WHAT'S UP IN FINANCE?
Multimedia Kit for Teachers of Grades 7-12
Dear Friends of WHAT’S UP IN FINANCE?:

The Moody’s Foundation is pleased to sponsor the WNET program WHAT’S UP IN FINANCE? A primary goal of The Moody’s Foundation is to support programs that address the improvement of education in mathematics for grades K through 12 and to increase the basic understanding of economics and the financial markets for students in secondary schools, colleges and universities. Since its inception in 2001, The Moody’s Foundation has been proud to support educational programs promoting innovative practices in the fields of mathematics, economics and finance, including the Mathematical Association of America’s “Strengthening Under-represented Minority Mathematics Achievement (SUMMA)” college summer research programs, the National Council of Economic Education’s “Learning, Earning and Investing” middle and high school curriculum, and the Number Partners Program, a business volunteer program supporting financial literacy initiatives for middle and high school students in the U.K.

The Moody’s Foundation recognizes the importance of education as critical to the success of its business and the public in general. We believe that today’s students are tomorrow’s leaders, and we need leaders with a keen understanding of mathematics, economics and finance.

It is our hope that WHAT’S UP IN FINANCE? provides teachers with exciting new educational tools and raises student awareness about the many opportunities available in the various fields of mathematics, economics and finance. We hope the programs together with the lessons in this guide will teach students how to be financially responsible and encourage them to consider math-related studies and careers in college and beyond.

Frances Laserson
President
The Moody’s Foundation

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Broadcast

Many PBS stations are broadcasting WHAT’S UP IN FINANCE? in April 2007. Broadcast times and dates vary in some areas. Please check your local TV listings to confirm when your PBS station will show WHAT’S UP IN FINANCE?

Videotaping Rights

This guide includes a DVD of the entire broadcast program. You also have the right to tape the programs and play them for instructional purposes for one year after they are broadcast.

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WHAT’S UP IN FINANCE? is a new financial education project that helps make finance and related careers interesting and accessible for middle and high school students. It shows the connections between financial matters, math, real life, and job opportunities.

Check out additional WHAT’S UP IN FINANCE? information and activities on the Web at www.thirteen.org/finance.

**Strategies for Using the Programs**

Video is most effective when used interactively, rather than passively, in class discussion. Consider using some of the following strategies when planning lessons or discussions based on WHAT’S UP IN FINANCE?:

1. **Preview the programs and review your lesson plans** to determine suitability for your objectives and your students.

2. **Select program segments** that are directly relevant to your topic and appropriate for your class. The enclosed DVD gives you the option of playing the entire program or selecting individual segments. It may not be necessary to use an entire program. A few well-chosen minutes may be more effective in illuminating your topic.

3. **Provide a focus for interaction** — choose part of the segment to watch or listen for in the chosen segment. This assures that students will focus together on information most relevant to your topic.

4. Don’t be afraid to **pause the program or to replay the segment** to underscore or clarify a point.

When you’ve decided on the program or segments you’d like to cover with your class, **review the corresponding section of this guide**, obtain any materials needed for in-class activities and/or photocopy the student activities you’ll be handing out in class.

This teacher’s guide is designed to be used with WHAT’S UP IN FINANCE? in middle and high school mathematics, career guidance, business, economics, and social studies classes. Activities in the guide are intended to help students develop critical thinking and decision-making skills. You may use the DVD along with the lessons in this guide, or you may record the programs when they are broadcast. Student activities may be adapted up or down to other grade levels.

**SEGMENT 1**

2 Moving Out: Finance Your Dream
3 Profile: Louis Barajas
4-5 Student Activity: Finance Your Dream

**SEGMENT 2**

6 Green Chic: Is Credit Worth It?
7 Profile: Maggie Reilly
8-9 Student Activity: It Takes Two to Finance

**SEGMENT 3**

10 The Dealmakers: The Risks of Reward
11 Profile: Kwame Jackson
12 Student Activity: High Finance, High Risk

**Profiles (Student Handouts)**

These pages feature brief interviews with Louis Barajas, a financial planner who appears in the first segment of the program; Maggie Reilly, a loan officer who appears in the second segment of the program; and Kwame Jackson, an entrepreneur who is also the host of the program. Please **photocopy and distribute** these pages to your class when viewing the accompanying segments. The interviews introduce your students to three careers in business and finance.

**PLEASE NOTE:** Although some of these activities can be completed in one class period, others will take longer. You may also invite students to engage in a self-directed activity. Some students may have their own ideas about personal finance that they may want to pursue in addition to or apart from the suggested topics.
OBJECTIVES
Students will:
• Learn basic principles of personal financial management
• Understand the relationship of income and investment in a budget
• Examine how saving and investing can be used effectively in a life plan

VOCABULARY
Personal finance: An individual’s earning, budgeting, saving, spending, borrowing, and investing.

Financial management: The way an individual budgets his or her income to cover expenses, investing, and savings goals.

Investing: Use of capital to raise more money, or to create another kind of positive outcome.

VIDEO CLIP SUMMARY (Segment approximately 5 minutes)
The Moving Out segment introduces Eddie Romero, a college student living on his own with an apartment, a nice car, and a band. Eddie is struggling financially, and he wants to figure out how to save enough money to pay for a four-year university. In this clip, Eddie meets with a financial planner to learn how to manage his budget to cover his current expenses, as well as save for the future.

OVERVIEW
Using responsible personal finance strategies can help people see how their income impacts spending power and how overspending inhibits savings, and potentially, investment. Having money to save ultimately means they being able to pay for things that will help the realization of personal goals and dreams. But the first step is learning about budgets, and how revenue and expenditures work together to create savings or debt. The next step is determining a greater goal for a financial management plan. Finally, if people need to save more money, they need to determine in what area of their budget they will spend less, and re-work their budget.

PROFILE: LOUIS BARAJAS
Photocopy the profile page and distribute it to your class. Tell students that it includes a brief biography of Louis Barajas, the financial expert featured in the Moving Out segment. It is intended to introduce them to a career in finance.

DISCUSSION QUESTIONS
1. What are some of Eddie’s major expenses? What are some of the expenses that Eddie didn’t realize were so high?
2. How does Eddie learn to create a budget? What are the components of the budget?
3. What is investing, and what are some ways that young people can invest in their futures? (For example, taking classes, buying a new computer to help them with their classes, buying a car to make it easier to get to work.)
4. What are some of the ways people can achieve their goals through saving and investing?

ACTIVITY: FINANCIAL STRATEGY
After discussing Eddie’s financial challenges and budget-making process, tell students they will be making their own personal financial management plan. The goal is to create a plan with enough income left over after covering their expenses, to invest in themselves.

Procedure
Students choose among one of the financial goals listed on the Student Activity Page. Students will review the budget of set income and expenses. They will then determine how to lower the expenses to have enough income left over to finance a particular goal.

Follow-up Activities
Students will meet in small groups to discuss their investment goals, and how they can cut expenses. Students will compare strategies and reflect upon the decisions they made and the priorities they developed in order to re-allocate funds in their personal budgets. With teacher oversight, students will help each other figure out if their new budgets are realistic.
Louis Barajas is a financial planner who helps people learn how to manage their money. Financial planners generally help people deal with financial issues like education planning, retirement planning, investment and insurance planning, and tax planning.

Louis has a strong educational background in financial planning. He went to college at UCLA, and later got a Masters of Business Administration at the Peter F. Drucker Management Center at Claremont Graduate University. He is also a Certified Financial Planner who owns his own firm, Louis Barajas, Wealth & Business Planning.

We had a conversation with Louis to find out what he loves about his job, and what he did to get there.

How would you describe what you do as a financial planner?

I inspire people to create, manage, and use their money to help them express their full potential.

How did you choose your career?

I grew up in a barrio and my family did not have a lot of money. My father had his own small business and worked in wealthy neighborhoods.

I wanted to know why certain people had wealth and why others were poor. I wanted my family and community to have access to the same things rich people could afford.

How is your job different from what others in your occupation do?

I focus on helping the underserved. My profession is set up to only help the top 20% of the wealthiest people in the U.S.

I feel that all people, poor, underserved, immigrants, single moms, working class families deserve the same financial planning advice that the wealthy get.

What personal characteristics are required for someone to be successful as a financial planner?

They need to be good at communication, numbers, enjoy reading all the time, and enjoying working with people.

How much job security is there for people in your field?

When people do what they love to do and are great at what they do, there is a plenty of job security.

What other job could you do with the skills you have gained in this field?

I could be a banker, insurance agent, stockbroker, financial analyst, or Chief Financial Officer.

What is the best part of the job for you?

I love helping people. I love to instruct, inspire, and impact people’s lives. I get to do this every day at work.

What is the worst part of the job for you?

The worst part of my job is working with people who don’t believe that they can achieve their financial goals because they believe someone else has control of their future.

Do you have any advice to a teen who is considering a career in finance?

You must love what you do. Intern with a financial planner or a financial institution to find out if you truly enjoy this type of work. People who are successful make their occupation their “occu-passion”.
HERE’S YOUR CHALLENGE
You have a dream. In order to achieve this dream, you have to create a financial plan that allows you to save enough every month to pay for the goal.

STEPS IN THE PROCESS
First, decide which one of the dream expenditures below is the one for you. Note that the monthly savings for investment vary considerably among the four scenarios.

- Buy a new computer ($25 savings per month)
- Take classes in area of interest ($150 savings per month)
- Buy a new car ($300 savings per month)
- Buy a new house ($500 savings per month)

Next, review the budget below. This is your monthly budget, and as you can see, your current spending is not allowing you to save any money. Review the budget to see how you are spending your money.

Then, in the “?” column, put a check next to the Expenses that are not absolutely essential.

MONTHLY BUDGET

<table>
<thead>
<tr>
<th>Monthly Income:</th>
<th>$3,500</th>
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<table>
<thead>
<tr>
<th>Monthly Expenses</th>
<th>?</th>
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<tbody>
<tr>
<td>Rent</td>
<td>$1,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>500</td>
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<tr>
<td>Insurance</td>
<td>150</td>
</tr>
<tr>
<td>Cell Phone</td>
<td>75</td>
</tr>
<tr>
<td>Cable/Internet</td>
<td>75</td>
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<tr>
<td>Groceries</td>
<td>400</td>
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<tr>
<td>Gas and Car Maintenance</td>
<td>200</td>
</tr>
<tr>
<td>Clothes</td>
<td>150</td>
</tr>
<tr>
<td>Restaurants</td>
<td>200</td>
</tr>
<tr>
<td>Leisure Travel</td>
<td>250</td>
</tr>
<tr>
<td>Entertainment</td>
<td>350</td>
</tr>
<tr>
<td>Coffee/Snacks</td>
<td>125</td>
</tr>
<tr>
<td>Charitable Donations</td>
<td>25</td>
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</table>

<table>
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<tr>
<th>Total:</th>
<th>$3,500</th>
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<table>
<thead>
<tr>
<th>Savings:</th>
<th>$0</th>
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Next, fill in the budget below with new numbers in the area where you think you can save money. Then, calculate your new monthly savings. Your challenge is to save the monthly amount that you need to finance, or invest in, your dream.

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<tr>
<td>Savings:</td>
<td></td>
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</table>
OBJECTIVES
Students will:
• Learn basic principles of credit like interest rates
• Understand the relationship between credit ratings and interest rates
• Learn the importance of maintaining good credit

VOCABULARY
Credit: The granting of a loan and the creation of debt.

Credit rating: Assesses the likelihood that an individual will repay a loan, which is also known as creditworthiness. Credit ratings are determined from current assets and debt, as well as an individual's financial history.

Interest rates: The cost of using the money provided by a loan, credit card, or line of credit, usually expressed as a percentage over a period of time.

VIDEO CLIP SUMMARY (Segment approximately 7 minutes)
The Green Chic segment tells the story of Anna Cohen, a clothing designer with her own line of ecologically friendly designs. She is seeking a loan for her business from Mercy Corps, an international microfinance institution. In this clip, Maggie Reilly, who is a loan officer with Mercy Corps, is reviewing Anna's loan and discussing how Anna's strong personal credit history will support her application for a business loan.

OVERVIEW
Credit enables individuals or institutions to make large purchases and expand. However, before granting credit, a lending institution does a thorough analysis of how likely it is that the borrower will re-pay the funds. An interest rate is the cost of the loan, which is based on an analysis of the creditworthiness of the borrower, and the current level of interest rates nationally. The lender determines what the rate will be, and the borrower determines if s/he can afford to pay it.

Credit ratings play a role in credit determination, as lenders use the rating in the analysis of the borrower's creditworthiness. Microfinance is the provision of very small loans to entrepreneurs to start, establish, sustain, or expand very small, self-supporting businesses. The borrowers can have low credit ratings, so interest rates are generally high.

PROFILE: MAGGIE REILLY
Photocopy the profile page and distribute it to your class. Tell students that it includes a brief biography of Maggie Reilly, the loan program officer featured in the Green Chic segment. It is intended to introduce them to a career in finance.

DISCUSSION QUESTIONS
1. Why does Anna need to borrow money? How will it help her business?
2. What kind of an impact does Anna's personal credit history have on her business loan application? Why do you think that might be?
3. What are some of the ways individuals and businesses can achieve their goals through borrowing money?

ACTIVITY: IT TAKES TWO TO FINANCE
After discussing Anna's loan and how her good personal credit history was a big help in her ability to get the loan from Mercy Corps, divide the class up into four teams. There will be one Lender team and three Borrower teams. The borrower teams will each be given a company name with different credit ratings and business plans.

Procedure
The Borrowers review their companies, and decide how to explain the plan indicated in the company description that will help the company be more successful. The goal is to show the banks that the company is not risky, and should receive a loan with as low an interest rate as possible. Each lender interviews each borrower's plan and credit rating, and determines what interest rate the borrower should receive, or if the loan will not be granted.

Follow-up Activities
The class will come back together, and a representative of each group will give a synopsis of their interactions. The class will discuss who got the lowest or best interest rate and why, and who got the highest or worst interest rate and why. Those who received high interest rates should discuss whether or not it even makes sense for them to take out the loan as the cost is so high.
At Mercy Corps Northwest, Maggie Reilly helps entrepreneurs get the loans they need to launch or expand their business. Mercy Corps Northwest is a field office in Portland, Oregon for Mercy Corps, an international development and relief organization.

Maggie works in the individual development account program, which is a matched savings account. She also works with clients who are going through the loan process.

We had a conversation with Maggie to find out what she loves about her career, and what she did to get there.

How would you describe what do you do at Mercy Corps Northwest?

I work with small businesses in the area of finance. We work with entrepreneurs to start their business or expand their business, as well as get them connected to resources they may need to either expand in size or capacity. We help them get access to capital, and connect them to resources to ensure they have a solid business plan.

How did you choose your career?

I decided to come to Mercy Corps Northwest because its principles and beliefs as an organization very much parallel my own. Also, the world of microfinance is very interesting to me and has a proven impact on the community that one can really see. I enjoy both the numbers side and the community impact side.

Describe how you got to where you are today. What was your smartest move? What would you do differently if you had the chance?

I got to where I am today by having experience and skills needed to perform this type of work that I acquired via a circuitous but purposeful path filled with opportunity and wise decision-making. My smartest move was taking an internship during college. I would do nothing differently if I had the chance.

How is your job different from what others in your occupation do?

We have a very dynamic office where we all take part in every activity of the business development process.

What did you study in school?

In school I studied both international affairs and foreign languages and literature. It's really great to have a liberal arts background because it's definitely enriched me for my personal interests.

What skills do you need for your job on a day-to-day basis?

Pretty basic math—addition, subtraction, multiplication, division, as well as some fractions. We run different scenarios with different businesses, and really see the power in how much even a hundred dollars will make to a small business, over the course of a year.

What's the most rewarding part of your job?

The most rewarding part of my job is seeing the creativity and passion that drives small business owners and being able to work with them to realize goals.

Who is an important role model for you?

Dr. Martin Luther King, Jr. is an excellent role model for us humans to really see peaceful change and to see the impact of a group of people to affect positive change. My parents have also continually given me a lot of support throughout my whole life and allowed me to make decisions on my own as well as guide me when needed.

What advice do you have for young people considering a career in finance?

Pay attention to the people behind the numbers. Think critically but compassionately.
**HERE’S YOUR CHALLENGE**

You are a lender that would like to charge an appropriate interest rate depending on a company’s credit rating. However, you will take other factors into account like the company’s business plan, which may make it less of a risk when it is borrowing money.

**STEPS IN THE PROCESS**

First, review the company’s current credit rating (low, medium or high risk) and the interest rate normally charged for borrowers with that rating. Next, meet with each company to hear its plan for the loan and how it will help the company. Next, with this information, determine the company’s creditworthiness. Finally, let each company know the interest rate that you will be giving it and why.

<table>
<thead>
<tr>
<th>Credit Rating Analysis*</th>
<th>Credit Rating</th>
<th>Interest Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-Risk</td>
<td>A (700-850)</td>
<td>5-10%</td>
</tr>
<tr>
<td></td>
<td>B (601-700)</td>
<td></td>
</tr>
<tr>
<td>Medium-Risk</td>
<td>B (601-700)</td>
<td>10-15%</td>
</tr>
<tr>
<td></td>
<td>C (501-600)</td>
<td></td>
</tr>
<tr>
<td>High-Risk</td>
<td>D (401-500)</td>
<td>15-25%</td>
</tr>
<tr>
<td></td>
<td>F (300-400)</td>
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* Additional factors, like a company’s plan for the future, can have an impact on its creditworthiness.

**COMPANIES TO RATE**

<table>
<thead>
<tr>
<th>Company</th>
<th>Credit Rating</th>
<th>Description</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-Tech Telecom</td>
<td>450</td>
<td>This company is developing a new cell phone to compete with the latest developments from the major companies. The phone is not yet functional, and manufacturing it is behind schedule. The company needs a loan to complete manufacturing it.</td>
<td></td>
</tr>
<tr>
<td>Mid-Range Makeover</td>
<td>585</td>
<td>This is a chain of stores that sells bath and skincare products, but a lot of competition is hurting its sales. The company needs a loan to open additional stores in areas with less competition.</td>
<td></td>
</tr>
<tr>
<td>Bottom-Line Bakery</td>
<td>650</td>
<td>This bakery has been owned and operated by one family for 50 years and is the most popular bakery in town. The 65-year-old owner just retired, and his 35-year-old daughter is taking over the business. The company needs a loan to purchase updated equipment and renovate the shop.</td>
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</tr>
</tbody>
</table>

**Interest Rate Structure:** Interest rate range: 5-25%
HERE’S YOUR CHALLENGE
You are assigned to one of the companies below. You would like to get the lowest interest rate possible for your loan.

STEPS IN THE PROCESS
First, review the current credit rating and the corresponding interest rate. Then read the business plan. Using that information, explain to the loan officer how the loan will help your company be more successful.

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<td>D (401-500)</td>
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*Additional factors, like a company’s plan for the future, can have an impact on its creditworthiness.

1. High-Tech Telecom
   a. Current credit rating (450)
   b. Business description
      This company is developing a new cell phone to compete with the latest developments from the major companies. The phone is not yet functional, and manufacturing it is behind schedule. The company needs a loan to complete manufacturing it.

2. Mid-Range Makeover
   a. Current credit rating (585)
   b. Business description
      This is a chain of stores that sells bath and skincare products, but a lot of competition is hurting its sales. The company needs a loan to open additional stores in areas with less competition.

3. Bottom-Line Bakery
   a. Current credit rating (650)
   b. Business description
      This bakery has been owned and operated by one family for 50 years and is the most popular bakery in town. The 65-year-old owner just retired, and his 35-year-old daughter is taking over the business. The company needs a loan to purchase updated equipment and renovate the shop.
OBJECTIVES
Students will:
• Learn basic principles of risk analysis in financial markets
• Understand the relationship between risk and investing
• Compare the risk and return of investment alternatives

VOCABULARY
Risk: The probability or likelihood that the return on a loan or an investment will be different than initially anticipated. Both creditors and consumers evaluate risk.

Investment: A physical or financial asset bought in order to earn a return, usually in the form of money.

Return on investment: The percentage of money gained or lost on an investment compared to the amount of money invested.

Stock: A share in a corporation, priced in a dollar amount. Anyone who owns a stock is a part-owner of that corporation.

VIDEO CLIP SUMMARY (Segment approximately 13 minutes)
The Dealmakers shows a student competition that involves “model” negotiations between two energy companies, as Team Sunoco attempts to acquire, or purchase, Team Tesoro. Sunoco wants to pay a lower price for Tesoro, and Tesoro would like to be sold for a higher price than Sunoco would like to pay. Each team is concerned that they won’t get a good return on the investment, if the initial investment isn’t the right amount.

OVERVIEW
Investors buy stock, or shares in a company, with the hope that the price of the stock will go up. Stock prices are generally affected by how successful a company is. If a company is very successful, the stock price will go up. Once the price goes up, the investor can sell the stock to make money. The difference between the sale price and purchase price is the “return” the investor has earned from the stock. When an investor is deciding which stock to buy, they have to analyze how risky the company is, meaning, whether or not it seems likely that the company will be profitable.

PROFILE: KWAME JACKSON
Photocopy the profile page and distribute it to your class. Tell students that it includes a brief biography of Kwame Jackson, the host of WHAT’S UP IN FINANCE? It is intended to introduce them to a career in finance.

DISCUSSION QUESTIONS
1. Why do Team Sunoco and Team Tesoro want the sale to go through at different prices?
2. What kind of a “return” is each company hoping to get from the deal? In other words, why does each think it is a good or bad investment?
3. What are some of the goals companies can achieve through investment?

ACTIVITY: HIGH FINANCE, HIGH RISK
Students are to divide up into three investor groups. Each group is given a company card with information about a stock they have purchased. The students need to read all of the information on the card.

Procedure
Next, students should calculate the return on investment for their company, based on the purchase price and sale price of the stock indicated. To do this, students subtract the purchase price from the sale price, and divide that difference by the purchase price. Then, they should multiple that answer by 100 to get a percentage. That percentage is their return on their investment.

Follow-up Activity
Students then need to determine if the return on their investment was high enough given the risk rating of the company. Each group then reports to the class the purchase price, sale price, and return on investment for their company’s stock, and whether or not the return was high enough given the risk rating.
Kwame Jackson is probably best known for his appearance on the reality TV show *The Apprentice*. In the first season of the show, Kwame finished as the runner-up in the contest to become Donald Trump’s protégé for one year.

More recently, Kwame has taken advantage of his exposure on *The Apprentice* to launch a career as an entrepreneur with his own company. Kwame is the chairman of Legacy Holdings LLC, which is a holding company. This means the company will be involved in a number of different ventures through subsidiaries, or smaller companies that it owns.

We had a conversation with Kwame to find out what he loves about his career, and what he did to get there.

1. Describe what you do in your career.
   I’m an entrepreneur, professional speaker, and media personality, so it’s hard to nail it down to a neat and tidy “job” description. My goal is to take advantage of opportunities that life presents and turn them into economic pursuits. As an entrepreneur I’m focused on establishing a small private investment firm to do real estate development deals—raising money from investors to acquire land, buildings, etc.
   I’ve lectured at approximately 200 different venues, from colleges, to corporations, to civic groups and have made some interesting first steps into television, books, and movies.

2. Describe how you got to where you are today. What was your smartest move? What would you do differently if you had the chance?
   I think it’s important to prepare yourself for opportunity through education and outlook. Being a graduate of UNC-Chapel Hill and the Harvard Business School are definite great first steps to places like Procter & Gamble and Goldman Sachs, my former employers. They are also excellent training grounds for entrepreneurial skill development. I would also recommend that students investigate Fortune 500 internship possibilities at www.inroads.org. I’m an alum of this program. I don’t live a “woulda, shoulda, coulda” life so there really isn’t much I would change.

3. Why is a person’s outlook important for a career?
   Your outlook determines how actively you look for life’s opportunities that are not always neatly packed along the roads that people typically suggest or travel, like my decision to compete on the first season of *The Apprentice*. In the end, we have our whole lives to be ordinary and only a few fleeting moments to be extraordinary...which would you prefer?

4. What’s the most rewarding part of your job?
   The most rewarding part of my job is not having one! I have an entrepreneurial career that I’ve built based on education, training, and hard work, which is much different from having a 9-to-5-style J.O.B.
   I find it most rewarding to own my own time, define my priorities, and make a difference in the world and in the lives of others. There is nothing wrong with doing well while doing good. But it is also important to remember that the entrepreneurial road is full of risk and setbacks and is not necessarily for everyone. All that glitters is not gold!

5. What do you see yourself doing in five years’ time?
   I hope that in five years my company, Legacy Holdings LLC, is further along as a budding private investment firm and doing some significant deals in the real estate space and beyond.
   I also have a vision for myself as an influential media personality (TV show, books, etc.) focused on motivating young people through honest, relatable, straightforward dialogue on topics like business, finance, entrepreneurship, pop culture, and education...a hipper, cooler Bill O’Reilly or male Oprah of sorts?

6. What advice do you have for young people considering a career in finance?
   I think if you know you want to be in finance early on, it’s important to start doing well in math, economics, and accounting in school. I also think you should start to understand the business world around you by reading things like *The Wall Street Journal*, *Business Week*, and your favorite on-line sources of financial information.
   It’s important to understand how the business world, capital markets, and money move around the world and influence events and vice-versa. Purchase stock in companies that you know and understand from things you already own like Sony (Playstation) or EA Sports. Pay attention to CNBC, be intellectually curious when you hear about a merger or a major move from the Federal Reserve and check me out at www.kwamejackson.com for continued updates and tips.
Here's Your Challenge

You are an investor and you have sold stock in a company. You must compute your return on investment, and decide if that is a fair return for the risk rating of the company.

Steps in the Process:
First, read the information about the company. Next, compute the return on investment from owning the company's stock. Specifically, subtract the purchase price from the sale price, and divide that difference by the purchase price. Next, multiply that number by 100 to get a percentage. That percentage is the return on investment.

**Company Card: Kola King**

- **Company name and description:** *Kola King*, a beverage company that sells the top cola drink in the world.
- **Risk rating:** Low—the company has a successful product, and is making plenty of sales. It is a steady, solid company, with no surprises in store.
- **Return expectation:** Investors want to make at least a 2% return on this stock.
- **Stock purchase price:** $87.00
- **Stock sale price:** $91.00
- **Return on investment:**

**Company Card: Uniglobe Cellular**

- **Company name and description:** *Uniglobe Cellular*, a company that provides cell networks all over the world.
- **Risk rating:** Medium—the company has a good product, but there is a lot of competition worldwide, so it's unclear if they will gain more customers. However, there's still a possibility that it could become a mid-range cell network.
- **Return expectation:** Investors want to make at least a 5% return on this stock.
- **Stock purchase price:** $19.00
- **Stock sale price:** $20.00
- **Return on investment:**

**Company Card: Biotech Business**

- **Company name and description:** *Biotech Business*, a company that is trying to develop a cure for the common cold.
- **Risk rating:** High—it's not clear that the company will be able to find a cure for the common cold, as no one ever has. However, if it does find a cure, it will be hugely successful as it will be the only company to have the cure.
- **Return expectation:** Investors want to make at least a 10% return on this stock.
- **Stock purchase price:** $53.00
- **Stock sale price:** $54.00
- **Return on investment:**
SEGMENT ONE: MOVING OUT

JumpStart Personal Finance Standards: Money Management

Students will be able to:
1. Explain how limited personal financial resources affect the choices people make.
2. Identify the opportunity cost of financial decisions.
3. Discuss the importance of taking responsibility for personal financial decisions.
4. Apply a decision-making process to personal financial choices.
5. Explain how inflation affects spending and investing decisions.
6. Design a plan for earning, spending, saving, and investing.

National Council of Teachers of Mathematics Principles and Standards for School Mathematics

Problem Solving
• Build new mathematical knowledge through problem solving;
• Solve problems that arise in mathematics and in other contexts;
• Apply and adapt a variety of appropriate strategies to solve problems;
• Monitor and reflect on the process of mathematical problem solving.

Communication
• Organize and consolidate their mathematical thinking through communication;
• Communicate their mathematical thinking coherently and clearly to peers, teachers, and others;
• Analyze and evaluate the mathematical thinking and strategies of others;
• Use the language of mathematics to express mathematical ideas precisely.

Mid-continent Research for Education and Learning (McREL) Economics Standards

Standard 1. Understands that scarcity of productive resources requires choices that generate opportunity costs

SEGMENT TWO: GREEN CHIC

JumpStart Personal Finance Standards: Spending and Credit

Students will be able to:
1. Compare the benefits and costs of spending decisions.
2. Evaluate information about products and services.
3. Compare the advantages and disadvantages of different payment methods.
4. Analyze the benefits and costs of consumer credit.
5. Compare sources of consumer credit.
6. Explain factors that affect creditworthiness and the purpose of credit records.

National Council of Teachers of Mathematics Principles and Standards for School Mathematics

Number and Operations
• Understand numbers, ways of representing numbers, relationships among numbers, and number systems;
• Understand meanings of operations and how they relate to one another;
• Compute fluently and make reasonable estimates.

Data Analysis and Probability
• Formulate questions that can be addressed with data and collect, organize, and display relevant data to answer them;
• Select and use appropriate statistical methods to analyze data;
• Develop and evaluate inferences and predictions that are based on data;
• Understand and apply basic concepts of probability.

Mid-continent Research for Education and Learning (McREL) Economics Standards

Standard 1. Understands that scarcity of productive resources requires choices that generate opportunity costs

SEGMENT THREE: THE DEALMAKERS

JumpStart Personal Finance Standards: Saving and Investing

Students will be able to:
1. Explain the relationship between saving and investing.
2. Describe reasons for saving and reasons for investing.
3. Compare the risk, return, and liquidity of investment alternatives.
4. Explain how different factors affect the rate of return of investments.

National Council of Teachers of Mathematics Principles and Standards for School Mathematics

Number and Operations
• Understand numbers, ways of representing numbers, relationships among numbers, and number systems;
• Understand meanings of operations and how they relate to one another;
• Compute fluently and make reasonable estimates.

Connections
• Recognize and use connections among mathematical ideas;
• Understand how mathematical ideas interconnect and build on one another to produce a coherent whole;
• Recognize and apply mathematics in contexts outside of mathematics.
Web sites

WHAT’S UP IN FINANCE?
www.thirteen.org/finance

Consumer Debit Resource

FDIC: Money Smart – An Adult Education Program
www.fdic.gov/consumers/consumer/moneysmart/mscbi/mscbi.html

Fundamentals of Financial Planning
www.learningforlife.fsu.edu/course/fp101/index.html

Freddie Mac CreditSmart
freddiemac.com/creditsmart

MoneySKILL – Financial Literacy Curriculum
www.moneyskill.org

Info Sheets – News You Can Use Consumer and Family Economics
extension.missouri.edu/hes/infosheets/cfe/cfeinfo.htm

SmartAboutMoney
www.smartaboutmoney.org

NEFE High School Financial Planning Program
www.nefe.org/hsfppportal/includes/main/home.asp?portal=2

eXtension Financial Security for All
http://www.extension.org/personal+finance

Federal Reserve Bank of New York High School Programs
http://www.newyorkfed.org/education/highschool.html