

FINANCIAL LITERACY LESSON PLAN

GRADE: 6-8
SUBJECT: Making better financial decisions
UNIT/LESSON TOPIC: Broke: How to avoid the plight of professional athletes' poor financial management

College- and Career Readiness Standards —

Grades 6-8 Social Studies Indicators: :

- **Economics**
 - Explain how economic decisions affect the well-being of individuals, businesses, and society.
 - Explain how changes in supply and demand causes changes in prices and quantities of goods, and services, labor, and credit.
 - Analyze the role of innovation and entrepreneurship in a market economy.
 - Describe the roles of institutions such as corporations, non-profits, and labor unions in a market economy.
- **History and Literacy**
 - Conduct short research projects to answer a question (including a self-generated question), drawing on several sources and generating additional related, focused questions that allow for multiple avenues of exploration.

Financial Literacy Content Objective:

Saving: Different people save money for different reasons, including large purchases (such as higher education, autos, and homes), retirement, and unexpected events. People's choices about how much to save and for what to save are based on their tastes and preferences.

- What are you willing to give up to save money?

1. Engage:

- Ask students to raise their hand if they like money. Then, ask students if they would like to learn about how to budget, save money and plan for their future? Tell them that learning how to manage their money and plan for the future is important, even for mega millionaires.
- Introduce the film: the ESPN documentary called 30 for 30: Broke. 30 for 30 is a popular series. Ask if any students have watched any episodes in the 30 for 30 series. Tell them that Broke is about professional athletes who mismanaged their money. "According to a 2009 Sports Illustrated article, 60 percent of former NBA players are broke within five years after retiring. By the time they have been retired for two years, 78% of former NFL players have gone bankrupt or are under financial stress."
- Handout viewing guide (attached). Allow students time to review the questions.
- The film is on Netflix and YouTube.com. (filmed in 2012; rated NR; runtime 1h 17m)
- Pause film at the beginning of each section to recap the last section, clarify, and expand on key messages and to discuss what they think is the meaning of the title of the next section
- Sections: (you can pick and choose which sections if you don't have time to view the entire video. Some sections may address what you are studying in financial literacy)
 1. Keeping up with the Joneses (discuss: competitive athletes are competitive in life)
 2. Mo Money, Mo Problems (taxes, debt allowed, living expenses)
 3. Hustler's Paradise (targets for bad investments/business ventures)

4. Who can you trust? (agents, managers, financial managers)
5. Mouths to feed (supporting family and friends)
6. Baby Mama Drama (child support, divorce, alimony)
7. Banged up (pro athletes have a high rate of injury and disability, medical expense, drug addiction)
8. Game Over (athletes retire very young and still have over half of their life to live)
9. Real Talk (what can be done, financial education)

2. Explore:

- Make it Relatable: Think-Pair-Share: Ask students to help you make a list on the whiteboard of the financial mistakes or disasters the pro athletes made in the film.
- Have students restate the experiences in terms that are relevant to them. Example: An athlete gets cut and no longer has an income. They had uncontrolled spending and no plan for saving. Realistic: Loss of income can happen to anyone from job loss, injury, illness, natural disasters, etc.
- Teacher will observe and act as a facilitator to guide them in their discussion.
- After students share with their partner have them share with the class.
- Have students help you make a list of large-dollar purchases athletes discussed in the film.
- Have students work in small groups to identify and calculate better uses for money spent. Example: \$50,000 dinner, money would be better spent on investments, buying two mid-priced cars, paying for college, buying 17,000 gallons of gas, or paying a year's worth of rent or mortgage. Allow students to do research online to find prices.

3. Explain:

- Discuss how the same principles that could save many pro athletes from bankruptcy and embarrassment are the same ones the rest of us should employ.
 - Have a financial plan and stick to it. Monitor your monthly expenses and save up for big purchases.
 - Don't be afraid to say, "no" to friends and family that want to borrow money. Small amounts add up.
 - Don't have kids if you can't afford them. It cost on average \$250,000 to raise a child to age 18.
 - Pay your taxes. If you get behind it's hard to catch up.

4. Elaborate/Extension:

- Writing: Explain to students there could be two conclusions on this topic. They should pick a conclusion that they most agree with and write an argumentative essay citing specific examples from the text.
 1. These poor athletes! They're used and abused to line the pockets of wealthy owners, only to be left with broken bodies and empty bank accounts.
 2. These stupid athletes! They're handed the world on a silver platter and all they do is wreak a path of destruction with their lives and let down their fans and families who support them.
- Career exploration: Professional athlete: analyze different play levels and sources of income (endorsements, bonuses, etc.) of players and staff. What makes one player more valuable than another?
- Geography: Research athletes featured in the film to learn about a school or region. Identify their college and explore degree programs offered there.
- Economics: Research the economy of the region of professional sports teams, including job opportunities, population, natural resources.
- Role of Entrepreneurs: failed business ventures, identify contributing factors

5. Evaluate:

- Observation of participation in discussion, think-pair-share, and small group activity.
- Viewing guide answers
- Argumentative essay: use a rubric and let students use it as a guide for their writing. You can find the WVDE Instructional Writing Rubrics:
<https://wvde.state.wv.us/teach21/InstructionalWritingRubrics.html>

Resources:

<http://under30ceo.com/personal-finance-lessons-former-athletes-went-broke/>

<http://www.forbes.com/sites/timmaurer/2012/10/05/mo-money-mo-problems-espn-goes-broke/#de7143963821>

<http://patch.com/illinois/evanston/5-investment-lessons-espns-broke-documentary-3a9d17fe>

“ESPN 30 for 30: Broke” Viewing Guide

1. Tell me your initial reaction, what do you think the film is about?
2. What do you think of the amounts of money pro athletes make?
3. How did sports salaries change in the 1990s?
4. What contributed to that change?
5. Explain the term “Keeping up with the Joneses”.
6. Why does that lead to bad money management decisions?
7. According to Forbes magazine, the New York Yankees are valued at 2.3 Billion dollars. Their yearly gross revenue is 471 million. The Dallas Cowboys are valued at 1.7 Billion with gross revenues of 280 Million per year. Knowing this, do you think Athletes are overpaid? Why or Why Not?
8. What money management lessons could the average person learn from these stories?
9. If you were a financial planner, how would you handle a pro athlete’s money?