Building Wealth

Morgan Ackley
Economic Education Advisor
04/22/2021
The views expressed are my own and do not necessarily reflect official positions of the Federal Reserve System.
Agenda

- Building Wealth publication (print)
- Building Wealth lesson plans
- Resources Grades PK-8
Building Wealth Publication

An investment in knowledge always pays the best interest.

Benjamin Franklin
Building Wealth
A Beginner’s Guide to Securing Your Financial Future

Introduction: Building Wealth

1. Learn the Language
2. Budget to Save
3. Save and Invest
4. Build Credit and Control Debt
5. Protect Your Wealth
6. Review
7. Glossary
8. Wealth-Building Resource Guide

A new look for Building Wealth!
We’ve updated the characters and the content to be relevant to the financial choices we face in today’s economy.

Building Wealth: A Beginner’s Guide to Securing Your Financial Future offers introductory guidance to individuals and families seeking help to develop a plan for building personal wealth. While a comprehensive discussion of accounting, finance, and investment options is beyond the scope of the workbook, it provides an overview of personal wealth building strategies. For more information and assistance, consult the resource guide at the back.

Building Wealth materials are available at buildingwealth.org, including an online guide, a tablet guide, and classroom lesson plans.

For additional copies of this workbook (also available in Spanish), order online at buildingwealth.org or call 800-333-4460.

Building Wealth: A Beginner’s Guide to Securing Your Financial Future may be reproduced in whole or in part for training purposes, provided it is not distributed for the purpose of private gain and is appropriately credited to the Bank.
Chapter 1 - Learn the Language
Building Wealth
A Beginner’s Guide to Securing Your Financial Future

You can create personal wealth. It’s possible to meets your financial goals. By choosing to budget, save and invest, you can pay off debt, send your child to college, buy a comfortable home, start a business, save for retirement and put money away for a rainy day. Through budgeting, saving and investing, building credit and controlling debt, all these goals are within your reach.

Defining Wealth
Some people consider themselves wealthy because they live in a very expensive house and travel around the world. Others believe they are wealthy simply because they are able to pay their bills on time. What we are talking about here is financial wealth and what it means to you.

Building wealth requires having the right information, planning and making good choices. This workbook provides basic information and a systematic approach to building wealth. It is based on time-honored principles you probably have heard many times before—budget to save, save and invest, build credit and control debt; and protect the wealth you accumulate.

Some people might define wealth as:
• being able to put kids through college.
• having enough money to buy a house.

What is your definition of wealth?
1.
2.
3.

You have defined wealth. How do you acquire it?
Examples:
• Being able to put my kids through college.
• Having enough money to buy a home.
Chapter 1 – Learn the Language

Net worth is the difference between your assets (what you own) and your liabilities (what you owe). Your net worth is your wealth.

\[
\text{ASSETS} - \text{LIABILITIES} = \text{NET WORTH}
\]
Chapter 2 – Budget to Save
Budget to Save

What are your short-term and long-term goals?

My short-term goals are:
1. 
2. 
3. 

My long-term goals are:
1. 
2. 
3. 

You have set short- and long-term goals. How do you meet them?
Budget to Save – Track our Spending

<table>
<thead>
<tr>
<th>Date</th>
<th>Expense</th>
<th>Cash/Debit/Check</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/2</td>
<td>Breakfast, Get-N-Go</td>
<td>$5.50</td>
<td></td>
</tr>
<tr>
<td>1/2</td>
<td>Coffee</td>
<td>$3.75</td>
<td></td>
</tr>
<tr>
<td>1/2</td>
<td>Lunch</td>
<td>$6.75</td>
<td></td>
</tr>
<tr>
<td>1/2</td>
<td>Gas for car</td>
<td>$46.00</td>
<td></td>
</tr>
<tr>
<td>1/2</td>
<td>Drinks with friends</td>
<td>$10.00</td>
<td></td>
</tr>
<tr>
<td>1/2</td>
<td>Groceries</td>
<td>$5.00</td>
<td></td>
</tr>
<tr>
<td>1/2</td>
<td>Dinner</td>
<td>$15.00</td>
<td></td>
</tr>
<tr>
<td>1/2</td>
<td>Music</td>
<td>$10.00</td>
<td></td>
</tr>
<tr>
<td>1/3</td>
<td>Breakfast, Moonlight Diner</td>
<td>$8.50</td>
<td></td>
</tr>
<tr>
<td>1/3</td>
<td>Coffee</td>
<td>$3.75</td>
<td></td>
</tr>
<tr>
<td>1/3</td>
<td>Dress</td>
<td>$50.00</td>
<td></td>
</tr>
<tr>
<td>1/3</td>
<td>Movies</td>
<td>$15.00</td>
<td></td>
</tr>
<tr>
<td>1/3</td>
<td>Dinner</td>
<td>$15.00</td>
<td></td>
</tr>
<tr>
<td>1/4</td>
<td>Breakfast, Get-N-Go</td>
<td>$5.50</td>
<td></td>
</tr>
</tbody>
</table>
## Gabby’s Monthly Budget

<table>
<thead>
<tr>
<th></th>
<th>Current income</th>
<th>Income changes</th>
<th>New budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take-home pay</td>
<td>$2,600</td>
<td></td>
<td>$2,600</td>
</tr>
<tr>
<td>Overtime pay</td>
<td>$40</td>
<td></td>
<td>$40</td>
</tr>
<tr>
<td>Pension, Social Security benefits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alimony/child support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>$2,600</strong></td>
<td><strong>$40</strong></td>
<td><strong>$2,640</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Current expenses</th>
<th>Spending changes</th>
<th>New budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>$750</td>
<td>$750</td>
<td>$750</td>
</tr>
<tr>
<td>Renter’s insurance</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Utilities</td>
<td>$155</td>
<td>$155</td>
<td>$155</td>
</tr>
<tr>
<td>Telephone</td>
<td>$100</td>
<td>$100</td>
<td>$100</td>
</tr>
<tr>
<td>Cable TV/Internet service</td>
<td>$75</td>
<td>$-20</td>
<td>$55</td>
</tr>
<tr>
<td>Insurance (life, disability)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Charitable donations</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Credit card payment</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
</tr>
<tr>
<td>Groceries</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
</tr>
<tr>
<td>Clothing</td>
<td>$130</td>
<td>$-30</td>
<td>$100</td>
</tr>
<tr>
<td>Day care/tuition</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Car loan</td>
<td>$300</td>
<td>$300</td>
<td>$300</td>
</tr>
<tr>
<td>Car insurance</td>
<td>$75</td>
<td>$75</td>
<td>$75</td>
</tr>
<tr>
<td>Gas for car</td>
<td>$145</td>
<td>$-20</td>
<td>$125</td>
</tr>
<tr>
<td>Meals out &amp; entertainment</td>
<td>$425</td>
<td>$-50</td>
<td>$375</td>
</tr>
<tr>
<td>Miscellaneous daily expenses</td>
<td>$100</td>
<td>$-50</td>
<td>$50</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$2,685</strong></td>
<td><strong>$-170</strong></td>
<td><strong>$2,515</strong></td>
</tr>
<tr>
<td><strong>Monthly net (income – expenses)</strong></td>
<td><strong>$0</strong></td>
<td>$125</td>
<td></td>
</tr>
<tr>
<td><strong>Available to save or invest</strong></td>
<td><strong>$0</strong></td>
<td>$125</td>
<td></td>
</tr>
</tbody>
</table>
Chapter 3 – Save and Invest
Save and Invest

- Compound interest
- Risk and return
- Saving accounts
- Investment pyramid
- Tools for saving
- Tools for investing
  - diversification
  - Savings bonds
  - Treasury bills
  - Stocks
  - Retirement accounts

The Compound Interest Advantage

Value of savings

Examples assume $125 monthly deposits; the compound interest examples assume monthly compounding.
NOTE: Information not intended as specific individual investment advice.

SOURCES: Adapted from National Institute for Consumer Education, Eastern Michigan University; AIG VALIC.
<table>
<thead>
<tr>
<th>#</th>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Build Credit and Control Debt</td>
<td>16</td>
</tr>
<tr>
<td>5</td>
<td>Protect Your Wealth</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>Review</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>Glossary</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Wealth-Building Resource Guide</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Tools for Building Wealth</td>
<td>33</td>
</tr>
</tbody>
</table>
Building Wealth

A Beginner’s Guide to Securing Your Financial Future

Building Wealth is a personal finance education resource that presents an overview of wealth-building strategies for consumers, community leaders, teachers and students.

For Consumers

For Community Leaders

For Teachers

For Students
Building Wealth – Available in Spanish
Online resources
• Who’s Who
• Chapters
• Resources & Tools

Welcome to the Building Wealth online guide.

This Dallas Fed financial education resource provides basic guidance to individuals and families who wish to develop a plan for building personal wealth. Get started with the Introduction.
Track Day-to-Day Spending

In order to create wealth, it's important to become more of a doer, like Sonya, and plan for your financial future. To start, look at your finances to see how much money you make and how you are spending it. Keep track of your daily spending, whether by cash or debit card, check or credit card.

Here are some examples.

<table>
<thead>
<tr>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anthony</td>
</tr>
<tr>
<td>Bess</td>
</tr>
<tr>
<td>David</td>
</tr>
<tr>
<td>Gabby</td>
</tr>
<tr>
<td>Sonya</td>
</tr>
<tr>
<td>Vince</td>
</tr>
</tbody>
</table>

After tracking where her money was going every day, Gabby realized that she could reduce her spending and put more toward her wealth-creation goals.

Take a look at Gabby's spending log.

Track Your Daily Spending

Using Gabby's spending log as an example, record your daily expenses online, or download a spreadsheet or PDF of the blank day-to-day spending form. Include everything you purchase—whether with cash, debit card, check or credit card.
Teacher Resources
Teacher Resources

Budget to Save
1. The Balance Sheet
2. Developing a Budget

Save and Invest
3. Put It in the Bank (New)
4. Owning Versus Renting (New)

Save and Invest
Put It in the Bank
Lesson PDF | Procedure PDF

Assesments
- Tic-Tac-Toe Choice Board PDF
- Quiz PDF

Handouts
- Guided Notes PDF
- Bank Comparison Chart PDF
- Bank Reconciliation PDF
- Interest Rates and the Rule of 72 PDF
Lesson 1 – The Balance Sheet
What does building wealth mean to you?
An asset is anything you own that has commercial or exchange value.

- Savings
- Land
- Computers
- Vehicles

A liability, also called debt, is money you owe, such as:

- Music streaming subscription
- Car loan
- Payment plan for cell phone
- Student loans

Wealth-Creating Assets
Possessions that generally increase in value over time or provide a return.
Examples: stocks, bonds, real estate and savings accounts

Depreciating Assets
Possessions that decrease in value over time.
Examples: cars, televisions, phones, and laptop computers
Asset or Liability?

Read the following scenarios, discuss them with your team and identify items that are assets and liabilities.
Jose 25, Freelance app developer

As you read, think about what items belong in Jose’s balance sheet.

He has developed games for the iPhone, which enabled him to earn the money to pay cash for a small condo and a new car. He also has developed and copyrighted a mobile app that tracks the movement of the continents in real time, but it hasn’t paid off yet.

Jose doesn’t have a savings account, and he finds that his living expenses currently exceed his income. He has had to use his two credit cards to pay for living expenses until he gets more money coming in. He recently upgraded his television and sound system and took advantage of the retailer’s 36-month no-interest offer.
Jose
Freelance app developer

- Condo
- Credit card debt
- Store-financed home theater
- New car
- Copyrighted mobile app
Handout 1: Real-Life Balance Sheets

Asset or Liability?

**Jose**
Freelance App Developer
- Condo
- Credit card debt
- Store-financed home theater
- New car
- Copyrighted mobile app

**Maria**
Loan Officer
- Home mortgage
- Car loan
- Student loan
- Retirement account

**Andrea**
College Sophomore
- Savings account
- Credit card balance
- Car
- Bobblehead collection
- $13,000 bank loan

**Sam**
Engineer
- Company stock
- Car
- Boat loan
- Medical bills
- Co-signed a loan
- Credit card balance

**Isabella**
Analyst
- College loans
- Credit card balance
- Inheritance
- Savings account

**Henry**
Retiree
- Retirement accounts
- House
- Medical bills
- Graduate school loan
- RV loan
Jose
Freelance app developer

Assets
- Condo
- New car
- Copyrighted mobile app

Liabilities
- Credit card debt
- Store-financed home theater
Transfer of Knowledge

First, sort the items into their correct category

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings account from summer job</td>
<td>$750</td>
</tr>
<tr>
<td>Balance due on prom dress</td>
<td>$200</td>
</tr>
<tr>
<td>Saving bond</td>
<td>$150</td>
</tr>
<tr>
<td>Owed to mom for cell phone</td>
<td>$120</td>
</tr>
<tr>
<td>2012 car</td>
<td>$3500</td>
</tr>
<tr>
<td>Video games</td>
<td>$200</td>
</tr>
<tr>
<td>Balance due on car loan</td>
<td>$1500</td>
</tr>
</tbody>
</table>

Sandra’s Balance Sheet

Wealth-Building Assets

Depreciating assets

Total assets

Liabilities

Total liabilities

Total assets

Total liabilities

Assets – Liabilities = Net Worth
Next, do the math to find Sandra’s **total assets** and **total liabilities**.
### Handout 2: Real-Life Balance Sheets

#### Try It on Your Own

**Daniel's Balance Sheet**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking account</td>
<td>$900</td>
</tr>
<tr>
<td>Balance due on new cell phone</td>
<td>$500</td>
</tr>
<tr>
<td>College savings account</td>
<td>$500</td>
</tr>
<tr>
<td>Balance due on annual gaming membership</td>
<td>$500</td>
</tr>
<tr>
<td>Laptop computer</td>
<td>$500</td>
</tr>
<tr>
<td>Balance due on laptop computer</td>
<td>$600</td>
</tr>
</tbody>
</table>

**Sandra's Balance Sheet**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings account from summer job</td>
<td>$750</td>
</tr>
<tr>
<td>Prom dress credit card balance</td>
<td>$200</td>
</tr>
<tr>
<td>Savings bond</td>
<td>$150</td>
</tr>
<tr>
<td>Owned to mom for cell phone</td>
<td>$100</td>
</tr>
<tr>
<td>2013 car</td>
<td>$5,600</td>
</tr>
<tr>
<td>Video games</td>
<td>$300</td>
</tr>
<tr>
<td>Car loan balance</td>
<td>$1,500</td>
</tr>
</tbody>
</table>

**Question #1 Sandra**

**Daniel**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking account</td>
<td>$900</td>
</tr>
<tr>
<td>Cell phone balance</td>
<td>$500</td>
</tr>
<tr>
<td>College savings account</td>
<td>$500</td>
</tr>
<tr>
<td>Balance due on annual gaming membership</td>
<td>$500</td>
</tr>
<tr>
<td>Laptop computer</td>
<td>$500</td>
</tr>
<tr>
<td>Balance due on laptop computer</td>
<td>$600</td>
</tr>
</tbody>
</table>

**Question #2 Daniel**

---

Federal Reserve Bank of Dallas
Lesson 2

Budget to Save—Developing a Budget
What are SMART goals?

Specific
Measurable
Attainable
Relevant
Timely
For each time frame, set one personal and one financial goal.

Use assessment 1 to record your answers.

End of semester  End of summer  1 year
Creating a Budget

How can you meet your goals?
A **budget** is an action plan to help you meet your financial goals.

A **budget** can help you:

- Understand where your money goes.
- Identify your needs and wants.
- Meet your savings goals.
To develop a **budget**, you need to:

- Create goals.
- Track expenses.
- Categorize needs and wants.
Handout 1

Consumption Log

Before class: Use this chart to write down EVERYTHING you consume in the next one to two weeks. Whether it is a $75 item of clothing or a $1 candy bar, write it down. Even if someone else pays for the items you consume, write it down. This is the first step of budgeting.

<table>
<thead>
<tr>
<th>Date</th>
<th>Expense</th>
<th>Amount</th>
<th>Need</th>
<th>Want</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>
Assessment 2

Where Am I Going?

- Document the sources and amounts of income that allowed you to make purchases while tracking your consumption.
- Record your expenses below. You can use general spending categories like “eating out” or “entertainment” if needed.
- Look for ways to increase income and/or decrease expenses so that you begin to save or increase your savings. Keep in mind your financial goals. Is there something you have been buying that you could live without?
- Remember, keep your budget realistic and include everything. Make plans that you can live with week after week.

<table>
<thead>
<tr>
<th>Assets</th>
<th>Current income</th>
<th>Income changes</th>
<th>New income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Total income</td>
<td>$</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Liabilities</td>
<td>Current expenses</td>
<td>Spending changes</td>
<td>New expenses</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>
Building Wealth

In the Classroom

Lesson 3

Save and Invest—Put It in the Bank
Try it on your own

Handout 4: Interest Rates and the Rule of 72

Use the online compound interest rate calculator from www.investor.gov to solve the investment/savings scenarios.
Use the bank comparison chart below to research and compare different types of bank accounts.

**Directions:** Pick three different banks and compare account features, fees, minimum opening deposit and minimum daily balance.

<table>
<thead>
<tr>
<th>Bank name</th>
<th>Checking</th>
<th>Saving</th>
<th>Money market</th>
<th>Certificate of deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Maria’s receipts

Music Streaming Service LLC

RECEIPT
May 1 $10.15
Subtotal $10.15
Tax $0.84
Total $10.99

Cellphone Service

Summary

MOVIE LIGHTS 17

Feature Film May 7
Screen Raw Seat
15 C 12
Admission $15.05

MOVIE LIGHTS 17

Fuel & Go

May 20
Gas $26.33

MOVIE LIGHTS 17

May 7
Soda $4.73
Popcorn $6.49
Subtotal $11.22
Tax $0.92
Total $12.14

ATM Withdrawal

May 24
Customer Card
8888888888888888

BW Café May 26
1 Belgian Waffle $6.25
1 Side Hash Browns $1.79
1 Orange Juice $1.90

Corner Quickstop

May 8
1 Pack of Gum $0.90
1 Bag of Chips $2.75
1 Bottle of Water $1.50

Debit Card

0000 0000 0000 0000
Maria

Federal Reserve Bank of Dallas
Lesson 3—Assessment 1
Tic-Tac-Toe Choice Board

Click on the links below and complete your tic-tac-toe choice board to learn more about savings and banking. Circle or highlight your choices. When you are finished, answer the questions on the next page to reflect on what you learned.

<table>
<thead>
<tr>
<th>Banking Methods Infographic</th>
<th>Covid-19 and Banking Reading</th>
<th>Mexico and Digital Banking Infographic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lost or Stolen Debit Card?</td>
<td>FREE CHOICE</td>
<td>FDIC Coverage Video</td>
</tr>
<tr>
<td>Reading</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How Banks Make Money Video</td>
<td>Savings and Investing Infographic</td>
<td>Survey of Economic Well-Being in 2019 Reading</td>
</tr>
<tr>
<td>-vs- Credit Unions Reading</td>
<td></td>
<td>How Racial Inequality Manifests in the U.S. Banking System Podcast</td>
</tr>
</tbody>
</table>

Lesson 3—Assessment 2
Quiz

1. Use the terms below to complete the flowchart, labeling all boxes.

<table>
<thead>
<tr>
<th>Banks</th>
<th>Pay Interest</th>
<th>Deposit</th>
<th>Lend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td>Savers</td>
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<tr>
<td>Borrowers</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

2. What are the benefits of saving money at a bank?

3. Define “interest” in your own words.

4. What is the difference between simple and compound interest?

5. Use the Rule of 72 to answer the question. If you save $500 in an account that pays 3 percent annual interest, how many years will it take for your savings to double in value?

Vocabulary matching
1. ___ Person who does not have a checking, savings or money market account
   - A. Digital bank
2. ___ Bank that delivers products and services remotely through electronic channels.
   - B. Interest
3. ___ Percentage charged for a loan or the percentage paid on a savings account.
   - C. Unbanked
4. ___ Fee for the use of money over time or money earned on a savings account.
   - D. Loan
Building Wealth
In the Classroom

Lesson 4

Save and Invest—Owning Versus Renting

Federal Reserve
Bank of Dallas
Renting

Up-front costs
Renters insurance
Lease agreement
Responsibilities
Owning

Property value
Mortgage loan
Homeowners insurance
Equity

Responsibilities of homeownership
Risks of homeownership
Lesson 4—Extension Activity

Examples of Housing Discrimination

The U.S. Department of Housing and Urban Development (HUD) Office of Fair Housing and Equal Opportunity (FHEO) works to eliminate housing discrimination and promote civil rights and economic opportunity through housing. FHEO enforces fair housing laws. One of its roles is to investigate complaints of housing discrimination.

Instructions: Read through the examples of housing discrimination from HUD below. After reading each example, answer the questions on the next page.

Discrimination Isn’t Always Obvious—Example #1

John, who is a Black man, speaks to a prospective landlord on the phone about leasing an apartment. On the phone, the landlord seems eager to rent to John, but when John meets with the landlord in person to fill out an application, the landlord’s attitude is entirely different. A few days later, John receives a letter saying that his application was denied because of a negative reference from his current landlord. John is surprised because he never had problems with his landlord, and his landlord swears she was never contacted for a reference. John suspects that the real reason he was denied the apartment was because he is Black, so John files a complaint with HUD. HUD investigates and it turns out John is right; the landlord’s files show a pattern of discrimination because of race and color.

Discrimination Isn’t Always Obvious—Example #2

Jane is a Muslim woman who wears a hijab. Jane walks into the leasing office for a large apartment building because she saw a sign in the building’s window advertising several available units. Jane introduces herself to the leasing officer, who immediately says there are no units available. Jane asks to be put on the waiting list, but she never receives a call. Jane files a complaint with HUD because she suspects that the leasing officer does not want to rent to her because she is Muslim. HUD investigates and it turns out Jane is right; other employees of the building give HUD information that substantiates Jane’s claim of religious discrimination.

Steering Is a Form of Discrimination
Instructions: Create a one-to-two-minute video to explain whether you would prefer to lease or buy a property at the age of 25. Explain the benefits and costs you will need to consider if you lease or buy, and include what short-term and long-term goals will help you achieve this goal. Use the template below to create a script for your video.

Video Template

1. Introduce yourself.

2. Explain why you would choose to lease or buy. Provide personal examples that justify your choice.

3. What did you consider when making this choice? Why does it matter to you?

4. Explain the benefits and costs of your choice.

5. Include which risks concern you the most and why.
Building Wealth

In the Classroom

Lesson 5

Save and Invest—The Role of Financial Markets
Savings

Examples of savings categories for short-term needs.

- Down payment for a car.
- Vacation.
- College.
- Computer.
Savings

**Emergency savings** is money set aside for unforeseen events such as:

- Home and car repairs.
- Job loss.
- Emergency dental work.
- Natural disaster.
- Long-term illness.
- Emergency travel.
Emergency savings

Trey 17, Senior in High School

As you read, think about how you can help Trey develop a plan to save $1,000. Use Handout 2 to record your answers.

Trey has a part-time job earning $750 a month and has saved $600 for college. The money is held in a checking account.

Trey would like to develop a plan to save an additional $1,000 in the next eight months for emergencies before starting community college next year.

Monthly Emergency Savings Budget

| Total Income | $750 |
| Expenses | |
| Cellphone plan | $62 |
| Music streaming subscription | $12 |
| Lunch 4x week (59.75 x 16) | $156 |
| Gas 2x month ($28 x 2) | $56 |
| Car insurance | $141 |
| Entertainment ($25 per week) | $100 |
| Gym membership | $25 |
| Clothing or shoes | $150 |
| Coffee 2x week ($6 x 8) | $48 |
| Total expenses | $750 |
| Total income | $750 |
| Total expenses | $750 |
| Income - expenses = savings | $0 |
Building Wealth
In the Classroom

Up Next: Lesson 6

Save and Invest—Bonds, Stocks and Mutual Funds

Federal Reserve
Bank of Dallas
Literature Based Lessons – Kansas City Federal Reserve

- PK-5
  - Bunny Money
  - Sweet Potato Pie
  - Those Shoes
- 6-8
  - Crenshaw
  - Isabel’s Car Wash
- 9-12
  - Twenty-two Cents: Muhammad Yunus and the Village Bank
Literacy Based Lessons – Parent Q&A’s

- Resources for parents with children 5-10 years old.
  - A Chair for My Mother.
  - Curious George Saves His Pennies.
  - You Can’t Buy a Dinosaur With a Dime.
  - Just Saving My Money.
- *My Money* is an education workbook for students in elementary school.
  - Topics include: money, coin equivalents, jobs, goods, services and barter

- *Piggy Bank Primer* - Through a story and activities, the book introduces children to economics and financial literacy concepts.
  - Topics include: saving, spending, budgeting, wants, goods, services and opportunity cost.
Dollars & Sense Budgeting Game
New York Fed - Comic Books
Money Monsters Stories
- Learn about careers.
- Learn to become good borrowers.
- Learn to protect their things.
- Learn to save.
- Learn what things really cost.
Questions

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