



# Understanding Assets & Liabilities | Lesson Plan

## What are assets and liabilities?

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Students will understand the concepts of assets and liabilities, distinguish between them, and recognize their importance in personal finance.

### Learning Objectives:

- Define assets and liabilities and provide examples.
- Promote responsible financial behavior and awareness.
- Understand how managing assets and liabilities is crucial for making informed financial decisions.
- List actions to take in order to understand personal assets and liabilities better.

### Key Vocabulary:

- **Assets:** Items owned that have financial value.
- **Liabilities:** A financial obligation you owe someone or a company.
- **Balance sheet:** Outlines an individual's financial position.
- **Equity:** The difference between what you own and what you owe.
- **Negative Equity:** Owing more than an item is worth.
- **Net Worth:** The value of assets minus liabilities.

**Educational Standards:** CCRA.R.7, CCRA.R.1, CCRA.W.2, CCRA.W.6, CCRA.R.7, CCRA.SL.1, CCRA.SL.2, CCSS.MP.4

**Academic Subject Areas:** Financial Literacy, Finances, Money

## What You'll Need

- Video: Ca\$h Cour\$e: Understanding Assets & Liabilities (Watch [Here](#))
- Worksheet: Ca\$h Cour\$e: Understanding Assets & Liabilities (Click [Here](#))
- Classroom whiteboard and dry-erase markers (Or a technology resource if available).

## Lesson Plan (45 mins.)

Warm-Up: (10 mins.)

1. Begin with an illustration of assets and liabilities. Two brothers receive a monthly allowance of \$100 from their parents. Alex is passionate about photography and decides to buy a camera after saving up enough money to pay for it. Soon, Alex begins to get hired for small photography gigs, earning more money with his camera. Jordan loves video games and buys a console and some games on credit. Each month, he has to use part of his allowance to pay off his game console debt. Consider the following questions:
  - Who do you think made the better financial decision? Why?

Scan to watch episode:



- In this story, who has an asset, and who has a liability?
2. Explain that Alex's camera is an asset. It is something he owns that increases in value over time, both in terms of its worth and its ability to generate income. On the other hand, Joran's gaming console, while valuable and enjoyable, becomes a liability. It's something he owes money on, and it doesn't generate income or increase in value.
  3. Introduce the key vocabulary terms to the students by writing them on the board. Discuss each with the class before showing the video.

Watch, Complete, Discuss: (20 mins.)

1. Show the video *Ca\$h Cour\$e: Understanding Assets & Liabilities* for the students.
2. Pause when needed to discuss important terms and concepts.
3. After the video, ask students to consider whether the things they currently have are assets and liabilities. Make a chart on the board titled "Assets" and "Liabilities" and ask students to volunteer items for each column.
4. Distribute the *Ca\$h Cour\$e: Understanding Assets & Liabilities Worksheet*.
5. Have students individually complete the worksheet, focussing on identifying assets and liabilities in various scenarios, matching definitions, and applying the concepts that they've learned.
6. Encourage students to think about how the information on the worksheet relates to their own lives. For instance, identifying assets and liabilities that they or their family might have.
7. Divide students into small groups (3-4 members each) and ask them to discuss answers from the worksheet.
8. Instruct each group to come up with one interesting point or question from their discussion to share with the class. This could be a common misconception that they cleared up or a creative application of the concepts.

Wrap-Up: (10 mins.)

1. Reconvene as a whole class and allow a representative from each group to share their point or question.
2. Facilitate a brief discussion on these points, offering clarifications and further insights when needed.
3. Sum up the lesson by highlighting the importance of understanding assets and liabilities in personal finance and planning.
4. Encourage students to keep these concepts in mind as they make financial decisions in their daily lives, emphasizing that financial literacy is a key skill for their future.

**Don't have time for the full lesson? Quick Activity (10-15 mins.)**

- Distribute the worksheet and allow students to complete it while they follow along with the video.
- Or, have students watch the video at home and use the worksheet as a quick quiz the next day in class.