

MIND
your own
BUDGET
THE APARTMENT



FINANCIAL LITERACY
STUDENT HANDBOOK





MYOB JOURNAL QUESTIONS



LESSON 1

JOURNAL ENTRY #2:

HAVE YOUR PREDICTIONS ABOUT THE GAME CHANGED OR REMAINED THE SAME?

WHAT OTHER FUTURE EVENTS OR ACTIVITIES DO YOU EXPECT WILL BE HAPPENING IN THE GAME?

WHAT DOES THE GAME TELL YOU ABOUT BEING FINANCIALLY LITERATE OR RESPONSIBLE?



HANDOUTS



FINANCIAL LITERACY SCENARIOS

LESSON 1: WHAT DOES IT MEAN TO BE FINANCIALLY LITERATE?

- SCENARIO #1** Sarah has a babysitting job and earned \$30.00 for babysitting for a family in her neighborhood. She would like to expand babysitting to other families in her neighborhood and is willing to spend \$15.00 of her earnings to have flyers printed. In spending half of her money on flyers, is Sarah being “financially literate” or not? Explain your reasoning.
- SCENARIO #2** Brian is considering several colleges to attend after high school. He has saved some money, but knows he will need much more to make it through his first year of college. He is only researching local colleges that offer multiple scholarships or low tuition costs. He is also considering living at home his first year to save money. Is Brian being financially literate or not? Explain your reasoning.
- SCENARIO #3** Ellen receives a weekly allowance. Her parents have explained that this is the only money Ellen will receive for seven days (weekly). Her parents have determined her allowance on the cost of the food in the cafeteria (\$35), and extra money for hanging out with her friends (\$20). Ellen’s parents pay for her cell phone, her clothes, and school supplies. Ellen leaves campus every day for lunch with her friends, hangs out at the mall once a week, and contributes some gas money for her friend’s car for driving her around. Her money never lasts the entire week so she is planning on asking her parents for more allowance money. Is Ellen being financially literate or not? Explain your reasoning.
- SCENARIO #4** Kristen’s mom has set up a bank checking account for Kristen’s expenses and has given Kristen a debit card to use. Kristen has overdrawn her bank account once and her mother paid for the penalty fees. She has told Kristen that if she is overdrawn again, her mother will close the account. Kristen has decided to check her account online about every three days to see if her account is getting low. Is Kristen being financially literate or not? Explain your reasoning.
- SCENARIO #5** Mathias is saving for his first car. He wants to buy a good used car after about a year. He has calculated that if he saves all of his money from his part-time job, that will pay for two-thirds of his car. For the last third of his car payment, he will ask his parents to give him a loan which he will pay back with 10% interest. Is Mathias being financially literate or not? Explain your reasoning.
- SCENARIO #6** Luke is in his first year of college and is struggling to pay his bills and all the extra expenses that he was not prepared for. He has three credit cards. To cover all of his expenses each month, he uses one of the credit cards so he won’t go in debt. He tries to rotate each credit card so there is not too much money on any one card. He is making the minimum payment on these cards. Is Luke being financially literate or not? Explain your reasoning.

NOTE ORGANIZER

LESSON 1: WHAT DOES IT MEAN TO BE FINANCIALLY LITERATE?

Name: _____

Hour: _____

SCENARIOS	WHAT IS THE FINANCIAL DECISION?	IS THIS FINANCIALLY LITERATE?	WRITE YOUR REASONING.
#1			
#2			
#3			
#4			
#5			
#6			

FRAYER MODEL

LESSON 1: WHAT DOES IT MEAN TO BE FINANCIALLY LITERATE?

The Frayer Model is a graphic organizer used for learning new vocabulary or concepts. It consists of a large rounded rectangle divided into four quadrants by a vertical and a horizontal line. In the center of the rectangle is a large oval. The quadrants are labeled as follows:

- Top-Left Quadrant:** Definition
- Top-Right Quadrant:** Characteristics
- Bottom-Left Quadrant:** Examples
- Bottom-Right Quadrant:** Non-Examples

The central oval is currently empty and is intended for students to write the key term or concept being studied.

MULTIMEDIA PROJECT:

SIX POINT PRESENTATION OF A COMMUNITY NON-PROFIT ORGANIZATION

LESSON 3: THE POWER OF GIVING

Name: _____

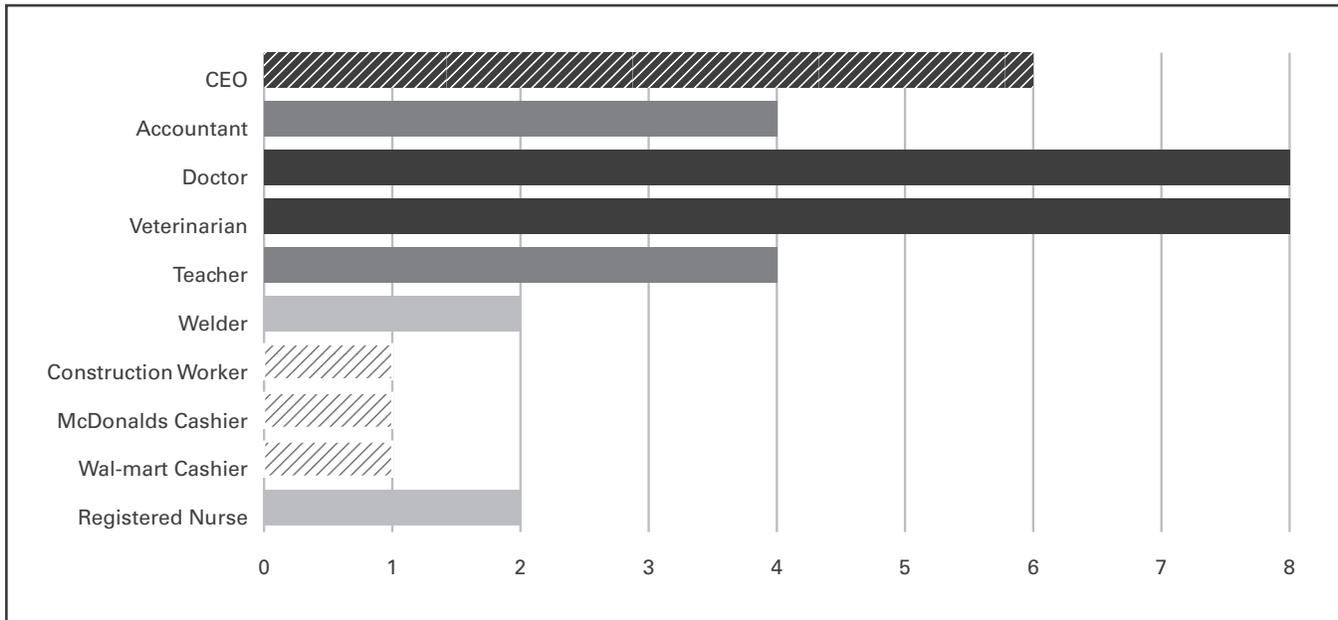
Hour: _____

CATEGORY	5	4	3	3
PRESENTATION	Presentation is informational but attractive and colorful. It includes pictures or graphic representations. Student presenters can explain all information on the power point.	Presentation is informational, attractive and colorful. Student presenters may have a little difficulty explaining all the information.	Presentation is full of information but is not presented in useful and understandable way. When students are asked what the information means, they cannot explain it.	Delivery not smooth and audience attention often lost. Presentation is missing vital information about the organization.
CONTENT	Covers topic in-depth with details and examples. Subject knowledge is excellent.	Includes essential knowledge about the topic. Subject knowledge appears to be good.	Includes essential information about the topic but there are 1-2 factual errors.	Content is minimal OR there are several factual errors.
MISSION & FOUNDING	The presentation explains the mission clearly and simply in understandable language and identifies when this organization started in this community.	The presentation explains the purpose of the organization and its recipients.	The presentation explains the purpose of the organization.	The presentation does not clearly explain the purpose of this organization nor its recipients.
PURPOSE	The presentation clearly explains the purpose of the organization, its recipients, and how many community members it serves.	The presentation explains the purpose of the organization and its recipients.	The presentation explains the purpose of the organization.	The presentation does not clearly explain the purpose of this organization nor its recipients.
FUNDING	The presentation explains the funding sources of the organization, how much money they operate on annually.	The presentation explains the funding sources and their operating expenses but not in great detail.	The presentation explains their funding sources but not operating expenses.	The presentation fails to explain the funding sources or its operating expenses for this organization.
NEEDS	The presentation identifies the current needs of this community organization and how people can help.	The presentation identifies the current needs of this community organization.	The presentation does not include the current needs of the organization OR how people can help.	The presentation does not include the needs of the organization AND how people can help.

EDUCATIONAL REQUIREMENTS

LESSON 2: HOW DO MY CHOICES EFFECT MY FUTURE?

JOB TITLE	EDUCATION REQUIREMENTS				
	Hs Diploma	Associates	Ba Degress	Masters	Doctorate
CEO				X	
ACCOUNTANT			X		
DOCTOR					X
VETERINARIAN					X
TEACHER			X		
WELDER		X			
CONSTRUCTION WORKER	X				
MCDONALD'S CASHIER	X				
WAL-MART CASHIER	X				
REGISTERED NURSE		X			
MILITARY SERVICE (YR. 1)	X				

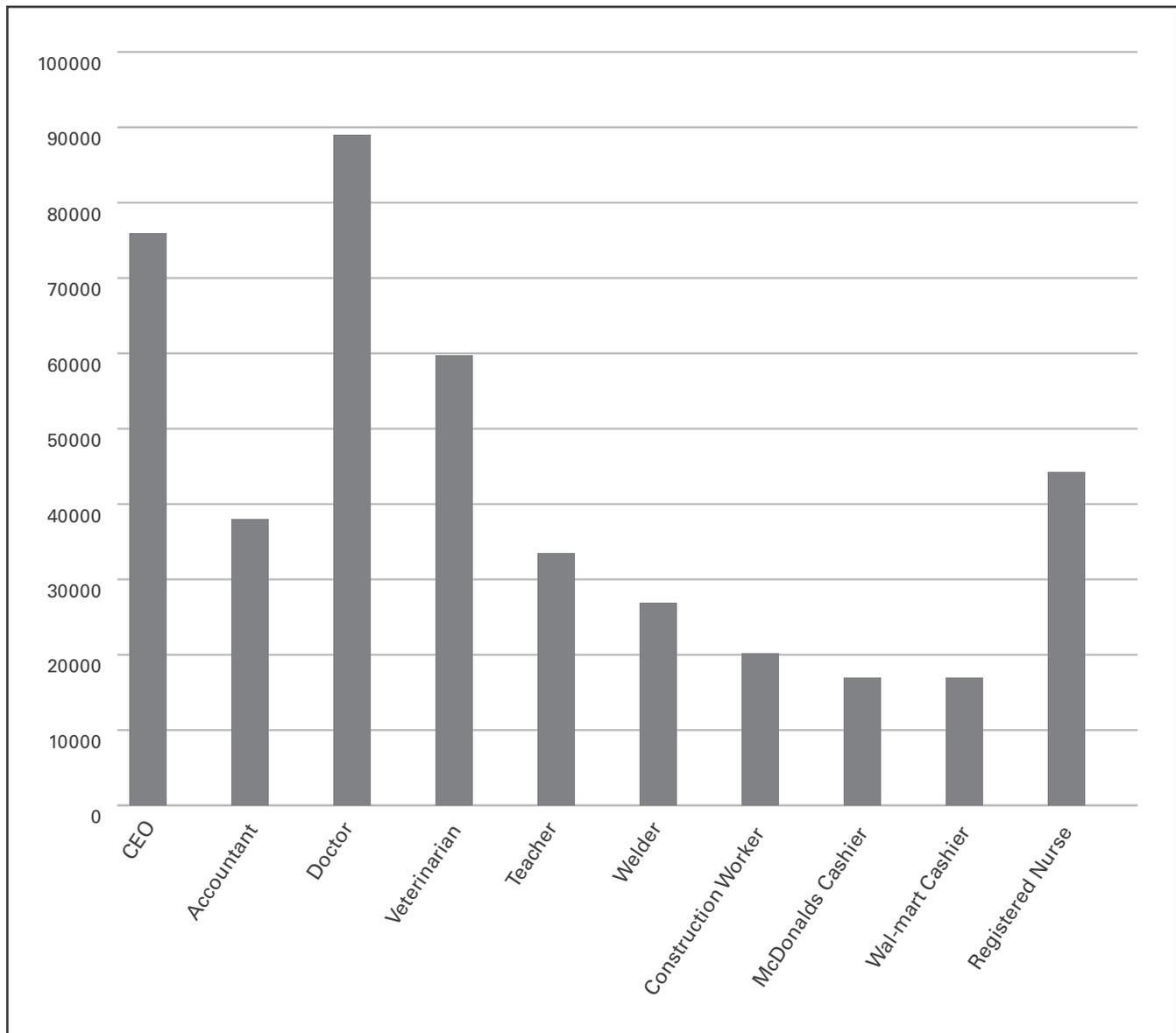


Hs Diploma
 Associates
 BA Degree
 Masters
 Doctorate

CAREER SALARIES

LESSON 2: HOW DO MY CHOICES EFFECT MY FUTURE?

CAREER	SALARY
CEO	\$75,910.00
Accountant	\$37,935.00
Doctor	\$89,000.00
Veterinarian	\$59,791.00
Teacher	\$33,480.00
Welder	\$26,869.00
Construction Worker	\$20,200.00
McDonald's Cahier	\$16,884.00
Wal-Mart Cashier	\$16,998.00
Registered Nurse	\$44,255.00
Military Service	\$18,194.00



HOW DO AMERICAN FAMILIES SPEND THEIR INCOME?

LESSON 4: HOW DO I GET WHAT I WANT?

The following charts show how spending patterns differ for families of different incomes over the course of a year.

Source: U.S. Bureau of Labor Statistics



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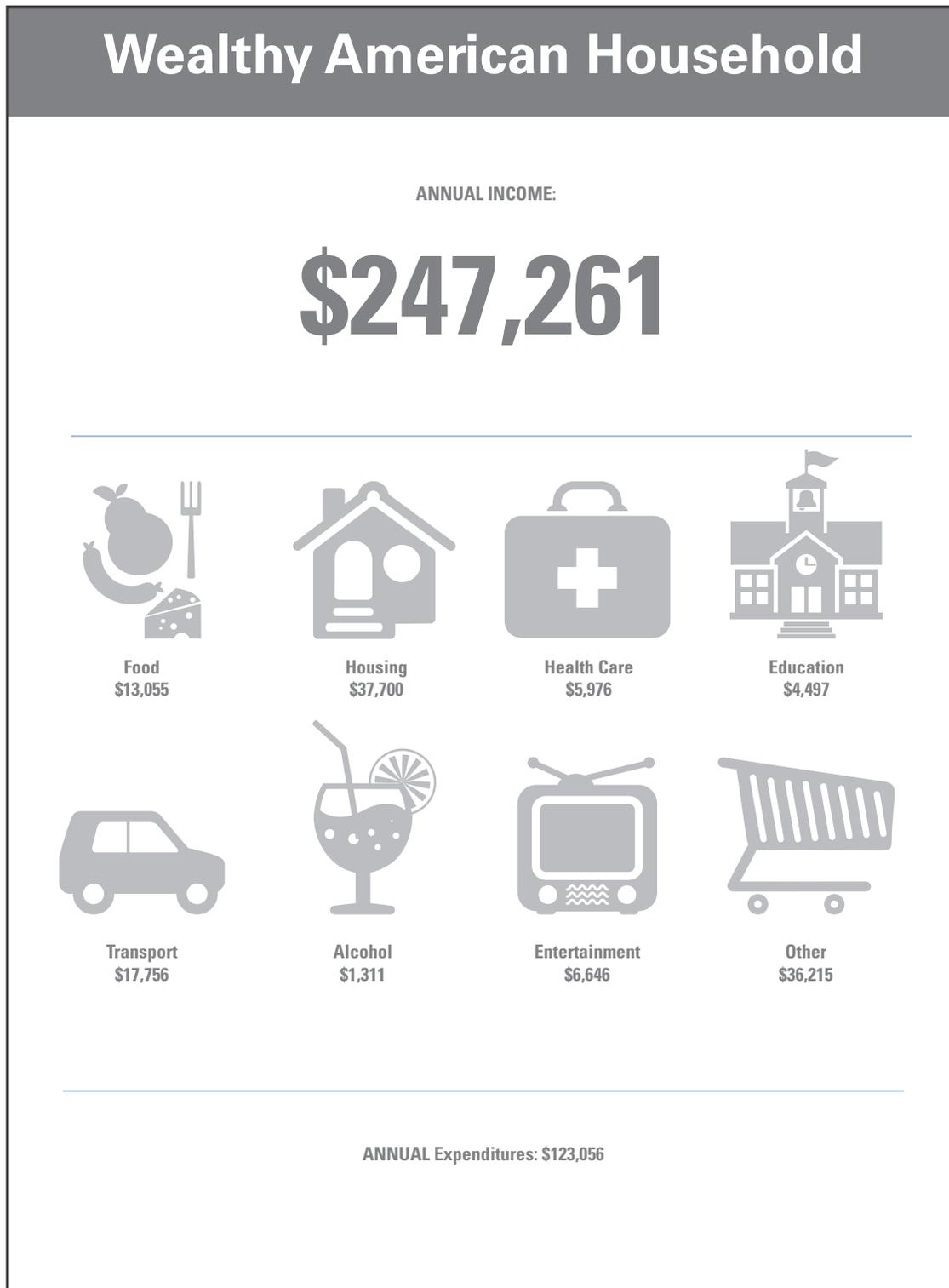


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Source: U.S. Bureau of Labor Statistics



T CHART COMPARISON

LESSON 5: BROTHER CAN YOU LEND ME A DIME?

Lending Instituion: _____

<i>ADVANTAGES</i>	<i>DISADVANTAGES</i>

SHOULD THE LEGAL AGE OF GAMBLING BE RAISED FROM 18?

LESSON 6: SHOULD WE RAISE THE LEGAL AGE OF GAMBLING?

SCENARIO: In reviewing risky behaviors in youth, a Congressional subcommittee has been called to investigate whether the legal age of 18 should be raised higher when it comes to gambling. Most states currently allow gambling at age 18. However, with the explosion of lottery tickets, scratch offs, casinos, and online gambling in the 21st Century, there is concern that gambling is becoming the next “addiction” for today’s youth. Should the legal age for gambling be raised from age 18 in order to slow gambling behavior online or in person?

YOUR ROLE IS BASED ON THE NUMBER YOU WERE JUST ASSIGNED:

- 1. Congressional Member-** As you read the information, highlight both the positive benefits and risks associated with young adult gambling. Be open to hearing all points of view as a member of this committee. You will ultimately voice your opinion on whether the age limit of 18 should be raised.
- 2. Doctors and Psychiatrists-** As a respected member of the medical profession, you will be asked your medical opinion about compulsive gambling and young adults. Highlight medical or scientific information that will help you form an opinion. As a group, you will determine whether the medical field will recommend raising the legal age for gambling.
- 3. College Youth Leaders-** You are a college student and have been asked to represent the student body of your college. Highlight information that you believe best represents the viewpoints of college students on your campus. Evaluate whether college students in general would care if the age for legalized gambling were raised from 18.
- 4. Parent Group-** You are both a parent and a member of a national parent group. You have children who are in high school and in college. Highlight information in the readings that might be of concern or helpful to parents. You will represent parents who cannot come to Washington and voice their opinions. As a parent, would raising the legal age for gambling above 18 be something most parents would want?
- 5. Mayors of cities-** As a city official, your concern is for the safety of your community but also for the economy of your city to grow. Would raising the legal age for gambling above age 18 be helpful to your city or harmful? Highlight any information that would help you make an informed decision.
- 6. Educators-** You are either a college president or a high school principal. Your students are very important to you. Highlight information in the readings that might determine whether the gambling age of 18 is harmful to your students’ educational progress or of no consequence. Be prepared to share your evaluation of whether to raise this legal age and cite your information.

DOES TEEN GAMBLING POSE A PROBLEM?

LESSON 6: SHOULD WE RAISE THE LEGAL AGE OF GAMBLING?

Gambling often starts as a fun way to pass time. Face it. It's fun to win and playing a game where there are high scores or big payoffs can be exciting. 85 percent of U.S. adults have gambled at least once in their lives. With winning however also comes losing and for some young people gambling can become a problem behavior or an addiction as powerful as drugs or alcohol. People who participate in gambling change their brain chemistry and can become psychologically addictive to repeating this behavior. More recently, neuroscientists have learned that drugs and gambling alter many of the same brain circuits in similar ways. These results come from studies of blood flow and electrical activity in people's brains as they complete various tasks on computers that either imitates casino games.

Today's teens are the first generation to grow up in a society where many types of gaming now exist on the internet. Gambling at an early age increases the risk of becoming a problem later on. Research shows that young people who begin gambling at age 9 or 10 have an increased risk of becoming problem gamblers later on. Teens whose parents are regular gamblers are also at a higher risk for an addiction to gambling.

Types of gambling include casino games, arcade gambling, internet gambling, and sports betting just to name a few. In 2009, there was \$335 billion spent in the gambling industry. Research indicates the more frequently youth play video and arcade games, the more likely they are to believe that playing skills are related to gambling success.

There are also social costs to gambling. Adults who are chronically addicted to gambling experience days of missed work, reduced productivity at work, mental or physical health issues, divorces, debt, bankruptcy, and may even participate in crime.

The legal age for gambling varies by state, usually between the ages of 18 to 21. In Oklahoma, teens must be 18 to gamble. At 16, you can legally participate in bingo games in Oklahoma. It is difficult to determine if this lower age poses a greater risk to society because not all problem gamblers come to the public's attention. In a report in 2010, 93% of states reported an increased or level demand for services to help problem gamblers while only 7% of the states reported a decreased demand.

Sources:

- <http://www.health.gov.sk.ca/problem-gambling-youth>
- <http://en.wikipedia.org/>
- <http://www.youthgambling.com/>





Youth Gambling in the 21st Century: Prevalence, Impact, and Interventions

*By Gianna Le; Michael Liao, MSW; Stella Lee; and Kent Woo, MSW
NICOS Chinese Health Coalition*

INTRODUCTION

Today's American youth are part of the first generation to experience a society where gambling is legalized and propagated in nearly all states in the U.S. While much effort is dedicated to restricting gambling activities to adults, the majority of adolescents report having gambled or wagered on chance-based games by the time they reach high school age. For a relatively small but substantial number of young people, excessive gambling leads to serious negative consequences in their personal lives. Studies have shown significant correlations between problem gambling and substance abuse, delinquent behaviors, depression, suicide and other mental health disorders. The growing body of knowledge on this topic has prompted investigation to uncover the variables that influence youth problem gambling behaviors. Better understanding of the unique risk factors for the development of youth problem gambling has helped to inform current intervention efforts in this field.

This paper will summarize the current trend in youth gambling by highlighting the prevalence of gambling participation among young people, the reasons why youth gamble, and the types of gambling games youth engage in. The paper will continue with a discussion of the signs of problem and pathological gambling, the unique risk factors for youth problem gambling, and the protective factors that strengthen youth's resiliency from risky and problematic behaviors. The paper will conclude with a review of existing

prevention and treatment programs currently employed to address youth problem gambling.

GAMBLING PARTICIPATION

Multiple studies conducted in different regions of the U.S and other countries with varying methods of measurement all reveal similar results—a rising trend in the prevalence of underage youth gambling. Gambling participation among middle and high schools students from 1984-88 was 45% and increased to 65% during 1989-02 (Jacobs, 2000). It appears that the prevalence of teenage gambling remains high today. In a national survey of U.S. residents between the ages of 14-21, nearly 7 out of 10 people had gambled in the past year (Welte et al., 2008).

Age

Studies have also shown that older adolescents tend to gamble more than their younger counterparts (Welte et al., 2008, Volberg et al., 2008). A study by Turner and colleagues (2008a) revealed that gambling involvement increased with age from 39% in 5th grade to 65% in 7th grade, 80% in 9th grade, and 83% in 11th grade.

Gender

A common finding in many youth gambling studies is the higher percentage of male involvement compared to females. For every measure of gambling involvement in a U.S. national survey, males ranked significantly higher than females. The same study

however found that the gender gap narrowed among an adult (18+) which suggests that females may initiate gambling later in life (Welte et al., 2008). In comparison to females, male youth tend to begin gambling at an earlier age, gambled more often, spent more time and money on gambling and experienced more gambling related problems (Jacobs, 2000; Winters et al., 2002).

Socioeconomic status (SES)

A U.S. national survey conducted among adolescents discovered that those in the lowest SES group were the least likely to have gambled within the past year. Among those who gambled, however, those of the lowest SES gambled most frequently with the highest rates of at-risk/problem gambling while those in the highest SES gambled least frequently with the lowest rates of at-risk/problem gambling. A possible explanation for lower SES adolescents gambling more excessively may be due to their perception of gambling as a practical mean of improving their financial status (Welte et al., 2008).

WHY YOUTH GAMBLE

The reasons for gambling among youth are not unlike those for adult gambling. Young people who gamble report that fun, opportunity to win money, and excitement of gambling games are the top reasons they participate. In addition to these motivations, some adolescents feel that gambling is a way to socialize, make friends, relax, relieve boredom, feel older, escape daily problems, alleviate depression, and deal with loneliness (Gupta & Derevensky, 1998a; Jacobs, 2000). Studies have found adolescents identified as problem gamblers were more likely than non-problem gamblers to gamble as a way to escape daily problems, alleviate depression and anxiety, relax, and deal with loneliness (Gupta & Derevensky, 1998a; Turner et al., 2008b). It appears that for young problem and pathological gamblers, gambling is less perceived as a means to make money and functions more to provide stimulation, enjoyment, and a way of coping with difficulties. In a sense, gambling transports problem and pathological gamblers to a fantasy world without life's daily problems, anxiety, depression, or loneliness (Gupta & Derevensky, 1998a).

POPULAR GAMES AMONG YOUTH

Youth gambling involvement is rather different from adult gambling. Adults typically engage in legalized

commercial forms of gambling. The most common adult gambling activities include scratch tickets, lotteries, casino games, poker, and sports betting (Emshoff, 2007). While some underage youth do participate in such games, the most popular forms of gambling among young people are private bets with dice, cards, sports, and skill-based games such as bowling and pool (Turner et al., 2008b; Jacobs, 2000; Barnes et al., 1999).

Current Trends in Youth Gambling

Casino gambling: Although casinos impose age restrictions, underage gambling at commercial gambling venues does exist. Interviews with under-age casino gamblers revealed easy-access to casinos and a low risk of exposure (Giacopassi et al., 2006).

Gender: Male and female adolescents not only differ in gambling rates but in preferred games as well. While boys tend to play more skill/knowledge games such as card games and sports betting, girls are more drawn toward games of chance like raffles and lotteries (Jacobs, 2000).

Age: Younger adolescents tend to prefer games like cards, sports betting, and those involving personal skills. As they mature, they build more preference for commercial games like lotteries, gambling machines, and scratch tabs (Winters et al., 2002).

Internet gambling: With increasing technological advances allowing for the widespread use of personal computers, and easy access to low cost/high speed internet, internet gambling has become a more popular gambling activity among youth (Derevensky & Gupta 2007). Despite legal attempts to restrict internet gambling, the number of young people gambling online is growing. A study of high school and college students in Canada and U.S., and other online respondents found that that 9% of high school students, 6% of college students, and 42% of online respondents have ever gambled on the internet for money (McBride, Derevensky, & Gupta, 2007). Of those who have ever gambled on the internet for money, 70% reported they gambled on a weekly basis. Among the weekly gamblers, 85% were male, 23% were 18-24 years old, and 28% were problem gamblers. According to the National Annenberg Risk Survey of Youth in 2010, the rate of monthly internet gambling activity among American males 18-22 years old rose significantly from 4.4% in 2008 to 16% in 2010.

The same study also found an increase in internet gambling among high school age respondents, although the change was not statistically significant (Romer, 2010). These findings suggest that internet gambling may be becoming more popular with youth, especially among college-age males, and may be linked to the development of problem gambling.

PROBLEM GAMBLING

While most adolescents can safely enjoy gambling as a form of entertainment, a small but meaningful number of adolescents experience problems as a result of their gambling. For some young gamblers, excessive gambling leads to major disruption in their personal lives. Some of the warning signs for problem gambling include (adapted from the Diagnostic and Statistical Manual of Mental Disorders 4th Edition, American Psychiatric Association, 1994):

- Thinking about gambling all the time, scheming of ways to get money and to gamble, spending unusual amount of unsupervised time on computer, bragging about winnings, showing off money or other possession.
- Increasing the amount of bets, taking larger risks to maintain excitement (tolerance).
- Becoming emotional or irritable when trying to cut down (withdrawal).
- Missing important activities at school and in social and family life, resulting in dropping grades, unexplained absences from school, family conflicts, exhaustion from lack of sleep.
- Gambling to feel better, to cope with stress and problems
- Engaging in illegal activities in order to get money to gamble like stealing, misusing credit cards, and pawning other people's belongings
- Trying to stop gambling but fail, losing self-control, breaking promises
- Relying on other people for bail-out, excessively asking or borrowing money.
- Going back to try to get even (chase losses)
- Lying to important people about gambling activities

Gambling behavior can be assessed along a spectrum ranging from abstinence from gambling to pathological gambling – the most severe form of gambling where the impact on an individual is similar to substance addiction. Since the majority of young

people do engage in gambling on some level and do not develop an addiction to it, their gambling behavior would fall somewhere in between. Most adolescents who gamble are considered casual or social gamblers, however, studies have shown that teen rates for problem gambling are typically higher than for adults. In a review of 119 problem gambling prevalence studies that were conducted in the U.S. or Canada on or before June 15, 1997, Shaffer et al. (1999) found that rates of problem and pathological gambling for adolescents were approximately 9% and 4%, respectively. These figures are more than twice the rates for adults. More recent research shows the rates of problem gambling remain high among adolescents, with 10% of young people identified as at-risk for developing gambling problems (Winters et al., 2002), and about 4% meeting the criteria for pathological gambling (Cook et al., 2009; Welte et al., 2008).

RISK FACTORS

Risk for problem gambling, it appears, is not evenly distributed among youth. Research has consistently demonstrated certain social and psychological characteristics to be risk factors for the development and maintenance of problem gambling. The following section will illustrate some of the identified risk factors.

Brain Development

The brain develops most rapidly in the first couple of years after birth. In fact, between the ages of two to three, our brains reach approximately 80% of the adult size. It was first thought that by adolescence, the brain is fully developed. However, recent findings demonstrate that the maturation process for the brain may continue well until approximately age 25 (Winters, 2007; Parris, 2008). The fact that the brains of adolescents and young adults are still developing and maturing is at least in part responsible for the constellation of problematic behaviors (i.e. delinquency, substance abuse, problem gambling, etc.) associated with this age group.

Need for Greater Stimulation

According to Dr. Ken Winters (2007), renowned neuroscience researcher, the dopaminergic system during adolescence is more robust compared to other times of human development. In fact, it has been noted that the density of dopamine cells peak during adolescence (Geier & Luna, 2009). Dopamine is a neurotransmitter (brain chemical responsible for

transmitting signals) that is a key component of the brain's reward mechanism, and is associated with pleasure. A robust dopaminergic system may contribute to an overactive reward drive and a heightened reward experience. Based on this neurological finding, Winters (2007) suggest that the preference of adolescents for novel experiences and activities which are high intensity and cause high levels of arousal is directly related to the heightened dopaminergic system.

Judgment & Impulse Control Deficiencies

The human brain does not mature and develop in a linear fashion. Different regions of the brain have their own rate of growth and maturation. The prefrontal cortex for example, has been found to be the last region of the brain to develop, becoming fully developed around age 25 (Winters, 2007). Prefrontal cortex is in charge of executive functions – among them include making judgment and regulating impulses. An underdeveloped prefrontal cortex may contribute to choices that are not optimal to one's wellbeing, minimal consideration for consequences, and greater likelihood to take risks (Winters, 2007). Related to this, it has also been found that in contrast to the heightened dopaminergic system (GO); there are lower activities in the inhibitory serotonergic system (BRAKES) during adolescence (Geier & Luna, 2009).

Current research clearly depicts a neurological imbalance in the brains of adolescents, making them more susceptible to addictions. On one hand adolescents have a powerful reward system which demands constant stimulation and encourages risk-taking; on the other hand they have an underdeveloped judgment center which impairs optimal decision making and impulse control. In light of this neurological finding, it is of no surprise that so many adolescents exhibit problems with risky behaviors such as substance abuse and gambling. While risk taking can certainly have harmful consequences, it is also important to note that a certain amount of risk-taking is often necessary for survival and success. Likewise, not all adolescents who gamble will develop a gambling addiction. Despite problem and pathological gambling rates more than 2 times higher than adults, the percentage of adolescents and young adults who develop gambling-related problems still constitute a minority. Further, research has shown that the young people who develop addictive problems generally "age out" of it as

they get older – a phenomenon known as natural recovery (Gupta & Derevensky, 1998a). In conclusion, while having an immature brain does increase one's risks of addictive disorders, it is only part of the picture.

Age of Onset

While having a teenage brain doesn't guarantee the development of addictive problems, research generally cautions against early exposure to substances like alcohol, drugs or even activities such as gambling. For example, in 2003, the National Survey on Drug Use and Health found that later onset of alcohol use (after age 21) resulted in 2.6% alcohol-related problems, whereas those who start drinking early, before age 12, had more than 5 times the rates of alcohol-related problems, at 16% (Substance Abuse and Mental Health Services Administration, 2008). Early age of onset appears to be a common risk factor for gambling-related problems as well, as research has shown that youth identified as problem gamblers are more likely to report gambling before age 10 (Wynne, Smith, & Jacobs, 1996). Supporting this finding, Kessler et al. (2008) analyzed the National Comorbidity Survey and found that those with no symptoms of problem gambling tend to report first gambling at a later age (median age = 21), compared to those who go on to become problem gamblers, who tend to report a younger age of onset with gambling (median age = 18).

Family History of Problem Gambling

In a study to uncover the risk factors for problem gambling, Winters et al. (2002) found parental gambling to be the single most significant predictor of youth problem gambling. In fact, the study found that youth who reported one or both of their parents to be a problem gambler were more than 11 times more likely to be a problem gambler themselves. Similarly, other studies have found that youth who were problem gamblers were more likely to have one or both parents who gambled excessively (Volberg, 1993; Stinchfield, 2000). There is some evidence that family history of problem gambling has implications for genetic and biological predisposition. Eisen et al. (1998) for example, found among twins that up to 54% of pathological gambling can be attributed to inherited factors. However, may be just as important as genetics is social learning. For example, Gupta and Derevensky (1997) surveyed students between the ages of 9 – 14, and found that among the students who gambled

regularly, 86% reported gambling with their family members and 75% also reported gambling with their friends. The authors theorized that, similar to drinking behaviors, the social learning model also applies to gambling, whereby family members can inadvertently model and promote gambling behaviors.

Mental Health Comorbidity

Depressive Symptoms

Gupta and Derevensky (1998a) found that among adolescents, alleviating depression was cited as the reason to gamble by 2.4% and 13.2% of problem and pathological gamblers, respectively. In a study of adolescent problem gambling in New York state it was found that students in grades 7-12 who exhibit depressive symptoms reported the same rate of gambling frequency, but were more likely to be problem gamblers (12% vs. 9%) compared to their peers (Welte et al., 2001). Likewise, Marget, Gupta and Derevensky (1999) found that adolescent problem gamblers have higher rates of depression compared to their social and non-gambler counterparts.

Attention Deficit Hyperactivity Disorder (ADHD)

ADHD, according to the DSM-IV, is a constellation of symptoms related to inattention and hyperactivity (American Psychiatric Association, 1994). ADHD has been found to be associated with problem gambling. Derevensky et al. (2007) in their study of adolescents found that among non-gamblers, the rate of ADHD was 6%, whereas pathological gamblers reported a 34% rate of ADHD. According to Geier and Luna (2009), ADHD is associated with the increase in the density of dopamine transporter cells, which can translate behaviorally to the preference for short-term rewards over long-term rewards/consequences. Winters (2007) additionally note that ADHD is associated with deficits in the prefrontal cortex, which as previously described is responsible for impulse control. Research has found that pathological gamblers are more likely to report childhood behaviors consistent with ADHD, thus demonstrating that ADHD may be a predictor for future problems with gambling (Rugle and Melamed, 1993).

Conduct Disorder

According to the DSM-IV, a conduct disorder is a diagnostic category which includes symptoms such as aggression and harm to others, destruction of property, deceitfulness or theft, and serious violation of rules (American Psychiatric Association, 1994).

Welte et al. (2009) in analyzing the data from a national survey of adolescents and young adults age 14 – 21, found a strong association between problem gambling and current conduct disorder. Those classified as having conduct disorder were roughly 6 times more likely to be a problem gambler, and 4 times more likely to be a pathological gambler, compared to those who did not have a conduct disorder. Interestingly, this comorbidity was strongest among younger adolescents compared to older adolescents, leading the researchers to conclude that early onset of problem gambling may be a part of a larger constellation of problem behaviors, whereas later onset of problem gambling may be a phenomenon more unique to gambling.

Substance Abuse Disorders

Gambling and substance use appear to go hand in hand for youth. In a study of college athletes, Huang et al. (2007) found that problem and pathological gamblers were much more likely to report heavy episodic drinking (85% and 82%, respectively) compared to non-gamblers and social gamblers (52% and 77%, respectively). Similarly, problem and pathological gamblers were more likely to report other drug use (11% and 19%, respectively), compared to non-gamblers and social gamblers (4% and 7%, respectively). In regards to which came first, there is some evidence that initiation in gambling may start at a younger age compared to substance use behaviors. Gupta and Derevensky (1998a) found that while rates of alcohol, drug and cigarette use remained fairly low in Grades 7 and 9, and peak in Grade 11, rates of gambling participation is already at 79% in Grade 7 and remains fairly unchanged through Grade 11. The data demonstrates that most young people engage in gambling at a younger age, and gambling may serve as an initiation to other risky behaviors such as drug and alcohol use.

Gender

Similar to findings for adults, there appear to be gender differences in risks of problem gambling. Winters et al. (2002) for example, found male gender to be the second most significant predictor of youth gambling, right behind parental gambling. Male youth for example, were found to be more than 6 times more likely to be a problem gambler. Some characteristics however, appear to mediate the gender effect. For example, high frequency of video game playing among girls was found to close the

gender gap in terms of gambling participation, in that girls who played video games gambled just as much as boys (Gupta & Derevensky, 1996). In a follow-up study, Wood et al. (2004) found that all youth (including girls) who reported high frequency of video game playing were much more likely to be a problem or pathological gambler. In addition, the same study found that girls classified as high-frequency video gamers reported higher Risk Taking Questionnaire (RTQ) scores compared to their male counterparts.

Ethnicity & Culture

African Americans

A study of Louisiana adolescents found that several ethnic groups were overrepresented in the population of pathological gamblers. African Americans for example, were overrepresented among 6th – 12th graders who met the criteria for pathological gambling. Among the sample of non-pathological gamblers, about 35% were African Americans, whereas among pathological gamblers, almost 58% were African Americans (Johnson & Westphal, 2001).

Asian Americans

A study found that among high school students, Asians had a 10.9% rate of problem gambling (Chiu, 2006). In another study comparing the gambling habits of college students of different ethnic groups, Asian Americans were shown to have the highest pathological gambling rate at 12.5% – this compared to the overall pathological gambling rates in the five-state sample (New York, New Jersey, Oklahoma, Texas and Nevada) which was between 4% to 8% (Lesieur et al., 1991).

Latino/Hispanic Americans

A study of Texas high school students found that Latino youth were more likely to be a problem gambler as compared to Caucasian youth (Wallisch, 1996). In the afore-mentioned study of college students, it was found that the rates of pathological gambling was higher among Latinos (11%) than the overall pathological gambling rates in the five-state sample (New York, New Jersey, Oklahoma, Texas and Nevada), which ranged between 4% to 8% (Lesieur et al., 1991).

Native Americans

Similarly, in the afore-mentioned Louisiana study, it was also found that Native American youth were overrepresented among 6th – 12th graders who met

the criteria for pathological gambling. Among the sample of non-pathological gamblers, about 2.6% were Native Americans, whereas among pathological gamblers, almost twice that rate, or 4.5% were Native Americans (Johnson & Westphal, 2001). Wardman et al. (2001) reviewed several studies concerning rates of problem gambling among aboriginal people in the U.S. and Canada. They found that aboriginal youth had rates of problem and pathological gambling ranging from 10.1% to 21%. In one of the studies that offered a comparison between aboriginal and non-aboriginal youth, it was found that aboriginal youth were 5 times more likely to be problem gamblers.

Ethnic youth may report higher rates of problem and pathological gambling for various reasons. For one, the factor of race and ethnicity often intersects other risk factors such as lower socioeconomic status. It has also been proposed that cultural differences in attitudes toward gambling may predispose gambling to become a socially acceptable activity among groups, such as Chinese and African Americans, while promoting the prohibition of gambling in other groups, such as traditional Muslim communities (Raylu & Oei, 2004). More positive attitudes toward gambling are related to age of onset and social learning, and have been linked to greater risk-taking (Kassinove, Tsytarev, & Davidson, 1998). However, it is not just one's own cultural values that create a positive environment for gambling. Many immigrants may also find the allure of gambling hard to resist due to the targeted marketing of the gambling industry – including the practice of shuttling patrons in ethnic communities to and from casinos, the hiring of bilingual and bicultural staff, and the offering of culturally-appropriate food and entertainment, to name a few (Magagnini, October 19, 2008). Perhaps due to a combination of cultural acceptance and targeted marketing, immigrant populations in countries such as the United States, Canada and Australia tend to have higher rates of problem and pathological gambling compared to the general population (Chinese Family Service of Greater Montreal, 1997; Lo, 1996; Blaszczynski et al., 1998).

PROTECTIVE FACTORS

Despite facing the myriad of risk factors that were just described, many youth may never develop gambling-related problems. It would appear that there are factors that serve to protect youth and to make them more resilient. To date, very few studies have

examined the role of protective factors related to youth problem gambling. One study however, was undertaken by Lussier et al. in 2007 to examine the factors which may contribute to youth who are resilient to problem gambling:

Social Bonding

The greatest association with problem gambling identified in the Lussier et al. study was in the domain of social bonding. Social bonding refers to pro-social ties to one's family, school, and community. Adolescents who reported greater social bonding were found to be significantly less likely to be a problem gambler. Likewise, other research has supported the relationship between social bonding and gambling. Dickson, Derevensky, and Gupta (2003) for example, in a report to the Ontario Problem Gambling Research Centre, identified family cohesion and school connectedness to be significant protective factors which differentiated between problem gambling youth and non-problem gambling youth.

Personal Competence

Lussier et al. (2007) also found personal competence to be a significant protective factor among youth. The personal competence domain refers to one's individual identity and the sense of personal development, and involves factors such as self-concept, self-control, positive outlook, and self-efficacy. While not as robust as social bonding, this domain of protective factors was also found to be associated with youth resiliency against problem gambling.

More research is needed to uncover the spectrum of protective factors that can shield young people from developing gambling-related problems. However, many in the youth development field agree that lessons learned from substance abuse prevention can be applied and adapted to design effective problem gambling prevention programs. Dickson, Derevensky, and Gupta (2002) outlined some of the most common protective factors identified in adolescence research, including:

- **Self-Confidence/ Self-Esteem:** Research has demonstrated that by increasing self-esteem, youth exhibit greater wellbeing, reaction to situations involving drugs, and decreased actual substance abuse behaviors.

- **Social Competence:** Teaching young people life-skills such as assertiveness has been found to be effective in reducing alcohol, tobacco and marijuana use.
- **Ethnic Identity:** By strengthening ethnic identity, it has been found that young people improve their personal, social, ethical attitudes, values and motives; and they decrease drug use and delay the onset of initial use.
- **Anti-Drug Attitudes:** Young people with greater anti-drug attitudes report lower prevalence of substance abuse. One may extrapolate that the same could be true gambling
- **Delayed Onset of Initial Use:** Research has demonstrated significantly lower rates of problems and disorders related to later onsets of alcohol and drug use, as well as gambling.

Despite the lack of research on effective protective factors for youth regarding problem gambling, those who work with youth should pay attention to both risk and protective factors in order to promote youth development and resiliency.

PREVENTION & TREATMENT

Prevention

As problem gambling becomes more understood as a public health issue, prevention programs for youth have become more prominent. Research has provided substantial insight into the risk and protective factors of youth problem gambling. Increasingly, it is believed that problem gambling shares common etiology with other adolescent risky behaviors such as drug and alcohol use. Therefore, the approach to developing problem gambling prevention programs should take into consideration the existing prevention practices common for other high-risk behaviors as well as focus on unique features of problem gambling. Dickson et al. (2003) outlined a general framework for youth problem gambling prevention based on lessons learned from other addiction prevention programs. The next section will illustrate some key features in their proposed youth problem gambling prevention framework:

Age-Appropriateness and Timing

Dickson et al. (2003) stresses the importance of ensuring that training curriculum and prevention messages are appropriate for the developmental stage

of the audience. Training materials should be adapted while keeping in mind the age of the youth and the coping mechanism associated with the age group. Research has additionally highlighted that early exposure to gambling creates an increased risk for youth to develop gambling-related problems. For this reason, the timing of prevention efforts can be especially critical. Considering the fact that most people have gambled by high school age, a harm-reduction strategy to educate middle or early high-school youth on the signs of problem gambling and to promote responsible gambling may be an effective prevention approach.

Interaction of Risk & Protective Factors

Due to commonalities in risk factors between problem gambling and behaviors such as alcohol consumption, smoking, reckless driving, and risky sexual behaviors, it is believed that strategies which strengthen protective factors can help promote more resilient youth. For example, it is noted that factors such as perceived family and school connectedness has been found to protect youth against multiple risky behaviors. At the same time, the authors note that there are specific and unique factors related to risks for problem gambling such as parental problem gambling, access to gambling opportunities, and early onset of gambling are unique to the development of problem gambling, and may need to be separately addressed.

Multifaceted Approach

As with other prevention efforts, there is no single prevention strategy which is uniformly successful for all youth. More likely, prevention efforts need to utilize multiple approaches and points of intervention in order to maximize impact. Programs that utilize various methods such as media broadcasting, outreach and information dissemination, health education, offering alternative activities, and policy advocacy may stand a better chance of making longer-lasting, sustainable change in not only the individuals, but the environment in which the youth live.

Prevention Resources

Prevention Education Curriculum

Prevention education focuses on increasing the knowledge and awareness of youth, while imparting practical skills in order to resist the onset of gambling and/or problem gambling. Many existing curriculum aim to address the previously mentioned illusions of control that is found to be prevalence among young

people. In the youth curriculum developed by California's Problem Gambling Prevention Technical Assistance and Training (PGTAT) program*, high school students learn to differentiate the concepts of skill, which can be controlled and practiced, and luck, which cannot be controlled. By using youth-salient examples such as poker and through facilitated games, students can obtain a more realistic perception of the division of skills and luck in common gambling games. In "Stacked Deck," an evidence-based high school curriculum designed by Canadian researchers to prevent problem gambling, students can learn to understand common gambling myths and fallacies which are errors in reasoning that often lead to excessive gambling (Williams & Wood, 2010).

Life and Coping Skills Development

Turner et al. (2008b) found that poor coping skills were correlated with higher rates of problem gambling among adolescents. In "Stacked Deck," students learn about good decision-making and problem-solving skills. Through brainstorming ideas, role playing, and group discussions, students share and demonstrate ways to cope with peer pressure and other barriers to good decision-making. Additionally, the students learn smart ways to gamble. In the California PGTAT curriculum, students are taught how to set limits while gambling, cultivate a healthy attitude towards gambling, and healthy and non-codependent ways to help loved ones who may have gambling problems.

Peer to Peer Education

Great strides have also been made to empower young people to educate their own peers about gambling addiction. Some states have already teamed up with youth-driven leadership organizations to build prevention messages around gambling. These efforts are believed to be more effective precisely because they are created by youth for youth. The California Friday Night Live Program is a great example of the partnership between a state-wide youth development program and the California's Office of Problem Gambling. The Friday Night Live Program (FNL) built upon its decades of experience on teen drinking and driving prevention and other substance abuse prevention programs, and created the "Betting on our Future" project, a youth-driven production of creative and interactive plays and media projects that promote

* Funded by the California Department of Alcohol and Drugs, Office of Problem Gambling

awareness about youth problem gambling to their peers and community. The multi-media products created by the young participants have been used as learning tools and public service announcements throughout the State of California.

While prevention is aimed at the majority of youth who either do not gamble, gamble only socially and casually, or are at risk of developing some problems with gambling. Those who are severely addicted to gambling may need more intensive interventions such as clinical treatment. In the following sections, a framework for youth problem gambling clinical interventions will be outlined.

Clinical Screening & Assessment

Since clinical research on adolescent problem gambling is scanty, service providers need to take caution in applying what we know about adult gamblers to youth. However, several assessment and screening tools have either been modified or created specifically to capture youth problem gambling:

SOGS-RA (South Oaks Gambling Screen – Revised for Adolescents)

The South Oaks Gambling Screen (SOGS) is one of the oldest and most well-established problem gambling screens (Lesieur & Blume, 1989). The SOGS-RA was developed in order to ensure more accurate assessment of adolescent gambling problems (Winters et al., 1993). The tool contains 16 items, of which only 12 are scored. The adolescent version of SOGS differs from the original version in that it emphasizes the frequency of gambling along with the symptoms typically associated with pathological gambling. The tool has been tested for reliability and validity for mainstream populations (Winters et al., 1993). Research also found close agreement between the SOGS-RA and other established tools such as the DSM-IV (Deverensky & Gupta, 2000). However, in comparison to other tools, the SOGS-RA may be more inclined to produce false-positives (for adolescents) (Deverensky & Gupta, 2000). Winters (2007) cautions that the SOGS-RA scores should be viewed as approximations.

DSM-IV-J (Diagnostic Statistical Manual-IV Adapted for Juveniles)

The DSM-IV-J was developed for use on children and adolescents (Fisher, 1992). It was modeled very closely to the adult version of the DSM-IV diagnostic criteria.

However, several items were adapted to make them more relevant and appropriate for younger populations. For example, the original DSM-IV criteria for criminal activities refer to fraud, embezzlement, and forgery. The DSM-IV-J instead refers to activities such as stealing from the home or shoplifting. Out of a maximum score of 12, Fisher (1992) found that a score of 4 would be indicative of “probable pathological gambling”. In a comparison between several adolescent problem gambling screens, it was found that the DSM-IV-J was the most conservative and reliable, given its alignment with the DSM-IV criteria for pathological gambling.

Lie-Bet Brief Screen

The Lie-Bet tool is a brief screen that contains only 2 items. The tool is so named for its two questions, which refer to the extent that the individual has lied about his/her gambling, and to the degree which the individual has had to increase his/her amount of bets over time. A “Yes” response to one or both of the questions would indicate that the clinician should perform more assessments. The tool has been found to be reliable in both clinical as well as general populations (Johnson et al., 1997; Götestam et al., 2004). Götestam et al. (2004) in addition found that even among adolescents, the Lie-Bet comes very close to the DSM-IV criteria in assessing pathological gambling. In contrast however, Rossow and Molde (2006) in comparing the Lie-Bet with the SOGS-RA, found that the two screens only had moderate congruence to one another, and that the Lie-Bet may be more appropriate for assessing less severe levels of gambling involvement – such as at-risk gambling, as opposed to problem or pathological gambling among adolescents.

While there may not be a perfect assessment tool or screen for youth problem gambling, each tool has its strengths and challenges. Clinicians working with youth should exercise clinical judgment in choosing the right tool for the right audience and circumstance in order to maximize clinical benefits.

Clinical Treatment

While research on the clinical treatment of problem and pathological gambling is growing, there is a paucity of empirical research on the treatment of adolescents and young adults. To date, most of the youth treatment data has been limited to small case studies. Given that young people tend to have rates of

problem gambling multiple times higher than that of adults, there needs to be more emphasis on identifying what treatment approaches work for youth. In the next section, information from the McGill University Research and Treatment Clinic, a foremost adolescent problem gambling research center and treatment facility, will be presented as promising practices in adolescent problem gambling treatment:

Profile of Adolescent Problem Gamblers

Gupta and Deverensky in 2000 outlined the profile of adolescents seeking problem gambling treatment at the McGill University Research and Treatment Clinic:

- Reflective of research, adolescents seeking treatment exhibit signs of anxiety, attention-deficit hyperactivity disorder, depressive symptoms, and other risk-taking behaviors.
- Adolescents seeking treatment also report highly stressed relationships with their families and peers – related to the gambling behaviors and accompanying lies, theft, and broken trust.
- Most of the adolescents seeking treatment also report a high level of debt, ranging from \$3,000 to \$25,000. Most also report having had their debt paid off at least once by parents during their career as gamblers. Most also report having sold personal possession or committed illegal activities in order to sustain their gambling.
- Most also report failures in their academic and vocational pursuits, often related to the preoccupation with gambling. As a result, many adolescent problem gamblers end up with a lot of free time on their hands, which they devote to finding money to gamble.
- Adolescents seeking treatment also report gambling to escape, or to enter a “different world”, suggesting significant levels of gambling to dissociate.

Treatment Goals

Based on their adolescent gambling research and clinical experience, Gupta and Deverensky (2000) propose setting the following treatment goals in working with adolescent problem gamblers:

Addressing Underlying Issues

Gupta and Deverensky (1998b) found that adolescent problem gamblers report a high level of dissociation while gambling. The treatment-seeking adolescents at the McGill Centre refer to gambling as “the ultimate

escape”. The researchers therefore propose that as the important initial step of treatment with adolescent problem gamblers, the clinician should identify the underlying/comorbid issues – such as ADHD, depression, anxiety, familial troubles and legal and financial problems that may be prompting the youth to gamble. The researchers suggest that problem gambling recovery may be greatly impeded if these underlying issues are not adequately addressed.

Exploring New Coping Skills

Gupta and Deverensky (2000) also note that using gambling as an escape typically indicate a lack of alternatives, more socially appropriate and healthy coping skills. Part of treatment should consist of helping the young person develop new and sustainable ways to cope with stress and negative emotions.

Deconstructing Cognitive Distortions

Similar to adult problem gamblers, adolescents often report a multitude of cognitive distortions that may contribute to illusions of control. For example, Gupta and Deverensky (1998a) found that although youth understand gambling is largely a luck-driven activity, they nevertheless believe that they can exert meaningful amounts of skill while gambling. Males, and video-game playing youth in particular, have been found to endorse a greater sense of control in gambling (Gupta & Deverensky, 1996; Wood et al., 2004). Therefore, treatment for adolescents, especially those who are high-risk, should also include plans to reduce gambling-related cognitive fallacies.

Repairing Damaged Relationships

Given that adolescent problem gamblers frequently report damaged relationships with family members and friends due to their gambling behaviors, it is important for treatment plans to address ways to mend some of these relationships. Research in general finds that family involvement and support in the gambler’s treatment has a positive effect on treatment outcomes (Petry & Armentano, 1999).

Building Financial Management Skills

Gupta and Deverensky (2000) observed that most of the treatment-seeking adolescents hold views of money that promote gambling (seeing money only in terms of gambling activities – e.g. the cost of bus fare is X number of plays on the slot machine) and typically lack financial management skills. Therefore, treatment ought to include elements of financial management

and plans for debt repayment.

Abstinence from Gambling

The experience from the McGill Treatment Centre appears to show that abstinence from gambling is necessary for the adolescents to prevent relapsing into out-of-control gambling. The criteria established for success in the program is abstinence from gambling for a period of 6 months. Given that adolescents are often problem gamblers as a result of the myriad of biological and social risk factors, controlled gambling may not be a feasible option for adolescents. However, it is important to note that among the clients served by McGill, about 60% were initially reluctant about abstaining from gambling.

CONCLUSION

Evidence has shown that young people, despite restrictions on gambling activities, continue to report a high level of access to various forms of legal and unlicensed forms of gambling. Despite such findings, to date there has not been a comprehensive research study to determine the extent of youth problem gambling in California. California's Attorney General in 2006, applied Oregon's rate of adolescent problem gambling and estimated that approximately 600,000 Californian youth can be considered problem or pathological gamblers. Given the strong evidence regarding the high prevalence of youth gambling and rates of problem gambling multiple times higher relative to adults, there is a serious need for more gambling research, prevention, treatment and recovery services.

More specifically, research is needed regarding youth gambling and problem gambling in California, in order to inform the design of intervention programs. In the policy area, more focus should be applied to designing policies to curb underage gambling. Finally, there is a need for more resources aimed at the prevention and treatment of youth problem and pathological gambling. According to existing research, prevention, treatment and recovery programs may be more effective by addressing underlying issues common to a host of youth-related risky behaviors and problems. Therefore, youth problem gambling should be incorporated into existing substance abuse, teen pregnancy, safe sex, and other public health prevention and treatment programs. Finally, research and evaluation are also needed to demonstrate the efficacy of prevention, treatment and recovery

strategies, and to offer ways for program improvements.

For more information about youth problem gambling, please refer to the following links:

State Resources

California Office of Problem Gambling

<http://problemgambling.securesites.com/>

Problem Gambling Prevention Technical Assistance and Training Project

<http://www.napafasa.org/pgp/>

Screening Tools

SOGS-RA & LIE-BET:

National Problem Gambling Awareness Week

<http://www.npgaw.org>

DSM-IV-MR-J:

<http://www.srs.ks.gov/agency/as/problemgambling/Documents/Youth%20Gambling%20Assessment%20Instruments.pdf>

Prevention Resources

California Friday Night Live

<http://www.fridaynightlive.org/Gambling/gamblingindex.html>

Synopsis of "Stacked Deck" curriculum

http://www.hazelden.org/web/public/document/7931_stackedeck.pdf

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Support for this project is provided by the State of California, Department of Alcohol and Drug Programs, Office of Problem Gambling.

The project aims to educate the public and train a broad range of service providers, government agency personnel, and community leaders to help prevent problem gambling throughout the State and to provide information on treatment resources for those in need.

All project services are free of charge and CEUs are offered for selected trainings.

For more information, please contact:

NAPAFASA

National Asian Pacific American Families Against Substance Abuse

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Los Angeles, CA 90012-4249

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Email: napafasa@napafasa.org

Project Partners Include:

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LENDING AGENCIES NOTE ORGANIZER

LESSON 7: HOW WILL I PAY FOR MY CAR?

How will you pay for your car(s)? You can decide on one lending agency or a combination.

<i>LENDING AGENCY</i>	<i>RATES</i>	<i>COSTS OVER TIME</i>
PAY DAY LOANS		
BANK		
CREDIT UNION		
CAR FINANCING THROUGH CAR LOT "TOTE THE NOTE"		
VISA OR MASTERCARD CREDIT CARD		

LOAN INFORMATION

LESSON 7: HOW WILL I PAY FOR MY CAR?

CAR LOANS

Annual percentage rates (APR) for Oklahoma loan amounts from \$5,000 up to \$100,000[†].

LOAN TYPE	UP TO 60 MONTHS AS LOW AS...	61-72 MONTHS AS LOW AS...
Dealer new ¹	2.34% [†]	2.44% [†]
Dealer used ¹	2.39% [†]	2.49% [†]
Private party ¹	2.59% [†]	2.74% [†]
Refinance ¹	2.39% [†]	2.69% [†]

ELIGIBILITY

- Must be 18 years of age
- Good Credit History
- With no cred history~co-signer is required
- Automatic payroll or bank withdrawal

PAYDAY LOAN INFORMATION

LESSON 7: HOW WILL I PAY FOR MY CAR?

PAYDAY LOAN FEE SCHEDULE

Payday loans to \$500.00 (36% APR, plus a 20% loan fee and \$5.00 verification fee)

TERMS IN DAYS	AMMOUNT BORROWED					
	\$100		\$300		\$500	
	ANNUAL PERCENTAGE RATE	FINANCE CHARGE	ANNUAL PERCENTAGE RATE	FINANCE CHARGE	ANNUAL PERCENTAGE RATE	FINANCE CHARGE
14	678.86%	\$26.40	593.14%	\$69.20	576.00%	\$112.00
30	336.00%	\$28.00	296.00%	\$74.00	288.87%	\$120.00
31	326.32%	\$28.00	287.61%	\$74.30	279.87%	\$120.50
62	181.16%	\$31.20	161.81%	\$83.60	157.94%	\$136.00

CHECK CASHING FEES

Computerized Payroll	1.99%	Commercial	3.00%
Handwritten Payroll	2.99%	Insurance	3.00%
Government	1.99%	Personal in State	10.00%
Money Order w/ Receipt	3.00%	Processing Fee On	
Money Order w/o Receipt	5.00%	All Checks	\$0.99

FINANCIAL LITERACY CARTOON

LESSON 8: CHECKING IN ON MYOB GAME



“I’m sorry, sir. We no longer accept mammoth as collateral.”

FINANCIAL LITERACY VOCABULARY

LESSON 8: CHECKING IN ON MYOB GAME

Income	late fee	small business loan
budget	past amount due	Transfer (as money)
entrepreneurship	Pay stub	debtor
Investments	Federal Income Tax	creditor
savings	State Income Tax	Foreclosure
taxes	401K	liquidation
Expenses	Social Security number	Chapter 7
charitable giving	garnishment	Chapter 13
payroll deductions	Retirement plan	mortgage
Employee benefits	credit limit	amortization
garnishments	balance	Property tax
ATM	IRA	escrow
Fees	interest	adjustable interest rate
bank penalties	minimum due	Fraud
checking account	Debt	register
Credit card	coverage	over budget
payday loan	deductible	Receipt
credit union	Emergency	annual fee
Bank loan	malpractice insurance	APR- Annual Percentage Rate
deposits	policy period	Credit limit
endorse a check	Expense	risk
Balance a checkbook	premium	Sales tax
ledger	total due	Social Security
withdrawal	Pie chart	Medicare
Overdrawn	federal student loan	ROI Return on Investment
interest	periodic interest rate	Trustee (in bankruptcy)
IRS	Savings account	allocate
State income tax	principal	

CREDIT CARDS: TO CHARGE OR NOT TO CHARGE?

LESSON 9

John Budget

DEBIT CARD

Description: This card is tied directly to your bank account and all of your purchases will immediately deduct funds from your checking account.

John Budget

CREDIT CARD WITH ANNUAL FEE

Description: This card has an 18% interest rate, but has an Annual Fee of \$25.

John Budget

CREDIT CARD WITH NO ANNUAL FEE

Description: This credit card has a 22% interest rate, but has no Annual Fee.

John Budget

STORE CREDIT CARD

Description: The store you're purchasing from offers a credit card for store purchases. It offers 18 months no interest on any purchase. However, if you do not pay off your purchase within the 18 months, you will be charged interest (at 25%) for the entire 18 month period.

You are about to make several large purchases. You and your group must decide how to pay for each purchase (from the credit card options given to you), selecting the option that is most financially beneficial to you. Please explain your reasoning.

1. You are purchasing a new 42 inch LED flat screen for your bedroom. The estimated cost is around \$400.00 at Best Buy, Walmart, and Amazon. How should you pay for this and why?
2. You would like to take a summer trip to Washington D.C. with your school. The estimated cost is around \$2,000.00. How should you pay for this and why?
3. You are purchasing a new iPad or tablet for school. Best Buy and Walmart both have them for around \$400.00. How should you pay for this and why?
4. You are not eligible for a phone upgrade, but your phone has busted and you need a new one. You want a new Samsung Galaxy S5. Because you are not eligible for an upgrade, you have to pay full retail price which is listed at \$660.00. How would you pay for this and why?
5. You are starting college in the fall and need new things for your dorm room. You are estimating around \$1000.00 for everything you might need. You know that everything you need will come from many different stores. How would you pay for all the things you need and why?

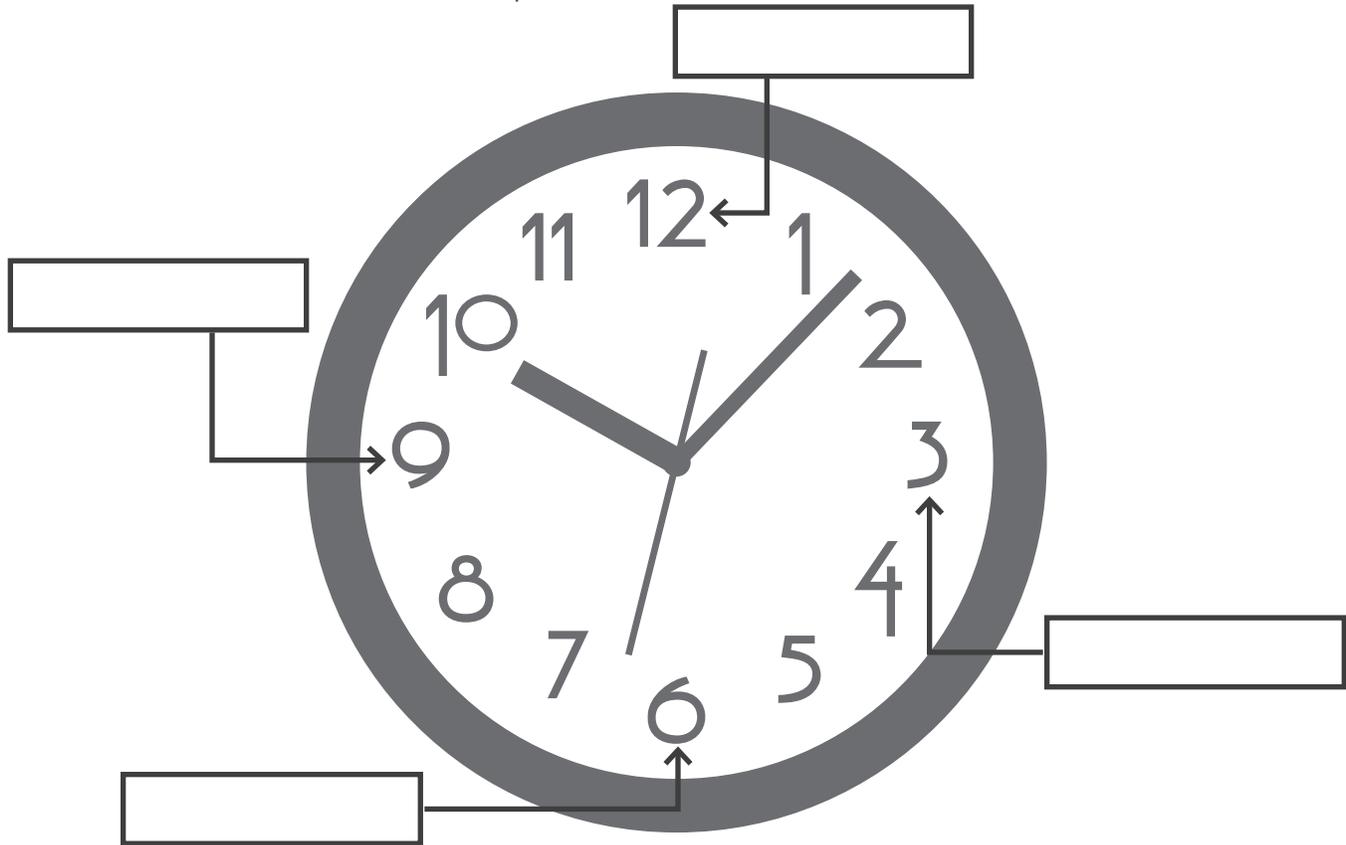
APPOINTMENT CLOCK

LESSON 9: CREDIT CARDS: TO CHARGE OR NOT TO CHARGE?

Name: _____

Hour: _____

Make an appointment with 4 different people, at 12, 3, 6 and 9 PM. Be sure you both record the appointment on your clocks for the same time. Only make the appointment if you both have an open slot at the same time. If you don't, find someone else who has the same time open.



APPOINTMENT 1 NOTES:

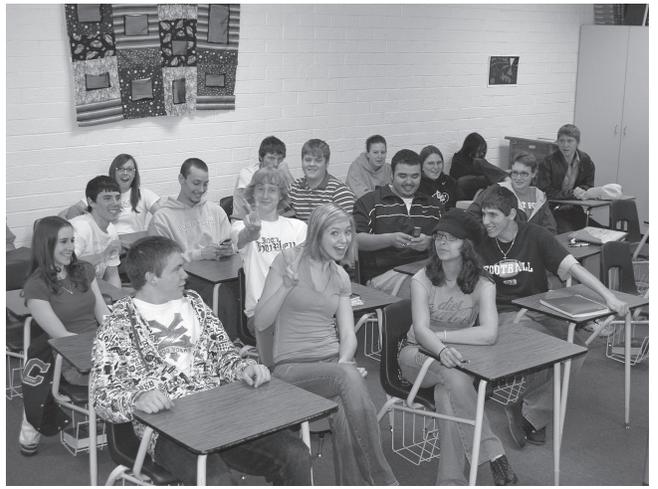
APPOINTMENT 3 NOTES:

APPOINTMENT 2 NOTES:

APPOINTMENT 4 NOTES:

WHY DO WE PAY TAXES?

LESSON 10



WEEKLY PAY CHECK

LESSON 10: WHY DO WE PAY TAXES?

This is a weekly pay check generated online. What would your taxes be for the month?
What would be your monthly salary?

CHECK DETAILS
X

General Information

Employee: George Orange

Check #: 29

Pay Frequency: Weekly (52 pay periods)

Begin Date: Tuesday, December 14, 2010

Pay Date: Tuesday, December 14, 2010

End Date: Tuesday, December 14, 2010

Income Details

<u>Income</u>	<u>Rate</u>	<u>Type</u>	<u>Quantity</u>	<u>Amount</u>	<u>YTD</u>
Regular Hourly Pay	10.00	Per Hour	162.00	1620.00	6620.00

Tax Details

<u>Tax</u>	<u>Amount</u>	<u>YTD</u>
Federal Income Tax	309.58	1752.95
Social Security (Employee)	100.44	677.04
Medicare (Employee)	23.49	158.34
State Income Tax	91.41	546.67
Local Income Tax	0.00	167.54
New York City Tax	55.20	55.20
Social Security (Employer)	100.44	677.04
Medicare (Employer)	23.49	158.34
Fed Unemployment (Employer)	0.00	56.00
State Unemployment (Employer)	0.00	139.50

Deduction Details

<u>Deduction</u>	<u>Amount</u>	<u>YTD</u>
Health Insurance	15.00	15.00
401K (Employee)	40.00	40.00
401K (Employer)	32.40	32.40

Check Summary

	<u>Total Incomes</u>	<u>Total Taxes</u>	<u>Total Deductions</u>	<u>Net Pay</u>
<u>This Check</u>	1620.00	580.12	55.00	984.88
<u>YTD</u>	6620.00	3357.74	55.00	3207.26

OK

Cancel

WEEKLY GROCERY BILL

LESSON 10: WHY DO WE PAY TAXES?

This is your average weekly grocery bill? What would your sales tax be for the month?

SUPER MART

GREAT PRICES EVERYDAY

ST#0448 OP# 00001612 TE\$ 11 TR# 09279

GM CEREAL	001600028714 F	2.98	Y
GM CEREAL	001600028714 F	2.98	Y
GM CEREAL	001600028714 F	2.98	Y
VOIDED ENTRY			
GM CEREAL	001600028714 F	2.98	-Y
MANGO	00000004058KF		
	2 AT 1 FOR 0.78	1.56	Y
LIMES	00000004048KF		
	4 AT 1 FOR 0.28	1.12	Y
FISHER NUTS	007069001422 F	4.84	Y
PEANUT BUTTER	005150072002 F	3.88	Y
SOUR CREAM	007342000011 F	1.78	Y
BANANAS	00000004011KF		
	2.80 LB @ 1 LB / 0.48	1.34	Y
DOG TREAT	068113157569	2.96	X
FRESCA	004900004327 F	3.88	R
FC STRAWPUREE	007049180395 F	2.88	Y
FC PINA CLDA	007049180495 F	2.88	Y
GV QN OLIVES	007874236976 F	2.18	Y
PRICES SPRD	004176715867 F	2.50	Y
BREAD	007294500176 F	2.00	R
BORDEN 1 BU	001400000310 F	2.66	Y
ROB ITALIAN	004100000627 F	1.68	R
CELERY	003338365301 F	1.93	Y
CROUND CHUCK	002718255429 F	2.38	Y
MENS WALLET	088153910002	9.63	X
2 MILK	007100000051 F	4.18	Y
GM CEREAL	001600081160 F	2.82	Y
RED GRAPES	00000004023 KF		
	1.99 LB @ 1 LB / 0.98	1.95	Y
CHEESECAKE	008198812455 F	1.00	Y
GRPFUIT 5	003338312503 F	3.98	Y
TOMATO	00000003151 KF		
	WAS 1.44/LB YOU SAVED 0.48		
	1.13 LB @ 1 LB / 0.96	1.08	Y
SMO HOT DOG	004470000049 F	2.50	Y
BERT. SAUCE	004470000049 F	1.93	R
GV HD0G BUNS	007874228550 F	0.97	Y
	SUBTOTAL	78.45	
	TAX 14.000%	0.50	
	TAX 34.600%	3.61	
	TOTAL	82.56	
	VISA TEND	82.56	

ACCOUNT 00000
 APPROVAL #00534A
 TRANS ID 000000000000000000
 VALIDATION KNNQ
 PAYMENT SERVICE E
 CHANGE DUE 0.00

#ITEMS SOLD 33

TC# 1406 3259 5150 4486 5398



Low fees on Money Transfers!
 Send money for Mother's Day today!
 04/26/06 14:04:20

CUSTOMER COPY

MONTHLY MORTGAGE STATEMENT

LESSON 10: WHY DO WE PAY TAXES?

This is your monthly mortgage statement.

You are paying Option 1- Full which would include the principal amount plus taxes/interest.

Mortgage Statement

Statement Date: 3/20/2013

Account Number	1234567
Payment due date	4/1/2012
Amount Due	
Option 1 (Full):	\$1,829.71
Option 2 (Interest Only):	\$1,443.25
Option 3 (Minimum):	\$1,156.43

Account Information

Outstanding Principal	\$260,000.00
Interest Rate (Until October 2012)	4.75%
Prepayment Penalty	\$3,500.00

Explanation of Amount Due

	Option 1 (Full)	Option 2 (Interest Only)	Option 3 (Minimum)
Principal	\$386.46	\$0	\$0
Interest	\$1,048.07	\$1,048.07	\$761.25
Escrow (Taxes and Insurance)	\$235.18	\$235.18	\$235.18
Regular Monthly Payment	\$1,669.71	\$1,283.25	\$996.43
Total Fees and Charges	\$160.00	\$160.00	\$160.00
Total Amount Due	\$1,829.71	\$1,443.25	\$1,156.43

If you make this payment...	Your principal balance will decrease , and you will be closer to paying off your loan.	Your principal Balance will stay the same , and you will not be closer to paying off your loan	Your principal balance will increase. You will be borrowing more money and losing equity in your home.
-----------------------------	-----------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------

Transaction Activity (2/30 to 3/19)

Date	Description	Charges	Payments
3/16/12	Late Fee (Chared because payment was recieved after 3/15/2012)	\$160.00	
3/19/12	Payment Received - Thank you		\$1,669.71

Past Payments Breakdown

	Paid Last Month	Paid Year to Date
Principal	\$384.93	\$1,150.25
Interest	\$1,049.60	\$3,153.34
Escrow (Taxes & Insurance)	\$235.18	\$705.54
Fees	\$0	\$0
Total	\$1,669.71	\$5,009.13

WHERE DO OUR FEDERAL TAX DOLLARS GO?

LESSON 10: WHY DO WE PAY TAXES?

The federal government collects taxes in order to finance various public services. As a tax payer, it is beneficial to understand what the federal government does with the revenue from taxes.

In fiscal year 2013, the federal government spent \$3.5 trillion, amounting to 21% of the nation's Gross Domestic Product (GDP). Of that \$3.5 trillion, nearly \$2.8 trillion was financed by federal tax revenues. The remaining amount (about \$680 billion) was financed by borrowing.

The five major areas of spending accounted for roughly 83% of the federal budget in 2013.

1) 2013 Defense and international security assistance:

- 19% of the budget, or \$643 billion
- Used for defense and security-related international activities
- The majority of defense spending covers the underlying costs of the Department of Defense.
- The Overseas Contingency Operations, which supports operations in Afghanistan and other related activities, was allocated \$93 billion in 2013.

2) Social Security:

- 24% of the budget, or \$814 billion
- Provided monthly retirement benefits averaging \$1,294 to 37.9 million retired workers
- Also provided benefits to 2.9 million spouses and children of retired workers, 6.2 million surviving children and spouses of deceased workers, and 11 million disabled workers and their eligible dependents

3) Medicare, Medicaid, and CHIP (Children's Health Insurance Program):

- 22% of the budget, or \$732 billion.
- Medicare received \$498 billion and provided health coverage to nearly 54 million people who are over the age of 65 or have disabilities.
- Medicaid and CHIP received the remaining \$234 billion and provided health care or long-term care to about 70 million low-income children, parents, elderly people, and people with disabilities. Both Medicaid and CHIP require matching payments from the states.

4) Safety net programs:

- 12% of the federal budget, or \$398 billion
- Examples of supported programs for individuals and families facing hardship
- the refundable portions of the Earned Income Tax Credit and Child Tax Credit
- Programs that provide of in-kind assistance for low-income families and individuals, including SNAP (food stamps), school meals, low-income housing assistance, child care assistance, and assistance in meeting home energy bills
- Programs that aid abused and neglected children.

5) Interest on the national debt:

- 6% of the federal budget, or \$221 billion.
- This money is allocated for the federal government to make the required interest payments on the money it has borrowed to finance past deficits

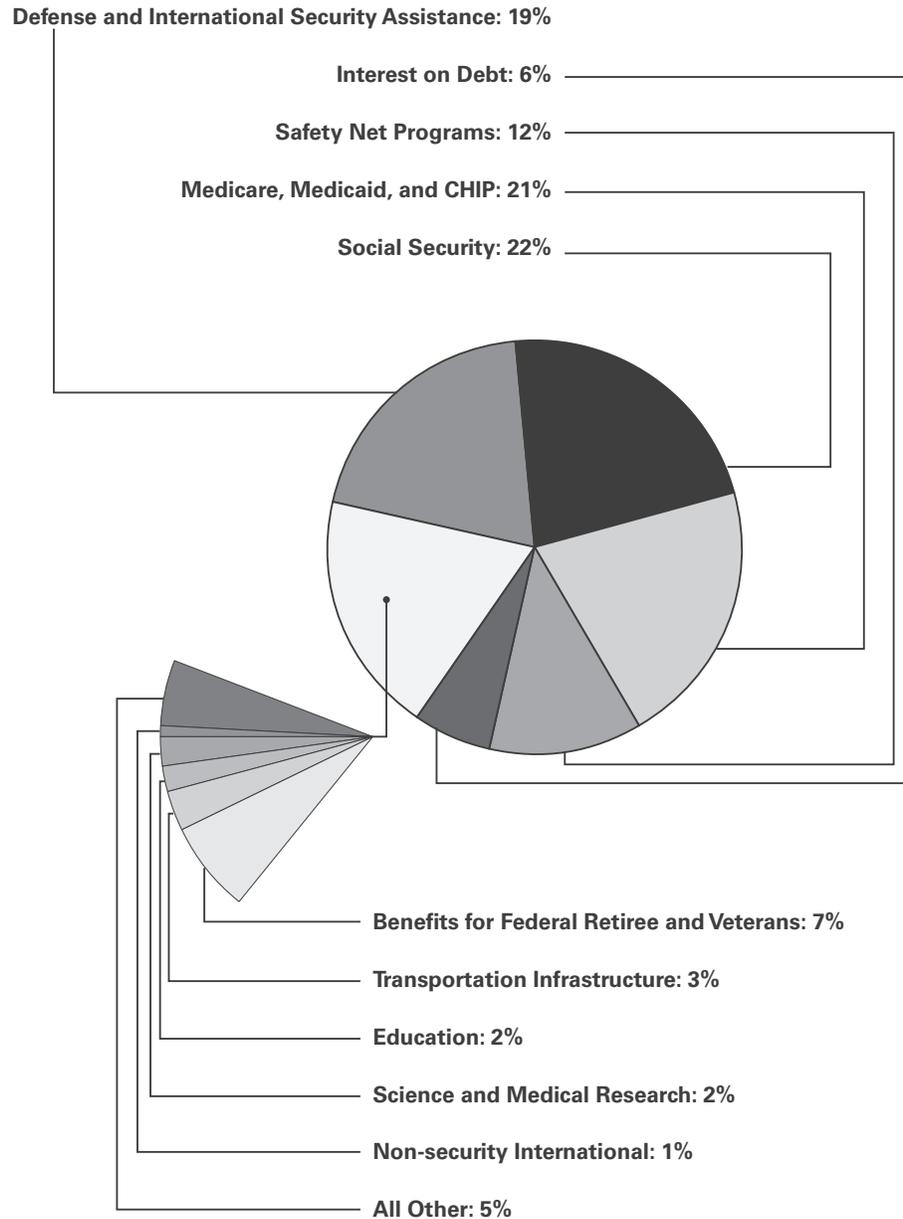
The remaining 17% of the federal budget supported a wide variety of other public services, including:

- Benefits to veterans and retirement benefits to retired federal employees – 8%
- Education - 1%
- Scientific and medical research – 2%
- Basic infrastructure such as roads, bridges, and airports – 3%
- Non-security programs that operate internationally, including programs that provide humanitarian aid – 1%
- Other – 2%

Sources: Center of Budget and Policy Priorities, <http://www.cbpp.org/> and Office of Management and Budget, <http://www.whitehouse.gov/omb>

WHERE DO OUR FEDERAL TAX DOLLARS GO?

LESSON 10: WHY DO WE PAY TAXES?



Source: Office of Management and Budget, <http://www.whitehouse.gov/omb>

T CHART COMPARISON

LESSON 11: RENT VS. OWN

Choose one to compare: Buying a home Renting an Apartment

<i>ADVANTAGES</i>	<i>DISADVANTAGES</i>

STEPS TO TAKE

LESSON 11: RENT VS. OWN

List 10 steps for: Buying a home Renting an Apartment

What money will I need saved before I move in?

What costs do I need to prepare for?

How will I prepare for these costs?

1.

2.

3.

3.

4.

5.

6.

7.

8.

9.

10.

TYPES OF INVESTMENT

LESSON 12: HOW WILL I SAVE FOR MY FUTURE?

WHY INVEST?

Investing means someone is purchasing securities such as stocks, bonds, mutual funds, precious objects, real estate or banking certificates with the goal of increasing wealth over a period of time. Sometimes these purchases do not gain wealth but can actually lose money so each investment does carry risk. The amount of risk depends upon the type of investments that someone chooses. Investors can set aside and accumulate money for future income or future profit if they have made wise investments.

STOCKS

The most popular investments are stocks, bonds, and mutual funds. Stocks are certificates that state an investor has bought a share or stake in a company. He or she then owns a small part of that company. Stock certificates represent the holder's share of ownership of the assets and earnings of a corporation or company. If the company is successful, then the stock certificates or shares become more valuable and can be sold for a profit. On the other hand, if the company has problems, then the shares in the company become less valuable and an investor can lose money from their original investment. Some companies are less risky investments than others—that is, they are not as likely to lose money.

Stocks are bought and sold on the stock exchange or stock market. Two popular exchanges are the New York stock exchange (NYSE) and the National Association of Securities Dealers Automated Quotations exchange or NASDAQ. The New York stock exchange is the oldest and largest stock exchange in the world. There are international stock exchanges as well. One is Japan's Nikkei stock exchange. Usually, investors either research companies themselves or pay a fee to an investment company that does the research for them and recommends the best stocks to purchase. Stocks can be bought, traded, and sold online through many internet investment companies or over-the-counter markets. Brokers of these investment companies help clients make buying or selling transactions in the financial markets. Brokers are paid fees or commissions by the investor for their expertise in selecting the best investments.

When purchasing stocks of ANY company or through ANY broker, the value of those stocks may fluctuate

or change due to what is happening in the country or around the world. Here is an example of how that can happen. Let's say that you invest in the Coca-Cola Corporation and buy some shares. You buy 10 shares at \$50.00 each. The corporation looks very profitable and has actually come out with a new line of cola products that are selling really well. In fact, the stock shares are selling a month later for \$55.00 a piece and you are making a small profit on your investment. Then, an earthquake hits the coast of China and a large Coca-Cola manufacturing plant there is destroyed in the quake. Workers are killed and the company will have to rebuild the plant and pay insurance benefits and wages to families who lost their loved ones. This setback in the company could cause your stock values to become less valuable. As the company must spend extra money to rebuild and recover from the earthquake, the stock values may fall. Three months later, you learn that your investment of \$50.00 per share has fallen to \$40.00 per share. This means that if you try to sell the stocks at their current value of \$40.00 per share, you would lose \$100 of your original investment. Because Coca-Cola is a large company, this setback has also caused some aluminum can manufacturers who sell their cans to Coca-Cola to lose value in their stocks as well. The Coca-Cola Corporation needs less aluminum cans because the China plant used 10,000 cans per day in making cola products. Most large and small corporations' stock values are based upon what is happening in the U.S. or global marketplace.

The up and down movements of stock values are called market fluctuations. The market is very sensitive to events that happen in our country. For example, imagine that the country is about to elect a new president, but the polls show that it is a very close race

and no one is certain who might win. This uncertainty can cause the entire stock market to lose some money because investors are not purchasing stocks but waiting to see what will happen. If no one is purchasing stocks to help companies grow, then stock values may fall slightly. This is another example of risk.

BONDS

A bond is a certificate representing the purchaser's agreement to lend money to a business or government on the promise that the debt will be paid back—with interest—at a specific time. The purchaser reaps the rewards of the loan through the interest money received. An excellent example of a bond is a municipal bond. Municipal bonds are created by a city that may need money to build something for the city such as a library or civic center. The investor purchases the bonds and promises to loan the money for a period of years. Bonds usually require that the investor loan the money for long periods of time—between 6 to 30 years. The city agrees to pay back the loan with interest at the end of the bonding period. Treasury bonds or T-bonds are another type of bond. You as an investor are loaning the federal government, through the U.S. Treasury Department, money to pay off its debts with the understanding that at the end of the bonding time, you will receive your money back with interest. Your profit or return on your investment is the interest paid back to you along with the original investment.

MUTUAL FUNDS

Sometimes it is safer to join a group of investors and pool your money to make greater profit or to have less risk. Mutual funds are a way to do that. Investment companies sell mutual funds. These funds are an investment tool that pools the money of many shareholders and invests it in a group of securities, such as multiple stocks and bonds. The use of multiple stocks and bonds grouped together is called diversification. Because you're investing in multiple stocks and bonds, if one stock loses value, the other four you own may be increasing in value. In that way, your loss is not significant because overall, you have still made a profit.

GOLD, REAL ESTATE, OR PRECIOUS OBJECTS

Many investors like to own their investments. Investors also buy precious metals, such as gold or silver, as an investment. These precious metals are in the form of bars or coins and may become more valuable over time. Precious metals, like other investments, carry risk because they can either increase or decrease in value also. Investors may choose to purchase real estate property as an investment. Real estate can increase in value for a variety of reasons. The property may be land that a company wants to develop or that would be good for a new housing addition. The return on the investment comes from buying the property at a lower price and selling it for a higher price. An investor might also wish to buy real estate properties such as houses, commercial buildings, or apartments to use for profit by renting or to selling at a higher cost.

Other examples of special purchases or precious objects that are used as investments may be paintings, jewelry, antique cars, or baseball cards. Purchases such as beds, TVs, audio systems, or your grandma's rocker may have cost a lot of money to buy at the time but are unlikely to increase in value in the long run. An example of a special purchase investment of the 1990s was the Beanie Babies toys that were popular and believed to be collectible. \$100,000 worth of these small toys was purchased by a Los Angeles family in the hope of making a profit for their children's future college educations. Instead, the Beanie Babies' craze went away and there was no way to sell the toys to anyone even at their original cost. The Beanie Babies toys became boxes of junk. Investors must carefully research which precious objects will increase in wealth over time and what might be the "return" on their investment. With special purchases, you must know when to sell while that item still appears valuable and "precious" to the public.

BANKING INVESTMENTS

Banks also have opportunities for investors. Banks offer high-yield savings accounts, certificates of deposit, or other bank securities and programs. Because banks are very safe and they do carry insurance in case the bank was to fail, investors face very little risk over time. However, investors also do not usually gain as much profit through the accrued interest as with other types of investments.

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FRAYER MODEL

LESSON 12: HOW WILL I SAVE FOR MY FUTURE?

The Frayer Model is a graphic organizer used for learning about a concept. It consists of a large rounded rectangle divided into four quadrants by a vertical line and a horizontal line. In the center of the rectangle is a large oval. The quadrants are labeled as follows:

- Top-left quadrant: Definition
- Top-right quadrant: Characteristics
- Bottom-left quadrant: Examples
- Bottom-right quadrant: Non-Examples

The central oval is currently empty and is intended for students to write a definition of the concept being studied.

QUIZ: WHAT DO YOU KNOW ABOUT IDENTITY THEFT?

LESSON 13: DON'T LET THIS HAPPEN TO YOUR GRANDMA!

1. What age group is MOST affected by identity theft?
 - 18- 24
 - 25-34
 - 35-49
 - 50-64
 - 65 years and older

2. What is the average number of U.S. identity fraud victims annually?
 - 3 million
 - 12 million
 - 35 million
 - 100 million

3. What type of identity theft is reported the most often?
 - Credit card theft
 - Misuse of someone's bank account
 - Using someone's personal identification as their own

4. Which type of individual is more likely to be a victim of identity theft?
 - A young single man
 - A young single woman
 - A married person; either wife or husband

5. Which statement is MOST likely to be true?
 - The rate of identity thefts is going up every year.
 - The rate of identity thefts has remained fairly steady over the years.
 - The rate of identity thefts has decreased in the last five years.

Source: The U.S. Department of Justice, Research date 6/16/2013.

<http://www.statisticbrain.com/identity-theft-fraud-statistics/>

IDENTITY THEFT GROWING, COSTLY TO VICTIMS

J. CRAIG ANDERSON, THE ARIZONA REPUBLIC

Credit-card data theft is exploding, increasing 50% from 2005 to 2010, according to the latest figures from the U.S. Department of Justice.

Millions of card numbers are for sale. A single number might go for \$10 to \$50; a no-limit American Express card number for a consumer with good credit can sell for hundreds of dollars, said Monica Hamilton, marketing director at cybersecurity firm McAfee Inc. in Santa Clara, Calif.

As a result, identity theft has become big business. The number of malicious programs written to steal your information has grown exponentially to an estimated 130 million from about 1 million in 2007, Hamilton said.

The most successful identity thieves have learned that it's more lucrative to hack into businesses, where they can steal card numbers by the thousands or even millions.

Losses suffered by the businesses they hack can be staggering — an estimated \$150 to \$250 for each card number stolen. Those costs come in the form of legal settlements, fees for consultants hired to remove malware, and personnel hours spent notifying customers. The costs are passed on to consumers in the form of higher retail prices and credit-card fees.

Identity theft, defined as the successful or attempted misuse of credit-card, bank-account or other personal information to commit fraud, is expected to surpass traditional theft as the leading form of property crime. Security analysts say everyone should prepare to become a victim at some point.

Other types of identity theft, including the filing of fraudulent tax returns, also are growing fast.

Yet identity theft often goes unreported, and the crimes that are reported are rarely investigated.

Police don't want to be bothered. It's a difficult crime to investigate, and the feeling is, "Oh, we're never going to catch these guys." -MARK RASCH, CYBERSECURITY SPECIALIST

Most merchants are content to clean up the damage from an attack, rather than pay for better preventive measures, said Mark Rasch, a cybersecurity specialist and a former federal cybercrime prosecutor in Bethesda, Md.

That approach isn't likely to change unless consumers pressure businesses they patronize to get serious about security.

Financial institutions have become savvy about spotting potentially fraudulent activity and quashing questionable transactions. Thus far, banks have made identity theft relatively painless for consumers by covering their immediate losses. But some analysts wonder whether that approach will be sustainable as the problem grows.

Most local law enforcement lacks the personnel and expertise to investigate smaller identity crimes and the FBI is only interested in massive cases involving hundreds of victims or more, Rasch said.

"Police don't want to be bothered," he said. "It's a difficult crime to investigate, and the feeling is, 'Oh, we're never going to catch these guys.' "

According to Phoenix police, it is often impossible to locate the perpetrators of identity-related crimes, which makes them among the most difficult cases to solve.

Unhappy returns

Kellie Droste got surprising news from her accountant last month.

An identity thief had stolen the Maricopa, Ariz., resident's personal information and filed a tax return in her name to claim her refund.

"He (her accountant) couldn't file our joint tax return, because someone had already filed a tax return under my Social Security number," Droste said.

Droste reported the fraud and was told it would take at least six months to sort out the matter. Meanwhile, she would have to wait to receive her \$2,700 tax refund.

Droste is among thousands of taxpayers victimized by a fast-growing form of identity theft in which stolen personal information is used to file fraudulent tax returns. And although fraudulent tax returns are popular with criminals right now, they represent the tip of the iceberg.

Victims Suffer

Most victims suffer little more than the inconvenience of having to replace their credit and debit cards.

But when a stolen identity is used to apply for additional lines of credit, the victim can spend years trying to resolve bad debt run up by thieves in their names. Some struggle to borrow money because of the damage to their credit scores. Others have been forced to file bankruptcy and lose their homes.

It's not uncommon for victims to suffer multiple forms of identity theft, as was the case with Droste. A customer-service representative from Discover called in August to inform Droste, a speech therapist, that her recent credit-card application was incomplete.

"I hadn't applied for a Discover card," she said.

The identity thief somehow had managed to get her Social Security number, full name and date of birth, Droste was told.

Droste said she spent dozens of hours on the phone trying to stop the fraudulent applications. She filed a police report and even had an excellent lead for investigators to pursue: an address which had been used on some of the applications.

It didn't seem to matter, Droste said. She was told there was little the police could do.

When asked for comment on the challenges of investigating identity theft, Phoenix police deferred to the department's online identity-theft victim packet.

"In identity theft cases it is difficult to identify the suspect(s) as they often use inaccurate information such as addresses and phone numbers," it states. "Frequently the investigator cannot find evidence to prove who actually used the victim's name and/or personal information over the phone or Internet."

Source: USA Today website, <http://www.usatoday.com/story/money/personalfinance/2013/04/14/identity-theft-growing/2082179/>

SCENARIOS FOR IDENTITY THEFT AND CONSUMER FRAUD

LESSON 13: DON'T LET THIS HAPPEN TO YOUR GRANDMA!

SCENARIO 1: Your grandma Sandy receives a phone call from someone claiming to be you. They tell her they are in Mexico and have gotten into trouble and need \$15,000 sent to them in order to come home. They ask Sandy to wire the money to their bank account. (example of fraud)

SCENARIO 2: You receive an email from what appears to be Apple regarding your iTunes account. The email states they are verifying your account information and asks you to reply with the credit card number that is linked to your iTunes account. (example of phishing)

SCENARIO 3: You shopped at Target during the holiday season, November 17th through January 5th. Target had a data breach during this time period, millions of customers had their personal and credit card information stolen. This information was then sold, and you have already seen several purchases on your credit card statement that you know you didn't make. (example of consumer fraud)

SCENARIO 4: While traveling, you lose your wallet, containing your social security card and driver's license. Two weeks later, you try to use your credit card and it is declined. Upon investigation, you learn that all of your current credit cards are maxed out, new cards have been taken out in your name (and maxed out), and a sizable loan has been taken out in your name. (example of identity theft)

SCENARIO 5: You find an advertisement online for a \$50 iPad. You purchase this iPad online using your credit card. Once you've purchased the iPad, the company notifies you that the iPads are currently out of stock and they have automatically shipped and billed you for their regular priced model, for \$500. When you call to dispute the charge, you are told that you agreed to it via the fine print of the original purchase agreement. (example of bait and switch)

SCENARIO 6: A friend recruits you to sell fitness products promising substantial money and prizes if you sell a weekly quota and recruit more people to the team. There is a requirement to purchase the products for \$300 to get started. After 3 months, you have yet to break even with your initial investment. (example of pyramid scheme)

TWO KINDS OF BANKRUPTCY

LESSON 14: CHAPTER 7 OR CHAPTER 13? (IT'S NOT WHAT YOU THINK!)

Chapter 7 Bankruptcy

For both types of bankruptcy, you must go to court. Chapter 7 bankruptcy is also called “liquidation” bankruptcy because the bankruptcy court removes your responsibility for paying most of your debts that are not secured by collateral or property. Collateral is the property that guarantees a loan. Mortgages are guaranteed by real estate and car loans by the vehicles.

When you file Chapter 7 bankruptcy, you are allowed to keep certain “exempt assets.” Exempt assets or property: Property you are allowed to keep even though you file bankruptcy.

A “Means Test” must be taken to determine if you can file a Chapter 7. A “means test” will determine if you are eligible to file a Chapter 7 or can repay part of your debt under a Chapter 13. The “means test” compares your income with your states median income, and also examines your financial ability to repay your debt. Currently, the median income for OK is:

STATE	1 EARNER	2 PEOPLE	3 PEOPLE	4 PEOPLE
Oklahoma 2014	\$39,749	\$51,097	\$55,641	\$64,916

You can still file for Chapter 7 bankruptcy if

- If your income exceeds the state median you still might be able to file Chapter 7 if your income is not enough to pay your current living expenses and to meet the repayment requirements of Chapter 13.

Pre-bankruptcy credit counseling and pre-discharge debtor education are bankruptcy requirements before you can file for bankruptcy. Federally approved credit counseling must be completed within 6-months prior to filing. Debtor Education must be completed after filing to have debts discharged.

- You must also provide the following to file bankruptcy:
- Copies of your tax returns: Latest tax return for Chapter 7
- Certificate of credit counseling within past 6 months.
- Evidence of earnings within the past 60 days.
- Monthly net income and any anticipated increase in income.
- A photo ID.

Under Chapter 7, a court-appointed trustee takes possession of your non-exempt property, arranges for its sale or liquidation and is responsible for paying as many of your debts as possible with the proceeds.

Not all debts can be erased by bankruptcy. You can file Chapter 7 only once every eight years.

Chapter 13 Bankruptcy

Also called “reorganization” or “repayment” bankruptcy—is an option if you have a source of dependable income but are unable to pay your debts. Filing for Chapter 13 bankruptcy allows you to pay your debts in installments over a three-to-five-year period.

- The court must approve your plan to repay all or part of the money you owe. In general, you may keep all your property as long as you continue to make your Chapter 13 payments on time.
- Alimony and child support payments and long-term secured obligations such as your mortgage cannot be discharged.

Under federal bankruptcy law, you are entitled to keep certain things you own outright, as long as they do not exceed maximum values under federal or state law. These things include your home, car, household furnishings, jewelry, tools of your trade, life insurance cash value and payments you received for bodily injury. There is a significant difference in federal and state laws for exempt assets. This is one reason why it is important to hire a lawyer when you file bankruptcy.

Pre-bankruptcy credit counseling and pre-discharge debtor education are bankruptcy requirements for filing for Chapter 13 also.

- You cannot file Chapter 13 if you obtained a bankruptcy discharge in the past 2-4 years.
- Chapter 13 may be the better choice for people who have non-exempt property they wish to keep that otherwise would be liquidated during a Chapter 7 filing for paying off debts.

Bankruptcy will not remove certain “non-dischargeable” debts, including the following:

- Child support and alimony.
- Debts incurred for personal injury or death caused by you while driving under the influence of alcohol or illegal drugs.
- Student loans, unless hardship prevails.
- Fines and penalties imposed for law violations, such as traffic tickets or criminal restitution.
- Income taxes from the past three years and other tax debts.
- Credit purchases of \$1,150 or more for luxury items or services made within 60 days of your bankruptcy filing.
- Loans or cash advances of \$1,150 or more taken out within 60 days of your bankruptcy filing.

- Debts owed to a single creditor of more than \$500 for luxury goods purchase with 90 days of filing.
- Cash advances of \$750 made within 70 days of filing.
- Criminal restitution resulting from illegal activities such as embezzlement, larceny, fraud or willful or malicious injury to another person or another person’s property.
- Debts you owe from a divorce decree or settlement.

Bankruptcy remains on your credit report for up to 10 years, which can make it difficult to get new credit, find a place to rent, get insurance or qualify for some jobs. Unless you change your financial habits after you file bankruptcy, you might fall into debt again.

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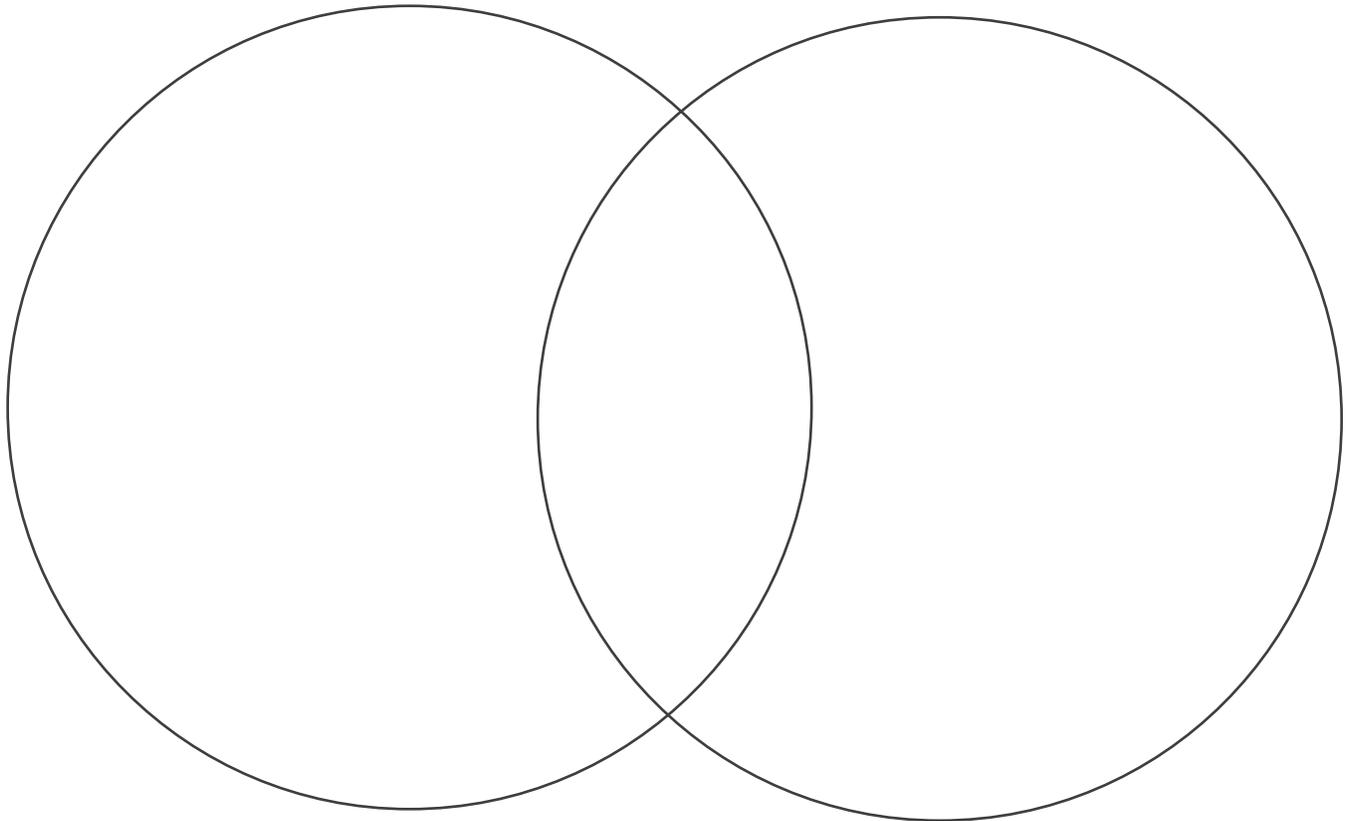
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VENN DIAGRAM

LESSON 14: CHAPTER 7 OR CHAPTER 13? (IT'S NOT WHAT YOU THINK!)

Name: _____

Hour: _____



COMPARISON STATEMENTS:

CONTRAST STATEMENTS:

IMPLICATIONS?

EIGHT WARNING SIGNS OF BANKRUPTCY

LESSON 14: CHAPTER 7 OR CHAPTER 13? (IT'S NOT WHAT YOU THINK!)

1. Limited or inadequate health coverage or no coverage at all
2. Maxing out multiple credit cards
3. Paying the minimum balance on your credit cards
4. Borrowing money from family and friends to make basic living expenses.
5. Over reliance on home equity loans
6. Limited or no emergency fund
7. Co-signing a loan for someone else
8. Tax lien or foreclosure on your home
9. Repossession of a car or other item
10. Borrowing more than you can afford to pay back in student loan
11. Phone calls and letters from creditors and collection agencies become unbearable
12. Checks are often "bounced" for non-sufficient funds
13. A new job with substantially lower pay causing you to not be able pay your basic living expenses

Sources: eriebar.com/public-bankruptcy-warnings and financialplan.about.com/od/creditanddebt/a/Bankruptcy.htm

	SOCIAL SECURITY	IRAs	401KS	ANNUITIES	STOCKS/BONDS
MINIMUM CONTRIBUTION REQUIRED					
POSSIBLE RISKS					
EXPECTED ANNUAL GROWTH					
POSSIBLE BENEFITS					

COMPOUND INTEREST CHEAT SHEET

LESSON 15: WILL YOU LIVE TO BE 100?

With Compound Interest, you work out the interest for the first period, add it to the total, and **then** calculate the interest for the next period, and so on..., like this:



Here are the calculations for a 5 year loan at 10%:

YEAR	LOAN AT START	INTEREST	LOAN AT END
0(now)	\$2,000.00	$(\$2,000.00 \times 10\% =) \200.00	\$2,200.00
1	\$2,200.00	$(\$2,200.00 \times 10\% =) \220.00	\$2,420.00
2	\$2,420.00	$(\$2,420.00 \times 10\% =) \242.00	\$2,662.00
3	\$2,662.00	$(\$2,662.00 \times 10\% =) \266.20	\$2,928.20
4	\$2,928.20	$(\$2,928.20 \times 10\% =) \292.82	\$3,221.02
5	\$3,221.02		

You can also use a formula to jump to the end of the saving period without writing out each year's loan value.

$$PV \times (1+r)^n = FV$$

or

$$FV = PV \times (1+r)^n$$

future value present value interest rate (as a decimal) number of periods

Remember, some interest rates are compounded annually, some quarterly, and some monthly, and even (rarely) compounded daily. That is the period (n). The more often the loan compounds, the higher the future value.

(Can you see it is the same? Just with $PV=\$1,000$; $r=0.10$; $n=5$; and $FV=\$1,610.51$)

Source: <http://www.mathisfun.com/money/compound-interest.html> and <https://www.khanacademy.org/economics-finance-domain/core-finance/interest-tutorial/compound-interest-tutorial/v/introduction-to-compound-interest>

THE STORY OF BEN AND ARTHUR

LESSON 15: WILL YOU LIVE TO BE 100?

Both save \$2,000 per year with a yearly compounded interest of 12%. Ben starts at age 19 and stops at age 30. Arthur starts at age 27 and stops at age 65. Who made a smarter investment?

AGE	BEN INVESTS	BEN'S ACCOUNT	ARTHUR INVESTS	ARTHUR'S ACCOUNT
19	2000		0	0
20	2000		0	0
21	2000		0	0
22	2000		0	0
23	2000		0	0
24	2000		0	0
25	2000		0	0
26	2000		0	0
27	2000		2000	
28	2000		2000	
29	2000		2000	
30	2000		2000	
31	0		2000	
32	0		2000	
33	0		2000	
34	0		2000	
35	0		2000	
36	0		2000	
37	0		2000	
38	0		2000	
39	0		2000	
40	0		2000	
41	0		2000	
42	0		2000	
43	0		2000	
44	0		2000	
45	0		2000	
46	0		2000	
47	0		2000	
48	0		2000	
49	0		2000	
50	0		2000	
51	0		2000	
52	0		2000	
53	0		2000	
54	0		2000	
55	0		2000	
56	0		2000	
57	0		2000	
58	0		2000	
59	0		2000	
60	0		2000	
61	0		2000	
62	0		2000	
63	0		2000	
64	0		2000	
65	0		2000	

RUBRIC FOR CREATING A FAMILY BUDGET

LESSON 16: LIFE: THE FINAL PROJECT

CATEGORY	4	3	2	1
BUDGET CATEGORIES	The budget categories exceed expectations. The budget is comprehensive and fully explained.	The budget categories meet expectations. Most all needs for the family are covered in the budget breakdown.	The budget includes some of the living expenses for this family but may be missing one or two essential items.	The budget lacks critical elements of necessary living to be of use to this family.
HOUSING	This budget includes all the necessary expenses that occur with housing. Cost has been included for the type of residence and also maintenance of that residence.	This budget includes MOST of the financial costs of monthly housing and necessary monthly expenses.	This budget includes some of the financial costs of monthly housing, necessary costs, and maintenance but is missing some key financial costs.	The budget is missing many of the necessary costs that would be needed to live in this residence.
TRANSPORTATION	The budget includes adequate money set aside for transportation costs.	The budget includes some money for transportation costs but may not meet every family members' needs.	The budget includes some money for transportation costs but is insufficient.	The transportation costs are not present in the budget.
SAVINGS	Savings exceeds what is needed for the budget to meet short-term and long-term financial goals.	Savings meets what is needed for the budget to satisfy the short-term and long-term financial goals.	Savings meets what is needed for the budget to satisfy the short-term financial goal, but not the long term financial goal.	Savings does not meet what is needed for the budget to meet the short-term and long-term financial goals.
DEBT	The budget exceeds adequate money paid toward decreasing and paying off debt within a reasonable amount of time.	The budget includes adequate money paid toward decreasing and paying off debt within a reasonable amount of time.	The budget lacks enough money paid toward decreasing and paying off debt in a reasonable amount of time.	The budget barely includes minimal funds paid toward decreasing and paying off debt.
INSURANCE	The budget includes the necessary insurance needed to protect all personal and family assets.	The budget includes the necessary insurance required by law.	The budget includes some of the necessary insurance required by law, but does not cover everything the family owns.	The budget does not include insurance for any of the family assets.
OTHER	The budget includes several other extra financial costs the family could possibly come across during the month, particular to their family.	The budget includes some other extra financial costs the family could possibly come across during the month, particular to their family.	The budget includes one or two other extra financial costs the family could possibly come across during the month, particularly to their family.	The budget does not include any extra financial costs the family could possibly come across during the month, particularly to their family.

FAMILY SCENARIOS

LESSON 16: LIFE: THE FINAL PROJECT

SCENARIO 1: Husband and wife, both doctors making a combined 500,000 with a combined medical school student loan debt of 250,000. There is no credit card debt. There are 2 children, ages 3 and 5.

SCENARIO 2: Husband is an engineer working for Halliburton, making 85,000 and wife is a teacher, making 35,000. Their combined student loan debt is 20,000 and they have 8,000 in credit card debt. There are 3 children, ages 15, 11, and 2.

SCENARIO 3: Husband is a Software programmer making 50,000 and the wife is stay at home mother. They have student loan debt but they have 5,000 in credit card debt. They have 1 child, 6 months.

SCENARIO 4: Husband is a principal, making 55,000 and the wife is a lawyer, making 150,000. They have 3,000 in credit card debt. They have 4 children ages 20, 17, 15, and 10, and the 20 year old is in college.

SCENARIO 5: Mother is a single parent and a sales representative for IBM, making 45,000. There is no credit card or school loan debt. There are 2 children, ages 10 and 14.

SCENARIO 6: Grandfather and grandmother are raising their 2 grandchildren, ages 16 and 14. They had planned well and were living off of their retirement income of 100,000. They have had to make adjustments to their budget and their retirement lifestyle to accommodate the addition of their grandchildren. They would love more than anything to be able to send their grandchildren to college in the next few years.

FEEDBACK FORM

LESSON 16: LIFE: THE FINAL PROJECT

Name and Hour:

Team Presenting and Scenario # presented:

Strengths of the budget:

Weaknesses of the budget:

Recommendations for improvement:

Name and Hour:

Team Presenting and Scenario # presented:

Strengths of the budget:

Weaknesses of the budget:

Recommendations for improvement:

Name and Hour:

Team Presenting and Scenario # presented:

Strengths of the budget:

Weaknesses of the budget:

Recommendations for improvement:

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