

## Money and You

In order to understand managing money in your life, we first need to understand YOU.

What is a value?

What are some examples of values you have?

What does "lifestyle" mean?

How do your values play a role in your lifestyle?

Lifestyle means the way people choose to live their life.

This includes:

- where they live
- how they dress
- what they do for work
- what they do for entertainment

Examples:

A rural lifestyle may involve living in or near a small town, often in resource-based occupations, and possibly more limited choices of entertainment and/or more opportunity for outdoor entertainment.

An urban lifestyle involves living in a larger city, possible in an apartment, condo, or house, with a variety of options for jobs, especially office and service jobs, and many choices of movies, concerts, and other events for entertainment.

What is a goal?

How could you use values, goals, and lifestyle in the same sentence?

Can your goals, values, and lifestyle choices change?

What might cause them to change?

Is money a factor in your goals, values, and lifestyle choices?

## Worksheet-Values



## Lifestyle Reality Check

## Lifestyle Reality Check Answers

Question 3: You can take your reality check home and have a conversation with a parent/guardian/trusted adult about what they can do to help you achieve your goals OR you can brainstorm yourself who could help you and how.

What surprised you about the results of your Lifestyle Reality Check?

To increase your savings, would it be easier to change the expense items you chose or the income you need?

Do you have all the knowledge and skills to make the choices necessary for your lifestyle goals?

## Quiz

What do you know about finances?

Pre-assessment (not for marks! Just to see what you already know.)

## BEIPSSS

Each letter in the above acronym is one of the seven areas of financial literacy. What do you think the words may be?

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Borrowing, Earning, Investing, Protecting,  
Saving, Sharing, Spending

## Matching Activity

With a partner, try to match each of the 7 bolded terms with their definition.



**Borrowing:** receiving something of value in exchange for an obligation to pay back something of usually greater value at a particular time in the future

**Earning:** gaining income or compensation from any source

**Investing:** committing money or capital to an endeavor with the expectation of obtaining additional income or profit

**Protecting:** maintaining the status or integrity of one's financial position, including from potential future risks

**Saving:** setting aside money for use at a future time or for the achievement of a financial goal

**Sharing:** the process of giving or donating something of value to another individual, group, or cause without any return or obligation to pay back

**Spending:** paying out, disbursing, or expending money for the purpose of obtaining a good or service.

## Sorting Activity-Created by the DLC

The task is to sort the financial topics into one of the seven categories. Try to place each topic into the area you think it most fits. While there is certainly some overlap, topics were chosen for this exercise that have a clear main area.

 <https://cms.sunwestsd.ca/mod/book/view.php?id=207297&chapterid=33332>

## The Value of Money

Why do we need it?

- Money provides a sense of **safety and security**.
- Money provides us the **freedom** to do as we desire.
- Money provides us the ability to have **choices**.
- Money provides us with the ability to **give back** and share with others.
- Money provides us with a sense of **comfort and control** in our lives.
- Provide** for our own needs and wants, without relying on others.
- Money can help provide a sense of **adventure**.
- Money can be seen as a **status symbol**.

## Opportunity Cost:

Opportunity cost is the loss of potential gain from the next best alternative that must be forgone (given up) to select the chosen opportunity.

-What we are giving up to choose an opportunity.

For example: If I give you \$1000 dollars and the choice to buy an \$1000 item right now or save it, what would you choose?

Buying it right now:

Opportunity cost is the satisfaction you'd have from buying it later, plus having some extra money from interest collected from saving it.

Buying it later:

Opportunity cost is the satisfaction and enjoyment you would have when you have the item right now.

You are selling beverages out of the canteen. Because water bottles are smaller in size, you can store 50 water bottles in the fridge. If you choose Gatorade instead, you can store 25 bottles in the fridge.

a) What is the opportunity cost of choosing to sell water?

b) Calculate the opportunity cost for every 10 bottles of water?

You are selling beverages out of the canteen. Because water bottles are smaller in size, you can store 50 water bottles in the fridge. If you choose Gatorade instead, you can store 35 bottles in the fridge.

a) What is the opportunity cost of choosing to sell water?

If you choose to sell water, the opportunity cost is 35 bottles of Gatorade and the amount of money that could be made from selling Gatorade, as the price could be higher than water bottles.

b) Calculate the opportunity cost for every 10 bottles of water?

water:Gatorade

50:35

divide both sides by 5

10:7

Therefore the opportunity cost for 10 bottles of water is 7 bottles of Gatorade and the amount of money that could be made from them.

Opportunity cost does not always include actual money.

For example, when customers enter a fast-food restaurant, they go to the shortest line, believing that line will minimize the time cost of obtaining food, the monetary cost remains the same.

What happens when a clerk opens a new station at the counter? What do you do?



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Staying Put:

Opportunity cost is the time that could be saved by moving to the front of the new line.

Moving:

Opportunity cost is the energy of physically moving and the possible time lost if others do the same and get into the new line before you.

We are weighing opportunity costs all the time without knowing it!

# Opportunity Cost Worksheet

Since money is limited, we must make choices on how to use it. However, even with weighing the opportunity costs, we are not always good at this. Often, we will give up more satisfaction later, for less now.

Immediate Gratification vs Delayed Gratification

Which one often has more benefit?

How we view, save, and spend money will differ depending on who we are and what our needs/wants/obligations/values are.

Next we're going to take a look at decision making.