



My Ride on the Financial Roller Coaster

Introduction

This session enables students to understand risk and methods for handling it. They make decisions about scenarios involving risk.

Session at a Glance

Big Ideas

- 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.

Learning Organizer

The following activities are included in this session. These facilitation instructions include detailed instructions for facilitating all activities.

Learning Outline

Activity Overview	Objectives	Materials	Time
Warm-Up: Financial Ups and Downs Students learn that the risk of losing money is the third category of money management, after income and expenses.	N/A	Onscreen Presentation: My Ride on the Financial Roller Coaster Student Activity: My Ride on the Financial Roller Coaster	5 minutes
Handling Risk Students consider different types of risk and methods of handling them.	<ul style="list-style-type: none"> • Describe examples of how to use personal responsibility to address risk. 	Onscreen Presentation: My Ride on the Financial Roller Coaster Student Activity: My Ride on the Financial Roller Coaster	20 minutes
Insurance Students learn about types of insurance and identify ways to reduce different kinds of risk.	<ul style="list-style-type: none"> • Recognize that insurance is a way to transfer the risk of loss. • Identify the opportunity cost in different spending decisions. 	Onscreen Presentation: My Ride on the Financial Roller Coaster Student Activity: My Ride on the Financial Roller Coaster	15 minutes

(continued)

Learning Outline

Activity Overview	Objectives	Materials	Time
Wrap-Up: Be Prepared Students review the big ideas from the session and reflect on their learning.	N/A	Onscreen Presentation: My Ride on the Financial Roller Coaster Student Activity: My Ride on the Financial Roller Coaster	5 minutes

Preparation and Materials

Before the session, do the following:

- ☐ Access and review the session materials from JA Connect™ Learning Platform, including the onscreen presentation and student materials.
 - Click-through the onscreen presentation; practice navigating and using the interactive features; open and preview any videos or Web resources.
 - Become familiar with the key terms defined in the session.
- ☐ Prepare to give students digital access to (recommended) or copies of the student materials.
- ☐ Consider preparing a story to share with students about the decision-making process you went through to decide whether to take a risk and whether it paid off.

Materials Guide for This Session

Teacher/Volunteer Materials

Materials	In-person, face-to-face	Remote virtual
Guide for Volunteers and Teachers: My Ride on the Financial Roller Coaster (Printable) (This document) Session information, setup, and talking points for volunteers or teachers to implement the session in a printable format	✓	
Guide for Volunteers and Teachers: My Ride on the Financial Roller Coaster (Digital) Session information, setup, and talking points for volunteers or teachers to implement the session in a digital format – designed for any device and “second screen” use	✓	✓
Onscreen Presentation: My Ride on the Financial Roller Coaster Instructional content in interactive slides designed for volunteers or teachers to project or share onscreen	✓	✓

Student Materials

Materials	Downloadable document	Fillable document
Student Activity: My Ride on the Financial Roller Coaster Digital handout for students to write notes and complete activities	✓	✓

Facilitation Instructions

Use the following talking points and instructions to help you implement the session and facilitate student learning.

WARM-UP: FINANCIAL UPS AND DOWNS

5 min.

**Facilitation Tip**

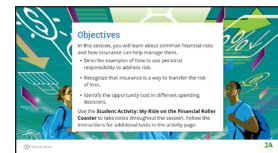
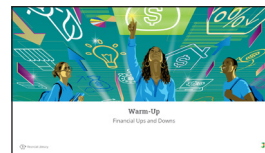
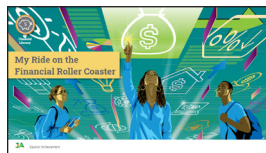
If you will be leading a virtual session, share your expectations for participation with students before you begin, including your rules for using audio, chat, and webcam features.

**Facilitation Tip**

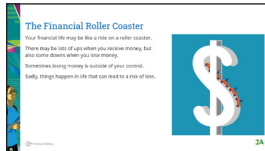
You may ask students to share what big ideas they remember from any previous sessions they have completed from this program.

Objectives

Onscreen Presentation Slides



1. Welcome students to the session. Tell them that, in this session, they will learn about common financial risks and how insurance can help manage them.
2. Briefly review the objectives for this session with students:
 - Describe examples of how to use personal responsibility to address risk.
 - Recognize that insurance is a way to transfer the risk of loss.
 - Identify the opportunity cost in different spending decisions.
3. Direct students to the **Student Activity: My Ride on the Financial Roller Coaster** and ask them to download and save the document with a new file name. They will use the student activity file to take notes and demonstrate their learning.



Thinking About Money

1. Engage students in a brief discussion about money management and risk.

? When you think about money, what comes to mind?

Accept all answers.

? When you think about managing your money, what are the two big categories you must think about?

You must think about how to get money (income) and how to spend it (expenses).

2. Explain to students that there is also a third category of money management that they might not spend a lot of time thinking about: losing money.

3. Discuss with students how their financial lives may be like a ride on a roller coaster. There may be lots of ups when they receive money, but also some downs when they lose money.

... Sometimes losing money is outside of your control. Sadly, things happen in life that can lead to a risk of loss.

? What are some ways you could lose your money?

It could be lost or stolen. You could have a bill you owe, such as a medical bill or speeding ticket.

? What are some ways you can protect your money?

Answers will vary but may include: put it in the bank; hide it; keep it in a locked box or other secure location; ask a trusted adult to hold it for you; make choices that lower the chance of an unplanned expense.

HANDLING RISK

20 min.



What Is Risk?

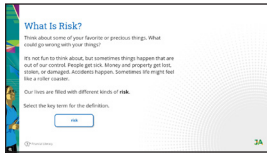
1. Ask students to think about some of their favorite or precious things, such as a cell phone, piece of sports equipment, book, or musical instrument.

? What could go wrong with your things?

They could get lost, broken, stolen, dirty, or damaged in some way.

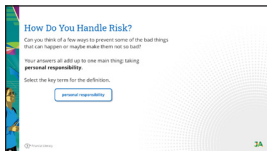
... It's not fun to think about, but sometimes things happen that are out of our control. People get sick. Money and property get lost, stolen, or damaged. Accidents happen. Sometimes life might feel like a roller coaster.

Facilitation Tip
The **Student Activity: My Ride on the Financial Roller Coaster** provides this session's key terms and a space for students to write the definitions.



2. Stress to students that our lives are filled with different kinds of risk.
3. Ask student volunteers to define the key term **risk** in their own words. Then provide the definition, as needed.
 - **risk:** the possibility of financial loss or physical harm

If you wish, share a brief story about the decision-making process you went through to decide whether to take a risk and whether it paid off.



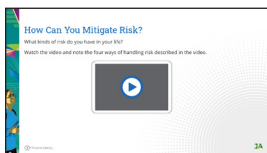
How Do You Handle Risk?

1. Point out to students that even though things go wrong, the good news is that it's possible to make them better or prevent them from happening at all.
 - Can you think of a few ways to prevent some of the bad things that can happen or maybe make them not so bad?
Possible answers: plan in advance; be responsible; have insurance; learn from mistakes and from experience
2. Briefly discuss with students that their answers all add up to one main thing: taking personal responsibility.
3. Ask student volunteers to define the key term **personal responsibility** in their own words. Then provide the definition, as needed.
 - **personal responsibility:** being willing to accept limits on and standards for your choices, as well as accepting consequences of those choices

An important part of having personal responsibility is identifying risky situations and making the right decisions about them.

4. Ask students to select the different examples of personal responsibility that could help plan for risk. Then ask them if they can think of some other examples.

Answers include: wearing seat belt, washing hands, brushing teeth, wearing helmet, using crosswalk.



How Can You Mitigate Risk?

- What kinds of risk do you have in your life?
Examples include: accidents, injuries, illness, breakage, theft, fire, weather events.

1. Watch the video “How Can You Mitigate Risk?” with students, and ask them to note the four ways they can handle risk.



? What are the four ways to mitigate or handle risk?

Avoid, Reduce, Transfer, and Accept. A way to remember is to think of ARTA.

2. Go through each part of the ARTA acronym, and explain to students that they can think of ARTA when they think about risk.
 - A: Avoid
 - R: Reduce
 - T: Transfer
 - A: Accept



Responding to Risk Activity

1. Remind students that even when we make mistake or have a bad thing happen, we can choose to decide how we respond to it.
2. Tell students that, in this activity, they will explore different ways of responding to risk.
3. Review each scenario, and have students discuss and decide how each person should respond to the risky situation he or she is in.

Facilitation Options

- **In-person, face-to-face:** Divide students into four groups, one for each scenario. Have them discuss the scenarios in their groups and determine how their person should respond to the risk.
- **Remote virtual:** Keep students together as a whole class. Have them discuss the scenarios and determine how their person should respond to the risk as a whole group.

4. Review each scenario, and compare students' responses for how each person in the scenarios should respond to the risky situation with the answers provided.

1. Avoid 2. Reduce 3. Transfer 4. Accept

TIME PERMITTING

My Response to Risky Situations

1. Ask students to think of a time when they responded to a possible risk with one of the ARTA responses.
2. Allow students to show their stories of avoiding risk, reducing risk, transferring risk, or accepting risk by drawing a picture or creating a cartoon. Their work should clearly show which response (Avoid, Reduce, Transfer, or Accept) they chose.
3. Encourage student volunteers to share their creations with their peers.



Take a Break

Provide students with a quick stretch and brain break with the fun fact.

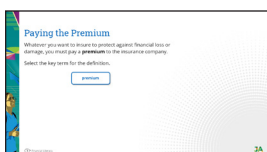
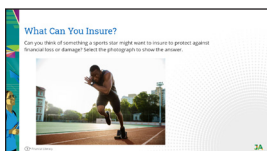
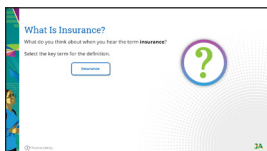
INSURANCE

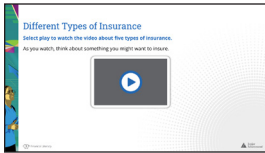
15 min.



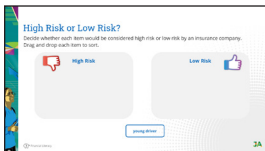
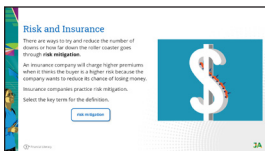
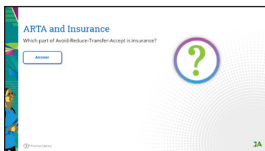
What Is Insurance?

1. Ask students what they think about when they hear the term **insurance**.
2. Ask student volunteers to define the key term **insurance** in their own words. Then define the key term, as needed.
 - **insurance:** a contract, in the form of a policy, that protects a person against specified financial loss or damage
3. Analyze with students the photograph of the athlete and what he may want to insure to protect against financial loss or damage.
4. Show and review the answer and briefly discuss how it is possible to pay a **premium** to insure lots of valuable things—including body parts!
5. Review the key term with students.
 - **premium:** the amount paid for an insurance policy



**Facilitation Tip**

The five types of insurance introduced in the video are: Auto/Vehicle, Warranty Protection Plans, Owner & Rental, Health, and Identity Theft.



Different Types of Insurance

Introduce the video “Types of Insurance” to students, and ask them to think about something they might want to insure as they watch.



Which part of Avoid-Reduce-Transfer-Accept is insurance?

*Insurance is a way for people to **Transfer** the risk of loss.*



When you share risk with an insurance company, the company takes on some or all of the financial risk in exchange for payment of the policy's premium.

Risk and Insurance

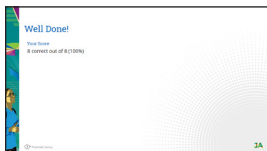
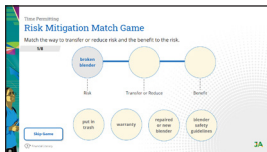
1. Remind students how their financial lives may be like a ride on a roller coaster. There may be lots of ups when they receive money, but also downs when they lose money. Continue the analogy by telling students there are ways to try and reduce the number of downs or how far down the roller coaster goes through risk mitigation.
2. Ask student volunteers to define the key term **risk mitigation**. Then provide the definition, as needed.
 - **risk mitigation:** predicting the chance of financial loss and acting to reduce the chance of loss
3. Share with students that an insurance company charges higher premiums when it thinks the buyer is a higher risk because the company wants to reduce its chance of losing money. Insurance companies practice risk mitigation.
4. Complete the High Risk or Low Risk? activity with students by guessing which activity or person would be judged as high risk or low risk by the insurance companies.

High risk answers include: young driver, driver who has had accidents, home without an alarm, deep sea diver, sky diver. Low risk answers include: safe driver, car with an alarm, young and healthy worker.

Facilitation Options

- **In-person, face-to-face:** Have students guess high risk or low risk through a show of thumbs-up/thumbs-down.
- **Remote virtual:** Have students guess high risk or low risk by posting thumbs-up/thumbs-down in the chat.

TIME PERMITTING



Risk Mitigation Match Game

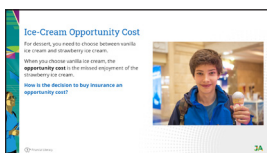
Have students play the Risk Mitigation Match game by choosing how to transfer or reduce different types of risk.

The game answers are:

- *broken blender – warranty – repaired or new blender*
- *sick pet – pet insurance – paid vet visit*
- *rain – umbrella – staying dry*
- *cracked phone screen – smartphone insurance – new screen*
- *bicycle accident – helmet – protection from head injury*
- *car or bus accident – seat belt – reduced or no injury in an accident*
- *stolen laptop – laptop insurance – replacement laptop*
- *scratched smartphone – smartphone case – unmarked smartphone*

Facilitation Options

- **In-person, face-to-face:** Have students work in teams to discuss and decide on each Risk Mitigation Match. Consider making the activity a game whereby the first team that has the correct answer gets a point.
- **Remote virtual:** Have students discuss and decide on each Risk Mitigation Match together as a whole class. After they guess the way to transfer or reduce risk and the benefit, select Submit to see if they are correct.



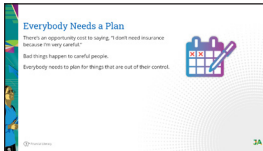
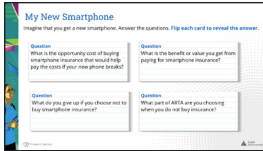
Opportunity Cost

Review with students the concept of **opportunity cost** by exploring the definition and the ice-cream example.

- **opportunity cost:** the next best benefit or value you give up when you choose to do something else

? How is the decision to buy insurance an opportunity cost?

You pay for insurance to protect you from having to pay more in case of something bad happens. It costs you something now, but it might save you a lot later on.



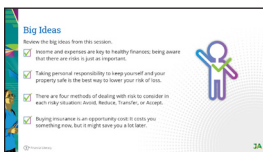
My New Smartphone

Share with students the new smartphone scenario, and discuss the concepts of risk, insurance, and opportunity cost using the following questions:

- ? What is the opportunity cost of buying smartphone insurance that would help pay the costs if your new phone breaks?
the cost of the policy
- ? What is the benefit or value you get from paying for smartphone insurance?
Smartphone insurance pays for expensive repairs or a replacement if your phone breaks.
- ? What do you give up if you choose not to buy smartphone insurance?
You give up the opportunity to Transfer the expense of a new or repaired phone to the insurance company.
- ? What part of Avoid-Reduce-Transfer-Accept are you choosing when you do not buy insurance?
You have chosen to Accept risk.
- ... There's an opportunity cost to saying, "I don't need insurance because I'm very careful." Bad things happen to careful people. Everybody needs to plan for things that are out of their control.

WRAP-UP: BE PREPARED

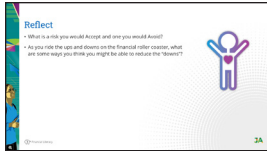
5 min.



Big Ideas

Review the following big ideas from the 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

Encourage students to reflect on what they have learned in this session by discussing the following questions:

Facilitation Options

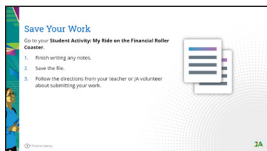
- In-person, face-to-face: Facilitate a discussion using the reflection questions to spark conversation.
- Remote virtual: Assign the reflection questions as a written response for students to complete in the Student Activity: My Ride on the Financial Roller Coaster to be submitted.

? What is a risk you would Accept and one you would Avoid?

Answers will vary.

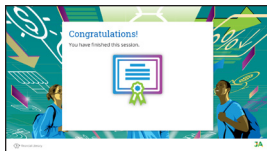
? As you ride the ups and downs on the financial roller coaster, what are some ways you think you might be able to reduce the “downs”?

Answers will vary.



Save Your Work

Direct students to complete any work. Remind them to save their work with a logical file name in their personal workspace so they can refer back to it later.



Congratulations!

Congratulate students on finishing the session.