

Extension Activity for *Budgeting 101*

Specific Outcome(s)

- Career and Life Management (CALM)
 - R4. Demonstrate knowledge of and a commitment to achieving personal financial goals.
 - Develop the skills for calculating net worth and other indicators of the status of personal resources.

At the end of this extension activity, students will be able to differentiate between assets and liabilities (definitions and examples).

Materials Needed

- Scissors
- Envelopes

Materials Provided

- Category headings
- Liability cards
- Asset cards

Logistics

- Photocopy and cut the category headings, the asset cards, and the liability cards. The category headings are underlined.
 - Students may complete this activity individually, in pairs, or in groups.
- Randomize each set of asset cards and liability cards. Then, put them together into envelopes. Include the category headings too!

Procedure

- Remind students of the definition of asset and liability.
 - An asset is something valuable or useful.
 - A liability is something that you owe.
- Hand out the envelopes with the asset cards and the liability cards in them. Then, have students take them out and put them into the correct category.
- Once students are done sorting, invite them to walk around the classroom to see how their peers sorted their cards. Debrief with the following questions:
 - "What did you notice about where other groups put their cards?"
 - "Were there any cards that were difficult to sort? If so, why?"
 - "Why do you think it's important to know the difference between an asset and a liability? How could this information help you in the future?"
- Have students return their materials to you and thank them for their hard work.

Assets

Cash

Furniture

Houses

Boats

Jewelry

Cars

Investments

Liabilities

Student loans

Credit card balances

Unpaid taxes

Loans

Mortgages