

Learning Objectives

Students will be able to

- Identify some of the most common money mistakes people make
- Explain why so many people fall prey to financial pitfalls
- Understand how habits work and how you can change them to improve your finances
- Use a set of criteria to evaluate a financial planner

Approximate Time

- Lesson length: 150 mins

Jump\$tart Standards

Spending & Saving

- 1d: Investigate changes in personal spending behavior that contribute to wealth building

Financial Decision Making

- 2b: Summarize factors to consider when selecting a professional financial advisor
- 2d: Justify reasons to consult with a tax advisor or financial planner

Distribute to Students

- [Student Activity Packet FY-8.1](#)

Plan Your Unit

- [Unit Plan for Financial Pitfalls](#)
- [Financial Pitfalls on www.ngpf.org](#)
- [Customizable Parent Newsletter: Financial Pitfalls](#)



LESSON PLAN

	Resources	Questions	Est. Time
1	DISCUSSION PROMPTS	Discussion Prompts Discuss these questions with your classmates or with a partner: <ol style="list-style-type: none"> 1. Describe a mistake that you (or someone you know) made around money. (It can be a big or small mistake!) 	5 mins
2	ARTICLE <ul style="list-style-type: none"> • Top 10 Most Common Financial Mistakes • Publisher: Investopedia VIDEO (5:18) <ul style="list-style-type: none"> • The Biggest Money Mistakes We Make - Decade by Decade • Publisher: The Wall Street Journal ❖ Teacher Tip: The later	Top 10 Most Common Financial Mistakes The Biggest Money Mistakes We Make - Decade by Decade Smart money management doesn't just mean doing the right things to grow and protect your money; it also means knowing how to avoid common money mistakes! SKIM through this article and watch this video to learn about some of the most common money mistakes people make. Then, answer the questions.	18 mins

	decades in the video may be less relevant for students, so you may choose to skip that portion.		
3	<p>ACTIVITY</p> <ul style="list-style-type: none"> • ANALYZE: The Influence of Advertisements • Publisher: NGPF 	<p>ANALYZE: The Influence of Advertisements</p> <p>Mismanaging money can sometimes happen because of the influence of all the advertisements that are around us. These ads are constantly influencing us to buy different products. Follow the directions on this worksheet to complete this activity and to understand the variety of techniques advertisers use to influence us.</p>	45 mins
4	<p>ARTICLE</p> <ul style="list-style-type: none"> • This Woman Responds to a Phone Scam the Way You've Probably Always Wanted To • Publisher: Twitter Moments 	<p>This Woman Responds to a Phone Scam the Way You've Probably Always Wanted To</p> <p>If you weren't already convinced that awareness of strategies used by advertisements and scams is empowering, read this Twitter moment to see how one woman used her own knowledge to respond to a scam. Then, answer the questions.</p> <ol style="list-style-type: none"> 1. Who was the scammer claiming to be, and what were they claiming was the problem? 2. What tactics did the scammer use to try to convince this woman to provide her information? Which of the 6 ways of influence, if any, did they use? 	10 mins
5	<p>ACTIVITY</p> <ul style="list-style-type: none"> • ANALYZE: Change a Bad Financial Habit • Publisher: NGPF <p>❖ Teacher Tip: Part V of this activity requires students to implement a plan of action and track their observations over the course of 7 days. Be sure to plan ahead of time for this.</p>	<p>ANALYZE: Change a Bad Financial Habit</p> <p>Follow the directions on this worksheet to complete this activity.</p>	40 mins
6	<p>ARTICLE</p> <ul style="list-style-type: none"> • Why Having Too Little Leads to Bad Decisions • Publisher: Psychology Today 	<p>Why Having Too Little Leads to Bad Decisions</p> <p>The 6 Ways of Influence aren't the only things that can lead to poor money decisions. Read this article to learn about the impact <i>scarcity</i> has on your finances. After reading the article, answer these questions:</p> <ol style="list-style-type: none"> 1. In all of the studies described in the article, what happened to people's decision-making skills as they became poorer? 2. According to the findings, describe how scarcity might lead to a cycle of poverty. 	10 mins
7	<p>ARTICLE</p> <ul style="list-style-type: none"> • How to Choose a Financial Planner • Publisher: Wall Street Journal 	<p>How to Choose a Financial Planner</p> <p>Consulting a financial planner can be a useful step if you need some professional guidance in managing your finances. A financial planner may also be able to help you avoid making some of the money mistakes we've covered in this lesson.</p>	15 mins

		<p>Skim through this article on steps you should take when looking for a financial planner and answer these questions:</p> <ol style="list-style-type: none"> 1. What is the benefit of consulting a financial planner who has their CFP credential? 2. Why should you avoid commission-based financial planners? 3. If you had to choose two tips from this article to tell a friend who is searching for a financial planner, which would you choose? Explain. 4. Do you think it's a good idea for someone in high school or college to consult a financial planner? Why or why not? 	
8	<p>REFERENCE</p> <ul style="list-style-type: none"> • Reference: Types of Financial Pitfalls • Publisher: NGPF 	<p>Reference: Types of Financial Pitfalls</p> <p>In this unit, we are going to expand on the money mistakes mentioned in the previous resources and explore a range of financial pitfalls that people fall prey to. This slide identifies the different pitfalls we'll be looking at. Note the one(s) that you are most interested in finding out about. Then, move onto the next resource.</p>	2 mins
9	<p>EXIT TICKET</p> <p>❖ Teacher Tip: To access this Exit Ticket, please see the Sample Completed Student Activity Packet (SSAP). You can find this on the Unit Page this resource is in.</p>	<p>Exit Ticket</p> <p>Follow your teacher's directions to complete the Exit Ticket.</p>	5 mins



EXTEND THE LEARNING

DO MORE...

INTERACTIVE

- [Quizlet Cashcabulary | Financial Pitfalls](#)
- Publisher: NGPF

LEARN MORE...

ARTICLE

- [6 Steps to Recover From Financial Disaster](#)
- Publisher: Financial Mentor

INTERACTIVE

- [Quiz: Do You Need a Financial Adviser?](#)
- Publisher: Kiplinger

PODCAST

- [Hidden Brain: Tunnel Vision](#)
- Publisher: Hidden Brain

QUESTION OF THE DAY

- [How much does a lack of financial knowledge cost Americans annually \(in \\$\)?](#)
- Publisher: NGPF

FAST FACTS...

- 28% of Americans have debt in collection, which means they're more than 180 days late on paying their bills (CFPB, 2019). In 2018, total revenue for the debt collection industry was \$11.5 billion (Fool.com, 2019).
- Americans lost an estimated \$107 billion with gaming, lotteries, and offshore regulated betting firms in 2017 (MarketWatch, 2018).
- Roughly 11 million people are scammed per year while buying concert tickets (Statista, 2018).