

SALT + My Money 101 Instructor's Manual

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About SALT

SALT DELIVERS THE TOOLS FOR SUCCESS

As you are likely aware, your institution has partnered with American Student Assistance® (ASA) to provide a new resource to your students and alumni called SALT™. Your institution is setting itself apart from the norm by taking on a leadership role in higher education. By providing this comprehensive program as part of a well-rounded education, you're helping students become financially literate during college and beyond.

SALT teaches students how to take control of their finances—and so much more. SALT helps students and alumni develop financial skills for life by delivering vital information and support in a way that is simple, useful, and motivating.

This comprehensive program includes:

- **Financial education**
- **Debt management**
- **Ongoing resources**

ABOUT ASA

American Student Assistance® is a nonprofit organization, headquartered in Boston, Massachusetts, that has helped borrowers manage education debt since 1956. With the introduction of SALT, ASA® has expanded its mission to help all students and alumni become financially savvy citizens.

HOW SALT WORKS

SALT is a total solution that does all of the basic work—from educational design and content to promotions and even the timing of communications—so that your school can successfully reach students and alumni. The result: Your school and your graduates are equipped to excel.

Colleges today agree it's important to help students and alumni learn how to be more financially savvy. You see the need to teach money management, including how to find scholarships to reduce the amount of loans, how to live on a budget, how to stay on track with repayment, and how to get a career off the ground after college. You see that financially strong students and alums can, in fact, make your school stronger.

About SALT

THE INSTRUCTOR ROLE

Instructors play a valuable role in the SALT movement. We know that you're an active member on your campus—and often you are the first point of contact when students face challenges. In addition, you have the ability to put content in front of students in ways no one else on campus can—engaging them in the learning process. This is particularly vital when the topic is of great import, but perhaps not much personal interest (until it's often too late).

We also know that you are busy and have many mandates to meet. This SALT Instructor's Manual is meant to provide the immediate resources you need to implement the basics of financial education into your curriculum, while allowing you the flexibility to adapt the content as you see fit.

ASA'S COMMITMENT TO INSTRUCTORS

ASA has established a Partner Education team to provide the educational resources and training necessary for Instructors to be successful in implementing SALT into your curriculum. This team includes members who are current and/or former campus faculty, have student activities training, understand the accreditation process and the need to meet strategic planning goals, and are also Accredited Financial Counselors®.

- ASA is committed to providing ongoing training about the SALT brand and platform, and on financial topics we all need to know. This will provide you with both a professional and personal opportunity for growth.
- ASA is committed to providing the online and classroom educational tools faculty need for thoughtful, yet simple integration into new and/or existing courses.

We are proud to have you as a SALT partner, and look forward to working with you to help you create your SALT movement.

Sincerely,

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Table of Contents

SALT BUILDING BLOCKS

SALT Basics	5
SALT Standards	6
My Money 101 Overview	8

SALT CURRICULUM TOOLS

Lesson Materials.....	10
Lesson 1 - Fundamentals.....	11
Lesson 2 - Educational Planning.....	18
Lesson 3 - Internships, Income & Careers.....	27
Lesson 4 - Employment.....	42
Lesson 5 - Money Management.....	50
Lesson 6 - Budgeting.....	59
Lesson 7 - Student Loans	68
Lesson 8 - Student Loan Repayment	75
Lesson 9 - Credit & Debt Management.....	83
Lesson 10 - Saving & Investing	99
Lesson 11 - Risk Management.....	103
Lesson 12 - Taxes.....	110

SALT Basics

SALT BASICS

The SALT Website (for all current students and alumni)

SALT's financial education courses use a traditional methodology, as well as self-directed learning to help raise students' financial IQ. And because people learn in different ways, we provide guided tours on topics such as budgeting, loan repayment, and credit in captivating multiple mediums. SALT reaches students where and how they spend their time, delivering the right information, at the right time, in the right format, resulting in better educational outcomes.

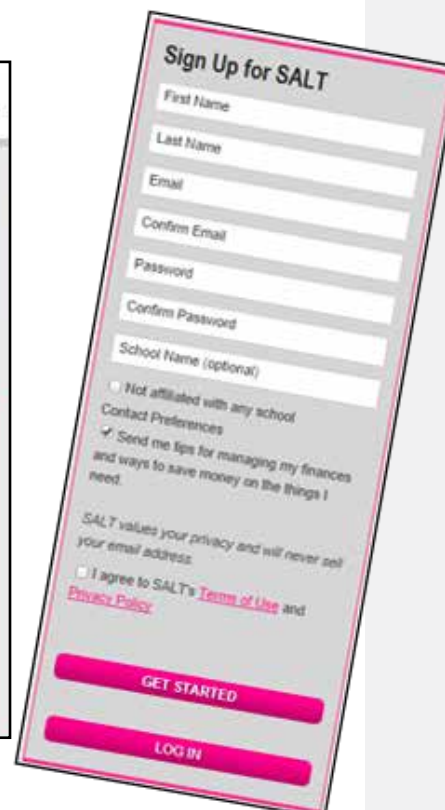
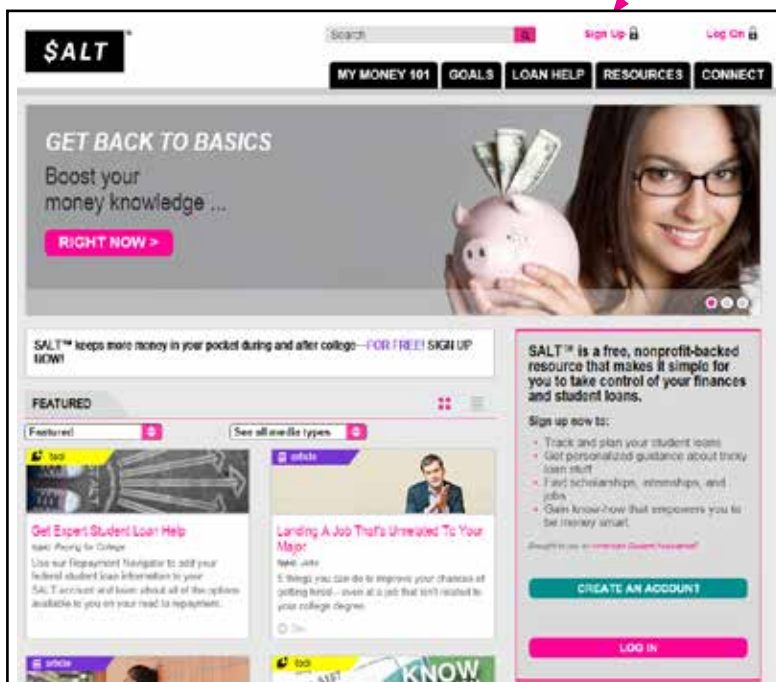
Education Debt Management (for student loan borrowers)

Through SALT's proactive outreach, we engage student loan borrowers throughout the entire repayment cycle, turning information into action. Before their first payment is due, we contact borrowers to make them aware of all their options, and even reach out if they get off track with their payments.

REGISTERING FOR SALT

Registering for SALT is a simple process—and completely free for your student users. Simply have them navigate to www.saltmoney.org and click on the “Sign Up” link in the upper right corner.

- Tip: Make sure that users include the School Name in the registration process (or later by accessing the “Manage My Profile” option). This will ensure that users have access to My Money 101™ and other specialized content.



SALT Standards



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ASA's SALT Standards are broken into 9 main categories.

These include:

Fundamentals

- Understand your personal financial personality/philosophy
- Understand opportunity costs (pros and cons) of financial decisions
- Differentiate between different types of financial institutions and financial products
- Understand how to control personal information and avoid financial scams
- Understand where to go and how to communicate when you need help

College Access and Planning

- Understand the payoff between education, earnings, and student loan debt
- Explore college options and the “best fit” philosophy
- Understand the college application process
- Develop a system for school choice comparison
- Understand how to apply for financial aid
- Understand college financing options

Student Loans

- Understand borrower rights and responsibilities
- Understand industry players
- Understand loan repayment schedules
- Understand postponement options
- Understand loan forgiveness programs
- Understand loan repayment assistance programs
- Explore repayment challenge solutions
- Develop your personal education debt tracker

Income and Careers

- Examine options for working while in school
- Understand internships, volunteering & service work
- Examine career options
- Develop a job search plan
- Create career resources (resume, cover letter, online profiles)
- Examine professional networking opportunities
- Understand how to evaluate job offers
- Understand the factors that affect take home pay
- Understand the basics of entrepreneurship/freelancing/portfolio careers
- Understand how to deal with unemployment or underemployment

ABOUT ASA AND SALT:

American Student Assistance (ASA) believes that every person transitioning from high school to college (and/or from work back to college) and from college to career should have the knowledge and skills to successfully navigate the financial world. While each person may have their own financial goals, and while there are many pathways to success, it all begins with a solid foundation. ASA created SALT and these SALT Standards to ensure the knowledge and application of both practical basics and advanced topics that we believe will lead to a financially literate society for the betterment of our communities.

Money Management

- Understand the goal of money management
- Understand the components of a net worth statement
- Create a net worth statement
- Understand the components of a budget
- Create a personal spending plan
- Understand large purchase decision-making
- Develop and prioritize short term and long term goals
- Create realistic financial plans to meet goals
- Understand how to evaluate and modify spending and financial plans

Saving and Investing

- Understand the difference between saving and investing
- Understand the principles of compound interest
- Understand the different types of investment vehicles and how to purchase them
- Examine the risks and rewards related to investments
- Understand the difference between retirement and non-retirement accounts
- Examine saving and investing needs by life-stage

Credit and Debt Management

- Understand different types of credit
- Understand how to use credit and debt appropriately
- Understand the credit application process
- Understand the implications of co-signing a credit application
- Evaluate the elements of a credit report
- Understand consumer rights and how to dispute errors
- Examine the impact and implications of credit scores

Risk Management

- Evaluate your risk tolerance level
- Evaluate your insurance needs and how they change over time
- Understand different types of insurance products
- Understand the purpose and basics of a will
- Create a risk management strategy

Taxes

- Understand tax rates and tax liability
- Understand different types of taxes
- Understand different tax documents
- Understand tax filing basics

OUR PHILOSOPHY:

We know that knowledge is important. You have to understand key concepts in order to be able to apply knowledge to real-life scenarios. But we also believe that you have to be able to practice decision-making, test strategies and explore outcomes to truly learn. We also understand that people learn in a variety of ways and through a variety of mediums. Therefore, our learning philosophy is to provide you both traditional learning modules as well as interactive modules to learn those discrete pieces of knowledge and to practice, discuss and reflect on your decisions—all done together to help you raise your money awareness and build positive lifelong money habits.

My Money 101 Overview

MY MONEY 101

Based on the SALT Standards, our My Money 101 modules are built to engage users in a variety of financial topics. Each module includes:

- Pre-Lesson Survey: Each lesson includes a series of questions that asks about users' current thoughts and/or behavior on a specific financial topic.
- Lesson: Each lesson is built to provide a variety of pedagogical approaches within each lesson to encourage not just basic knowledge acquisition, but also application—and eventually, behavior change. To that end, each lesson includes:
 - Lesson overview and learning objectives.
 - Mind maps, animation, and other effective learning tools.
 - Integration of video.
 - A variety of quizzes, reflections, and interactive exercises.
 - Closed captioning and voiceovers.
- Examination: Each lesson includes an examination with true/false and multiple choice questions. The standard passing score is set to 75%.
- Evaluation and Survey: Following the exam, users are given an opportunity to give feedback about their course experience, as well as provide information about their expected future behavior change.
- Certificate: For those users that successfully pass the exam, a PDF certificate is made available to show completion. Users can obtain a separate certificate for each module that they successfully complete and pass.

My Money 101 Overview

MY MONEY 101 LESSONS

Below is a listing of the current My Money 101 lessons. While lessons map to specific SALT standards, to ensure full understanding, some SALT Standards require multiple lessons to meet all of the educational goals set forth by these Standards. Full lesson descriptions and learning outcomes are located within the Lesson Materials.






- **Fundamentals**
- **Educational Planning**
- **Internships, Income, and Careers**
- **Employment**
- **Money Management**
- **Budgeting**
- **Student Loans**
- **Student Loan Repayment**
- **Credit and Debt Management**
- **Saving and Investing**
- **Risk Management**
- **Taxes**

Lesson Materials

For each of the My Money 101 lessons, you will find the following:

- Lesson Overview and Outcomes
- Discussion Questions
- Energizers (short in-class activities)
- In-class Activities

Below is a list of icons you will see within the various courses while in the MM101 system and what they mean.

	Survey
	Lesson
	Downloadable PDF of lesson
	Lesson examination
	Course certificate

We have also made available as separate files:

- Lesson Powerpoints and Speaker Notes

If you have requests for additional materials, or if you have suggestions of great activities or discussion questions you would like to see us add to this manual, we would love to hear from you!

Contact us at education@asa.org.

FUNDAMENTALS

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Fundamentals

OVERVIEW AND OUTCOMES

Your financial personality and your financial philosophy are at the root of your financial practices. There's no way around it: the way you think about money affects all your financial choices. This lesson will help you discover more about yourself and relate this to fundamental financial practices.

Lesson Outcomes:

- Analyze your financial personality and philosophy.
- Identify the most important numbers in your financial present and future.
- Compile a list of communication and financial resource tools.
- Understand ways to prevent or manage identity theft.

Fundamentals

DISCUSSION QUESTIONS

1. Do you currently have money saved for your future?
2. Do you keep tabs on your finances?
3. Are you concerned about identity theft?
4. When you hear the word money, what comes to mind?
5. What is your first positive money memory? What is your first negative money memory? What emotions are tied to your concept of money?
6. How does our culture impact your money attitudes? Does this impact your financial behavior? Why or why not?
7. Imagine there's a flood or a fire in your house or apartment and you have 10 minutes to grab your possessions and still leave safely. Everything you leave behind will be destroyed. What would you grab, and why? When you think about what you left behind, are you sad that you lost it or happy you were able to take what you did? To what extent does this impact your thoughts and beliefs about personal possessions, if at all?
8. What would you identify as your last money mistake and what emotions did it create?

Fundamentals

ENERGIZERS

1. For the next week, identify all of the things you see that relate to money. Make a list and bring it to class.
2. Make a list of questions that people ask you in casual conversation that could lead to identify theft.
3. Make a list of things that you have seen people do in public that could lead to identify theft.

Fundamentals

ACTIVITIES

- 1. MONEY SPENDING/PERSONALITY SPECTRUM:** Let the class know that there is a continuum of money spending/personality spectrum in the classroom. On the one end are students who are very conservative with spending; on the other are those who spend money freely; and students in the middle are somewhere in between. Have the students line up in their continuum (class created).

Questions: Why did you place yourself where you did? As you think about where you stand, do you like where you are? Is there anything about the other parts of the continuum that you would like to adapt to your own financial personality and/or habits?

SALT Action: Take the “How’s Your Financial Health?” quiz on www.saltmoney.org.

- 2. MONEY REACTIONS:** Place different denominations of real money (penny, nickel, dime, quarter, \$1, \$5, \$10, \$20; choose 3-4) on the floor around the classroom. Break students into small groups and have each group go to one of the money “stations.” Have students journal one paragraph about how they feel about the money on the floor. Have them move to each of the “stations.” Go back to small groups and have students share their experiences within the small group. Have each small group share out one or two of the group’s collective thoughts about the experience.

Questions: How did you feel when you saw the money on the floor? Did it matter what denomination the money was—or did it feel the same to you regardless of whether it was a penny or a \$20 bill? Why do you think that was your response?

Action: Spend one week journaling about your financial feelings and/or behaviors. Do you see any trends around your thoughts or behaviors? Based on your findings, can you identify your own “hot button” issues or patterns of behavior that you weren’t aware of previously, or that you want to make sure that you consider? Are there any actions you want to take for your financial future based on this information?

Fundamentals

3. LAST ONE STANDING: Have the class stand and ask the following questions. Students will sit down if they engage in any of the activities.

1. If you carry your social security card on your person (in your wallet, pocket, etc.), please sit down.
2. If you have passwords that are your mother's maiden name, please sit down.
3. If your passwords are all the same, please sit down.
4. If your passwords are your date of birth or telephone number, please sit down.
5. If you shop online on sites that are not secure with a SSL certificate, please sit down.
6. If you do not shred or rip up your important papers, please sit down.
7. If your important documents are not in a locked filing cabinet or lockbox, please sit down.

Have the class look around at the people still standing: These are the people that are at the lowest risk of identity theft.

Questions: What steps can you take to lower your risk of identity theft? What are the three things you will commit to doing before the next class?

SALT Action: Read the article "Victim of Consumer Fraud? Here's How to Complain For Real" and review the form "FTC Identity Theft Affidavit" on www.saltmoney.org.

Know Your Numbers

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It's important to "Know Your Numbers" for many reasons. In a worst case scenario, it's extra important to have this info handy so that you can quickly contact any agency. (It's also important that this information is kept in a secure location. You should know your usernames and passwords for each account—and make sure that you use secure passwords/passphrases.)

	Agency	Account #	URL	Phone
BANK ACCOUNTS (Checking, Savings, etc.)				
INVESTMENT ACCOUNTS (401(k)s, 403(b)s, IRAs, Mutual Funds, etc.)				
CREDIT CARDS				
LOANS (Car, Home, Student, etc.)				
OTHER				

EDUCATIONAL PLANNING

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Educational Planning

OVERVIEW AND OUTCOMES

If you're thinking about college, you probably have a dream about what you'll accomplish there. Now, you need to transform that dream into a college experience, career, and future. This lesson will you get there—from a financial, academic, and long-term goal perspective.

Lesson Outcomes:

- Identify your educational return on investment (ROI).
- Apply a best-fit philosophy for your college options.
- Recognize the components of the college application process.
- Analyze the financial aid process.
- Compare and contrast college financing options.
- Develop a system for comparing schools.

Educational Planning

DISCUSSION QUESTIONS

1. What does educational planning mean to you?
2. What do you feel is most important to consider when making decisions involving your education?
3. What do you want to get out of your college experience and beyond?
4. What do you know about financial aid? Do you think you're eligible for financial aid, not eligible, or you aren't really sure?
5. What other ways can you pay for college without taking out loans?
6. What made you decide on the colleges you applied to? How did you decide which school to attend?

Educational Planning

ENERGIZERS

1. Review a SALT scholarship video at www.saltmoney.org. Have students summarize a one minute takeaway and share with the class.
2. Have students do some personal reflection about what they might be doing if they weren't currently in college. Have them draw a picture of what this might look like.

Educational Planning

ACTIVITIES

1. **FINANCIAL AID FORUM:** Have students go to www.saltmoney.org and review one or more of the financial aid related infographics. Have students make a list of the questions about financial aid they always wanted to know but were afraid to ask.

NOTE TO FACULTY: Invite a financial aid administrator to come in as a resource and answer questions. Or, provide the contact information for the financial aid office so students can follow up individually.

Questions: Why is financial aid important to you—or is it? Have you ever heard anything about financial aid or the financial aid process that confused you? If you were to write your own financial aid FAQs for other students, what information would you provide?

SALT Action: Go to www.saltmoney.org and explore material related to financial aid, scholarships, and/or student loans. Utilize the Find Free Money for School tool to find scholarships.

2. **DEADLINES ARE EVERYTHING:** Have students create their calendar of deadlines and important information. Depending on whether students are pre-college, in school, or contemplating transferring to a four-year or going on to a graduate school, there are important touch points and deadlines for each. (Examples: Admission application deadlines and fees, FAFSA priority filing deadline—must file each year, scholarship application deadlines—institutional, other, test deadlines and fees, ACT, SAT, GRE, GMAT, LSAT, etc.)

Questions: Why should you care about deadlines related to your educational career? What opportunities might you miss out on if you miss a deadline? What are some ways to ensure that you meet all of these important deadlines? Do you have all of the resources you need to complete the tasks associated with these deadlines? Are you aware of potential fee waivers for exams and/or admission applications? Do you know how to find out if you're eligible, and what to do to try to get a waiver, if so?

Educational Planning

Action: Add deadline reminders to your electronic (or paper) calendar.

3. COLLEGE DECISIONS:

NOTE TO FACULTY: This is best suited for Upward Bound, Summer Bridge, College Access, and Community College students looking to transfer. May also be useful for students considering graduate school.

Sometimes it can be challenging to figure out what schools to consider applying to, much less ultimately choosing the school that's best for you. Give students a copy of the College Choice Comparison Chart worksheet. First have students identify which of the variables they believe are most important to them in choosing a school. (Have them add in any other items that may not be on the worksheet.) Then have students select three schools and complete the information in the chart. Finally, have students do some personal analysis of these three schools and rank them based on their preferences.

Follow Up: Have students use the College Cost Comparison Chart worksheet to determine their out-of-pocket college costs. If students don't have their financial aid award letters yet, have them complete the expenses section for each school. To estimate potential financial aid, have them use fafsa4caster.gov to get their estimated EFC, and have them use each net price calculator (generally available in the financial aid section of a school's website). NOTE: This is for estimation purposes only. Actual financial aid awards will vary.

Questions: What are the most important factors to you as you consider your college choice? Do you have any "must haves" on your list? If cost is a factor, what creative ways might you consider to help drive down those costs? (Would you consider living at home, or giving up your expensive cell phone plan or online shopping addiction? Will you search for additional scholarships or take on a part-time job?) Think not just about what's important to you today, but about what might be important 5 or 10 years from now. Do your "must haves" or your general considerations change?

SALT Action: Go to www.saltmoney.org and have students read articles related to college choice such as "Choosing The Right College For You and Your Budget," "Would You 'Go Back' To Avoid Paying Loans Back?," or "Is Getting An Advanced Degree Right For You?"

4. RETURN ON INVESTMENT: Whether it's a mutual fund decision or an educational one, it's important to understand the return on the investment. Have students read an article such as "Education Pays 2013: The Benefits of Higher Education for Individuals and Society" (<http://trends.>

Educational Planning

collegeboard.org/education-pays) or have them search online for recent newspaper/magazine articles on the return on investment of education. Discuss as a class.

Next, have students do some research on their potential earnings for their desired career. (You may also want to have them consider earnings for that career by location.) Have them utilize online tools such as salary.com, bls.gov, etc. Have students consider the earnings figures in relationship to student loan debt guidelines (monthly payment of no more than 8-10% of income or total student loan debt not greater than first year salary expectations) along with their own feelings about debt.

Questions: What factors do you (or did you) consider when making an educational choice? Did you select a career field based on potential earnings? Have you made decisions about where to go to school based on career placement statistics, average student loan debt, or time-to-degree types of considerations? What changes might you make right now to help increase your educational ROI?

SALT Action: Go to www.saltmoney.org. Peruse related material such as the “Is College Still Worth the Cost?” infographic or the “Will Grad School Pay For Itself?” article.

College Choice Comparison Chart



In an ideal world, you will choose a school that is the best fit for you. There are a lot of variables to consider as you make this choice. This chart can help you fill in the blanks.

	School A	School B	School C
School			
Type			
Public vs. Private			
Small vs. Large			
2-year vs. 4-year			
Research vs. Teaching			
Residential vs. Commuter			
Location			
Costs			
Total Out of Pocket Costs			
Total Expected Loan Debt			
Opportunities			
Graduation Rate			
Time to Graduation			
Program of Study			
Academic Opportunities			
Job Placement Rate			
Lifestyle			
Distance from Home			
Transportation Options			
Housing Options			
Food Options			
Activity Options			
Other (What else is important to you?)			
Rank (Based on the above, rank your choices. Make any important comments to yourself about your choices here, too.)			

College Cost Comparison Chart



To compare college costs between schools, try to set up an “apples-to-apples” comparison. This chart can help you fill in the blanks.

	School A	School B	School C
Mandatory Expenses			
Tuition			
Fees			
1.			
2.			
3.			
4.			
5.			
Other			
Other Expenses			
Books (estimated)			
Room			
Board			
Travel			
Total A			
Financial Resources			
Tuition Deposit Paid			
Financial Aid*			
Grants			
Scholarships			
Perkins Loan			
Stafford Loan (less fees)			
Total B			
Total Out of Pocket Costs			
Total A - Total B			

*Work Study is not included as it must be earned.

INTERNSHIPS, INCOME & CAREERS

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Internships, Income & Careers

OVERVIEW AND OUTCOMES

Students who work, intern, or volunteer while attending school are more successful with time management and have higher graduation rates. That's why getting job experience, building your résumé, and networking are now essential parts of college. This lesson will help you figure out how to choose the right job or experience for you.

Lesson Outcomes:

- Analyze your options for working while in school.
- Identify the value of internships, volunteering, and service work.
- Evaluate career opportunities.
- Evaluate networking opportunities.
- Consider the value of entrepreneurship, freelancing, and self-employed careers.

Internships, Income & Careers

DISCUSSION QUESTIONS

1. Why would you consider working, interning, or volunteering while in school?
2. How would you go about getting involved?
3. What does it mean to you to land your dream job or internship?
4. What steps are you taking to achieve these experiences?
5. Have you ever done any volunteer work? What were the benefits of volunteering? Any downside?
6. Have you ever completed an internship? What was your experience like? Pros and cons?
7. Have you done any freelance work? What are the pros and cons?
8. If you were looking for a job, where would you begin?

Internships, Income & Careers

ENERGIZERS

1. Review a SALT job or internship related video at www.saltmoney.org. Have students summarize a one minute takeaway and share with the class.
2. Brainstorm a list of self-employment opportunities. Have students share ideas with the class. If you have time, have them consider the pros and cons of each opportunity.
3. Use the Hit or Myth Cards. Have students identify why they think each statement is a “hit” (true) or a “myth” (false). Discuss the answers.

Internships, Income & Careers

ACTIVITIES

1. **ELEVATOR PITCH:** Whether for networking or a job interview, you have to know how to “sell” your personal self. Have students come up with their 30-60 second elevator pitch. Then do “speed dating,” having students rotate around the room and practice their elevator pitch with each other.

Questions: What are the benefits of creating your personal elevator pitch? What did you find difficult about the process? Have you ever been asked for your “pitch” before? If so, how did you respond? In addition to your elevator pitch, what are the benefits of creating a business card for your job search?

SALT Action: Go to www.saltmoney.org and review job and internship related pieces, such as “The Value Of Soft Skills.”

2. **NETWORKING OPPORTUNITIES:** Have students go to www.saltmoney.org and read SALT’s “12 Ways To Increase Your Networking.” Discuss in small groups and then have students identify at least three steps they’d like to take to increase their networking opportunities.

Questions: Why is networking important? What do you think are the top three things everyone should do to increase their networking opportunities? Have you personally done anything to enhance your network? Can you think of a time when you wish you’d done something differently when a networking opportunity presented itself?

SALT Action: Go to www.saltmoney.org and read the article “Using Networking to Get Ahead” or “How To Take Advantage Of Your Alumni Network.”

3. **VOLUNTEERING CAN PAY:** Have students go to www.saltmoney.org and find “60 Ways To Get Rid Of Your Student Loans.” Have students review the sections on AmeriCorps, the Peace Corps, and Teach for America. Discuss these types of volunteer organizations and their potential benefits.

FACULTY NOTE: This is an opportunity to invite career services and local volunteer organizations to class.

Questions: Why might you consider volunteering with an organization like AmeriCorps, the Peace Corps, or Teach for America? What other organizations might be a good fit? Does the possibility of having a portion of your student loan repaid make you more interested in these types of organizations? What other benefits exist with volunteer opportunities?

Internships, Income & Careers

SALT Action: Go to www.saltmoney.org and read articles related to volunteering such as “Why You Should Grab Volunteer and Intern Opportunities.”

- 4. BENEFITS OF INTERNSHIPS:** Have students consider the benefits of an internship. If applicable, talk about the requirements of an internship for your program/major/institution. Have students identify internship resources that will help them search for and land a potential internship opportunity. Then, have students identify three opportunities and complete the Internship Worksheet.

FACULTY NOTE: This is an opportunity to invite in Career Services or whoever oversees your internship program.

Questions: There are many possible benefits of completing an internship. What’s most important to you (college credit, job experience, networking opportunity, etc.)? Do you feel there’s any benefit to an unpaid internship? If so, what? How would you plan to get the most out of any internship opportunity?

SALT Action: Have students go to www.saltmoney.org and use the SALT Job and Internship Tool to search for internship opportunities in their area of interest and/or geographical area. Read articles such as “Why Having An Internship Matters” and “How To Be Successful During Your Internship” or watch a video like “How To Make The Most Of An Internship.”

Questions 1, 2, 3 - Print back-to-front with next page to create flash cards.

Question 1

You must fill out the FAFSA in order to be eligible for federal work study.

Question 2

There's only one type of employment available to you while in school.

Question 3

One of the most valuable ways to gain experience is by volunteering.

Answers 1, 2, 3



Answer 1: Hit - Why?

- You must file your Free Application for Federal Student Aid to see if you qualify for work study, as it's based on financial need.
- Work study is part of the financial aid package.

While the FAFSA is required for federal work study, some schools do have “institutional” work study positions available that don't require you to file the FAFSA. And, of course, there are also non-work study jobs to consider.



Answer 2: Myth - Why?

There are multiple types of employment available to students:

- Work Study
- Job
- Freelance



Answer 3: Hit - Why?

You often get hands-on experience with volunteering—and you're also getting connected to valuable people to add to your social network. Other ways to gain experience while in school are to consider internships or service work.

Questions 4, 5, 6 - Print back-to-front with next page to create flash cards.

Question 4

A favorite professor would not be a good person to ask for help in evaluating a job.

Question 5

Networking is important in a job search.

Question 6

One of the purposes of networking is to obtain contact information.

Answers 4, 5, 6

Answer 4: Myth - Why?

An academic advisor, favorite professor, or career counselor would all be good choices in helping you decide what to do career-wise while in school and after graduation. Another good option is an online free career assessment tool.

Answer 5: Hit - Why?

If you want to give yourself the maximum amount of opportunities available while in school and after graduation, it's all about who you know.

Answer 6: Hit - Why?

The purpose of networking is threefold:

- Obtain contact information.
- Have a plan to use the contact information.
- Set up informational interviews

Questions 7, 8, 9 - Print back-to-front with next page to create flash cards.

Question 7

An informational interview is the same as a job interview.

Question 8

Freelancers and entrepreneurs are also known as the self-employed.

Question 9

One of the essential tools in the self-employment toolkit is money.

Answers 7, 8, 9



Answer 7: Myth - Why?

Informational interviews are similar to job interviews in that there's a professional etiquette to follow out of respect for the person you're interviewing (because he or she is doing you a favor). However, informational interviews are just that—an opportunity for you to gain information about a particular career path or company, or to seek general mentoring advice. Informational interview etiquette dictates that you:

- Show up on time.
- Keep track of time and offer to end the discussion at the agreed upon end time.
- Offer to pay for the check. It's good to keep these meetings to just coffee if you're on a tight budget.
- Most important, send a personalized snail-mail, good old-fashioned thank you card.



Answer 8: Hit - Why?

Entrepreneurs and freelancers, also known as the self-employed, rely first on themselves to generate income.


- Freelancing means you work for yourself and with your client to produce a product or service outcome.
- Entrepreneurs can also be solo artists, or they could start up companies with the intention of having employees.



Answer 9: Myth - Why?

While money may help you get your business off the ground, you don't necessarily need money to start your self-employment journey. For example, if you want to become a tutor, your own knowledge won't cost you a dime.

However, your self-employment toolkit should still include:


- A mission statement.
 - An elevator pitch.
 - A Memorandum of Understanding template.
 - A business contract form or template.
 - A business plan.
 - Tax help.
- 

Question 10 - **Print back-to-front with next page to create flash cards.**



Question 10

An elevator pitch is called that because it's something you do while fixing an elevator.




Answer 10



Answer 10: Myth - Why?

An elevator pitch is usually a 30- to 60-second pitch (speech) that should tell your contact enough about you so they can understand you (or your company) and potentially help you. People often refer to this as an elevator pitch because it's something you could say about yourself to someone while you share an elevator ride.

An elevator pitch is used in networking, sales, and self-employment.



Internships Worksheet



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Internships can be great opportunities to get experience, understand work culture, make connections, and possibly even earn some cash and/or college credit. But what opportunity is right for you?

	Opportunity A	Opportunity B	Opportunity C
Name of Company			
Is the internship a paid opportunity?			
Is this a required academic internship?			
Can you get extra credit for school?			
Can you get extra credit in your course work?			
Does the company you're considering have a good reputation?			
Does the internship meet your professional goals?			
Will you gain field experience?			
Will the internship give you access to people in your field for future networking?			
Is the internship personally satisfying?			
Does the internship work for you ethically?			
Does the internship utilize your skills?			
Is there orientation or training prior to beginning the position?			
What is the duration of the internship?			
How many hours are required?			
Is there a written description for this position?			
Is it acceptable to adjust hours or take time off during college exams?			
Has the company had interns before?			
Will travel be required?			
RANK (and notes about each opportunity)			

EMPLOYMENT

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Employment

OVERVIEW AND OUTCOMES

Hunting for a paycheck or your dream career can be a full-time job by itself—but achieving either is possible. This lesson will help you plan for the process, assess your options, and put together the pieces you need to apply, interview, and find the right opportunity for you.

Lesson Outcomes:

- Develop a job search plan.
- Generate career resources.
- Prepare for the interview process.
- Evaluate job offers.
- Identify factors that affect take-home pay.
- Review how to approach unemployment and underemployment.

Employment

DISCUSSION QUESTIONS

1. Do you have any current employment aspirations?
2. Do you have a plan about where you're going to go after your next job?
3. Do you have the time and resources you need to go after your goals?
4. Identify your short- and long-term career goals, as well as your short- and long-term financial planning goals. Do you expect that working in your desired career will change your financial goals, or that your financial goals might change your career goals? Why or why not?
5. To what extent, if at all, does an improved financial status help you achieve your desired career? What steps can you take to improve your financial status today?
6. If you had multiple job offers on the table, what do you think would be the most important factors in deciding which job you accept?

Employment

ENERGIZERS

1. Pick two cities you're interested in living in. Compare the cost of living in each city, as well as the average salary of your desired career. Report back to the class with the results. What differences did you find? Did anything surprise you?
2. Describe your best/worst job related story. (This might include an interesting/weird interview question, an awesome/crazy boss, work environment, culture, coworker, etc.)

Employment

ACTIVITIES

NOTE TO INSTRUCTORS: You may want to invite someone from the Career Services Office to help facilitate some of these exercises to take advantage of their knowledge and expertise.

- 1. EMPLOYMENT RESOURCES IN THE DIGITAL AGE:** Employers these days love to check out your online presence in addition to your résumé. Professionalism, consistency, and accuracy all matter.
 - Set up your LinkedIn Account. Make sure it mirrors your résumé. Double check all the little details, including spelling and grammar.
 - Clean up your Facebook page (and any other social network platforms you utilize). You may think that all of your settings are set to “private”—but it’s best not to take chances. Consider the posts you’ve made, pictures that are available, etc. and clean up and/or remove anything that you wouldn’t want a prospective employer to see.
 - Clean up your credit reports. You may want to refer back to the Credit and Debt Management lesson. Some employers do pull a form of credit report and/or score. Making sure this information is accurate can mean the difference between no job offer and the one you want.

Questions: Why do your social resources matter in the job search? Do you think that it’s fair for employers to check up on you in this way? Regardless of your feelings, what steps will you take to ensure that you look good online to prospective employers?

SALT Action: Go to www.saltmoney.org and read an article on employment resources.

- 2. NEGOTIATING SALARY AND BENEFITS:** Have students select three employers they may want to work for. Have them go to those employer websites and identify all of the different employer sponsored benefits

Employment

that the organization advertises. Next, have students research which benefits might be negotiable. Role-play how to negotiate the benefits package. (Consider having your Career Services Office facilitate this role-playing and provide feedback.)

Questions: Why should you care about benefits—and not just the wage or salary being offered? What benefits are most important to you? Do you think that might change over time? If an employer did not offer a specific benefit, would you consider turning down the job? Would great benefits make up a lower salary offer for you?

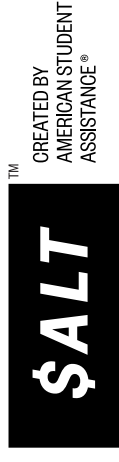
SALT Action: Go to www.saltmoney.org and read an article about benefits, such as “Evaluating Employer Benefits.”

- 3. EVALUATING EMPLOYMENT PACKAGES:** Use the Evaluating Employment worksheet. Choose three employers that you think you would be interested in working for. Using information from the employer website (or comparable information from Salary.com or other websites), review the components of the potential employment package. Include items such as base pay, benefits (type of benefit, specifics about each benefit), and approximate deductions you’d expect (federal/state/local tax, benefit costs, etc.). Also look up the cost of living for each employer’s location.

Questions: Why is it important to look at more than just salary/wage information? When you look at the information in your worksheet, what stands out to you? Anything make you excited or nervous? Items you hadn’t thought about before? With the information you gathered, which job would you choose, and why?

SALT Action: Go to www.saltmoney.org and read an article about compensation, such as “Your Salary and Your Total Compensation.”

Evaluating Employment Options



Your employment decision will likely rely on more just the salary or wage they offer you. First, take a look at the various items and rank their importance to you on a scale of 1-5, with items receiving a 1 being very important to you, and those with a 5 being not as important. (Multiple items can be ranked 1, etc.) Then, select three employers and complete the following chart. Finally, consider what choice you would make based on what's most important to you.

EMPLOYER	RANK
Location	
Cost of Living	
Position	
INCOME	
Base wage/salary	
Bonus, etc. opportunity	
BENEFITS	
Medical insurance	
Dental insurance	
Vision insurance	
Life insurance	
Disability insurance	
Retirement (base percent, matching, etc.)	
Vacation/sick/holiday days	
Student loan repayment	

DEDUCTIONS					
Taxes (approximate for federal, state, local)					
Benefit deductions (pre-tax)					
Benefit deductions (post-tax)					
OTHER					
Company culture (dress code, flexible schedule, etc.)					
Advancement opportunity (within the organization or for your long-term goals)					
PROS (What you like about this opportunity)					
CONS (What you're not so sure about)					
CHOICE (Which would you choose—and why?)					

MONEY MANAGEMENT

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Money Management

OVERVIEW AND OUTCOMES

Whether you have \$100,000 in the bank or next to nothing, managing money boils down to one thing: understanding your choices. This lesson will help you understand how to think about your choices, make a plan, and put that plan in action. That way, no matter what life throws at you, you'll have options.

Lesson Outcomes:

- Define money management.
- Connect goals and money management.
- Understand opportunity costs using the pro vs. con method.
- Differentiate between banks and credit unions.
- Develop a net worth statement.

Money Management

DISCUSSION QUESTIONS

1. How do you currently manage your money?
2. What tools do you use to keep track of money?
3. Are you comfortable with goal setting?
4. What are the differences between credit unions and banks? Which one are you more likely to use? Explain your answer.
5. In your own words, define “opportunity cost.”
6. What’s the difference between an asset and a liability?
7. Have you thought about the financial goals you’d like to achieve in your lifetime? What are your top three goals? What might stop you from reaching those goals? How can you insure that you meet them?
8. What have you learned that you could teach other students to help them become financially savvy adults?

Money Management

ENERGIZERS (Short in-class activities)

1. Share your favorite money saving opportunity on campus and in your community.
2. Share a banking horror story.
(Ask students not to use the bank name in class.)
3. Break into small groups and ask students to come up with a new term for financial literacy. Tweet this to [@SALT_Money](https://twitter.com/SALT_Money).

Money Management

ACTIVITIES

- 1. NET WORTH—NOW & FUTURE:** Individual assignment. Print two copies (or front/back) of the Net Worth Calculator worksheet for each student. Have students calculate their current net worth. Then ask them to map out their likely net worth five years after graduation.

Questions: How do you feel about your current net worth? College students often have a negative net worth. How can you remind yourself that you're currently making an investment in yourself (via student loans, for example) while also making smart decisions to increase your net worth? What steps will you take between now and five years after graduation to get to your net worth goals? What roadblocks might you run into, and what can you do to get around them?

SALT Action: Go to www.saltmoney.org and use the online Net Worth Calculator or read an article like “The Four Assets That Make Up Your Net Worth.”

- 2. CREATING SMART FINANCIAL GOALS:** Creating goals provides structure and purpose for personal, academic, and financial activities. Students who use effective goal-setting strategies report that they experience less stress and anxiety, concentrate better, perform better, and are more satisfied in their lives. Generally the focus is building academic and personal goals, but this is a good opportunity to build in the idea of SMART financial goals.

Effective goals include action words that explicitly describe the desired outcome and SMART elements. The SMART elements of a goal are the following:

- **Specific:** The goal should identify a specific action or event that will take place.
- **Measurable:** The goal and its benefits should be quantifiable.
- **Achievable:** The goal should be attainable given available resources.

Money Management

- **Realistic:** The goal should require you to stretch some, but allow the likelihood of success.
- **Timely:** The goal should state the time period in which it will be accomplished.

Ask students to develop a SMART financial goal. Possible prompts could be paying for books, paying for next semester, creating an emergency fund, paying for a spring break trip, etc. Be sure to include a call to action.

Questions: What pressing financial goals do you need to meet? Any longer term goals that you're looking toward? Now that you have your SMART goal plan, what next steps will you take to ensure that you're successful?

Action: Complete your SMART Financial Goal plan.
Set action into practice.

3. FINANCIAL INSTITUTIONS: Break students into pairs or groups depending on size. Hand out the Comparing Financial Institutions worksheet. Have students go online to find the information for three financial institutions. (Consider having them select a standard bank, a credit union, and an online-only bank.) Once completed, have them share why they chose their particular financial situation.

Optional: Give them different student scenarios to make recommendations for different situations. For example, what recommendation might they make for a person who's a residential student, living on campus, prone to bouncing checks vs. a recommendation for a single-parent commuter student who needs convenience?

Money Management

Questions: Why did you choose your financial institution? What factors are most important in your decision-making process? With this information, would you consider switching financial institutions? Why or why not?

Action: Have students review their personal financial institution(s). In particular, have students focus on the available account reconciliation options, fees, etc. and have them commit to a regular review of their financial accounts (weekly or monthly, depending on the amount of financial activity).

Net Worth Calculator

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To find your net worth, add up all of your assets (the stuff you own) and subtract your liabilities (the stuff you owe). This will change over time. The goal is to increase your net worth by paying down debt and increasing your assets.

	Totals
Assets	
Account Balances	
Checking Account Balances	
Savings Account Balances	
CD Balances	
Investments (non-retirement stocks, bonds, etc.)	
Retirement Balances (401(k), 403(b), IRAs, etc.)	
Cash	
Other	
Value Assets	
Bike	
Car	
Home	
Furniture	
Jewelry	
Other	
Total Assets	
Liabilities	
Student Loans	
Credit Cards	
Car Loan	
Home Loan	
Taxes	
Other	
Total Liabilities	
Net Worth	
Total Assets Minus Liabilities	

Comparing Financial Institutions



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You can choose from a variety of financial institutions for your banking needs. Complete the chart below to help you identify the financial institution that will work best for you.

Institution Name			
GENERAL			
Location and convenience			
Hours of operation			
Online transactions			
Online bill pay			
Minimum requirements			
Interest rates			
Other			
COSTS			
Membership fee			
Account fees			
Other			
RANK (Based on the above, rank your choices. Make any important comments to yourself about your choices here, too.)			

BUDGETING

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Budgeting

OVERVIEW AND OUTCOMES

From this moment forward, budgets shall be referred to as spending plans! It's time to think about the "B-word" a bit differently. Ultimately, a spending plan is just that—a strategy you devise in order to achieve the things you need and want today, and become intentional about with how you achieve the things you need and want in your future.

Lesson Outcomes:

- Identify the three main components of a spending plan.
- Consider how income and savings can dictate expenses.
- Define and design your spending plan.
- Set goals, evaluate, and modify your spending plan.

Budgeting

DISCUSSION QUESTIONS

1. Do you have a budget or a spending plan right now?
2. Do you understand your expenses and income?
3. Can you pay for unexpected bills without stress?
4. What items or activities would be easiest to give up in life when it comes to money? Why? What's the one thing you would never give up, even if you can't afford it? Why?
5. Think about the items that you have purchased but have never used. Is there one thing that stands out as a glaring purchasing mistake? If so, what is it, and why was acquiring it a mistake?
6. Define "need." Define "want." What you have you purchased that you thought was a need, but turned out only to be a want? Why did you think it was a need instead of a want?
7. Identify one or two questions you could ask yourself to determine if something you want to purchase is a want or a need.
8. What strategies do you plan to implement to ensure you are only purchasing items that are needs and/or wants that fit in your spending plan?

Budgeting

ENERGIZERS

1. Write down how much money you think you have in your wallet/purse/bag at this moment. Check it. Were you correct? How far off were you? Why do you think you were over/under? Do you know where that “other” money went, or where it came from?
2. Share a strategy to keep to your spending plan. (For example: using the envelope method, having a spending buddy that you call before making a purchase, putting your credit cards on ice, etc.) Do a round robin until all answers are shared. The last one standing gets an extra point (or something similar to generate further ideas/discussion).
3. Think about something that you regret buying. Tweet it with a pic and a short “regret quip” to [@SALT_Money](#).

Budgeting

ACTIVITIES

- 1. PROS AND CONS:** Ask students to consider items that they want to buy. Discuss the questions below. Hand out the Pro vs. Con worksheet and have them complete this for three of their items. When completed, have volunteers share their answers/thought processes.

Questions: Why do you want these items? Why are they important for you to have? What else could you spend that money on or what could you do with the savings if you didn't make the purchase? What do you think you should consider in relationship to your financial decisions to help improve your current financial status? Why?

SALT Action: Go out to www.saltmoney.org. Search for “budget” and watch one of the SALT budget videos or read an article.

- 2. PICTURE THE PRICE:** Have students create a set of photos of popular items that they purchase or would like to purchase. Have students research the approximate price of the item. Then, ask students to figure out what they would need to give up over the next month or year in order to afford that purchase. (For example, new electronic gadget = approximately \$500. To get the \$500, give up the 5/week \$2 soda/water purchase.)

Questions: What items did many of you choose as your popular purchase items? Did you agree on the price for these items? Did that price change depending on where you shop? Were you able to guess the price for items you didn't know within a fairly close margin? What were common items you chose that you could “give up” in order to purchase your wish list item?

Questions: Which of your “give up” items are you purchasing potentially too often—and often without thinking about it? What are ways that you can stop yourself from the “automatic” purchase? What else could you do with that money?

SALT Action: Go to www.saltmoney.org and download the Fixx app. Add in your personal “fixxes” and track your “fixxes” for a week.

Budgeting

(ACTIVITIES continued)

3. GETTING TO GOAL: Break students into pairs or groups depending on class size. Assign or let students choose a spending goal (i.e., spring break trip, tuition or books for next semester, new technology, new car tires, fix something, create or build up an emergency fund, etc.). Use the Find More Money worksheet to have groups create their initial spending plan. (Provide them parameters as you see fit or have them research different options if they are unsure about general costs for items.) Once the initial spending plan is complete, have students select a Hazard Card. Using a second Find More Money worksheet, have them make adjustments to their initial spending plan to accommodate this life curve.

Action: Have students create their own personal goal and create a personal spending plan.

SALT Action: Go to www.saltmoney.org. Have students check out the Cash Flow Lesson for additional help and insights with setting their goal, creating their budget, and figuring out how to make adjustments.

Pro vs. Cons Worksheet

Use this worksheet to help you map out the pros and cons of your decisions. First, identify the decision you're trying to make, and write it on the line below. Then, put down the questions that matter most about this decision in the Questions column. From there, identify the pros and cons for each of your choices, and write those in the appropriate column. And finally, analyze your data to help you make the decision that's right for you.

Choice A		Questions	Choice B	
Pro	Con		Pro	Con

FIND MORE MONEY

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PUT EXTRA CASH IN YOUR POCKET EVERY MONTH BY DOING THE MATH

With just a little bit of addition and subtraction, you can get a handle on your finances:

1. Write your numbers in the "Monthly Total" column.
2. Add up your "total monthly income," "total savings and goals," and "total monthly expenses."
3. Subtract your savings and goals and your expenses from your income.

Painless enough, right? When you're finished, sit back and watch your savings grow—but it only works if you don't overspend. Need to adjust your expenses? Check out the budgeting tips and tools at saltmoney.org.

VISIT SALTMONEY.ORG FOR MORE USEFUL TOOLS THAT **BOOST YOUR FINANCIAL SAVVY**

JOIN THE CONVERSATION ON **FACEBOOK** AND **TWITTER** TO FIND HELPFUL BUDGETING TIPS

 facebook.com/saltmoney

 @SALT_Money

1

INCOME	MONTHLY TOTAL
Salary (after taxes/benefits)	\$
Other income (after taxes)	\$
TOTAL MONTHLY INCOME	\$

2

SAVINGS AND GOALS	MONTHLY TOTAL
Emergency fund	\$
Goals	\$
TOTAL SAVINGS AND GOALS	\$

3

	EXPENSES	MONTHLY TOTAL
HOME	Rent/mortgage	\$
	Utilities (electricity, gas, etc.)	\$
	Internet/cable/home phone	\$
	Home repairs and maintenance	\$
	Groceries	\$
	Laundry/dry cleaning	\$
BILLS	Student loans	\$
	Credit cards	\$
	Car payment	\$
	Insurance (car, homeowner's, etc.)	\$
	Cell phone	\$
TRANSPORTATION	Public transportation/taxis	\$
	Gas	\$
	Parking/tolls	\$
	Car repairs and maintenance	\$
HEALTH	Prescriptions	\$
	Doctor appointments	\$
	Gym membership	\$
PERSONAL	Entertainment	\$
	Gifts/special occasions	\$
	Travel	\$
	Dining out	\$
	Clothing	\$
MISC.		\$
	TOTAL MONTHLY EXPENSES	\$

4

TOTAL MONTHLY INCOME	\$	-	TOTAL SAVINGS AND GOALS	\$	-	TOTAL MONTHLY EXPENSES	\$	=	YOUR BOTTOM LINE	\$
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Hazard Cards: Spending

You hit a pothole and your car got a flat tire. Your temporary spare tire is on the car now, but it won't last long. You need to buy a new tire.

Cost: \$120 for a new tire and \$20 for installation labor.

You were ill and had to see your doctor.

Cost: Health insurance deductible of \$150 and prescription medications \$75.

You just received a reminder notice that you have unpaid parking tickets.

Cost: Tickets and late payment fees \$250.

Your laptop is on the fritz and needs to be repaired.

Cost: Hardware parts replacement \$100 and labor \$100.

You lost your eyeglasses and must replace them.

Cost: \$300.

You need some new clothes for an interview for a job/internship.

Cost: \$150.

The deposit for your Study Abroad trip is due.

Cost: \$300.

You have been advised to join the professional membership organization for your field of study.

Cost: Annual dues of \$125.

You want to take a Winter Session course. You are interested in taking the course because it will help you graduate sooner.

Cost: \$2500 tuition.

Your roommate is moving away, and you need to carry his/her share of the rent until your new roommate moves in.

Cost: \$450 for one month of rent.

There has been a cold snap, and your heating bill increased last month.

Cost: An extra \$100.

Your parents just told you that they cannot afford to pay for your books this semester.

Cost: \$450.

STUDENT LOANS

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Student Loans

OVERVIEW AND OUTCOMES

You've decided to go to school, and now you need to figure out how to pay for it. You've already started the process by completing your FAFSA, so what's next? How can you decide what's best for you when it comes to paying for school? Are student loans your best option, your only option, or a mysterious option that everyone seems to do, so you'll do it too? Discover how student loans affect your personal, financial, and career paths when you commit to paying for school with them.

Lesson Outcomes:

- Relate your income and earning potential to your student loan decisions.
- Identify the influential industry processes, people, and entities you'll work with over the life of your loan.
- Identify, compare, and contrast the different loan types.
- Develop your method for debt tracking.
- Understand your rights and responsibilities as a borrower.

Student Loans

DISCUSSION QUESTIONS

1. What thoughts do you have about paying for school?
2. What's your biggest fear when it comes to borrowing to pay for school?
3. Do you have a plan to take control of your financial fears?
4. Evaluate your chosen career path and the degree you plan to earn. Are you familiar with a realistic average starting salary for that career/degree?
5. Based on your career/degree plans, how much student loan debt do you think is appropriate to take on?
6. How can you incorporate your anticipated starting annual salary into managing your student loan debt?
7. What steps could you take to reduce or eliminate student loan debt in the first place?

Student Loans

ENERGIZERS (Short in-class activities)

1. What's one thing you really want to know about your student loans? Have your students utilize self-help through the SALT website at www.saltmoney.org and/or call a SALT counselor. (This can be used as a take-home assignment, as well.)
2. Share one strategy about how to avoid taking on student loans or reduce how much you borrow. (Sample student responses may include: **scholarships** – national, local, and/or institutional; **alternative ways to pay** via payment plans, etc.; **live at home** or with roommates; **get a work-study job** (if eligible) or other part-time work.)

Student Loans

ACTIVITIES

- 1. LOAN COMPARISON:** Not all loans come with the same terms and conditions. So, if you have a choice, which loan(s) should you choose? Have students go online and use the Loan Comparison Worksheet to figure out the details of different loan types.

Questions: Why should you research your loan options? What difference do the various terms and conditions make on a loan—both in your ability to get the loan, and in what you might pay over time? Are there other implications? Based on the information you gathered, how would you rank the various loan options? Why did you make that decision? Would this vary depending on personal circumstances?

SALT Action: Go to www.saltmoney.org and use the search function to find additional information (articles, videos, infographics, etc.) to learn more about your borrowing options.

- 2. SALARY AND DEBT:** Have students go online to find salary information for their degree/program using websites such as www.BLS.gov, www.salary.com, etc. Have them identify this information for 2-3 different geographic locations, and then have them find the cost of living for those same locations using an online tool such www.bankrate.com. (Remind students that salary information is often the “average” for the field and may not reflect actual starting salary.)

Next, have students estimate the amount of debt they’ll take on to achieve their degree. Does this amount of debt and the corresponding monthly payment required fit the suggested standard of the 8-10% rule? (Your monthly student loan payments should not exceed 8-10% of your after-tax monthly income.) How about the first-year salary rule? (Your entire student loan debt total should be no more than your first year salary expectation.)

Questions: Looking at the potential salary for your degree/program, were you surprised at what you found? Did location make a significant difference in your field? If you compare the potential wage for your degree/program in a geographic location to the cost of living, what might actually be a better location? Based on how much you might earn vs.

Student Loans

how much you might need to borrow, are you on track to meet the 8-10% rule and/or the first-year salary rule? If not, how can you make that happen?

SALT Action: Go to www.saltmoney.org and upload your student loan information. Keep track of your debt throughout your collegiate experience and beyond. Use SALT's Scholarship Tool—also known as the Find Free Money For School Tool—and talk to your financial aid office to find scholarship opportunities to help you reduce your debt. Thinking about grad school? Use SALT's Grad School Salary Estimator to find the earning potential by degree, state, and school.

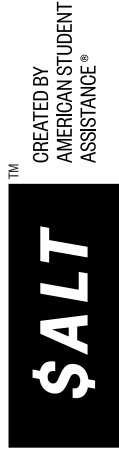
- 3. CALCULATING YOUR INTEREST:** Let's say you've borrowed \$5,000 in unsubsidized Stafford loans this year. First, what's the current interest rate on an unsubsidized Stafford loan? Given that information, how much interest will you accrue this year (assuming you don't make any interest or principal payments)? If you assume the interest rate stays the same for the next four years and it's calculated yearly, how much interest will accrue over the next four years? (Don't forget to account for the interest on the interest.)

Questions: What were your first thoughts about how much interest is accruing? If you were to give advice to someone who had this loan, would you encourage them to make interest payments while in school? Why or why not? What other suggestions would you make?

Action: Use your actual student loan debt and calculate how much you'd save if you paid your student loan interest (for any loans that accrue interest) while in school.

SALT Action: What would you do with the potential savings if you paid your student loan interest while in school? Tweet your response to [@SALT_Money](https://twitter.com/SALT_Money).

Loan Comparison Worksheet



Not all loans have the same terms and conditions. Use this worksheet to map out the specifics about your borrowing choices.

	Subsidized Stafford	Unsubsidized Stafford	Perkins	PLUS	Private	Credit Card
CONSIDERATIONS						
Type of application(s) needed (FAFSA, lender app. etc.)						
Interest rate (fixed, variable, how much)						
Maximum interest rate and when interest rate can change						
Loan terms (How long do you have to repay? Estimated total cost of loan?)						
Loan repayment options						
Loan forgiveness options						
Deferment and/or forbearance options						
Cosigner required and/or needed						
OTHER (What else is important to you?)						
RANK (Rank your choices. Make notes about your options.)						

STUDENT LOAN REPAYMENT

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Student Loan Repayment

OVERVIEW AND OUTCOMES

You borrowed money to pay for school through student loans, and now you're in debt. Don't worry—there are plenty of ways to face it head-on. Debt can seem overwhelming, but it doesn't have to be. This lesson will help you fully understand your options so your loan repayment feels more manageable.

Lesson Outcomes:

- Recognize your rights and responsibilities as a borrower.
- Examine your repayment plan options.
- Relate your payments to your spending plan.
- Explore repayment challenge solutions.
- Develop successful repayment habits.

Student Loan Repayment

DISCUSSION QUESTIONS

1. What would you do if you lost your job or never landed a job and had thousands of dollars in loan debt?
2. What's your biggest concern when it comes to repaying your student loans? What help do you need now to address these concerns?
3. How will income influence your approach to paying off student loans, if at all?
4. When you think about the day you'll finish repaying your student loans, how do you think you'll feel? What will you do with the extra money you have each month?
5. Deferment and forbearance are often optional when you can't make payments. Income based repayment plans are also available. What are the pros and cons of each?
6. If you had the choice to tighten your budget a bit in other areas, but pay off your student loans two years early (and save yourself \$2000 in the long run), would you do it? What changes would you be willing to make?

Student Loan Repayment

ENERGIZERS

1. Go to www.saltmoney.org and search for a video related to student loan repayment (i.e., “How to Pay Off My Student Loans,” or “How to Recover from Default,” etc.) Watch the video in class and facilitate impromptu discussion. Ask students to share the one item most important to them in the video.

Student Loan Repayment

ACTIVITIES

NOTE TO INSTRUCTORS: You may want to invite someone from the Financial Aid Office to help facilitate some of these exercises to take advantage of their knowledge and expertise.

1. **RIGHTS & RESPONSIBILITIES SCAVENGER HUNT:** Break students in to pairs or groups. Have students go out to www.saltmoney.org and studentloans.gov. Have them search for the rights and responsibilities of being a student loan borrower. Have them create their lists of rights and responsibilities. Have each group share with the class and talk about rights and responsibilities. (As an added exercise, you may also want to have students research the rights and responsibilities of credit cards, and compare them to that of student loans.)

Questions: Why is it important to know what your borrower rights and responsibilities are? Are there any actions you should take now that you have this information? What actions should you be sure to take once you near or enter repayment?

Action: Have students ensure that their address, phone number, and email are up-to-date with the school and their lender(s).

2. **60 WAYS TO GET RID OF YOUR STUDENT LOANS:** Break students into pairs or groups. Have students go out to www.saltmoney.org and download the publication “60 Ways To Get Rid Of Your Student Loans.” Give each group a student bio and ask them to use the publication to determine which forgiveness and/or repayment options they’d suggest to their sample student and why. Have each group share their responses.

Questions: What, if anything, surprised you about the different loan forgiveness programs available? Were there any options that you might be able to take advantage of personally? What would you need to do to qualify and/or pursue those options?

Action: Have students investigate what student loan forgiveness options might exist for their particular program of study/career. Have them research three potential employers in their career field to see if there are employer sponsored repayment programs.

Student Loan Repayment

- 3. LIFE AFTER COLLEGE:** Have students use either their own personal amount of student loan debt or use the average for your school and/or program. Using the tools and information on www.saltmoney.org, have students complete the Payment Plan Options worksheet and then decide which repayment plan they would choose and why. Next, pass out the Hazard Cards and ask students to consider what changes, if any, they'd want/need to make to their repayment plans based on this new scenario.

Questions: How many different repayment options did you find for Federal student loans? How different are they? What are some of the pros and cons you found for each? How could these different repayment options help you as "life" happens? How much could you save over the life of your loan if you made extra payments (either one extra payment a year, or \$x/month extra each month)?

SALT Action: Go to www.saltmoney.org and use the Student Loan Navigator tool to further research what repayment, loan forgiveness, and deferment/forbearance options might be available.

Hazard Cards: Loans

You just lost your job.

Sadly, there was a death in the family and you now have to contribute \$200/month to help your family.

Your car has broken down and it's going to cost \$500 to fix.

You're at a high risk of becoming homeless.

Your parents have been helping you, but due to a change in their own financial circumstances, they can no longer afford to help you pay your loans.

Your spouse has become unemployed, and your income has to cover all household expenses.

You fell behind on your bills, and you're worried about being able to cover the rent/mortgage.

The weather has been crazy this year, and your utility bill has climbed an average of \$150/month.

CREDIT & DEBT MANAGEMENT

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Credit & Debt Management

OVERVIEW AND OUTCOMES

It's just another day with yet another enticing credit card offer in your mailbox or inbox. Sounds great, right? This offer just may be the perfect fit for your credit situation—or just the opposite. In reality, credit can be a very useful part of your financial toolkit if you develop good habits. This lesson is all about keeping it real and learning how to approach credit decisions in a positive way to support your personal life choices.

Lesson Outcomes:

- Recognize that credit equals debt.
- Examine the components of a credit report.
- Identify different credit types to build your credit appropriately.
- Understand the credit application process.
- Develop a credit strategy that works for you.
- Analyze your credit resources.

Credit & Debt Management

DISCUSSION QUESTIONS

1. Who's been your biggest influence when it comes to credit and/or debt and why?
2. How do you feel about your current credit situation?
3. You're at the checkout and the cashier asks you "Debit or Credit?" Which one do you answer, and why?
4. How long have credit cards been around? What was the first credit card?
5. Is there good debt and bad debt? What's the difference?
6. Why does credit matter? What impact can credit scores have on your life?

Credit & Debt Management

ENERGIZERS

1. Have students break into pairs/groups. Have them identify three ways to build or reestablish credit. Share out with the class.
2. Select an article on www.saltmoney.org related to credit cards and credit scores (or have students select their own). After reviewing the article, have students share their number one takeaway about what they could be doing differently as it relates to their credit.
3. Use the Hit or Myth Cards. Have students identify why they think each statement is a “hit” (true) or a “myth” (false).
Discuss the answers.

Credit & Debt Management

ACTIVITIES

1. **CREDIT SCORE vs. CREDIT REPORT:** Have students create definitions for “credit score” and “credit report,” and then share with the class.

Questions: What’s the actual difference between credit scores and credit reports? Why do you need to know about the various elements of a credit score? Why should you look at your credit report—and what should you be looking for on your credit report? What should you do if you notice something wrong on your credit report?

Action: Have students pull their free credit report from annualcreditreport.com and review for issues. Have them follow up with the appropriate steps if necessary. (NOTE: If a person is in credit trouble, this may not be an appropriate action for them to take.)

2. **MASTER YOUR PLASTIC:** Have students go to www.saltmoney.org and complete the Master Your Plastic lesson. If a student doesn’t have any personal debt, provide a sample debt scenario (e.g., - \$1800 in credit card debt).

Questions: What did you charge that you’re still paying off, and was it worth it? What changes might you make going forward to pay off your debt? What might you do to keep yourself from getting in as much debt in the future?

SALT Action: Have students go to www.saltmoney.org and search for articles and videos related to credit and debt. Have them write a one-page reflection on how they feel about their current debt, and what steps they want to take in the future to keep up their current good habits and/or change their future credit/debt direction.

3. **SCORE UP!** Use the Credit Score Worksheet and ask students to identify three steps they could take immediately to improve or maintain their credit score. Share best practices with class.

Questions: What are the five major credit score factors? What’s the most important step you can take to ensure a positive credit score? Beyond making your payments on time, what else might you do to improve your credit score? Why should you even care about credit and/or your credit score?

Action: Have students check their credit score. There’s a charge to do this through myfico.com, but a reasonable alternative score can be obtained for free at creditkarma.com.

Questions 1, 2, 3 - Print back-to-front with next page to create flash cards.

Question 1

If you have a high income, your credit rating will be better than someone who has low income.

Question 2

A consumer must give a company permission to review one's credit report.

Question 3

Closing credit card accounts will improve your credit score.

Answers 1, 2, 3

Answer 1: Myth - Why?

- Credit is based on a number of factors.
- FICO® scores are based on:
 - Payment history – 35%
 - How much you owe – 30%
 - Length of credit – 15%
 - Recent applications – 10%
 - Types of credit – 10%
- None of the factors include income. The only time lenders are going to look at income would be for a mortgage or car loan, and then they're looking at debt-to-income ratio.

Answer 2: Myth - Why?

- When a lender checks your credit, there are “hard” and “soft” inquiries.
 - A hard inquiry occurs when applying for a credit card or loan.
 - A soft inquiry occurs for pre-approved credit card offers that you did not request or periodic reviews by your existing credit card lenders.
- Soft inquiries will not affect your credit score; however, you can opt out of receiving credit offers by calling **888-5-OPTOUT** or going to the website **www.optoutprescreen.com**.

Answer 3: Myths - Why?

- Closing your accounts can hurt you in two ways:
 - Closing an account can make your credit history look younger than it is. Your credit score factors in the age of your oldest account and the average of all your accounts. So closing accounts, particularly older accounts, can ding your score.
 - Closing accounts reduces the total credit that you have available, making the debt utilization ratio soar. Remember that the FICO formula measures the gap between the credit you use and your total credit limits. The wider the gap, the better. If you suddenly lower the limit by shutting down accounts, the gap narrows—and that's a bad thing.

Questions 4, 5, 6 - Print back-to-front with next page to create flash cards.

Question 4

Once a debt is paid in full, it's removed from your credit report.

Question 5

You can't hurt your score by shopping around for the best rates for auto loans and mortgages.

Question 6

You have to use your credit in order to get a good credit score.

Answers 4, 5, 6

Answer 4: Myth - Why?

- Negative accounts will stay on your report for 7 years.
- Positive accounts will stay on your report for 7 or more years.

Answer 5: Hit - Why?

- Consumers usually want to shop around for auto loans and mortgages to get the best deal/rates. Consumers should not be penalized for this.
 - Older versions of FICO allow 14 days for rate shopping.
(Multiple auto loan inquiries within 14 days will only be counted once.)
 - Newer versions of FICO use 45 days.
 - Other scoring formulas may use 30 days.
- Each lender chooses which version of the scoring formula it wants the credit reporting agency to use to calculate your score.

Answer 6: Myth - Why?

- The credit scoring formula is designed to judge how well you handle credit over time.
- If you have no credit, or you don't at least occasionally use the credit you have, the formula won't have enough information to make an assessment.

Questions 7, 8, 9 - Print back-to-front with next page to create flash cards.

Question 7

Adding a statement to your file can help your credit score if you have an unresolved dispute with a lender.

Question 8

The only place to get a free annual credit report is freecreditreport.com

Question 9

Payment history is the largest factor in determining your credit score.

Answers 7, 8, 9

Answer 7: Myth - Why?

A statement cannot impact your score. However, a statement will be on your credit history, and a potential lender can read that statement, which may influence their lending decision.

Answer 8: Myth - Why?

- Freecreditreport.com is not free. You need to sign up for a monthly service to get your free report.
- There are three major consumer reporting agencies:
 - Equifax (www.equifax.com)
 - Experian (www.experian.com)
 - TransUnion (www.transunion.com)
- The law entitles you to one free credit report from each agency every 12 months. You can get all three from www.annualcreditreport.com.

Answer 9: Hit - Why?


This is the most important strategy, because consistent, on-time payments will have the biggest impact on improving your credit. If you've paid your bills on time in the past, creditors will expect that you're more likely to keep doing so in the future. To improve the payment history portion of your score, get current and stay current on your bills. Payment history is the biggest component of your credit score.

Question 10 - **Print back-to-front with next page to create flash cards.**



Question 10

Keeping a high balance on your credit card will
improve your credit score.



Answer 10

Answer 10: Myth - Why?

- Lenders want to know not only how much you've borrowed, but also how much of your existing credit line you're using. If you're near or at your current credit limits, your score will suffer. In other words, a \$2,000 balance on a card with a \$2,500 limit is bad, but a \$2,000 balance on a card with a \$20,000 limit is fine.
- The utilization ratio is one reason people will caution you against closing old accounts you don't use very often. A consistently low balance on a card improves your overall ratio. (Cards you never use don't help your payment history, and lenders can close accounts that are inactive for too long, so be sure to use each of your cards every once in a while and pay them off promptly.)
- Applying for a lot of credit all at once may improve your utilization ratio slightly, but you'll lose points in other areas. To improve your utilization ratio score, keep balances low and pay them off—rather than just moving them around. Requesting a higher limit on an existing account can also help. But, if you take advantage of that higher limit, make sure you still stay current on your bill.

Credit Score

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Your credit score is based on the following five major factors. For each factor, identify what this factor really means and the steps you could take to influence your score in that domain.

Credit Score Factor	What This Means	Action
Payment History (35%)		
Amounts Owed (30%)		
Length of Credit History (15%)		
New Credit (10%)		
Types of Credit Used (10%)		

SAVING & INVESTING

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Saving & Investing

OVERVIEW AND OUTCOMES

When you think about saving and investing, do you imagine your goals and picture realizing your dreams? Mapping out a strategy to reach those goals and dreams can be quite customized and very personal. Learn how to relate some key topics and questions to your goals, and examine your plans and needs through a savings and investing lens to help organize your financial thoughts to produce a solid, yet flexible saving and investing strategy.

Lesson Outcomes:

- Determine the difference between saving and investing.
- Understand compound interest.
- Examine the risks and rewards of saving and investing.
- Evaluate the difference between retirement and non-retirement accounts.
- Analyze saving and investing strategies by life stage.

Saving & Investing

DISCUSSION QUESTIONS

1. Name three things you've saved for or invested in (or thought about saving for/investing in). Why did you do so and what did you do?
2. What's something positive you're doing now to save and/or invest?
3. What hesitations do you have about saving or investing?
4. Which is more important: investing in your retirement, saving for your future children's education, paying for term life insurance, or helping family members who may be in financial difficulty? Explain your answer.
5. Imagine that in the future you have \$20,000 in a 401(k) from an employer you're no longer working for. You're financially strapped. Would you leave it there or withdraw to pay your bills? Explain your answer.
6. What are the big-ticket items you'd like to purchase in the next 10 years? What considerations must you make to determine if the purchase is financially smart for you?

Saving & Investing

ENERGIZERS

1. Draw a picture of your earliest saving memory.
2. Use a saving calculator to determine how much you could have at the end of the year if you saved \$X at Y interest rate. Then, consider any “windfalls” (tax refund, gifts, etc.) and add that to your potential savings total.

Saving & Investing

ACTIVITIES

- 1. RETIREMENT STRATEGIES:** The timing of when you start saving for retirement can make all the difference. Use a retirement calculator (such as that at aarp.com) to project how much you'll need to save to retire. Use starting ages of 25, 35, and 45. What's the difference?

Questions: What questions did you need to consider that you weren't aware of before? What steps can you take to make sure you're investing in your future now? What are the consequences if you decide not to start saving for retirement now?

SALT Action: Go to www.saltmoney.org and read an article on saving.

- 2. SAVINGS CHALLENGE:** The secret to becoming a millionaire is all about starting your savings habit early and keeping it up. For this longer-term activity, have students participate in a savings challenge. There are a number of options they could choose from:

- a. Simple: \$5/week (or appropriate same amount each week)
- b. Weekly Step Up: \$1/week one; \$2/week 2; \$3/week 3, etc.
- c. Change Drive: All change goes to savings. Not a cash person? Round up for every credit/debit purchase you make and put that amount toward savings.
- d. Create Your Own: Have students create their own self-challenge.

Questions: Explain the concept of compound interest. Why does the timing of savings matter? Which savings challenge would you be most likely to do (and follow through with)? If you do the challenge for 10 weeks, what would the total difference in savings be between the Simple \$5/week challenge and the Weekly Step Up challenge?

SALT Action: Go out to www.saltmoney.org and play with the Savings Calculator.

Action: Set your next savings goal, and create a savings challenge to help you meet that goal.

- 3. MARSHMALLOW CHALLENGE:** Bring in a bag of marshmallows to your classroom. Give each student a marshmallow and tell them you'll give them an additional marshmallow (or 5 bonus points, etc.) if they don't eat it in the next 10 minutes. Go on with your classroom activities for the next 10 minutes. Then, have your class watch the following marshmallow video at <http://www.youtube.com/watch?v=MOyhHKWUaOg>. Award your students the extra marshmallow/points for those who qualify.

Saving & Investing

Facilitate discussion around student responses. Have them consider that their 401(k) is the extra marshmallow. Have students pick three potential employers in their field, and check out their benefits section for 401(k). Use the Retirement Benefits worksheet if desired.

Questions: As an adult, how are you handling self-discipline differently? What strategies can you employ for discipline and savings? How did different employer retirement plans/benefits vary? How much money would you be leaving on the table if you didn't take advantage of employer sponsored benefits?

SALT Action: Go to www.saltmoney.org and read an article on retirement.

Action: If you're currently working, review your employer benefits related to retirement. Are you fully taking advantage of what they have to offer? If not, what changes would you like to make—and what do you need to do to make that happen?

4. STOCK MARKET STALKING: The stock market can be a bit mysterious. For this term-long activity, give each student (or group of students) \$100,000 to “invest” in the stock market. Have them select a variety of stocks, and track their progress each week. Have them compare the performance of their stock portfolio vs. the market as a whole and vs. a common mutual fund. You may also want to have students provide the last 5 or 10 years of historical data for comparison.

Questions: What criteria did you use to select your stocks? How did you decide how many of each stock to buy? How did your portfolio perform compared to the market as a whole? How about in comparison to a common mutual fund? What are the pros and cons to investing in individual stocks as opposed to mutual funds? What are the general advantages and disadvantages to investing as a whole? What should you consider when making the decision to invest? What recommendations would you make to your future self in terms of investing?

SALT Action: Go to www.saltmoney.org and read an article related to the stock market or investing.

RISK MANAGEMENT

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Risk Management

OVERVIEW AND OUTCOMES

It's never fun talking about loss or thinking about how to protect yourself from one. Unfortunately, life can and will happen. This lesson will teach you about insurance and other risk management tools that can help you prepare for a loss—before you actually have to face one.

Lesson Outcomes:

- Differentiate between different risk and insurance products.
- Analyze how insurance needs to change over time.
- Understand the purpose of a will.
- Formulate a personal risk management strategy.

Risk Management

DISCUSSION QUESTIONS

1. What do you consider risky behavior? Do you currently engage in any “risky” behavior?
2. How does insurance help to protect you and your financial interests? Provide at least two examples of how insurance helps ensure the financial safety of individuals and their families. What could happen if these individuals didn’t have insurance?
3. Do you think prenuptial agreements take the romance out of a relationship? Do you think a prenup is a necessity? Why or why not?
4. At what point should couples begin talking about finances in a relationship?
5. A child has inherited \$150,000 in a will. Should the money be held until the child reaches a certain age? If so, what age? Explain your answer.
6. Have you ever thought about creating a will? What’s important about a will? Do you think you need one? What would be important for you to put in your will?

Risk Management

ENERGIZERS

1. Go to www.saltmoney.org. Review SALT articles on insurance.
Provide one-minute summary for takeaway and share with the class.

Risk Management

ACTIVITIES

- 1. CAR INSURANCE:** Car insurance is one type of required insurance. But do you really know what you need or what you're getting? Have students define the various types of car insurance, including collision, liability, and comprehensive. Which are mandatory or non-mandatory? What's the potential impact of not getting the additional optional coverage? Are there pros and cons? What's the difference between your deductible and your premium?

Once students understand the different types of insurance, you may want them to search the web to check the cost differences. Also have students explore the different premium costs associated with varying deductibles and/or with varying vehicle types and/or vehicle age. (NOTE: Some states provide sample insurance rates without requiring students to provide personal information to get quotes, which may result in a credit check.)

Questions: Why should you evaluate your car insurance needs? When you consider what you want your deductible to be versus the monthly/yearly premium, how much could you realistically afford to pay if something were to happen to your vehicle? Does the cost of insurance change your thoughts about what type of vehicle you may want to purchase? With all of the different insurance providers available, what are some criteria that you might consider when making a decision about your coverage provider?

SALT Action: Go to www.saltmoney.org. Read the article "How A Low Credit Score Can Cost You" and consider the additional costs or savings you could incur with car insurance based on your credit score. Determine if there are any actions you should be taking in regard to your credit that could also help you save on your insurance needs.

Risk Management

2. INSURANCE FOR LIFE: The reality is that we all don't have the same insurance needs. And our insurance needs may change over time. Using the Insurance Worksheet, have the class (or break the class into small groups) brainstorm all of the types of insurance available. For each type, have students identify if the insurance is mandatory, optional, or situational. Then ask students to identify when purchasing each type of insurance may be most appropriate. Have the class share their responses.

Questions: Why is it important to evaluate your insurance needs? What life events might occur that may change your insurance needs? Given how you personally feel about risk, would you rather be over-covered or under-covered with insurance? Does this vary depending on the type of insurance? Are there optional or situational insurances that you feel you can do without?

SALT Action: Go to www.saltmoney.org. Read articles on insurance, such as "Renters Insurance" or "Understanding Insurance."

Insurance Worksheet



Insurance is all about covering your assets. So, what types of insurance should you consider and when?

INSURANCE	MANDATORY, OPTIONAL, OR SITUATIONAL	WHEN/WHY YOU SHOULD HAVE THIS INSURANCE

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TAXES

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Taxes

OVERVIEW AND OUTCOMES

Two things in life are certain: death and taxes. And while tax time will arrive every year, it often comes with different laws—as well as a different financial situation for you. This lesson will simplify taxes to help you prepare for them (even if you're not the one who's actually preparing them).

Lesson Outcomes:

- Differentiate between the different basic tax documents.
- Understand how to prepare to file your income tax return.
- Analyze your tax liability through different types of taxes.
- Determine how tax rates and deductions result in your effective tax rate.

Taxes

DISCUSSION QUESTIONS

1. When you think about filing taxes, what comes to mind?
2. If you didn't earn enough income to be required to file taxes, would you still file? Are there any benefits to doing so?
3. What is a W-2, W-4, W-5, W-9, and 1099?
4. How do you determine withholding and exemptions?
5. What is a marginal tax rate?
6. When you go shopping, do you take into account how much the potential added sales tax might be when making a purchasing decision? Why or why not?
7. Even if you don't own a home, how might property taxes be influencing your life?

Taxes

ENERGIZERS

1. Have students spend one week identifying all of the taxes they paid during the week. Bring results to class and share.
2. Evaluate the pros and cons of using Instant Refund services for income tax refunds. What's the opportunity cost? What other strategies could you use to expedite your filling?
3. Go to www.saltmoney.org and search for SALT videos and articles on taxes. Provide a one-minute takeaway summary and share with class.

Taxes

ACTIVITIES

- 1. TAX CREDITS AND DEDUCTIONS:** We all want to get the best deal—even on our tax returns. One of the ways to lower our tax liability is to take advantage of tax credits and tax deductions. First, distinguish the difference between a tax credit and a tax deduction. Then, have students go through a current federal tax return to identify each of the various tax credits and deductions.

Questions: Were you surprised how many types of tax credits and deductions are available? Which of the credits and/or deductions apply to you today? What might apply to you in the future? Are there any guidelines you'd need to meet in order to qualify? Do you think that we should have these credits and/or deductions? Are there any you'd eliminate? Are there others that don't currently exist that you think should be considered in future tax years?

SALT Action: Go to www.saltmoney.org and read the article “Tax Benefits For College Students.”

- 2. TAXES AT WORK:** We all pay taxes, but do you know what they pay for? Break the class into small groups. Have the groups research the most current spending amounts in the federal budget. Consider focusing on specific spending types, such as national defense, Veterans Affairs, Social Security, health and welfare, education, etc. Each group should create a visual presentation of the budget.

Have each group pick a category and then eliminate that category/department from the budget. What would our lives be like without any spending (and tax support) in that category?

Questions: What was most surprising with the numbers you found? Do you agree with the distributions in each spending category? What would you do if you were a member of Congress?

- 3. TAX FORMS:** There are over 7 million words in the tax law and regulations; there are over 526 different tax forms, and the tax code itself has over 54,486 pages. It's no wonder that many individuals don't do their own taxes, but find themselves using services from national providers or private accounts and CPAs. In this process, it's become evident that many times these service providers may not be filing the most cost-effective tax form for filers, but the one that brings in the most revenue.

Have students use themselves as an example—or assign different scenarios to student groups (single college student, single-parent family with one child, married couple with two children, etc.). After reviewing the 1040-EZ, 1040-A, and 1040, have each group determine what tax form might be

Taxes

the best form to file and why.

Questions: What differences are there between federal income tax filing forms? Why might you choose one form over another? Are there scenarios where you don't have a choice over which form to file? After looking at the tax forms, do you think you'd be able to file your own taxes? Or, would you be more comfortable having someone do your taxes for you? Are there tools you could use to make it easier for you to file your own taxes?

SALT Action: Go to www.saltmoney.org. Read an article such as "Should You Do Your Own Taxes or Hire a CPA?"