

Miya builds her wealth

Students experience an interactive adventure in how to build wealth, analyze needs and wants, explore investing, and reflect on how they can control their spending in the future.

Learning goals

Big idea

The spending decisions you make today affect your financial future.

Essential questions

- How can I control my spending?
- How can I begin to build wealth?

Objectives

- Describe how to control spending
- Understand the importance of saving and investing money to reach future goals

What students will do




- Complete an online, interactive adventure independently or as part of a group.
- Explore ways to control spending, increase savings, and invest.

NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

KEY INFORMATION

Building block:

-  Executive function
-  Financial habits and norms
-  Financial knowledge and decision-making skills

Grade level: High school (11-12)

Age range: 16-19

Topic: Save and invest (Choosing how to save, Investing), Spend (Budgeting, Buying things), Borrow (Managing credit)

School subject: JROTC/ROTC (Servicemembers)

Teaching strategy: Blended learning, Cooperative learning, Personalized instruction

Bloom's Taxonomy level: Remember, Understand, Apply

Activity duration: 75-90 minutes

National Standards for Personal Financial Education, 2021

Spending: 8-1, 12-1, 12-2, 12-5, 12-9

Saving: 8-1, 8-2, 8-5, 12-9

Investing: 8-7

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

ABOUT

Misadventures in MONEY MANAGEMENT

PRESENTED BY THE CONSUMER FINANCIAL PROTECTION BUREAU

Misadventures in Money Management (MiMM) educates, advises, and trains future and current servicemembers and their families on critical financial decisions and consumer rights. The program is available for use by all of the U.S. Armed Forces. MiMM follows the stories of seven servicemembers, each covering a different financial topic:

- Angela - Debit, credit & credit scores
- Cruz - Car buying tactics
- Dirk - Smart spending
- James - Impulse purchases
- Miya - Budgeting, saving & investing
- Sonya - Emergency relief & researching
- Xavier - Debt advice & student loans

MiMM focuses on some of the unique problems and solutions that servicemembers experience.

Preparing for this activity

- While it's not necessary, completing the "Reflecting on needs versus wants" activity first may make this one more meaningful.
- Print copies of all student materials for each student, or prepare for students to access them electronically.
- Become familiar with the Misadventures in Money Management (MiMM) online graphic novel at <https://mimm.gov/>.
- Review Miya's MiMM adventure, "Budgeting, saving & investing." If time permits, it may be helpful for you to complete her adventure on your own before class.
 - Note that while Miya's adventure covers different scenarios, this activity mainly focuses on the scenario where she's reducing her spending so she can build wealth.
- Decide if you want students to complete Miya's MiMM adventure as a whole class, in small groups, or individually.
 - If you choose to complete the adventure as a whole class, obtain a computer with Internet access, a projector or smartboard, and speakers.

TIP

If your students have access to computers or tablets with Internet access, they can also complete the adventure as homework. Direct them to <https://mimm.gov/>, where they can complete the entire program, get a certificate of completion, and email their unique certificate to you or print it out. Students can only get a certificate for completing the entire program, not when they finish each character's story.

- If you choose for students to complete the adventure in small groups or individually, provide them with computers or tablets with Internet access and with headphones to manage the noise.
- Become familiar with the U.S. Securities and Exchange Commission’s (SEC’s) compound interest calculator at <https://www.investor.gov/financial-tools-calculators/calculators/compound-interest-calculator>.

What you’ll need

THIS TEACHER GUIDE

- **Miya builds her wealth** (guide)
[cfpb_building_block_activities_MiMM_miya-builds-wealth_guide.pdf](#)
- A computer with Internet access, a projector or smartboard, and speakers (if you choose to complete the online portion as a whole class)

STUDENT MATERIALS

- **Miya builds her wealth** (worksheet)
[cfpb_building_block_activities_MiMM_miya-builds-wealth_worksheet.pdf](#)
- Computers or tablets with Internet access and headphones (if you choose for students to complete the online portion in small groups or individually)
- The SEC’s compound interest calculator at <https://www.investor.gov/financial-tools-calculators/calculators/compound-interest-calculator>

Exploring key financial concepts

Building wealth involves getting spending under control and planning to actively save for tomorrow. Planning and budgeting help people take charge of their money. Understanding the differences between needs and wants helps you make a budget to manage your spending and informs your daily spending choices. Covering all your needs before you spend money on what you want is a wise financial habit. To tell the difference between a need and a want, ask yourself, “Do I need that (new jacket, video game, app), or do I just really want it?”

Saving money is also a good habit to develop. People who make a habit of saving regularly, even saving small amounts, are working toward building a strong and healthy financial future. Many people open a bank or credit union account so it will

TIP

Because financial products, terms, and laws change, students should be encouraged to always look for the most up-to-date information.

be simple and easy for them to save regularly. You can also make your own plan for saving to prepare for life events so you can be ready for unplanned or emergency needs. One good savings habit is to pay yourself first. That means each time you earn or receive money, before you are tempted to spend it, put some (maybe a certain percentage) in a savings account. The important thing is to develop your own good habits and create your own savings rules to live by.

Investing your savings can help you build wealth. Investments can increase in value over the years, and generally, the earlier you invest, the more time your investment has to grow. One important advantage that young people have is time. Young people usually have a lot of time to allow an investment to increase in value, which can help them increase their financial well-being.

Teaching this activity

Whole-class introduction

- Introduce the Misadventures in Money Management (MiMM) program if students aren't familiar with it.
 - MiMM is an online graphic novel in which students make decisions for the characters as they move through the story. CFPB created the program to educate, advise, and train current and future servicemembers on critical financial decisions.
 - The program focuses on some of the unique problems and solutions that servicemembers experience.
- Explain to students that they'll explore the MiMM character of Miya.
 - Miya finds herself traveling back and forth in time.
 - She must correct the spending mistakes she's made in the past to reach a secure financial future.
- Ask students to share what they know about building wealth.
- Read the "Exploring key financial concepts" section to the class.
- Be sure students understand key vocabulary:
 - **Borrower:** A person or organization that borrows something, especially money from a bank or other financial institution.
 - **Budget:** A plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time; also called a spending plan.

- **Credit:** Borrowing money, or having the right to borrow money, to buy something. Usually it means you're using a credit card, but it might also mean that you got a loan.
- **Debt:** Money you owe another person or a business.
- **Financial well-being:** The ability to meet all financial needs, today and over time; feel secure in the financial future; absorb a financial shock; and have the financial freedom to make choices to enjoy life.
- **Lender:** An organization or person that lends money with the expectation that it will be repaid, generally with interest.
- **Loan:** Money that needs to be repaid by the borrower, generally with interest.
- **Needs:** Basic things people must have to survive (such as food, clothing, and shelter), resources they may need to do their jobs (such as reliable transportation and the tools of the trade), and resources to help build and protect their money and property so they can meet future needs (such as emergency savings and insurance).
- **Wants:** Upgrades and other things that would be nice to have but aren't necessary for living, income, or protecting what you have.

TIP

Visit CFPB's financial education glossary at consumerfinance.gov/financial-education-glossary/.

Individual or group work

Completing the online, interactive adventure at <https://mimm.gov/>

- Click "Explore a topic" and then "Budgeting, saving & investing" to access Miya's adventure.
- Explain that while Miya's adventure covers different scenarios, this activity mainly focuses on the scenario where she's reducing her spending so she can build wealth.
- Students can complete Miya's adventure as a whole class, in small groups, or individually.
 - If you choose to complete it as a whole class:
 - Use the decision points in Miya's story to spark discussions and decide as a class what choice to make.
 - Help students build their understanding by clicking on the suggested resources and additional information that come up throughout the adventure.

- If students work in small groups or individually:
 - Move among the students to check on the decisions they're making and what they're learning from their choices.
 - Encourage students to pause at each decision point and reflect on what happened to Miya as a result of that choice.
 - Help students build their understanding by encouraging them to click on the suggested resources and additional information that come up throughout the adventure. The suggested resources help students gather additional information to complete each character's final challenge.

Completing the worksheet

- Distribute the "Miya builds her wealth" worksheet to each student.
- Students can work independently, in pairs, or in groups of three or four to complete the "Creating smart financial habits" section of the worksheet.
- Students can complete the "Saving and investing money" section and the reflection questions independently.

Wrap-up

- Bring the class back together.
- Ask volunteers to share their answers to the "Creating smart financial habits" section.
 - Keep in mind that because students can choose their own path through the online adventure, each group or student could have a different experience.
 - Use their answers as a catalyst for a thoughtful discussion.
- Consider asking additional questions to extend the discussion. Possible questions include:
 - What were some of the small expenses that began to add up and contributed to Miya's spending trouble?
Answers could include:
 - Buying a smoothie for herself and a friend
 - Buying a new computer
 - What are some tips the additional materials listed for meeting your financial goals?
Answers could include:
 - Set a financial goal.
 - Break it down into specific steps.
 - Set up the system you need to make it work.

- Get help sticking to your plan by using automatic transfers at your bank, setting a weekly alarm on your phone, or asking a friend to remind you or join you in saving money.
- Ask volunteers to share their answers to the “Saving and investing money” section and the reflection questions.

Suggested next steps

Consider searching for other [CFPB activities](#) that address the topics of saving and investing, including choosing how to save and investing; spending, including budgeting and buying things; and borrowing, including managing credit.

Suggested activities include [“Saving each payday”](#), [“Discovering the benefits of investing early”](#), and [“Picturing your future self”](#).

You can also consider having students make a sample budget using the “How to Make a Monthly Budget” worksheet on Miya’s third tip page. Click the link in the interactive adventure to access the worksheet.

Measuring student learning

Students’ answers on their worksheets and during discussion can give you a sense of their understanding.

This answer guide provides possible answers for the “Saving and investing money” section of the “Miya builds her wealth” worksheet. **Keep in mind that students’ answers may vary.** The important thing is for students to have reasonable justification for their answers.

Answer guide

Saving and investing money

4. After paying her required expenses, Miya has \$300 left over each month to put into her savings account. If she doesn’t need to spend her savings (and excluding any interest), how much will she have in one year? Three years? Five years?

Answer:

One year: \$3,600

Three years: \$10,800

Five years: \$18,000

5. To reach long-term financial goals (which may take five or more years to achieve), Miya may want to consider investing some of her savings. Imagine that after two years of saving money (when she is 25), Miya invests \$3,000 in a mutual fund that has returned an average of 6.5% a year over the past few years. Miya knows that past performance is no guarantee of future returns. Each year she invests an additional \$1,200 of her savings (\$100 per month) into the mutual fund.

Use the compound interest calculator at <https://www.investor.gov/financial-tools-calculators/calculators/compound-interest-calculator> to figure out how much she'll have in 10 years.

Answer: \$21,824.72

6. Name and describe one of the special financial services or tools available to servicemembers mentioned in the challenge at the end of Miya's story.

Answers could include:

- **Signing up for the Military Thrift Savings Plan (TSP), a federal government-sponsored retirement savings and investment plan. The TSP offers the same type of savings and tax benefits that many private corporations offer their employees under 401(k) plans.**
- **Putting an "active duty alert" on your credit reports to prevent identity theft. Active duty alerts force businesses to take extra steps before granting credit in your name.**

Reflection questions

Answers may vary.