



Financial and Economic
Knowledge for Life

Personal Finance Spring Bootcamp

Alex Lamon, CEE Master Teacher

Twitter: @AlexMLamon

lamonteach@gmail.com

April 4, 2023



My Teaching Context

Who do I teach? 

What do I teach them? 

How do I teach them? 



EconEdLink

EconEdLink has fantastic lesson plans with assessments that are ready to use in class today!



Goals of this session

Course Sequence

What does my course look like?

Content

Anticipating common student misconceptions

Teaching Strategies

Applicable teaching strategies for use across your course

Teacher Talk

Keeping the session flexible and open to your needs - speak up!



My course at a glance

1. Careers
2. Paying for College
3. Taxes/Income
4. Checking
5. Savings
6. Credit
7. Investing
8. Insurance
9. Budgeting



Our topics today

1

Investing

Risk and rewards to investing, diversification and the stock market

2

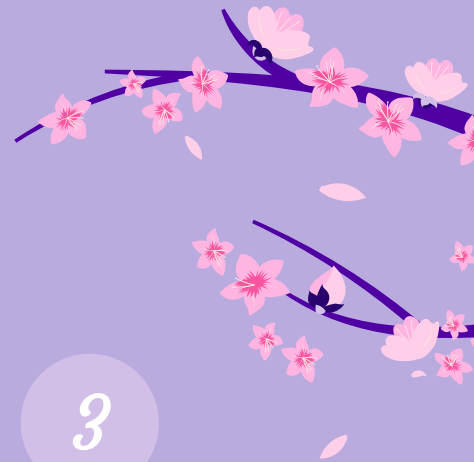
Credit

Cards, statements, scores, reports and loans

3

Risk

Insurance and avoiding financial traps





Investing

"You don't see who's swimming
naked until the tide goes out"

-Warren Buffett



Content



Brush up on content

Investing is tricky, and in this intro session we'll spend some time focusing on content



Student misconceptions

Anticipating student interest, confusion, and common pitfalls they make will improve our teaching



Content Challenges

Stock Market

How do we teach the complexities of the market?

Investing = Gambling

Some students believe there is no difference

Diversification & Risk

Mitigating risk with different asset classes

Why should I invest?

Students might not see the point to investing



Content Challenges: Why Should I Invest?

Hook your students at every moment you can.

Always remember to be explicit: we are learning this
because...

We are sales people for our class!

- Compound Interest [[Calculator](#)] [[Start Early](#)]
- Passive Income [[Combating TikTok hype](#) → with [Transparency](#) and [Logic](#)]
- Beating Inflation
- Americans are out of the markets [[Only 58% own stocks!](#)]
- Girls & Investing [[Women Invest Less](#)]

We'll apply teaching strategies to all of these content challenges.

Content Challenges: Investing = Gambling

Many students enter our class with this perception. They see investing in markets as the same as sports betting.

- When you place a bet, the money isn't yours. With investing, it is an asset.
- Gambling needs a loser to have a winner. In Investing, all shareholders can win.
- Value is being ADDED to the financial system, instead of gambling where it goes from one person to another.
- Gambling has more uncertainty, and investing (should) have more thought out analysis and a purposeful (long term) strategy. Risk exists, but it is less of a game of chance,

Content Challenges: Diversification & Risk

Some students are afraid to invest because of risk!

- Diversification is an easy way to mitigate risk [[Stax](#)]
- Long-term investing is key: a stock market crash for a 20 or 30 something's retirement savings is NOT an issue. (It's a benefit!)
- Index funds are an easy and low cost way to diversify

Content Challenges: Stock Market

Students have a natural curiosity of the stock market, but don't understand how it works or how to value any particular stock.

- What stocks exist? How are they grouped? How do they go up/down? [[Finviz](#)]
- The stock market is not the economy!
- How do I value a stock? [[Yahoo Finance](#)]

Investing Teaching Strategies

Flip Reflections

Reflection is where we learn - see what students are thinking



Ranking Asset Classes

Students compare inflation and risk/reward of different types of investment vehicles



Investing in Girls

CEE program, Women's Empowerment Index [explainer] and highlighting women in business



Risk Assessments

Students need to understand their risk level and feel the market's ups and downs



Videos

Understand the market's failures & history with The Big Short and Frontline's Age of Easy Money [Assessment]



Analyzing Stocks

Yahoo Finance, Morningstar, SimplyWall.St, Investopedia and stock slides assessment



[Prev](#) [Next](#)

I've got more investing activities that I'll be sharing in the 10:45 - 12:00 session today!

Teacher Talk:

What do you see being useful for your class?

*What's something you do for Investing that
you can briefly share?*

What questions do you still have?

Prev *Next*

05:00

COUNTDOWN

5 Minute Break

Credit

"Credit scores are like your GPA for real life."

-Alex Lamon



Content Challenges

Fear of credit cards

Caution is good, fear is not. No caution is also bad

Free credit scores?

Students don't know how to access their score legitimately

What's a good score?

Breaking down the elements of FICO



Content Challenges: Fear of Credit Cards

Too much fear prevents students from ever wanting to get a credit card.

Too little fear leads to being taken advantage of and irresponsible spending

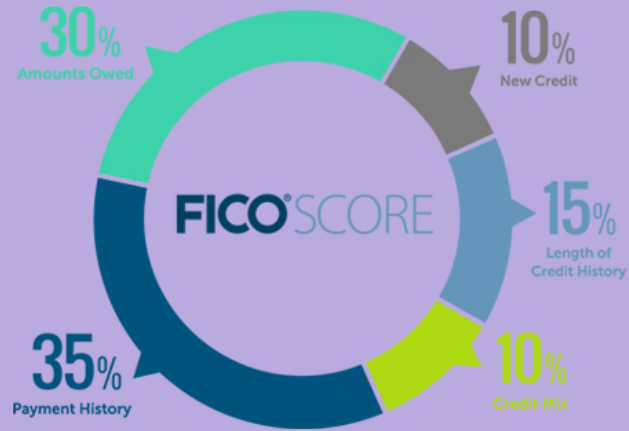
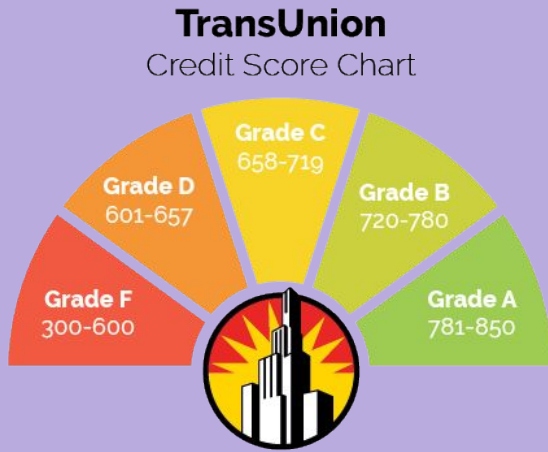
- Showing off your own credit card habits
- Showcase interactive data on debt in your county [[Urban Institute](#)]
- We need credit cards to build credit and that process has to happen early!
- Paying off balance in full at the end of the month = no interest = no problems!

Content Challenges: Free Credit Scores?

Students see commercials for free credit reports but don't know what the score means or which websites are legitimate.

- annualcreditreport.com is the only source authorized by the Federal Government for a legitimately free score
- Other sites cannot always be trusted [[FTC](#)]

Content Challenges: What's a good score?



Alex, here's your FICO® Credit Scorecard as of 03/07/23

Based on TransUnion® data

802
FICO SCORE

10
Total Accounts

12 years
Length of Credit

0
Inquiries

15%
Revolving Utilization

0
Missed Payments

Your FICO® Score 8 based on TransUnion® data:

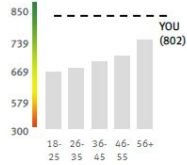


Key factors affecting your score:

↑ What's helping

- + No missed payments
- + Long credit history

Your FICO® Score compared to U.S. average by age:



Very Good

Your responsible use of available credit is considered very good

Why does revolving utilization matter?

Revolving utilization is one indicator of how much you owe on your accounts. The amount you owe lenders is one of the most important factors that impacts your credit and makes up about **30% of your FICO® Score.** ⓘ

Your revolving utilization is determined by:

- Your total balance owed on your revolving accounts
- Your total credit limit



Did you know?

The total balance on your last statement is generally the amount that will show in your credit report, even if you pay in full each month.

You've used **\$3,171** of your available credit, which is **15%** of your total credit limit.

Your FICO® Score History

Graph Table

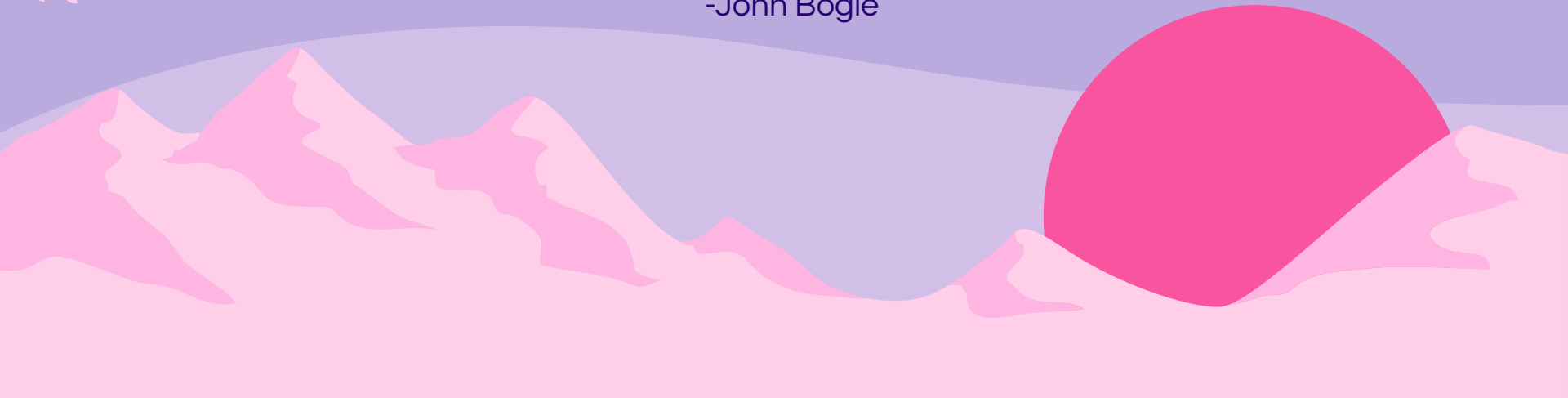
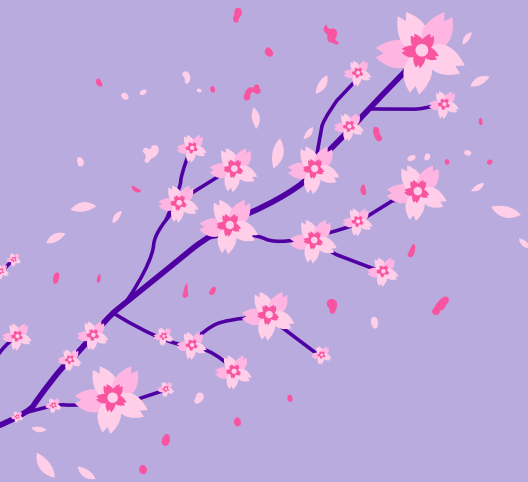




Risk

"We use the term risk all too casually, and the term uncertainty all too rarely."

-John Bogle



Risk (Insurance) Content Challenges



Too many terms

Heads spin with all the vocabulary involved



Boring/Far off

Relating insurance to students' life today is harder than other topics



Do I need it?

Students don't understand if they should have certain types of insurance, and what is legally required.

Content Challenges: Risk & Insurance

- **Too many terms:** It's important to start simple: risk, limit, deductible, premium
- **Boring, far off:** Focus on insurance affecting them today or very soon: car, health. [[Car accident videos](#)] [[Weird insurance](#)]
- **Do I need it:** Dealing with certain insurances that are legally required are a bit easier (health, car) but others are merky. Do you need renters insurance? Does a high schooler need life insurance?

Credit & Risk Teaching Strategies

Making Credit Real

Sharing your own [or others] experiences with credit



Simulations

Credit Clash, Bummer and Shady Sam
(to be discussed next session)



The Fine Print

Especially in regards to credit reports



Calculating Rates

Especially for their first car loan [Quizizz activity]



Project-Based Learning

Making sense of their own knowledge by making an insurance commercial



Visual Vocabulary

To help manage these 'term heavy' units

Teacher Talk:

What do you see being useful for your class?

*What's something you do for credit & risk
that you can briefly share?*

What questions do you still have?

Thank you

Stay in touch!



@AlexMLamon

lamonteach@gmail.com

There's more sessions today!
Join me there?

CREDITS: This presentation template was created by **Slidesgo**, including icons by **Flaticon**, infographics & images by **Freepik**