



## ***Financial Literacy***

### **Discussion Questions**

1. There's an old saying that goes, "Failing to plan is planning to fail." How does that apply to this video?
2. What are reasonable financial goals for teenagers?
3. What is the hardest part about creating and sticking to a budget?
4. Do you think the 50/30/20 rule is appropriate? Why or why not?
5. Why is it important to start saving early?
6. Assuming you're still living with your parents, and thus don't have many "fixed expenses" like rent or food, how might you adjust your plan? What is a reasonable goal for saving?
7. The video suggests that you can maximize your earnings by budgeting. What does that mean?
8. What is the relationship between risk and reward in terms of investing? How much risk are you willing to take?
9. What is the risk of NOT saving and investing?
10. Do you have a credit card? What was Mr. Bahnsen's guidance for how to use one?
11. Why do you think credit card companies offer free gifts to college students who sign up for a card?
12. Why is it very different to borrow money to purchase an asset (like a house) versus borrowing money to buy pizza, clothes, vacations – consumable items that will be gone or used up before you pay the debt?
13. Why does Mr. Bahnsen say that staying out of credit card debt is the best gift a young person (or ANY person, for that matter) can give themselves?



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14. If compound interest and the time value of money can work for you in investments, how can it work against you in debt, like with credit card debt?
15. Mr. Bahnsen says the worst part of not planning your finances is the emotional toll (stress) it puts on people and families. Why do you think that is?
16. Mr. Bahnsen says, "Most people don't need an education to know how to buy more pizza or go out with their friends, but it takes an education, and it takes sacrifice, character traits, if one's going to really learn the practice of saving, goal setting, budgeting..." What might you have to give up or sacrifice in order to save? Will those sacrifices be worth it? Why or why not?
17. Delayed gratification means waiting for a reward. If you buy the pizza now, and go out with friends now, especially if you have to buy them on a credit card because you don't have the money, that's instant gratification. If you choose to wait, save your money, and then use it to buy an asset, you're waiting for a delayed reward that comes later. Are you able to wait for a reward? Why or why not? How will that impact your finances?