Quote of the Day

Rich men’s sons are seldom rich men’s fathers”

- Herbert Kaufman
Transfer of Wealth Dilemma

(Source: Wall Street Journal)
Learning Pyramid

Average Retention Rates

- Lecture 5%
- Reading 10%
- Audio-Visual 20%
- Demonstration 30%
- Discussion Group 50%
- Practice By Doing 75%
- Teach Others or Immediate Use of Learning 90%
Today’s Webinar Agenda

• Spending Frenzy preparation and planning

• Using the Spending Frenzy Kit

• Tips for a successful Spending Frenzy Event

• Q and A
Preparation and Planning

• Volunteers
• Room set up
• Materials
<table>
<thead>
<tr>
<th>Booth/Station</th>
<th># of Volunteers</th>
<th>Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Money Bank</td>
<td>3</td>
<td>• Cash distribution checks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Accept deposits and investments from each participant (30% of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>distribution)</td>
</tr>
<tr>
<td>Rez Rockets Auto Sales</td>
<td>2</td>
<td>• Sell a vehicle to each participant</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(cash or financing)</td>
</tr>
<tr>
<td>Munchies Food and Beverage</td>
<td>2</td>
<td>• Explain and sell a meal plan to each participant</td>
</tr>
<tr>
<td>Pay the Man Income Tax (IRS)</td>
<td>2</td>
<td>• Collect 25% federal withholding tax from each participant</td>
</tr>
<tr>
<td>Fast Spenders Shopping Mall</td>
<td>2</td>
<td>• Sell three items to each participant</td>
</tr>
<tr>
<td>Keeping It Realty and Utilities</td>
<td>2</td>
<td>• Explain and sell a housing option to each participant</td>
</tr>
<tr>
<td>Got Your Back Insurance</td>
<td>2</td>
<td>• Sell and explain a vehicle insurance policy to each participant</td>
</tr>
<tr>
<td>Legal Eagles Law Office</td>
<td>1</td>
<td>• Collect legal fees as indicated by Fate Cards</td>
</tr>
<tr>
<td>Fate Cards</td>
<td>1</td>
<td>• Hands out random Fate Cards to participants</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Assists with various tasks</td>
</tr>
<tr>
<td>Spending Frenzy Facilitator</td>
<td>1</td>
<td>• Trains volunteers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Explains simulation to students upon arrival</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Makes sure simulation runs smoothly by assisting both students</td>
</tr>
<tr>
<td></td>
<td></td>
<td>and volunteers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Facilitates debrief discussion at the conclusion of the simulation</td>
</tr>
</tbody>
</table>

**TOTAL** 18
Preparation and Planning

Orientation/Debrief Seating

$pending Frenzy Floor Plan Diagram

Auto
Legal
IRS
Realty
Bank
Insurance
Food
Mall
$pending Frenzy Kit Contents

- Play Money ($2 million)
- Currency Straps
- Bill Counter
- Facilitator Guide
- Jump Drive with Handouts and Materials
- CD
- Stickers
- Dice
Participant Materials

Big Money Bank
777 Easy Street
Opportunityville, USA

PAY _______________________________________________________________________

$ 50,000.00

July 1st 2015

for ________________

500456

Fifty Thousand and 00/00

John Hancock
Participant Materials

WELCOME TO THE SPENDING FRENZY!

CONGRATULATIONS!
You are entitled to receive a one time taxable lump sum distribution payment of $50,000! Proceed as follows:

1. Stop by the Bank to cash your check.
2. Go to the IRS to pay federal income tax in the amount of $12,500.
3. Have a Spending Frenzy by completing all of the objectives listed to your right in any order that you choose ........ and have fun!

Make sure to hang on to all of your receipts and deposit slips!!

Your Spending Frenzy Objectives (check off as you go):

☐ Save or invest at least $5,000
☐ Purchase food for one year
☐ Pay for housing for at least one year
☐ Purchase a vehicle and insurance
☐ Treat yourself to three purchases from the shopping mall
☐ When you are finished turn this page over and complete the Money Log
**SPENDING FRENZY MONEY LOG**

1. ADD UP ALL OF YOUR CASH ON HAND: $  

2. ADD UP ALL OF YOUR DEPOSIT SLIPS: $  

3. ADD UP ALL OF YOUR EXPENSES:  
(List all receipts on the lines below)  

   __________________________  
   __________________________  
   __________________________  
   __________________________  
   __________________________  

   YOUR TOTAL EXPENSES: $  

4. LIST ANY BONUSES OR FREE MONEY YOU RECEIVED:  
(List each bonus below)  

   __________________________  
   __________________________  
   __________________________  

5. ADD UP YOUR TOTALS FOR CASH, DEPOSITS, AND EXPENSES (BOXES 1, 2, AND 3): $  

   Does the amount you calculated equal $50,000? If not, why?
ENDORSE CHECK HERE

X

John Doe

DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE
Pay the Man (IRS)
<table>
<thead>
<tr>
<th>ITEM DESCRIPTION</th>
<th>PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fed Withholding</td>
<td>$12,500</td>
</tr>
</tbody>
</table>

**TOTAL** * $12,500

*Include this amount on Line 3 of your Money Log*
Munchies Food and Beverage
Munchies Food and Beverage
Keeping It Realty
## KEEPING IT REALTY & UTILITIES
### SELECT ONE HOUSING CHOICE

<table>
<thead>
<tr>
<th>Large House</th>
<th>Medium House</th>
<th>Small House</th>
</tr>
</thead>
<tbody>
<tr>
<td>3500 sq. ft.</td>
<td>2500 sq. ft.</td>
<td>1500 sq. ft.</td>
</tr>
<tr>
<td>5 Bedrooms</td>
<td>4 Bedrooms</td>
<td>3 Bedrooms</td>
</tr>
<tr>
<td>(Includes a swimming pool!)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mortgage</strong></td>
<td><strong>Mortgage</strong></td>
<td><strong>Mortgage</strong></td>
</tr>
<tr>
<td>$2,500/month</td>
<td>$1,666.66/month</td>
<td>$1,000/month</td>
</tr>
<tr>
<td><strong>Gas and Electric</strong></td>
<td><strong>Gas and Electric</strong></td>
<td><strong>Gas and Electric</strong></td>
</tr>
<tr>
<td>$291.66/month</td>
<td>$250/month</td>
<td>$208.33/month</td>
</tr>
<tr>
<td><strong>Water and Sewer</strong></td>
<td><strong>Water and Sewer</strong></td>
<td><strong>Water and Sewer</strong></td>
</tr>
<tr>
<td>$166.66/month</td>
<td>$166.66/month</td>
<td>$166.66/month</td>
</tr>
<tr>
<td><strong>Homeowner’s Insurance</strong> (included)</td>
<td><strong>Homeowner’s Insurance</strong> (included)</td>
<td><strong>Homeowner’s Insurance</strong> (included)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Living here for one year will cost</strong></td>
<td><strong>Living here for one year will cost</strong></td>
<td><strong>Living here for one year will cost</strong></td>
</tr>
<tr>
<td><strong>$35,500</strong></td>
<td><strong>$25,000</strong></td>
<td><strong>$16,500</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mobile Home</th>
<th>Townhouse</th>
<th>Apartment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000 sq. ft.</td>
<td>1200 sq. ft.</td>
<td>600 sq. ft.</td>
</tr>
<tr>
<td>3 Bedrooms</td>
<td>2 Bedrooms</td>
<td>1 Bedroom</td>
</tr>
<tr>
<td><strong>Mortgage</strong></td>
<td><strong>Rent</strong></td>
<td><strong>Rent</strong></td>
</tr>
<tr>
<td>$791.66/month</td>
<td>$666.66/month</td>
<td>$458.33/month</td>
</tr>
<tr>
<td><strong>Gas and Electric</strong></td>
<td><strong>Gas and Electric</strong></td>
<td><strong>Gas and Electric</strong></td>
</tr>
<tr>
<td>$250/month</td>
<td>$125/month</td>
<td>$58.33/month</td>
</tr>
<tr>
<td><strong>Water and Sewer</strong></td>
<td><strong>Water and Sewer</strong></td>
<td><strong>Water and Sewer</strong></td>
</tr>
<tr>
<td>$166.66/month</td>
<td>(included)</td>
<td>(included)</td>
</tr>
<tr>
<td><strong>Homeowner’s Insurance</strong> (included)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Living here for one year will cost</strong></td>
<td><strong>Living here for one year will cost</strong></td>
<td><strong>Living here for one year will cost</strong></td>
</tr>
<tr>
<td><strong>$14,500</strong></td>
<td><strong>$9,500</strong> or $9,700 (includes insurance)**</td>
<td><strong>$6,200</strong> or $6,400 (includes insurance)**</td>
</tr>
</tbody>
</table>
Rez Rockets
1994 Chevy 1500 4x4

FUEL ECONOMY: 14 city/22 hwy
ENGINE: 8 cylinder

Nothing beats the durability and dependable of an old school Chevy truck. Buy yours today!

Pay Cash: $6,500

Finance: $3,000/year
(3 Year Term)
# Auto Insurance Premium Chart

<table>
<thead>
<tr>
<th>Vehicle Price</th>
<th>ALL VEHICLES</th>
<th>REQUIRED FOR FINANCED VEHICLES ONLY</th>
<th>OPTIONAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Basic</td>
<td>Collision</td>
<td>Comprehensive</td>
</tr>
<tr>
<td>$10,000 or less</td>
<td>$1,000</td>
<td>$400</td>
<td>$200</td>
</tr>
<tr>
<td>$10,000 to $25,000</td>
<td>$1,000</td>
<td>$500</td>
<td>$300</td>
</tr>
<tr>
<td>$25,000 to $40,000</td>
<td>$1,000</td>
<td>$600</td>
<td>$400</td>
</tr>
<tr>
<td>$40,000 or more</td>
<td>$1,000</td>
<td>$700</td>
<td>$500</td>
</tr>
<tr>
<td>Motorcycle</td>
<td>$500</td>
<td>$400</td>
<td>$200</td>
</tr>
</tbody>
</table>

*All premiums are based on a one year total cost. Add up the amounts for all coverages and include the total on Line 3 of your Money Log.

$2,000 Total
Fate Cards
Legal Eagles
Big Money Bank
Big Money Bank


Pick an Investment Portfolio

You must save or invest at least 10% or $5,000 of your total distribution. To invest choose one of the three portfolios and roll the dice to determine your one year rate of return.

A. Conservative (Least Risk) Portfolio:
- Roll a 2 thru 5 \hspace{1cm} Your return is -1%
- Roll a 6 thru 10 \hspace{1cm} Your return is +3%
- Roll a 11 or 12 \hspace{1cm} Your return is +5%

B. Moderate (Medium Risk) Portfolio:
- Roll a 2 thru 5 \hspace{1cm} Your return is -5%
- Roll a 6 thru 10 \hspace{1cm} Your return is +5%
- Roll a 11 or 12 \hspace{1cm} Your return is +10%

C. Aggressive (Most Risk) Portfolio:
- Roll a 2 or 3 \hspace{1cm} Your return is -25%
- Roll a 4 thru 6 \hspace{1cm} Your return is -10%
- Roll a 7 thru 9 \hspace{1cm} Your return is +10%
- Roll a 10 or 11 \hspace{1cm} Your return is +25%
- Roll a 12 \hspace{1cm} Your return is +50%

NOTE: IF YOUR RETURN IS NEGATIVE THAT MEANS YOU LOST MONEY AND YOUR DEPOSIT WILL BE LESS THAN YOUR ORIGINAL INVESTMENT AMOUNT..........OUCH!

BE SURE TO HANG ON TO YOUR DEPOSIT SLIP!
$5,000

AMOUNT

$5,000

Savings  □  Moderate  □
Conservative  X  Aggressive  □

INVESTMENT RETURN

+3% or $150

TOTAL*  $5,150

*Include this amount on Line 2 of your Money Log
Money Log and Debrief
$PENDING FRENZY MONEY LOG

1. ADD UP ALL OF YOUR CASH ON HAND:
   $5,200

2. ADD UP ALL OF YOUR DEPOSIT SLIPS:
   $5,150

3. ADD UP ALL OF YOUR EXPENSES:
   (List all receipts on the lines below)
   - IRS $12,500
   - Auto $6,500
   - Food $5,000
   - Mall $2,300
   - Insurance $1,000
   - Legal $3,000
   - Housing $9,500

   YOUR TOTAL EXPENSES:
   $39,800

4. LIST ANY BONUSES OR FREE MONEY YOU RECEIVED:
   (List each bonus below)
   - Birthday $500

5. ADD UP YOUR TOTALS FOR CASH, DEPOSITS, AND EXPENSES
   (BOXES 1, 2, AND 3):
   $50,150

Does the amount you calculated equal $50,000? If not, why?
Tips for a Successful Spending Frenzy

• No more than 30 participants

• Plenty of volunteers

• Brief intro with icebreaker

• Include supplies such as pencils, calculators, and bags

• Door prizes

• Stress cash is only a learning tool

• Classroom follow up
Financial Education Learning Curve

- Basic information and skills
- Use of financial services and products
- Critical thinking and decision making
Questions?

Shawn Spruce
505-917-0709
agoyopi@gmail.com