



FoolProof

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Use Caution. Question Sellers. Rely on Research.

Mike Sheffer
Director of Education

FoolProof Teacher Guide

Module 8

Burning Money Series

Intro

“Burning Money”

Please do not begin the Burning Money module until you have thoroughly reviewed this introduction.

Burning Money currently consists of an introductory “episode,” four main episodes, and a 45-minute comprehensive test. The introductory episode takes about 15-30 minutes and the remaining episodes take about 45-90 minutes of lab time. The test can normally be completed in one 45-minute lab session.

An important FoolProof feature: *students can work at their own pace on any of the episodes. Students can stop at any time, and then come back to the same place another day, or even from a home computer.*

Critical preparation: students need to track their income and expenses for seven days at the very beginning of the Burning Money series. This “Spending Journal assignment” is the backbone of Module 8 and becomes the key teaching tool in all Burning Money Episodes. We provide you a printable spending journal in your teacher panel.

The Spending Journal assignment uses individual student’s actual income and expense records to help each student analyze personal spending habits.

Because the students need seven full days to record their spending habits, it’s important that you *schedule a seven day “Burning Money Break” after the first Burning Money session.*



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Here's a suggested schedule for launching the series:

- 1. Before beginning, make sure you have printed enough spending journals for your entire class.** You can find the printable spending journal in the teacher panel. You can also ask your sponsoring credit union to provide you printed spending journals.

- 2. In the first lab session, have your students work through both the introductory Burning Money episode and Episode 1.** These two episodes prepare your students for the Spending Journal Project, and allow them to practice online entries using their online spending journals.
 - FoolProof presents this spending journal project to your students as a major test. Emphasize with your students that each student will be graded on the thoroughness of his or her journal.
 - Hand out the printed version of the spending journal at the end of this first lab session, and discuss the journal with the class.

- 3. Take a seven-day Burning Money break.** Please do not begin Burning Money's Episode 2 until all students have completed their spending journal project and entered their records from the printed Spending Journal into their online Spending Journal.
 - Each day during the Burning Money break remind your students about the importance of keeping thorough records, and encourage student questions.
 - Many students will have problems keeping their spending journal. Be prepared to discuss problems in your class during the seven-day break.
 - Students can make their online journal entries at home, but you will still need to allow lab time for many students to make their entries.
 - Some students will not have any expenses for the week. We provide you a "Virtual Income & Expenses sheet" for these students that gives them sample expenses. This sheet can also be found in your teacher panel.



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4. Schedule episodes 2 through 4 and the comprehensive test.

- **Consider scheduling two lab sessions for Episode 2.** Many students will need a lab session to complete their online journal entries.
- Episodes 3-4 require 45-90 of lab time each.
- The comprehensive test is normally completed in one 45-minute lab session.

Testing:

The seven-day "Spending Journal Assignment" should be considered a major test in this series.

- Collect the spending journal when the "budget week" is up.
- The students' grade should be based on whether or not the students have thoroughly kept records for seven days. Very thorough record keeping is the criteria for a good grade.
- Please do NOT grade the student on their spending habits.
- At the end of episode 4, we provide a single and very thorough self-grading test that covers episodes 1 through 4.



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Module 8

Burning Money Series

Episode 1

“Commence Destruction!”

Lesson: “Commence Destruction!” introduces the concept that money is a limited and perishable resource. We spend our lives trying to accumulate it...but once we’ve spent it, it’s gone.

Time: 45-90 minutes. Students can work at their own pace and stop at any time, if a lab session is ending, but come back to that same location.

Two parts: Pre-teach & Post-teach

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- Your class should have completed the introductory Burning Money episode, which runs 15 minutes, before starting this episode.
- This episode should be used on the same day as the introductory episode.
- ***Before you begin this episode, you must either print copies of the FoolProof Spending Journal for your students or, if you have a sponsoring credit union, ask your sponsoring credit union to provide copies.***



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1. Lesson Description

“Commence Destruction” is the first of FoolProof’s lessons on managing money. This episode is based on the reality that all of us, teachers and students, need to accept responsibility for our spending decisions.

The core lessons taught in the episode:

- How to determine if an expense is fixed or variable.
- Recognizing good from bad “money burns.”
- Learning the importance of record keeping in the budgeting and saving process.
- How to get in the habit of keeping detailed records of income and expense.
- How a savings plan and a budget work hand-in-hand to create a very practical plan of action for maximizing the value of your money, however much you make.

2. Objectives

Knowledge Objectives

Students will be better able to:

- Identify the difference between fixed and variable expenses.
- Identify their spending habits and trends.
- Understand the importance of good record keeping in the budgeting process.
- Critically evaluate a detailed spending journal.
- Comprehend and identify the importance of good saving habits.
- Understand the concept of a monthly budget and saving plan.



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Skills Objectives

Students will be better able to:

- Analyze good from bad “money burns.”
- Analyze the risk of poor spending habits.
- Compare and contrast fixed and variable expenses.
- Explain factors that affect the ability to budget.
- Explain the process of creating a spending journal.

Attitude Objectives

- Students will feel they have a good general understanding of the difference between fixed and variable expenses.
- Students will feel they have a fundamental knowledge of a bad “money burn.”
- Students will feel they have control of their spending through the use of a spending journal.

3. Classroom Methods

Burning Money is the sixth FoolProof Module. This module can be undertaken without first going through the preceding five FoolProof modules, but we suggest that you have your students complete modules one-five modules before beginning Burning Money.

Check for comprehension by looking at the students’ FoolProof test results and by your own evaluations.



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Ask your class:

- “Do you have any idea where your money goes?”
- “Where does your money come from?” Parents, job, savings from birthday gifts, etc.?
- Could you track your money for one week just to see where it all goes?
- Would it be valuable to you if you could learn how to hang onto more of your money?
- Would you be interested in that?

4. Evaluation

- “Commence Destruction” has several turnkey review procedures throughout the module.
- “Commence Destruction” contains an interactive spending journal that must be completed before students proceed to the next module.
- To further check for understanding, “Commence Destruction” has numerous teaching points within the episode that can be expanded upon to enhance your student’s knowledge.

Optional Research Assignment

This episode uses a comparison of expensive designer jeans vs. standard jeans as a way of teaching “want” versus “need.” Have a team of students do research on the similarities of a standard clothing item to a supposedly better, more sought after designer item.

Print the student spending journal from the teacher section.

Printing instructions:

- The journal can be printed in color or black and white.
- The journal runs 8 single-sided pages or four double-sided pages.
- Print extra copies.



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If you have students that honestly don't have any expenses during a week: In testing, we've found that some students don't have any money to spend during a week.

- So that these students can still benefit from the "Spending Journal" exercise, we provide you a "Virtual Income & Expenses sheet" that you can give to these students. Like the regular spending journal, the sample expenses document is also available for printing in the teacher panel.
- Since many students would prefer using the virtual income & expenses in the exercise rather than having to go to the trouble of keeping their own expenses, we recommend that you make sure a copy of this expense sheet only goes to students who genuinely don't have expenses during a week.
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Module 8

Burning Money Series

Episode 2

“Work Harder! Make Less!”

Lesson: “Work Harder! Make Less!” presents two key FoolProof Concepts:

- Every unwise or unnecessary expenditure is equivalent to taking a pay cut.
- Every unwise or unnecessary expenditure requires you to work more hours to make up for money spent foolishly.

Time: 60-90 minutes

Two parts: Pre-teach & Post-teach

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1. Lesson Description:

“Work Harder! Make Less!” reinforces the critical importance of early financial planning in high school. This episode immerses the student in interactive exercises that show the consequence of bad consumer decisions on various areas of life.

The core lessons taught in the episode:

- Money habits developed in high school will have an enormous impact on the quality of life after high school—whether continuing on to college or entering the workforce work.
- Poor budgeting and savings habits developed early in life can impact spending decisions negatively throughout life.
- This episode uses highly interactive programs to highlight the following topics:
 - Credit problems have a huge negative impact on every part of our financial life. Even the smallest mistake can cause credit problems.
 - The “RealityGame” allows students to experience first-hand how tough it is to survive in the real world without budgeting, saving and critical thinking skills.
 - Check writing, and bill-paying skills and the impact of poor credit on the amount of your bills.
 - The critical importance of doing homework before spending money.
 - Unexpected expenses can have a great impact on finances. How budgeting and saving are the best way to prepare for these expenses.
 - Many times, we do not even know we’ve thrown money away.



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2. Objectives

Knowledge Objectives

Students will be better able to:

- Understand the impact of paying late on their credit score.
- Understand the continuing impact ones' credit score has on many areas of life, from employment, to housing and insurance.
- Understand the difference between gross and net pay, and the impact that difference makes on life.
- Understand the budgeting process, its complexity, and the impact of bad decisions on the budgeting process.
- Identify why "bad" money burns happen.
- Calculate how one bad decision can lead to months or years of extra expense.
- Explain the role of the free enterprise system and the responsibilities that system places on the consumer.
- Discover the critical importance of comparison shopping, and doing their homework before making a purchase.
- Confirm proficiency in check writing and account balancing skills. (FoolProof's Checking and Debit Account exercises in the "Boxing Practice" module offer a complete tutorial on check writing, a good prerequisite to this episode.)

Skills Objectives

Students will be better able to:

- Analyze the continuing impact credit scores have on many areas of life, from employment, to housing and insurance.
- Identify the difference in gross and net pay, and the impact that difference makes on life.
- Comprehend the budgeting process, its complexity, and the impact of bad decisions on a successful budget.
- Discover the critical importance of comparison shopping, and doing their homework before making a purchase.

Attitude Objectives

- Students will have a feeling of accomplishment when they complete the “RealityGame” project and become comfortable with the complexity of budgeting.
- Students will feel more confident that they are capable of mature saving and budgeting decisions and can be confident that good decisions are worth the effort.
- Students will feel they have the fundamental knowledge and understand the critical importance of comparison shopping, and doing their homework before making a purchase.
- Students will feel they have the skills necessary to calculate how one bad decision can lead to months or years of extra expense.

3. Classroom Methods

This episode should follow Episode 1 because of the continuity of the subject matter. Concepts will flow from Episode 1 to Episode 2.

Check for understanding by looking at the students’ FoolProof test results in the class progress section, and by your own evaluations.

Ask your class this question:

Where does your money come from? How many of you have jobs? Do you want to work harder and make less? How can that happen?

- Have students create a class list of how it would be possible to work more and get paid less.
- Post the list during the time your students are working through Episode 2.
- Use the list as reference when a teaching point comes up. Your students will be surprised how much money is wasted by not making good financial decisions.



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4. Evaluation

“Work Harder! Make Less!” has interactive episode questions and review sections.

To further check for understanding, “Work Harder! Make Less!” has numerous teaching points within the episode that can be expanded to enhance your student’s knowledge.

Optional Research Assignments:

- Have a group of students compare the messages and claims some companies make for their products or services to the messages and claims consumer groups say about the same products and services. Suggested topics: Tanning bed companies; auto manufacturers; fast-food companies; hotels and/or vacation destinations; credit card companies; “Debt reduction” companies; “Buy here/Pay here” companies.
- Have a group of students compare the cost of credit cards using the premise of “good and bad” credit cards. Find examples of very “bad” credit cards.
- Have a group of students do a “reverse savings” presentation where the students take the total amount of “bad burns” for the entire class and determine how much money was wasted and could have been saved if put into a savings account.

Important note: *students should not start Episode 3 until they have completed their seven-day spending journal project.*

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FoolProof Teacher Guide

Module 8

Burning Money Series

Episode 3

“Work Less! Make More!”

Lesson: “Saving money is the same as earning money, but you work less!” That’s the big message in Episode 3.

- Each student’s individual seven-day Spending Journal will illustrate the principle that regardless of how much money you make, it will go further if you “burn” it wisely.
- This episode emphasizes the importance of paying yourself first and saving regularly as a life-long habit.

Time: 60-90 minutes

Two parts: Pre-teach & Post-teach

Note: This guide is, of course, only a suggestion. Feel free to modify it as needed, and please feel free to share with us your own teaching ideas for FoolProof!

1. Lesson Description



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“Work Less! Make More!” utilizes each student’s individual seven-day “Spending Journal” to illustrate many budgeting and saving principles. Custom software allows each student to review their expenses and determine how much they could have saved if they had spent money more wisely.

The core lessons taught in the episode:

- Savings can help you pay for unexpected expenses.
- The difference between “wants” and “needs”. Each student evaluates their own expenses during the seven days to determine which were “wants” rather than “needs.”
- An interactive exercise on fixed and variable costs helps students determine which of their expenses during the seven days were fixed or variable. They can then decide which expenses could have easily been lowered.
- The ease in which many variable expenses can be lowered.
- The dangers of impulse buying. Each student identifies which of his or her expenses were impulse purchases.
- The impact of unexpected expenses on our quality of life. Each student will list his or her own unexpected expenses during past months.
- Paying yourself first. Student use examples from their own life to illustrate the importance of this lesson.

2. Objectives

Knowledge Objectives



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Students will be better able to:

- Evaluate expenses based upon “need” rather than “want”. Each student’s own expenses for the past seven days are used as examples.
- Identify the difference between fixed and variable expenses. Students use their own Spending Journal in this exercise.
- Understand how easy it is to lower many variable expenses by using critical thinking skills.
- Understand the reasons we impulse buy, and identify their own impulse purchases incurred during the seven-day expense exercise.
- Understand the impact of unexpected expenses on our quality of life. Students will list their own unexpected expenses during the past months.

Skills Objectives

Students will be better able to:

- Identify the differences between needs and wants.
- Compare and contrast the differences between fixed and variable expenses.
- Comprehend the importance of savings to cover unexpected expenses.
- Understand the negative aspects of impulse buying and how to prevent it from happening.

Attitude Objectives

- Students will have a feeling of accomplishment as they maintain and complete their seven-day Spending Journal exercise.
- Students will feel confident that making wise decisions can become a habit and therefore will be easier to do routinely.
- Students will be empowered by knowing they have control over their variable expenses and that variable expenses are normally easy to lower.

- Students will understand that saving and budgeting can have a short-term benefit rather than solely a long-term to their quality of life and ability to be independent.



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3. Classroom Methods

This Episode should follow Episode 2 due to the continuity of the subject matter. Check for understanding by looking at the students' FoolProof test results in the class progress section of the FoolProof Teacher website, and by your own evaluations.

Lesson ideas:

Your students have completed the first two episodes and the Spending Journal. They now have a better understanding of their own spending habits and the potential wastefulness of those habits.

Class Projects:

- Have students look at how much money the entire class spent—and wasted—during the seven-day spending exercise.
 - Pass out printed copies of the Spending Journal. Have students gather the expenses for each category in the journal from each student and report the total to the class. For instance, "The class spent \$200.00 on snacks."
 - Have the students determine how much money as a class they feel they could have saved during the seven days. Take each student's potential savings, as determined by the individual student software, and total the amount.
 - Have a team of students determine how much money that savings would have totaled to, if it had been kept in a savings account for a number of years. For instance, "if the class had saved that money in an interest-bearing savings

account until they were 65, the money that was wasted would then have grown to _____.



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- Have a class discussion on how they could save money.
 - For instance, asking parents to buy snacks in bulk rather than kids buying snacks from machines.
 - Going as a group to go to the matinee rather than the evening movie.

4. Evaluation

Episode 3 has numerous teaching points you can expand on to enhance your student's knowledge.

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Module 8

Burning Money Series

Episode 4

“Me? A Millionaire?”

Lesson: The accumulation of money generally doesn’t happen by luck. Brainpower also isn’t the main reason people accumulate money and others don’t. Building wealth happens when you learn skills, develop habits, and are mature enough to be disciplined.

This episode focuses specifically on budgeting skills, savings skills, spending decisions, and on the importance of planning for financial issues and retirement.

Time: 45 minutes

Two parts: Pre-teach & Post-teach

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1. Lesson Description

“Me? A Millionaire?” describes four fundamental habits that millionaires acquired during their high school years. Students discover for themselves that success with money is not luck — it is a skill.



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Concepts explained are:

- Think ahead.
- Pay yourself first.
- Make smart-money decisions a habit.
- Put your money to work for you.

The core lessons taught in the episode cover these topics:

- Planning ahead for financial issues and retirement.
- Beginning a savings plan early in life.
- Using discipline when making financial decisions.
- Understanding the difference between permanently depreciating assets and income-producing assets.
- Paying yourself first is a key habit that can be learned by anyone.
- Acquiring the habit of making smart money decisions by doing your research.
- Distinguishing the difference between biased vs. unbiased websites as sources of information and choosing the best resource for making wise financial decisions. For instance, a website that advertises for a product vs. a website with reviews from consumer advocates.
- We are ultimately responsible for our own decisions in the consumer marketplace.
- The role of consumer advocates in the consumer marketplace.
- The role of advertising in consumer decisions.
- Education can increase your earning power.
- Learning the critical role of compounding interest in building savings.

2. Objectives

Knowledge Objectives

Students will be better able to:



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- Demonstrate they understand the importance of planning ahead for financial issues and retirement.
- Understand the importance of beginning a savings plan early in life.
- Identify the importance of discipline when it comes to financial decisions.
- Comprehend the difference between investments and permanently depreciating assets.
- Understand why 'paying yourself first' is a key habit.
- Identify the difference between sources of information available to make financial decisions.
- Understand the difference when it comes to accurate information between product advertising and a product review by a consumer advocate.
- Evaluate the role of advertising in consumer decisions.

Skills Objectives

Students will be better able to:

- Plan ahead for unexpected expenses and retirement.
- Explain how education can increase earning power.
- Comprehend the concept that each consumer is ultimately responsible for his or her own decisions in the consumer marketplace.

Attitude Objectives

- Students will have confidence that they are capable of making wise decisions in the consumer marketplace.
- Students will be more likely to accept responsibility for their decisions in the consumer marketplace.

- Students will understand the critical importance of planning ahead for financial issues and retirement and will believe that they have the fundamental knowledge and skills to begin that planning.
- Students will feel they have the skills necessary to evaluate the role of advertising in consumer decisions.



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- Students will gain confidence by understanding that accumulating wealth is a skill that can be learned.

3. Classroom Methods

Episode 4, “Me? A Millionaire?” should follow Episode 3 because of the continuity of the subject matter.

Check for understanding by looking at the students’ FoolProof test results in class progress, and by your own evaluations.

Lesson ideas:

Ask your class: “Does anyone here want to be a millionaire?”

- Ask why a person would want to be rich. What are the advantages of having more money? For instance:
 - You don’t worry about paying your bills.
 - You have more freedom.
 - You can help people you care about.
 - You don’t have to stay in a bad job.
- Have the class list reasons some people are millionaires and some are not.
- Emphasize the fact that virtually all of the reasons most self-made millionaires give for their success have to do with what they learned during their teenage years.

4. Evaluation

Episode 4 “Me? A Millionaire?” has interactive episode questions and a review section. The test for this episode is included in the comprehensive test at the end of Episode 4. The test is scored for you and the results are available for your review in each student’s account.



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