

Teaching Guide



GOAL SETTING



DECISION-MAKING



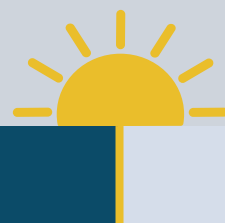
MONEY & INFLATION

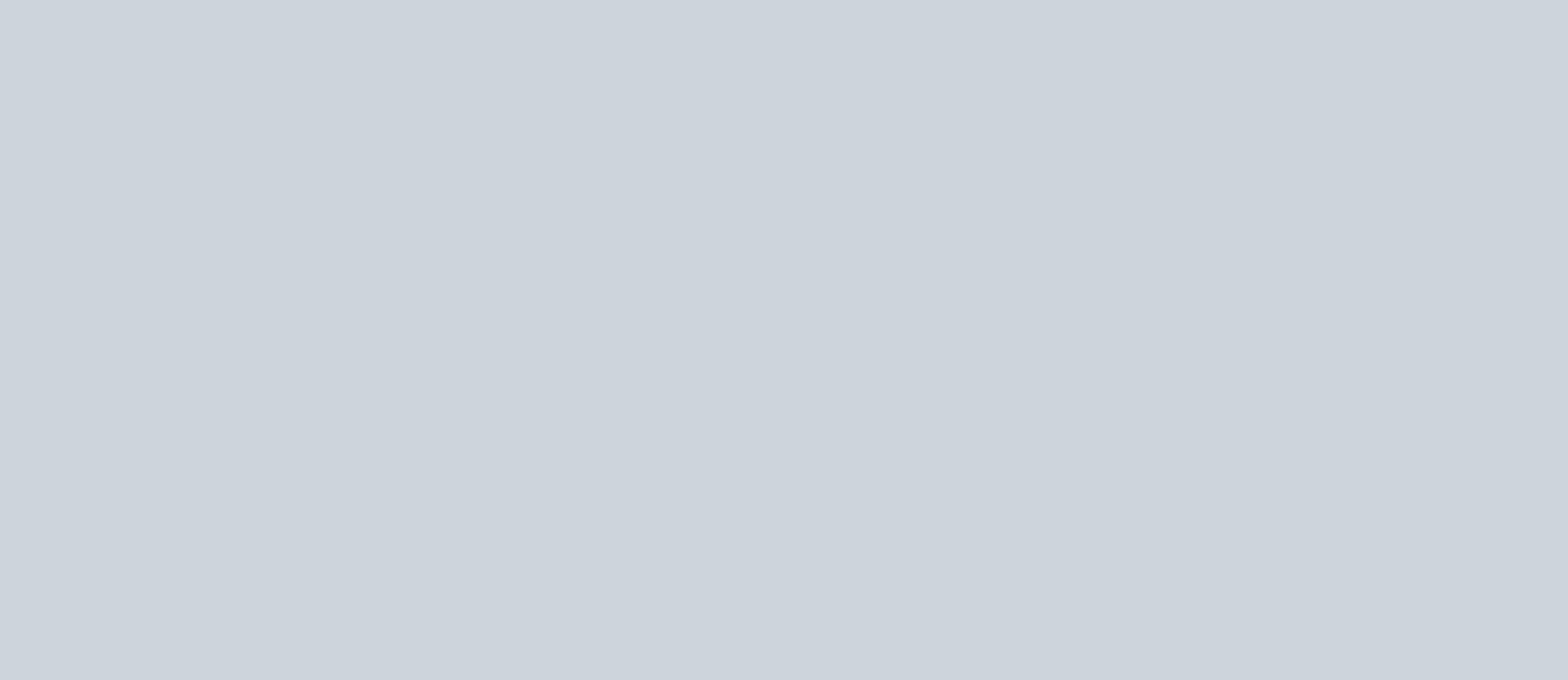


ASSET ALLOCATION



DIVERSIFICATION





Grades 6-8 Teaching Guide



Dear Educators,

Welcome to *Money Confident Kids*®, a comprehensive financial education program for middle school students presented by T. Rowe Price. Students in the middle school years typically have a short-term view of their finances, and our goal is to help kids understand that every economic decision is associated with a time horizon. For example, buying a snack has an immediate time horizon; saving money for back-to-school clothes might take several months; and saving for college, a home, or retirement has a long-term time horizon because it happens over many years. Money is a limited resource. If students learn financial literacy at a young age, they can make informed choices throughout their lives and plan a more secure future.

Concepts

The program covers five concepts, each with its own section.

1. **Goal Setting**
2. **Decision-Making**
3. **Money and Inflation**
4. **Asset Allocation**
5. **Diversification**

Components

For each of the five concepts, you'll find a standard set of components that guide students to develop a routine as they progress through the program. Each concept includes:

- Clear, step-by-step **lesson plans with sequencing suggestions, overviews, and key learnings and vocabulary**
- Engaging **reading passages** that model financial concepts through a character named Nikki, who starts as a financially naive middle school student and grows into a savvy young professional
- Real world **worksheets, activities, and games**
- **Assessments** and answer keys

Standards Support

- Council for Economic Education (CEE)
- Jump\$tart Coalition for Personal Financial Literacy

We hope you enjoy using *Money Confident Kids*® with your students!



OVERVIEW

Because most middle school students take a short-term view of money, they need to develop awareness of the impact of every financial decision. In this section, students learn that different money decisions have different time horizons (short, medium, or long term) and that these time horizons change as you get older.



Goal Setting

Key Learnings and Vocabulary

- categorizing financial goals according to **time horizons** and making **SMART** goals
- creating and monitoring **budgets** to achieve goals
- learning how **income** minus **expenses** equals **savings**
- increasing savings by increasing income and/or cutting expenses (by **comparison shopping** and evaluating purchases that are **wants** but not **needs**)

LESSON COMPONENTS

Component	Name	Duration
Session 1		
Lesson 1 – Introduction	Discussion	10 Minutes
Lesson 1	Better Get a Budget	20 Minutes
Lesson 1 – Activity Sheet	It's in the Budget!	10 Minutes
Session 2		
Lesson 2 – Introduction	Discussion	5 Minutes
Lesson 2	Get the Big Picture	10 Minutes
Lesson 2 – Activity Sheet	Start With a Goal	15 Minutes
Assessment	Show What You Know	10 Minutes

Lesson 1 – Better Get A Budget

1. **Discuss** what students think about money now and how they spend and manage it. Ask what they think their spending will look like when they graduate high school and college and then at other stages later in life. What kind of longer-term financial goals might they have? (10 minutes)
2. **Explain** that they will be learning to manage money by reading about a girl who goes from typical teen to financial whiz by working hard and making smart money decisions.

Instruct the class to read *Meet Nikki!* and Goal Setting Lesson 1, *Better Get a Budget*.

Discuss the concepts of time horizon, setting goals, budgets, and the following equation: **Income – Expenses = Savings**. Point out that different financial goals have different time horizons. For example, saving up for a new electronic device has a short-term time horizon of 1–4 years or less. Saving for college might have an intermediate time horizon of 5–10 years, while saving for retirement has a long-term time horizon of more than 10 years. (20 minutes)

3. **Direct** students to complete the *It's in the Budget!* activity sheet to find ways for Nikki to increase her savings. Encourage your class to apply this understanding to their own SMART goal. (10 minutes)



NOTE TO FACILITATORS

You have just completed **Goal Setting Lesson 1** and learned about middle schooler Nikki and the short-term goals she was able to achieve.

Option 1

To keep a consistent flow with Nikki's time horizon and the financial decisions she could face as she moves into high school and her early college years, you can skip to the next module—**Decision-Making**—that lays the foundation for her long-term goals.

Afterward, come back here to **Goal Setting Lesson 2** and learn how Nikki is planning for her long-term goals as she is finishing up college and looking ahead to the future.

Option 2

Continue with **Goal Setting Lesson 2** below, and jump ahead in Nikki's time horizon to learn how she is planning for her long-term goals as she is finishing up college and looking ahead to the future.



Goal Setting

Lesson 2 – Get The Big Picture

4. **Refresh** students' memories of your discussion about financial goals, and ask them if their goals will change over time. *(5 minutes)*
5. **Direct** students to read Goal Setting Lesson 2, *Get the Big Picture*, in which we jump ahead to the end of Nikki's college years and observe her decision to invest in her future with a graduate school degree. Ask students if they agree with her decision. *(10 minutes)*
6. **Ask** students to complete the *Start With a Goal* activity sheet. Make sure students are able to accurately classify financial goals as short, medium, or long term. *(15 minutes)*
7. **Give** the Goal Setting assessment either in class or as homework. *(10 minutes)*



OVERVIEW

We all have limited time and money, so making deliberate spending decisions—and resisting impulse buys—is a key financial strategy. In this section, students will learn the difference between necessary and unnecessary purchases.



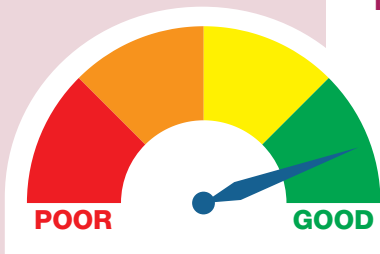
Decision-Making

Key Learnings and Vocabulary

- distinguishing between
 - needs**: the things you must have to survive, like food, water, and medicine or things that will help you achieve your financial goals, and
 - wants**: the things you would like to have but don't *really* need that can take you off track from reaching your goals, like a cool pair of jeans or a new phone cover.
- realizing that some purchases, like **insurance**, are necessary even though they're not exciting
- applying the concept of **comparison shopping**
- understanding **loans** and **credit**: when either one can be appropriate and the consequence of **interest charges**; learning that maintaining a good **credit rating** depends on paying off **debt** on time

LESSON COMPONENTS

Component	Name	Duration
Session 1		
Lesson 1 – Introduction	Discussion	5 Minutes
Lesson 1	Get It for Less	15 Minutes
Lesson 1 – Activity Sheet	But I Really Want It!	10 Minutes
Lesson 1 – Game Sheet	Plan Your Party	15 Minutes
Session 2		
Lesson 2 – Introduction	Discussion	5 Minutes
Lesson 2	A Penny Saved...	20 Minutes
Lesson 2 – Activity Sheet	How Interesting!	10 Minutes
Session 3		
Lesson 3 – Introduction	Discussion	5 Minutes
Lesson 3	But I Love That New Car Smell	15 Minutes
Lesson 3 – Game Sheet	Is It Covered?	20 Minutes
Assessment	Show What You Know	10 Minutes



Decision-Making

Lesson 1 – Get It For Less

1. **Ask** students to give examples of things they bought recently or would like to buy, then identify whether the items are needs or wants. Answers could include snacks, clothes, entertainment, etc. (5 minutes)
2. **Direct** students to read Decision-Making Lesson 1, *Get It for Less*. Form small groups (2–4 students). Ask students if they've ever comparison shopped or done anything else to reduce or defer their expenses. Ask students to discuss how controlling expenses can help them achieve their goals. (15 minutes)
3. **Have** them work through the concepts with the *But I Really Want It!* activity sheet. Help them understand that some items, like Marcus's textbook, can be deemed needs, as they are investments that pay off later in life. (10 minutes)
4. **Review** the directions for the *Plan Your Party* game sheet and assign it as classwork or homework. Remind students to apply the knowledge and skills they learned from the lesson and activity about comparison shopping and controlling expenses as they plan the party. (15 minutes)

Lesson 2 – A Penny Saved...

5. **Ask** students if they would like to own a car when they get older and if they think they'll be able to afford one. Remind them that this is a purchase with a short or medium time horizon depending on how long you need to save for it. Ask what kinds of expenses go along with owning a car. (5 minutes)
6. **Have** students read Decision-Making Lesson 2, *A Penny Saved...* Ask them what they know about loans (such as college loans) and credit. Make sure they understand that saving for your financial goals is best if you have time, but there may be times that they will need to use credit to pay for a large expense. They should also factor in interest payments and the importance of paying on time to maintain a good credit rating. (20 minutes)
7. **Hand out** the *How Interesting!* activity sheet. If your class has not mastered multiplying decimals and converting between decimals and percentages, complete the worksheet as a class or let students use calculators. Answers are included in the student workbook. Ask students to reflect on the difference between the cost of something they buy immediately and the cost of something they buy with credit. Prompt them to explore how to apply good decision-making skills when utilizing credit. (10 minutes)



Decision-Making

Lesson 3 – But I Love That New Car Smell!

8. **Ask** students if they know what insurance is and why people buy it. (5 minutes)
9. **Have** students read Decision-Making Lesson 3, *But I Love That New Car Smell!* Help students understand that a flashy car is a want, not a need. Emphasize that auto insurance helps cover the cost of repairs and damages if a driver is involved in an accident and that it's legally required in almost every state. (15 minutes)
10. **Reinforce** the value of car insurance with the game *Is It Covered?* Ask students to share what they learned. (20 minutes)
11. **Give** the decision-making assessment either in class or as homework. (10 minutes)



3



OVERVIEW

In this section, students will learn how inflation erodes purchasing power over time and why they need to consider inflation's effect on their long-term financial goals.



Money and Inflation

Key Learnings and Vocabulary

- **Inflation** is the increase in the price of goods and services over time
- You must consider inflation when you're setting long-term financial goals
- A **mortgage** is a type of loan used to finance a home

LESSON COMPONENTS

Component	Name	Duration
Session 1		
Lesson 1 - Introduction	Discussion	10 Minutes
Lesson 1	A Place of My Own	20 Minutes
Lesson 1 - Activity Sheet 1	When Prices Rise	10 Minutes
Lesson 1 - Activity Sheet 2	Higher Education Cost	10 Minutes
Assessment	Show What You Know	10 Minutes

Lesson 1 – A Place of My Own

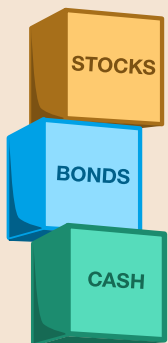
1. **Ask** students if they have ever heard their parents or grandparents say that things were less expensive when they were young. Discuss why they think prices were lower in the past, and guide them to understand the concept of inflation (see Key Learnings, above). (10 minutes)
2. **Have** students read the Money and Inflation lesson, *A Place of My Own*. Explain that owning a home is a long-term commitment and that most people have to save for a down payment and borrow money to finance a home purchase by taking out a mortgage. Emphasize that you must consider the effects of inflation when you formulate longer-term goals like buying a home, since the cost goes up over time. Guide students in understanding how inflation is calculated. (20 minutes)
3. **Complete** the *When Prices Rise* activity sheet. If students haven't learned how to calculate with percentages/decimals yet or need additional instruction, complete it as a class or let students use calculators. (10 minutes)
4. **Complete** the activity sheet *The Higher Cost of Higher Education*, in which students learn about the effect inflation has had on tuition costs through the years. Students estimate what tuition costs will be when they're ready to attend college. **As an optional extension**, students research costs at a college they would like to attend and project what those costs will be when they are ready to attend.
5. **Give** the Money and Inflation assessment either in class or as homework. (10 minutes)

4



OVERVIEW

Once you accumulate some savings, you need to decide where to invest the money to help it grow. In this section, in light of what students have learned about inflation and what is ahead on their time horizon, they will learn about asset allocation strategies to grow their assets. In addition, students will learn the differences between asset classes like cash (bank accounts), bonds, and stocks; that different asset classes have different levels of risk (and that investors have different tolerances for investment risk); and why they need to consider their financial time horizon when they make investment choices.



Asset Allocation

Key Learnings and Vocabulary

- **Asset Allocation:** how your money is divided among stocks, bonds, and cash according to your financial time horizon
- **Bond:** a loan to a government or corporation to be repaid with interest
- **Stock:** an investment that includes part ownership of a company
- **Mutual Fund:** a type of investment that holds a number of stocks, bonds, or other assets that is managed by a financial company
- **Asset Class:** a group of financial assets with similar features
- **Investment Risk:** the chance of losing money on an investment
- **401(k):** a type of retirement account

LESSON COMPONENTS

Component	Name	Duration
Session 1		
Lesson 1 – Introduction	Discussion	10 Minutes
Lesson 1	Taking a Sensible Risk	20 Minutes
Lesson 1 – Activity Sheet	Can You Handle the Risk?	10 Minutes
Session 2		
Lesson 2 – Introduction	Discussion	10 Minutes
Lesson 2	Finding the Right Mix	20 Minutes
Lesson 2 – Game Sheet	\$10,000 Investment Game	20 Minutes
Assessment	Show What You Know	10 Minutes

Lesson 1 – Taking A Sensible Risk

1. **Ask** students to think about their time horizon and what age they think they will be when they stop working and retire. Also, ask students how long they think their money needs to last after they retire. Sure, it's a long time in the future, but discuss the benefits of starting to save early and that they will need a mix of investment to reach long-term financial goals. (10 minutes)
2. **Read** Asset Allocation Lesson 1, *Taking a Sensible Risk*. Make sure that students can identify and define the basic financial building blocks—cash, bonds, and stocks—and that they understand the risks and rewards associated with each. (20 minutes)
3. **Complete** the *Can You Handle the Risk?* worksheet. Review that each asset class has a risk/return trade-off. Discuss how people's attitudes toward risk can change over time, especially as they get older and their time horizon for a goal changes from long term to short term. (10 minutes)

4



Asset Allocation

Lesson 2 – Finding The Right Mix

4. **Ask** students if they have any relatives who are retired. Discuss what it means to be retired, and determine what the students already know about how retirees pay for living expenses. (10 minutes)
5. **Read** Asset Allocation Lesson 2, *Finding the Right Mix*. Ensure that students understand that even though retirement may seem like a long way away, it will be wise to start planning for it as soon as they begin working. (20 minutes)
6. **Complete** the \$10,000 *Investment Game* and explain to students that the mix of investments are different for short, medium, or long term time horizons due to the risk each investment carries. Then review to make sure students understand the importance of planning to achieve goals with different time horizons. (20 minutes)
7. **Give** the Asset Allocation assessment either in class or as homework. (10 minutes)





OVERVIEW

When it's time to invest your hard-earned money and help it grow for the future, you don't want to make your financial future dependent on a single investment. In this section, students will learn the concept of diversification as a strategy to reduce the risk of your investments losing value when economic or political events hurt a particular industry or company.



Diversification

Key Learnings and Vocabulary

- **Diversification:** a strategy that reduces risk by distributing funds among different types of investments
- **International Stocks:** companies generally located outside the U.S.
- **Portfolio:** the total of a person's financial assets

LESSON COMPONENTS

Component	Name	Duration
Session 1		
Lesson 1 – Introduction	Discussion	10 Minutes
Lesson 1	Investment Choices, Part A	15 Minutes
Session 2		
Lesson 2	Investment Choices, Part B	15 Minutes
Lesson 2 – Activity Sheet 1	Spread It Around!	10 Minutes
Lesson 2 – Activity Sheet 2	Can This Portfolio Be Saved?	30 Minutes
Assessment	Show What You Know	10 Minutes

Lesson 1 – Investment Choices Part A

1. **Ask** students if they have ever heard the saying “Don’t put all your eggs in one basket.” What do they think it means? Simply, if something happens to the basket, all the eggs may be lost. (10 minutes)
2. **Have** students read Diversification Lesson 1, *Investment Choices Part A*. Point out the dangers of putting all one’s funds into one stock or industry. Ensure that students have an understanding of the “mix” of investments provided with mutual funds. (15 minutes)

5



Diversification

Lesson 2 – Investment Choices Part B

3. **Have** students read Diversification Lesson 2, *Investment Choices Part B*. Review key vocabulary. Students should know that investors can choose among small, medium, and large companies; domestic and internationally based companies; and stocks in different industry sectors. (15 minutes)
4. **Complete** the *Spread It Around!* activity sheet, in which students review the performance of different types of companies under different economic conditions. Review the answers as a class, and point out how a diversified portfolio can help an investor guard against a disastrous decline in one industry. (10 minutes)
5. **Have** students complete the Diversification activity, *Can This Portfolio Be Saved?* Have students share their experiences with diversifying their clients' portfolios, and review the characteristics of a diversified portfolio (e.g., including stocks from different industries, different-sized companies, and domestic as well as international companies). (30 minutes)
6. **Give** the Diversification assessment either in class or as homework. (10 minutes)



Conclude

- Conclude with the Culminating Assessment
- Read the wrapup of Nikki's story to summarize the program's concepts

Thank you for your participation in the *Money Confident Kids*® program and for helping kids build a solid foundation to grow and manage their financial future.



MONEY CONFIDENT Kids®

Presented by **T.RowePrice®**

Distributed in the USA by T. Rowe Price Associates, Inc.

© 2026 T. Rowe Price. All Rights Reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, the Bighorn Sheep design, and related indicators (see troweprice.com/ip) are trademarks of T. Rowe Price Group, Inc. MONEY CONFIDENT KIDS and the Money Confident Kids design are trademarks of T. Rowe Price Group, Inc.

U.S. Version
CCON0242906
202601-5109125

