



NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

# My Ride on the Financial Roller Coaster

Preview this document and note the main topics and ideas. Use these activity pages to take notes and record ideas as you learn. Be sure to save the document with a logical file name in your personal workspace so you can refer back to it later.

## Key Terms

Write the definitions for the key terms.

Key Terms	Definition
risk	
personal responsibility	
insurance	
premium	
risk mitigation	
opportunity cost	

## Handling Risk

### How Can You Mitigate Risk?

Watch the video “How Can You Mitigate Risk?” and note the four ways to handle risk.

A \_\_\_\_\_

R \_\_\_\_\_

T \_\_\_\_\_

A \_\_\_\_\_

### Responding to Risk Activity

Read each scenario. Discuss and decide how each person should respond to the risky situation he or she is in.

1. Luca likes to ride his bicycle. He sometimes rides with a group of older kids, and today they tell him they want to bike along a cliff that has no railing. What's the best way for Luca to handle this risky situation?

Luca should \_\_\_\_\_ the risk.

2. Alena wants to snowboard down a big hill. There are some smaller hills she could practice on first. What's the best way for Alena to handle this risky situation?

Alena should \_\_\_\_\_ the risk.

3. Anna would like to join the school orchestra but is worried her guitar might be stolen or damaged while traveling to performances. The school offers instrument insurance that costs \$50 a year. What's the best way for Anna to handle this risky situation?

Anna should \_\_\_\_\_ the risk.

4. Sumeda bought a new cell phone for \$100. The store offered insurance against loss or breakage for \$20 a month. What's the best way for Sumeda to handle this risky situation?

Sumeda should \_\_\_\_\_ the risk.

## Wrap-Up: Take Control

### Big Ideas

Review the big ideas from this session.

- ☐ Income and expenses are key to healthy finances; being aware that there are risks is just as important.
- ☐ Taking personal responsibility to keep yourself and your property safe is the best way to lower your risk of loss.
- ☐ There are four methods of dealing with risk to consider in each risky situation: Avoid, Reduce, Transfer, or Accept.
- ☐ Buying insurance is an opportunity cost: It costs you something now, but it might save you a lot later.

### Reflect

Answer the questions.

1. What is a risk you would Accept and one you would Avoid?
  
  
  
  
  
  
  
  
  
  
2. As you ride the ups and downs on the financial roller coaster, what are some ways you think you might be able to reduce the “downs”?