!

Saving means putting money aside for later use, while investing means putting money into something that can generate more money in the future. Saving and investing are powerful tools that can help you reach your long-term financial goals.

So...

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So...

... why is saving important?

Saving is important because it allows you to establish an emergency fund. An emergency fund comprises savings that are set aside for unforeseen situations, such as illness, emergency home repairs, or job loss. By having an emergency fund, you can feel more secure and prepared to handle unexpected circumstances.
Additionally, saving can assist you in achieving your long-term financial goals, such as purchasing a house or a car. By consistently saving and remaining focused on your objectives, you can reach them more quickly

... why is it important to invest?

Investing can help your money grow over the long term. There are various ways to invest, including the stock market, real estate, mutual funds, and more. While investing involves risks, it also presents an opportunity to earn higher returns compared to simply placing your money in a savings account. It is important to conduct research and gain knowledge about different investment options before making a decision.

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How to start saving and investing?

Set up a budget to determine how much you can save each month. You can begin by saving small amounts, such as a percentage of your salary or a specific amount every week.

1

After accumulating sufficient savings, individuals can begin exploring opportunities to invest their money. A helpful starting point is to consult a financial advisor for personalized guidance and recommendations.

2

Remember, saving and investing are powerful tools for securing your financial future. Begin making wise decisions today, so you can enjoy a prosperous financial future.

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SAVINGS ACCOUNTS

These are bank accounts specifically designed for saving money. Generally, they offer higher interest rates than checking accounts and usually do not have account maintenance fees.

CERTIFICATES OF DEPOSIT (CDS)

These are savings products that provide fixed interest rates for a specific duration. While interest rates are typically higher than those of traditional savings accounts, the funds are locked in for the agreed-upon term.

MUTUAL FUNDS

These are investment vehicles that enable individuals to invest their money in a diversified portfolio of stocks, bonds, and other securities. They offer the potential for higher returns compared to traditional savings accounts, but they also involve more risk.

TYPES OF SAVINGS

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RETIREMENT PLANS

These are retirement savings plans designed specifically for saving towards retirement. Examples include 401(k) plans and pension plans.

EMERGENCY FUNDS

These are savings specifically designated for emergency situations, such as job loss or a medical emergency. It is recommended to have three to six months' worth of expenses in emergency savings.

The most common forms of saving include regularly saving money in a savings account, automatic savings through payroll deductions, utilizing savings apps and tools, and investing in mutual funds or retirement plans. It is important to remember that each person has unique financial needs and goals, and should choose the types of savings that best suit their financial situation.

TYPES OF SAVINGS

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TYPES OF INVESTMENTS

It is important to keep in mind that each type of investment carries different levels of risk and potential returns, and you should choose investments that align with your objectives and risk tolerance.

Before making any investment, it is recommended that you consult with a **financial advisor** for personalized recommendations

1. **Stocks:** Stocks represent ownership stakes in companies and offer the potential for returns through increases in share value and dividends paid by the company.
2. **Bonds:** Bonds are debt securities issued by companies or governments and offer the potential for returns through interest payments.
3. **Mutual funds:** Mutual funds are investment vehicles that allow investors to put their money into diversified portfolios of stocks, bonds, and other securities. Professionally managed, they provide an easy and convenient way to invest in the stock market.
4. **Real estate:** Real estate refers to property purchased for earning rental income or long-term profit from selling. Investing in real estate can be a profitable long-term strategy, but it also carries risks.
5. **Commodities:** Commodities are physical assets like gold, silver, oil, and natural gas that are bought and sold in commodities markets. Investing in commodities can offer diversification and protection against inflation.

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KEY FACTORS TO TAKE INTO ACCOUNT

Before embarking on your savings journey, it is crucial to take the following factors into consideration:

- Income and expenses: Evaluate your monthly budget to determine the amount that can be saved each month. It is crucial to ensure that expenses remain within your income and that savings don't interfere with debt repayments or other significant expenses.
- Savings goals: Establish specific savings goals, whether it's building an emergency fund, pursuing a long-term investment, or achieving short-term objectives like a vacation. Clearly defined goals help maintain motivation and focus.
- Interest rate: Take into account the interest rate offered by the chosen savings account or product. Opt for an account or product with a competitive interest rate to maximize your returns.
- Liquidity: Consider the liquidity of your selected savings account or product. If you require quick access to your savings, choose an account or product with high liquidity.

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KEY FACTORS TO TAKE INTO ACCOUNT

Before embarking on your savings journey, it is crucial to take the following factors into consideration:

- Risk tolerance: Determine your personal risk tolerance as an investor. If you prefer a conservative approach, opt for low-risk investments. On the other hand, if you have an appetite for higher risk, you may consider more aggressive investment options.
- Investment objectives: Set specific investment objectives, such as increasing net worth, generating income, or saving for retirement. Clearly defined objectives provide direction and purpose to your investment strategy.
- Investment timeframe: Consider the investment timeframe, or the duration for which you plan to hold your investments. If you have a long-term investment horizon, you can explore options like equities or real estate, which may be suitable for sustained growth.
- Diversification: Mitigate risk by diversifying your investment portfolio. By investing in different asset classes, you can minimize the impact of negative market events and increase the potential for stable returns.
- Professional guidance: Seek the advice of a financial professional before making significant investment decisions. A qualified financial advisor can assist in selecting appropriate investments tailored to your objectives and risk tolerance.

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EXPERT TIPS:

- **Saving for retirement:** It is highly recommended to start saving for retirement as early as possible, recognizing that time is a crucial factor in building wealth. Retirement plans, such as Individual Retirement Savings Accounts (IRAs) and 401(k) plans, serve as excellent options for long-term retirement savings.

Experts offer the following recommendations regarding saving and investing:

- **Build an adequate emergency fund:** It is advisable to save a minimum of three to six months' worth of expenses in an emergency savings account to effectively handle unforeseen circumstances.

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- **Diversify investments:** Diversification is an important way to reduce risk in an investment portfolio. Experts recommend investing in different types of assets, such as stocks, bonds, real estate, commodities and cryptocurrencies, to minimise the impact of any negative market events.

- **Maintain a long-term time horizon:** experts recommend investing for the long term and not trying to "time the market" by trying to predict short-term movements. A long-term time horizon allows investments to grow and overcome short-term market volatility.

- **Seek financial advice:** It is recommended to seek the advice of a financial professional before making any major investment. A financial advisor can help select appropriate investments based on the investor's objectives and risk tolerance. They can also provide guidance on long-term financial planning and help maintain focus on financial goals.

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ACTIVITIES MODULE 4

SAVING AND INVESTING

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MODULE 4

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ACTIVITY 1: DO I NEED WHAT I BUY?

Learning Objectives

1. Increase the awareness of spending habits
2. Enhance critical evaluation of needs versus wants understanding the influence of marketing and social media
3. Reflection on financial priorities and goals

Duration

1 hour

Level

- ☐ Beginner
- ☑ Intermediate
- ☐ Advanced

Materials /Resources

- Sheets of paper
- Pencils

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Activity 1: Do I need what I buy?

Descriptions

- **Introduction:** Provide a concise overview of the workshop's purpose, which is to foster reflection on spending habits and the importance of making informed financial decisions. Emphasize how our spending habits can impact personal finances in the long run.

- **Spending analysis:** Divide participants into small groups of 3-5 people.
Distribute paper sheets and instruct each participant to document their regular expenses from the past month or months. Encourage them to categorize their expenses (e.g., food, transportation, entertainment, impulse purchases, etc.).

CATEGORY	PRICE

Afterwards, have the groups analyze their spending patterns and trends. Prompt them to discuss any unnecessary expenses they identified and areas where they could have saved money. Encourage reflection on whether the purchases they made were truly necessary.

- **Marketing and shopping:** Instruct participants to access a social networking platform (Instagram, Facebook, TikTok, etc.) and note down the first three ads they encounter. Encourage them to discuss within their groups whether these ads are recurrent or if they have seen them before. Guide them to consider whether they genuinely need the products or services being advertised and whether they are inclined to make a purchase.

- **Final reflection:** Gather all participants together for a brief concluding reflection. Provide practical tips to enhance spending analysis and control, such as creating a shopping list, setting savings goals, and avoiding impulsive purchases by planning spending in advance.

Debriefing questions

01

What did they discover about their spending habits? Did any surprises emerge from their analysis?"

02

What aspects would they consider changing in their spending habits? Did they determine the necessity of their purchases? Are they familiar with any savings strategies?

03

How can they implement the insights gained into their daily lives? In what ways does social media influence their spending habits? Do they feel they have a sense of control over their finances?

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MODULE 4

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ACTIVITY 2: SAVING SMARTS: A JOURNEY TO FINANCIAL SECURITY

Learning Objectives

1. Recognizing the advantages of saving and defining their individual savings goals
2. Examining various saving strategies
3. Enhancing critical thinking abilities

Duration

90 minutes

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Whiteboard or flipchart
- Paper and posits
- Pencils
- Calculators (optional)

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ACTIVITY 2: Saving Smarts: A Journey to Financial SecuritY

Description

- **Introduction:** Commence by providing an overview of the concept of saving and its significance in personal finance. Emphasize the benefits of saving, such as financial security, goal attainment, and preparedness for unexpected expenses.

- **Brainstorming Session:** Engage participants in a collaborative brainstorming session to generate reasons for saving money. Document their ideas visually on a whiteboard or flipchart paper, creating a tangible representation of their responses.

- **Savings Goals Exercise:** Distribute handouts featuring examples of savings goals, including buying a car, going on vacation, starting a small business, or purchasing a house. Ask participants to select a goal from the list or create their own. They should record their chosen goal, estimate the associated cost, and set a target date for achieving it. Encourage them to relate the scenario to their current personal situation.

- **Saving Strategies Discussion:** Facilitate a discussion on various strategies for saving money to achieve goals. Explore concepts such as budgeting, distinguishing between needs and wants, expense reduction, and income augmentation. Share practical saving tips, including automating savings, establishing dedicated savings accounts, and leveraging discounts or coupons.

- **Interactive Savings Game:** Introduce an engaging interactive savings game where participants make decisions about saving money. Create scenarios involving common expenses and choices (displayed in two columns on a whiteboard). For example, choosing between buying coffee at a café or making it at home, or selecting a brand-name item versus a generic alternative. Encourage participants to discuss the financial implications of each choice and determine which option aligns better with their savings goals.

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MODULE 4

ACTIVITY 3: EXPLORING SAVINGS AND INVESTMENT OPTIONS

Learning Objectives

1 Promote understanding of the significance of saving and investing while increasing familiarity with various savings and investment options.

2 Improve knowledge regarding the practical application of savings and investment options to real-life financial scenarios.

Duration

90 minutes

Level

- ☐ Beginner
- ☑ Intermediate
- ☐ Advanced

Materials /Resources

- Paper
- Pencils
- White board

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Activity 3: Exploring savings and investment options

Descriptions

- **Introduction:** Commence the activity by assembling the participants and providing a concise overview of the workshop's objective: to acquaint them with various savings and investment options. Engage in a discussion about the significance of saving money and its role in accomplishing long-term financial goals, such as purchasing a house, traveling, or attaining a comfortable retirement.

- **Types of investments and savings:** Divide participants into groups of 3-5 people, each group should look up the definition of one of the types of savings: savings accounts, certificates of deposit, mutual funds, retirement plans and emergency funds, and their main characteristics, such as interest rates, terms, risks and benefits.

- Savings accounts: These bank accounts are specifically designed for the purpose of saving money. Generally, they offer higher interest rates compared to checking accounts and typically do not have maintenance fees.
- Certificates of deposit (CDs): CDs are savings products that provide fixed interest rates for a predetermined period. Although their interest rates are usually higher than those of traditional savings accounts, the funds are locked in for the agreed-upon term.
- Mutual funds: Mutual funds are investment vehicles that allow individuals to invest their money in a diversified portfolio of stocks, bonds, and other securities. They offer the potential for higher returns compared to traditional savings accounts, but also entail greater risk.
- Retirement plans: These savings plans are specifically designed to accumulate funds for retirement. Examples include 401(k) plans and pension plans.
- Emergency funds: Emergency funds are savings specifically set aside for unexpected situations such as job loss or medical emergencies. It is recommended to have three to six months' worth of expenses saved in an emergency fund.

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Activity 3: Exploring savings and investment options

- Each group should research and find the definition of one of the investment types:

  - Stocks: Stocks represent ownership shares in a company and offer the potential for returns through appreciation in share value and dividends distributed by the company.
  - Bonds: Bonds are debt securities issued by companies or governments, providing potential returns through interest payments made to bondholders.
  - Mutual funds: Mutual funds are investment vehicles that enable investors to pool their money into a diversified portfolio of stocks, bonds, and other securities. Professionally managed, mutual funds offer a convenient and accessible way to participate in the stock market.
  - Real estate: Real estate refers to property acquired for the purpose of generating rental income or long-term profits from property appreciation. Investing in real estate can be a lucrative long-term strategy, but it also entails certain risks.
  - Commodities: Commodities are physical assets such as gold, silver, oil, and natural gas that are traded on commodities markets. Investing in commodities can provide diversification benefits and act as a hedge against inflation.

- **Presentation and discussion:** Each group will present and explain the type of savings and investment they have studied to the rest of the participants.

- **Scenarios and decisions:** Assign each group a fictitious financial situation or a common scenario, such as "Saving for a dream trip," "Preparing for retirement," "Managing finances as a young individual earning 1000 euros per month," "Saving to purchase a house," or "Saving to start a business." Instruct the groups to select the savings or investment option they deem most suitable for the given scenario and provide a detailed explanation for their choice.

- **Final reflection and conclusions:** Gather all participants together for a concise final reflection session. Encourage them to reflect on their learning regarding savings and investment options by asking questions such as: What insights did you gain about different savings and investment options?" "How has this workshop influenced your understanding of savings and investments?" "What key takeaways do you have about making informed financial decisions?" "Did this workshop change your perspective on the importance of saving and investing?"

By posing these questions, you can stimulate meaningful discussions and encourage participants to share their newfound knowledge and perspectives.

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MODULE 4

ACTIVITY 4: LEARNING TO INVEST

Learning Objectives

1. Enhancing comprehension of fundamental investing principles and recognizing diverse investment options
2. Promoting critical thinking skills and facilitating effective decision-making in investment matters
3. Cultivating a long-term financial mindset to support sustainable financial planning and growth

Duration

90 minutes

Level

- ☐ Beginner
- ☑ Intermediate
- ☐ Advanced

Materials /Resources

- Laptop or device with internet connection
- Papers
- Pencils

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Activity 4: Learning to Invest

Description

- **Introduction:** Begin by introducing the topic of investing and its role in growing money over time to help achieve financial goals. Inform the participants that they will be watching a video titled "Investing 101: How A Beginner Should Start Investing - How To Invest." Emphasize that the video is tailored for beginners and will provide valuable information on starting their investment journey.

- **Watch the video:** Screen the video "Investing 101: How A Beginner Should Start Investing - How To Invest." Encourage participants to take notes on significant points or concepts that pique their interest or generate questions.

- **Discussion:** After watching the video, initiate a discussion with the participants to delve into their thoughts, questions, and key takeaways from the video. Pose open-ended questions such as:

    - What were the main points covered in the video? Did anything surprise you or stand out?
    - How would you explain investing to someone who is unfamiliar with the concept?
    - What are some benefits of investing? Why do you think it is crucial to start investing early?
    - Were there any terms or concepts in the video that you would like more clarification on?
    - Can you think of any examples of investments that you could make as a young person? How do you believe they could benefit you in the future?
    - Do you think saving money is easier now compared to before? Has there been a change in mentality from our grandparents' generation? Would you prefer to save cash or open a savings account in a bank? Why?

- **Wrap up** the activity by summarizing the key points discussed during the conversation. Reiterate the significance of starting early and cultivating healthy financial habits, including investing.

Video

Investing 101: How A Beginner Should Start Investing - How To Invest:
https://www.youtube.com/watch?v=vLsYuFYwydo&t=342s

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MODULE 4

ACTIVITY 5: MONEY MINDFULNESS MEDITATION

Learning Objectives

1. Developing an understanding of the significance of mindfulness in financial management
2. Applying mindfulness techniques to enhance financial decision-making
3. Identifying and exploring personal financial habits and attitudes

Duration

30 minutes

Level

- [x] Beginner
- [ ] Intermediate
- [ ] Advanced

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Activity 5: Money Mindfulness Meditation

Description

- **Introduction:** Start by introducing yourself and explaining the purpose of the activity. Describe mindfulness as the practice of being fully present and engaged in the current moment. In the context of managing finances, mindfulness can assist individuals in developing a deeper awareness of their financial habits and attitudes, leading to improved financial decision-making and overall financial well-being.

- **Guided meditation:** Ask participants to find a comfortable seated position, whether on a chair or on the floor. Begin by guiding them through a few deep breaths, encouraging them to release any tension or stress they may be holding onto. Then, lead them through the following steps:

- **Visualization**: Introduce a visualization exercise that involves imagining a tranquil place, such as a beach or forest. Encourage participants to engage their senses and immerse themselves fully in the experience, visualizing the sights, sounds, and smells of their surroundings. This aids in creating a sense of calm and relaxation.

- **Focus on Money:** Direct participants to shift their attention to their relationship with money. Encourage them to observe any thoughts or emotions that arise as they contemplate their financial situation, without judgment or an urge to change them. This cultivates awareness of their current financial state and any underlying emotions that may influence their financial decisions. Has your family faced any financial challenges? How have they been resolved? How can you manage these situations?

- **Reflection:** After a few minutes of focused breathing, invite participants to reflect on their experience. Encourage them to consider their feelings about money, their beliefs or attitudes surrounding it, and how these attitudes might impact their financial well-being. Prompt them to notice any sensations of stress, anxiety, or fear that may have surfaced during the meditation, and to acknowledge these emotions without judgment.

- **Sharing the experience:** Lastly, create an open space for discussion and sharing. Ask participants to share any insights or realizations they had during the meditation, and how they intend to utilize mindfulness to enhance their financial well-being. Encourage them to support and learn from one another's experiences.

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FLY PLAYBOOK

abn network sociale

XANO CHANNEL

ASSET TECHNOLOGY

MONOMYTHS – Joyful learning experiences –

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MODULE 5

LOANS & DEBT RISK MANAGEMENT

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Content

- Introduction: why ask for a loan?
- Understanding debt
- Strategies for managing debt risk
  - Being aware of credit history
  - Being aware of types of loans
  - Being aware of alternatives to loans
- Activities:
  - Activity 1: to loan or not to loan?
  - Activity 2: grant funding vs loan
  - Activity 3: build your credit history
  - Activity 4: LAL - learn alternatives to loan
  - Activity 5: quiz my loan

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"YOUR INCOME CAN ONLY GROW TO THE EXTENT YOU DO."

DEREK SIVERS

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Introduction

Asking for a loan has pros and cons. It will help a young person to pursue further studies and career or lifestyle options, but will create a new condition - **DEBT**.

Debt needs to be repaid and payment conditions will vary depending on many factors. Among them:

- the financial environment will dictate interest rates applicable to loans
- **personal credit history** will dictate some of the loan conditions, including interest rates and size of the loan.

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Context and Background

Many young people need loans to start off their life after they finish school for a avariety of different reasons. The main reasons why young people ask for loans are:

- Studying: University, Master Degrees, PHD courses or training courses
- Starting their own business
- Travelling and experiencing the world
- Buying property, a car, a mobile phone or any other physical "asset"

MANAGING DEBT RISK

Having a loan means having a risk, where the risk is being unable to repay the lender.

STRATEGIES FOR MANAGING RISK:

1. Understanding debt
2. Being aware of "credit history" and how to build a positive one
3. Being aware of the different types of loans
4. Being aware of alternatives to loans

In the following slides we will look at these strategies:

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UNDERSTANDING DEBT

Debt is something, usually money, owed by one party to another.

Debt is used by many individuals and companies to make purchases that they could not afford under other circumstances. Unless a debt is forgiven by the lender, it must be paid back, typically with added interest. As lending money is a RISK to the lender, the debt will be paid back with interest.

The most common forms of debt are **LOANS**, including mortgages, car loans, and personal loans, as well as credit cards. Under the terms of a most loans, the borrower receives a set amount of money, which they must **repay in full by a certain date**, which may be months or years in the future.

The terms of the loan will also stipulate the amount of **interest** that the borrower is required to pay, expressed as a percentage of the loan amount. Interest compensates the lender for taking on the risk of the loan.

CREDIT CARDS operate a little differently: They provide what's known as revolving or open-end credit, with no fixed end date. The borrower is assigned a credit limit and they can use their credit card or credit line repeatedly as long as they don't exceed that limit.

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Debt risk management Strategy #1

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STRATEGY 1:
BEING AWARE OF CREDIT HISTORY

Credit history is a detailed report or statement about your repayments for all your debts and perhaps other financial information. It names which loans you have and how often you have made payments on time or opened new credit.

Your **credit score** is a three-digit number based on this information.

Why is it important?

Lenders look at your credit history and the credit score that is based off your credit history to determine your risk as a borrower. The better your credit history, the more like you are to get approved for credit.

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Obstacles to borrowing as a young person

- **No credit score**: it means you don't have a credit history, usually because you haven't taken out any form of credit before.
- **Low credit score**: you have a history of being unreliable when it comes to paying back money. You may have defaulted or been late with payments. Another reason could be that you've applied and been rejected multiple times for credit previously.

Having no credit score is slightly better than having poor credit score

- It's easier to build your score up from scratch rather than rebuild credit that's taken a knock.
- Lenders who do offer loans to those with no rating or a low rating, will usually offer higher interest rates and lower loan amounts.

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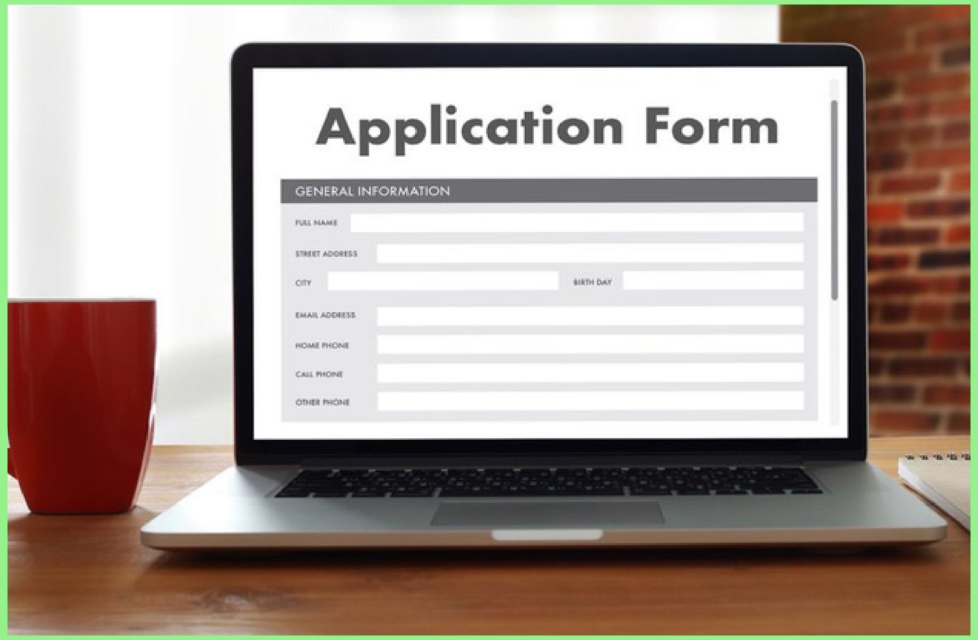
A credit score is a figure created by a credit reference agency (CRA) that reflects your financial history

KEEP UP PAYMENTS

If you do get credit, make sure you can afford to keep up with the repayments and pay them on time. This helps to gradually build up your credit score. Missed or late payments go on your record, lowering your credit rating and can indicate to lenders that you may struggle to manage financially



SPACE OUT APPLICATIONS

Each application for credit will leave a 'footprint' on your file. Frequent applications will put off lenders and lower your score

CALCULATE ONLINE

Try to check your eligibility for a loan or other type of credit using a soft search before applying. This means it won't negatively impact your credit score

BUILDING (OR IMPROVING) CREDIT HISTORY

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Debt risk management Strategy #2

BEING AWARE OF TYPES OF LOANS

Borrowed money can be used for many purposes, from paying for your studies to funding a new business or travelling the world.

But with all of the different types of loans out there, which is best—and for which purpose?

Which is more risky?

Below are the most common types of loans and how they work.

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TYPES OF LOANS

There are different types of loans that young people can apply for:

- **Student finance and Master's loans**: for studying
- **Unsecured personal loans** (ex.: for business start ups)
- **Car finance**: for buying a car
- **Guarantor loans** (ex.: for buying property)
- **Bad credit loans**: for people with low credit score

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TYPES OF LOANS - SOME DETAIL

- **Student finance and Master's loans** - These can help pay for your university tuition fees and living costs
- **Unsecured personal loans** - Only available to people aged 18 or over. The chances of getting approved for one can be low if you have no credit history or regular income. If you're accepted, you can expect high interest rates
- **Car finance** - Allows you to pay off the cost of a car in monthly instalments
- **Guarantor loans** - With this type of loan, a family member or friend who has a better credit rating co-signs and agrees to be responsible for paying the debt if you can't keep up with repayments. If you have poor or no credit history, some lenders will insist on a guarantor before they'll lend to you
- **Bad credit loans** - For people with a poor credit score or little financial history. Interest rates can be extremely high and you could end up paying a huge amount more than what you initially borrowed

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Debt risk management Strategy #3

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BEING AWARE OF ALTERNATIVES TO LOANS

A loan may not always be the best way to borrow money.

Once you are aware of the meaning of being in debt, of your credit history and of the different types of loans available to you, you may look at possible alternatives.

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PROS & CONS of asking for a loan

Pros

- A loan could help you get fast access to money to pay for an emergency car repair or replace a damaged mobile phone, for example
- Repaying your loan on time can build up your credit score, which could help you access better rates on credit in the future, like a mortgage

Cons

- You may not be offered the best interest rates
- Defaulting on the loanwill damage your credit rating and the lenders could take legal action against you
- A loan is a serious commitment which could leave you struggling financially

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ALTERNATIVES TO LOANS

STUDENT CREDIT CARDS

Some banks offer student credit cards to student bank account holders. When used responsibly, they can help build a credit history from scratch and can be useful to cover emergency expenses. Try spending small amounts and paying off the balance in full each month to make the most of your card.

0% CREDIT CARD

Choosing a 0% purchase card can provide you with free borrowing for a period. Try to keep within 30% of your credit limit and make at least your minimum monthly payments to maintain the 0% interest offer. Just make sure you pay off the debt before the introductory period ends as you'll start paying interest, which can quickly become expensive.

OVERDRAFT

You could ask your bank for an interest-free overdraft, or to extend one you already have.

If that's not available, be wary of using your overdraft as fees tend to be steep.

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ACTIVITIES MODULE 5

LOAN AND DEBT RISK MANAGEMENT

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MODULE 5

ACTIVITY 1: TO LOAN OR NOT TO LOAN?

Learning Objectives

1. During the activity, participants will gain an understanding of the fundamental aspects of loan and debt risk.
2. The session will provide resources, tips, and personalized advice to assist participants in applying for short- and long-term loans and in understanding the risks.
3. Participants will then learn how to apply for a loan from banks, understand the various types of loans that exist and understand which solutions are best for them.

Duration

2 hours

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Cards with different types of loan and possible debt risks may be created by the trainer if useful
- Paper
- Pencils

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Activity 1: to loan or not to loan?

Descriptions

- **Prepare the materials**: Prepare the materials that will be used in the activity. This includes cards with types of loan. There can also include resources such as articles, videos, and online tools for debt risks. Example:
  - A glossary of loan terms, so participants can become familiar with industry jargon and technical language.
  - Examples of successful loans, including the process and the reason behind the application.
  - Websites of banks explaining their personal loan types.

- **Start the activity:** begin the activity by introducing the topic and explaining the basics of loan. Cover topics such as typologies, reasons to apply. Provide examples of different types of loan options and their benefits and risks.

- **Navigate websites**: each participant will have to explore the websites of banks in their own country (or countries participating in the project) and collect as many existing loan modalities as possible.

- **Simulation game:** participants will be divided into groups of 2/3 people. Based on the knowledge they have acquired, they will have to simulate applying for a loan at a bank. They will have to present the appropriate documents, have strong and convincing motives. One by one, they will play the two roles (applicant and banker).

- **Round-table discussion:** end the activity with a round-table discussion where participants can justify their initial choice and the changes they made. This will help them reflect on their decisions and share the knowledge they have acquired with others. Encourage participants to ask questions and engage in a constructive discussion.

- **Wrap up:** Finally, wrap up the activity by summarizing the key takeaways and providing participants with additional resources for learning more about loan. Encourage participants to continue learning and practicing their skills.

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ACTIVITY 2: GRANT FUNDING VS LOAN

Learning Objectives

1 The participants will learn the difference between a grant and a loan and how to apply for both.

2 The session will provide resources, tips, and personalized advice to assist participants in finding out the main differences

3 In a final evaluation the participants will have to use their personal knowledge to try and obtain a grant based on the material they will receive.

Duration

1 hour

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Cards with different types of loan and possible debt risks may be created by the trainer if useful
- Paper and pencils
- Additional material for the final evaluation.

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Activity 2: Grant funding vs Loan

Descriptions

- **Prepare the materials:** This includes cards with types of loan and the main differences between a loan and grant funding. There can also include resources such as articles, videos, and online tools. Example:
  - Websites of banks explaining their personal loan types.
  - Grant funding available in their own country (or a partner country)

- **Start the activity:** begin the activity by introducing the topic and explaining the basics of grant funding. Cover topics such as typologies, reasons to apply, main differences. Provide examples of different types of loan options and their benefits and risks.

- **Navigate websites:** Each participant will have to explore the websites of banks in their own country (or countries participating in the project) and collect as many existing loan modalities as possible. Moreover, they will have to find different types of grants funding.

- **Final Evaluation:** Participants, based on the knowledge they have acquired, will have to simulate applying for a grant from an agency. They will have to present the appropriate documents, have strong and convincing motives. They will be helped by the materials they will receive to have a general knowledge on the matter.

- **Round-table discussion:** End the activity with a round-table discussion where participants can justify their initial choice and the changes they made. This will help them reflect on their decisions and share the knowledge they have acquired with others. Encourage participants to ask questions and engage in a constructive discussion.

- **Wrap up:** Finally, wrap up the activity by summarizing the key takeaways and providing participants with additional resources for learning more about loan and grant funding. Encourage participants to continue learning and practicing their skills.

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MODULE 5

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ACTIVITY 3: BUILD YOUR CREDIT HISTORY

Learning Objectives

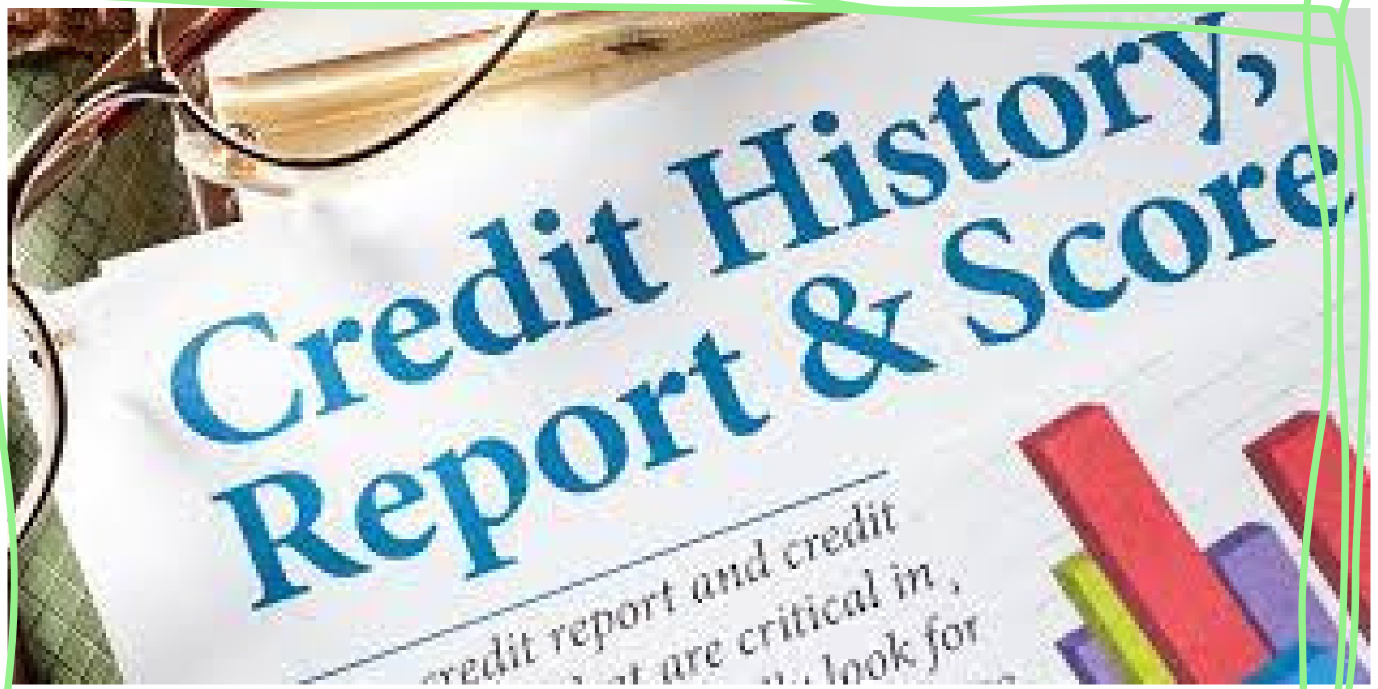
1. The participants will learn how to create their own credit history and the general value of a credit score.
2. The session will provide resources, tips, and personalized advice to assist participants in finding out how to make the right steps in building their own credit identity.
3. In a final evaluation the participants will have to use the skills they have obtain to try and create a new credit history from scratch.

Duration

1 hour and half

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced



Materials /Resources

- Cards with different types of credit histories may be created by the trainer if useful.
- Articles about credit score.
- Paper, pencils and additional material for the final evaluation.

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Activity 3: build your credit history

Descriptions

- **Prepare the materials:** This includes cards with general knowledge about credit history, successful types and how to maintain a high credit score. There can also include resources such as articles, videos, and online tools. Example:
  - Websites of banks explaining credit history.
  - Successful types of credit history.

- **Start the activity:** begin the activity by introducing the topic and explaining the basics of credit history. Cover topics such as typologies, reasons to have one, how to have a high credit score. Provide examples of a positive and negative types of credit history.

- **Navigate websites:** Each participant will have to explore the websites and collect as many examples as possible of good and bad credit history types. Moreover, they will have to understand the value of credit score.

- **Final Evaluation:** Participants, based on the knowledge they have acquired, will have to create, with as much help possible, their credit history. They will have to explain what they think is useful and what not. They will be helped by the materials they will receive to have a general knowledge on the matter.

- **Round-table discussion:** end the activity with a round-table discussion where participants can justify their initial choice and the changes they made. This will help them reflect on their decisions and share the knowledge they have acquired with others. Encourage participants to ask questions and engage in a constructive discussion.

- **Wrap up:** Finally, wrap up the activity by summarizing the key takeaways and providing participants with additional resources for learning more about credit history. Encourage participants to continue learning and practicing their skills.

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MODULE 5

ACTIVITY 4: LAL – LEARN ALTERNATIVES TO LOANS

Learning Objectives

1. The participants will learn about possible alternatives to loans and the different types of credit cards.
2. The session will provide resources, tips, and personalized advice to assist participants in finding out how to make the right steps in choosing the right credit card or debit card for their own personal needs.
3. With the help of the websites of the national banks, they will be able to discover the various types of cards available and other types of support.

Duration

1 hour

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Cards with different types of alternatives to loans and articles about it. may be created by the trainer if useful
- A personal computer.
- Paper, pencils and eventual additional material.

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Descriptions

- **Prepare the materials:** This includes cards with general knowledge about alternatives to loans, different types of credit cards and how to eventually apply for them. There can also include resources such as articles, videos, and online tools. Example:
  - Websites of banks explaining different types of cards.
  - Other types of helpful instruments.

- **Start the activity**: begin the activity by introducing the topic and explaining the basics of alternatives to loans. Cover topics such as typologies, reasons to apply for a credit card or a debit card. Provide examples of a positive and negative outcomes.

- **Navigate websites**: Each participant will have to explore the websites and collect as many types of alternatives to loans as possible. Moreover, they will have to browse the websites of national banks and find out about the various cards available, alternatives to loans, and how to apply for them.

- **Round-table discussion:** end the activity with a round-table discussion where participants can justify their initial choice and the changes they made. This will help them reflect on their decisions and share the knowledge they have acquired with others. Encourage participants to ask questions and engage in a constructive discussion.

- **Wrap up:** Finally, wrap up the activity by summarizing the key takeaways and providing participants with additional resources for learning more about alternatives to loans. Encourage participants to continue learning and practicing their skills.

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MODULE 5

ACTIVITY 5: QUIZ MY LOAN

Learning Objectives

1. In this final quiz, participants will use the knowledge they have learnt to challenge each other in a friendly manner and win.
2. This session will highlight what they have learned and allow them to ask questions about what is unclear.

Duration

1 hour

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Final quiz on knowledge acquired from previous activities.
- Paper, pencils may be needed.

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Activity 5: quiz my loan

Descriptions

- **At the beggining**, create a board with categories such as loan, credit history, debt risk management and and general financial terminology. Write down financial quiz questions that align with each category. For beginner level participants, you may want to consider using simpler financial quiz questions or reducing the number of categories. You can also provide hints or explanations for each question to help reinforce financial concepts.

- **Moving on**, introduce the game and explain the rules. Divide the participants into teams and give each team a buzzer. Explain that they will need to use the buzzer to answer the questions and earn points.
  Set the timer for one hour.

Begin the game and select a team to start. The team can choose a category and point value, and you can read out the corresponding financial quiz question. The team that buzzes first will get the opportunity to answer the question. If they answer correctly, they earn the point value of the question. If they answer incorrectly, the opportunity to answer goes to the other team. After each team has had a chance to answer, it's the next team's turn to choose a category and point value.

- At the end of the game, add up the points and declare the winning team.
- Conclude the activity with a discussion on the financial concepts covered and how to apply them in real life. Encourage participants to share their insights and ask questions.

- **Round-table discussion:** end the activity with a round-table discussion where participants can justify their initial choice and the changes they made. This will help them reflect on their decisions and share the knowledge they have acquired with others. Encourage participants to ask questions and engage in a constructive discussion.

- **Wrap up:** Finally, wrap up the activity by summarizing the key takeaways and providing participants with additional resources for learning more about loans and debt risk management. Encourage participants to continue learning and practicing their skills.

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FLY PLAYBOOK

abn network sociale

XANO CHANNEL

ASSET TECHNOLOGY

MONOMYTHS – Joyful learning experiences –

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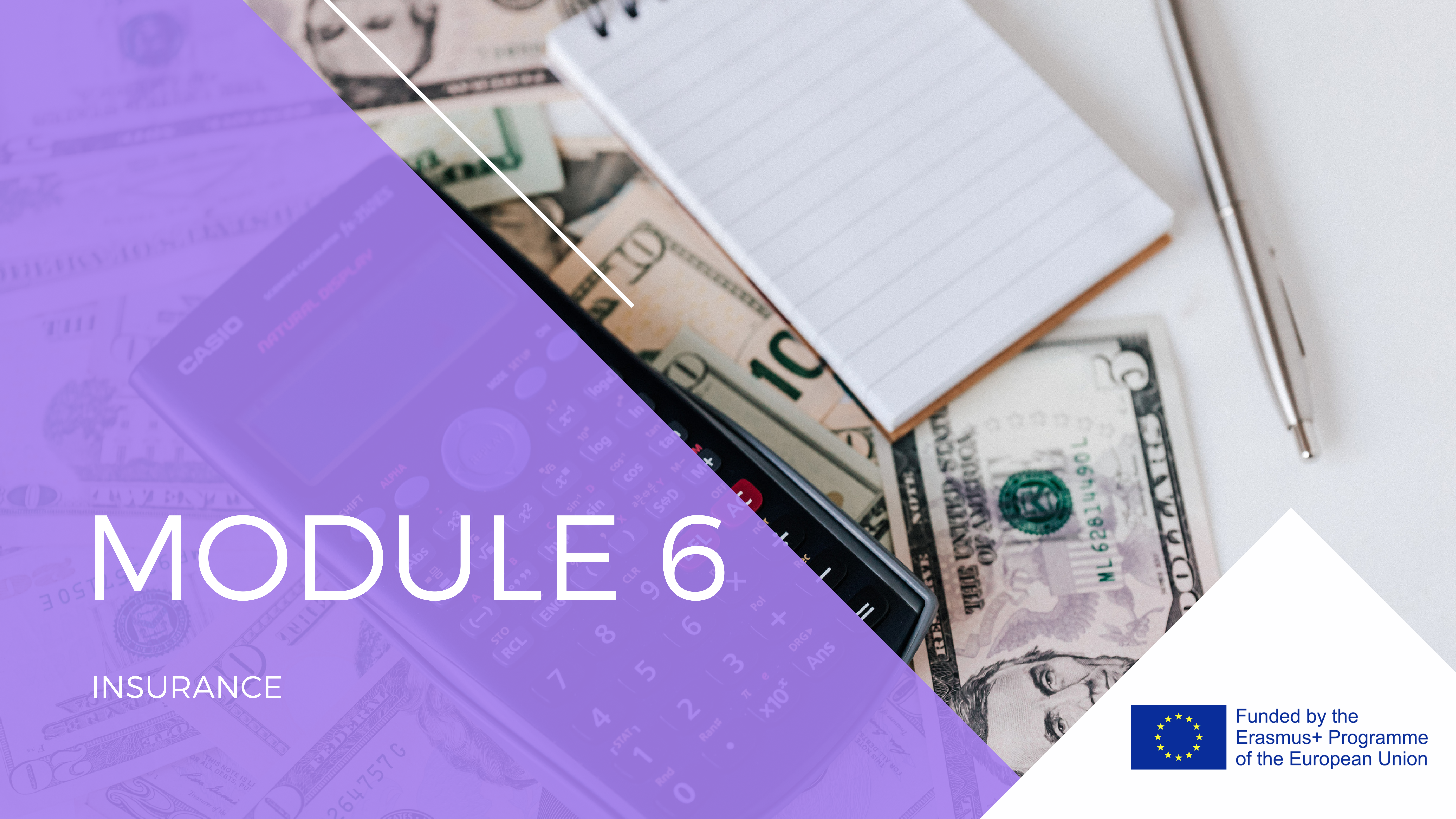

MODULE 6

INSURANCE

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Content

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"HOPE FOR THE BEST AND PLAN FOR THE WORST"

POPULAR SAYING

FLY

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Introduction

According to the FLY Z Generation Financial Health Report, most young people are not knowledgeable about the necessity of insurance and what type of insurance they need. Also, some of them stated that they hesitate to work with an insurance agency fearing explotation by the agency. As young adults begin to navigate the real world, they must learn to manage many aspects of life. One of the most critical areas is insurance. Insurance can be a daunting and confusing topic for young people, but it is crucial to financial stability and protection.

Understanding Insurance

Insurance is a method of managing risk by paying for protection against unexpected financial losses. If something **unfortunate** happens to you and you're insured, the insurance company pays you or someone of your choosing. Without insurance, you may be responsible for all associated costs, which can be overwhelming. Having the right insurance **coverage** can make a significant impact on your life. In addition to helping with **unexpected** events, insurance can also cover routine things like annual medical check-ups and dental visits. Insurance companies often **negotiate** discounts with healthcare providers to make their services more affordable for their customers.

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Context and Background

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Why is insurance important?

Insurance is important because it provides financial protection against unforeseen events that could otherwise result in significant financial loss. For example, without health insurance, a serious illness or injury could result in thousands or even millions of dollars in medical bills. Without auto insurance, a car accident could result in costly repairs or liability for damages and injuries. Insurance allows individuals and businesses to **transfer the risk** of these events to an insurance company, providing peace of mind and financial protection

In order to decide which insurances make sense, one should be **guided** by only the worst accident to be expected. All risks whose occurrence would mean a financial disaster should definitely be insured. Risks whose occurrence means an acceptable **loss** can be left uninsured. For such troubles, it is advisable to save up money and, if possible, earn interest on it.

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HEALTH INSURANCE

is a type of insurance that covers medical expenses, including doctor visits, hospital stays, and prescription drugs. Most people obtain health insurance through their employer, but there are also individual plans available through the Health Insurance Marketplace.

HOMEOWNERS OR RENTERS INSURANCE

is a type of insurance that covers damage or loss to a home or personal property, as well as liability for injuries or property damage to others. Homeowners insurance is typically required by mortgage lenders, while renters insurance is optional but recommended.

LIFE INSURANCE

is a type of insurance that pays out a death benefit to beneficiaries in the event of the policyholder's death. Life insurance is often used to provide financial support for dependents or to pay off debts and expenses.

TYPES OF INSURANCE

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DISABILITY INSURANCE

safeguards individuals and their loved ones from financial difficulties when an illness or injury prevents them from working. Employers often provide some form of disability coverage to their employees, but individual disability insurance policies are also available for purchase.

AUTO INSURANCE

is a type of insurance that covers damage to a vehicle or liability for injuries or property damage resulting from a car accident. In most states, auto insurance is required by law.

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Insurance Terminology

Deductible

A deductible is the amount of money that must be paid out of pocket before an insurance policy begins to pay for covered expenses.

Premium

A premium is the amount of money that must be paid to an insurance company to maintain coverage.

Coverage Limit

A coverage limit is the maximum amount that an insurance policy will pay for a covered loss.

Copay

It is a predetermined fixed amount of money that an insured individual is required to pay out of pocket for a covered healthcare service or prescription medication.

Claim

A claim is a request made to an insurance company for payment of a covered loss.

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Understanding How Insurance Policies Function

Have you ever wondered how insurance policies work? Here are some key concepts to keep in mind:

- Insurance policies are active for a specified duration, known as the policy term. Once the policy term ends, it must be renewed or replaced with a new one.

- You may select a beneficiary with certain types of insurance policies. This individual will be entitled to the policy's benefits or payments.

- A premium, or fee, is part of your obligation when you purchase an insurance policy. Depending on the policy, premiums may be paid monthly or annually.

- The amount of your premium is typically determined by the amount of risk you present to the insurance provider.

- Most policies include a deductible, which is the amount you must pay before the insurance company covers their share. Choosing a higher deductible can lead to a lower premium.

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Insurance can be tricky, but paying attention to the details can help you make smart choices. Here's why the fine print matters:

Having the Right Coverage: Do you know what your insurance actually covers? Knowing this helps you make good decisions.

What's Not Covered: It's important to know what your insurance will not pay for. This can help you avoid surprises.

Your Part: You'll have to pay a "deductible" before your insurance kicks in. Make sure you know how much it costs.

Making Claims: It is not hard if you know what to do. Learn how to make a claim so you can have peace of mind.

Renewals: Be aware of any changes when it's time to renew your policy.

🔑 Decoding the Fine Print:
✔ Read Carefully: It's like a treasure map – every word could be valuable.
✔ Ask Questions: Don't be afraid to ask questions and get answers.
✔ Compare Wisely: Just like checking reviews, compare different insurance options to find the best fit.
✔Compare Wisely: Just like checking reviews, compare different insurance options to find the best fit.

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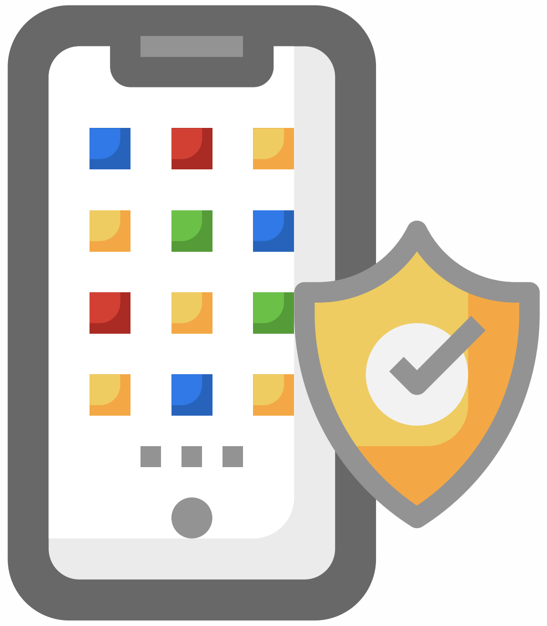
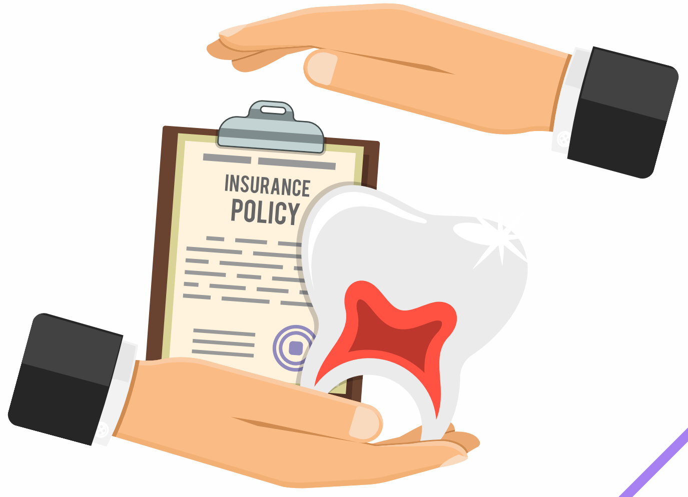
MORE TYPES OF INSURANCE

- **Agricultural:** Protects farmers against production losses from natural causes such as drought, hail, frost, and wildlife.
- **Business:** Protects a company's financial assets, intellectual property, and physical property from loss due to lawsuits, property damage, theft, vandalism, loss of income, or employee injuries or illnesses.
- **Cell phone:** Covers theft, loss, and accidental damage of your cell phone.
- **Dental:** Covers the cost of dental expenses related to the teeth and gums.
- **Earthquake:** Covers damage to your property caused by an earthquake.





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MORE TYPES OF INSURANCE

- **Flood:** Covers damage to your property due to flooding.
- **Homeowner's:** Covers a home's structure and the personal belongings inside in the event of loss or theft; helps pay for repairs and replacement.
- **Liability:** Protects an individual or business if they experience claims resulting from injuries and damage to people and/or property.
- **Renter's:** Covers the cost of replacing personal belongings that are stolen, damaged, or ruined in a home that is being rented.
- **Vision:** Covers expenses related to vision care such as exams, glasses, and eye injury.

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ACTIVITIES MODULE 6

INSURANCE

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MODULE 6

ACTIVITY 1: WHAT IS INSURANCE?

Learning Objectives

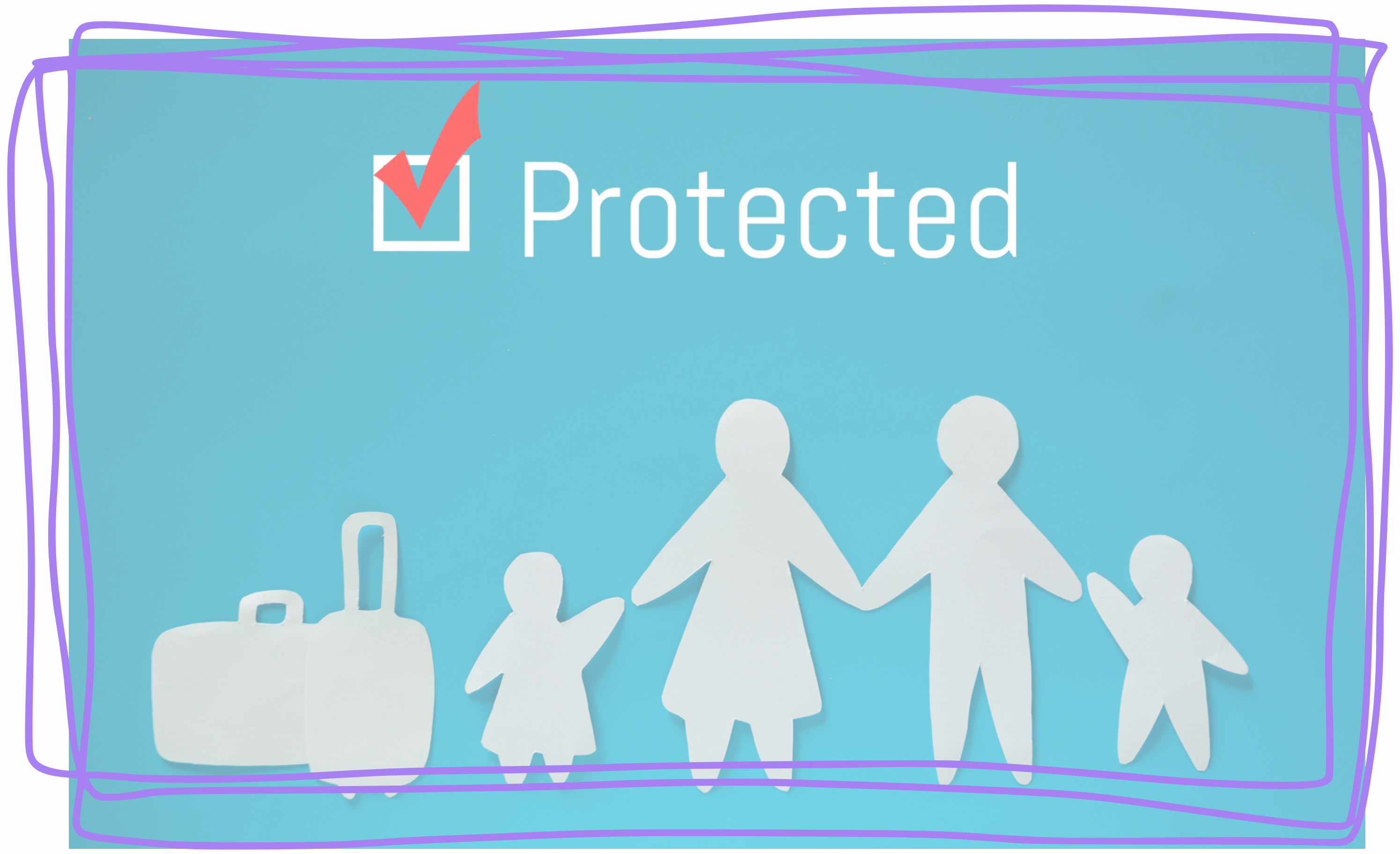
1. Understand the knowledge of the participants about insurance
2. Allow participants to assess themselves before talking about the topic itself
3. Allow participants to visualise and improve their imagination

Duration

30-45 mins

Level

- [x] Beginner
- [ ] Intermediate
- [ ] Advanced



Materials /Resources

- FlipChart paper
- Coloring pens
- https://youtu.be/8NGQFU_PJvQ

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Activity 1: What is insurance?

Descriptions

Introduction. Ask everyone to think, “What is insurance?” and what comes to their mind when they think about insurance. Explain that they’ll review their experience to remember what they know about insurance and the types of insurance.

Tell them that they’ll gather thoughts and create a poster that explains the importance of insurance in protecting people from financial risk.
Pass out art supplies and paper to the participants, or they can draw on their computers or tablets.
-Explain that their posters should include the following:
° A message about why insurance is important
° At least three keywords about the types of insurance
° At least one image that represents a key concept about the insurance they would like to learn more

Wrap-up: Bring the people back together to discuss how they felt about the activity and whether they have enough knowledge about insurance. If time allows, have participants put up their posters around the room and invite them to participate in a gallery walk to view one another’s art.

Debriefing questions

01
How does insurance protect you from paying high costs if something goes wrong?

02
Remember the 50-30-20 rule.

03
Know your risk profile.

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MODULE 6

ACTIVITY 2: WHICH INSURANCE FOR WHICH PURPOSE?

Learning Objectives

1. Using case studies, the learners work out the purpose of different important insurance policies.
2. Identify some common types of insurance
3. Understand how to budget for losses that aren't covered by insurance

Duration

30-45 mins

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Types of Insurance cards
- Risk cards

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Activity 2: Which insurance for which purpose?

Descriptions

Teach learners about the Benefits of Insurance through a Fun Card Game.
Help your learners understand how insurance can manage risk with this interactive card game. Here's how to play:

Group Work:

- Divide the learners into two groups.
- Give one group the risk game cards and the other group the type of insurance cards.
- Instruct participants to walk around the room and match each risk card to the corresponding insurance card by talking to their classmates.
- As they make their matches, they should sit down.

Wrap-Up:

- Bring the group back together and ask learners to share their matches with the rest of the group. You can use the answer guide to go over the answers.
- To reinforce what they've learned, have participants complete an exit ticket (a short, ungraded quiz) that answers these questions:

Debriefing questions

01

What are some events or situations that can arise that insurance won't cover?

02

How does insurance protect people from risk?

03

What types of insurance might I need to buy in my lifetime?

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AGRICULTURAL/ CROPS	AUTO	HOMEOWNER'S	BUSINESS	DISABILITY
DENTAL	FLOOD	EARTHQUAKE	HEALTH	LIFE

YOU MAY BE CONCERNED ABOUT A POTENTIAL DROUGHT DURING THE UPCOMING SUMMER MONTHS. ARE YOU AWARE OF ANY INSURANCE POLICIES THAT COULD ASSIST IN SAFEGUARDING YOUR LIVELIHOOD?

THE RISE IN CAR THEFTS IN YOUR AREA HAS RAISED CONCERNS. ARE YOU AWARE OF THE TYPES OF INSURANCE AVAILABLE TO REPAIR OR REPLACE YOUR CAR IF IT'S STOLEN?

LIVING IN A DRY AREA WITH A HIGH RISK OF FOREST FIRES, WHAT INSURANCE OPTIONS ARE AVAILABLE TO COVER POTENTIAL DAMAGE TO YOUR HOME AND VALUABLES?

IF YOUR STORE IS BROKEN INTO AND A CONSIDERABLE AMOUNT OF YOUR MERCHANDISE IS STOLEN, YOU WANT TO ENSURE THAT YOU DON'T INCUR SIGNIFICANT LOSSES. WHICH TYPE OF INSURANCE POLICY IS BEST SUITED TO PROTECT YOU FROM THIS TYPE OF LOSS?

WHAT KIND OF INSURANCE CAN PROVIDE INCOME PROTECTION IF YOU'RE UNABLE TO WORK FOR A FEW MONTHS DUE TO A SKIING ACCIDENT?

IF YOU WERE SUDDENLY HIT WITH A SEVERE TOOTHACHE, A VISIT TO THE DENTIST WOULD BE NECESSARY TO RESOLVE THE ISSUE, WHICH CAN SOMETIMES BE EXPENSIVE. WHICH TYPE OF INSURANCE WOULD BE BENEFICIAL IN REDUCING THESE COSTS?

CONSIDERING BUYING A HOUSE NEAR A RIVER THAT OFTEN OVERFLOWS? WHAT KIND OF INSURANCE CAN ASSIST WITH POTENTIAL DAMAGE TO YOUR HOME IN THIS SCENARIO?

LIVING IN CALIFORNIA, EARTHQUAKES CAN OCCUR FREQUENTLY AND CAUSE SIGNIFICANT DAMAGE. TO PROTECT YOUR HOME AND VALUABLES IN SUCH A SCENARIO, WHAT TYPE OF INSURANCE SHOULD YOU CONSIDER?

EVEN IF YOU CONSIDER YOURSELF TO BE IN GOOD HEALTH, YOU MAY STILL VISIT THE DOCTOR UP TO THREE TIMES PER YEAR. ARE YOU WONDERING WHICH TYPE OF INSURANCE CAN HELP DECREASE THESE EXPENSES?

IF YOU'RE MARRIED AND CONCERNED ABOUT YOUR SPOUSE'S FINANCIAL WELL-BEING IN THE EVENT OF YOUR DEATH, WHAT TYPE OF INSURANCE WOULD OFFER PROTECTION FOR YOUR SPOUSE?

MODULE 6

ACTIVITY 3: UNDERSTAND HOW INSURANCE WORKS

Learning Objectives

1. It is a simple exercise to empathize and reflect on everyday practices in financial planning.
2. Gain an understanding of how insurance functions
3. Use insurance policy specifics to assess a case study

Duration

45-60 mins

Level

- ☐ Beginner
- ☑ Intermediate
- ☐ Advanced

Materials /Resources

- Flipchart, pens
- (consumerfinance.gov)
- Answer Guide

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Activity 3: understand how insurance work

Descriptions

- Create groups of 3-4 participants.
- Explain or Distribute the "A case study about Lucy" paper or provide electronic access to the participants.
- In groups, have them carefully review the case study on Lucy's insurance choices and how they impacted her finances.
- Ensure that the learners understand the types of insurance coverage that Lucy chose and declined.
- For each incident in the "Life happens" section of the activity, ask the participants to identify which type of insurance would cover the cost of the incident, determine whether Lucy had that coverage, and list how much she paid to cover the expenses.
- Based on Lucy's experiences, have the groups calculate and compare the costs of having insurance versus not having insurance.

- Finally, bring the participants back together to share their findings on insurance costs and the consequences of insurance coverage choices.

Debriefing questions

01

Have you or someone you know experienced unexpected events that resulted in financial strain?

02

What types of insurance coverage would have been most beneficial?

03

Know your risk profile.

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Activity 3: understand how insurance work

A Case Study on Lucy's Insurance Decisions

Lucy is launching on a new journey in a rural area of Napoli and wants to be financially responsible. She has a stable job with benefits, a car, and an apartment in an old farmhouse. While she understands the importance of insurance in mitigating financial risks, Lucy is limited by her budget and cannot afford every policy she desires. She has a maximum budget of €2,150 per year for premiums. After conducting dynamic research, Lucy has made her decision on which policies to prioritize in her current situation.

Lucy's insurance decisions are a smart move in ensuring financial stability in her new journey. Her budget limitations make it important for her to prioritize policies that provide maximum coverage with minimum premiums. Lucy has made the following insurance decisions:

- Health Insurance: Lucy has decided to prioritize health insurance as it is crucial in covering unexpected medical expenses. Lucy has chosen a plan with a high deductible to lower her monthly premium costs.

- Auto Insurance: As Lucy owns a car, she has opted for liability coverage with a higher deductible. This will help her cover damages to other vehicles in case of an accident.

- Renter's Insurance: Lucy has opted for renter's insurance to protect her belongings in case of theft or damage from unexpected events such as fires or floods.

Lucy's insurance decisions reflect her dynamic research and financial responsibility toward her future

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Activity 3: understand how insurance work

Lucy's Medical Insurance Coverage Lucy is currently covered by medical insurance through her employer. She pays a monthly premium of €103. • €30 copay for doctor visits • €10 copay for prescriptions • €0 copay for annual physicals • €50 copay for emergency room visits Additionally, Lucy is responsible for paying 20% of the cost of any medical procedures.	Declined Dental Insurance Lucy's employer offered her dental insurance for a monthly premium of €27. Despite the affordable cost, Lucy opted out of the insurance as she maintains good oral hygiene and believed that she could go without it for a couple of years.	Details of Lucy's Vision Insurance Coverage Lucy's employer provides vision insurance, with a monthly premium of €2. Her copay for eye doctor visits is €30, while the copay for prescriptions is €10. Additionally, she does not have to pay anything for her annual eye exam.
Renter's Insurance Rejection Lucy declined the opportunity to pay a monthly premium of €16 for her renter's insurance. Her area has a low crime rate, and she believes that the possibility of a fire or flood impacting her is improbable.	Lucy's Employer Provides Disability Insurance at No Cost Lucy's disability insurance coverage is fully funded by her employer, with no premiums, deductibles or copayments required from her.	Lucy's Auto Insurance Policy is Active Lucy currently pays €889 annually for her auto insurance, which is a legal requirement. Her policy includes coverage for glass replacement and towing, with a €300 deductible for claims.

Please note that the premiums used in this case study are national averages and do not take into account specific details such as age, location, and other important factors that can affect premium costs. It's important to remember that premiums can vary based on state requirements and other factors. While the premiums in this activity serve as examples, they should not be considered as definitive or applicable to everyone.

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Activity 3: understand how insurance work

Month	Incident	Which insurance would cover it?	Was Lucy covered?	What will be Lucy's payment? (If Lucy has insurance, what is the copay or deductible?)
January	Lucy fell ill and had to go to the doctor. If she didn't have insurance, she would pay €120 for the appointment and an additional €110 for the prescribed antibiotics.		Yes No	
March	While hiking, Lucy slipped on ice and had to receive stitches in the emergency room, which would result in a €250 bill due to a lack of insurance coverage.		Yes No	
July	Lucy's apartment sustained damage due to a kitchen fire that broke out next door, causing the sprinkler system to go off. Her couch, television, computer, and bookcase were ruined. The total cost of the damage came out to be €2,500. It is unfortunate that Lucy's neighbor did not have insurance.		Yes No	
September	While driving home from work, Lucy hit a deer. Luckily, she was unharmed, but the accident caused €3,400 worth of damage to her car.		Yes No	
October	While picking fruit at a nearby farm, Lucy got dirt in her eye. After her eye became red and swollen, she went to the eye doctor. The doctor prescribed eye drops to treat her condition. However, without insurance, the appointment would cost her €150, and the eye drops were an additional €90.		Yes No	

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Activity 3: ANSWER GUIDE

Month	Incident	Which insurance would cover it?	Was Lucy covered?	What will be Lucy's payment? (If Lucy has insurance, what is the copay or deductible?)
January	Lucy fell ill and had to go to the doctor. If she didn't have insurance, she would pay €120 for the appointment and an additional €110 for the prescribed antibiotics.	Medical	Yes	€30 copay for doctor visit; €10 copay for prescription
March	While hiking, Lucy slipped on ice and had to receive stitches in the emergency room, which would result in a €250 bill due to a lack of insurance coverage.	Medical	Yes	€50 copay for emergency room
July	Lucy's apartment sustained damage due to a kitchen fire that broke out next door, causing the sprinkler system to go off. Her couch, television, computer, and bookcase were ruined. The total cost of the damage came out to be €2,500. It is unfortunate that Lucy's neighbor did not have insurance.	Renter's	No	€2,500 (She replaces the damaged items)
September	While driving home from work, Lucy hit a deer. Luckily, she was unharmed, but the accident caused €3,400 worth of damage to her car.	Auto	Yes	€300 deductible
October	While picking fruit at a nearby farm, Lucy got dirt in her eye. After her eye became red and swollen, she went to the eye doctor. The doctor prescribed eye drops to treat her condition. However, without insurance, the appointment would cost her €150, and the eye drops were an additional €90.	Vision	Yes	€30 copay for doctor visit, €10 copay for prescription

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MODULE 6

ACTIVITY 4: INSURANCE RISK ASSESSMENT SIMULATION

Learning Objectives

1. Identify risks
2. Weigh the benefits of having insurance
3. Understand the consequences of not having insurance

Duration

45-60 mins

Level

- ☐ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Paper or virtual templates of risk assessment forms
- Pens or computers for participants to complete the forms
- Scenarios or case studies related to different types of insurance (e.g., auto, home, business)

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Activity 4: Insurance Risk Assessment Simulation

Descriptions

- Provide a brief overview of insurance risk assessment and its importance in the insurance industry.
- Explain that participants will be engaging in a simulation exercise to assess risks and determine appropriate insurance coverage.
- Present a scenario or case study related to a specific type of insurance (e.g., auto insurance).
- Describe the context, potential risks, and relevant factors to consider.
- Distribute risk assessment forms or provide a digital version for participants to complete.
- The form should include fields for identifying risks, assessing their likelihood and impact, and suggesting appropriate insurance coverage.
- Instruct participants to individually assess the risks presented in the scenario and complete the form accordingly.
- Divide participants into small groups (3-5 participants per group).
- Instruct the groups to discuss their risk assessments, share their findings, and reach a consensus on the recommended insurance coverage.
- Have each group present their risk assessment findings and recommend insurance coverage to the rest of the participants.
- Allow time for questions, feedback, and discussions after each presentation.

Wrap-up and Conclusion

- Recap the main concepts covered during the activity.
- Provide any final remarks, additional insights, or resources for further learning.

Debriefing questions

01

what did you find most challenging about conducting a risk assessment for insurance purposes?

02

How would you apply the knowledge and skills gained from this activity to real-life insurance scenarios or decision-making

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Activity 4: Insurance Risk Assessment Simulation

Scenario 1: Home Insurance

Context: A homeowner living in a region prone to natural disasters such as hurricanes and earthquakes.

Risks:

1. Natural Disasters: Assess the likelihood and potential impact of hurricanes and earthquakes on the property.
2. Burglary: Evaluate the risk of theft or burglary based on the location and security measures in place.
3. Fire: Consider the risk of fire accidents and potential damage to the property.

Scenario 2: Auto Insurance

Context: A young driver planning to purchase a new car and obtain auto insurance coverage.

Risks:

1. Accidents: Evaluate the risk of accidents based on the driver's experience, driving record, and local traffic conditions.
2. Theft: Assess the likelihood of the car being stolen based on its make, model, and security features.
3. Property Damage: Consider the risk of damage to the car due to vandalism or severe weather conditions.

Scenario 3: Business Insurance

Context: A small business owner operating a bakery in a leased commercial space.

Risks:

1. Liability: Assess the risk of customer injuries or property damage within the bakery.
2. Business Interruption: Evaluate the potential impact of unexpected events (e.g., power outage, equipment failure) on business operations and revenue.
3. Product Liability: Consider the risk of product-related claims or lawsuits due to issues like food contamination or allergic reactions

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MODULE 6

ACTIVITY 5: CLAIMS INVESTIGATION ROLE-PLAY

Learning Objectives

1. Provide participants with hands-on experience in claims investigation and negotiation on insurance
2. Allow participants to understand the various aspects involved in the process and develop essential skills.

Duration

1-2 hours

Level

- [ ] Beginner
- [ ] Intermediate
- [x] Advanced

Materials /Resources

- Scenario descriptions (prepared in advance)
- Role assignment cards (insurance adjuster, policyholder, witness, etc.)
- Claim investigation checklist/guidelines

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Activity 5: Claims investigation role-play

Descriptions

- Provide participants with a brief overview of the claims scenario, such as a car accident or property damage incident.
- Describe the roles involved in the scenario, including insurance adjusters, policyholders, and potential witnesses.
- Distribute role assignment cards to each participant, ensuring an equal distribution of roles.
- Present an overview of the claims investigation process, including the following steps.
- Share a claim investigation checklist or guidelines that participants can refer to during the activity.
- Discuss the importance of gathering evidence, interviewing witnesses, assessing damages, and documenting findings.
- Allow participants to immerse themselves in the role-play activity, where they act out their assigned roles based on the provided scenario.
- Encourage participants to engage in realistic conversations, interviews, and negotiations while adhering to the claims investigation process.
- Discuss effective communication techniques, problem-solving strategies, and techniques for reaching a fair settlement.

Wrap up

- Summarize the main points covered during the training activity.
- Facilitate a group discussion to reflect on the role-play activity.
- Ask participants to share their experiences, challenges, and lessons learned during the claims investigation process.
- Address any questions or uncertainties raised by the participants.
- Highlight key takeaways and best practices observed during the activity.
- Reinforce the importance of proper claims investigation and effective negotiation skills in the insurance industry

Debriefing questions

01
What were some of the challenges you encountered during the claims investigation process?

02
Were there any unexpected findings or outcomes during the role play? How did you adapt to those situations?

03
What lessons did you learn from this claims investigation role play activity? How can you apply them in real-life scenarios?

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Activity 5: Claims investigation role-play

Scenario 1: Car Accident

Description: John Smith is the policyholder who was involved in a car accident. Sarah Johnson is the insurance adjuster responsible for investigating the claim. There is a witness named Emily Davis who saw the accident occur. The objective is to investigate the accident, determine liability, assess damages, and negotiate a settlement.

Role Assignment:

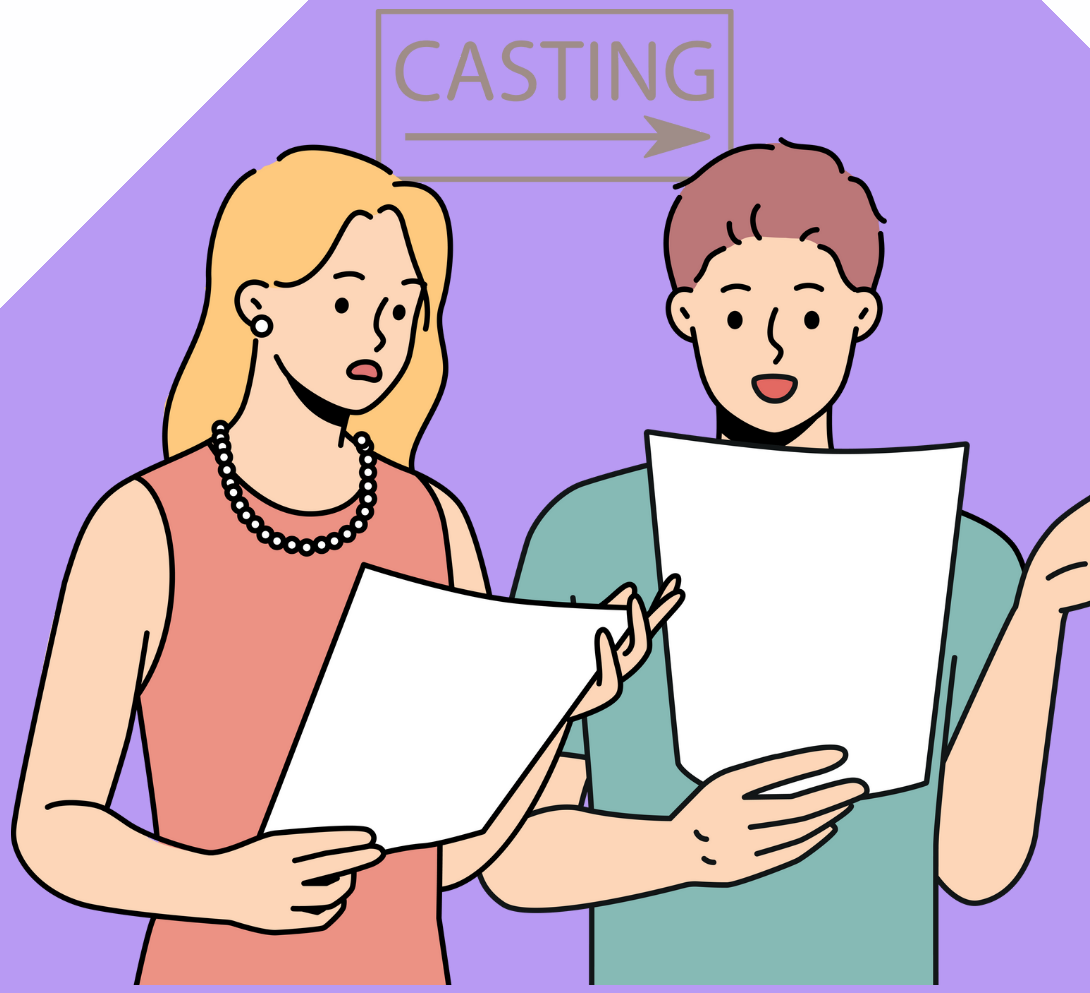
- John Smith: Policyholder
- Sarah Johnson: Insurance Adjuster
- Emily Davis: Witness

Scenario 2: Property Damage

Description: Amy Brown is the policyholder who experienced significant water damage in her home due to a burst pipe. Mark Thompson is the insurance adjuster assigned to assess the claim. There are no witnesses. The objective is to investigate the cause and extent of the damage, evaluate coverage, determine the appropriate repair/replacement costs, and negotiate a settlement.

Role Assignment:

- Amy Brown: Policyholder
- Mark Thompson: Insurance Adjuster



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Activity 5: Claims investigation role-play

Claims Investigation Checklist:

1. Gather Information:
    - Obtain the policyholder's details (name, contact information, policy number).
    - Collect accident/incident details (date, time, location, description).
    - Gather witness statements (if applicable).
    - Obtain any supporting documentation (photos, police reports, medical reports, etc.).
2. Assess Damages:
    - Inspect the damaged property or vehicle.
    - Document the extent of the damages and take photographs.
    - Determine if the damages are covered under the policy.
3. Determine Liability:
    - Interview the policyholder and any witnesses.
    - Analyze the circumstances of the accident/incident.
    - Review applicable traffic laws or relevant regulations.
    - Consider any potential contributory negligence.
4. Evaluate Coverage:
    - Review the policy terms and conditions.
    - Determine the applicable coverage limits.
    - Verify if the damages are within the policy coverage.
5. Estimate Repair/Replacement Costs:
    - Obtain repair/replacement quotes from qualified professionals.
    - Consider market rates for materials and labor.
    - Assess any depreciation or salvage value.
6. Document Findings:
    - Maintain a detailed record of all investigation activities.
    - Compile supporting documents, photographs, and witness statements.
    - Create a comprehensive report outlining the investigation findings.

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FLY PLAYBOOK

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MODULE 7

PERSONAL FINANCE SKILLS DEVELOPMENT

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Content

- Introduction
- Youth Skills for Financial Literacy
- Ways, Principles and Tools for personal finance skills development
- Activities:
  - Activity 1: Cash Flow Forecast
  - Activity 2: The Tools to Build Your Financial Dream
  - Activity 3: Sharpening Money Decisions
  - Activity 4: Playing an Investment game
  - Activity 5: Calculating Rate of return

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"PERSONAL FINANCE SKILL DEVELOPMENT REFERS TO THE PROCESS OF LEARNING AND ACQUIRING THE SKILLS, KNOWLEDGE, AND HABITS NECESSARY TO MANAGE YOUR PERSONAL FINANCES EFFECTIVELY"

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Introduction

Developing personal finance skills is important for individuals of all ages, including young people who are just starting out on their financial journey. By developing strong financial skills and habits early on, young people can set themselves up for financial success in the long term. Also, they can make informed decisions about their personal finances, improve their financial security and achieve their financial goals.

What is Financial knowledge and skills ?

Financial knowledge and skills refer to the understanding and ability to manage personal finances effectively. This includes the knowledge of financial concepts such as budgeting, saving, investing, and managing debt, as well as the ability to apply this knowledge to real-world situations. Financial knowledge involves an understanding of key financial concepts, such as interest rates, inflation, and risk management. It also includes knowledge of different financial products and services, such as stocks, bonds, mutual funds, and retirement accounts.

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Youth Skills for Financial Literacy I

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- Basic math skills: Having strong math skills is essential for managing money effectively. Youth should have a solid understanding of addition, subtraction, multiplication, and division, as well as basic algebra and percentages.

- Critical thinking skills: Financial literacy requires critical thinking skills, such as the ability to analyze financial information and make informed decisions. Youth should be able to evaluate different financial products and services, compare prices and fees, and assess the risks and rewards of different investment options.

- Budgeting skills: One of the most important skills for financial literacy is budgeting. Youth should know how to create a budget, track their income and expenses, and make adjustments to their spending habits as needed.

- Saving skills: Another key skill for financial literacy is saving. Youth should understand the importance of saving money and be able to develop a savings plan that works for them.

Youth Skills for Financial Literacy II

- Investing skills: Investing is an important aspect of financial literacy, and youth should understand the basics of investing, such as diversification, risk management, and compound interest.

- Communication skills: Good communication skills are important for financial literacy, as youth may need to negotiate with lenders, discuss financial goals with family members, or explain financial concepts to others.

- Technology skills: Technology is an important tool for managing money, and youth should be comfortable using financial apps, online banking, and other digital tools to manage their finances.

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Ways young people can improve their personal finance skills

1. Create a budget: Start by creating a budget that includes all your income and expenses. This will help you understand where your money is going and where you can make adjustments to save more.

2. Educate yourself: Read books, articles, and blogs on personal finance. Attend seminars or workshops or take online courses to learn more about financial planning, investing, and budgeting.

3. Start saving: The earlier you start saving, the more time your money has to grow.

4. Track your spending: Tracking your spending is an essential step in personal finance management. It involves keeping a record of all your expenses, including both fixed expenses (such as rent or car payments) and variable expenses (such as groceries or entertainment).

5. Avoid debt: Avoid taking on unnecessary debt and pay off any existing debt as soon as possible. Use credit cards responsibly and pay your bills on time to maintain a good credit score.

6. Invest wisely: Learn about different investment options and choose ones that align with your goals and risk tolerance.

7. Stay disciplined: Practice self-discipline and avoid impulse purchases.

Principles of Finance

1. Time value of money
2. Risk and return
3. Cash flow
4. Diversity
5. Profitability
6. Liquidity and hedging

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Tools for personal finance skill development

1. **Investing platforms:** Platforms such as Robinhood, Acorns, and Stash can help beginners learn about investing and start investing with small amounts of money.
2. **Personal finance blogs and podcasts**: There are many personal finance blogs and podcasts that offer advice and insights on managing money. Some popular examples include The Simple Dollar, ChooseFI, and Afford Anything.
3. **Financial planning software:** Software such as Personal Capital and Quicken can help with financial planning, retirement planning, and investment management.
4. **Credit monitoring services:** Services such as Credit Karma and Identity Guard can help monitor your credit score, detect fraud, and provide alerts when there are changes to your credit report.
5. **Financial literacy courses:** There are many online courses available that can help develop personal finance skills, such as those offered by Khan Academy and Udemy.

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HOW CAN YOUNGSTERS AVOID DEBT?

1. CREATE A BUDGET

Setting and following a budget is probably the most basic personal finance skill, yet only about one-third of people actually have a detailed budget. A budget is necessary to get a handle on where your money is going and to start deciding where you want your money to go

2. PRIORITIZE SPENDINGS

Make sure to prioritize spendings on essential items such as rent, utilities, and groceries. Avoid spending money on non-essential items that can lead to unnecessary debt.

3. SAVE FOR EMERGENCIES

Creating an emergency fund can help you avoid taking on debt when unexpected expenses arise. Aim to save at least three to six months' worth of living expenses in an emergency fund.

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4. USE CREDIT CARDS RESPONSIBLY

Credit cards can be useful tools, but they can also lead to debt if not used responsibly. Avoid carrying a balance on your credit cards and aim to pay your bills on time to avoid late fees and interest.

5. AVOID UNNECESSARY EXPENSES

Avoid unnecessary expenses such as eating out, buying expensive clothes or gadgets, or taking expensive vacations. Instead, focus on finding ways to save money on everyday expenses.

6. CHOOSE AFFORDABLE HOUSING

Housing is often one of the biggest expenses for young people. Choosing affordable housing can help you avoid taking on too much debt.

7. CONSIDER PART-TIME WORK

Taking on part-time work can be a good way to earn extra income and avoid taking on debt. Consider taking on a part-time job or freelance work to supplement your income.

HOW CAN YOUNGSTERS AVOID DEBT?

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ACTIVITIES MODULE 7

PERSONAL FINANCE SKILL DEVELOPMENT

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MODULE 7

ACTIVITY 1: CASH FLOW FORECAST

Learning Objectives

1 Introduce the Cash-Flow tool and its utility

2 Showcase how decisions and unexpected reasons can influence personal finances

Duration

1 hour

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Cash flow template (xls or printed)
- Printed Case study, paper & pencils

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Activity 1: Cash Flow Forecast

Descriptions - Activity steps

Prepare the material: The activity is a case study called "Jumbo Toys".

Start the activity: begin the activity by introducing the case study and explaining the basics on how to fill in the cash-flow template with future income, expenses and how to project if the shop will have the financial capability to overcome unexpected expenses and what alternative ways to use to improve the cash-flow forecast. Distribute the case study sheet and let them fill in the relevant fields and provide you with an answer.

Round-table discussion: end the activity with a round-table discussion where participants can justify their initial choice and the changes they made. This will help them reflect on their decisions and share the knowledge they have acquired with others. Encourage participants to ask questions and engage in a constructive discussion.

Wrap up: Finally, wrap up the activity by summarizing the key takeaways and providing participants with additional resources for learning relevant videos and additional activities in order to encourage participants to continue learning and practicing their skills.

Debriefing questions

01

Why is cash flow important?

02

What is the difference between profit and cash flow?

03

How to improve cash flow?

Additional Material

- https://www.tes.com/teaching-resource/cash-flow-forecasting-video-and-activity-resource-with-calculation-answers-12291514
- https://www.richdad.com/promotions/cashflow-classic-evergreen

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Activity 1: Cash Flow Forecast

Case Study

Add in the following data:

- The shop estimates the following cash sales each month:
  September - €2500
  October - €3500
  November - €5000
  December - €5500
  January - €1000
  February - €1500
- The stock is bought on **1 months credit,** in each month the shop estimates ordering:
  August - €1000
  September - €1500
  October - €2000
  November - €3000
  December - €1000
  January - €1000
- The Balance brought forward (opening balance) for August is €5000
- The Staff have wages of €1000 per month to be paid
- The Utilities bills are paid every three months (Jan, Apr, July, Oct) and are €500
- The mortgage repayment is €1200 each month

Extention

In October the shop roof starts to leak and must be repaired immediately. It costs €5000 which the owner claims on the insurance. Unfortunately the insurance money will not be paid until January.
Will the business be able to pay for the repairs?

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MODULE 7

ACTIVITY 2: THE TOOLS TO BUILD YOUR FINANCIAL DREAM

Learning Objectives

1. Explore why debt occurs and how to prevent it
2. Learn how debt impacts credit potential
3. Discover actions to alleviate debt

Duration

2 hours

Level

- [x] Beginner
- [ ] Intermediate
- [ ] Advanced

Materials /Resources

- Projector, Computers or tablets, Internet access
- Participants activity sheet

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Activity 2: Playing an investment game

Descriptions - Activity steps

Whole-class introduction: Ask participants to name some things people invest in. Answers may include stocks, real estate, or classic cars. Read the “Exploring key financial concepts” section to participants. Be sure participants understand key vocabulary.

Group work: Tell participants they’ll work in groups to review scenarios that affect the stock of an imaginary company. Divide participants into five groups. Distribute the “Playing an investment game” worksheet to each student. Give each group two scenario strips. Make sure they’re face down so participants can’t see the text. participants will turn over the first strip and review the scenario.They’ll complete the game card on the worksheet for that scenario.

- As part of this process, they’ll brainstorm why they think the stock price rose or fell with each scenario. They’ll record their thinking on the game card. participants will turn over the second strip and review that scenario. They’ll complete the game card for that scenario.
- Again, they’ll record their hypotheses on why the stock rose or fell. Each group will record their final stock price on the game card. participants will then answer the reflection questions on their own.

Wrap-up: Bring participants back together and ask each group to share their final stock price and what happened to cause the price change. Identify the team that ended up with the highest stock price and have participants explore how that team’s experience differed from some of the other teams.

- Ask participants to consider the unpredictability of the scenarios they received and how that relates to the riskiness of stocks.
- Explain that a stock that “wins” today won’t necessarily “win” tomorrow.

Debriefing questions

01

How risk affects decision making?

02

Given the risks and rewards of stocks, would you consider investing in stocks in the future?

03

Do you consider that the use of stock prize patterns can reduce the risk?

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Activity 2: Playing an investment game

Scenario

Each group starts with one share of We Make Cool Tech Stuff Inc. stock.

- This company is a gadget and software manufacturer.
- You paid $100 for one share of this stock.

Take two scenario strips. Each details an event that affects the company's stock price.

- Review one strip at a time.
- On the game card, record what happens in each scenario and why you think the stock price rose or fell.

Game card

Scenario 1	Scenario 2
Starting stock price	Stock price after scenario 1
€100	€
Change in stock price	Change in stock price
Why do you think this had a positive or negative effect on the stock price?	Why do you think this had a positive or negative effect on the stock price?
Stock price after this change	Final stock price
€	€

Debriefing questions

01

How risk affects decision making?

02

Given the risks and rewards of stocks, would you consider investing in stocks in the future?

03

Do you consider that the use of stock prize patterns can reduce the risk?

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Activity 2: Playing an investment game

Scenario - Answer Guide

Scenario	Possible reason(s)
Scenario 1: The company recalls 100,000 gadgets to repair a glitch. The stock price falls €10.	Recalling and repairing the gadgets would increase the company's costs. In addition, potential buyers might decide not to buy the gadget even if the glitch is repaired. These factors could reduce the company's profits.
Scenario 2: The company's gadget sales are higher than expected. The stock price rises €10	Higher sales oftenlead to higher profits
Scenario 3: A rival company launches a competing gadget. The stock price falls €20.	A competing product could cut into sales, which could reduce profits.
Scenario 4: A hurricane damages the company's biggest gadget factory. It'll take two months to complete repairs and resume production. The stock price falls €30.	The company will produce fewer gadgets duringthe repairs, which means sales will be lower than projected. That could reduce profits.
Scenario 5: The company finds a way to cut the cost of making gadgets.The stock price rises €20.	Lower production costs mean the company can make more money on each gadget it sells. That could increase profits.
Scenario 6: The company starts selling gadgets in two new countries. The stock price rises €30.	Finding new places to sell a product usually increases sales. That could increase profits.

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Activity 2: Playing an investment game

Scenario - Answer Guide

Scenario	Possible reason(s)
Scenario 7: A celebrity is seen using the company's newest gadget. The stock price rises €35.	When celebrities endorse something or are believedto like something, many people want to followthem. That could increase profits.
Scenario 8: The company's chief executiveofficer is involvedin a scandal. The stock price falls €40.	Investors might not want to support companies run by people who behave unethically. In addition, possible management changes might disrupt the company's operations. These factors could lower profits.
Scenario 9: The company comes out with the most popularapp of the year. The stock price rises €60.	Popular apps are purchased by many people. This results in increasedsales and increasedattention. That could increaseprofits.
Scenario 10: After batteriesin the gadget explode, a huge lawsuit is brought againstthe company. The stock price falls €80.	People might be concerned that the companywould lose the lawsuit and have to pay a lot of money. That could lower profits.
Scenario 11: The company is bought by the leading tech company in America. The stock price doubles	A company's stock price often rises when it's acquired by another company.
Scenario 12: The store chain that usually places the highest orders for the company's gadgets goes out of business.The chain closes 1,000 stores across the country. The stock price falls €30.	The company's gadgets will be sold in fewer stores. This could reduce sales, which could lower profits.

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MODULE 7

ACTIVITY 3: SHARPENING MONEY DECISIONS

Learning Objectives

1. Assess personal spending behavior
2. Understand the concept of opportunity cost
3. Evaluate spending choices when it comes to personal wants versus needs

Duration

1 hour

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Speakers and the song “If I Had a Million Dollars” by Ed Robertson and Steve Page
- Participants activity sheet

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Activity 3: Calculating rate of return

Descriptions - Activity steps

Prepare the materials: Print copies of materials for each participant, or prepare them to access electronically; make sure participant have access to calculators.

Start the activity: Ask participants whether they think all investments will earn the same amount of profit and to share the reason for their answer. Ask participants why it's important to track how well an investment is doing. Explain that calculating rate of return can help them determine how well their investment is making money. Read the "Exploring key financial concepts" section. Be sure participants understand key vocabulary. Distribute the "Calculating rate of return" worksheet and ask them to calculate rate of return on several financial and non-financial investments using the formula on their worksheets.
Explain that while they use the investment's purchase price to calculate rate of return, the actual rate of return would also involve adding all the costs related to an investment, such as mortgage interest for a house, to the purchase price.

Participants can work in pairs, but they should complete their own worksheet. Once participants finish the calculations, they'll complete a "quick write" tasks. Give them 8–10 minutes to choose and respond to one of the three open-ended prompts about investing appear in the worksheet.

Round-table discussion: End the activity with a round-table discussion where participants can justify their initial choice and the changes they made. This will help them reflect on their decisions and share the knowledge they have acquired with others. Encourage participants to ask questions and engage in a constructive discussion.

Wrap up: Finally, wrap up the activity by summarizing the key takeaways and providing participants with additional resources for learning such as videos and activities.

Debriefing questions

01
What is rate of return?

02
How does rate of return help you determine how well investments have performed?

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Activity 3: Calculating rate of return

Descriptions - Activity steps

An investment's value can rise and fall over time — you could lose some or all of your money.
The rate of return is the profit or loss on an investment expressed as a percentage. You can calculate rate of return on typical financial investments (such as stocks and bonds) as well as non- financial investments, such as works of art, vintage cars, or otheritems. Calculating the rate of return can help you see how your investment is performing and compare it with other investments.
To calculate rate of return, use this simple formula with two variables:

Rate of return = (Net profit or loss / initial investment) x 100

- Net profit or loss: The amount of money you gained or lost from the investment
- Initial investment: The amount you originally invested

After finishing the relevant table proceed with the following Writing prompts:
Choose one of the following writing prompts to respond to for this "quick write" task. Your teacher will tell you when to start writing. Write in the space below. Keep writing until your teacher says "stop."

1. People are often tempted to invest in "get rich quick" schemes. Why might an investor be tempted to do that despite the risks?
2. What types of investments are you most likely to make in your own life? Why do you think these investments would help you reach your goals?
3. Some people don't invest because it may seem too complicated or they may be afraid of losing money. How would you convince someone that investing is a valuable strategy to help them meet their financial goals?

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Activity 3: Calculating rate of return

Descriptions - Activity steps

Financial investments

Initial investment	Current value	Net profit or loss	Rate of return
You put €10,000 in a mutual fund.	The investment grew in value to €10,500.		%
You bought government-issued bonds for €8,800.	The bonds are now worth €10,000.		%
You put €15,000 in a money market deposit account.	The account is now worth €15,800.		%
You bought €1,000 worth of cryptocurrency.	The cryptocurrency is now worth €1,070.		%
You bought 10 shares of stock for €12.50 each.	You held the shares for many years and then sold the shares for €27.15 each for a current total value of €271.50.		%

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Activity 3: Calculating rate of return

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Descriptions - Activity steps

Non-financial investments

Initial investment	Current value	Net profit or loss	Rate of return
You bought a house for €75,000 and spent €35,000 on renovations	You owned the house for five years and then sold the house for €160,000.		%
Your grandfather sold you his 1964 classiccar for 2,200, the price he paid for it. You spent €10,000 to restore it.	You sold the car for €20,000		%
You bought a painting at a garage sale for €20. You learned it was done by a popular local artist	You sold the painting for €1,000		%
You bought a limited edition pair of sneakers for €300.	You sold the unworn sneakers to a collector for €500.		%
Your aunt bought 100 collectible stuffed animals for €5 each while she was a teenager, when the toys were popular.	Ten years later, she sold her collection to a neighborfor €100		%

MODULE 7

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ACTIVITY 4: PLAYING AN INVESTMENT GAME

Learning Objectives

1. Learn how various factors or events can affect stock prices
2. Understand the importance of considering risk when making investment decisions

Duration

2 hours

Level

- ☐ Beginner
- ☑ Intermediate
- ☐ Advanced

Materials /Resources

TEACHER GUIDE
Playing an investment game (guide)

STUDENT MATERIALS
Playing an investment game (worksheet)

SCENARIOS (from the stock scenarios section of this guide)

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Activity 4: The Tools to Build Your Financial Dream

Descriptions - Activity steps

Investigate: Financial Resources and Recordkeeping

1. Open the class by asking participants what possessions they value most. Is it their bike? Comic book or video game collections? Invite volunteers to describe their most valuable possessions and where they're stored for safe keeping, whetherit's under the bed or in a locked drawer or safe. Also ask how their possessions are organized: Are books organized alphabetically or by subject category? Or are they jumbled together in no particular order?

2. Explain that just as it's important to securely store valued possessions, so should your personal financial records be well-organized and stored safely —things like outstanding bills and payment receipts, bank and credit card statements, paystubs and other job-related paperwork, insurance policies, car loan documents—anything that has a financial component.

3. Stress the need for taking extra care to protect certain other important documents that contain confidential personal information such as their Social Security card, driver's license, passport, credit and debit cards and health insurance card. Ask participants where they keep important documents like these and discuss with the class whether they are taking enough precautions to keep their personal information safe. Remind them of the potential downsides of having this information lost or stolen.

4. Remind participants that by properly cataloging and storing their financial and legal paperwork, they'll save a lot of time and anxiety when it comes to budgeting, tracking spending, paying bills, filing taxes—even gathering the information they'll need to apply for college and financial aid. Quick access to important account information also makes it easier to contact banks or other institutions in the event of an emergency, like a stolen wallet or lost ATM card.

5. Ask participants how long they think financial paperwork should be retained before it can safely be tossed. Let them know that many financial records should be kept for at least seven years in case of an income tax audit down the road. Some documents should be retained indefinitely, including mortgage and car loan documentation, records showing stock and mutual fund purchases, and personal documents like birth certificates, passports and Social Security cards.

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Activity 4: The Tools to Build Your Financial Dream

Descriptions - Activity steps

6. Remind participants that there are many systems for organizing financial paperwork. Many people maintain file folders in which they store hard copies of important documents. One good system is to keep a single folder for unpaid bills; once they've been paid, file the receipt in that company's or subject's folder (for example, have separate files for utilities, credit cards, bank accounts, health insurance, car insurance, etc.) Tell participants that they can also store financial records digitally, to save space.
However, stress that they should also keep a backup of their digital files on a flash drive, external hard drive or some other storage method, in case their computer crashes.

7. Distribute the My Recordkeeping Plan activity sheet and give participants 10 minutes to fill in their account information and where they plan to keep their important financial records. If needed, they can fill in any remaining addresses or contact information at home. Let participants know that it's also important to maintain a schedule with bill due dates and to regularly review all budgets and incoming statements for accuracy. When will they review their paperwork? Monthly? Weekly? On the activity sheet, have participants record the days when they usually receive their paychecks or allowance, and the dates when any bills they have are due.

Participants Preparation: Choosing Tools for the Job

8. Next, remind participants that there are many free and low-cost tools for tracking and managing their finances, including telephone banking, online budgeting tools (spreadsheets, calculators), tax preparation software and more. Give participants ten minutes to explore the following websites and the kinds of tools they offer, including budgeting spreadsheets, investment calculators, tools for tracking and categorizing tax deductions, etc. Ask them to indicate on their activity sheets which, if any, tools they would like to use in order to keep their finances organized: Quicken, Mint.com, Yodlee, Mvelopes.

Quicken | Mint.com | Yodlee | Mvelopes

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Activity 4: The Tools to Build Your Financial Dream

Descriptions - Activity steps

Challenge: Financial Advisors

9. Ask participants to think about their school counselor or advisor. What is their job? What advice do they give ? Introduce the concept of working with a personal financial advisor. Explain that like having a school counselor who helps and guides participants on classes, homework and goals, many people who need to start setting long-term financial goals seek the assistance of a professional financial advisor. Financial advisors offer guidance on things like:

- Determining long-term financial goals (like college, home ownership, family, retirement) and how to meet those goals.
- Advice on investing your money, including determining your tolerance for risk (low-risk savings options like savings accounts have less potential for growth and keeping up with inflation).
- Strategies for getting out of debt.
- Changing financial goals as your family situation changes (for example, marriage, divorce, birth of a child, new job or layoff).
- Structuring savings and investments tax-effectively. Estate planning.

Debriefing questions

01
How can I use the tools available to reach my financial goals?

02
Why book keeping is essential?

03
What does a financial advisor?

Extention Idea

If the participants have tablets or smartphones, encourage them to check out the Mint.com app featured on the Quicken.com website. They can also visit TurboTax to see examples of how their tools can help youth organize financial data for their taxes

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My Recordkeeping Plan

Record keeping is no fun, but compared to tearing the house apart looking for a paystub or your bank's contact information, it's a small price to pay. Knowing how long records should be kept and coming up with a system for saving bills and papers is also an important aspect of staying on top of your finances. Fill in the information about your accounts, payment schedule and record keeping plan below. Then keep the form with your records at home, updating it when any account or payment information changes. Important: Leave blank any personal information that should not be shared publicly - account numbers, Social Security or driver's license numbers, etc

1. What is the name and contact information for your bank? _______________
2. What are the names and contact information for any other accounts you have, such as a cell phone account or car loan? _____
3. Where will you keep the following records? Indicate where you plan to store hard copies or online records of each item.
   Paystubs and W-2 form: _____
   Bank statements: _____
   Where will you keep other accountstatements (phone, car insurance etc.): _____
   Where will you keep your Social Security card, passport or other items: _____
   Budget and receipts:: _____
4. Knowing when your bills are due and having a set time when you will review your budget, spending, and account statements for errors is also key. Indicate whichdays of the month you plan to do the following:
   Pay monthly bills (phone, bus pass etc.): _____
   Receive your paycheck or allowance: _____
   Review bank and other statements for errors: _____
   Compare your spending to your budget and adjust your budget as needed: _____
5. There are many online tools and resources that can help you keep on top of your financial records. Spend 5 minutes researching the resources available at the following websites to help determine whether any would be helpful to you.
   - Quicken.com
   - Mint.com
   - Yodlee.com
   - Mvelopes.com

As you organize your records and work toward your financial goals, which online tools will you use to manage your finances? ____

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MODULE 7

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ACTIVITY 5: CALCULATING RATE OF RETURN

Learning Objectives

1 Understand how rate of return helps measure investments' performance

2 Use a simple rate of return formula to calculate investments' gains or losses

Duration

1 hour

Level

- ☐ Beginner
- ☑ Intermediate
- ☐ Advanced

Materials /Resources

- Calculating rate of return (Guide & Worksheet)
- Calculators

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Descriptions - Activity steps

Start the activity: Begin by playing the song “If I had a Million Dollars” as particip arrive to class. Write the figure $1,000,000 on the board, and ask participants what they would do if they had a million dollars.

Have participants write in their notebooks about how they would spend the money. Next, invite volunteers to share their answers, recording their ideas on the board. Explain that the lesson is all about spending responsibly, whether you have a million bucks or ten. Ask participants: What is the difference between a want and a need? Invite volunteers to share their ideas. Remind them that needs are items we must have to survive (food, shelter, clothing), while wants are things that are nice to have, but not really necessary. Next, tell participants they are going to organize their million-dollar purchases, separating the wants from the needs. Read each purchase from the board and ask them to raise their hands if they believe the purchase is a “want” or a “need.” There will likely be some disagreement among participants. Use them as an opportunity to debate the differences between a want and a need, and how our values are linked to the purchases we make. Explain that distinguishing between wants and needs also means evaluating all options before making a purchase. Ask small groups to discuss the following scenario over five minutes: You have €200 and you can either buy a video game console or a digital camera. Which do you buy and why? Why can’t you buy them both? Invite groups to share their reasoning. Explain that whenever we make a spending decision, choosing one option affects whether or not we can make the other choice. Tell participants this is called opportunity cost. Distribute the activity sheet Wishful Wants or Necessary Needs? and explain that they will now get to evaluate the needs and wants at play in several different examples. Working in groups of four to five, participants should determine the wants and needs in each scenario and justify their reasoning. Invite groups to present their findings to the class, and then discuss why certain expenses are wants while others are needs.

Wrap up: Finally, wrap up the activity by summarizing the key takeaways and providing participants with additional resources for learning relevant videos and additional activities in order to encourage them to continue learning and practicing their skills.

Debriefing questions

01

How can I spend my money responsibly?

02

What is the difference between a want and a need?

03

Would they spend the money in the same way? Why or why not?

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Case Studies

Case Study 1

Casey is preparing to leave for college in the fall. She lives in New York, but will be going to school in California, so she is planning on buying a car to get her there. She wants to buy something reliable, so she is decidingbetween a new car that will cost $17,000 with zero miles and a navigation system and a three-year-old car with 7,000 miles and no navigation system for $12,000.She has $10,000 in savings that she will use for the purchase and she'll take out a loan for the remaining amount.

What are the wants?

What are the needs?

What decision would you make and why?

Case Study 2

Tom has been saving for a new laptop for the past six months. He's done his research and found a model that experts say will more than meet his needs. But new, it costs $3,000. He also found a refurbished version of the same computerwith all of the same features online for $1,500. The refurbished laptop comes with a warrantyand Tom bought a refurbished portable music player from the same companywith no problems. Tom's third option is a brand new laptop that costs $1,800 and has all of the features he needs but not all of the ones he wants.

What are the wants?

Whatare the needs?

Whatdecision would you make and why?

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Activity 5: Sharpening Money Decisions

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Case Studies

Case Study 3:

Stephanie received $500 from her grandparents for her high school graduation. She's been longing to buy a new watch and update her wardrobe because she's starting a new job in two weeks, but next month she's moving out on her own and will need to pay three months rent in advance, which totals $1,500. If she uses the money to buy the watch and clothes, she thinks she can save enough money from her new job to pay for rent, but she's not sure.

What are the wants?

What are the needs?

What decision would you make and why?

Case Study 4:

Michelle's been invited to go to a three-day concert with her friends. The only catch is that it's a 9-hour drive, and traveling for an entire weekend means she'll need lots of cash. She estimates that gas, food, tickets and camping will cost around $400. She has a car payment of $250 coming up and her $89 cell phone bill is due at the end of the month. She also needs to buy her mom a birthday gift, which she thinks will cost $50. She has $700 in savings.

What are the wants?

What are the needs?

What decision would you make and why?

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Case Studies - Answers

Case Study 1:

Casey needs a car to move her belongings across the country,but a brand-new car that will put her $7,000 in debt is a want. The best decision in this case is to select the used model. Even though it may not have all the bells and whistles of a new car, it is still reliable with low miles and it meets Casey's needs.

Case Study 2:

Tom has done a good job of researching all of his options. He needs a new laptop, but the expensive model is a want. He's discovered that he can meet both his needs and his wants by purchasing a refurbished version.Since the refurbished model carries a warranty and Tom has had a good experience with the companyin the past, he should go ahead and buy the refurbished computer.

Case Study 3:

Rent money is the primary need, while the new watch and clothes are wants. While Stephaniemay want to buy a new watch and clothes,she needs to pay rent first before making other purchases.

Case Study 4:

Michelle should take care of her bills first, and then decide if she wants to spend less on her mother's gift in order to afford the concert, or skip the concert and put the money into her savings account. Help participants see that our values are closely linked to the decisions we make about money. If Michelle values giving her mother a gift, she may want to sacrifice the concert to be able to afford a nice gift.

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FLY PLAYBOOK

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MODULE 8

TAXES AND PENSION

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Content

- Introduction
- Context and background
- Taxes and pension
- Tax Obligations and Types of Taxes
- Keep in Mind and Resources for Tax Assistance
- Types of Pensions and Benefits of Starting Early
- Contribution Strategies and Key Areas
- Activities:
    - Activity 1: Retirement matters
    - Activity 2: Retirement saving goals challenge
    - Activity 3: Taxes, Taxes, Taxes
    - Activity 4: Picture your retirement
    - Activity 5: Secure your retirement against inflation

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"IT'S NICE TO GET OUT OF THE RAT RACE, BUT YOU HAVE TO LEARN TO GET ALONG WITH LESS CHEESE."

GENE PERRET

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Introduction

According to the Z Generation Financial Health Report, the majority of young people have limited or no knowledge of taxes. Since they do not have enough information about taxes, they cannot even think of retirement and what they should do to invest until their retirement.

When considering pension planning, it's important to take into account factors such as inflation and the rising cost of living. In addition to paying into social security or a private retirement fund, it may be beneficial to diversify your investments to mitigate these risks. Some options for additional forms of saving could include:

- Investing in stocks or mutual funds
- Owning rental property for passive income
- Contributing to a Health Savings Account (HSA) for healthcare expenses in retirement

It's also important to regularly review and adjust your retirement plan as your circumstances and goals change over time. By taking a proactive approach to retirement planning, you can increase your chances of achieving financial security and enjoying a comfortable retirement.

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Context and Background

Countries typically have national pension systems that provide retirement benefits to their citizens. These systems are often funded through contributions from both employees and employers. Young people should familiarize themselves with the pension system in their country, including eligibility criteria, contribution rates, and the expected benefits.

Each country has a designated **retirement age** at which individuals become eligible for full retirement benefits. However, several countries have been increasing the retirement age due to demographic changes and financial sustainability concerns. Young people should **stay updated** on any changes to the retirement age and plan their savings accordingly.

Tax laws can significantly impact retirement savings and pension benefits. Young people should be aware of **tax incentives** available for retirement savings, such as tax-deductible contributions to pension plans or tax-free investment gains within certain retirement accounts. Understanding the tax implications of different retirement options can help optimize savings strategies.

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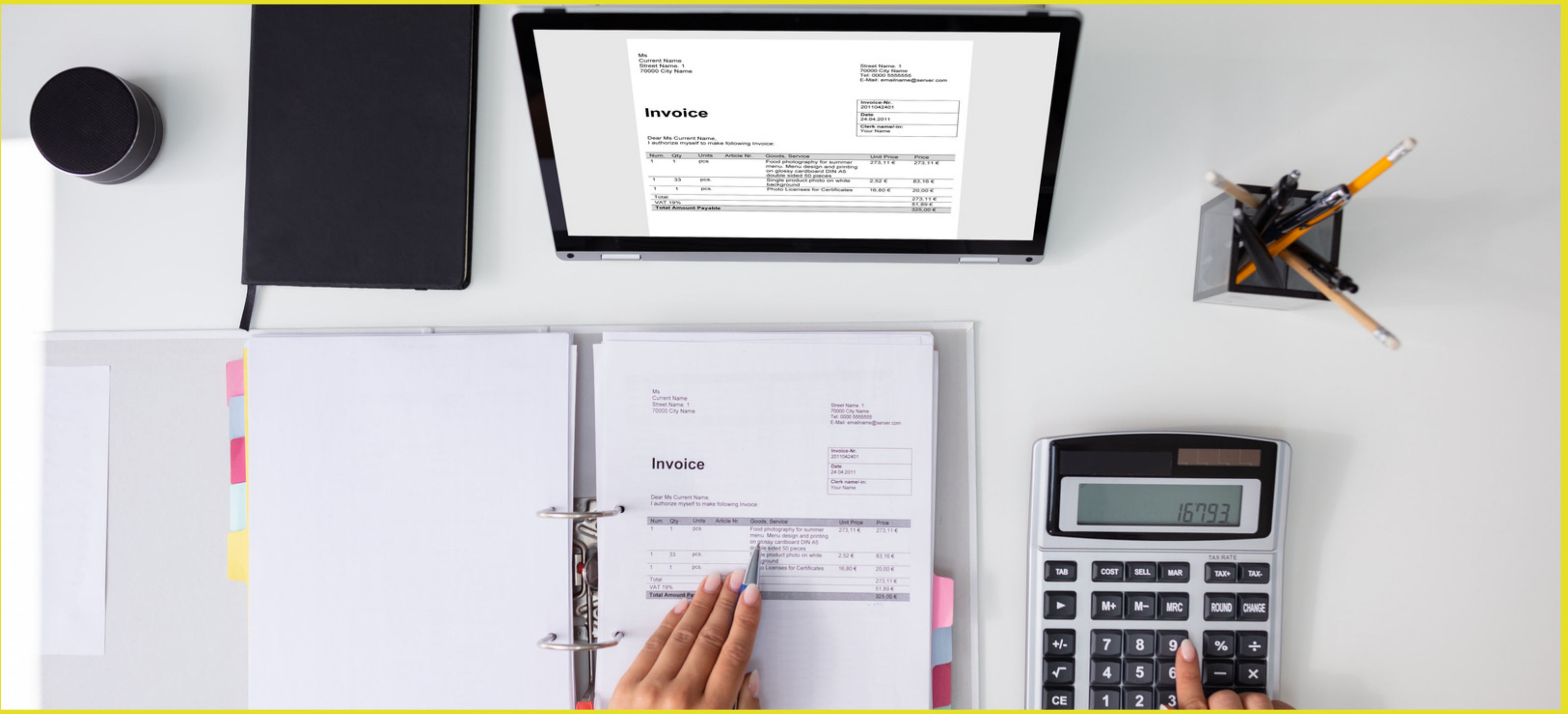

Taxes are:

Taxes are mandatory charges or fees levied on individuals or corporations by the government that finance public goods and services that benefit the community, such as education, transportation, healthcare, or infrastructure development.

Taxes are required payments of money to governments, which use the funds to provide public goods and services for the benefit of the community as a whole. Understanding taxes is an important part of managing your money, both now and in the future.

Pension is:

A pension is a retirement plan designed to provide you with a regular income after you stop working. It is a long-term savings vehicle that helps you accumulate funds over your working years to support your lifestyle in retirement.

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Tax Obligations

The funds collected from taxes are used to provide essential public services and infrastructure that benefit everyone—for example, taxes fund schools, hospitals, roads, public transportation, and social welfare programs. By paying taxes, individuals **contribute** to the well-being and development of their communities and society.

As a taxpayer, you have certain obligations to fulfill. These include obtaining a tax identification number, filing your tax return accurately and on time, and paying the taxes you owe. Filing your tax return involves **reporting** your income, deductions, and credits for a specific tax year. It's crucial to meet the **deadlines** to avoid penalties and interest on unpaid taxes. Fulfilling your tax obligations helps you stay compliant with tax laws and avoid potential legal issues.

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Types of Taxes

There are different types of taxes that individuals may encounter.

Income tax is a tax on the money you earn through employment or other sources. It is calculated based on income brackets, where different tax rates apply to different income ranges.

Sales tax or value-added tax (VAT) is a tax added to the price of goods and services when you make a purchase.

Property tax is based on the value of the property you own.

Social security contributions are deducted from your income to fund benefits like healthcare, pensions, and unemployment benefits.

Corporate tax is paid by businesses on their profits.

KEEP IN MIND

Deductions and credits can help reduce your tax liability. Deductions are expenses or costs that you can subtract from your taxable income, thereby lowering the amount of income subject to tax. Examples of deductions include student loan interest, mortgage interest, and certain medical expenses.

Tax credits, on the other hand, directly reduce the amount of tax you owe. For instance, if you have a tax credit of $500, it will reduce your tax liability by $500. Examples of tax credits include credits for having children, pursuing higher education, or adopting a child. Understanding deductions and credits allow you to take advantage of potential tax savings.

When you work for an employer, you receive a payslip showing how much money you earned and the deductions from your paycheck. These deductions include income tax, social security contributions, and other applicable taxes. Employers withhold these taxes from your paycheck and forward them to the tax authorities on your behalf. It's important to review your payslip to ensure accuracy and understand the various deductions being made.

Budgeting for your tax obligations is essential to stay financially prepared. Set aside a portion of your income to cover your tax liability. By doing so, you won't be caught off guard when it's time to pay your taxes. Budgeting for taxes ensures you have the necessary funds available and minimizes any financial strain.

Maintaining accurate records is essential for proper tax management. Keep track of your income, expenses, and relevant tax documents. Organize receipts, invoices, and bank statements systematically. Good record-keeping not only supports accurate tax reporting but also helps in the case of audits.

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Resources for Tax Assistance

1. Government Tax Websites:
    - Provide valuable resources, including tax forms, guides, FAQs, and calculators.
2. Online Tools and Guides:
    - Often include tax calculators, estimators, and step-by-step guides to assist you in accurately preparing and filing your taxes.
3. Tax Preparation Software:
    - Programs guide you through the tax filing process, prompting you to input relevant information and helping you maximize your deductions and credits.
    - Popular tax software options include TurboTax, H&R Block, and TaxAct. Choose one that suits your needs and budget.
4. Tax Professionals:
    - Have the expertise to handle intricate tax matters and ensure compliance with tax laws.
    - Provide personalized guidance, help you identify potential deductions, and assist in preparing and filing your tax returns accurately.
5. Community Tax Clinics:
    - Offer tax clinics or volunteer programs where trained individuals provide free or low-cost tax assistance to eligible individuals.
6. Online Tax Forums and Communities:
    - Provide you with a platform to ask questions, seek advice, and learn from others' experiences.
    - Participating in these communities can help you gain insights, stay updated on tax changes, and find answers to specific tax-related queries.

Remember, while these resources can be helpful, it is essential to exercise caution and verify the accuracy and credibility of the information obtained.

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TERMINOLOGY

TAXATION

REQUIRED PAYMENTS OF MONEY TO GOVERNMENTS, WHICH USE THE FUNDS TO PROVIDE PUBLIC GOODS AND SERVICES FOR THE BENEFIT OF THE COMMUNITY AS A WHOLE.

TAX DEDUCTION

AN AMOUNT (OFTEN A PERSONAL OR BUSINESS EXPENSE) THAT REDUCES INCOME SUBJECT TO TAX.

TAX CREDIT

A REDUCTION IN THE AMOUNT OF TAX OWED BASED ON CERTAIN CONDITIONS, SUCH AS INCOME LEVEL, FAMILY STATUS, OR INVESTMENT IN CERTAIN TYPES OF ASSETS.

TARIFF

A TAX ON PRODUCTS IMPORTED FROM FOREIGN COUNTRIES. THIS TAX CAN INCREASE THE COSTS OF THOSE PRODUCTS, WHICH ULTIMATELY CAN BE PASSED ON TO CONSUMERS AS HIGHER PRICES.

INTEREST

THE AMOUNT OF MONEY CHARGED BY A LENDER TO A BORROWER FOR THE USE OF BORROWED FUNDS

RETAIL

THE SALE OF GOODS OR PRODUCTS DIRECTLY TO CONSUMERS FOR THEIR PERSONAL USE OR CONSUMPTION

SALES TAXES

A TAX ON RETAIL PRODUCTS BASED ON A SET PERCENTAGE OF THE RETAIL PRICE.

TAX TREATY

AN AGREEMENT BETWEEN TWO COUNTRIES TO AVOID DOUBLE TAXATION OF INDIVIDUALS OR BUSINESSES THAT OPERATE IN BOTH COUNTRIES.

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Types of Pensions

There are different types of pensions you may encounter, depending on your country's pension system and your employment status.

1. **Workplace Pensions:**
    - These are employer-sponsored pension plans offered by companies to their employees.
    - Workplace pensions can be defined as benefit plans (based on salary and years of service) or defined as contribution plans (based on contributions and investment growth).
2. **Individual Retirement Accounts (IRAs):**
    - IRAs are personal pension accounts that individuals can set up independently.
    - They allow you to make contributions and invest funds for retirement, providing tax advantages depending on the type of IRA.

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Benefits of Starting Early

The Power of Compound Interest:

One of the most important concepts to understand is the power of compound interest. Starting your pension contributions early gives your money more time to grow through compounding. Your contributions and investment returns generate additional earnings that can significantly boost your retirement savings over time.

Maximizing Employer Contributions:

If you have a workplace pension, your employer may offer to match a portion of your contributions. This is essentially free money! Maximizing your contributions to meet the employer match, you take full advantage of this benefit and increase your retirement savings.

Contribution Strategies

Building your pension requires regular contributions throughout your working years. Here are some strategies to consider:

- Assess your financial situation and set a contribution rate that aligns with your long-term retirement goals.
- Aim to contribute a percentage of your income that allows for a comfortable retirement without sacrificing your present financial needs.
- Set up automatic contributions to your pension plan or IRA, which helps ensure consistent savings and removes the temptation to spend the money elsewhere.
- Consider risk tolerance, time horizon, and diversification factors when selecting your investment mix.
- It's important to review your pension investments and regularly adjust as needed. Stay informed about market trends and consult with a financial advisor if necessary.
- Estimate the income you will need during retirement based on your desired lifestyle, healthcare costs, and other factors.
- In addition to pensions, consider other retirement savings vehicles such as personal savings, individual investments, or Social Security benefits.

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KEY AREAS ON RETIREMENT

Social Security Benefits:

- It's essential to understand how your country's social security system works and the potential benefits you may be eligible for in retirement.
- You can learn about the criteria for receiving benefits, the age at which you can start claiming them, and how they factor into your overall retirement income.

Long-Term Financial Goals:

- Discover the importance of saving for other milestones, such as buying a home, starting a family, or pursuing further education, and how these goals intersect with retirement planning.

Health Insurance and Healthcare Costs:

- Check the significance of health insurance and potential healthcare costs during retirement.
- Learn options for obtaining healthcare coverage, such as employer-sponsored plans, private insurance, or government programs, and how they can impact retirement finances.

Lifestyle Planning:

- Have discussions about retirement lifestyle goals, including hobbies, travel, volunteer work, or starting a small business, and how these aspirations tie into financial planning.

Tax Considerations:

- Learn strategies for minimizing tax obligations in retirement, such as utilizing tax-advantaged retirement accounts and understanding the tax treatment of different types of retirement income.

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ACTIVITIES MODULE 8

TAXES AND PENSION

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MODULE 8

ACTIVITY 1: RETIREMENT MATTERS!

Learning Objectives

1 Raise awareness about pension and retirement challenges

2 Sensitize youth about the importance of retirement planning

3 Encourage young people to think about their financial future and start planning for retirement

Duration

30 minutes to 1 hour

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Pens and post-its or digital tools such as KAHOOT, Mentimeter
- Whiteboard

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Activity 1: RETIREMENT MATTERS!

Descriptions

- Ask each participant to write on a piece of paper his or her own definition of retirement or use Mentimeter to collect the answers.
- Ask each participant to present and explain their understanding of retirement.
- Discuss the definitions given and explain the principle of retirement if necessary.
- Ask participants if they have ever thought about their retirement.
- Form groups of 5 people and ask them to write on post its 10 reasons to think about retirement in advance.
- Ask groups to put their Post-it on the whiteboard and discuss the reasons provided.
- Ask each group to write on post-its 10 different ways of planning retirement.
- Ask groups to put their Post-it on the whiteboard and discuss the reasons provided.

Debriefing questions

01

How do you imagine your retirement?

02

What are the risks of not considering your retirement?

03

How would you plan your retirement?

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MODULE 8

ACTIVITY 2: RETIREMENT SAVING GOALS CHALLENGE

Learning Objectives

1. Understand the impact of financial decisions made today on future retirement income
2. Understand how to optimize future retirement income.
3. Learn how to use the results of a retirement simulator to adjust retirement planning strategy

Duration

40 minutes

Level

- ☐ Beginner
- ☑ Intermediate
- ☐ Advanced

Materials /Resources

- A computer
- Paper and pencils may be needed

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Activity 2: Retirement saving goals challenge

Descriptions

- Present the different scenarios and ask participants to choose to work on one of the scenarios.
- Explain that for this activity, participants will have to use a simulator and go to the NerdWallet Retirement Calculator website https://www.nerdwallet.com/investing/retirement-calculator
- Have participants read the simulator instructions and give them time to familiarize themselves with the various functionalities.
- Ask participants to enter the relevant data from the chosen scenario into the simulator and click on the calculate button.
- Allow time for participants to answer the questions and then compare their answers with each other.
- Repeat the process with other scenarios to see the different retirement plans possible based on different situations.
- Encourage the participants to discuss and share their ideas and insights with each other on the results.

Debriefing questions

01

What did you learn from the simulation activity?

02

How did this simulation activity make you feel about your own retirement planning and preparation?

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CASE 1

Caroline

45 years old

Community Manager and earns 50,000 euros per year.

Plans to retire at 67 and hasn't started saving for retirement yet.

CASE 2

Nathan

28 years old

Project Manager and earns 75,000 euros per year.

Plans to retire at 67 and hasn't started saving for retirement yet.

CASE 3

Sarah

22 years old

Teacher and earns 45,000 euros per year.

Plans to retire at 67 and hasn't started saving for retirement yet.

1. If they decide they can set aside 10% of their salary in saving for retirement.

a. How much will they need in retirement?
b. How much will they have at age 67?
c. How short are they in her savings?

2. If they increase their saving rate to:

a. 15%, how short will they be?
b. 20%, how short will they be?
c. What percent must they save from their current income to meet their recommended retirement goal?
d. What challenges might they face when trying to save this percentage of their income?

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MODULE 8

ACTIVITY 3: TAXES, TAXES, TAXES

Learning Objectives

1. Understand the different taxes and how they affect salary and savings
2. Reflect on the link between taxes and retirement

Duration

40 minutes

Level

- [x] Beginner
- [ ] Intermediate
- [ ] Advanced

Materials /Resources

- A series of cards with tax-related vocabulary and their corresponding definitions.

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Activity 3: Taxes, Taxes, Taxes

Descriptions

- Before the activity, print the cards with the tax vocabulary.
- Mix up the cards with the words and their definitions.
- Distribute the cards randomly to participants.
- Ask participants to find the word that matches the definition on their card.
- Participants should move around the room to find the person who has the card that matches their definition.
- Once they have found their match, participants should share information about the words and definitions to ensure that they have correctly identified the matching pairs.
- The activity continues until all participants have found their match and have correctly identified all pairs.

Debriefing questions

01

Did you know about these taxes before the activity?

02

To what extent do you think taxes can affect your retirement?

03

Which of these taxes do you currently pay?

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INCOME TAX

SALES TAX

TAX DEDUCTION

TARIFF

PROPERTY TAX

TAX CREDIT

TAXES

TAX TREATY

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REQUIRED PAYMENTS OF MONEY TO GOVERNMENTS, WHICH USE THE FUNDS TO PROVIDE PUBLIC GOODS AND SERVICES FOR THE BENEFIT OF THE COMMUNITY AS A WHOLE.

AN AMOUNT (OFTEN A PERSONAL OR BUSINESS EXPENSE) THAT REDUCES INCOME SUBJECT TO TAX.

A REDUCTION IN THE AMOUNT OF TAX OWED BASED ON CERTAIN CONDITIONS, SUCH AS INCOME LEVEL, FAMILY STATUS, OR INVESTMENT IN CERTAIN TYPES OF ASSETS.

A TAX ON PRODUCTS IMPORTED FROM FOREIGN COUNTRIES. THIS TAX CAN INCREASE THE COSTS OF THOSE PRODUCTS, WHICH ULTIMATELY CAN BE PASSED ON TO CONSUMERS AS HIGHER PRICES.

TAXES ON PROPERTY, ESPECIALLY REAL ESTATE, BUT ALSO CAN BE ON BOATS, AUTOMOBILES (OFTEN PAID ALONG WITH LICENSE FEES), RECREATIONAL VEHICLES, AND BUSINESS INVENTORIES.

TAXES ON INCOME, BOTH EARNED (SALARIES, WAGES, TIPS, COMMISSIONS) AND UNEARNED (INTEREST, DIVIDENDS). INCLUDES BOTH PERSONAL AND BUSINESS OR CORPORATE INCOME TAXES.

A TAX ON RETAIL PRODUCTS BASED ON A SET PERCENTAGE OF THE RETAIL PRICE.

AN AGREEMENT BETWEEN TWO COUNTRIES TO AVOID DOUBLE TAXATION OF INDIVIDUALS OR BUSINESSES THAT OPERATE IN BOTH COUNTRIES.

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MODULE 8

ACTIVITY 4: PICTURE YOUR RETIREMENT

Learning Objectives

1 Encourage young people to think about their retirement goals.

2 Instill a sense of responsibility and empowerment in young people to take control of their retirement plan.

Duration

1 hour

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Magazines, scissors, and glue
- Paper and pens

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Activity 4: Picture your retirement

Descriptions

- Round the table and ask each participant to share their vision for their own retirement goals and plans using prepared questions such as the following.
  - What age do you want to retire?
  - How long do you anticipate living past retirement?
  - What type of lifestyle do you want during your retirement?
  - How much money will you need to maintain that lifestyle?

- Ask participants to create a visual representation of their retirement goals in the form of a collage.

- Ask each participant to present their collage and explain their retirement goals.

- Arrange the different collages and ask participants to find out who owns each collage based on what was said during the table talk.

Debriefing questions

01

What were some common themes or goals that emerged among the collages created by the participants?

02

What resources or support do you need to help you achieve your retirement goals?

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MODULE 8

ACTIVITY 5: SECURE YOUR RETIREMENT AGAINST INFLATION

Learning Objectives

1. Have an overview of the concept of inflation and its impact on retirement planning.
2. Raise awareness on the importance of taking inflation into account when planning for retirement.
3. Identify the risks and challenges that inflation can pose to retirement goals.

Duration

45 minutes

Level

- ☑ Beginner
- ☐ Intermediate
- ☐ Advanced

Materials /Resources

- Computer and projector
- Paper and pens

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Activity 5: Secure Your Retirement Against Inflation

Descriptions

- Ask participants to watch the video "How inflation affects your retirement plan".

- Form groups of 5 people and discuss the following questions with each groups:
  - What is inflation and how does it impact retirement planning?
  - What are some ways to protect retirement savings from the effects of inflation?
  - How can you adjust your retirement plan to account for inflation?

- After the discussion, bring the group back together and ask everyone to share their thoughts.

- Ask participants to reflect on what they learned about the impact of inflation on retirement planning and ask them to write down one action that would counteract the negative effects of inflation on retirement.

Debriefing questions

01

Why is it important to consider inflation when planning for retirement?

02

What other factors can impact retirement planning?

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Financial Literacy for Youth

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Follow the FLY project on Instagram at: www.instagram.com/fly_financial_literacy

Follow the FLY project on Facebook at: www.facebook.com/fly.financial.literacy

www.financialliteracyfly.eu

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FLY PLAYBOOK

abn network sociale
XANO CHANNEL
ASSET TECHNOLOGY
MONOMYTHS – Joyful learning experiences –
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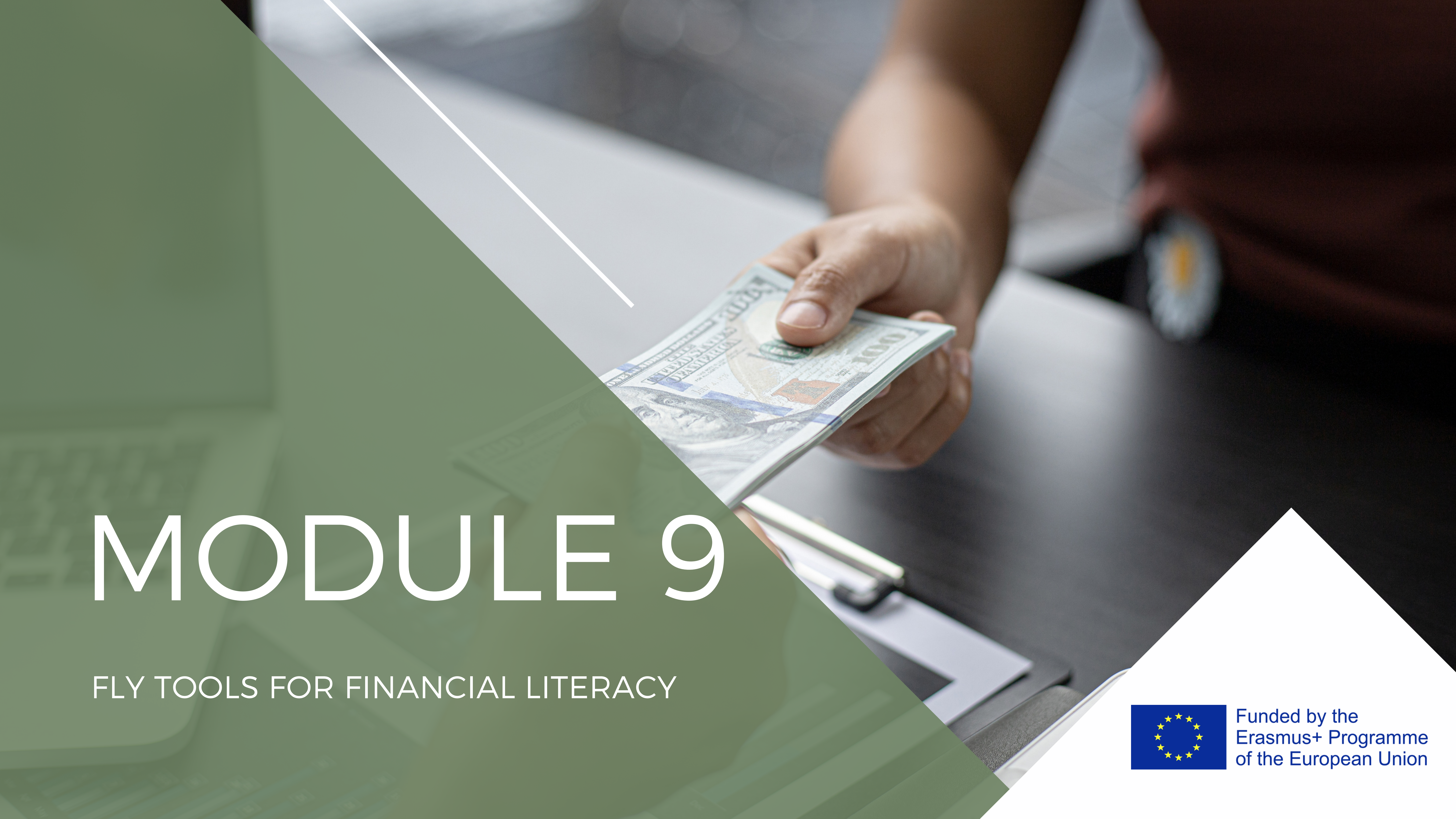

MODULE 9

FLY TOOLS FOR FINANCIAL LITERACY

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Content

- Introduction
- Context and background
- FLY tools:
  - FLY research reports from 5 countries
  - FLY Mind Maps
  - FLY Mind Cards
  - FLY Playbook & Platform

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"THE MOMENT YOU DOUBT WHETHER YOU CAN FLY, YOU CEASE FOR EVER TO BE ABLE TO DO IT"

J. M. BARRIE, PETER PAN

FLY
Financial Literacy for Youth

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Introduction

The project has developed tools that can help:

YOUNG PEOPLE

to navigate through available resources to know more about managing their finances

&

ORGANISATIONS

across Europe interested in replicating the FLY experience and train youth workers, or work directly with young people

The FLY project is operational in 5 EU countries:

- Italy
- Spain
- Romania
- Greece
- Sweden

All the FLY materials and resources are available in English and the 5 project languages

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FLY TOOLS

Context and Background

The project FLY has developed different sets of tools aimed at different target groups. In the following slides, we will look at them divided by the target group that can make the best use of them.

In particular:

- Tools for youth workers and young people:
  - **FLY Mind Maps**
  - **FLY Mind Cards**

- Tools for organisations across Europe whishing to replicate the FLY experience in their local contexts:
  - **Reserach Report on GenZ financial health**

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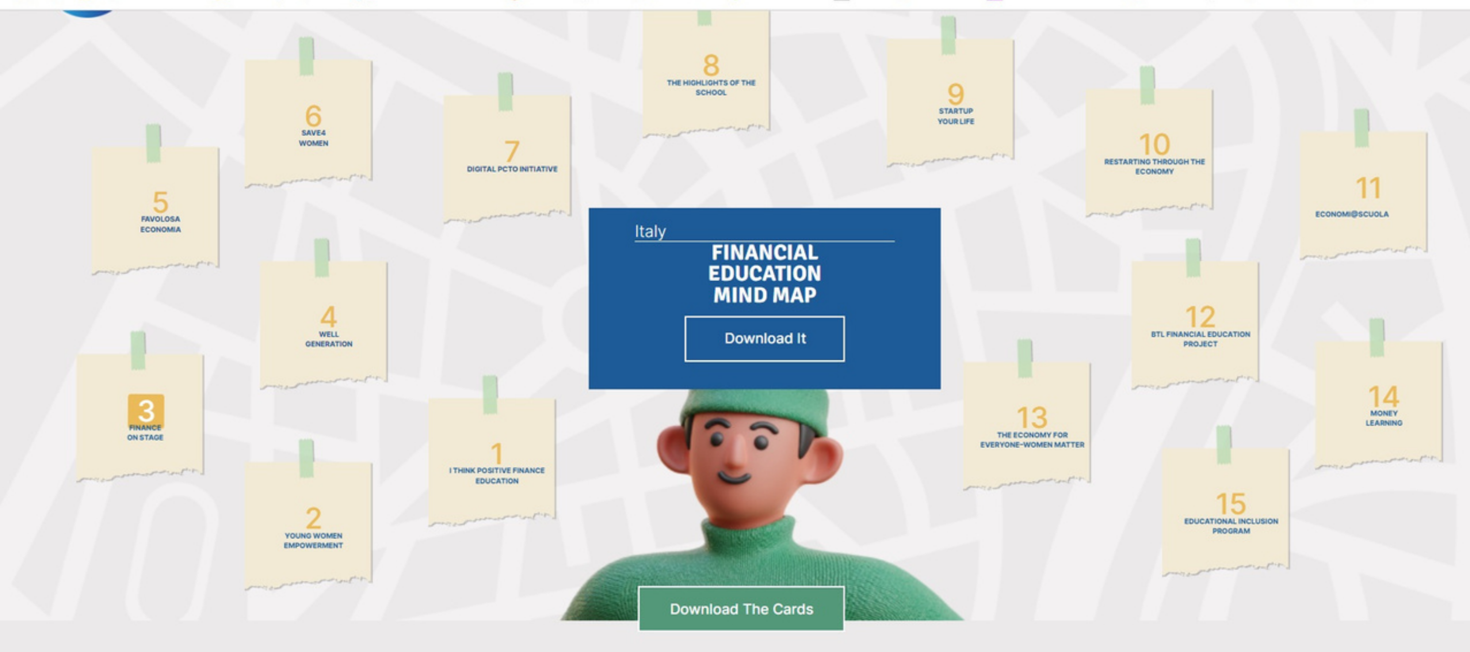

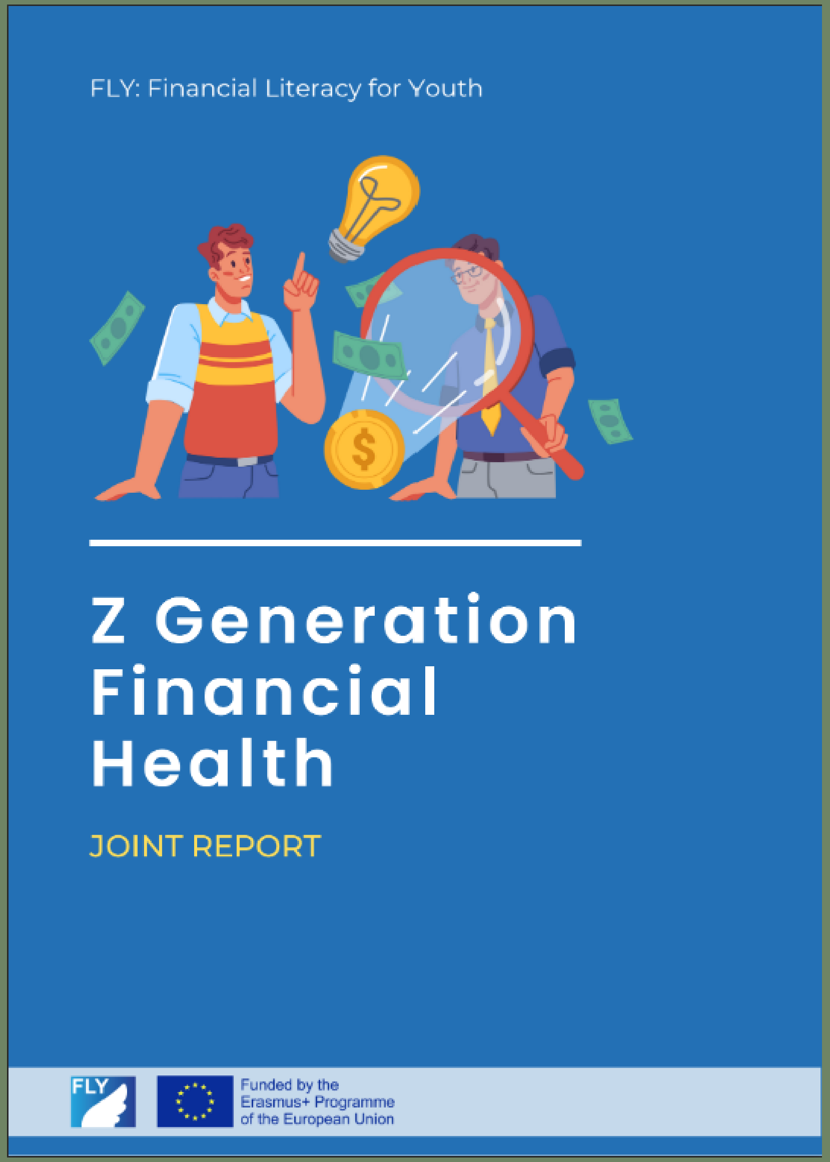

FLY MIND MAPS

Mind Maps pointing to existing materials and resources on financial lietracy in the 5 FLY partner countries

FLY MIND CARDS

Cards for each existing resource that FLY project partners researched and short-listed as good practice resources.

GEN Z REPORT

This report shows the financial literacy gap of Gen Z in the 5 FLY partner countries

FLY TOOLS EXPLAINED

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Financial Literacy for Youth

FLY MIND MAPS

Our financial literacy mind maps show a map to finding available materials and resources on financial literacy in the 5 FLY project partner countries:

- Italy
- Spain
- Romania
- Greece
- Sweden

These maps are available in English and in the national language of the relevant country. They are all available on the FLY website

ITALY

ROMANIA

GREEK

SPAIN

SWEDEN

READ OUR GENERATION Z FINANCIAL HEALTH REPORT

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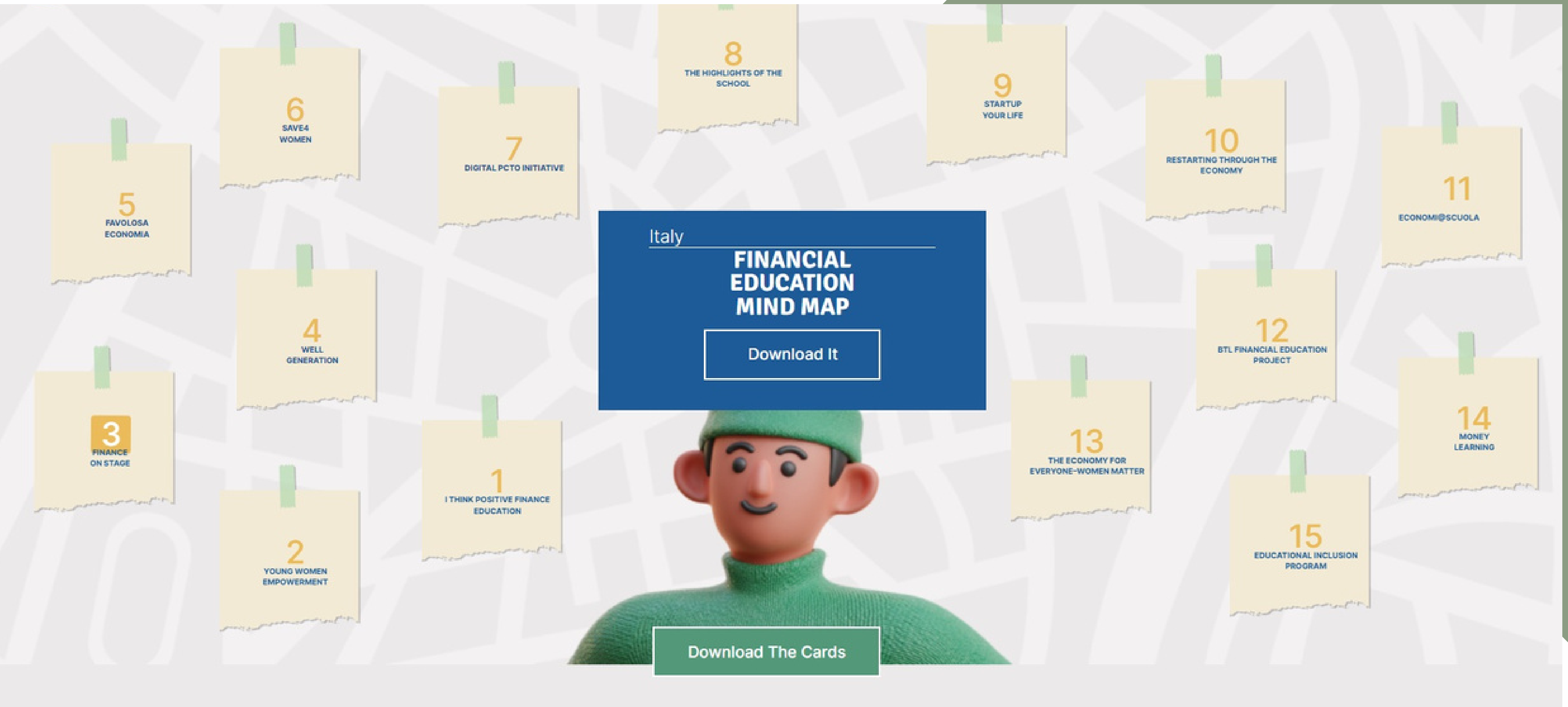
Financial Literacy for Youth



FLY MIND CARDS

Our financial literacy mind cards help to find out about the best **resources on financial literacy** available in the 5 FLY countries and selected by the partner organisations. They range from full traditional training courses to small training pills, like brief podcasts and thetìy are available online.

Each FLY Card contains a QR Code taking the user directly to the resource.

They are available in English and in the national language of the relevant country and they are all available on the **FLY website**

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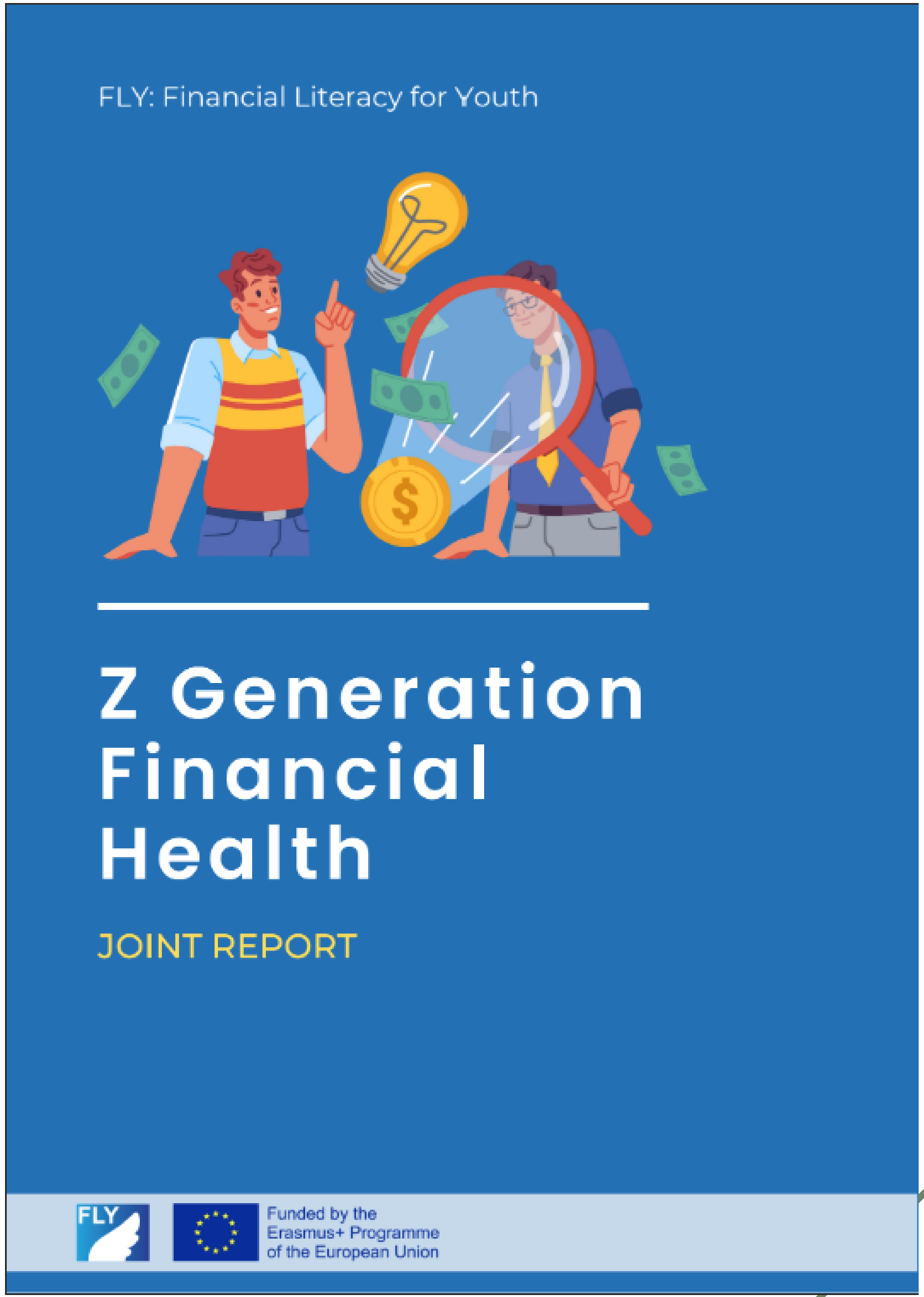
FLY GEN Z REPORT

The "Generation Z Financial Health" report is about understanding how young people manage (or don't manage!) their finances and their knowledge in the area of financial education. It looks at what challenges they face in this area, and how they can learn more about it.

This report can be interesting for any organisation working to support young people in their education

FLY wants to make financial concepts easier to understand and give lots of helpful information and tips.



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FLY PLAYBOOK

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