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|  | No notes are needed for this slide.In order to have a successful financial future, a person should create a financial plan.The 4 steps required to develop a financial plan are shown at the left. |
|  | After determining your current financial position, you need to develop financial goals. Financial goals are based on the following:1. Financial Attitude
* Personal Values –
* Spend or Save –

 For example, work right after high school or attend college for a better paying job in the future1. Needs vs. Wants
* Needs –
* Wants –

 For example, an X-box, lip gloss, cell phones, etc.Goal Types1. Short-term –
2. Intermediate –
3. Long-term –

Guidelines |
|  | Other factors influence your finances.Opportunity Cost – Economic Factors1. Supply –
2. Demand –
3. Inflation –
4. Interest– amount charged for borrowing money and/or the amount earned when saving money
5. Time value of money – the increase in an amount of money as the result of interest
6. Global influences
7. The unknown
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|  | The last step in developing a financial plan is to identify a course of action. In order to do this, you must know the following: Costs vs. Benefits – compare the costs (not necessarily $) to the benefit of any decisionsGoal Achievement1. Choose the best course of action.
2. Write down goals and list ways to achieve them.

Review & revise |