

“KAYAMANAN”¹

Money Concept and Skill: Total Net Worth

I. Objectives

At the end of the lesson, the student will be able to:

- A. Define the meaning of “assets,” “liabilities” and “total net worth”.
- B. Discuss how the comparison of Pedro and Pete explains “total net worth” of a person.
- C. Describe a financially independent person.
- D. Appreciate the importance of being financially independent.

II. Summary of Episode

Teemy and Rosa compare who is wealthier between the two of them. After they compare their cash; they turn to their personal things to find out who is really wealthier. Then, Richie explains the meaning of “statement of assets and liabilities.” He explains assets as our money and things we own, and liabilities as our expenses and debts. To find out our total net worth, we need to subtract our liabilities from our assets. To give a concrete explanation, the situations of Pedro and Pete are compared. In the end, Pedro who has modest clothes and toys turns out to be the wealthier one because he has been saving for the last 7 years. After this, interviews of financially independent people follow: a landlord, a tricycle operator and a retiree. In the end, Richie clarifies that wealth includes cash, properties and investments. He reminds us all not to forget to use our wealth to help others. Rosa reminds everyone that we are the only ones who have the ability and duty to make our selves wealthy.

III. Suggested Activities

A. Pre-viewing

- **Would you like to be wealthy? Why?**
- **What would you do if you were wealthy? Why?**
- **If you spend more than you save, would you still be wealthy? How can you keep your wealth?**

Activities

Discuss their spending habits. Give them a copy of the following tips on how they can improve their good spending habits:

1. Make a list when shopping so you are not tempted to buy what you do not need.
2. Compare prices and quality before you buy. Choose the grocery or store which satisfies your requirements.
3. If you are not in a hurry to buy the items, wait for the special sales so you can take advantage of the reduced prices.

¹ “What is wealth?”

4. Maintain a good record of tracking all your expense in your journal. Keep your receipts.
5. Plan all the spending that you will do in advance. This way you are sure that you have the budget for it and you can stick to your budget.
6. Avoid buying and spending when you are hungry. You tend to buy more than what you need.
7. Write down all of your poor spending habits that you want to change. Plan how you will change them.
8. Share and use part of your savings to help others.

B. Post-viewing

- What are “assets”, “liabilities” and “total net worth?”
- How did the comparison between Pedro and Pete explain clearly the concept of “total net worth?”
- Do you know anyone who is financially independent like those who were interviewed in the episode? Why do you say that they are financially independent?
- Why is it important to share our wealth with others?

Activities

1. **Slogan Writing:** Write on the board or give the class a list of Filipino sayings and beliefs on money. For example:
 - *Huwag magwalis ng sahig sa gabi, mawawala ang swerte.*
 - *Kapag kumati ang palad, makakatanggap ka ng pera.*
 - *Ang isang maliit na burol ng langgam sa ilalim ng bahay ay isang palatandaan ng magandang swerte.*
 - *Huwag ilagay ang pitaka or handbag sa sahig, dahil hindi ka uunlad.*
 - *Lagi kang maglagay ng barya o pera sa loob ng bag. Kapag hindi mo ito nagastos, ikaw ay magkakaroon ng pera sa buong taon.*

Elicit the students’ reactions to each of the sayings introduced, then ask the class to come up with their own slogan or beliefs based on what they have learned so far. Examples are:

- *Pera ko para sa kinabukasan ko.*
- *Tipid ngayon, tiba-tiba bukas.*
- *Kung di magtipid ngayon, kelan pa?*
- *Just save. Just do it.*
- *Kailangan o Kagustuhan? Yan ang tanong!*
- *Mag-impok. Tularan ang mga langgam.*

2. **Financial Literacy T-shirt:** If possible, let the class print these slogans on white T-shirts which they could actually wear. This can be part of a school campaign on financial literacy. Let each student express his own creative design on the T-shirt. This is to inspire them to be more conscious about saving and managing their money.

3. **Worksheet or class discussion:** Ask them to compute total net worth based on information given to them.

IV. Values Integration: Good Spending Skills, Diligence, Hardwork

The Net wealth of a person cannot be measured by one's expensive possessions nor by one's luxurious taste alone. These are only external indicators of wealth. In this episode, we learn about total net wealth which is the best way to know how financially independent a person really is.

Being financially independent is a goal any adult wants to reach. It involves tremendous hard work and diligence. It can be difficult in the beginning as one establishes himself or herself financially but the rewards are worth it in the end. Just like the landlord, tricycle operator and retiree in the episode, they did not have to work because their investments are enough to maintain their chosen lifestyle. To achieve financial independence, we must understand the relationship between our savings and spending. If we spend more than we save, we are in debt. If we save and invest more than we spend, we can begin to accumulate our wealth. Although the way to acquire wealth is clearly explained, it is stressed that wealth must also be shared and used to help others. There is no greater reward than having been able to make a difference in the lives of others through our humble help.