

EDUCATIONAL ENTERTAINMENT

Who was your favorite teacher in school and why? Was it the teacher that entertained you as you learned? Did you even realize you were being taught?

Wear something fun and approachable when you teach

Education is a wise long-term investment

Without a high school diploma	\$18,062
High School diploma	\$26,059
Bachelor's Degree	\$49,674
Master's Degree	\$61,033
Doctorate	\$79, 986

*Source U.S. Census Bureau, December 2001.

How do we as a society choose the amount we pay one another? It is based on the skills that we possess in relation to that of the other people in the communities that we live. Michael Jordan story

Are credit cards good or bad?

I usually get a response of 50% to 70% telling me that credit cards are bad. This is probably a good indication of how their parents are handling credit cards. I then explain to the student that tomorrow I'm going to bring in a shiny new red convertible Corvette. Would this be good or bad? Of course the students think this is great. I then select one of the students and call them by name and say, Ok John, I have just given you this new car and as you are checking yourself out in the rearview mirror you notice a couple of cases of beer in the back seat. Is this good or bad? You will most likely have one student that thinks this is wonderful, but the majority of the students will say that it is bad.

I then ask the students how the car became bad. The students will usually explain the evils of drunk driving. I then ask them if they think that the car is going to drink the beer. They will explain that the individual would drink the alcohol. I then go into a discussion about how the vehicle is only a tool to get you from point A to point B. Some vehicles can get you there faster and some can even make you cooler during your trip, but a vehicle simple gets you from one point to the other. A credit card is no different, it is merely a tool. Any tool can be used wisely or foolishly.

If one of the students were having a heart attack what would happen? The students will eventually get around to saying, I would call an ambulance. Walk them through how an ambulance would come and probably administer a baby aspirin, nitroglycerin and possibly even shock the heart to restart it. The person would then be whisked away in the ambulance for further treatment and care at the hospital. The ambulance is a wonderful tool that can save lives.

Now if that same ambulance driver cannot deal with the stress and trauma of the job he may go to a bar and try to drown his sorrows in alcohol. That same wonderful tool can become a killing machine in the hands of the drunken ambulance driver.

If you want to stress the point even more you can discuss how people one hundred years ago could not fathom moving from one side of the country to the other in a single day through the use of aircraft. Then explain how that tool can become a killing machine like we witnessed on 9/11.

Explain to the class that if a credit card is used properly you get to use someone else's money for free for almost two months. The problem arises when people charge more than they can afford to pay back.

I then explain there are a few exceptions where you may want to charge more than you can afford to repay in a month, when the car breaks down, etc. (exceptions to the rule)

The Effect of carrying a balance on your Credit Card

I like to pick two identical items to bring into the class. I put a price tag on each item with one being 20% higher than the other. I then ask the class to pick which of the two items they would want to buy. The class will usually ask what is the difference. I explain to them that there is no difference. How about quality, someone will ask. No difference in the quality. How about the warranty? Nope, there is no difference in the warranty. Eventually most, if not all, of the class will state that they would choose the lower priced item.

If I am teaching a college class I will usually ask the students with credit cards to stand. This is usually about 70% of the class. Of that group I tell the students that paid their balance in full last month to sit down. Usually about half of this group will sit down so I have approximately 35% of the class still standing. I then ask this group to explain to the rest of the class why they are willing to pay 20% more for the same item as the rest of the class. Try and bring in an item that the class will easily relate to.

Credit History and being 18

I ask how many of the students have joined BMG or Columbia CD or DVD clubs. (Most of the students in the high school classes should be under 18 of age.) I then explain to them that the company cannot enforce contractual law against them because they were under age when they signed up for the club. After the kids get done laughing about how they are going to stick it to the club I explain to them that the company has every right to report this information to the credit bureau. This leads beautifully into the cost of poor or no credit. You may also explain what happens in the event of a co-signer.

5% Car loan vs. 20% Car Loan

Show the students the interest difference on a \$20,000 car loan at 5% vs. 20%. Explain to the students how it is in their best interest to have good credit.

Credit Report/Credit Score vs. Students Report Cards/GPA

Tell the students that you are a 1.0 GPA student and ask them to describe your intelligence. Be prepared to be called stupid, dummy, etc.

Compare a 0.0 - 4.0 GPA to the 400 - 900 credit score. Explain that just because you know the number doesn't mean you know the whole story. Show the students a copy of an actual credit report with the confidential information eliminated.

How do you get credit?

Parents should teach their kids at home about credit. Would you wait to teach a child to cross a busy street until they are in college? Why wait for your children to get to college before you teach them how to handle credit?

Use your money wisely

Candy Bar wrapper story – How fun is a purchase after you have bought or used the item? Once you have spent the money it is gone. You have lost all opportunities to use it for other purposes. The students need to understand that there are billions of dollars being spent to convince them that if they don't purchase this or that product they won't be happy. Refer to beer commercial, jeans, shoes etc for examples.

Identity Fraud

Gerber agreed to settle a class action lawsuit because they claimed their apple juice had 100% natural ingredients, when in fact there were preservatives in the juice. In order to receive your settlement of a \$500 savings bond settlement you need to send the company a copy of your birth certificate showing that your child was born during the settlement period and a copy of your social security number. Would you send the information? Would you do it if a trusted friend told you about it? What if you learned about it at church?

Book out the vehicle before you buy

When you go into a dealership what is their goal? To sell the vehicle for the highest amount possible. When you go into a dealership to buy a car what is your goal? To purchase the vehicle for the least amount possible. If you don't know how much the vehicle is worth, who is more likely to achieve their goal? Compare this to how well a student can expect to do on a test if they don't study. Offer to book out a vehicle for the student or teach them how to do it on the Internet.

Check Fraud and how the IRS employee got a raise

Tell the story about how Mrs. Smith changed the check from IRS to MRS. You cannot stop a burglar or fraud, but you can sure make it easier for the criminal to pick someone other than you to be their victim.