

SS6E4 & SS7E4

Personal Finance

Money Management
Choices

Standards

SS6E4 The student will explain personal money management choices in terms of income, spending, credit, saving, and investing.

SS7E4 The student will explain personal money management choices in terms of income, spending, credit, saving, and investing.

Money Management

- Everyone makes choices about how to manage his or her money.
- The personal money management choices that you make will have a significant impact on your life.
- It is really important to develop good money habits sooner rather than later!
- The process of projecting, organizing, monitoring, and controlling future income and expenses is known as **personal finance**.

Money

- Money is the medium of exchange used to buy goods and services.
- There are several forms of money: currency (cash), coins, debit cards, and checks.

Forms of Money

Coins



Debit
Card



Check



Currency



Income

- People earn an income by giving their time and services to an employer in an exchange for money.
- Income is the money that you make from your job.
- Your income provides you with the money that you can save or spend on whatever you want.

Spending

- Your income provides you with the money that you can choose to spend now on goods and services.
- When you spend your income, you are trading your money in exchange for goods or services.

Budget

- To help people make decisions about their income, a budget can be developed.
- A budget is a saving-spending plan that is based on a person's income and estimated expenses.

Saving

- You may also choose to save money from your income for the future.
- Your savings is the amount of money that you have not spent after buying the things that you want or need.
- It is a good idea to save money so that you have it in case of an emergency.
- Typically, you put your savings into a bank account, but there are other ways that you can choose to invest your money.

Investing

- Investing is how you make your money grow, or appreciate, to gain a financial return.
- You can increase your money by investing in many different ways: stocks and bonds, real estate, collectibles, businesses, etc.
- Investing means postponing current consumption in order to pursue an activity with greater benefits in the future.
- Basically, after a period of time, you should get more money than you put in due to interest.

Credit

- People use credit to buy something now and pay for it later.
- When you buy something using credit, you have to pay back the money that you borrowed, plus an additional amount in interest.
- Interest is a fee paid for the use of someone else's money.
- People who can borrow money with a low interest rate are said to have good credit, while those who cannot borrow such amounts are said to have bad credit.

2 Forms of Credit

Bank Loan



Credit Card



Credit

- While credit is extremely useful to the economy, excessive borrowing can be a problem for people, businesses, and the government.
- Credit should not be used to pay for goods or consumption in the present that were completely consumed in the past.


Key Terms

1. **Income:** Money that you earn from working or gain from investments.
2. **Spending:** Trading money in exchange for goods or services.
3. **Budget:** A plan for saving and spending income.
4. **Credit:** Buying something now and paying for it (plus interest) later.
5. **Saving:** Money left over after buying what is needed and wanted.
6. **Investing:** Putting money to use in something that offers potentially profitable returns.

Snapchat Directions

- Choose a well-known fairy tale or holiday character and create a Snapchat profile (profile picture, username, location, and interests) for him/her.
- Next, create 3 snapchat messages about the character's personal money management choices. Each message should include a picture of the scenario, as well as text to describe what vocabulary term the character is experiencing.
- For example, one of Santa's snapchat messages could show him **investing** in real estate in sunny Miami. The next message could show his **budget** with specific amounts for cookies, reindeer food, dry cleaners for his suit, etc. And the final message could show him taking out a bank loan to purchase a new sled (**credit**).


Personal Finance Snapchats





Username:

Location:

Interests:

To:	From:
	
Text:	

To:	From:
	
Text:	

To:	From:
	
Text:	

Tweet All About It

Write tweets about important personal money management vocabulary. Keep the tweets short and to the point, but include enough information to prove you understand the word.

#Income

#Credit

#Saving

#Investing

Tweet All About It

Write tweets about important personal money management vocabulary. Keep the tweets short and to the point, but include enough information to prove you understand the word.

#Income

#Credit

#Saving

#Investing