

Introduction

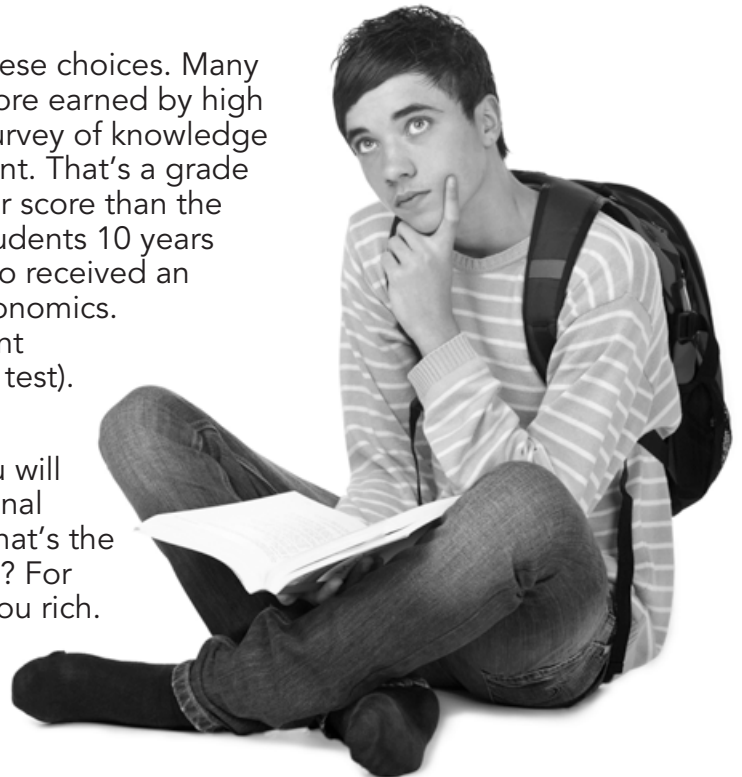
The Economic Way of Thinking

You may not know much about managing your money. And what you don't know could hurt you. All your life you will be spending, saving, borrowing, and investing. You will make economic decisions as a consumer, a worker, an investor, and a citizen. The choices you make at any point along the way will have major consequences for your future. To mention only a few:

- What occupation should I pursue?
- Should I go to college?
- Should I get a credit card?
- Are all credit cards alike?
- Should I start saving now or wait until I have a better job and a larger income?
- Should I invest in the stock market?
- What stocks or mutual funds should I invest in?

You probably are not ready to make these choices. Many young people are not. The average score earned by high school students on a recent national survey of knowledge about personal finance was 48.3 percent. That's a grade of F in any class, and it is an even lower score than the 51.9 percent earned by high school students 10 years ago. Similarly, high school students also received an "F" on a recent national test about economics. Their average score was only 53 percent (adults scored 70 percent on the same test).

One of the most important lessons you will learn in studying economics and personal finance is that incentives matter. So, what's the incentive for studying personal finance? For openers, what you learn might make you rich. Achieving personal wealth involves planning and making sound financial choices—about getting an education,



saving early and often, comparison shopping, developing a money-management plan, and shopping for the best loan. You might be surprised to know that most millionaires in this country did not get rich quick by winning the lottery or inheriting money from a relative. They became rich by making sound choices, including these:

- Getting a good education.
- Working long, hard, and smart.
- Learning money-management skills.
- Living below their means.
- Investing in the stock market for the long term.
- Gathering information, developing criteria, and considering the alternatives before making decisions.

Learning to make smart choices is not rocket science. It might take some work, but you can learn to do it. Your efforts now can have a big payoff later. How about starting on your first million bucks right now?

NAME: _____ CLASS PERIOD: _____

The Millionaire Game Score Sheet

1. **True or False Score (-5 or +5)** _____
(circle one) (Millionaire card -10 or +10)
2. **True or False Score (-5 or +5)** _____
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3. **True or False Score (-5 or +5)** _____
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14. **True or False Score (-5 or +5)** _____
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15. **True or False Score (-5 or +5)** _____
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