

INTRO TO THE BOOK OF L.I.F.E

NOTE:

- ▶ **THE OPINIONS AND IDEAS IN THIS PRESENTATION DO NOT REFLECT THOSE OF THE SCHOOL DISTRICT. THIS PRESENTATION IS MEANT TO FACILITATE DISCUSSION, AND OPEN STUDENTS MINDS TO THINK CRITICALLY.**

TO THE TEACHER AS WELL,,,,,::

- ▶ **IF YOU WISH TO BE A SHARPER STUDENT,**
- ▶ **READ THE BOOK ON THE WEBSITE:**
WWW.LEARNINGINFINANCIALLEDUCATION.INFO
- ▶ **THE BOOK HAS MOST OF THE ANSWERS TO THE QUESTIONS THAT YOU WILL BE ASKED IN THIS PRESENTATION–**
- ▶ **YOU WILL LOOK SMART**

- 
- ▶ **MANY OF THE QUESTIONS ARE SIMPLY MEANT TO ACT AS SEEDS, THAT WILL HAVE TO BE CARED ABOUT IN ORDER THAT THEY MAY BLOOM AND COME TO LIFE LATER, WHEREIN YOU THE STUDENT WILL HAVE TO CREATE YOUR OWN PHILOSOPHY ON MONEY. THE IDEA IS TO GET YOU STARTED IN ASKING YOUR OWN QUESTIONS. SO COME UP WITH QUESTIONS!**

**CLASS DISCUSSION QUESTION/
PERSONAL THOUGHT QUESTION:**

▶ **WHAT IS
CAPITALISM?**

- 
- ▶ **THE ANSWER IS TOO COMPLICATED TO EXPLAIN HERE, SOME IDEAS ARE OFFERED IN THE BOOK, BUT IT MAY TAKE A LIFE TIME TO LEARN THE TRUE NATURE OF THIS BEAST.**

**CLASS DISCUSSION QUESTION/
PERSONAL THOUGHT QUESTION:**

▶ **WHAT IS A
DEMOCRACY?**

- 
- ▶ **A DEMOCRACY IS THE WAY IN WHICH OUR COUNTRY IS RUN.**
 - ▶ **IN OUR COUNTRY, THE PEOPLE VOTE FOR INDIVIDUALS TO FILL SEATS OF THE HOUSE AND THE SENATE - THAT TOGETHER CREATE CONGRESS. THE REPUBLIC MEANS THE PEOPLE OF A NATION**

The background features abstract green geometric shapes, including triangles and polygons, in various shades of green, creating a modern, layered effect on the right side of the slide.

▶ **WHAT IS SOCIALISM?**

- 
- ▶ **THE ANSWER IS TOO COMPLICATED TO EXPLAIN HERE.**
 - ▶ **THIS WILL HAVE TO BE A PERSONAL INTELLECTUAL QUEST FOR KNOWLEDGE**

▶ **WHAT IS
COMMUNISM?**

- ▶ **THERE ARE MANY DIFFERENT VARIATIONS OF COMMUNISM, AND THUS IT CANNOT BE DEFINED EASILY.**
- ▶ **THE IDEA BEHIND THE QUESTION IS NOT TO TELL YOU THE ANSWER, BUT GET YOU CURIOUS TO FIND THE ANSWERS.**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **DO YOU THINK THAT LIFE IS A BATTLE FOR NATURAL RESOURCES, OR ARE SHOULD WE HELP EACH OTHER CREATE MORE?**
- ▶ **THAT IS, WHICH WOULD MAKE SOCIETY BETTER: PEOPLE WORKING INDEPENDENTLY TO CREATE THE HIGHEST YIELDING PROFIT FOR THEMSELVES, OR WORKING TOGETHER AS A TEAM?**
- ▶ **TAKE 120 SECONDS TO WRITE 5 SENTENCES ON YOUR PHILOSOPHY**

CLASS DISCUSSION QUESTION/
PERSONAL THOUGHT QUESTION:

- ▶ WHO WAS ADAM SMITH, AND
WHO WAS JOHN NASH?

ADAM SMITH

- ▶ **ADAM SMITH WROTE “THE WEALTH OF NATIONS”**
- ▶ **AND AS ONE OF THE FOUNDING FATHERS, THIS BOOK BECAME A CENTRAL PIECE OF PHILOSOPHY UPON WHICH CAPITALISM WAS BASED UPON.**
- ▶ **IN IT- HE EMPHASIZED COMPETITION AMONG BUSINESS TO CREATE LOWER PRICES FOR CONSUMERS, AND UNLIKE COMMUNISM, PROMOTED THE ABILITY TO ATTAIN WEALTH THROUGH LAND, AND PASS IT ON TO FAMILY.**

JOHN NASH

- ▶ **JOHN NASH ADVOCATED A THEORY THAT WAS COUNTER TO ADAM SMITH- WHERE HE SAID THAT BUSINESS CAN DO BETTER BY WORKING TOGETHER, AND NOT COMPETING. YOU SEE THIS TODAY WITH REAL ESTATE DEVELOPERS/ BUILDERS WORKING TOGETHER (WHERE UPON THEY CAN DRIVE UP PRICES, AND MAYBE CREATE BETTER QUALITY).**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHY DO YOU SUPPOSE THAT THE THEORY JOHN NASH HAD IS ACTUALLY OUTLAWED AND ILLEGAL TO PRACTICE IN THE UNITED STATES?**
- ▶ **THAT IS TO SAY, WHAT EFFECT WOULD “PRICE FIXING” HAVE ON THE CONSUMER?**
- ▶ **TAKE 15 SECONDS TO WRITE DOWN YOUR ANSWER AND DISCUSS THIS**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHAT IS MOTIVATION?**
- ▶ **IS MOTIVATION IMPORTANT TO CAPITALISM?**
- ▶ **HOW DOES ONE GET MOTIVATED?**

- ▶ **TAKE 360 SECONDS TO WRITE ABOUT HOW THE
MOTIVATION FOR MONEY HELPS CREATES A FIRST WORLD
NATION.**

- ▶ **UNIVERSITY RESEARCH ACTUALLY FOUND THAT SIMPLY STARTING A PROJECT, AND AVOIDING DISTRACTION, WAS SIGNIFICANT TO AIDING MOTIVATION**
- ▶ **SO, THE RESEARCH FOUND, WHEN ITS TIME TO DO SOMETHING LIKE STUDY, DON'T THINK ABOUT STARTING THE STUDY, JUST START IT, AND LET THE MOMENTUM TAKE YOU**
- ▶ **THERE ARE OF COURSE MANY WAYS TO GET MOTIVATED, AND MUCH RESEARCH, SCIENCE AND PHILOSOPHY YOU CAN FIND ON THE MATTER.**
- ▶ **NEUROLOGICALLY, THE AMINO ACID L-TYROSINE CAN HELP, BUT BE CAREFUL AS TOO MUCH CAN CAUSE ISSUES**

PERSONAL THOUGHT/ CLASS DISCUSSION QUESTION

- ▶ **WHY IS PROVIDING “VALUE” FOR MONETARY REWARDS IMPORTANT TO SOCIETY?**
- ▶ **WHAT HAPPENS TO SOCIETY WHEN THE MOTIVE OF CAPITALISM IS JUST FOR MONEY, AND PROVIDING VALUE TO SOCIETY IS NOT CONSIDERED?**
- ▶ **TAKE 120 SECONDS TO WRITE YOUR ANSWER, AND DISCUSS IT WITH THE CLASS**

- 
- ▶ **TAKE 60 SECONDS TO WRITE 5 TO 10 SENTENCES ABOUT YOUR PHILOSOPHY ON WHY OUR FOUNDING FATHERS SET CAPITALISM UP TO BE ABOUT RECEIVING “MONETARY REWARDS” BASED ON THE VALUE OF OUR LABOR (AS OPPOSED TO SOCIALISM WHERE PEOPLE MAY GET PAID THE SAME FOR DIFFERENT WORK).**

- 
- ▶ **TAKE 60 SECONDS TO WRITE ABOUT WHAT IS BAD ABOUT CAPITALISM, AND HOW IT COULD BE FIXED,**
 - ▶ **BUT ALSO TAKE 60 SECONDS TO WRITE ABOUT WHAT IS GOOD ABOUT CAPITALISM, AND HOW THIS SYSTEM HAS HELPED INCREASE OUR OVERALL STANDARD OF LIVING COMPARED TO OTHER COUNTRIES...**

- 
- ▶ **TAKE 60 SECONDS TO THINK ABOUT HOW YOU WILL NEGOTIATE LIFE IN A CAPITALIST SOCIETY, AND MAKE A LIST TO YOURSELF:**
 - ▶ **“WHAT IS IT THAT I WANT AND HOW WILL I GET IT?”**

**CLASS DISCUSSION QUESTION/
PERSONAL THOUGHT QUESTION:**

▶ **IS GREED GOOD?**

CHAPTER 1

**CLASS DISCUSSION QUESTION/
PERSONAL THOUGHT QUESTION:**

▶ **WHICH GO TO SCHOOL?**

**CLASS DISCUSSION QUESTION/
PERSONAL THOUGHT QUESTION:**

- ▶ **WHY LEARN INFO THAT IS NOT
RELEVANT RIGHT NOW?**

**CLASS DISCUSSION QUESTION/
PERSONAL THOUGHT QUESTION:**

- ▶ **HOW DO YOU BECOME
SMARTER, SO YOU CAN AVOID
DUMB MISTAKES THAT CAN
COST YOU TIME AND MONEY?**

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green, creating a dynamic, modern look. The shapes are primarily located on the right side and bottom of the frame, with some extending towards the left.

► **DO YOU EVEN WANT TO BE BIGGER FASTER AND STRONGER MENTALLY?**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHAT ARE SOME OTHER REASONS WHY SCHOOL COULD BE CONSIDERED IMPORTANT, BESIDES EXERCISING THE BRAIN LIKE THE MUSCLE IT IS?**
- ▶ **TAKE 120 SECONDS TO WRITE YOUR ANSWERS AND DISCUSS THEM**

HIGH SCHOOL

- ▶ 1)
- ▶ **THE BRAIN IS LIKE A MUSCLE, AND WITH EXERCISE, YOU CAN BECOME BIGGER, FASTER AND STRONGER**

HIGH SCHOOL

- ▶ **2)**
- ▶ **TO FIGHT INTELLECTUALLY FOR RESOURCES**

HIGH SCHOOL

▶ 3)

▶ TO AVOID FOOLISH MISTAKES YOU CAN CAUSE YOURSELF

WHICH SCHOOL

▶ 4)

▶ TO FIND AN INTEREST

HIGH SCHOOL

- ▶ 5)
- ▶ TO BECOME MORE SOCIALIZED

WHICH SCHOOL

- ▶ 6)
- ▶ TO LEARN FROM OTHERS

WHIGH SCHOOL

- ▶ 7)
- ▶ TO MAKE FRIENDS AND HAVE FUN

WHICH SCHOOL

- ▶ 8)
- ▶ TO HELP MAKE SOCIETY BETTER, OR MORE INTERESTING

WHIGH SCHOOL

- ▶ 9)
- ▶ TO HELP SOCIETY SURVIVE THINGS LIKE FAMINE AND DISEASE

WHICH SCHOOL

- ▶ 10)
- ▶ **HIGH SCHOOL GRADS MAKE AT LEAST \$10,000 MORE PER YEAR, AND OVER 40 YEARS- FROM SAY 20-60, THAT COULD BE CLOSE TO HALF A MILLION DOLLARS**
- ▶ **THAT'S ACCORDING TO THE NATIONAL INSTITUTION FOR EDUCATION SCIENCE .GOV**

WHICH SCHOOL

- ▶ 11)
- ▶ IF YOU DO WELL IN HIGH SCHOOL TO GO TO GET A BACHELORS DEGREE- YOU ARE IN THE LEAGUE OF AN ADDITIONAL \$30,000 A YEAR OVER NON HIGH SCHOOL GRADUATES (55K COMPARED TO 25K)

WHICH SCHOOL

- ▶ 12)
- ▶ ASSUMING COLLEGE IS NOT AN OPTION-
- ▶ YOU NEED A HIGH SCHOOL DIPLOMA TO EVEN JOIN THE MILITARY, AS NOT EVEN THE MILITARY WILL TAKE YOU WITH OUT A HIGH SCHOOL DEGREE

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHAT CREATES CARING ABOUT SOMETHING?**
- ▶ **TAKE 60 SECONDS TO WRITE AN ANSWER, AND DISCUSS**

LONG TERM PERSONAL THOUGHT QUESTION:

- ▶ **WHAT IS “TRUE” “FACTUAL”
KNOWLEDGE?**
- ▶ **MEANING, WHAT DO WE “KNOW”?**
- ▶ **THIS IS KNOWN AS “EPISTEMOLOGY”**

CLASS DISCUSSION:

▶ WHAT IS LOGIC?

LONG TERM PERSONAL THOUGHT:

- ▶ **HOW WOULD YOU USE YOUR CREATIVITY FOR FINANCIAL GAIN?**
- ▶ **TAKE A MINUTE TO MENTALLY ASK YOURSELF “BRAIN: HOW DO MAKE MONEY FROM BEING CREATIVE?”**

NOTE:

- ▶ **(SOMETIMES ALL YOU HAVE TO DO TO FIND ANSWERS IS VERY CLEARLY AND LUCIDLY ASK YOURSELF THE QUESTION—**
- ▶ **FOR EXAMPLE: RATHER THAN THINK TO YOURSELF: I LOST MY KEYS! I CANT FIND THEM!**
- ▶ **SAY: WHERE DID I PUT MY KEYS!—**
- ▶ **ASKING YOURSELF QUESTIONS HELPS YOU BECOME AWARE OF THE ANSWERS WHEN THEY PRESENT THEMSELVES**
- ▶ **SO ASK YOURSELF QUESTIONS**
- ▶ **AND IF YOU WANT TO “WIN FRIENDS AND INFLUENCE PEOPLE” JUST ASK THEM QUESTIONS!**

- ▶ **WHAT CAREERS CAN YOU THINK OF THAT HIRE CREATIVE ARTISTIC PEOPLE?**
- ▶ **WHAT CAREERS CAN YOU THINK OF THAT HIRE MORE LOGICAL PEOPLE?**
- ▶ **WHAT DO YOU THINK IS THE DIFFERENCE IN PAY?**
- ▶ **FINALLY, SHOULD YOU WORK AT A CAREER YOU LIKE FOR LITTLE PAY, OR A CAREER YOU DON'T LIKE – FOR GOOD PAY??**
- ▶ **TAKE 60 SECONDS TO WRITE YOUR ANSWERS AND DISCUSS WITH THE CLASS**

▶ **WHAT IS INTELLIGENCE?**

- ▶ **TAKE 60 SECONDS TO WRITE DOWN YOUR IDEA, AND TRY TO USE 5 DESCRIBING WORDS/ ADJECTIVES, OR JUST WRITE 5 EXAMPLES, OR GIVE YOUR PERSONALIZED DEFINITIONS**
- ▶ **THAT IS TO SAY: IS THERE MORE THAN 1 TYPE OF INTELLIGENCE?**
- ▶ **AND IF SO, WHAT DO YOU THINK SOME DIFFERENT FORMS OF INTELLIGENCE WOULD BE?**
- ▶ **SHARE YOUR ANSWERS WITH THE CLASS**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

▶ **WHAT ARE 10 WAYS TO
BETTER REMEMBER
INFORMATION?**

▶ **WRITE 3 IDEAS, AND SHARE WITH THE CLASS**

▶ **1**

▶ **2**

▶ **3**

SOME ANSWERS:

- ▶ **1). TEST TEST**
- ▶ **TEST YOURSELF**
- ▶ **THINK ABOUT THE MATERIAL, AND THEN FORGET IT. THEN TEST YOURSELF ON IT.**
- ▶ **WAIT 10 MINUTES, AND TEST AGAIN.**

► **WHAT WAS THE ANSWER TO #1?**

- ▶ **2). ASSOCIATION**
- ▶ **CONNECT ONE IDEA-FACT OR NAME TO ANOTHER IDEA:**
- ▶ **AUSTIN RHYMES WITH BOSTON**

► **WHAT WAS THE ANSWER TO #2?**

▶ **3). REPETITION**

- ▶ **REPEAT THE DESIRED MEMORY OVER
AND OVER IN YOUR HEAD, DAILY OR
WEEKLY**

► **WHAT WAS ANSWER TO QUESTION #3?**

▶ **4). FOCUS**

- ▶ **ANXIETY CAN PREVENT ONE FROM LEARNING, AND EVEN READING WELL.**
- ▶ **CONSIDER USING THE AMINO ACID L-THEANINE TO CALM DOWN IN CLASS AND WHILE READING.**

- ▶ **5). JUST DO IT**
- ▶ **JUST SEEING IT HAPPEN -LIKE MATH- FROM THE TEACHER IN CLASS NEVER WORKS.**
- ▶ **YOU HAVE TO DO IT IN CLASS *IMMEDIATELY*. THEN WHEN IT IS WRONG, YOU IMMEDIATELY ASK AND SEE WHAT YOU DID WRONG.**
- ▶ **PHYSICALLY GOING THROUGH THE STEPS OF SOMETHING AND BEING PERSONALLY CRITIQUED IS A GREAT WAY TO LEARN.**



▶ **#5:**

▶ **JUST START IT, AND LET YOUR MOMENTUM BUILD**

▶ **RESEARCH HAS FOUND THIS IS “HOW TO GET
MOTIVATED”**

▶ **DISTRACTIONS DESTROY MOMENTUM**

▶ **6). MATH**

▶ **MATH = LAW.**

▶ **IT IS NOT OPEN FOR INTERPRETATION,**

▶ **NOT OPEN FOR THOUGHT**

▶ **NOT OPEN FOR MANIPULATION...**

▶ **YET.**

► **WHAT WAS THE ANSWER TO #6?**

- ▶ **7). UNDERSTANDING**
- ▶ **BEYOND THAT, LIKE ANY DISCIPLINE, UNDERSTANDING THE CONCEPTS, AND HOW THOSE CONCEPTS CONNECT TO EACH OTHER- IS A MUCH MORE POWERFUL WAY TO REMEMBER THE MATERIAL, THAN TO SIMPLY USE ROUTE MEMORY.**

► **WHAT WAS THE ANSWER TO #7?**

- 
- ▶ **8). GO SLOW**
 - ▶ **IT TAKES TIME TO REMEMBER THINGS. YOU HAVE TO MARINATE ON AN IDEA AND LET IT SOAK IN FOR A WHILE,,, BEFORE REMEMBERING IT. JUST HOLD THE IDEA FOR A WHILE IF YOU CAN. MAKE YOUR MIND CALM**

► **WHAT WAS THE ANSWER TO #8?**

- ▶ **9). BE INTERESTED AND CARE- FIND RELEVANCE**
- ▶ **JUST BE GENERALLY CURIOUS. SEE WHERE FAKING CURIOSITY LEADS YOU.**
- ▶ **ASK QUESTIONS ABOUT THE WORLD AROUND YOU.**
- ▶ **IF YOU REALLY DO NOT CARE- CHANCES ARE YOU WILL NOT HAVE GOOD RETENTION OF THE INFORMATION**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

▶ **WHAT ARE 10 WAYS YOU CAN THINK
OF TO BE A BETTER TEST TAKER?**

▶ **TAKE 120 SECONDS TO THINK ABOUT HOW, AND WRITE DOWN YOUR
ANSWERS:**

- ▶ **1**
- ▶ **2**
- ▶ **3**

CHAPTER 2

▶ **HOW DO YOU DO MATH
AND SCIENCE???**

ANSWER:

▶ **ONE RULE:**

▶ **FOLLOW THE RULES -**

▶ **PRECISELY**

RIDDLE:

- ▶ **THE ANSWER TO THE NEXT QUESTION IS WHAT GOVERNS THE CONNECTION OF FOLLOWING THREE THINGS:**
- ▶ **HOW DO YOU DO 1) MATH, 2) SCIENCE, AND 3) LIVE IN NORTH AMERICA- IN GENERAL?**

ANSWER:

▶ FOLLOW THE LAWS

- 
- ▶ **HOW MIGHT DOING WELL IN MATH AND SCIENCE IMPACT YOUR FUTURE FINANCIAL WELLBEING?**
 - ▶ **TAKE 60 SECONDS TO WRITE HOW**

ANSWERS:

- ▶ **FOR ONE, IT COULD HELP YOU BE MORE LOGICAL WITH YOUR PERSONAL FINANCES,**
- ▶ **AND SECOND-**
- ▶ **ON AVERAGE- WHILE THIS IS NOT STATISTICALLY PROVEN HERE, IT SEEMS MATH AND SCIENCE BACKGROUNDS MAKE MORE THAN THOSE WHO STUDY THE ARTS IN COLLEGE.**

DISCUSS

- ▶ **WHAT ARE OTHER WAYS
UNDERSTANDING MATH AND EVEN
SCIENCE HELP YOU WITH FINANCES?**

DISCUSS

- ▶ **HOW CAN THE LAW HELP YOU WITH YOUR FINANCES?**
- ▶ **AND EVEN MORE IMPORTANT, WHAT ARE THE WAYS THAT THE LAW CAN DESTROY YOUR FINANCIAL SURVIVAL?**

CHAPTER 3

► COLLEGE

CLASS DISCUSSION

- ▶ **WHAT IS EVERYONE SAYING ABOUT COLLEGE THESE DAYS?**
- ▶ **WHY BE MOTIVATED TO DO WELL IN HIGH SCHOOL IF YOU KNOW YOU ARE NOT GOING TO COLLEGE?**
- ▶ **WHY BE INTERESTED IN ANYTHING AT ALL, LEARN ANYTHING AT ALL?**
- ▶ **WHY BE MOTIVATED TO DO ANYTHING?**

- ▶ **TAKE 360 SECONDS TO WRITE DOWN YOUR THOUGHTS TO THESE QUESTIONS,**
- ▶ **AND DISCUSS WITH THE CLASS:**
- ▶ **1) WHAT ARE YOUR THOUGHTS ON COLLEGE?**
- ▶ **2) WHAT ARE YOUR THOUGHTS AND/OR EXPECTATIONS THE
“UNIVERSITY” EXPERIENCE,**
- ▶ **3) PRIVATE SCHOOL COSTS, STUDENT DEBT, LIBERAL ARTS, SCIENCE**
- ▶ **4) ARE YOU TRYING TO GO TO COLLEGE, AND WHAT COLLEGE ARE YOU
TRYING TO GET IN TO? WHAT IS YOUR STRATEGY TO GET IN?**
- ▶ **5) WHAT WILL YOU DO UPON GRADUATING HIGH SCHOOL IF YOU DON'T GO?**

RHETORICAL QUESTIONS:

- ▶ **HAD YOU THOUGHT ABOUT STUDYING AN SAT OR ACT GUIDE, OR EVEN GETTING PRIVATE SCHOOLING FOR THE SAT/ACT?**
- ▶ **DID YOU KNOW THAT YOU CAN RAISE YOUR TEST SCORE BY SOMETIMES 100 POINTS IN EVERY CATEGORY BY STUDYING AHEAD OF TIME?**
- ▶ **YOU ARE AWARE THAT THE SAT AND ACT ARE AS IMPORTANT AS 4 YEARS OF SCHOOL?**

LONG TERM THOUGHT QUESTION:

- ▶ **ASSUMING YOU DON'T CARE ABOUT EVERYTHING IN SCHOOL (UNLESS YOU ARE EXTREMELY SMART) :**
- ▶ **WHAT IS JUST ONE THING YOU FIND INTERESTING THAT COULD OPEN UP YOUR THINKING INTO A DIRECTION THAT LEAD YOU INTO MAKING HONEST MONEY, AND JOB YOU ACTUALLY LIKED?**
- ▶ **TAKE 360 SECONDS TO THINK, AND WRITE DOWN WHAT YOU THINK YOUR INTERESTED IN (TRY FOR 5 THINGS)**
- ▶ **DISCUSS YOUR ANSWERS:**

LONG TERM AND SHORT TERM INTROSPECTIVE QUESTION:

- ▶ **WHAT ARE YOUR GOALS? BOTH SHORT TERM AND LONG TERM**
- ▶ **IF YOU DON'T HAVE A CURRENT GOAL OR GOALS, WHAT DO YOU THINK YOU WOULD MAKE YOUR GOAL/GOALS?**
- ▶ **SHOULD YOU TRY TO HAVE GOALS AND PLANS, OR NOT? WHY OR WHY NOT HAVE THEM?**
- ▶ **TAKE 120 SECONDS TO THINK AND WRITE DOWN YOUR ANSWERS, AND SHARE WITH THE CLASS**

RESEARCH

- ▶ **DO THE COSTS ON A UNIVERSITIES WEBSITE INCLUDE THINGS YOU WOULD NEED ANYWAY-**
- ▶ **LIKE PAYING FOR RENT, FOOD, WATER, ENTERTAINMENT AND FUN?**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **DO YOU THINK YOU WILL BE OFFERED A
GOOD//OR HIGH PAYING JOB- RIGHT OUT OF
COLLEGE?**

ANSWER:

- ▶ ((THE ACTUAL ANSWER (FOR MANY PEOPLE ANYWAY) IS THAT IT STILL TAKES MANY YEARS TO FIND A GOOD JOB THAT YOU LIKE AFTER GRADUATING COLLEGE.))
- ▶ ((FOR MANY, YOU START OFF BEHIND THOSE WHO STARTED WORKING OUT OF HIGHSCHOOL.....BUT YOU MIGHT EVENTUALLY GO FASTER))
- ▶ THIS CAN BE EXTREMELY FRUSTRATING AND ENFURLATING,, SO JUST BE PREPARED FOR THE REALITY SHOCK AND STAY HUMBLE
- ▶ IN ADDITION, MANY EMPLOYERS WILL WANT 2 YEARS OF EXPERIENCE

AGAIN

- ▶ **MAJOR COMPANIES MAY NOT WANT TO HIRE A 20 YEAR OLD.**
- ▶ **THEY MAY WANT SOMEONE WHO HAS SEEN THE TRENCHES, AND HAS SOME LIFE EXPERIENCE**
- ▶ **THIS MEANS IT MAY TAKE A PERSON UNTIL 30 TO GET INTO A POSITION THEY FIND REPUTABLE OF THEIR “WIT FROM GOING TO COLLEGE”**

- 
- ▶ **WHEN DISCUSSING WORK, IT MIGHT BEHOOVE YOU TO UNDERSTAND WHERE YOU WANT TO GO—**
 - ▶ **AND HOW MANY STEPS YOU WILL HAVE TO TAKE BEFORE YOU GET THERE**

**SO THE MOST COMPLICATED QUESTION YOU MAY
EVER HAVE TO FACE IS:**

- ▶ **WHAT DO YOU THINK YOU WANT
TO DO FOR WORK//MONEY?**
- ▶ **AND WHAT ARE THE STEPS YOU
WILL HAVE TO TAKE TO GET
THERE?**
- ▶ **TAKE 240 SECONDS TO BRAINSTORM, AND WRITE THE IDEAS DOWN**

HINT:

- ▶ **DISCOVER THE OCCUPATIONAL
OUTLOOK HANDBOOK FOR IDEAS**

CLASS DISCUSSION//THOUGHT QUESTION

- ▶ **SHOULD YOU INTERN, WORK, OR SPEND A MAJORITY OF TIME PLAYING IN COLLEGE?**
- ▶ **HOW DO YOU SPEND YOUR TIME?**
- ▶ **HOW MUCH EFFORT SHOULD YOU PUT INTO MEETING PEOPLE AND JOINING INTEREST GROUPS TO EXPAND YOUR REAL LIFE LEARNING EXPERIENCE???**

RHETORICAL QUESTION

- ▶ **GIVEN EMPLOYERS REQUIRE “2 YEARS EXPERIENCE” BEFORE THEY WILL HIRE YOU, HOW DO YOU GET 2 YEARS OF EXPERIENCE OF WORK, IF YOU CAN NEVER EVEN GET A DAY OF EXPERIENCE?**
- ▶ **SHOULD YOU WORK RETAIL FOR MINIMUM WAGE IN COLLEGE,**
- ▶ **OR WORK FOR FREE (INTERN) AT A COMPANY TO GET EXPERIENCE ???**

CLASS DISCUSSION

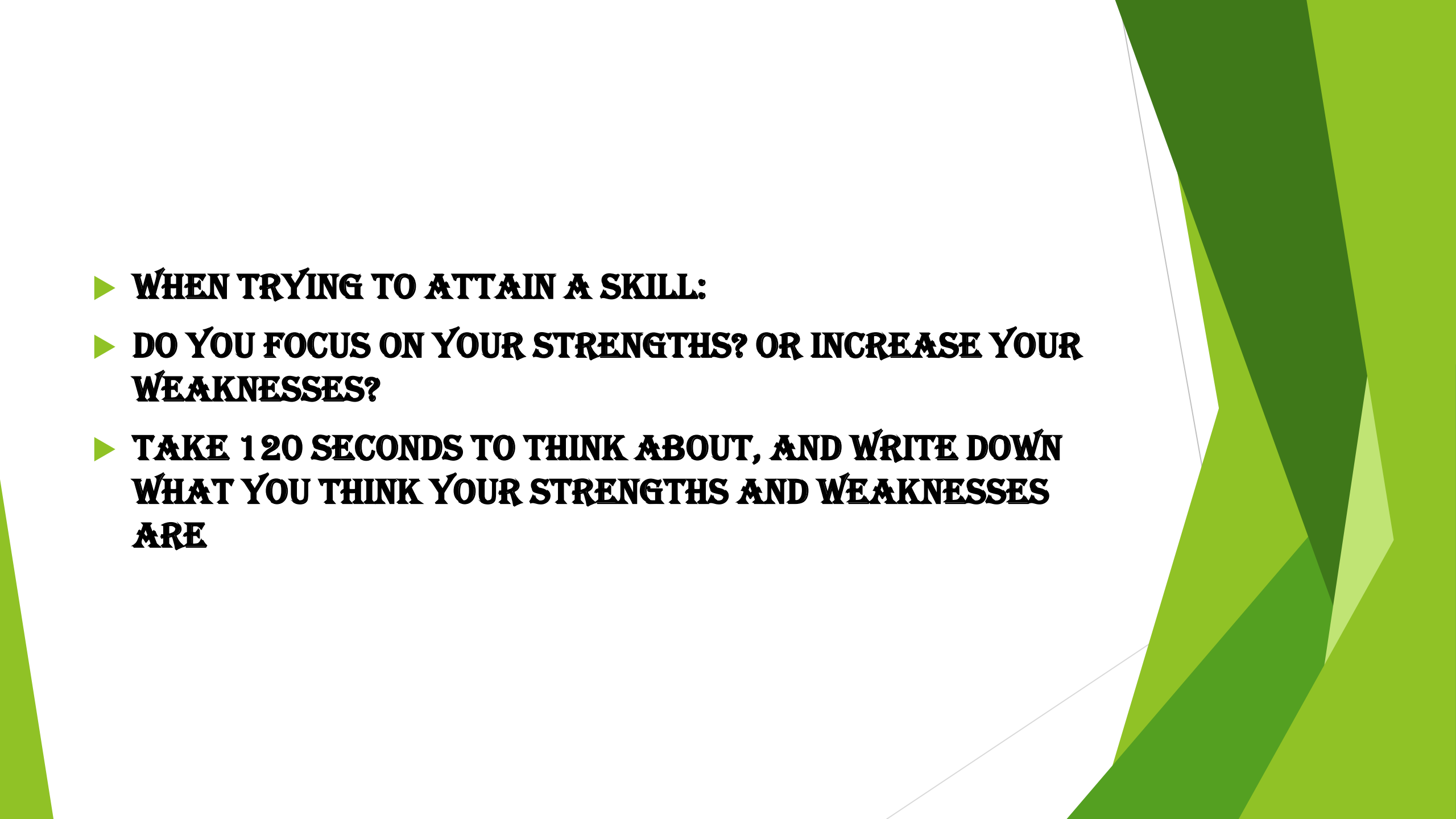
- ▶ **1) WHAT ARE THE DIFFERENCES OF COMMUNITY COLLEGE, UNIVERSITIES, AND AN ONLINE EDUCATION?? WHAT ARE THE PROS AND CONS?**
- ▶ **2) WHAT DOES THE EDUCATION YOU PUT ON YOUR RESUME SAY TO FUTURE EMPLOYERS?**
- ▶ **3) DOES A DEGREE SHOW MOTIVATION? AND IS THIS WHAT EMPLOYERS ARE LOOKING FOR??**

CLASS DISCUSSION

- ▶ **WHAT “SKILL” WOULD YOU GO AFTER IN COLLEGE (BESIDES JUST BECOMING A MORE ADVANCED, CRITICAL THINKER?)**
- ▶ **THAT IS, WHAT WOULD YOU FOCUS YOUR STUDY TOWARDS?**
- ▶ **TAKE 60 SECONDS TO BRAINSTORM WHAT YOU THINK A “SKILL” IS**

CLASS DISCUSSION:

- ▶ **WHAT WOULD YOU CONSIDER A VALUABLE “SKILL” THAT WOULD DIFFERENTIATE YOU FROM EVERYONE ELSE?**
- ▶ **TAKE 120 SECONDS TO WRITE DOWN 5 HARD SKILLS TO ATTAIN, AND WHAT SKILLS YOU THINK YOU WOULD WANT TO GO AFTER**

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- The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green, creating a modern, dynamic feel.
- ▶ **WHEN TRYING TO ATTAIN A SKILL:**
 - ▶ **DO YOU FOCUS ON YOUR STRENGTHS? OR INCREASE YOUR WEAKNESSES?**
 - ▶ **TAKE 120 SECONDS TO THINK ABOUT, AND WRITE DOWN WHAT YOU THINK YOUR STRENGTHS AND WEAKNESSES ARE**

**YOUR STRENGTHS MAY BE WHERE YOUR
INTERESTS ARE, SO,**

**IF YOU WANTED A VERY CLEAR PICTURE ON
WHERE YOUR STRENGTHS FOR WORK MIGHT
BE, CONSIDER TAKING THE**

► STRONG INTEREST INVENTORY



▶ (ASK YOUR TEACHER TO ADMINISTER
THE FREE VERSIONS)

- 
- ▶ **IN COLLEGE,**
 - ▶ **WHAT DO YOU THINK YOU WOULD
“MAJOR” IN?**

EXAMPLES

- ▶ ***EXAMPLES OF UNIVERSITY COLLEGE DEPARTMENTS AND MAJORS***
 - ▶ **COLLEGE OF ENGINEERING**
 - ▶ **COLLEGE OF BUSINESS**
 - ▶ **MAJOR: FINANCE**
 - ▶ **MAJOR: MARKETING**
 - ▶ **MAJOR: ECONOMICS**
 - ▶ **COLLEGE OF NATURAL SCIENCES**
 - ▶ **MAJOR: APPLIED MATHEMATICS**
 - ▶ **MAJOR: NEUROSCIENCE**
 - ▶ **COLLEGE OF ART AND HUMANITIES**
 - ▶ **COLLEGE OF COMMUNICATION**

► **WHAT IS THE OCCUPATIONAL
OUTLOOK HANDBOOK?**

- **NOTE: YOU CAN FIND THIS ON THE CAREER OPPORTUNITIES SECTION OF THE WEBSITE:**
- **WWW.LEARNINGINFINANCIALEDUCATION.INFO**

CLASS DISCUSSION:

- ▶ **WHAT DOES THE CLASS KNOW ABOUT “BLUE COLLAR TRADE WORK”???**
- ▶ **WHAT ARE THE UPSIDES AND DOWNSIDES OF REAL ESTATE CONSTRUCTION TRADES LIKE CARPENTRY AND MASONARY?**
- ▶ **WHAT ARE THE UPSIDES AND DOWNSIDES OF WORKING IN AN OFFICE?**

- ▶ WHILE THESE TRADES HAVE A DEFINATE APPEAL TO CERTAIN PEOPLE, THE MAIN PROBLEM IS THAT DESPITE PAYING WELL, BECAUSE TRADES FOR THINGS LIKE REAL ESTATE IS SO CYCLICAL, THEY CAN LEAVE A PERSON OUT OF A WELL PAYING JOB FOR MONTHS- AND EVEN YEARS.
- ▶ WHEN A PERSON HAS A FAMILY, AND BILLS TO PAY, BEING OUT OF WORK FOR MONTHS- OR EVEN YEARS- IS NOT THE STABILITY A FAMILY NEEDS.
- ▶ IN ADDITION, THESE PROFESSIONS BECOME *PHYSICALLY* MUCH HARDER TO DO AS A PERSON AGES

- ▶ **DO YOU THINK IT WOULD BE A HEADS UP MOVE TO STUDY THE SAT OR ACT WHILE IN HIGH SCHOOL?**
- ▶ **HOW WOULD YOU DO THAT?**
- ▶ **DO YOU THINK THE SAT OR ACT IS AS IMPORTANT AS 4 YEARS IN HIGH SCHOOL?**
- ▶ **NOTE: LINKS TO THE SAT AND ACT ARE AT:**
- ▶ **WWW.LEARNINGINFINANCIALLEDUCATION.INFO**

CHAPTER 4

▶ SEX ED AND FAMILY ISSUES

PERSONAL THOUGHT QUESTION

- ▶ **WHAT ARE YOUR THOUGHTS ON HOW MONEY HAS POSITIVE AND NEGATIVE EFFECTS ON FAMILY, RELATIONSHIPS AND EVEN FRIENDS?**
- ▶ TAKE 120 SECONDS TO WRITE HOW MONEY CAN AFFECT FAMILY AND RELATIONSHIPS

PHILOSOPHY

▶ **CLASS DISCUSSION:**

▶ **IS IT ETHICALLY MORAL TO STEAL
A PIECE OF BREAD TO FEED YOUR
FAMILY?**

PHILOSOPHICAL REBUTTAL:

- ▶ **THIS QUESTION CAN BE LOOKED AT IN TERMS OF SCOPE, AND TIME:**
- ▶ **IF EVERYONE ON EARTH STOLE “BREAD” FROM THE MAKERS OF “BREAD”, AND DID THIS A MAJORITY OF THE TIME, (WHERE BREAD SYMBOLIZES EVERYTHING//OR PERHAPS JUST “MONEY” HERE) SOCIETY WOULD BREAK DOWN**
- ▶ **PERHAPS THE BEST ANSWER IS: WHY DOESN'T THIS PERSON LEARN TO MAKE BREAD? THEN HE CAN FEED HIS FAMILY, AND ANOTHER FAMILY CAN STEAL FROM HIM.....**
- ▶ **(OR THAT OTHER FAMILY CAN LEARN TO FARM FRUIT, AND TRADE)**

LONG TERM THOUGHT

▶ **FISCALLY, WHAT ARE
NEEDS AND WHAT ARE
WANTS???**

CLASS DISCUSSION:

- ▶ **WHICH IS MORE OF A MOTIVATOR:**
- ▶ **NEEDS?**
- ▶ **OR**
- ▶ **WANTS?**

HAVING KIDS

PERSONAL THOUGHT// CLASS DISCUSSION

- ▶ **WHAT ARE SOME THOUGHTS AND PHILOSOPHIES ON HAVING CHILDREN?**
- ▶ **TAKE 360 SECONDS TO WRITE DOWN YOUR THOUGHTS, AND SHARE WITH THE CLASS**

PERSONAL THOUGHT// CLASS DISCUSSION

- ▶ **WHY BE CONCERNED ABOUT HAVING KIDS?**
- ▶ **TAKE 60 SECONDS TO WRITE DOWN YOUR ANSWERS AND DISCUSS WITH THE CLASS**

GUESS

- ▶ **HOW MUCH DO YOU THINK IT COSTS TO RAISE A CHILD IN THE US--PER YEAR?**
- ▶ **TAKE 30 SECONDS TO FIND A GOOD GUESS**

ANSWER

- ▶ **ACCORDING TO THE US DEPARTMENT OF AGRICULTURE, SEEN ON CNN MONEY MAGAZINE (ONLINE),**
- ▶ **THE AVERAGE COST PER YEAR TO RAISE A CHILD WAS \$12,500.00 USD**
- ▶ **IN 2013, THE “AVERAGE” COST TO RAISE A CHILD TO 18 WAS:**
- ▶ **\$245,000.00 USD.**
- ▶ **WEALTHY FAMILIES WERE ESTIMATED TO SPEND A TOTAL OF \$455,000.00 USD.**
- ▶ **AND “LOW INCOME” FAMILIES WERE ESTIMATED TO SPEND \$145,500.00 USD — PER CHILD (ALL UNTIL THE AGE OF 18).**
- ▶ **THIS EQUALS A PER CHILD COST OF ATLEAST \$12,000.00 PER YEAR.**
- ▶ **((THIS DOES NOT ACCOUNT FOR INFLATION, AND THE TIME VALUE OF MONEY))**

HYPOTHETICAL:

- ▶ **IF YOU MAKE \$30.00 AN HOUR, (WHICH IS VERY GOOD PAY)**
- ▶ **AND YOU WORK 2000 HOURS A YEAR (AVERAGE HOURS WORKED AT FULL TIME)**
- ▶ **AND YOU KEEP- OR NET 75% (AVERAGE AFTER TAXES)**

- ▶ **HOW MUCH DO YOU KEEP AFTER TAXES?**
- ▶ **(TAKE 60 SECONDS TO DO THE MATH:::)**

CONTINUED::

- ▶ **NOW, WITH THE INCOME OF \$45,000.00 FROM BEFORE,**
- ▶ **IF 2 KIDS COST A TOTAL OF 25K A YEAR**
- ▶ **YOU HAVE HOW MUCH PER MONTH?**
- ▶ **TAKE 30 SECONDS TO WRITE DOWN YOUR ANSWER**

- ▶ **IF YOU MAKE \$20 AN HOUR AND WORK FULL TIME AT 2000 HOURS**
- ▶ **YOU GROSS \$40,000 USD**
- ▶ **AFTER 25% GOES TO TAXES, HOW MUCH DO YOU HAVE?**
- ▶ **((25% TOOK \$10,000 FROM YOUR YEARLY INCOME))**
- ▶ **IF YOU HAVE 2 KIDS, HOW MUCH DISPOSABLE INCOME DO YOU HAVE YEARLY?**

- ▶ **TAKE 30 SECONDS TO WRITE DOWN YOUR ANSWER**

- ▶ **IF YOU MAKE \$10.00 AN HOUR, AND WORK THE FULL TIME AVERAGE OF 2000 HOURS A YEAR = \$20,000.00 BEFORE 25% TAXES**
- ▶ **YOU HAVE 2 KIDS.**
- ▶ **HOW MUCH MONEY DO YOU HAVE LEFT?**

HOPE

- ▶ **NOW,**
- ▶ **CALCULATE WHAT IF YOU HAD A SECURE HUSBAND (OR WIFE)?**
- ▶ **IF HE MADE \$40,000 HOW MUCH WOULD YOU HAVE FROM THE LAST QUESTION?**

- ▶ **IF YOUR PAYING ATTENTION, YOU NOW BOTH SPLIT COSTS OF FOOD AND QUARTERS, AND HAVE \$ABOUT \$20,000.00 SPENDING CASH FOR YOURSELVES**
- ▶ **WITH OUT A WORKING MATE,**
- ▶ **YOU HAVE -10,000.00 (NEGETIVE) ANNUALLY**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

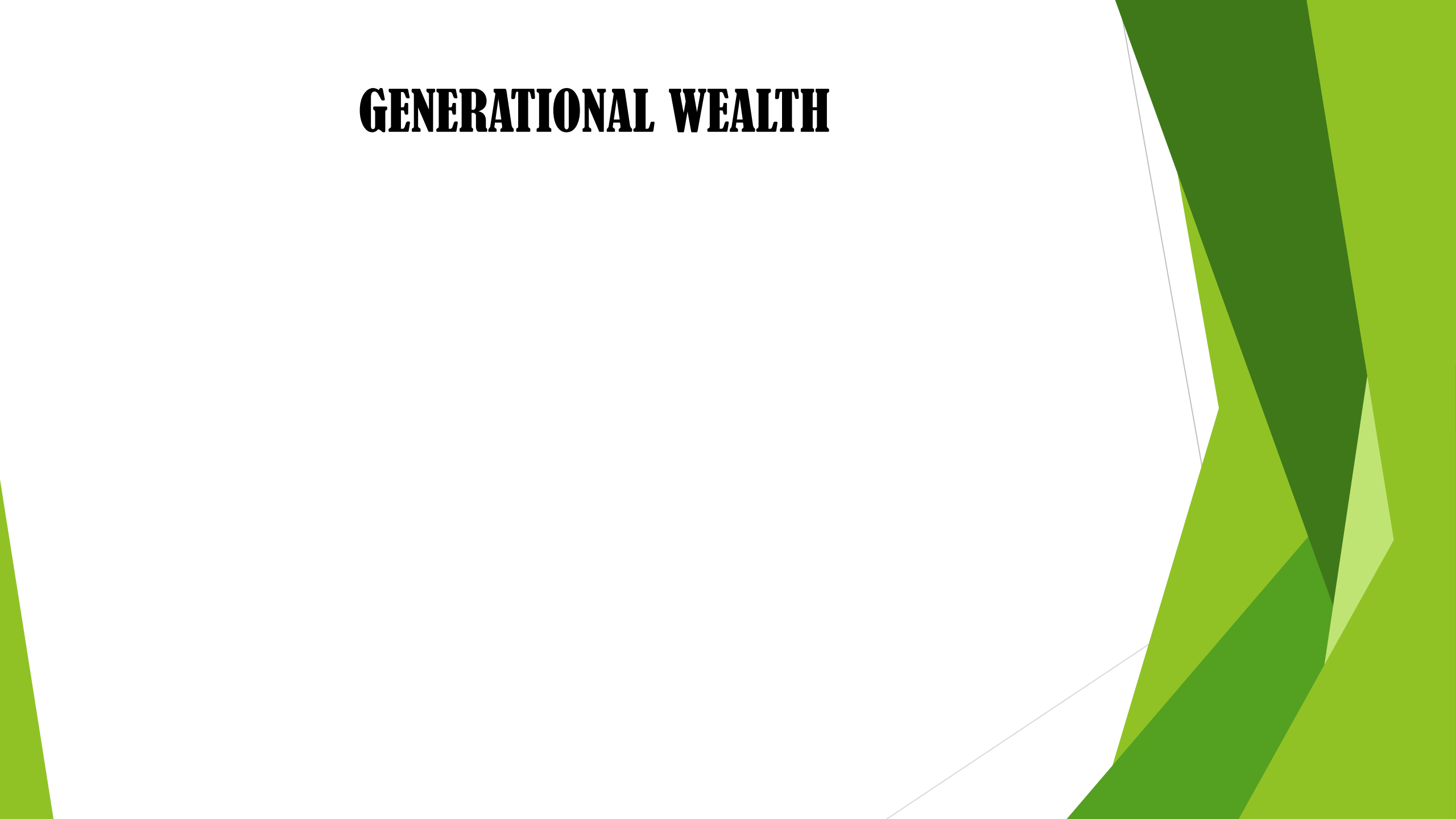
- ▶ **WHEN IS THE RIGHT TIME TO HAVE KIDS?**
- ▶ **SHOULD IT BE SPONTANEOUS OR PLANNED?**
- ▶ **WHICH IS MORE IMPORTANT, KIDS (POSSIBLY A FAMILY), OR MONEY?**
- ▶ **WHAT ARE THE GREAT THINGS ABOUT POSSIBLY HAVING KIDS?**

- ▶ **WRITE DOWN YOUR THOUGHTS—**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHAT IS THE “OPPORTUNITY COST” OF HAVING A KID??**
- ▶ **THAT IS TO SAY, WHAT DO YOU DESIRE DOING INSTEAD OF– OR RATHER SIMPLY BEFORE YOU HAVE KIDS??**
- ▶ **TAKE 120 SECONDS TO WRITE DOWN YOUR ANSWERS,
AND SHARE WITH THE CLASS**

GENERATIONAL WEALTH



CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHAT IS YOUR CONCEPT OF “GENERATIONAL WEALTH”**
- ▶ **HOW DOES GENERATIONAL WEALTH IMPACT YOU AND YOUR LIFE?**
- ▶ **HOW DO YOU SUPPOSE YOU WOULD CREATE GENERATIONAL WEALTH FOR YOUR FUTURE FAMILY LINIAGE??**
- ▶ **TAKE 120 SECONDS TO THINK ABOUT THESE QUESTIONS, AND SHARE WITH THE CLASS**

ANSWER

- ▶ **THE REALITY OF A FAMILY THAT HAS INVESTED WELL, OR IS SIMPLY WEALTHY—CAN MAKE A DIFFERENCE IN A CHILD'S SOCIAL MOBILITY, BUT NOT ABSOLUTELY.**
- ▶ **IF YOU CARE TO RESEARCH, YOU WILL FIND THAT YOU CAN LITERALLY MAKE YOUR FAMILY LINEAGE IN THE FUTURE—TRILLIONAIRES.**
- ▶ **SIMPLY GO TO THE INTERNET, FIND A “COMPOUND INTEREST CALCULATOR”, AND PLAY AROUND.**

DISCUSS

- ▶ **WHEN RAISING A CHILD, WHICH DO YOU THINK HAS MORE OF AN IMPACT ON THE CHILD—**
- ▶ **NATURE**
- ▶ **OR**
- ▶ **NURTURE**
- ▶ **DISCUSS**

FRIENDS, DRUGS, AND LEGAL ISSUES

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **HOW CAN YOUR FRIENDS AFFECT YOUR SOCIAL MOBILITY IN LIFE?**
- ▶ **TAKE 120 SECONDS TO WRITE ABOUT WHERE YOU THINK DIFFERENT TYPES OF PEOPLE CAN LEAD YOU**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHAT DO YOU KNOW ABOUT HARD CORE STREET DRUGS?**
- ▶ **WHAT DO YOU KNOW ABOUT MEDICINE?**
- ▶ **TAKE 120 SECONDS TO WRITE YOUR ANSWER DOWN AND DISCUSS!**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **IF YOU NEED A BRAIN TO OPERATE THE REST OF YOUR LIFE– SHOULD YOU DESTROY IT WHEN YOUR YOUNG- OR WAIT UNTIL YOU RETIRE TO DO DRUGS?**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHAT DO YOU KNOW ABOUT THE LAW?**
- ▶ **ON A SCALE OF 1-10: HOW MUCH RESPECT DO YOU HAVE FOR THE LAW?**
- ▶ **WRITE YOUR PERSONAL FEELING ON LAW AND ORDER IN AMERICA- AND DO NOT DISCUSS**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHY IS “RESPECT” POSSIBLY THE MOST IMPORTANT ELEMENT YOU NEED TO HAVE TOWARDS LAW OFFICERS AND THE LAW?**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **IF YOU DON'T HAVE THIS RESPECT- HOW DO YOU GET IT**
- ▶ **AND SHOULD YOU GET IT?**
- ▶ **WHY DO YOU SUPPOSE RESPECT FOR THE LAW WOULD BE A HEALTHY LIFE DECISION THAT COULD AFFECT YOUR ULTIMATE SOCIAL MOBILITY?**
- ▶ **DISCUSS**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHY IS LAW AND ORDER IMPORTANT TO SOCIETY?**
- ▶ **WHY DO TAX PAYERS PAY TO KEEP CERTAIN PEOPLE OUT OF SOCIETY?**
- ▶ **WRITE AND DISCUSS**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **DO MOST REPUTABLE
EMPLOYERS WANT TO HIRE
FELONS?**
- ▶ **TAKE 60 SECONDS TO WRITE DOWN HOW HAVING
A FELONY CRIMINAL RECORD WILL AFFECT YOUR
SOCIAL MOBILITY IN LIFE**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **DISCUSS THE CONCEPT OF “RESPECT”
WITHIN SOCIAL GROUPS**
- ▶ **CAN YOU LIVE WITHOUT IT?**

MARIJUNA AND MAHT

- ▶ IN THE PAST, MARIJUANA HAD THC LEVELS OF ABOUT 3%
- ▶ IF YOU SMOKED AS A YOUTH, YOU WOULD HAVE A 10% CHANCE OF BEING CERTIFIABLY “PSYCHOTIC” AKA BEING NUTS
- ▶ TODAY'S MARIJUANA HAS THC LEVELS OF NEARLY 30%
- ▶ THAT IS AN INCREASE OF 10X THE THC LEVEL
- ▶ SO IF YOU MULTIPLY A 10% CHANCE OF GOING CRAZY BY 10 FOLD-
- ▶ YOU HAVE 100% CHANCE OF GOING NUTS ON AFGHAN KUSH IF SMOKED TOO YOUNG.....
- ▶ REALLY TOTALLY JUST JOKING HOWEVER,
- ▶ BUT PROBABLY DON'T HOLD IT IN.....

MARRIAGE

PERSONAL THOUGHT CLASS DISCUSSION QUESTION

- ▶ **WHAT ARE THE FINANCIAL ASPECTS
OF GETTING MARRIED?**
- ▶ **TAKE 120 SECONDS TO WRITE DOWN
YOUR THOUGHTS:**

PERSONAL THOUGHT CLASS DISCUSSION QUESTION:

- ▶ **WHAT ARE FINANCIAL ASPECTS OF GETTING DIVORCED?**
- ▶ **TAKE 120 SECONDS TO WRITE DOWN YOUR THOUGHTS:**

- 
- ▶ **DISCUSS:**
 - ▶ **WHAT DOES THE CLASS KNOW ABOUT PRENUPTIAL AGREEMENTS?**
 - ▶ **WHAT DOES THE CLASS THINK ABOUT THE IDEA OF PROTECTING THEMSELVES WITH A PRE-NUPTIAL AGREEMENT?**
 - ▶ **WHY WOULD YOU GET ONE OR NOT GET ONE?**

INSURANCE

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHY IS INSURANCE SO IMPORTANT?**
- ▶ **WHY IS IT SO EXPENSIVE?**
- ▶ **WHY PAY FOR IT, IF YOU DON'T WANT TO?**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHY WOULD YOU WANT YOUR FAMILY TO BE INSURED?**
- ▶ **IF YOUR SINGLE, AND ATHLETIC- WHY WOULD YOU WANT TO BE INSURED?**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **HOW DOES “OBAMA CARE”//AFFORDABLE CARE WORK???**
- ▶ **WHAT HAPPENS IF YOU DON'T PAY INTO “AFFORDABLE CARE”?**

ANSWER:

- ▶ **AMONG THE NEARLY 3000 PAGES OF HOW OBAMA CARE WORKS,**
- ▶ **ALL ONE NEEDS TO DO IS GO TO THE AFFORDABLE HEALTH CARE WEBSITE AND SIGN UP.**
- ▶ **YOU WILL EITHER BE BILLED MONTHLY, OR THE MONEY WILL BE TAKEN OUT OF ANY TAX REBATES YOU WOULD RECEIVE ON YOUR TAX RETURN. THAT IS, YOU WILL HAVE TO PAY FOR IT WHEN YOU FILE YOUR TAXES, EVEN IF YOU DON'T HAVE REBATES**
- ▶ **ONE REASON AFFORDABLE CARE HAPPENED WAS SO THAT HOSPITALS DID NOT HAVE TO CONTINUE PERFORMING MORE THAN 300 MILLION DOLLARS PER HOSPITAL, PER YEAR, OF CHARITY HEALTH CARE WORK- WHERE PEOPLE WOULD SIMPLY GO BANKRUPT ON THEIR MEDICAL HEALTH CARE BILLS**

???

▶ **ERGO-**

▶ **DO YOU HAVE HEALTH INSURANCE?**

CHAPTER 5

► FINDING WORK



▶ **HAVING LOOKED AT THE
“OCCUPATIONAL OUTLOOK HAND
BOOK” AT:**

▶ **LEARNINGINFINANCELEDUCATION.INFO**

▶ **WHAT ARE SOME INTERESTING
CAREERS YOU CAN THINK OF?**

ANSWER

- ▶ **THIS BOOK, AND THE WEBSITE IT IS ON IS GREAT FOR CAREER RESEARCH. NOT ONLY DOES IT TELL YOU HOW MANY JOBS EACH PROFESSION IS ADDING OR LOSING PER YEAR, BUT IT WILL TELL YOU WHAT EACH JOB MIGHT PAY, HOW TO GET THAT JOB, AND WHAT THE JOB IS REALLY ABOUT**
- ▶ **ABOVE ALL ELSE, PERHAPS THE MOST IMPORTANT ASPECT IS THAT IT TELLS YOU WHAT JOBS ARE IN THE WORLD- AND WILL OPEN YOUR MIND UP TO PROFESSIONS THAT YOU MAY NEVER FIND IN THE WANT ADS**

PERSONAL THOUGHT// CLASS DISCUSSION:

- ▶ **BESIDES SPRAYING RESUMES INTO CYBERSPACE-**
- ▶ **WHAT ARE SOME CREATIVE WAYS YOU CAN THINK OF TO BE “MORE HIGHLIGHTED” TO EMPLOYERS?**
- ▶ **TAKE 120 SECONDS TO WRITE DOWN 10 WAYS ON HOW YOU COULD STAND OUT FROM THE CROWD**

ANSWERS TO DISCUSS WITH CLASS

▶ HOW TO SHINE:

- ▶ 1
- ▶ 2
- ▶ 3
- ▶ 4
- ▶ 5
- ▶ 6
- ▶ 7
- ▶ 8
- ▶ 9
- ▶ 10

► **FINDING WORK:**

► **METHOD 1: CLOSE CONTACTS**

► **HYPOTHETICALLY, IF PERSONAL CONTACTS AND CLOSE FRIENDS CAN BE THE ANSWER TO GETTING CONNECTED INTO A GREAT JOB-**

► **WHAT ARE SOME WAYS TO MAKE CONTACTS AND FRIENDS?**

► **1**

► **2**

► **3**

► **4**

► **5**

- ▶ **FINDING WORK**

- ▶ **METHOD 2: 1 OBSESSION, 1 SHOT, 1 KILL**

- ▶ **WHAT IS A COOL COMPANY ONLINE, ON TV, OR IN A MAGAZINE THAT YOU LIKE?**

- ▶ **WRITE 5 COMPANIES THAT ENGAGE IN ACTIVITIES THAT YOU LIKE— OR THAT COULD BE COMPANIES THAT YOU WOULD LOVE TO WORK FOR—**

- ▶ **FOR EXAMPLE- NATIONAL GEOGRAPHIC**

- ▶ **THEN, KEEP APPLYING DIRECTLY TO THEM, SHOWING THEM WHY THEY MATTER TO YOU**

PERSONAL THOUGHT QUESTION:

- ▶ **CONTINUED:**
- ▶ **WHY FOCUS ON JUST A FEW COMPANIES?**
- ▶ **WHY WOULD THEY WANT YOU?**
- ▶ **WHAT IS THEIR “COMPANY CULTURE”**
- ▶ **DO YOU THINK YOU WOULD CLICK WITH THE “CULTURE” OF THE COMPANY YOU LIKE?**

CLASS DISCUSSION:

- ▶ **FINDING WORK:**
 - ▶ **METHOD 3: SHADOW//TRIAL DAY**
- ▶ **IF YOU ARE GIVEN A DAY OFF FROM SCHOOL TO INVESTIGATE A JOB OR CAREER INTEREST YOU THINK YOU MIGHT LIKE— DON'T WASTE IT!**

CLASS DISCUSSION:

- ▶ **WHAT ARE SOME CREATIVE WAYS THAT YOU THINK YOU CAN FIND THE WORK THAT IS BEST FOR YOU, AND FIND THE COMPANY BEST FOR YOU?**

CLASS DISCUSSION

- ▶ **IF YOU WORK THE FRIES AT MCDONALDS-**
- ▶ **SHOULD YOU KEEP WORKING UP THE LADDER TO BECOME A CHEF?**
- ▶ **WOULD IT BE FUN TO FAKE ROLE-PLAY AN ATTITUDE OF BEING TOO SERIOUS?**

CLASS DISCUSSION:

- ▶ **ABOUT SALES JOBS:**
- ▶ **IF YOU GET A COLLEGE DEGREE- AND DON'T HAVE EXPERIENCE FOR ANYTHING ELSE-**
- ▶ **SHOULD YOU TAKE THE "EASY TO GET JOBS" THAT PROMISE 100K YEAR?**
- ▶ **WHAT HAPPENS IF YOU WORK ALL MONTH, AND DON'T SELL ANYTHING?**
- ▶ **WHAT DO YOU THINK THE TURN OVER RATE IS AT THESE KINDS OF JOBS?**
- ▶ **HOW MIGHT HAVING A SALES JOB AFFECT YOUR OVERALL JOB STABILITY?**

DISCUSS AND RESEARCH

- ▶ **HOW DO YOU ACT FOR AN INTERVIEW?**
- ▶ **SHOULD YOU PUT OFF AN ENERGY OF WANTING THE JOB?**
- ▶ **OR SHOULD YOU PUT OFF THE ENERGY OF NEEDING THE JOB?**
- ▶ **WHAT IS THE DIFFERENCE?**

IDEAS ON HOW TO INTERVIEW:

- ▶ **OVER EXAGGERATE YOUR ENTHUSIASM, INTELLIGENCE, CHARISMA AND SERIOUSNESS IN THE INTERVIEW.**
- ▶ **HOWEVER, EVEN THOUGH ONE MIGHT THINK A PERSON DESPERATE FOR THE JOB WILL INDEED WORK HARDER TO KEEP IT-**
- ▶ **THE JOB WILL OFTEN GO TO THE PERSON WHO DOES NOT REALLY NEED IT,, OR HAS OTHER OPTIONS**
- ▶ **YOU SHOULD LEARN OF THIS FACTOR OF LEVERAGE**
- ▶ **SO- DON'T NEED IT OR BE DESPERATE- WANT IT, AND SHOW YOUR PASSION AND ENTHUSIASM!**
- ▶ **OVERDRESS- DRESS SHARP!**
- ▶ **LOOK INTO POSTURE, AND RESEARCH OTHER THINGS**

CHAPTER 6

▶ ENTREPRENEURSHIP

CLASS DISCUSSION:

▶ **WHY IS STARTING A BUSINESS
IMPORTANT TO CAPITALISM AND
YOUR STANDARD OF LIVING IN NORTH
AMERICA?**

▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR ANSWER:**

CLASS DISCUSSION:

- ▶ **WHAT IS GDP, AND WHAT DOES IT MEAN?**
- ▶ **WHY IS EXPORTING GOODS IMPORTANT TO UNITED STATES CITIZENS STANDARD OF LIVING?**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR ANSWER:**

CLASS DISCUSSION:

- ▶ **WHAT IS A GREAT BUSINESS IDEA THAT YOU WOULD PURSUE IF YOU HAD THE TIME, MONEY OR MOST IMPORTANT: MOTIVATION?**
- ▶ **WHAT IS A SOCIAL PROBLEM THAT NEEDS TO BE SOLVED?**
- ▶ **WHY IS MOTIVATION CRITICAL?**
- ▶ **TAKE 120 SECONDS TO WRITE YOUR ANSWER**

RESEARCH

- ▶ **DO YOU HAVE CAPITAL (STARTING MONEY?)**
- ▶ **DO YOUR PARENTS HAVE CAPITAL FOR YOU?**
- ▶ **DO YOU HAVE A MENTOR OR A BUSINESS PARTNER WITH CAPITAL?**
- ▶ **SHOULD YOU TRUST THEM? SHOULD THEY TRUST YOU?**
- ▶ **WHERE CAN YOU FIND CAPITAL?**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR ANSWER AND DISCUSS**

RESEARCH

- ▶ **WHERE DO YOU GET CAPITAL TO START???**
- ▶ **TAKE 60 SECONDS TO WRITE DOWN 5 IDEAS ON HOW TO CREATE 100K IN CAPITAL:**
 - ▶ **1**
 - ▶ **2**
 - ▶ **3**
 - ▶ **4**
 - ▶ **5**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **HOW MANY YEARS IN BUSINESS- WITH TAX RETURNS, PROFIT/LOSS SHEETS AND OTHER DATA- DO YOU NEED TO PROVIDE A BANK, OR AN INVESTOR – BEFORE THEY WILL EVEN CONSIDER LOANING YOU MONEY ON A BUSINESS “STARTUP”**
- ▶ **A) 2 YEARS**
- ▶ **B) 0 YEARS**
- ▶ **C) 5 YEARS**
- ▶ **D) 1 YEAR**

ANSWER

- ▶ **THE REGRETTABLE ANSWER IS THAT YOU OFTEN NEED YOUR OWN MONEY TO “START” FOR ATLEAST 2 YEARS BEFORE YOU CAN FIND A BANK OR INVESTOR WHO WILL INVEST IN A “STARTUP”---**

CLASS DISCUSSION:

- ▶ **WHAT DO YOU SUPPOSE IS BETTER ABOUT HAVING A JOB OR CAREER OVER BEING A BUSINESS OWNER?**
- ▶ **WHAT DO YOU SUPPOSE IS WORSE ABOUT HAVING A JOB OR CAREER THAN BEING A BUSINESS OWNER?**
- ▶ **TAKE 120 SECONDS TO WRITE DOWN YOUR ANSWERS**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **IF YOU'RE GOING TO START A BUSINESS:**
- ▶ **SHOULD YOU GO AFTER WHAT YOU WANT?**
- ▶ **OR WHAT THE CONSUMER WANTS?**
- ▶ **TAKE 60 SECONDS TO WRITE YOUR THOUGHTS AND DISCUSS**

RESEARCH//

**CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT
QUESTION:**

▶ **WHAT DOES THE CONSUMER NEED AND
WANT-- AND WHICH DO YOU THINK IS
A MORE POWERFUL MOTIVATOR FOR
THEM?--**

▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR ANSWER AND DISCUSS**

RESEARCH

- ▶ **HOW MUCH RESEARCH SHOULD YOU DO BEFORE STARTING A BUSINESS?**
- ▶ **HOW MUCH RESEARCH DO YOU THINK OTHER PEOPLE PUT INTO THEIR BUSINESSES BEFORE INVESTING CAPITAL?**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR ANSWER AND DISCUSS**

RESEARCH//DISCUSS

- ▶ **ON AVERAGE, HOW MANY STARTUPS DO YOU THINK FAIL?**
- ▶ **ON AVERAGE, HOW MANY FRANCHISES DO YOU THINK SUCCEED?**
- ▶ **TAKE 120 SECONDS TO WRITE DOWN BUSINESSES YOU LIKE, AND THINK HAVE A FUTURE- (AND MIGHT SOMEDAY INVEST IN) AND WHICH BUSINESSES YOU THINK COULD BE SIGNIFICANTLY IMPROVED**
- ▶ **DISCUSS YOUR THINKING**

RESEARCH

- ▶ **HOW DO YOU THINK COMPETITION EFFECTS BUSINESSES?**
- ▶ **HOW BIG OF A FACTOR IS “OVERHEAD”?**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR ANSWER AND DISCUSS**

DISCUSS:

- ▶ **WHEN DO YOU REALISTICALLY GIVE UP ON A BUSINESS?**
- ▶ **DISCUSS YOUR THINKING**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **HOW IMPORTANT ARE YOUR ASSUMPTIONS?**
- ▶ **WHY ASSUME ANYTHING?**
- ▶ **SHOULD YOU USE AS MUCH INFORMATION AS POSSIBLE,
OR JUST JUMP IN?**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR ANSWER AND DISCUSS**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WOULD YOU SPEND 100K TO START A FRANCHISE, WHERE FRANCHISES HAVE HIGH SUCCESS RATES, OR WOULD YOU PIONEER YOUR OWN BUSINESS FOR LESS MONEY TO START?**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR ANSWER AND DISCUSS**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **SHOULD YOU WORK A DAY JOB WHILE PURSUING AN ENDEAVOR?**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **IN YOUR OPINION, WHAT ARE THE COOLEST PRODUCTS ON THE MARKET TODAY?**
- ▶ **TAKE 20 SECONDS TO WRITE THEM DOWN AND DISCUSS**
- ▶ **((ARE THEY A NEED OR A WANT?))**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **ARE CONSUMERS
LOGICAL//RATIONAL SPENDERS,
OR EMOTIONAL SPENDERS?**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR ANSWER AND
DISCUSS**
- ▶ **DISCUSS YOUR ANSWER- AND INCLUDE THE LOGIC//EMOTION
OF HOME BUYING AS WELL**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **IF HYPOTHETICALLY, YOU WERE TO TRY TO
CREATE A PRODUCT OR SERVICE:**
- ▶ **WOULD IT BE A PRODUCT, OR SERVICE?**
- ▶ **WOULD YOUR PRODUCT/SERVICE BE
EXPENSIVE OR INEXPENSIVE?**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR ANSWER AND DISCUSS**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHAT IS THE MOTIVATION BEHIND
WHY YOU WOULD CHOOSE TO CREATE
A PRODUCT OR SERVICE?**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR ANSWER AND DISCUSS**

- 
- ▶ **HOW DO YOU START?**
 - ▶ **IF YOU WANTED TO CREATE A PRODUCT, YOU COULD NOTE THERE ARE MIDDLE MEN/// THIRD PARTY “ENGINEERS” IN NORTH AMERICA THAT CAN HELP YOU THROUGH THE PROCESS- FROM PATENTING TO DESIGN, AND POSSIBLY CREATE SOME INITIAL PRODUCT OUTSIDE THE US.**
 - ▶ **(IT MIGHT TAKE A LOT OF TIME, MONEY AND CONFIDENCE)**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHAT ARE SOME GREAT IDEAS TO MARKET YOUR PRODUCT OR SERVICE?**

- ▶ **TAKE 120 SECONDS TO WRITE 5-10 BRILLIANT**
- ▶ **“GUERRILLA” MARKETING IDEAS:**
- ▶ **1**
- ▶ **2**
- ▶ **3**
- ▶ **4**
- ▶ **5**

PERSONAL THOUGHT QUESTION:

- ▶ **ON A SCALE OF 1-10- HOW MOTIVATED ARE YOU FOR MONEY?**

- ▶ **IN ADDITION, WRITE DOWN 10 THINGS IN LIFE YOU WANT THAT ARE NOT MONEY RELATED**

- ▶ **1 6**
- ▶ **2 7**
- ▶ **3 8**
- ▶ **4 9**
- ▶ **5 10**

- 
- ▶ **SO, HYPOTHETICALLY- WHAT IS YOUR MASTER BUSINESS IDEA- AND HOW WILL YOU IMPLEMENT IT?:::**
 - ▶ **TAKE 5 MINUTES TO ORGANIZE A HYPOTHETICAL MASTER BUSINESS PLAN**
 - ▶ **IN ADDITION, CREATE 2 SOLID FINANCIAL PLATFORMS THAT WILL ALLOW YOU THE CAPABILITY TO EXPERIMENT (LIKE LIVING WITH BROTHERS).**

CHAPTER 7

► BUDGET AND PLANNING



▶ THE FOLLOWING IS A JOKE BROUGHT TO YOU BY THE ONION:

▶ **“COST OF LIVING STARTING TO
EXCEED VALUE FOR MANY”**

- ▶ **HIGH INCOME- LOW STANDARD OF LIVING = WEALTH**
- ▶ **LOW INCOME- HIGH STANDARD OF LIVING = POVERTY**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR THOUGHTS ON THIS IDEA**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **HOW MUCH MONEY DO YOU THINK YOU WILL MAKE PER YEAR IN YOUR 20'S 30'S 40'S 50'S AND 60'S?**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR THOUGHTS AND DISCUSS**

- 
- ▶ **HOW MUCH NET INCOME DO YOU THINK YOU WILL HAVE AFTER:**
 - ▶ **RENT//MORTGAGE**
 - ▶ **TAXES**
 - ▶ **THE SPOUSE**



▶ **IF YOU MAKE \$10.00 AN HOUR, AND WORK 2000 HOURS A YEAR**

▶ **AND 25% OF YOUR WAGE GOES TO TAX**

▶ **HOW MUCH NET INCOME DO YOU HAVE?**





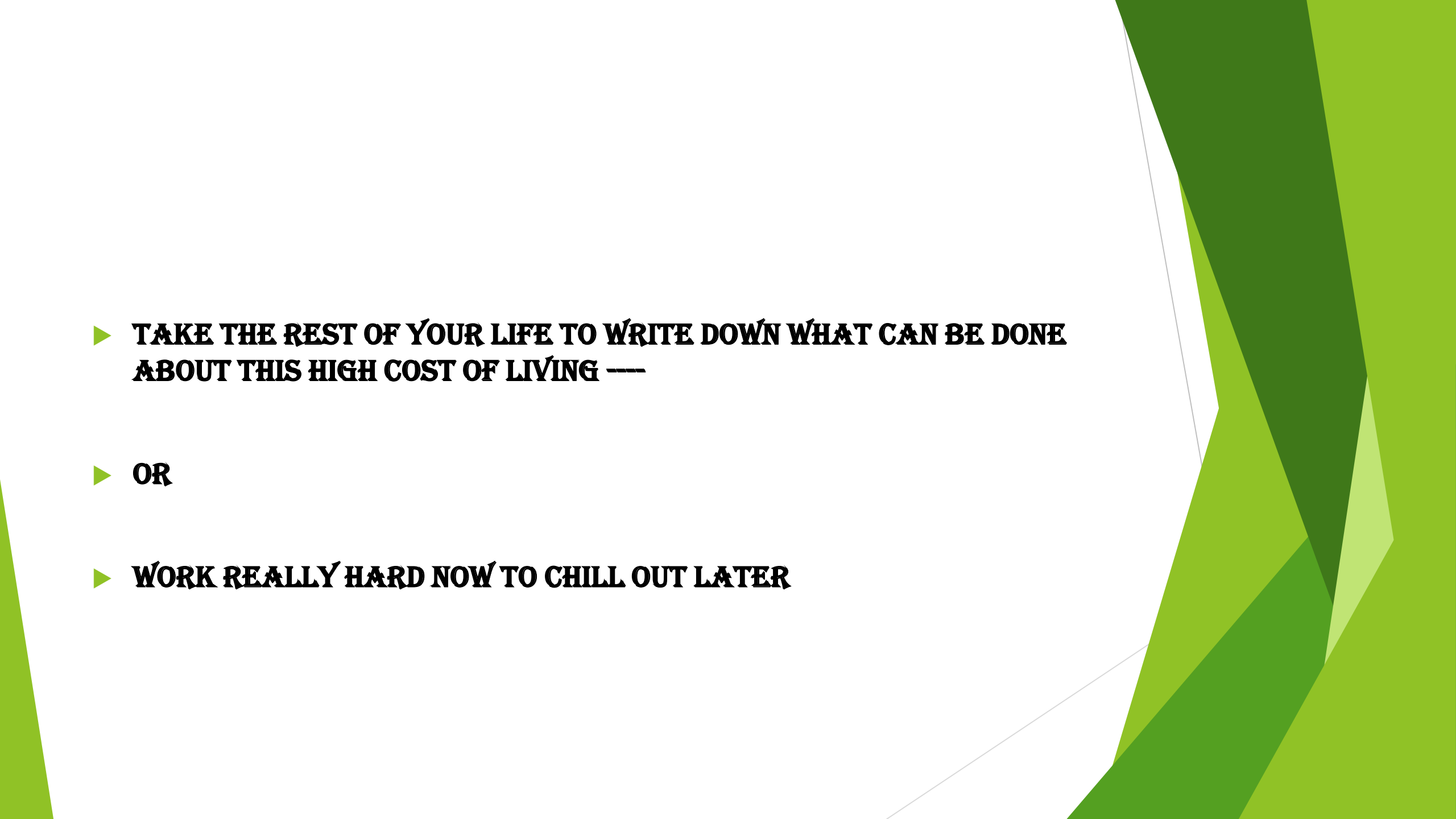
▶ **TAKE 5 MINUTES TO WRITE DOWN EVERY IDEA YOU CAN ABOUT:**

▶ **RENT AND MORTGAGES**

▶ **WHAT DO YOU KNOW?**

▶ **WHAT DO YOU WANT TO KNOW?**

▶ **WHAT ARE SOME IDEAS ABOUT WHAT CAN BE DONE ABOUT THIS EXPENSE?**

- 
- The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green, creating a modern, layered effect on the right side of the slide.
- ▶ **TAKE THE REST OF YOUR LIFE TO WRITE DOWN WHAT CAN BE DONE ABOUT THIS HIGH COST OF LIVING —**
 - ▶ **OR**
 - ▶ **WORK REALLY HARD NOW TO CHILL OUT LATER**

- ▶ **YOUR FOOD BUDGET IS \$200.00 A MONTH**
- ▶ **YOU HAVE A HABIT OF GETTING \$1.00 SODA EVERY DAY**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN IDEAS ON HOW TO NEGOTIATE FOOD ISSUES AND BUDGET**

- 
- ▶ **ARE YOU AWARE OF PROGRAMS- LIKE ACTION CENTERS- WHO CAN HELP?**
 - ▶ **WHAT INTERESTING THINGS DO YOU KNOW ABOUT GOVERNMENT PROGRAMS LIKE SNAP?**
 - ▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR ANSWER AND DISCUSS**

▶ **THE FOLLOWING IS A LIST OF FUTURE BILLS THAT YOU MIGHT BE FACED WITH—**

- ▶ **CELL PHONE**
- ▶ **INTERNET**
- ▶ **CABLE BILL**
- ▶ **CAR BILL**
- ▶ **CAR INSURANCE**
- ▶ **GAS**
- ▶ **ELECTRIC BILLS**
- ▶ **WATER BILLS**
- ▶ **STUDENT LOANS**

- ▶ **CREDIT CARD:**
- ▶ **CREDIT CARD:**
- ▶ **HEALTH INSURANCE:**
- ▶ **MEDICAL BILLS:**
- ▶ **FUN/ENTERTAINMENT:**
- ▶ **FURNITURE:**
- ▶ **CAR FUEL:**
- ▶ **CLOTHS:**
- ▶ **MISCELLANEOUS:**
- ▶ **SAVINGS/INVESTMENT:**

- 
- ▶ **ON THE NEXT 2 PAGES, TAKE THE TIME YOU NEED TO ESTIMATE THESE LIVING COSTS, AND DISCUSS ANSWERS WITH YOUR CLASS.**

- ▶ **RENT:**
- ▶ **FOOD:**
- ▶ **HYGIENE ITEMS:**
- ▶ **CELL PHONE:**
- ▶ **INTERNET:**
- ▶ **CABLE BILL:**
- ▶ **CAR BILL:**
- ▶ **CAR INSURANCE:**
- ▶ **GAS:**
- ▶ **ELECTRIC BILLS:**
- ▶ **WATER BILLS:**
- ▶ **STUDENT LOANS:**

- ▶ **CREDIT CARD:**
- ▶ **CREDIT CARD:**
- ▶ **HEALTH INSURANCE:**
- ▶ **MEDICAL-BILLS, SUPPLIES, PILLS ECT:**
- ▶ **FUN/ENTERTAINMENT:**
- ▶ **FURNITURE, DÉCOR:**
- ▶ **CAR FUEL:**
- ▶ **CLOTHS:**
- ▶ **MISCELLANEOUS:**
- ▶ **SAVINGS/INVESTMENT:**
- ▶ **KIDS STUFF:**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHERE CAN YOU GO TO FIND ANSWERS TO WHAT JOBS ARE ACTUALLY ON THE MARKET**
- ▶ **(BESIDES THE “NOBODY WANTS THIS” JOB ADS)**
- ▶ **AND SEE WHO MAKES GOOD MONEY– AND WHAT YOU HAVE TO DO TO BE QUALIFIED?**

CHAPTER 8

► UNEMPLOYMENT

NOTE:

- ▶ **NOTE:**
- ▶ **ITS ALWAYS BETTER TO LET A COMPANY “FIRE” YOU, AS OPPOSED TO SIGNING A STATEMENT SAYING “YOU QUIT”—**
- ▶ **- BECAUSE IF THE RECORD SAYS “YOU QUIT” YOU CANNOT GET UNEMPLOYMENT BENEFITS//PAYMENTS,,,,**
- ▶ **BUT IF THEY “FIRE” YOU— YOU CAN**

NOTE:

- ▶ **ITS USUALLY BETTER TO HAVE CONNECTIONS WITH OTHER EMPLOYERS BEFORE YOU GET LET GO- AS LEVERAGE, AND FOR A PLACE TO GO TO BEFORE YOU ARE "86'ED"**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **HOW MUCH DO SOME CERTIFIED FINANCIAL PLANNERS SAY YOU SHOULD HAVE SAVED IN CASE YOU LOSE YOUR INCOME?**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR GUESS AND DISCUSS**

- ▶ **ANSWER:**
- ▶ **MANY SAY 6 MONTHS, BUT YOU SHOULD HAVE AT LEAST 3 MONTHS SAVINGS IN CASE OF SUCH AN EVENT**
- ▶ **WHY DO YOU SUPPOSE THIS IS?**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR WHAT YOU WOULD DO WITH NO SAVINGS, AND DISCUSS**

▶ 1)

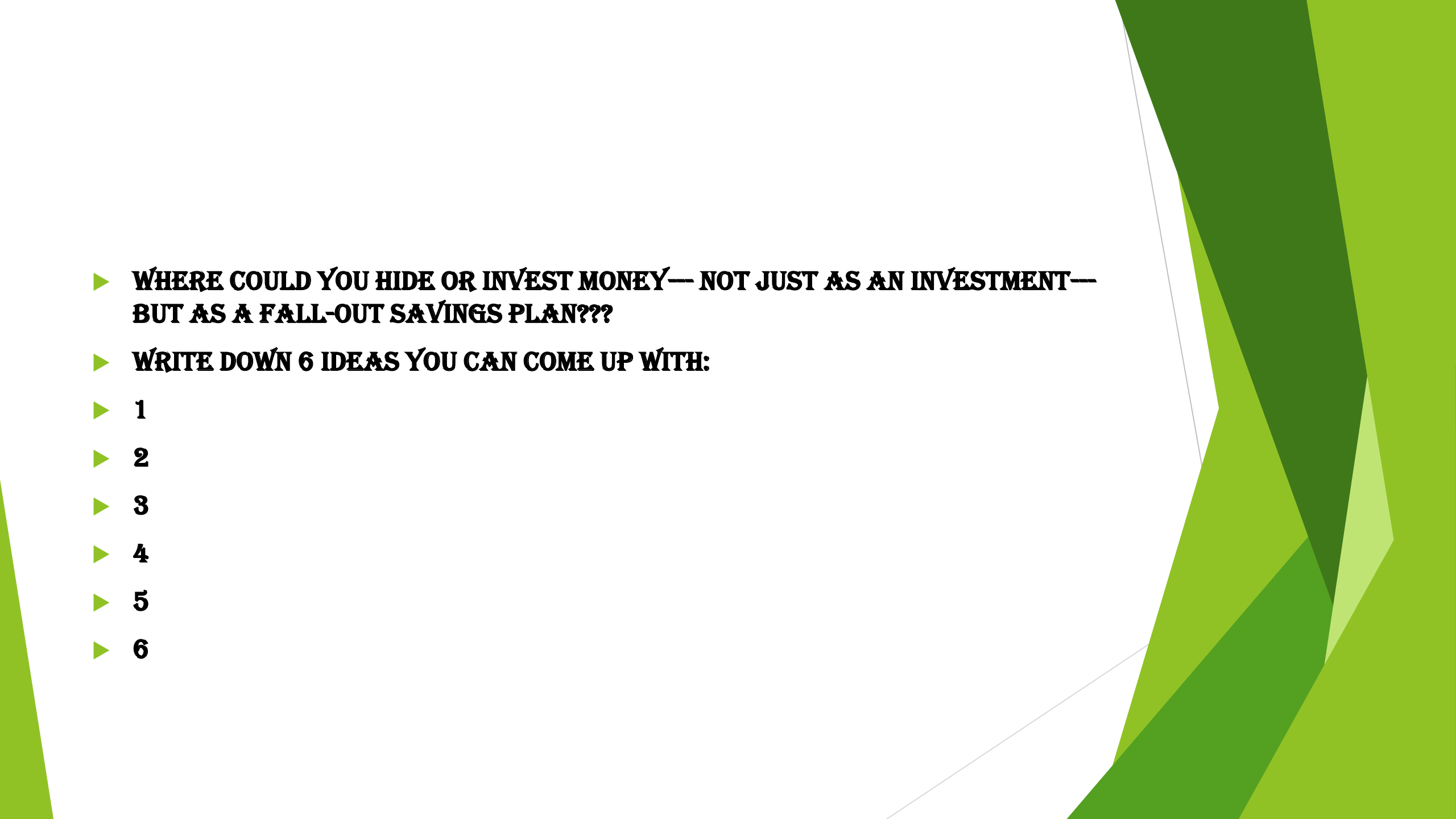
▶ IF YOU HAVE A MORTGAGE, AND YOU ARE SUDDENLY LAID OFF- YOU COULD LOSE YOUR HOUSE, INCLUDING THE ENTIRE INVESTMENT YOU HAVE PUT INTO IT.

▶ 2)

▶ IF YOU HAD A CAR YOU WERE PAYING DOWN, YOU COULD LOSE THE INVESTMENT YOU HAVE MADE INTO THE VEHICLE AS IT COULD BE REPOSSESSED

▶ 3)

▶ UNFORTUNATELY, THE STRESS OF LOSING A JOB WREAKS HAVOC ON A RELATIONSHIP, AND COULD LEAD TO DIVORCE, A MAJOR LOSS OF A VERY IMPORTANT INVESTMENT.

- 
- The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green, creating a modern, layered effect.
- ▶ **WHERE COULD YOU HIDE OR INVEST MONEY— NOT JUST AS AN INVESTMENT— BUT AS A FALL-OUT SAVINGS PLAN???**
 - ▶ **WRITE DOWN 6 IDEAS YOU CAN COME UP WITH:**
 - ▶ **1**
 - ▶ **2**
 - ▶ **3**
 - ▶ **4**
 - ▶ **5**
 - ▶ **6**

- ▶ **6 PLACES**
- ▶ **1). INVESTMENTS IN STOCKS, BONDS, MUTUAL FUNDS, INDEX FUNDS**
- ▶ **2). BANK "CD"S, WHICH USUALLY HAVE AN INTEREST RATE OF 3% (SAVINGS)**
- ▶ **3). HIDE MONEY IN THE GROUND**
- ▶ **4). BUY RENTAL PROPERTIES**
- ▶ **5). BUY THINGS YOU CAN LATER PAWN, OR BUY THINGS AT THE GOOD WILL, AND THEN PAWN IT**
- ▶ **6). HAVE COLLECTED THINGS THAT OTHER PEOPLE WILL PAY MONEY FOR, LIKE ANTIQUES**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

▶ **WHAT ARE SOME “FALL OUT” STRATEGIES OR IDEAS YOU CAN THINK OF FOR HOW TO COPE AND SUSTAIN YOUR LIFE IN A TIME WHEN YOU MAY BE SEVERELY UN-EMPLOYABLE, AND ALSO HAVE NO MONEY HIDDEN AWAY**

- ▶ **1**
- ▶ **2**
- ▶ **3**
- ▶ **4**
- ▶ **5**
- ▶ **6**

CHAPTER 9

► USING CREDIT

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

► **WHEN SHOULD YOU USE CREDIT?**

- ▶ **ARGUABLY, YOU SHOULD SAVE YOUR CREDIT EXPENDITURES FOR THINGS YOU NEED.**
- ▶ **WHAT ARE SOME EXAMPLES OF THINGS YOU NEED, AS OPPOSED TO REALLY WANT?**
- ▶ **TAKE 60 SECONDS TO WRITE DOWN HOW YOU DEFINE THE DIFFERENCE, OR GIVE YOUR OWN ILLUSTRATIONS OF THINGS THAT ARE NEEDS AND WANTS**

CHAPTER 10

▶ THE STOCK MARKET

- 
- ▶ **ALLOW THE CLASS 5 MINUTES TO WRITE DOWN EVERYTHING THEY KNOW ABOUT THE STOCK MARKET**

GOING DEEP

- ▶ **WHY DO COMPANIES CARE IF THE SHARE HOLDERS MAKE MONEY???**
- ▶ **TAKE 15 SECONDS TO WRITE YOUR ANSWER**

- ▶ THE ANSWER IS BECAUSE THE OWNERS OF THE COMPANY USUALLY OWN MORE THAN 50% OF THE STOCK.
- ▶ SO NOT ONLY DO THEY MAKE RIDICULOUS MONEY SELLING THE STOCK INITIALLY, SAY \$10 A SHARE AND 2 MILLION SHARES SOLD (50% TOTAL SHARES), BUT THEY MAKE MORE MONEY IF THE REST OF THEIR STOCK THEY STILL OWN GOES UP. MOST COMPANIES MIGHT MAKE MORE MONEY SELLING “STOCK” WHICH IS COMPLETELY FREE TO CREATE, THEN THEY DO ON THEIR PRODUCT. THE REASON THEY STAY IN BUSINESS COULD BE ENTIRELY TO DRIVE UP THE STOCK PRICE, NOT BECAUSE OF THE PRODUCT.
- ▶ WHAT CAN A COMPANY DO TO ITS STOCK VALUE IF IT BUYS THAT STOCK, TRADES THAT STOCK, OR CREATES MORE STOCK??
- ▶ TAKE 60 SECONDS TO WRITE DOWN YOUR THOUGHTS ON ALL THIS

CRITICAL THINKING

- ▶ LETS SAY YOU OWN A COMPANY
- ▶ YOU “GO PUBLIC” AND SELL STOCK– (AND KEEP 51% OF THE STOCKS IN YOUR POSSESSION)
- ▶ THINK OF AS MANY CREATIVE WAYS YOU CAN TO MANIPULATE THE STOCK
- ▶ 1
- ▶ 2
- ▶ 3
- ▶ 4
- ▶ 5
- ▶ 6

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHERE DO YOU FIND INFORMATION ON STOCKS BEFORE OTHER PEOPLE-
LEGALLY?**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN WEBSITES THAT DEAL WITH STOCKS,
AND INFORMATION**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **DOES THE STOCK MARKET REFLECT THE ACTUAL HEALTH OF THE MARKET?**
- ▶ **DOES THE “REGULAR MARKET” TELL THE STOCK MARKET WHAT TO DO- AND HOW TO ACT, OR DOES THE STOCK MARKET TELL THE MARKET WHAT TO DO AND HOW PEOPLE SHOULD ACT?**
- ▶ **TAKE 60 SECONDS TO WRITE DOWN YOUR ANSWER**

RESEARCH

- ▶ **WHO CONTROLS THE STOCK MARKET, AND WHY SHOULD IT MATTER?**
- ▶ **THAT IS TO SAY, HOW MUCH OF THE ACTUAL “STOCKS” ON THE MARKET TODAY DO THE WEALTHIEST 5% OF AMERICANS OWN?**
- ▶ **HOW MUCH OF THE STOCK MARKET DOES THE “BASE” 80% OF AMERICA OWN?**
- ▶ **AGAIN, IF THE STOCK MARKET CRASHES– AND ONLY THE TOP 5% NEED TO JUMP OUT OF BUILDINGS, SHOULD THIS CRISIS CAUSE OUR NEXT DEPRESSION– IF 80% OF THE COUNTRY IS ONLY MILDLY AFFECTED?**
- ▶ **TAKE 120 SECONDS TO WRITE YOUR ANSWER**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **IF MAGA COMPANIES ARE HEAVILY INVESTED, AND THEY LOSE OUT BIG ON A STOCK MARKET CRASH,, HOW WILL THEM BEING HURT AFFECT THE ECONOMY?**
- ▶ **HYPOTHETICALLY, IF YOU WERE A CEO OF A MAJOR COMPANY HEAVILY INVESTED, WHAT WOULD YOU DO TO BETTER DIVERSIFY AGAINST A MAJOR HIT TO THE STOCK MARKET???**
- ▶ **TAKE 120 SECONDS TO WRITE DOWN WHAT YOU WOULD INVEST IN**

CLASS DISCUSSION

- ▶ **ASSUMING THAT THE STOCK MARKET CAN MAKE YOU EXTREMELY WEALTHY,**
- ▶ **BUT CAN BE DISASTEROUS ON A RALLY SELL OFF,**
- ▶ **ASSUMING YOU CREATE A PORTFOLIO BY AGE 40:**

- ▶ **WHAT OTHER THINGS COULD YOU INVEST IN OUTSIDE OF THE STOCK MARKET?**
- ▶ **1**
- ▶ **2**
- ▶ **3**
- ▶ **SHARE YOUR IDEAS**

- ▶ **WHAT IS A COMPOUND INTEREST CALCULATOR?**
- ▶ **TEST QUESTION:**
- ▶ **GO TO INVESTOR.GOV ON YOUR PHONE, GO TO “TOOLS” AND “CALCULATORS”**
- ▶ **WITH THE COMPOUND INTEREST CALCULATOR, PUT IN THE NUMBERS THAT YOU MIGHT INVEST:**
- ▶ **\$1,000 USD INITIAL MONEY**
- ▶ **\$100 USD PER MONTH**
- ▶ **8%**
- ▶ **10 YEARS COMPOUNDED ANNUALLY**

ANSWER

- ▶ **YOU MAY FIND THE AMOUNT OF MONEY FROM SUCH AN INVESTMENT FOR 10 YEARS IS:**
- ▶ **\$19,542**

- ▶ **GO TO INVESTOR.GOV**
- ▶ **YOU CAN DO IT ON YOUR PHONE**
- ▶ **FIND THE “COMPOUND INTEREST CALCULATOR”**
- ▶ **HYPOTHETICALLY STATE AN INVESTMENT OF**
- ▶ **\$10,000.00 INITIAL**
- ▶ **\$350 MONTH**
- ▶ **10% ANNUAL COMPOUNDING**
- ▶ **30 YEARS**

- ▶ **YOU MAY FIND THE AMOUNT OF MONEY FROM SUCH AN INVESTMENT FOR 30 YEARS IS:**
- ▶ **\$865,368.92**

- ▶ **FINAL COMPOUNDING TEST QUESTION:**
- ▶ **ASSUME AN INVESTMENT OF:**
- ▶ **\$1,000.00**
- ▶ **\$100 A MONTH**
- ▶ **10% COMPOUNDING ANNUALLY**
- ▶ **FOR 200 YEARS**

- 
- ▶ **YOU MAY FIND THE AMOUNT OF MONEY FROM SUCH AN INVESTMENT FOR 200 YEARS WITHOUT BEING TOUCHED IS:**
 - ▶ **\$2,468,768,581,986.04**

- ▶ **IF YOU INVESTED \$100 FOR YOUR CHILD EVERY MONTH AT THEIR BIRTH, UNTIL THEY WERE 25- AND RECEIVED 10% INTEREST COMPOUNDED ANNUALLY, THE MATH WORKS OUT TO WHERE THAT FUND COULD BE WORTH**
- ▶ **\$128,851.18**
- ▶ **THIS COULD HELP THEM WITH COLLEGE, OR STARTING A BUSINESS**

CLASS DISCUSSION

- ▶ **WHAT IS AN ANNUITY?**
- ▶ **AND WHY WOULD YOU WANT TO SELL IT IMMEDIATELY?**

WHAT IF

- ▶ **YOU CREATED AN ANNUITY FOR YOUR FAMILY LINIAGE THAT MADE IT SO THEY NEVER HAD TO WORK AGAIN....**
- ▶ **AND THEY SOLD THE ANNUITY PAYMENTS FOR A LUMP SUM, AND WENT TO VEGAS,,, CAUSING YOUR DISTANT FAMILY LINIAGE TO HAVE TO RETURN TO WORK?**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN WHAT YOU WOULD WANT YOUR FUTURE FAMILY MEMBERS TO DO WITH MILLIONS OF DOLLARS**

CLASS DISCUSSION:

- ▶ **WOULD YOU AGREE WITH A GOVERNMENT WHO FORCED YOU TO INVEST \$100 A MONTH IN YOUR CHILDREN WITH A MANDATORY TAX?**
- ▶ **WHY OR WHY NOT?**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR THOUGHTS AND DISCUSS**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHAT IS THE TIME VALUE OF MONEY?**
- ▶ **HOW MUCH DO YOU THINK \$1.00 WILL BE WORTH IN 10 YEARS?**
- ▶ **30 YEARS?**
- ▶ **100 YEARS?**
- ▶ **DISCUSS YOUR THOUGHTS ON INFLATION**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHAT DO YOU SUPPOSE A \$10,000 INVESTMENT THAT IS KEPT IN AN INVESTMENT FOR 10 YEARS AT 12% MIGHT NET YOU?**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **HOW BIG OF AN IMPACT DO YOU THINK LARGE AMOUNTS OF MONEY PROPERLY INVESTED WOULD HAVE ON YOUR SON OR DAUGHTERS FUTURE "SOCIAL MOBILITY"**
- ▶ **HOW COULD YOU EVER AFFORD TO PUT THIS KIND OF MONEY AWAY FOR YOUR KIDS?**
- ▶ **WHAT WOULD YOU TELL THEM TO DO WITH IT?**
- ▶ **OR WOULD YOU LET THEM HAVE 50K TO 500K WITH NO KNOWLEDGE OF WHAT TO DO WITH IT?**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHAT DO YOU THINK MAKES A CURRENCY STRONG?**
- ▶ **TAKE 120 SECONDS TO WRITE DOWN 5 ANSWERS**
- ▶ **AND DISCUSS**



▶ **WHAT IS A REIT- REAL ESTATE INVESTMENT TRUST?**

▶ **(NOTE: IF YOU CARE, YOU CAN PUT THIS INQUIRY INTO THE INTERNET ON YOUR PHONE OR COMPUTER)**

PERSONAL THOUGHT QUESTION:

▶ **WRITE DOWN 10 THINGS THAT YOU WISH YOU NEW ABOUT INVESTING, OR THINGS YOU THINK YOU KNOW, OR WHAT INTERESTS YOU HAVE ABOUT INVESTING**

- ▶ **1**
- ▶ **2**
- ▶ **3**
- ▶ **4**
- ▶ **5**
- ▶ **6**
- ▶ **7**
- ▶ **8**
- ▶ **9**
- ▶ **10**

CHAPTER 11

► REAL ESTATE



▶ **TAKE 360 SECONDS TO WRITE
DOWN EVERYTHING YOU KNOW
ABOUT REAL ESTATE**



► **TAKE 360 TO THINK ABOUT
QUESTIONS YOU HAVE ABOUT
REAL ESTATE, AND WRITE
THEM DOWN**



► **ONE OF THE MOST IMPORTANT THINGS
YOU NEED TO KNOW ABOUT REAL
ESTATE IS HOW TO USE
CALCULATORS, AND CALCULATE**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHY BUY REAL ESTATE?**

- 
- ▶ **WHAT ARE OTHER FINANCIAL FACTORS YOU SHOULD CONSIDER WHEN BUYING A HOUSE?**
 - ▶ **HOA FEES?**
 - ▶ **PROPERTY TAX?**
 - ▶ **INSURANCE?**
 - ▶ **HEATING BILLS?**
 - ▶ **OTHER UTILITY BILLS- LIKE WATER AND TRASH?**
 - ▶ **TIME TO PAY HOUSE OFF?**
 - ▶ **HOW MUCH DISPOSABLE INCOME YOU WANT FOR OTHER THINGS- LIKE FURNITURE**

- 
- ▶ **WHEN YOU BUY A HOUSE, YOU LEASE IT FROM THE BANK UNTIL YOU PAY IT OFF, AND THE INTEREST TO THE BANK.**
 - ▶ **IF YOU PURCHASE A HOUSE FOR \$100,000.00 USD, GUESS HOW MUCH YOU WILL PAY IN INTEREST?**

- ▶ **THE ANSWER IS**
- ▶ **AT ABOUT A 3% YOU WILL PAY \$100,000 IN INTEREST AND \$100,000 FOR THE HOUSE- THE PRINCIPAL -AND THUS \$200,000 TOTAL**

- ▶ **AT 10% INTEREST, YOU WILL PAY \$220,000 IN INTEREST, AND THUS \$320,000.00 TOTAL**
- ▶ **AT A 12% LOAN RATE FROM THE BANK, YOU'LL PAY A TOTAL OF \$370,000 IN 30 YEARS FOR A HOUSE WORTH \$100,000**

UNDERSTANDING ECONOMICS

- ▶ **AT 3%, DEVELOPERS CAN SELL A HOUSE AT 300K (AT A COST TO BUILD OF SAY ABOUT 150K)**
- ▶ **THEY MAY BE ABLE TO MAKE 150K PER HOUSE FOR RISKING 10-30 MILLION TO START**
- ▶ **YOU DON'T HAVE THE ECONOMICS OF SCALE THAT THEY DO HOWEVER, SO IT IS MUCH HARDER TO BUILD YOUR OWN HOUSE FOR A PRICE LIKE 150K**
- ▶ **SO WHERE DO YOU FIND THE CALCULATOR TO CALCULATE YOUR PAYMENTS OF 300K AT 3%, OR 150K AT 12%???**
- ▶ **TAKE 20 SECONDS TO THINK ABOUT WHERE YOU FIND THIS KIND OF CALCULATOR**

- 
- ▶ **THE ANSWER TO THE FORMER QUESTION IS:
A “MORTGAGE CALCULATOR” ON THE
INTERNET**
 - ▶ **YAHOO FINANCE AND YAHOO REAL
ESTATE HAVE NUMEROUS CALCULATORS**

ON YOUR PHONE

- ▶ **EITHER NOW ON YOUR PHONE, OR LATER ON A COMPUTER AT THE LIBRARY OR AT YOUR HOUSE, GO TO YAHOO FINANCE, AND FIND THE AREA WHERE YAHOO FINANCE CALCULATORS ARE.**
- ▶ **THE BEST WAY TO FIND THE CALCULATORS IS TO TYPE IN “YAHOO MORTGAGE CALCULATOR”.**
- ▶ **WHAT ARE 5 CALCULATORS THAT YOU SEE THAT YOU THINK MAY BE USEFUL TO YOU IN YOUR FUTURE?**
- ▶ **1**
- ▶ **2**
- ▶ **3**
- ▶ **4**
- ▶ **5**

ON YOUR PHONE

- ▶ **ALSO LOOK AT OTHER CALCULATORS WITHIN YAHOO FINANCE LATER ON**
- ▶ **THERE ARE NUMEROUS REAL ESTATE CALCULATORS YOU CAN PLAY WITH**

- ▶ **YAHOO FINANCE IS A GREAT PLACE TO CHECK OTHER THINGS AS WELL**
- ▶ **AND REMEMBER TO LOOK UP THE COMPOUND INTEREST CALCULATORS**

- ▶ **A MORTGAGE CALCULATOR IS A PHENOMENAL WAY TO LOOK AT VARIOUS FACTORS REGARDING HOME BUYING COST.**
- ▶ **THE CALCULATORS THAT YAHOO HAS ARE EXTREMELY USEFUL**

CLOSEST GUESS WINS:

- ▶ **TAKE 30 SECONDS TO GUESS:**
- ▶ **IN TERMS OF A PERCENTAGE PER YEAR-
HOW MUCH DOES REAL ESTATE
APPRECIATE (ON AVERAGE) IN 30 YEARS?**

► **ANSWER:**

- **IT DEPENDS! MUCH OF IT IS BASED ON HOW WELL THE COMMUNITY TAKES CARE OF THEIR COMMUNITY.**
- **SOME PROFESSORS SAY IT AVERAGES ONLY 3-4%. THIS MEANS THAT REAL ESTATE ONLY KEEPS UP WITH INFLATION, AND DOESN'T ACTUALLY APPRECIATE AT ALL!!!**
- **INFLATION AVERAGES ABOUT 3.5% ANNUALLY**

- ▶ **CERTAIN HOUSING AREAS IN VEGAS HAD A NEGATIVE -3.5% APPRECIATION OVER 30 YEARS AFTER THE REAL ESTATE CRASH IN 2010; THAT MEANS THEY BOUGHT IN 1980 FOR \$80,000, AND SOLD IN 2012 FOR \$80,000. (THEY LOST MONEY, BECAUSE OF INFLATION). THEIR “NOMINAL” APPRECIATION WOULD BE 0%, BUT WHEN ADJUSTED FOR INFLATION, THEIR “REAL” APPRECIATION WOULD BE -3.5%**
- ▶ **PROPERTY VALUE DEPENDS ON A LOT OF THINGS: LIKE UPKEEP, RENOVATIONS, AND MORE MONEY MOVING INTO THE AREA/DEMAND**
- ▶ **HOWEVER, IT IS IMPORTANT TO NOTE THAT IT MATTERS EXACTLY WHEN YOU BUY, AND WHEN YOU SELL. THIS EXAMPLE SHOWS THE HOUSE BEING SOLD DURING THE GREAT RECESSION**

- ▶ **WITH 3.5% INFLATION, \$80,000 IN CASH IN 1980 IS WORTH WHAT TODAY?**
- ▶ **WHAT CALCULATOR WOULD YOU USE TO CALCULATE THIS?**
- ▶ **COULD YOU USE A COMPOUND INTEREST CALCULATOR FOR THIS?**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **FOR PARTS OF THE COUNTRY THAT ARE NOT AS CRAZY AS VEGAS IN A GREAT RECESSION,**
- ▶ **DO MAJOR FLUCTUATIONS IN A HOMES VALUE IN A TIME FRAME OF 5-10 YEARS MATTER?**
- ▶ **WHY OR WHY NOT?**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHY SHOULD REAL ESTATE BE
LOOKED AT AS A VERY LONG TERM
CONSERVATIVE INVESTMENT, AS
OPPOSED TO DAY TRADING?**
- ▶ **TAKE 60 SECONDS TO WRITE YOUR ANSWER AND DISCUSS**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **HOW MANY YEARS DO YOU THINK THE “AVERAGE PERSON” HOLDS THEIR HOUSE FOR, AND BETTER YET, WHY?**
- ▶ **WHY DO YOU THINK THEY MIGHT HOLD, AND WHY MIGHT THEY SELL?**

- ▶ **THE ANSWER IS ON AVERAGE, PEOPLE ONLY HOLD A PIECE OF REAL ESTATE FOR 7-8 YEARS.**
- ▶ **BY DOING THIS, YOU ONLY PAY INTEREST TO THE BANK, AND DON'T PAY MUCH INTO YOUR "PRINCIPAL" THAT WILL GIVE YOU EQUITY WHEN YOU SELL.**
- ▶ **TAKE 120 SECONDS TO THINK, AND WRITE ABOUT WHAT CAN BE DONE ABOUT THIS SITUATION:**
- ▶ **("EQUITY" IS THE MONEY YOU ACTUALLY HAVE INVESTED IN THE HOUSE. THE "PRINCIPAL" IS ANOTHER WORD FOR THAT- BUT "PRINCIPAL" IS USED WITH "INTEREST" WHEN DESCRIBING THE PAYMENT. INITIALLY, VERY LITTLE MONEY IS GOING INTO THE HOUSE'S EQUITY ON EVERY PAYMENT. INITIALLY MOST OF YOUR MORTGAGE PAYMENT GOES TO THE BANK IN INTEREST)**

- ▶ **TO SEE HOW MUCH OF YOUR MORTGAGE PAYMENT IS GOING INTO YOUR ACTUAL “EQUITY” AS THE MONEY PAYING OFF YOUR ACTUAL DEBT (PRINCIPAL) LOOK ON YOUR PHONES FOR THE**
- ▶ **AMORTIZATION SCHEDULE**
- ▶ **SO, (IF YOU) GO TO YAHOO MORTGAGE CALCULATOR ON YOUR PHONES**
- ▶ **AND DO A HYPOTHETICAL 250K AT 5%**

- ▶ **YOU'LL NOTICE THE AMORTIZATION SCHEDULE COMES UP, WHERE THE INITIAL PRINCIPAL PAYMENTS ARE VERY LOW, THE INTEREST PAYMENTS TO THE BANK ARE HIGH, BUT OVER THE YEARS, YOU START TO PAY MORE TO THE PRINCIPAL AND LESS TO INTEREST**

REFINANCING

- ▶ **WHY WOULD YOU RE-FINANCE?**
- ▶ **WHEN WOULD YOU REFINANCE?**
- ▶ **WHAT DOES REFINANCING DO TO YOUR MORTGAGE ON THE AMORTIZATION SCHEDULE?**

THE PROBLEM WITH REFINANCING

- ▶ **WHEN YOU REFINANCE- YOU SHOULD BE AWARE THAT YOU START ALL OVER ON THE AMORTIZATION SCHEDULE**
- ▶ **THIS MEANS YOU WILL BE PAYING NEARLY 100% INTEREST TO THE BANK, AND VERY LITTLE ON YOUR PRINCIPAL**
- ▶ **IF YOU HAVE BEEN IN THE HOME FOR MORE THAN 7 YEARS, IT MAY NOT MAKE SENSE TO REFINANCE, BECAUSE YOU WILL HAVE TO START PAYING THE INITIAL 7 YEARS OF INTEREST AT VERY LOW PRINCIPAL TO THE BANK**

- 
- ▶ **IF YOU THINK YOU ARE GOING TO SAVE MONEY BY REFINANCING TO PAY OFF HIGH INTEREST RATE CREDIT CARDS, YOU JUST BETTER BE ABLE TO CALCULATE HOW FAR DOWN YOU ARE ON PAYING INTEREST TO THE BANK ON YOUR HOUSE, AND HOW MUCH IT WILL COST YOU IN MORE INTEREST BY STARTING OFF AT YEAR 1 ON THE 30 YEAR AMORTIZATION SCHEDULE.**

- 
- ▶ **HOW DOES THE AMORTIZATION SCHEDULE AFFECT A DECISION TO HOLD A HOUSE 7 TO 8 YEARS?**
 - ▶ **WHERE DO YOU THINK YOU CAN FIND THIS INFORMATION?**

THE WAY TO BE ATLEAST MIDDLE CLASS

- ▶ **INSTEAD OF SELLING THE REAL ESTATE YOU WERE PREVIOUSLY PAYING ON FOR 7-8 YEARS, THE BEST IDEA IF YOU CAN CREATE IT IS TO HOLD ON TO THE REAL ESTATE AND RENT IT OUT.**
- ▶ **BY HAVING A RENTAL, THE RENTERS WILL PAY OFF THE MORTGAGE WITH PRINCIPAL AND INTEREST**
- ▶ **WHEN THEY DO THIS FOR 20 YEARS, WHILE IT WILL NOT BE EASY TO MANAGE- THE PAY OUT IN GENERAL WILL BE AS MUCH AS THE HOUSE IS WORTH**
- ▶ **DO YOU THINK YOU WOULD HOLD ON TO PIECE OF REAL ESTATE TO RENT AFTER PAYING ON IT FOR 7 YEARS?**
- ▶ **WHY OR WHY NOT?**
- ▶ **TAKE 20 SECONDS TO WRITE DOWN YOUR ANSWER AND DISCUSS**

RENTING REAL ESTATE

- ▶ **THE PROBLEM WHEN PEOPLE SELL A HOUSE IS THAT THEY GIVE UP ALL THE TIME THAT THEY PUT IN ON THE AMORTIZATION SCHEDULE- PAYING MOSTLY INTEREST FIRST, AND THEY GIVE UP THE PRINCIPAL /// EQUITY THAT THEY ARE NOW BEGINNING TO PUT INTO THEIR ABODE.**
- ▶ **IF THEY WERE TO RENT THAT HOUSE, INSTEAD OF GETTING RID OF IT, THEY WOULD BE ABLE TO START PUTTING THE RENTERS MONEY INTO THEIR EQUITY, AND THUS INCREASE THEIR NET WORTH**
- ▶ **IF ONE WERE TO DO THIS EVERY FEW YEARS, ONE WOULD BE ABLE TO CREATE NUMEROUS INVESTMENT PROPERTIES, AND MAKE THEMSELVES VERY FINANCIALLY HEALTHY**

- ▶ **ARGUABLY, THE BEST THING YOU MAY WANT TO DO IS GO FOR A 15 YEAR MORTGAGE,**
- ▶ **THE REASON IS THAT YOU WILL NOW HAVE 15 YEARS OF YOUR WORKING LIFE THAT YOU DON'T EVEN HAVE TO PAY A MORTGAGE OR RENT!!! IMAGINE THE DIFFERENCE HAVE THAT MUCH EXTRA DISPOSABLE MONEY WOULD DO TO YOUR STANDARD OF LIVING!! IT WOULD BE HUGE!**

- 
- ▶ **IN ADDITION, IF YOU WANTED TO MOVE TO A NEW PLACE NOW– YOU COULD TOTALLY DO THAT– AND YOU COULD EITHER SELL THE PLACE, OR RENT IT, AND MAKE EVEN MORE MONEY COMING TO YOUR BANK ACCOUNT FROM THE RENTAL!!**

- ▶ **FOR A 300K TO 500K HOUSE WITH A 15 YEAR MORTGAGE**
- ▶ **THE FIGURES MIGHT LOOK LIKE \$1,500 TO \$3,000 A MONTH THAT YOU WOULD HAVE TO SPEND EVERY MONTH YOU DID NOT HAVE A 30 YEAR MORTGAGE,**
- ▶ **AND IF YOU WERE TO RENT THE PLACE AFTER 15 YEARS, ABOUT \$1,500 TO \$3,000 IN EXTRA MONEY GOING TO YOUR BANK ACCOUNT EVERY MONTH YOU DID NOT HAVE A 30 YEAR MORTGAGE**



▶ **WHAT ARE SOME IDEAS ON WAYS TO SAVE MONEY ON A MORTGAGE DO YOU THINK?**

▶ **TAKE 90 SECOND TO WRITE DOWN 3**

▶ **1**

▶ **2**

▶ **3**

- ▶ **PERHAPS A COUPLE ANSWERS ARE:**
- ▶ **A) 15 YEAR MORTGAGE-**
 - ▶ **HIGHER PAYMENT WILL MEAN YOU CAN AFFORD LESS**
 - ▶ **BUT MUCH LESS INTEREST WILL BE PAID TO THE BANK**
- ▶ **B) BI-MONTHLY PAYMENTS**
 - ▶ **OFTEN CAN LOWER THE RATE**
- ▶ **C) EARLY PAYMENTS- PAYOFF EARLY**
 - ▶ **MAKE SURE THERE IS A CLAUSE IN THE CONTRACT THAT SAYS NO PRE-PAYMENT PENALTIES**

- ▶ **IN ADDITION:**
- ▶ **D)**
- ▶ **A HIGHER DOWN PAYMENT WILL OFTEN LOWER YOUR INTEREST RATE THAT MONEY WILL LOWER THE INTEREST PAYMENTS PAID TO THE BANK OVER TIME AND IT WILL OBVIOUSLY LOWER YOUR OVER ALL PAYMENT**
- ▶ **E)**
- ▶ **HAVE A PRIVATE ENTRANCE, FURNISHED, RENTAL SUITE**



► **TAKE A GUESS WHERE YOU CAN FIND
THE REAL VALUE AND INFLATION- OR
APPRECIATION OF REAL ESTATE AND
OTHER “GOODS” IN THE US???**



► **THE GOVERNMENT EMPLOYS PEOPLE TO TRACK THE VALUE AND COST OF GOODS (OR REAL ESTATE AND ITS APPRECIATION) BY USING WHAT IS KNOWN AS A:**

► **CONSUMER PRICE INDEX**

CLASS DISCUSSION QUESTION PHILOSOPHY

- ▶ **DO YOU KNOW WHAT YOU WANT OUT OF REAL ESTATE?**
- ▶ **DO YOU WANT TO PROFIT OFF OF IT?**
- ▶ **DO YOU WANT TO BUILD IT, SELL IT,**
- ▶ **DO YOU WANT IT FOR A “NUCLEAR FAMILY”**
- ▶ **OR A BACHELOR PAD IN A CITY?**
- ▶ **WILL YOU RELOCATE AND TO WHERE?**
- ▶ **HOW OFTEN WILL YOU MOVE?**

- ▶ **TAKE 360 SECONDS TO WRITE DOWN YOUR THOUGHTS ON THESE QUESTIONS**
- ▶ **DISCUSS YOUR IDEAS WITH THE CLASS**

A.R.M.

- ▶ **WHAT IS AN ADJUSTABLE RATE MORTGAGE?**
- ▶ **WHY WOULD YOU USE THIS?**
- ▶ **WHEN WOULD YOU USE THIS?**

- 
- ▶ **BASICALLY, YOU SHOULD NEVER PURCHASE AN ADJUSTABLE RATE MORTGAGE**
 - ▶ **DON'T BE FOOLED AND DON'T BE SOLD**

REVERSE MORTGAGES

▶ **GUESSES:**

▶ **WHAT IS A “REVERSE MORTGAGE”?**

REVERSE MORTGAGES

- ▶ **THE IDEA OF A REVERSE MORTGAGE IS THAT THE BANK WILL PAY THE OWNERS OF THE HOUSE A MONTHLY PAYMENT FROM THE EQUITY THEY HAVE IN THEIR HOME, ALLOWING THEM TO STAY IN THE HOME UNTIL THEY HAVE NO EQUITY LEFT. AT THAT TIME, THEY WILL BE FORCED TO MOVE, OR START ANOTHER MORTGAGE ON THE HOUSE.**

REVERSE MORTGAGES

- ▶ CONSUMER FINANCIAL PROTECTION BUREAU, ARGUE THAT REVERSE MORTGAGES ARE "COMPLEX PRODUCTS AND DIFFICULT FOR CONSUMERS TO UNDERSTAND," ESPECIALLY IN LIGHT OF "MISLEADING ADVERTISING," LOW-QUALITY COUNSELING, AND "RISK OF FRAUD AND OTHER SCAMS".

TIMESHARES

- ▶ **WHAT ARE THE TRUE FACTS OF BUYING A TIMESHARE?**
- ▶ **WHAT DOES THE CLASS KNOW ABOUT TIMESHARES?**

ONLY FOR THE WEALTHY

- ▶ **TIMESHARES CAN BE A VERY BAD BET UNLESS YOUR FAMILY HAS LUXURY OF NOT HAVING TO WORRY ABOUT MONEY**
- ▶ **RESORTS MAY TAKE ADVANTAGE OF PEOPLE WHEN THEY HAVE THEIR GUARDS DOWN**
- ▶ **THE MAIN PROBLEM IS THE MAINTENANCE FEE OF \$300-\$500 A MONTH, THAT BASICALLY WILL NEVER DISAPPEAR EVEN IN YOUR GRAND KIDS LIFE TIME**
- ▶ **THE ONLY WAY TO GET RID OF THEM IS THROUGH BANKRUPTCY, OR USING A LEGAL TEAM OF LAWYERS- NOT BY RESELLING**
- ▶ **THEY ARE A VERY LUCRATIVE BUSINESS FOR AGENTS AND DEVELOPERS- PLEASE DON'T BE FOOLED**

TRAILER PARKS

- ▶ **BUYING A TRAILER SEEMS LIKE IT WOULD BE A GOOD INEXPENSIVE WAY TO OWN,**
- ▶ **THE MAIN DOWNSIDE IS THE “LOT FEE” FOR CONCRETE, WHICH MAKES THEM AS EXPENSIVE AS AN APARTMENT**
- ▶ **WHAT DO YOU THINK ARE THE DOWNFALLS OF OWNING A TRAILER, AND WHAT ARE THE UPSIDES**
- ▶ **1 1**
- ▶ **2 2**
- ▶ **3 3**
- ▶

TRAILER LOGIC

- ▶ **A DECENT IDEA WOULD BE TO BUY A PIECE OF LAND, AND BUILD A “MODULAR” OR EVEN MANUFACTURED HOME ON THAT LAND. BUYING YOUR VERY OWN LAND CAN BE A VERY GOOD INVESTMENT.**
- ▶ **MODULAR HOUSES CAN BE AS STRONG AS “STICK BUILT”**

SHIFTING GEARS

▶ PART 2

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHAT HAPPENED TO THE REAL ESTATE MARKET THAT CAUSED “THE GREAT RECESSION” OTHERWISE KNOWN AS “THE 2008 GLOBAL ECONOMIC CRISIS”?**
- ▶ **TAKE 5 MINUTES TO THINK ABOUT THIS, AND WRITE AT LEAST 10 BULLET POINTS OF THINGS THAT YOU THINK YOU KNOW**

SHARE YOUR THOUGHTS:

- ▶ 1
- ▶ 2
- ▶ 3
- ▶ 4
- ▶ 5
- ▶ 6
- ▶ 7
- ▶ 8
- ▶ 9
- ▶ 10

HISTORY

- ▶ 1)
- ▶ AS FAR BACK AS 1996 UNDER PRESIDENT CLINTON, THE FINANCIAL SECTOR WAS BEING “DE-REGULATED” AND ACCELERATED UNDER FED CHAIR GREENSPAN
- ▶ AMONG THINGS DEREGULATED WERE THINGS CALLED DERIVATIVES. A SPECIFIC DE-REGULATED DERIVATIVE WAS CALLED A “CREDIT DEFAULT SWAP”

- ▶ A “DERIVATIVE” IS BASICALLY THE SAME THING AS “SHORTING”

- ▶ ESSENTIALLY THE “SWAP” WAS “INSURANCE” ON A MORTGAGE (THE “CREDIT” IN CREDIT DEFAULT SWAP)- IF A HOMEOWNER DEFAULTED
- ▶ SAME AS SAYING “MORTGAGE DEFAULT INSURANCE”

HISTORY

- ▶ THE REASON IT WAS NOT CALLED “MORTGAGE DEFAULT INSURANCE” WAS BECAUSE IF IT WAS CALLED INSURANCE, IT WOULD HAVE TO BE REGULATED,,,,

- ▶ AND REGULATION MEANT THAT THERE WOULD HAVE TO BE CAPITAL RESERVES (GOLD AND MONEY) TO BACK UP THOSE “BETS”
- ▶ THIS IS WHAT ALLOWED THE BANKS TO PLACE INSURANCE, OR “SHORTS” ON SECURITIES 40-1
- ▶ IN ADDITION, THE GLASS-STEAGALL ACT WAS CREATED BECAUSE OF THE GREAT DEPRESSION IN ORDER TO PREVENT MAIN STREET BANKS FROM INVESTING WITH WALL STREET AND THUS BETTER PROTECT THE PEOPLES MONEY. IT WAS REPEALED AND REPLACED WITH THE GRAMM-LEACH-BLILEY ACT. THIS BILL OPENED UP THE DOORS FOR MAIN STREET BANKS TO MAKE INVESTMENTS, AND THEY STARTED WITH INSURANCE

HISTORY

▶ 3)

▶ AT THE SAME TIME, THE HEADS OF THE BANKING INDUSTRY HELPED MAKE THE BANKING INDUSTRY LAWS ALLOW THEM TO LOAN VIRTUALLY AS MUCH MONEY TO ANYBODY WHO ASKED--- AND DID NOT HAVE TO VERIFY THEIR INCOME.

HISTORY

- ▶ MANY LOANS REQUIRED LOW DOCUMENTATION AND SOMETIMES NO DOCUMENTATION, SO A PERSON COULD STATE HOW MUCH THEY MADE

- 
- ▶ THE MAJOR PROBLEM THAT APPARENTLY WAS NOT SEEN IN CONGRESS IS THAT:
 - ▶ BANKS OFTEN GET RID OF THE DEBT TO THE TAX PAYER SUBSIDIZED COMPANIES OF FANNIE MAE FREDDIE MAC AND EVEN GINNIE MAE IN ORDER TO FREE UP CAPITAL TO LOAN

- 
- ▶ SO WHAT HAPPENED IS, THE BANKS WERE ABLE TO MAKE TERRIBLE QUALITY LOANS, WITH NO STANDARDS,
 - ▶ AND THEN BASICALLY GIVE THE DEBT THAT THEY HAD CREATED TO THE TAX PAYERS (YOU AND ME) AT FANNIE MAE— WHO WOULD ULTIMATELY NOW BE RESPONSIBLE FOR THE LOANS THAT THE BANKS CREATED

- ▶ SO THE IDEA WAS, THE BANKS WOULD MAKE POOR QUALITY LOANS, EXAMINE THEM AND PLACE INSURANCE ON THE ONES THEY THOUGHT WERE DOOMED TO FAIL. WHEN THE MORTGAGES DID FAIL- THE BANKS WOULD RECEIVE THE INSURANCE MONEY

- 
- ▶ IF THE BANKS ACTUALLY HAD TO KEEP THE DEBT, THEY WOULD HAVE MADE MUCH BETTER LOANS.
 - ▶ OR IF THE BANKS HAD TO ABIDE BY CERTAIN LENDING STANDARDS, THE TAXPAYERS WOULD NOT HAVE BEEN AT RISK TO ACQUIRE THIS DEBT,

- 
- ▶ MANY DIFFERENT LOANS WERE MADE TO DIFFERENT PEOPLE. SOME PEOPLE GOT LIED TO ABOUT THE TERMS OF THEIR LOANS, SOME PEOPLE BOUGHT INTO BALLOON OPTION ARMS, AND SOME PEOPLE LIKED THE ABILITY TO STRETCH THEIR BUDGETS AND GET INTO LARGER HOUSE THEY THOUGHT THEY COULD AFFORD

- ▶ SOME BUYERS WOULD OVERSTATE THEIR INCOME IN ORDER TO GET INTO A NICER, NEWER, LARGER HOUSE THAT THEY COULD NEVER REALISTICALLY AFFORD
- ▶ OR, SOME WOULD BUY AN ADJUSTABLE RATE MORTGAGE WITH A LOWER PAYMENT (AND THEN THINK THAT THEY WOULD BE ABLE TO RE-FINANCE WHEN THE RATE WENT LOWER)

- ▶ THE PROBLEM FOR AN A.R.M. WAS THE RATE WAS ALREADY VERY LOW, AND WHEN THE INTEREST RATE ROSE JUST A HAIR, THE A.R.M. BECAME TOO EXPENSIVE TO AFFORD, AND MANY HAD TO FORECLOSE
- ▶ IN ADDITION, BANKS MAY HAVE PLAYED A ROLE IN ACTUALLY PREVENTING RE-FINANCING

- ▶ DESPITE THAT SOME BANKS MAY HAVE TOLD PEOPLE THEY COULD REFINANCE LATER, THEY DID NOT WANT TO ALLOW PEOPLE TO REFINANCE, BECAUSE IF THEY DID, THE INSURANCE WOULD NOT PAY OFF—
- ▶ IF THEY WERE TO ALLOW PEOPLE TO REFINANCE, IT WOULD DEFEAT WHAT THEY WERE TRYING TO DO, BECAUSE THE INSURANCE PAYS OUT WHEN THE MORTGAGE, OR MORTGAGE SECURITY BUNDLE FAILS

- ▶ THE BANKS WERE ABLE TO HAVE A GRAT LOOK AT THE ACTUAL DETAILS OF A SPECIFIC LOAN. THEN FOR CERTAIN ONES THEY FOUND THEY WOULD “BET AGAINST” THE PEOPLES LOAN THAT HAD JUST CREATED WITH CREDIT DEFAULT SWAPS,
- ▶ AKA DERIVITIVES
- ▶ AKA INSURANCE
- ▶ AKA “SHORTING”

- 
- ▶ THIS DE-REGULATED FINANCIAL INSTRUMENT BROUGHT BACK FROM THE 1900'S MEANT THAT A PERSON COULD NOW PLACE A DERIVATIVE INVESTMENT ON A STOCK //(SECURITY)- AND THE PERSON WOULD MAKE MONEY WHEN THE INVESTMENT WENT DOWN.

- 
- ▶ SO THE (MAIN STREET) BANKS PURPOSELY CREATED AND PUSHED MORTGAGES THAT THEY NEW PEOPLE COULD NOT AFFORD– OR LIED TO THEM, OR SOLD THEM TERRIBLE LOAN PRODUCTS LIKE AN OPTION ARM THAT HAD A HIGH CHANCE OF FAILURE, AND THEN THEY WOULD EXAMINE THE FINAL LOAN– AND POSSIBLY SHORT IT

- ▶ IN ORDER TO SWEETEN THE DEAL THOUGH- THEY HAD TO MAKE THE PEOPLE INSURING THE DEBT- THAT THE DEBT WAS GOOD. LIKELY, YOU WOULD NOT INSURE SOMETHING LIKE THIS IF YOU ACTUALLY KNEW IT HAD A HIGH CHANCE OF FAILING. IF YOU KNEW THE MORTGAGE HAD A LOW PERCENTAGE CHANCE OF ACTUALLY SUCCEEDING, YOU WOULD NOT INSURE IT.

- ▶ HAVING THE RATING AGENCIES RATE THESE “NO DOCUMENTATION” LOANS AS AAA, WAS KEY. WHEN YOU BET, YOU NEED SOMEBODY TO BET AGAINST. YOU NEED SOMEBODY ON THE OTHER SIDE BETTING THAT THE AAA LOANS WILL DO WELL. WHEN YOU HAVE THE INSIDE TIP THAT THE LOAN QUALITY IS DOOMED TO FAILURE, YOU CAN BET AGAINST THE PEOPLE WHO THINK IT WILL DO WELL. YOU CAN SHORT THE AAA, AND WHEN IT FAILS, YOU WIN!!!
- ▶ SAID ANOTHER WAY
- ▶ IF YOU KNEW THAT A PARTICULAR AAA SECURITY WAS ACTUALLY NOT AAA, AND CREATED TO FAIL, YOU MIGHT BE ABLE TO SAY YOU HAVE “INSIDE INFORMATION”
- ▶ WHEN PEOPLE ARE BETTING THAT THIS MORTGAGE SECURITY WILL SUCCEED, YOU CAN PLACE A BET WITH THE NEWLY “DEREGULATED DERIVATIVE” AND “SHORT” THE SECURITY. IF THE SECURITY FAILS, YOU WIN AND THE PEOPLE WHO BET AGAINST- OR RATHER “INSURED” THE SECURITY WOULD SUCCEED LOSE.

- ▶ THE REASON THEY WERE ABLE TO RATE THE “SECURED MORTGAGE INSTRUMENTS” AAA WAS BECAUSE THE RATING AGENCIES OF:
- ▶ STANDARD AND POORS,
- ▶ MOODY'S
- ▶ AND FITCH
- ▶ THESE COMPANIES WERE RATING “ADJUSTABLE RATE MORTGAGES” AAA WHEN RATES WERE AT 1%

- 
- ▶ SO MANY MAIN STREET BANKS IN THE “KNOW” WOULD GO TO THE RATING AGENCIES WHO HAD A GREAT REPUTATION.
 - ▶ THE RATING AGENCIES WOULD LOOK AT THINGS LIKE THESE MORTGAGE BUNDLES, AND GIVE THEM EITHER HIGH MARKS LIKE AAA OR LOW MARKS LIKE CCC

- ▶ THE RATING AGENCIES WERE CALLING SECURITIES THAT WERE “SUB-PRIME” AKA DOOMED TO FAIL- “AAA” (WHEN THEY WERE REALLY CCC)
- ▶ WHEN THE RATING AGENCIES WERE TAKEN TO COURT, THEY ARGUED: “WE MERELY GIVE OPINIONS”
- ▶ THIS KEPT THEM FROM GOING TO PRISON

- 
- ▶ AFTER STANDARD AND POORS WAS TAKEN TO FEDERAL COURT- THEY HAD THE AUDACITY TO DOWN GRADE AMERICAS CREDIT RATING- AND FOX NEWS HAD THEIR HANDS IN THE AIR LIKE THIS WAS A TERRIBLE THING- BIG NEWS AND SUCH.
 - ▶ BUT IF YOU THINK ABOUT IT...MAYBE A DOWNGRADE FROM S&P WAS A GOOD THING

HISTORY

- ▶ 4)
- ▶ SO AFTER THE NO DOC LOANS WERE CREATED, EXAMINED BY THE BANKS, RATED BY THE RATING AGENCIES,
- ▶ THE MAIN STREET BANKS WENT TO WALL STREET BANKS AND INVESTMENT FIRMS AND ASKED FOR A CREDIT DEFAULT SWAP. THE WALL STREET BANKS THEN LOOKED AT THE AAA RATINGS, "INSURED" THE DEBT(S)
- ▶ FOR INSURING THE AAA SECURITIES, BANKS WOULD RECEIVE "PREMIUMS" FROM "MARGIN CALLS" AND PAYMENTS LIKE A PERSON WOULD HAVE TO PAY FOR AUTO INSURANCE EVERY MONTH
- ▶ THEN, THE MAIN STREET BANKS GOT RID OF THE DEBT OBLIGATION, AND SOLD THOSE MORTGAGES TO FANNIE MAE

- ▶ AGAIN, THE MAIN STREET BANKS THAT CREATED THE LOANS THEN “BET” AGAINST THE VERY SAME MORTGAGES THEY JUST CREATED
- ▶ THAT IS TO SAY, BECAUSE THEY KNEW FIRST HAND WHAT THE MORTGAGES WERE MADE OF, THEY HAD CONFIDENCE TO SIGNIFICANTLY SHORT THEM
- ▶ HOWEVER, THEY SOLD SO MANY MORTGAGES THAT THEY EVENTUALLY COULDN'T SELL THE MORTGAGES IN THE SECONDARY MARKET, ENDED UP BEING STUCK WITH THEM
- ▶ BECAUSE THEY GOT STUCK WITH “WAREHOUSES” OF THESE SECURITIES, THEY CLAIMED THAT THEY WERE GOING TO FAIL, AND NEEDED A BAILOUT OF 700 BILLION IN ORDER TO SURVIVE THE DAMAGE THEY HAD BASICALLY INFLICTED ON THEMSELVES.

- ▶ THIS CAUSED A PANIC WITHIN THE FINANCIAL INDUSTRY THAT SPREAD LIKE A TSUNAMI
- ▶ BANKS DID NOT KNOW WHAT WAS GOING TO HAPPEN WITH THEM FINANCIALLY, BECAUSE WHEN THE INSURANCE WAS CALLED IN, THE INSURANCE COMPANIES LIKE LEHMAN BROTHERS DID NOT HAVE THE MONEY TO PAY OUT
- ▶ IN ADDITION, THE GOVERNMENT AND FANNIE MAE WAS NOW DEMANDING THAT THE BANKS TAKE BACK LOANS THAT DID NOT HAVE DOCUMENTATION, MEANING THEY WERE GOING TO BE STUCK WITH THE DEBT.
- ▶ AS SEEN ON 60 MINUTES, THERE WERE FRAUDULENT COMPANIES FRAUDULENTLY SIGNING DOCUMENTS SO THAT FANNIE MAE AND THE TAX PAYER WOULD ACCEPT THE TOXIC DEBT
- ▶ THE GOVERNMENT SET UP SPECIAL REFINANCING PROGRAMS TO STEM THE TIDE OF FORECLOSURES
- ▶ THE INSTABILITY AND FEAR ABOUT THE SOLVENCY OF BANKS BASICALLY CAUSED CHAOS AND INSECURITY. THE CHAOS CAUSED PEOPLE TO SELL OUT OF STOCKS, AND CAUSED THE MARKET TO TANK, LEAVING BUSINESSES WHO STAYED THE STOCK MARKET IN TO LOSE MONEY

- ▶ ON THE BRIGHT SIDE, THE “BAILOUT” WAS ACTUALLY A LOAN TO THE BANKS THAT GOVERNMENT HIGHLY ENCOURAGED THAT THE BANKS TAKE IN ORDER TO PROVIDE CONSUMERS AND THE ECONOMY WITH LIQUIDITY. THE PROBLEM WITH THE GREAT DEPRESSION WAS THAT THERE WAS NO LIQUIDITY, OR MONEY MOVING AROUND. THE GOVERNMENT WANTED THIS MONEY TO BE LOANED OUT. SOME OF IT WAS ACTUALLY USED FOR BONUSES, BUT ULTIMATELY, ALL BUT ABOUT 27 BILLION OF THIS BAILOUT HAS ACTUALLY BEEN REPAID ACCORDING TO “THE FINANCIAL CRISIS INQUIRY REPORT”
- ▶ HOWEVER, QUANTITATIVE EASING BECAME A PRACTICE

- ▶ COMING BACK TO THE CRISIS
- ▶ THE BANKING INDUSTRY SOLD SO MANY “AAA” SECURITIES TO ICELAND, THEY BANKRUPTED ICELANDS ENTIRE ECONOMY
- ▶ ICELAND BOUGHT THESE INVESTMENTS BECAUSE THAT THEY WOULD MAKE MONEY FROM THEM, AND THOUGHT THEY WERE A SAFE BET

- ▶ AIG GOT IN EXTREME TROUBLE DUE TO HOW MANY “AAA” MORTGAGES THEY HAD INSURED—
- ▶ WHEN PEOPLE HAD TO FORECLOSE, AIG WOULD HAVE TO PAY THE INSURANCE- (THE CREDIT DEFAULT SWAP DERIVATIVE) ON ALL THOSE MORTGAGES THAT FAILED.
- ▶ BECAUSE THEY INSURED SO MANY MORTGAGES (AT AAA) AND THE INSURANCE WAS CALLED IN- AIG WAS ABOUT TO GO BANKRUPT
- ▶ BUT BECAUSE AIG WAS SO LARGE, AND SO MANY BANKS WERE TIED TO THEM, THE GOVERNMENT DEEMED THEM TOO BIG TO FAIL, BECAUSE IF THEY FELL, EVERYONE TIED TO THEM WOULD FAIL.
- ▶ SO THEY WERE BAILED OUT AT AN INITIAL \$5 BILLION- AND AS OF TODAY ESTIMATES TOTAL ABOUT 150 BILLION

- ▶ WHICH WAS A MORAL HAZARD, BECAUSE THEY WERE TAKING AMERICAN TAX PAYER DOLLARS, AND IN PART, THAT MONEY WOULD BE THE PAYMENT TO THE VERY WEALTHY STOCK HOLDERS WHO HAD INVESTMENTS IN STOCKS AT AIG
- ▶ AGAIN, THE ARGUMENT WAS AIG HAD TOO MANY CONNECTIONS, AND WAS TOO BIG TO FAIL

HISTORY

- ▶ APPARENTLY, SOME ARGUE THAT IF CERTAIN BANKS HAD TO TAKE ALL THE BAD LOANS BACK FROM FANNIE ME~~A~~ THAT DID NOT HAVE PROPER PAPERWORK, AND DID NOT RECEIVE THE ACTUAL INSURANCE MONEY FROM AIG, LEHMAN, AND BEAR STERNS, THE WHOLE UNITED STATES ECONOMY COULD HAVE COLLAPSED
- ▶ IMPART DUE TO COMPLEX CONNECTIONS WITHIN THE BANKING SYSTEM, MONEY COULD HAVE SEIZED LIKE AN ENGINE WITH NO OIL--- AND COULD HAVE CAUSED MASS CHAOS THROUGHOUT THE WORLD

- ▶ THE MOST SIMPLE WAY TO DESCRIBE WHY THIS CAUSED A RECESSION WAS THAT IT CREATED PANIC.
- ▶ OTHER THAN THAT IT IS SOCIOLOGICAL AND ECONOMIC PHENOMENON THAT NEEDS TO BE STUDIED
- ▶

- 
- ▶ **FOR MORE INFORMATION ON THE GREAT RECESSION, GO TO YOU TUBE AND LOOK ANYTHING RELATED TO THE GLOBAL FINANCIAL CRISIS.**

- 
- ▶ LET THESE THINGS BE YOUR FIRST LESSON, THAT THE BUYER NEEDS TO BE EVER AWARE.
 - ▶ PEOPLE WILL BE TRYING TO SCAM YOU THE REST OF YOUR LIFE- IT'S THE LAST FREE THING

- ▶ THE REAL ESTATE THAT WAS FORECLOSED ON WENT TO GOVERNMENT AUCTION
- ▶ SMALL MEDIUM AND LARGE INVESTMENT FIRMS WENT TO THE AUCTIONS AND BOUGHT HOUSES FOR A FRACTION OF THE COST TO BUILD
- ▶ THEY WOULD THEN RENT THESE HOUSES, OR FIX THEM, HOLD THEM FOR A BIT, AND SELL THEM FOR 3 TIMES WHAT THEY BOUGHT THEM FOR

► HOWEVER, ON THE HOME FRONT.....

HISTORY

- ▶ A STRATEGY FOR SOME HOME “OWNERS” WAS TO STRATEGICALLY DEFAULT- OR SIMPLY LOOK AT THE NUMBERS- SEEING THAT WHAT THEY PAID AND OWED ON THE HOUSE WAS MORE THAN THE HOUSE WAS NOW WORTH (BEING “UNDER WATER”), THE STRATEGY WAS TO CUT AND RUN- AND FORECLOSE WITH OUT A FIGHT. THIS MAY HAVE BEEN SYSTEMIC- BECOMING A NATIONAL CONSCIOUSNESS

WHY COULD THIS HAVE BEEN BAD?

- ▶ IT MAY HAVE BEEN FOOLISH BECAUSE:
- ▶ 1) THE INDIVIDUALS MOST LIKELY GOT A BRAND NEW HOUSE FOR \$0 DOWN
- ▶ 2) BY 2010, THE MARKET RETURNED, AND BY 2015, PRICES WERE AT PRE-RECESSION LEVELS– MEANING IT TOOK 7 YEARS FOR THE HOUSE TO COME BACK, OR BE HIGHER THAN ITS PURCHASE VALUE
- ▶ 3) BY 2015, THERE WERE VERY VERY FEW NEW HOUSES TO CHOOSE FROM.
- ▶ 4) NOT ONLY WERE THERE FEW NEW HOUSES, INVENTORY IN GENERAL HAD BEEN THE LOWEST SEEN IN A LONG LONG TIME, MEANING YOU NOW WOULD HAVE TO PAY MORE FOR A VERY OLD AND RUN DOWN HOUSE

PART 3

► REAL ESTATE INVESTING INTELLIGENCE

OTHER WAYS TO INVEST IN REAL ESTATE (READ BOOK FOR DETAILS)

- ▶ Fixing and Flipping
- ▶ Renting// Multi-family Buildings of 4-6
- ▶ Building and selling/renting
- ▶ Buy land and hold
- ▶ Developing land/dirt with utilities
- ▶ “Short Sales” or Pre-Foreclosures
- ▶ Foreclosures
- ▶ Options to buy
- ▶ REIT's
- ▶ Auctions/Tax Liens
- ▶ HUD Homes (purchase on discount)
- ▶ Fannie Mae Home Path Homes (purchase on discount)
- ▶ REO's (owned by the banks)

- ▶ **PROBABLY YOUR BEST BET AT BECOMING MIDDLE CLASS IS TO BECOME WISE WITH REAL ESTATE**
- ▶ **THE BEST WAY TO FALL OUT OF THE MIDDLE CLASS IS TO BE IGNORANT ABOUT REAL ESTATE.**
- ▶ **A GREAT WAY TO MAKE IT TO THE UPPER MIDDLE CLASS, OR EVEN UPPER CLASS IS TO INVEST IN REAL ESTATE.**
- ▶ **A GREAT WAY TO DO THIS IS TO GET AN INVESTMENT LOAN FOR A REAL ESTATE PURCHASE THAT YOU COULD FIX OR RENT.**
- ▶ **THE CURRENT PROBLEM TO THAT IS THAT YOU NEED 20% TO 30% DOWN FOR AN INVESTMENT PROPERTY**

- ▶ **IN THE FUTURE, IF YOU ARE ABLE TO BUY AN INVESTMENT PROPERTY AT 10% DOWN YOU SHOULD DEFINITELY DO IT.**
- ▶ **IT IS ARGUABLY MORE SAFE OF AN INVESTMENT THAN THE STOCK MARKET**
- ▶ **IF YOU WERE TO RENT A PROPERTY, YOU COULD SEE RETURNS OF INTEREST AS HIGH AS 12.5%**
- ▶ **YOU COULD CREATE CASH FLOW IF YOU PAY OFF THE MORTGAGE IN 15 YEARS- THEN THE RENTERS WILL BE DIRECTLY PAYING YOU INCOME, IN ADDITION TO HAVING A LARGE AMOUNT OF MONEY IN THE HOUSE THAT IS PAYED OFF AND READY TO BE SOLD.**
- ▶ **THIS IS A GREAT WAY TO BECOME WEALTHY, OR ATLEAST FINANCIALLY HEALTHY**

- ▶ **ONE WAY TO NEGOTIATE THE 30% DOWN PAYMENT PROBLEM AMERICA AND ITS “INCOME EQUALITY” SOCIETY FACES IS TO NOT BITE OFF TOO BIG OF A MORTGAGE, AND PURCHASE A PLACE THAT IS EASILY AFFORDABLE – LIKE A CONDO FOR 50K.**
- ▶ **YOU THEN PREPAY ON THE MORTGAGE UNTIL YOU HAVE PAID NOW JUST 20% INTO THAT PROPERTY.**
- ▶ **DO \$1,000 PER MONTH INTO YOUR PROPERTY INSTEAD OF RENTING**
- ▶ **DO IT FOR JUST 2 YEARS AND MOVE**
- ▶ **MOVE AND RENT. BUY ANOTHER WITH 3% DOWN USING THE “CONVENTIONAL 97” PROGRAM THAT BANKS NOW HAVE (YOU DON’T NEED 20% DOWN) AND THEN RENT THAT AFTER 2-3 YEARS OF PREPAYMENTS**

PHONE CALCULATION

- ▶ **EXAMPLE**
- ▶ **IF YOU CAN DO IT ON A MORTGAGE CALCULATOR ON YOUR PHONE**
- ▶ **YOU BUY A 250K HOUSE WITH A 30 YEAR MORTGAGE AT 4% WITH 0 DOWN**
- ▶ **SEE PAYMENTS**
- ▶ **(TOTAL WITHOUT PMI = ABOUT \$1,193.54)**

PHONE CALCULATION

- ▶ **NOW DO THE CALCULATION FOR BUYING THE SAME HOUSE WITH 15 YEAR (180 MONTHS) MORTGAGE- 250,000.00 AT 4%, 0 DOWN**
- ▶ **(THIS EQUALS ABOUT \$1,849.22)**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHAT IS THE DIFFERENCE IN HOW MUCH YOU WILL PAY MONTHLY?**
- ▶ **WHAT IS THE OVERALL DIFFERENCE IN HOW MUCH YOU WILL PAY OVER THE LIFE OF THE LOAN?**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WOULD YOU RATHER HAVE A LOW PAYMENT AND LONGER TIME TO PAY**
- ▶ **OR WOULD YOU RATHER HAVE A HIGH PAYMENT, AND SHORTER TIME TO PAY?**
- ▶ **WHY?**

CLASS DISCUSSION QUESTION/ PERSONAL THOUGHT QUESTION:

- ▶ **WHAT WOULD BE THE BENEFITS OF HAVING A 15 YEAR MORTGAGE? IMAGINE WHAT YOU WOULD DO WITHOUT A MORTGAGE.**
- ▶ **TAKE 30 SECONDS TO WRITE YOUR IDEAS DOWN AND DISCUSS**

ONE WAY TO VIEW IT:

- ▶ **EXAMPLE:**
- ▶ **YOU BUY A PLACE WITH A 15 YEAR MORTGAGE, AND GIVEN THAT PEOPLE MOVE EVERY 7-8 YEARS, YOU EITHER RENT THE PLACE OUT, OR STAY IN IT, AND PAY IT OFF. AFTER 15 YEARS, YOU CAN EITHER SELL FOR THE ENTIRE VALUE, BUT IF YOU RENT THE PLACE- YOU CAN MAKE 1,500 A MONTH IN EXTRA RENT!**
- ▶ **IF YOU HAVE A 30 YEAR MORTGAGE, INSTEAD OF HAVING \$1,500 OF INCOME COMING TOWARDS YOU- YOU ARE SPENDING ABOUT \$1,500.00.**
- ▶ **SO WHAT IS THE DIFFERENCE IN HOW MUCH MONEY YOU WILL HAVE ON A 15 YEAR MORTGAGE THAT YOU RENT COMPARED TO A 30 YEAR MORTGAGE?**

- ▶ THE DIFFERENCE OF A 15 YEAR MORTGAGE AND A 30 YEAR MORTGAGE, ASSUMING YOU RENT THE PROPERTY OUT THAT YOU BOUGHT WITH THE 15 YEAR MORTGAGE WOULD BE ABOUT \$3,000 MONTH OF DISPOSABLE INCOME. HOWEVER, YOU WILL OBVIOUSLY HAVE TO PAY THE RENT OR MORTGAGE ON YOUR NEXT PLACE.

ANOTHER VIEW

- ▶ IF YOU BUY A PLACE WITH A 30 YEAR MORTGAGE, AND WANT TO SELL IT IN 7 OR EVEN 15 YEARS, MOST OF THE MONEY YOU SPENT WILL BE GIVEN TO THE BANK IN INTEREST PAYMENTS, AND YOU MAY OF WELL HAVE RENTED.
- ▶ HOWEVER, IF YOU DO A 15 YEAR MORTGAGE, AND WANT TO LEAVE IN 7 YEARS, YOU MIGHT POSSIBLY BE ABLE TO STICK IT OUT FOR ANOTHER 7-8 YEARS. IF YOU *COULD POSSIBLY* STICK IT OUT FOR THE ENTIRE 15 YEARS, YOU CAN NOW SELL, AND YOU WILL RECEIVE VIRTUALLY EVERY DOLLAR BACK THAT YOU SPENT INTO THE PROPERTY ON THE MORTGAGE.
- ▶ TAKE A MINUTE TO DO THE MATHEMATICS BY LOOKING AT THE AMORTIZATION SCHEDULE AND OTHER THINGS TO SEE

DO THE MATH!

- ▶ IN YOUR OWN SCENARIO, CREATE A HYPOTHETICAL PLAN AS IF YOU WANTED REAL ESTATE INVESTMENTS MORE THAN ANYTHING ELSE. INCLUDE THE PLAN FOR YOU WILL PURCHASE YOUR OWN PRIVATE RESIDENCE, WHERE WHEN AND WHY.
- ▶ HOW DO YOU START?
- ▶ HOW DO YOU COME UP WITH THE MONEY?
- ▶ HOW MUCH MONEY COULD YOU HYPOTHETICALLY MAKE?
- ▶ WHAT REAL ESTATE INVESTING METHODS WOULD YOU USE? RENT//FLIP ETC

CLASS DISCUSSION

- ▶ ONE OF THE GREAT THINGS ABOUT REAL ESTATE IS THE INABILITY OF THE MONEY TO BE VERY LIQUID
- ▶ WHICH WOULD YOU PREFER, MONEY THAT IS SAVED, THEN INVESTED AND CAN LIQUIDATED EASILY, OR MONEY THAT IS TIED UP IN REAL ESTATE SO AS NOT TO BE LIQUID?
- ▶ WHICH DO YOU THINK WOULD BE BETTER FOR INVESTING AND WHY?

CHAPTER 12

► RETIREMENT

CLASS DISCUSSION

- ▶ **HOW LONG DO YOU THINK YOU WILL LIVE?**
 - ▶ **WHEN WOULD YOU WANT TO RETIRE?**
 - ▶ **HOW LONG DO YOU THINK YOU COULD ACTUALLY WORK?**
 - ▶ **DO YOU THINK YOU WILL BE ABLE TO RETIRE?**
 - ▶ **HOW?**
-
- ▶ **TAKE 360 SECONDS TO DREAM, THINK, PLAN, AND WRITE HOW IT WILL BE DONE AND DISCUSS**

▶ **WHAT ARE WAYS TO PREPARE FOR RETIREMENT???**

▶ **TAKE 60 SECONDS TO WRITE 5 BULLET POINTS FOR HOW YOU THINK YOU CAN DO IT**

- ▶ **1**
- ▶ **2**
- ▶ **3**
- ▶ **4**
- ▶ **5**



▶ **THE FOLLOWING SEGMENT WILL
DISCUSS 15 WAYS:::**



▶ 1)

▶ **WHAT DOES THE CLASS KNOW ABOUT
SOCIAL SECURITY???**

- 
- ▶ **THE “ AVERAGE” SOCIAL SECURITY CHECK PEOPLE RECEIVE AS OF JAN. 2016 IS ONLY CURRENTLY ABOUT \$1,341.00 PER MONTH.**
 - ▶ **IF YOU OWNED A HOUSE/APARTMENT, THIS WOULD ALL BE DISPOSABLE INCOME.**

▶ **BUT IF YOU HAD TO PAY RENT, YOU WOULD BE SPENDING SOMETHING LIKE \$950 OF THAT ON RENT!!! AND YOU WOULD ONLY BE LEFT WITH \$400 TO SPEND AS DISPOSABLE INCOME IN YOUR RETIREMENT- WHICH IS NOT ENOUGH TO SURVIVE!**

- 
- ▶ **SO THE ANSWER TO HAVING ONLY SOCIAL SECURITY TO RETIRE ON IS OWNING A HOUSE (WITH A LOW H.O.A.)**

RETIREMENT METHOD #2

▶ REAL ESTATE

CLASS DISCUSSION

- ▶ **IF ANYONE READ THE BOOK ON REAL ESTATE INVESTMENTS- OR KNOWS OTHER THINGS-**
- ▶ **WHAT DOES THE CLASS KNOW ABOUT REAL ESTATE AND INVESTMENTS FROM THE PREVIOUS CHAPTER???**

- 
- ▶ **MOST PEOPLE WHO BUY A HOUSE SELL IN 7-8 YEARS**
 - ▶ **ONE IDEA IS TO HOLD THE HOUSE- AND RENT IT OUT**

▶ **ANOTHER IDEA IS TO ATTAIN A 10 OR 15 YEAR MORTGAGE**

▶ **YOUR MONTHLY MORTGAGE WILL BE MUCH HIGHER- BUT YOU WILL BE GIVING MUCH LESS MONEY OVERALL TO THE BANK**

RETIREMENT METHOD #3

► USING THE STOCK MARKET

- 
- ▶ **HOW DOES THE STOCK MARKET REALLY WORK-**
 - ▶ **THOSE WHO HAVE AN IN DEPTH KNOWLEDGE OF EDUCATION- SHARE**

RETIREMENT METHOD #4

▶ OTHER INVESTMENTS

- 
- ▶ **A GOOD OUTLINE FOUND ON YAHOO FINANCE IS:**
 - ▶ **STOCKS**
 - ▶ **MUTUAL FUNDS**
 - ▶ **OPTIONS**
 - ▶ **ETFS**
 - ▶ **BONDS**
 - ▶ **CURRENCIES**
 - ▶ **COMMODITIES**

- ▶ **WHAT ARE THE VARIOUS INSTRUMENTS A PERSON CAN INVEST IN?**
- ▶ **FOR EXAMPLE: GOLD, CARS, REAL ESTATE, ANTIQUES/COLLECTIBLES**

RETIREMENT METHOD #5

- ▶ **NOT GOING BANKRUPT ON MEDICAL HEALTH CARE BY HAVING PROPER INSURANCE**



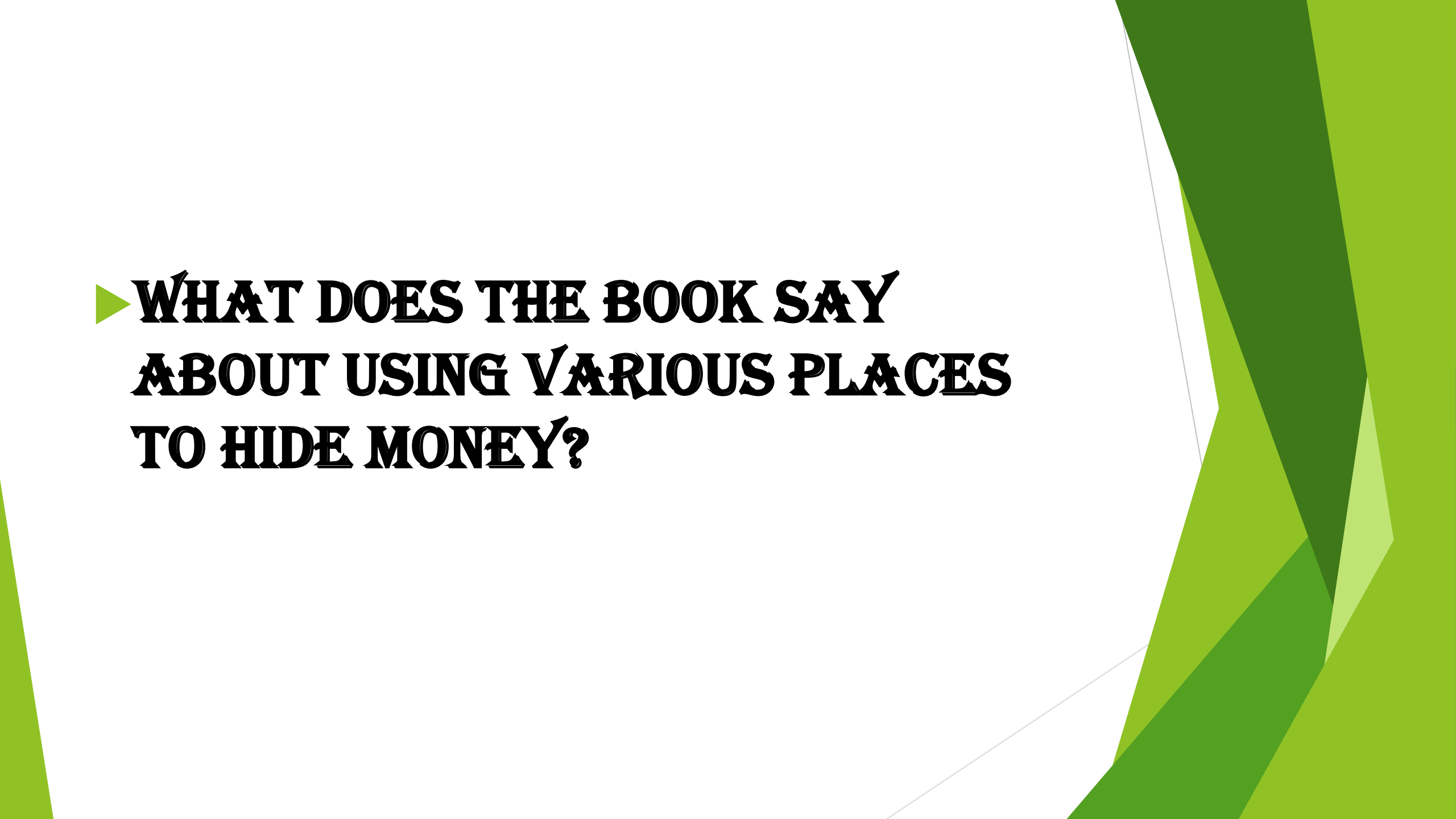
► **WHAT DOES THE CLASS KNOW ABOUT
HEALTHCARE AND THE NEW
UNIVERSAL “AFFORDABLE CARE”??**

- ▶ **WHILE IT MAY DEDUCT MONEY FROM YOUR TAX DEDUCTIONS- YOU ARE SAFE FROM HEALTHCARE DRIVEN BANKRUPTCY AND POVERTY FROM HEALTH CARE BILLS WHEN OLD THROUGH HAVING PROPER HEALTH INSURANCE**

- 
- ▶ **THE MONEY FOR HEALTH CARE WILL BE DEDUCTED FROM YOUR TAX DEDUCTIONS ANYWAY, SO YOUR PAYING FOR IT.**
 - ▶ **ERGO, YOU MAY AS WELL SIGN UP FOR IT**

RETIREMENT METHOD #6

► SAVINGS

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**▶ WHAT DOES THE BOOK SAY
ABOUT USING VARIOUS PLACES
TO HIDE MONEY?**

▶ **WHAT DOES THE CLASS KNOW ABOUT SAVINGS, AND BANK “CDS”**



► **SAVING IS IMPORTANT, BUT
EXTREMELY DIFFICULT ON A FIXED
BUDGET. WHERE CAN YOU HIDE
MONEY??**

RETIREMENT METHOD #7

▶ **MARRY RICH?**

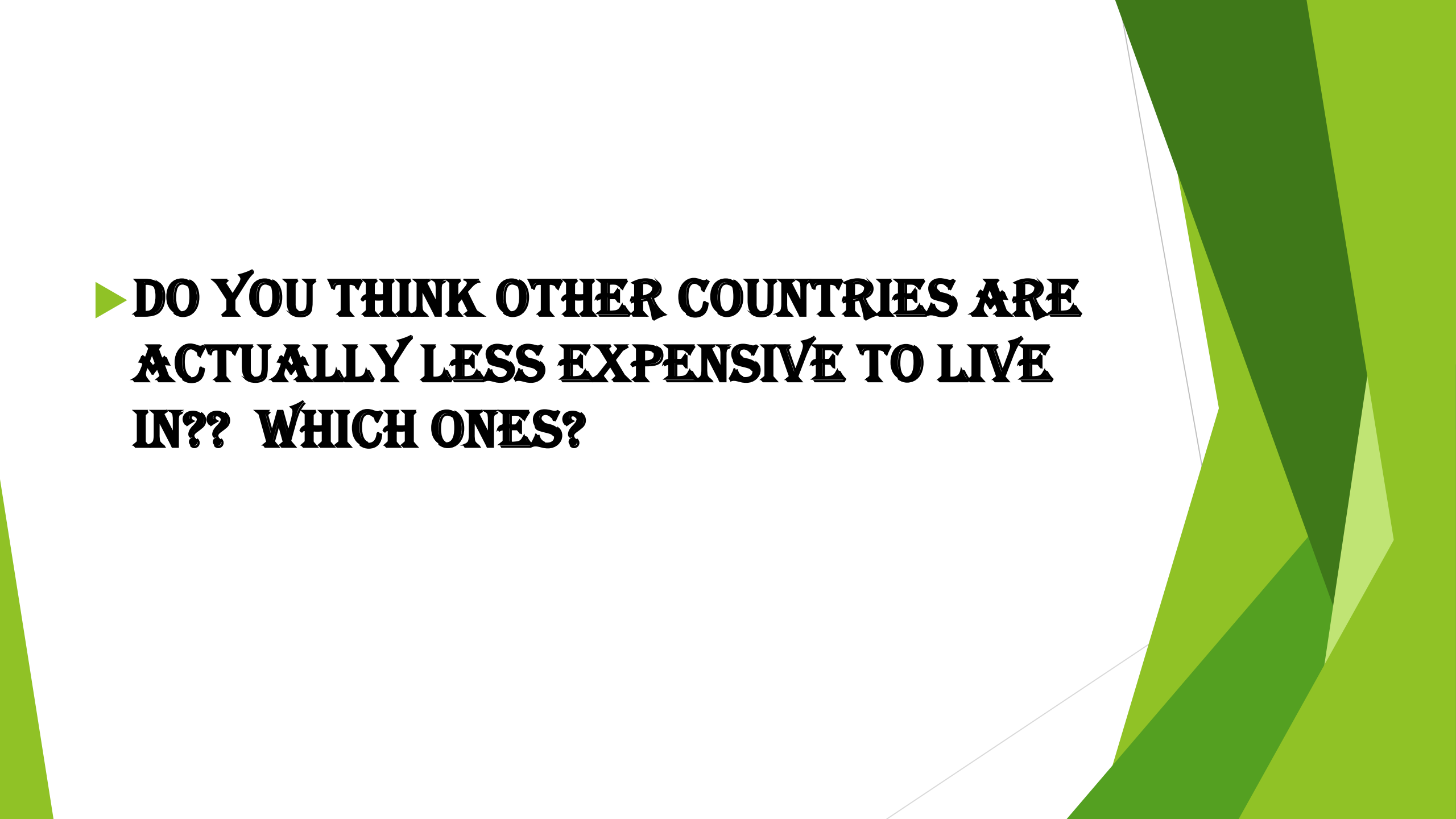
- ▶ **WHAT DO YOU THINK ABOUT FINDING THE “RIGHT” MATE?**
- ▶ **DO YOU MARRY FOR FINANCIAL SECURITY?**
- ▶ **DISCUSS THOUGHTS ON WHY YOU GET MARRIED, AND WHY TO STAY MARRIED EVEN IF THE MONEY ISN'T THERE**
- ▶ **DISCUSS WHY YOU WOULD GET DIVORCED OVER MONEY**
- ▶ **DISCUSS HOW DIVORCE MAY AFFECT YOUR RETIREMENT**

RETIREMENT METHOD #8

▶ **RETIRE IN ANOTHER
COUNTRY**



► **WHAT DOES THE CLASS THINK OF OUR
STANDARD OF LIVING IN AMERICA—
AND WHAT IT WOULD BE LIKE TO LIVE
IN ANOTHER COUNTRY FOR
RETIREMENT?**

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green, creating a modern, layered effect on the right side of the slide.

▶ **DO YOU THINK OTHER COUNTRIES ARE
ACTUALLY LESS EXPENSIVE TO LIVE
IN?? WHICH ONES?**

- 
- ▶ **WHAT IS: PURCHASING POWER?**
 - ▶ **DOES THE “CURRENCY CONVERTER”
FOUND ONLINE TELL YOU THE ACTUAL
PURCHASING POWER OF SAY “THAI
BHATS”**

- 
- ▶ **WHAT ARE THINGS YOU WOULD GIVE UP FOR RETIREING ABROAD?**
 - ▶ **DO YOU LOSE YOUR CITIZENSHIP AFTER 6 MONTHS?**
 - ▶ **DO YOU HAVE CORRECT INFORMATION?**

- 
- ▶ **WHAT WOULD BE THE SAFETY CONCERNS?**
 - ▶ **WHAT WOULD BE THE ACTUAL STANDARD OF LIVING?**
 - ▶ **WOULD YOU LEARN THE LANGUAGE?**

RETIREMENT METHOD #8

- ▶ **WHERE DO YOU THINK YOU COULD VACATION ULTRA CHEAP FOR A WHILE—AND ACTUALLY SAVE MONEY?**
- ▶ **(SAY YOU WERE GETTING A PENSION OR ANNUITY)**

CLASS DISCUSSION

- ▶ **HOW WOULD YOU SPEND/INVEST \$25,000 USD IF YOU HAD SAVED IT FROM YEARS OF LIVING IN ANOTHER COUNTRY?**

- ▶ **IT IS INTERESTING TO NOTE THAT EVEN THOUGH THE CURRENCY EXCHANGE RATES ON THE INTERNET CAN BE AS HIGH AS 10,000 OF ANOTHER COUNTRIES CURRENCY TO 1 US DOLLAR, THE ACTUALITY OF IT IS THAT MOST COUNTRIES ARE ACTUALLY JUST 3-1. THIS IS WHAT IS KNOWN AS THE PURCHASING POWER PARADOX.**

RETIREMENT METHOD #9

▶ **HAVE BEEN AN
ENTREPRENEUR**

- 
- ▶ **THE 9TH IDEA FOR A BETTER RETIREMENT IS TO OWN A SMALL BUSINESS- THAT YOU COULD GIVE TO A FAMILY MEMBER- FRANCHISE- OR SELL**

RETIREMENT METHOD #10

▶ A GOVERNMENT PENSION



▶ **PERHAPS THE EASIEST METHOD IS TO
HAVE WORKED FOR THE GOVERNMENT
FOR 20+ YEARS AND COLLECT A
PENSION**

RETIREMENT METHOD #11

- ▶ **WORK IN A SOLID COMPANY THAT PROVIDES AN ACTUAL PENSION, WHERE THEY INVEST FOR THEIR PEOPLE**

RETIREMENT METHOD #12

- ▶ **AN I.R.A.**
- ▶ **ROTH I.R.A.**

► **WHAT IS AN IRA AND WHAT IS A ROTH IRA?**



▶ **AN IRA IS AN INDIVIDUAL
RETIREMENT ACCOUNT WHERE
“CONTRIBUTIONS” ARE TAX FREE**

- ▶ **A ROTH IRA IS MUCH BETTER, ARGUABLY, BECAUSE WHILE CONTRIBUTIONS ARE TAXED, WHEN YOU GO TO DRAW THE MONEY AT 59 ½ IT IS *NOT* TAXED**

RETIREMENT METHOD #13

► 401K



► **COMPANIES WILL OFTEN MATCH
CONTRIBUTIONS TO A 401 K**

- 
- ▶ **THE BUSINESS ENVIRONMENT OF TODAY IS MORE COMPETITIVE, AND AS A RESULT, COMPANIES DO NOT HAVE PRIVATE INVESTMENT PLANS FOR EMPLOYEES— EMPLOYEES HAVE TO DO THE INVESTING THEMSELVES.**
 - ▶ **BUT EVEN SMALL EMPLOYERS OFFER TO CONTRIBUTE TO A 401 K.**



▶ **WHILE IT IS CURRENTLY VERY RARE--
YOU COULD FIND A COMPANY WITH A
GREAT RETIREMENT PLAN.**

RETIREMENT METHOD #14

▶ EDUCATION IN MONEY



► **DIVERSIFY IN MORE THAN THE STOCK
MARKET: ANYTHING VALUABLE- LIKE
EVEN A VALUABLE EDUCATION IN
MONEY**

RETIREMENT METHOD #15

▶ **AVOID SCAMS**

- 
- ▶ **WHO CAN TELL STORIES OF SCAM ARTISTS- OR KNOWS ABOUT SCAMS?**
 - ▶ **HOW DO YOU PROTECT YOURSELF FROM BEING A VICTIM???**

RETIREMENT METHOD #16

▶ **AVOID IMPULSE
EXPENDITURES**

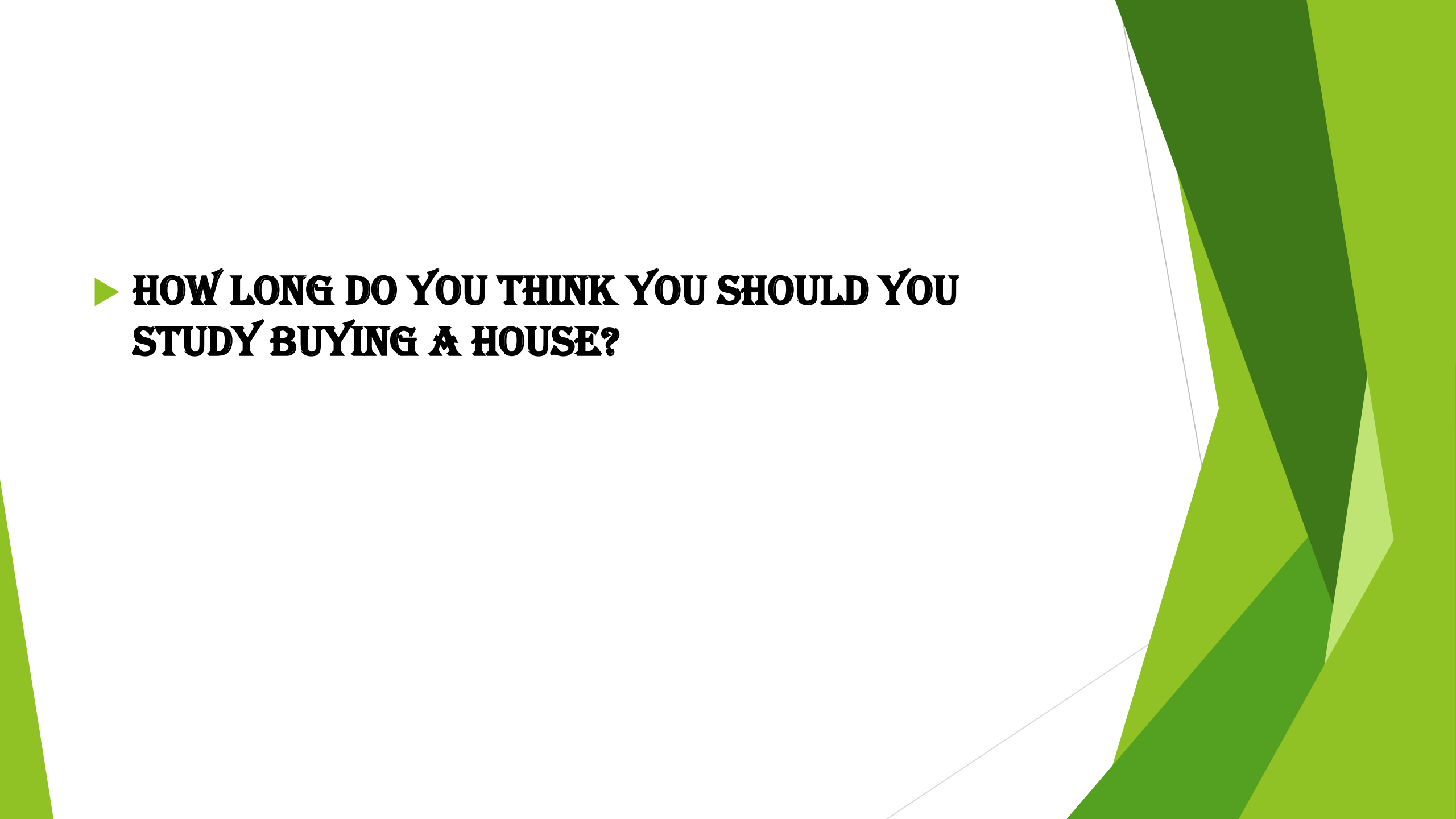
- 
- ▶ **OFTEN, WE ALL NEED TO BE MUCH MORE AWARE OF OUR EXPENDITURES. EVEN A DOLLAR SODA A DAY ADDS UP TO \$30 A MONTH.**

CLASS DISCUSSION

▶ **SHOULD YOU GET EXCITED
ABOUT PURCHASING THINGS?**

CLASS DISCUSSION

- ▶ **HOW DO YOU THINK OVERLY
EXCITED BUYING HABITS WILL
AFFECT YOUR FUTURE
FINANCES?**

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► **HOW LONG DO YOU THINK YOU SHOULD YOU
STUDY BUYING A HOUSE?**

- ▶ **REMEMBER, YOU SHOULD SPEND LESS THAN 30% OF YOUR (AFTER TAX) MONEY ON A 15 YEAR MORTGAGE TO HAVE A BETTER CHANCE AT PAYING IT OFF- 30 YEARS MAY BE TOO MUCH**

CHAPTER 13

► PREDATORS, CAPITALISM AND VALUE

CLASS DISCUSSION

- ▶ **MORE STORIES ABOUT SCAMS, OR SCAM ARTISTS?**



▶ **WHAT IS A SCAM?**

▶ **WHAT IS A PONZI SCHEME?**



► **HOW CAN YOU SUSPECT
WHEN YOU MIGHT BE ABOUT
TO BE SCAMMED?**

▶ **WHAT IS TRUST?**

▶ **WHAT IS VALUE?**

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green, creating a modern, layered effect on the right side of the slide.

▶ **WHAT THINGS ARE THE
MOST VALUABLE TO YOU?**

▶ **WHAT WAS THE ORIGINAL
IDEA OF CAPITALISM?**

- 
- ▶ **ONE WAY THE MARKET DETERMINES PRICES IS BY LARGE AMOUNT OF CONSUMERS MAKING RATIONAL SPENDING DECISIONS**

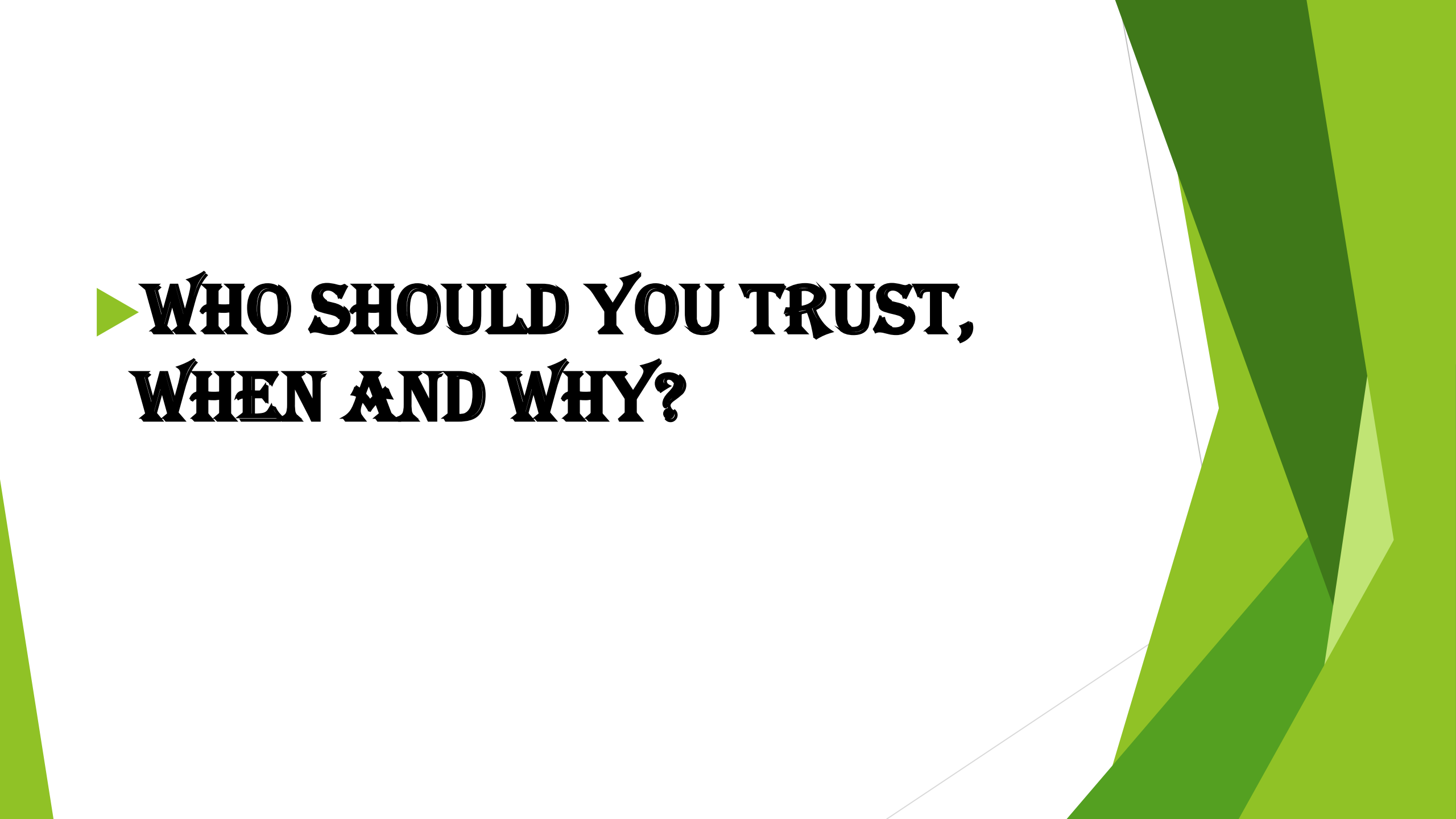


▶ **DO YOU THINK YOU GET WHAT YOU PAY FOR?**

▶ **ARE EXPENSIVE THINGS ALWAYS THE BEST
QUALITY?**



► **HOW CAN YOU TELL WHO YOUR
TRUE FRIENDS ARE?**

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▶ **WHO SHOULD YOU TRUST, WHEN AND WHY?**

- 
- ▶ **HOW DO YOU PROTECT YOURSELF FINANICALLY ON VARIOUS DIFFERENT FRONTS?**
 - ▶ **FOR EXAMPLE- PROTECT YOUR BANK ACCOUNT, YOUR CREDIT CARDS, YOUR IDENTITY, YOUR EMOTIONAL TOUGHNESS?**



► **DOES THE CLASS HAVE ANY GOOD “DOOMSDAY”
FALLOUT IDEAS FOR HOW YOU WOULD PROTECT
YOURSELF AND YOUR FAMILY FROM A DISASTER?**



► **WHAT OTHER SCAMS**



▶ **HOW MUCH DO YOU “CHECK”
THINGS?**

▶ **DO YOU INVESTIGATE
PURCHASES, OR JUST THEM?**

- ▶ **AVOIDING SCAMS IS ABOUT KNOWING HOW PREVAILANT THEY ARE.**
- ▶ **THE PEOPLE WHO ACT LIKE YOUR FRIENDS AND ARE ASKING FOR MONEY- AS WE SEE ON AMERICAN GREED- *MIGHT* ACTUALLY BE YOUR ENEMIES**

- 
- ▶ **THEY ARE PRETTY EASY TO SPOT WHEN YOU KNOW WHAT TO LOOK FOR...**
 - ▶ **BUT JUST DON'T BE NIEVE- INVESTIGATE AND TALK WITH OTHER , WISER FRIENDS**