

# GETTING PERSONAL: YOU AND YOUR MONEY

Lesson 1

- Where do you see yourself in 20 years?
- What will your life-style be like? Will you be enjoying the perks of great financial success or barely able to keep a roof over your head or food on the table?
- **What are your personal financial goals?**



# I. COMPREHENSIVE FINANCIAL LITERACY

- Why do I need to know this? How does this information relate to anything in my life?
- Financial literacy is knowing how money works in the world
- To be prepared to succeed in a globalized and constantly changing economy, students should have comprehensive financial literacy.

## EARN-BUILD-PROTECT

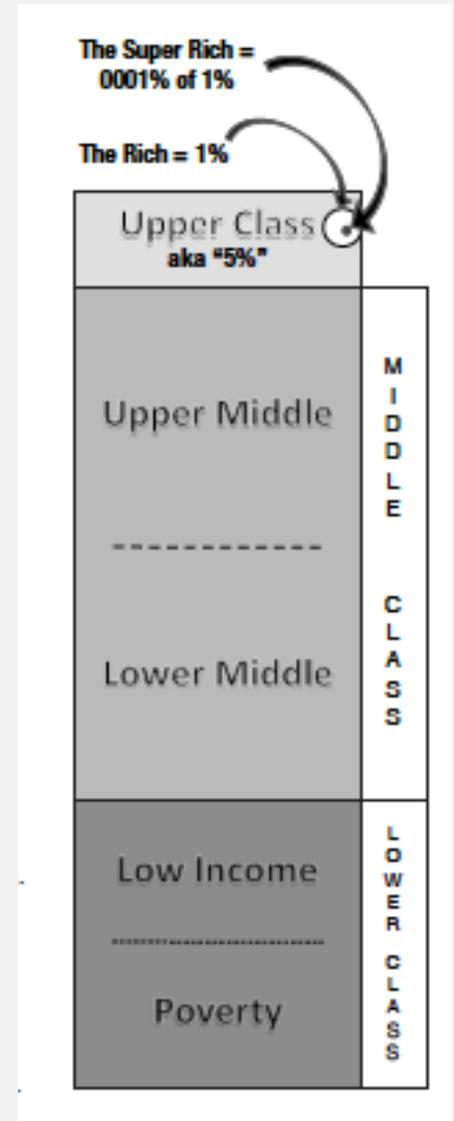
- **Earn.** Unit One (Lessons 1-6) explores issues and topics related to earning
- **Build.** Unit Two (Lessons 7-13) is devoted to the theme of wealth-building.
- **Protect.** Unit Three is all about preserving and protecting the wealth you build.

## II. INCOME VS. WEALTH

- A key aspect of earning is income.
- **Income**. Think of income as the **money you earn on a regular basis from a job or other income producing activity**. This can be in the form of a salary, hourly wage, tips, or commission
- **Wealth**. Wealth is a broader and much more complex concept. It is the **sum of the values of all of the things you own** such as a home, car, and any investments you have made, like stocks or bonds – even an art collection, **minus your debt**.

IF

# INCOME AND CLASS IN AMERICA



## IV. LET'S FOCUS ON WEALTH

- Whether your life goal is to be moderately financially successful or wildly wealthy, it is not enough to just earn an income.
- Wealth is built over time by saving and investing your income to acquire things of value.
- Wealth-building is like a second job requiring knowledge, a set of skills, a strategy and discipline.

## THE BIG PICTURE

- Being financially literate means understanding how money works both globally and on a personal, money management level. Income and wealth are not the same things. Income is earned; wealth is built from income. Both activities require quite a bit of effort, strategy, skills, and discipline. There are three main classes of income that define American society: Upper, middle and lower. Each class is further divided into subclasses. There are a number of social programs to assist low income families and families living in poverty. There are many factors that influence socioeconomic status. Financial literacy is one of them. You are already engaged in the most important aspect of earning an income and building wealth: Getting an education.

## **PONDER & PREDICT**

- As you move up into a career and start making money, you will need a place to safely and securely store it. As a result, you will develop a close personal relationship with a very old institution. Can you guess what it is?