

WAMC Lesson Plan

Name(s): Theresa McElrath

Email Address: mcelrath.theresa@yakimaschools.org

Lesson Title: 11.4 Calculating Net Worth

Date: June 27, 2018

Text: Financial Algebra by Robert Gerver

STEM Correlation: Math

Lesson Length: one class period

Big Idea (Cluster): Financial	
Mathematics K–12 Learning Standards:	
Mathematical Practice(s):	
Content Objectives: To understand the importance of managing one's finances and living within one's means.	Language Objectives (ELL): RST.9-10.4 Determine the meaning of symbols, key terms, and other domain-specific words and phrases as they are used in a specific scientific or technical context relevant to texts and topics 1.3.1 Identify and define authentic problems and significant questions for investigation 1.3.2 Locate and organize information from a variety of sources and media.
Vocabulary: Net Worth, Assets, Liabilities, Cash flow, Current Value,	Connections to Prior Learning: budgeting vocabulary,
Questions to Develop Mathematical Thinking: <ul style="list-style-type: none"> • What financial consequences occur when one doesn't manage their budget? • What benefit is there to knowing the current value of one's home or auto? • Why is it important to have a savings account? • When are Liabilities considered a negative? 	Common Misconceptions: <ul style="list-style-type: none"> • Money is always coming in. • A savings account is a low priority when developing a budget. • Net worth never changes

Assessment (Formative and Summative):

- Formative: Students complete worksheet Summative: Students show current net worth and can calculate increase / decrease of net worth over a one-year period.

Materials:

- Worksheet, calculator,

Instruction Plan:

Introduction: vocabulary, review worksheet and websites (Zillow, Kelly Blue Book)
Explore: open websites to introduce information,
When I observe students: students filling out worksheet and using websites to complete work
Questions to Develop Mathematical Thinking as you observe: when buying a car, what financial considerations should be taken into account? How does one calculate the amount they can afford for a car / home?
Answers: determine net pay. Multiple net pay by a predetermined percentage
Summarize: Students are able to differentiate between assets and liabilities and also

WAMC Lesson Plan

calculate net worth gain / loss over a period of time.

Career Application(s):

- Budgeting, analysis, purchasing, projecting future goals

Leadership/21st Century Skills:

21st Century Interdisciplinary themes (Check those that apply to the above activity.)

- | | | |
|---|--|--|
| <input type="checkbox"/> Global Awareness | <input checked="" type="checkbox"/> Financial/Economic/Business/Entrepreneurial Literacy | <input checked="" type="checkbox"/> Civic Literacy |
| <input type="checkbox"/> Health/Safety Literacy | <input type="checkbox"/> Environmental Literacy | |

21st Century Skills (Check those that students will demonstrate in the above activity.)

LEARNING AND INNOVATION

Creativity and Innovation

- Think Creatively
- Work Creatively with Others
- Implement Innovations

Critical Thinking and Problem Solving

- Reason Effectively
- Use Systems Thinking
- Make Judgments and Decisions
- Solve Problems

Communication and Collaboration

- Communicate Clearly
- Collaborate with Others

INFORMATION, MEDIA & TECHNOLOGY SKILLS

Information Literacy

- Access and Evaluate Information
- Use and manage Information

Media Literacy

- Analyze Media
- Create Media Products

Information, Communications and Technology (ICT Literacy)

- Apply Technology Effectively

LIFE & CAREER SKILLS

Flexibility and Adaptability

- Adapt to Change
- Be Flexible

Initiative and Self-Direction

- Manage Goals and Time
- Work Independently
- Be Self-Directed Learners

Social and Cross-Cultural

- Interact Effectively with Others
- Work Effectively in Diverse Teams

Productivity and Accountability

- Manage Projects
 - Produce Results
- ##### Leadership and Responsibility
- Guide and Lead Others
 - Be Responsible to Others

<https://wa-appliedmath.org/>

Quiz 11.4 Cash Flow and Budgeting: Knowing Your Net Worth

Name:

What is the definition of 'asset'? A person's property or what they own.

What is the definition of 'liability'? A person's debt or what they still owe.

What is the formula for calculating someone's net worth?

Total monetary value of all assets less total amount of all debt.

Name a website a person can use in order to find the current value of their car.

Kelly Bluebook (kbb.com), autotrader.com, Edmunds.com

Name a website a person can use in order to find the current value of their home.

Trulia.com, Zillow.com, Realtor.com

Which of the items below are assets and which are liabilities?

Current value of a home Asset

Balance owed on student loan Liability

Balance owed on Macy's credit card Liability

Current value of car Asset

Retirement fund Asset

Money in a savings account Asset

Remaining amount owed on dental bill Liability

Amount owed to bank for college loan Liability

Current value of time-share condo in Colorado Asset

Amount owed to orthodontist Liability

Money in checking account Asset

<https://wa-appliedmath.org/>

11.4 Cash Flow and Budgeting / Net Worth

Name: _____

Period: _____

Lab Objective: Students will learn how to differentiate between Assets and Liabilities and calculating their net worth.

Step One: In the left-hand column decided if the item is 'A' an asset, or 'L' a liability.

_____ Using Zillow.com or realtor.com find a home for sale under \$400,000. Asking price: \$ _____

_____ Using KBB.com find a car under \$18,000.

Make _____ Model _____ Year _____ Asking Price \$ _____

_____ You have paid 30% of your home loan. How much do you still owe? \$ _____

_____ Money in retirement account (Fill in the blank with an amount less than \$25,000) \$ _____

_____ You owe \$ _____ on your college / technical school loan. Fill in the blank with an amount less than \$35,000.

_____ Money in savings account (Fill in the blank with an amount less than \$20,000) \$ _____

_____ Current value of electronics (Fill in the blank with an amount less than \$8,000) \$ _____

_____ You have a balance of \$ _____ on your Macy's credit card (Fill in the blank with an amount less than \$7,000)

_____ You have paid 25% of your car loan. How much do you still owe? \$ _____

_____ You have Visa credit card debt in the amount of \$ _____. Fill in the blank with an amount less than \$3,000.

_____ Money in checking account (Fill in the blank with an amount less than \$2,000) \$ _____

_____ Current value of stocks / bonds (Fill in the blank with an amount less than \$32,000) \$ _____

Step 2

Fill in the blanks above with appropriate dollar amounts

Step 3

List Assets and current values

_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____

Total \$ _____

List Liabilities

_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____

Total \$ _____

Step 4

Determine your net worth. Show your work!