

Thank you for a great first class, and honesty in your personal experiences with money.

**VIDEO RECORDINGS**

In a separate email, I will send all enrolled students a LINK to the video and audio recording of the class. The LINK may include up to four files, but the video file will be marked in MP4. If you are interested in viewing it in the future, download the files NOW, as the link will stop working in a week.

Future class links are sent to all who attend the live class, those students working AYOP (At Your Own Pace), and those who have completed the prior assignment.

**SET ASIDE 2 HOURS FOR THE WEEKLY ASSIGNMENT**

Assignments will take one to two hours a week, and for those attending the live class, please return them via email at least 48 hours before the next class. If you get stuck, email me, and we can schedule a review.

When submitting your work, PLEASE start a new thread and title it with your name and assignment number. i.e. Money & Life Cycles Assignment #1 from Mark Clark.

**WORKING WITH YOUR PEERS ON ASSIGNMENTS**

I encourage students in the LIVE classes to form small groups to work together on an assignment. If you are interested, please email your classmates and PROPOSE when you can meet.

If you work with others, use ZOOM or a video platform that allows you to share your screens. Zoom offers FREE accounts which give up to 45 minutes of meeting time. If you need more than 45 minutes, you can start another session.

**HANDOUTS**

Handouts needed for Assignment #1 are listed below and can be downloaded from. While this list is numeric for easy referencing, the Assignment may use them differently.

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| 0.06 | Six Steps to Building Financial Wealth |
| 3.00 | How to prepare a Cash Flow Statement |
| 3.01 | Cash Flow Statement – form both as a pdf and as an excel file |
| 10.05 | How to apply for a social security card |
| 10.06 | Savings Bonds – what are they and how do they work |
| 10.07 | 529 Educational Savings Plans – what are they? Why are they beneficial? |
| 10.08 | Invest $1,000 a year for your child for 18 years and watch it grow |
| 10.09 | Allowances and Introduction to financial awareness to children |
| 10.11a | Understanding Unit Pricing – with 3 challenge questions |
| 10.11b | Answers to Unit Pricing 3 question challenge |
| 12.02b | Recommended Asset Allocation for COLLEGE SAVINGS PLAN |
| 12.05 | Cash – and FDIC Insurance |
| 12.06 | US Savings Bonds Series EE and how they work |

WHILE YOU ARE DOING THE ASSIGNMENT – Make a list of any questions. If you can email them to me before class, I am sure others would benefit from hearing the answers.

**ASSIGNMENT #1 – WORKSHEET (from -) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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| --- | --- |
|  | Indicate your answer here: |
| 1. READ Six Steps to Building Financial Wealth. What stage are you at on that ladder? What can you do to move up the ladder? (Handout 0.06) |  |
| 1. If you have a hand in educating a young person – which of the below can you do with them and when – comments on your experience are appreciated.  * BANKING - Bring them to a bank, introduce them to the teller bank manager, and have the bank representative tell them what a bank does. Show them a bank statement and how you earn interest on a savings account. Teach them how to write a check. Show them how the checking account will show up on a statement. Talk with them about the four different ways of keeping cash (Handout 12.05) * ALLOWANCE - Discuss with them their allowance, how much they feel is appropriate, how much is automatic, and how much extra can be earned by performing specific extra jobs. (Young people are generally very fair.) (Handout 10.09) * ALLOCATION – ask about their money - earnings or allowance, what portion they want to have accessible to spend as they desire, what portion they want to save for a larger item, and what portion they want to donate to others less fortunate. Ask them to think about which organizations THEY wish to support. * UNIT PRICING - Bring them to a grocery store and teach them about UNIT PRICING and how to calculate the best value. (Handout 10.11a and the answer sheet 10.11b.) |  |

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| 1. READ the below handouts as a review | | Check when done |
| 10.06 | Savings Bonds – what are they and how do they work |  |
| 12.06 | How Interest is earned on US Savings Bonds Series EE |  |
| 10.07 | 529 Educational Savings Plans – what are they? Why are they beneficial? |  |
| 12.02b | Recommended Asset Allocation for 529 Educational Plan |  |
| 10.08 | Invest $1,000 a year for your child for 18 years and watch it grow |  |
| 10.09 | Allowances and Introduction to financial awareness to children |  |

1. As discussed, to get a handle on household finances, it is essential to have a CASH FLOW STATEMENT (which many often call a budget), which FORECASTS **on an ANNUAL basis all the cash that comes in and goes out of a household.**

It MUST be in writing, and it should be initially prepared on an annual basis to see the big picture and determine if the household is cash-positive or cash-negative. Learning how to prepare a cash flow statement is a skill that should be taught in High School and refined as you get older. For now, I would like everyone to take a stab at preparing MARIA’s Cash flow statement. (THIS CAN BE DONE WITH A HOMEWORK BUDDY)

**FOR THOSE WHO HAVE NEVER DONE “MARIA’s BUDGET”**

* READ Handout 3.00 – How to a Budget-Prepare a Cash Flow Statement
* REVIEW FORM 3.01 – Budget-Cash Flow Statement posted in an Excel format or PDF file. Print the pdf and fill in the numbers by hand if you do not use Excel.
* COMPLETE Exercise 3.11a - Calculate Maria’s Personal Budget/Cash Flow Statement
* In Column A - If enter Yes, if the transaction affects cash; if not, enter No.
* In Column B, if the above was Yes, enter the ANNUAL AMOUNT for the transaction that affects cash.
* TRANSFER the amounts from 3.11a to the appropriate line on form 3.01 – Budget-Cash Flow Statement

Answer the questions:

* Is Maria cash-positive or cash-negative?
* How long will it take Maria to reach her savings goal?
* What is your advice for Maria?

**FOR THOSE WHO HAVE DONE “MARIA’S CASH FLOW STATEMENT” in prior classes -** It is time to **prepare YOUR own.** Use form 3.01 and list all incoming and outgoing household cash.

It is usually best to look first backward and prepare the cash flow statement for the prior calendar year, whereby you can use bank and credit card statements or paystubs and tax returns to verify. Then, when you have a sense of the flow, it is easier to project forward for the current year. Any personal information shared is kept confidential and will be helpful in our private sessions.

Don’t worry about perfecting the cash flow statement; make a start. In class, we can discuss techniques for getting a more accurate picture. Remember, anyone who tries is a winner!

**RETURN the WORKSHEET (page 3) AND form 3.01 for Maria or yourself.**