



Moneywise
America



THE UNEXPECTED



*How to plan for
unexpected costs while
staying on track toward
your goals.*

Teen guide

Pre/Post Self-Reflection

First Name: _____

Age: _____



Pre-Session

Before beginning the session “The Unexpected,” please respond to the following question:

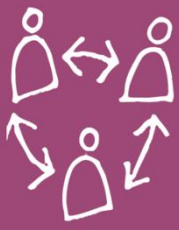
How can you best prepare for unexpected expenses?



Post-Session

After finishing the session “The Unexpected,” please respond to the following question:

How can you best prepare for unexpected expenses?



Eddie's Savings & Insurance Profile

Directions: Review Eddie's financial profile 10 years in the future and the details of his income and savings. What type of insurance should Eddie get? Answer the questions that follow to help him decide on the best bundle of insurance policies based on the information provided in the **Eddie's Savings & Insurance Information** chart on page 3.

Eddie's Financial Profile



Eddie is the proud owner of his own business. Because he does not yet have a family of his own, he is working on his long-term goal of saving for a down payment on a house for his mom. Currently, he rents an apartment with some roommates that he met in his weekly basketball recreation league, and together they lead a healthy lifestyle. Eddie purchased a car last year and feels confident that he's on his way to maintaining a successful life, although he's seen some of his roommates get blindsided by unexpected financial situations. Not wanting to end up in unnecessary debt, Eddie thinks it's time to figure out the best insurance choices so that he can be best protected against the unexpected.



Monthly Net Income:	\$3,500
Monthly amount budgeted for insurance and emergency fund:	\$ 700
Total of all the insurance he's considering, plus his emergency fund:	\$ 825

Assessing Eddie's Financial Profile



1. Do you think there is enough in Eddie's savings? What if he needed to handle more than one unexpected expense and/or emergency not covered by his insurance?
2. Which policies are most important for Eddie to have and why?
3. What are some expenses not covered by his insurance that Eddie will need to pay for?

Eddie's Savings & Insurance Information

	Monthly Expense/ Insurance Premium	Deductibles and Coverage Exclusions
Emergency Savings	\$100	Current balance at \$1,000
Health Insurance	\$400	<ul style="list-style-type: none"> • Deductible: \$1,000 • <i>Not included in coverage:</i> Mental health treatment, Cosmetic surgery, 50% of prescription costs
Dental Insurance	\$30	<ul style="list-style-type: none"> • Deductible: \$1,000 • <i>Not included in coverage:</i> Braces
Vision Insurance	\$25	<ul style="list-style-type: none"> • Deductible: \$1,000 • <i>Not included in coverage:</i> Vision correction surgery, specialty lenses and frames
Auto Insurance	\$130	<ul style="list-style-type: none"> • Deductible: \$1,000 • <i>Not included in coverage:</i> Roadside assistance, emergency car rental
Renter's Insurance	\$15	<ul style="list-style-type: none"> • Deductible: \$1,000 • <i>Not included in coverage:</i> damage due to earthquakes or floods, car theft or damage, roommate property
Additional policy to cover family heirlooms with sentimental value	\$10	<ul style="list-style-type: none"> • Deductible: \$1,000 • <i>Not included in coverage:</i> any items other than what is specifically listed in policy
Life Insurance	\$30	<ul style="list-style-type: none"> • Benefit Amount: \$50,000 • Length of Term: 10 years
Pet Insurance	\$15	<ul style="list-style-type: none"> • Deductible: \$1,000 • <i>Not included in coverage:</i> pre-existing conditions, grooming
Appliance Warranty	\$15	<ul style="list-style-type: none"> • Deductible: \$1,000 • <i>Not included in coverage:</i> accidental damage, limited to 3 years
Phone Insurance	\$5	<ul style="list-style-type: none"> • Deductible: \$1,000 • <i>Not included in coverage:</i> natural wear and tear, modifications
Disaster Insurance	\$50	<ul style="list-style-type: none"> • Deductible: \$1,000 • <i>Included in coverage:</i> property replacement for any natural disaster including earthquake or flood



Savings & Insurance Case Study

Directions: It's 15 years in the future. As your life changes, so do your insurance needs. Review your profile and the **Insurance Types and Premiums Resource**. In **Part A** prioritize the insurance you will need that fits your budget. In **Part B** analyze how your savings and insurance choices help you manage unexpected expenses.



Your Financial Profile

Let's look 15 years into your future. You feel settled knowing that you're earning a steady income and you are trying to work towards using the 50%/30%/20% rule for your needs, wants, and savings. You've made some adjustments in your budget, like taking public transportation instead of driving your car. Your priority now is to consider the money you need to take care of your growing family and the monthly payments on your new home. It's also time to now make some insurance adjustments to ensure you have the coverage you need.



Emergency Savings Balance:	\$1,000
Monthly amount budgeted for insurance:	\$600

Insurance Types and Premiums Resource

	Monthly Expense/ Insurance Premium	Deductibles and Coverage Exclusions
Health Insurance	\$400	<ul style="list-style-type: none"> • Deductible: \$1,000 • <i>Not included in coverage:</i> Therapy, Cosmetic surgery, 50% of prescription costs
Dental Insurance	\$30	<ul style="list-style-type: none"> • Deductible: \$1,000 • <i>Not included in coverage:</i> Braces
Vision Insurance	\$25	<ul style="list-style-type: none"> • Deductible: \$1,000 • <i>Not included in coverage:</i> Vision correction surgery, specialty lenses and frames
Auto Insurance	\$130	<ul style="list-style-type: none"> • Deductible: \$1,000 • <i>Not included in coverage:</i> Roadside assistance, emergency car rental
Homeowner's Insurance	\$50	<ul style="list-style-type: none"> • Deductible: \$1,000 • <i>Not included in coverage:</i> damage due to earthquakes or floods, car theft or damage, roommate property
Life Insurance	\$15	<ul style="list-style-type: none"> • Benefit Amount: \$50,000 • Length of Term: 10 years

Part A Directions: Think about the information in your financial profile and your monthly budget for savings and insurance. What type of insurance would be right for you at this time? List the types of insurance you would select in the space below, making sure that your total premiums are within your budget.

Part B Directions: Read the scenarios below and think about how much the unexpected costs will be in total. Using the **Insurance Types and Premiums Resource**, and keeping in mind there is \$1,000 to work with in emergency savings, how would you manage the risk in each scenario? Would you be able to use insurance? Would you need to reach into your emergency savings? Is your emergency fund large enough? Would you need to do a combination of both?



Travel Time

You are going on vacation with your family and can't wait. Your travel plans are set, you have money saved for the travel expenses and you are ready to go!

Unexpected Scenario #1	While away, someone crashes into your car that's parked at your house. They leave a nice note, but sadly don't have auto insurance. <ul style="list-style-type: none">Total cost of repairs \$1,500
Unexpected Scenario #2	While seeing the sights, you trip, fall, and break your leg. You'll need an ER visit, X-ray, crutches, and a cast. <ul style="list-style-type: none">Total cost of care: \$3,300
Unexpected Scenario #3	After you get back, you get a note from your accountant: <ul style="list-style-type: none">You owe \$500 more in taxes than you'd planned on



Assess Your Savings & Insurance Choices

1. What did insurance cover?
2. What did you need to cover out of pocket?
3. Was your emergency fund large enough for your out-of-pocket expenses?
4. Is there anything you'd do differently?



Session Evaluation Survey

Thank you for your participation in today's session! We appreciate you taking a couple of minutes to provide your feedback. **Your response is important to us and is completely anonymous.** Your input will help us continue to improve our programs supporting teens on their journey to financial freedom.

How to Complete this Survey

You can access and [complete the survey online here](#). If you prefer, you can complete a hard copy of the survey below, and hand it in to your Schwab facilitator at the end of your session. Either way, please make sure to submit your survey at the close of your session.

Survey Questions

1. What Moneywise America session did you participate in? **(REQUIRED)**
 - a. Get Started: Intro to Money Basics
 - b. Personal Goals and Decision Making
 - c. Session 1.0: Set Money Goals
 - d. Session 2.0: Manage Your Money
 - e. Session 3.0: Master Credit & Debt
 - f. Session 4.0: Plan for the Future
 - g. Session 5.0: Get Invested

2. I feel more confident about my understanding of money and how to manage it. **(REQUIRED)**
 - a. Strongly Agree
 - b. Agree
 - c. No Change
 - d. Disagree
 - e. Strongly Disagree

3. How likely are you to use information from this session to make decisions to help you reach your future financial goals? **(REQUIRED)**
 - a. Highly Likely
 - b. Likely
 - c. Neutral
 - d. Unlikely
 - e. Highly Unlikely

4. I have a clear understanding of the key personal finance topics that were presented during the session. **(REQUIRED)**
- a. Strongly Agree
 - b. Agree
 - c. No Change
 - d. Disagree
 - e. Strongly Disagree

If you selected Disagree or Strongly Disagree for Question 4, please explain specifically what components of the lesson were unclear or confusing.

5. Why is it important for teens to learn about personal finance? **(OPTIONAL)**

6. Is there any other feedback that you'd like to share about the session or the content covered? **(OPTIONAL)**

Thank You

Thank you for taking the time to provide your feedback. We appreciate your input as we continue to support teens on their journey to financial freedom.