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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 future   1. Needs vs. Wants  * Needs – * Wants –   For example, an X-box, lip gloss, cell phones, etc.  Goal Types   1. Short-term – 2. Intermediate – 3. Long-term –   Guidelines |
|  | Other factors influence your finances.  Opportunity Cost –  Economic Factors   1. 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 |
|  | 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 decisions  Goal Achievement   1. Choose the best course of action. 2. Write down goals and list ways to achieve them.   Review & revise |