**FLiP [F**inancial **Li**teracy **P**rogram**]**

Appendix

**FAST PITCH FLiP**

Fast Pitch Pre-Test/Post Test

Name: . Date: .

1. Who is considered the head of the company?
2. CFO c. General Manager
3. Employee d. CEO
4. Please circle which terms are considered a “need” for a company.
5. Office Space c. Coffee Machine
6. Company Car d. Employee Paychecks
7. What is the first step to creating a business?

a. Make a budget plan c. Apply for a Loan

b. Write a Business Plan d. All the Above

1. What is the best way to get funding for a business?

 a. Pay out of pocket c. Apply for a loan

 b. Ask a friend d. Win the lottery

 5.) Creating a Budget is a fundamental part of running a business

 a. True

 b. False

6.) Match the definition to the correct term below

“The total of activities involved in the transfer of goods from the producer or

seller to the consumer or buyer, including advertising, shipping, storing, and selling.”

1. Business c. Surplus
2. Bank d. Marketing

 7.) Circle **ALL** the terms that affect getting approved for a business loan?

1. Credit Score c. Employment History
2. Debt d. All the Above

8.) Match the definition to the correct term below

“Set of numbers used to create a personal grade based upon payment history.”

1. Credit Score c. Risk Assessment
2. Interest Rate d. Loan

9.) List several advantages in taking out a loan with a Bank instead of a Credit

 Union.

 (Short Answer)

 10.) List three factors that go into starting a business?

 (Short Answer)

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**Business Proposal Plan Sheet**

**Name: . Date: .**

What Product will you be making?

Who will be your CEO, CFO, and General Manager

What is the name of your Company?

What is your Companies Mission Statement?

**Vocabulary List**

**Advertise**- to announce or praise (a product, service, etc.) in some

public medium of communication in order to induce people to buy or use it:

**Brand**- kind, grade, or make, as indicated by a stamp, trademark, or the

like:

**Budget**- an estimate, often itemized, of expected income and expense

 for a given period in the future.

**Business Model**- a design of the operations of a business which focuses

 on how revenue will be generated

**Business Plan**- a detailed plan setting out the objectives of a business,

the strategy and tactics planned to achieve them, and the expected profits, usually over a period of three to ten years

**CEO**- chief executive officer

**CFO**- chief financial officer.

**Credit Score**- Set of numbers used to create a personal grade based

 upon payment history.

**General Manager**- Person who takes responsibility for the daily

supervision of employees, while also managing other departments that contribute to the overall goal of the company.

**Goal**- the result or achievement toward which effort is directed; aim;

 end.

**Interest Rate**- Percentage of a given sum that you pay back over the

 course of your loan.

**Loan**- the act of lending; a grant of the temporary use of something:

**Logo**- a graphic representation or symbol of a company name,

trademark, abbreviation, etc., often uniquely designed for ready recognition.

**Marketing**- The total of activities involved in the transfer of goods

from the producer or seller to the consumer or buyer, including advertising, shipping, storing, and selling.

**Mission Statement**- an official document that sets out the goals,

 purpose, and work of an organization.

**Need**- a requirement, necessary duty, or obligation:

**Product**- The totality of goods or services that a company makes

 available; output:

**Revenue**- an amount of money regularly coming in.

**Slogan**- phrase, or motto of any party, group, manufacturer, or person;

 Catch word or catch phrase.

**Want**- to wish, need, crave, demand, or desire

**Needs vs. Wants**

Name: Date:

Determining what is a need and want in your company is an essential part to success. Review the items below and place them in the appropriate category for your potential business.

|  |  |  |  |
| --- | --- | --- | --- |
| **NEED** | **MONTHLY EXPENSES** | **COST** | **WANT** |
|  | Rent/office space | $1200 |  |
|  | Savings | 10% |  |
|  | Office Supplies/Start up Cost | $500 |  |
|  | Wifi/Internet  | $80 |  |
|  | Computers per item | $50 |  |
|  | Laptops per item | $60 |  |
|  | Employee Cell Phones | $40/line |  |
|  | Rental Insurance | $100 |  |
|  | Gas/Fuel | $100/vehicle |  |
|  | Company Vehicle | $200 |  |
|  | Miscellaneous item | $100 |  |
|  | Employee Paychecks | $5000 |  |
|  | Utility Bills | $80 |  |
|  | Coffee Machine | $40 |  |
|  | Unplanned Expenses  | $100 |  |
|  | Direct Deposit | $300 |  |
|  | Sky Rise Office with a View | $3000 |  |

**Credit History Scenarios**

Directions:

Cut apart the given scenarios below and have the groups draw each scenario at random. They will go ever the given scenario as a group and use the information to complete their loan application. You may need to make copies as you many have more than three groups. If this is the case simply reuse the same scenario for the other groups.

They will also need to find their monthly income along with their debt to income ratio using the formulas below.

 $\frac{Yearly Salary}{12 Month}=Monthly Income$

$$\frac{Debt}{Monthly Income}=Debt to income ratio $$

**Scenario 1**

Credit Score: 890

Interest Rate: 10%

Loan Length: 10 Years

You have been very successful in your financial life so far. You have over 10 years of employment history at the same company are making 120,000 a year and are in good standing with the current management. You make sure your income doesn’t exceed your current lifestyle and have even been known to be stingy with your money. You currently have $10,000 in your checking account and $25,000 in savings and have close to zero debt. You own your own home and have never missed a payment. You received your first credit card 10 years ago and currently have 4 separate credit cards with a total balance due of $1,500 debt each month. Like your Mortgage payment you have also never missed a payment for your credit cards.

**Scenario 2**

Credit Score: 650

Interest Rate: 18%

Loan Length: 10 Years

You have worked hard to get you where are today and have had several bumps in the road. You have had several jobs over the last 10 years but have invested the last three years at the same company and are now making $60,000 a year. You have struggled sticking to a budget in the past and have at times spent more money than you actually had. Your feel secure now with $5,000 in your bank account and $1,500 in savings though you are still working on paying off your credit cards from college. You have been living at your current residence for almost 3 years are currently renting the home and have made each payment on time. You received your first credit card 10 years ago and currently have two active cards with a total balance due of $1,000 debt per month. You struggled with making the payment on time in the past but have now gotten your ducks in a row and are making the payments on

time.

**Scenario 3**

Credit Score: 720

Interest Rate: 12%

Loan Length: 10 Years

You have always had a goal in life and have done well in your financial life through meticulous planning. You have been at the same company for the past 7 years but feel ready to pursue your goals and branch out on your own. You have been making $84,000 a year with this company and have saved wisely leaving you with $15,000 in saving and $7,000 in your checking account. You purchased your first home 5 years ago and are ahead on your mortgage payments. You have made sure not spend beyond your means and keep only two credit cards for the past 10 years that you monitor closely leaving yourself with a balance of $1,200 of debt per month. Like your mortgage payment you have always paid your bills on time and even early on occasion.

**Small Business Loan Application**

Borrower Member Loan 674931

Amount Requested: .

Loan Purpose: .

Loan Grade: .

Interest Rate: .

Loan Length: .

Monthly Payment: .

Credit Review Status: .

Funding Recieved: .

Investors: .

Loan Status: .

Loan Submitted on: .

**Member Profile:**

Gross Income: .

Debt-to-Income (DTI): .

Location: .

Home Ownership: .

Current Employer: .

Length of Employment: .

**Member Credit History:**

Credit Score Range: .

Earliest Credit Line: .

Open Credit Lines: .

Total Credit Lines: .

Revolving Credit Balance: .

Inquiries in the Last 6 Months: .

Total in Savings: .

Total in Checking: .

Accounts Deliquent: .

Total Deliquent: .

**Business Plan Design Sheet**

Use the blank space below to draw/design your business or business’ logo… Be sure to also include your slogan and brand.

**Entrepreneurs**

**Business Plan Form**

**Create a Business**

What to Do

1.Have youth work in teams to develop ideas for a new business and present it to a the whole group. Have each team brainstorm ideas for a new business. They should use the Business Plan Form and/or the Business Plan Design Sheet to organize their ideas. Have each team present its business. Let the group vote on the winner.

Teaching Options

•Encourage youth, in planning a new business, to think beyond the usual occupations. For example, have students with skills in arts and sports consider ways they could turn their interests and talents into profit.

•Youth can develop a document, such as a brochure, to interest financial backers in their new business. Writers and artists can work together to present the plans in the best light.

•Explain that an important element of any business plan is accounting for competition. Have students use local resources (such as directories) to ascertain who their competitors would be. Students might add a section to their plan that lists these potential competitors and explains how competition would affect their plans.

**Bank List**

**Zion’s Bank**

Murray Midvale West Jordan

5595 S. State 159 W. Center St 1835 W. 7800 S.

84107 84047 84088

801-524-8836 801-524-4647 801-576-5355

Kearns Sandy

4135 W. 5415 S. 8955 S. 700 E.

84118 84070

801-524-4951 801-576-5300

**Mountain America Credit Union**

Murray West Jordan Kearns

5899 S. State 6761 Redwood Road 5471 S. 4015 W.

84107 84084 84118

801-545-7000 801-270-0570 801-967-6100

**Key Bank**

Murray

5101 S. State St

84107

801-281-1044

**Jordan Credit Union**

Midvale Sandy

658 W. Center St. 9260 S. 300 E.

84047 84070

801-565-1212 801-566-4195