FINANCIAL FOUNDATIONS

A Financial Beginnings Financial Education Program

RISK MANAGEMENT

Presented by

COUNTRY FINANCIAL®

RISK MANAGEMENT

SESSION OBJECTIVES

Many times, individuals feel that they are paying money into insurance policies but not getting their fair share back. This is not how insurance should be viewed. Purchasing insurance is a way to manage risk. With insurance, you are paying for the protection of your assets and should hope that you do not have to use it, since using insurance sometimes means something bad happened.

By the end of this session you will:

- Understand what insurance is, why you need it, and how it works.
- Learn what insurance premiums are and how they are determined.
- Know what liability coverage is and how it applies to auto and renter/homeowner insurance policies.
- Be able to explain types of insurance and when they apply in real life.
- Understand insurance contracts and the major decisions that have to be made when purchasing policies.

SUBJECT INDEX

☆ WHAT IS INSURANCE AND HOW DOES IT RELATE TO RISK?

Risk is exposure to injury or loss. We are all exposed to risk every day. We instinctively manage the risks we take by being careful, e.g., looking both ways when crossing the street. However, sometimes bad things happen that are unavoidable. To help cover the costs of the bad things that happen to us, we can buy insurance.

The most common insurance types:

- **Automobile insurance** provides coverage for auto accidents or damage to your vehicle in case of theft, collision or break-in.
- **Renter's/Homeowner's insurance** provides coverage for losses due to damage or destruction of your home or rental and your personal belongings within your home.
- **Health/Medical insurance** pays for medical treatment if you are injured or sick.
- **Life insurance** provides coverage after death and is often paid to a family member.
- **Disability insurance** provides a monthly income when someone becomes disabled.

These are only some of the more common insurance types, but any risk that could provide a financial burden can be insured. You would be surprised at some of the things famous people insure.

Can you guess which body part and insured amount lines up with each of these famous people?

Famous Person
America Ferrera (actress)
Gene Simmons (singer)
David Beckham (MLS player)
Troy Polamalu (NFL player)
Bruce Springsteen (singer)
Angela Mount (food critic)
Julia Roberts (actress)
Daniel Craig (James Bond)
Jennifer Lopez (singer and actress)

Body Part
Legs
Taste Buds
Voice
Smile
Teeth
Hair
Whole Body
Tongue
Behind

Amount Insured
$27.000,000
$1,000,000
$10,000,000
$1,600,000
$30,000,000
$195,000,000
$31,200,000
$9,500,000
$1,000,000

☆ HOW DOES INSURANCE WORK?

Insurance provides protection against a loss by sharing the risks with others. When the loss of an item could be great, people usually buy insurance to protect against the loss. Since many people want the same kind of protection against things such as fire, insurance companies sell fire insurance. Many will buy the fire insurance, but only a few will have a fire. Those who buy insurance pay a small amount that is pooled with others who have bought insurance to protect against a large loss. Therefore, a pool of money is built up to compensate the few who need it for their fire losses.

An **insurance policy** is a contract between you and the insurance company specifying how much you will pay for the protection (**premium**), what is being protected and how much the company will pay (you specify how much coverage you want). Therefore, it is important that you know what is covered in the insurance contract that you are signing; read it carefully or have someone help you read and understand it before signing the contract.

INSURANCE TERMINOLOGY

Liability insurance—Covers the cost of causing injury to another person or damage to a person's property. If you get into an auto accident and it is determined that it was your fault, your liability insurance would pay for the medical expenses of the other driver as well as the repair cost for the other driver's car. Other kinds of liability insurance cover events such as a golf ball which hits another golfer in the eye or when your dog bites the mailman.

Deductible—The amount that you pay before your insurance coverage kicks in. Keeping higher deductibles, maintaining a good driving record, and shopping around can all help you to keep premiums lower.

Policy—A formal agreement between you and your insurance company which explains in detail exactly what protection you are buying and how much it will cost.

☆ AUTO INSURANCE

Now that we know something about insurance, let's look at automobile insurance in detail. First, how likely is it that you will be in an automobile accident? Do you know any statistics?

- There are more than 12 million motor vehicle accidents annually.
- The typical driver will have a near automobile accident 1 or 2 times per month.
- The typical driver will be in a collision of some type an average of once every 6 years.
- Auto accidents are the leading cause of death for ages 3–33.

Why do we need auto insurance?
It's the law! In order to legally drive a vehicle, you are required to carry at least liability coverage. Why? If you get into an
accident and cause someone else's car to be damaged beyond repair, you are liable for the damage. Do you have the money to buy them a replacement vehicle? The government wants to ensure that all drivers carry a minimum amount to cover damage they may cause to others while driving.

Drivers are required to have liability insurance (for the protection of other drivers and their property.). Collision coverage and comprehensive coverage are additions that you may add to your policy to ensure that your own vehicle will be repaired or replaced when damaged, but are not required.

Collision coverage pays to replace or repair your vehicle in the event of a collision, whether it is your fault or not.
Comprehensive coverage repairs or replaces your vehicle for losses other than a collision, such as theft or break-in. If you borrow money to finance your vehicle, your finance company will likely require that you purchase collision and comprehensive coverage to ensure that your vehicle gets repaired or replaced. If you total your car, are you going to want to still be making payments on it? Probably not, and that is why the lender requires insurance.

Even a minor accident can cost you thousands of dollars

- **Damage to your car—**Even a minor scratch can cost hundreds of dollars to repair. Collision coverage can cover the cost to repair to your car.
- **Damage to other cars involved—**What if multiple cars are involved? What if you cause damage to a really expensive car? The dollars can add up quickly. Your liability coverage will pay for damage you cause to other's property.
- **Medical bills—**Healthcare is very expensive. If you are injured in an accident your personal injury protection can cover the cost of your medical bills. If you cause injuries to others, your liability coverage can cover the cost of their medical bills.
- **Lost wages** - If you cause injuries to someone else and they miss work due to those injuries then your liability coverage can cover the cost of lost wages to the injured person.
- **Pain and suffering—**If you cause an injury to someone else, the only way to compensate him or her is to pay them money. It can be hard to put a dollar amount on pain, but that is what the insurance company and injured party have to do. This is also covered under your liability coverage.
- **Prosecution—**If the parties cannot come to an agreement on a fair amount for fault, injuries, or damaged property, they may have to go to court.
- **Legal fees—**Hiring an attorney can be very expensive. Your insurance policy pays for attorney fees to defend you if you are sued.
- **Fines—**Your insurance policy can cover some fines that may arise out of an accident.

What are you or someone you've seen been guilty of? Fill in the table below with a list of distractions that can cause car wrecks.

Texting while driving

What determines your premium?

Insurance premiums are determined by risk factors. Simply put, the higher the risk you are, the higher your insurance premium will be. Your insurance premiums are determined by a number of risk factors. If you love numbers than you may want to look into a career as an actuary. An actuary uses their incredible math skills to calculate risk based on loss percentages. Below are a few of the factors that affect your auto insurance premiums.

- **Age**—Who's more expensive, younger or older drivers? The answer is both! Young drivers are more inexperienced and are more expensive. On the other end of the curve, older drivers become a higher risk due to slower reaction time.
- **Gender**—Who's more expensive, males or females? Again, the answer is both! Men are a higher risk when they are younger, and women are a higher risk when they are older.
- **Vehicle type**—The more expensive it is to replace your vehicle, the more expensive your insurance will be.
- **Driving record**—The more accidents and tickets you have, the more expensive your insurance will be.
- **Geographic location**—This is beyond your control, but the number of claims in your area affects your insurance premiums.
- **Credit**—What does the way you pay your bills have to do with how you drive? It really doesn't, but statistics have found that those with poor credit are more likely to file claims than those with good credit.

COVERAGE TYPES

General liability	Liability coverage covers you if you are legally liable for damage, including property and bodily injuries caused by your automobile. It covers defense and court costs as well as any judgment against you. Oregon requires 25/50/20 which means $25,000 per person, $50,000 per accident, $20,000 for property damage.Washington requires 25/50/10 which means $25,000 per person, $50,000 per accident, $10,000 for property damage.
Personal injury protection (PIP)	PIP coverage pays for medical expenses for you and your passengers. Oregon requires $15,000 in coverage. Washington does not require it.
Uninsured motorist protection coverage	Uninsured motorist protection coverage covers you when another party causes damages to you but does not have insurance to cover your damages. Oregon requires this coverage; Washington does not.
Underinsured motorist protection coverage	Underinsured motorist protection coverage covers you when another party causes damage to you and has insurance, but the other party does not have enough insurance to cover your costs in full. This coverage will kick in once the other party's insurance is exhausted. Neither Oregon nor Washington requires its drivers to have this coverage.
Collision coverage	Collision coverage is optional and covers repairs for damage caused to your vehicle. This is a no-fault coverage, which means your car is fixed whether the damage is your fault or not.
Comprehensive coverage	Comprehensive coverage covers non-collision damage to your vehicle such as vandalism, theft, and break-ins, as well as damage from natural disasters such as, earthquakes, floods, and so forth. Just as with collision coverage, this coverage is optional.

EXCLUSIONS

Auto insurance policies do not cover all things that could happen—events that are not covered are called **exclusions.** Common exclusions include:

- Intentionally damaging the vehicle.
- Using a vehicle without owner's permission.
- Driving another person's vehicle that is provided on a regular basis.
- Driving a vehicle which you own, but have not notified the insurance company about.
- Carrying passengers for a fee.
- Racing your car.

Keeping the premiums down:

- **Shop comparatively—**Get quotes from different insurers.
- **Consider only high-quality insurers—**Check with A.M. Best Reports and Consumer Reports.
- **Buy a car that is relatively inexpensive to insure—**Used vs. new.
- **Take a drivers' education course—**This will give you a discount and improve your driving skills.
- **Improve your driving record—**Avoid tickets and accidents on your driving record.
- **Maintain good grades—**Maintaining a B average, or 3.0, will give you a discount.
- **Take advantage of discounts—**Ask your agent about other discounts your insurance company offers.
- **Increase your deductibles—**The amount you pay for damage before the insurance company begins to pay.

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WHAT TO DO IF YOU ARE IN A CAR ACCIDENT

If you are in an accident or have damage to your vehicle, you should:

- Get help for anyone injured. It is a felony to leave the scene of an accident, so ask someone else to call or go get help.
- Move your car to a safe place if you can safely do so. If you are able to, put up flares to divert traffic from the accident.
- Contact the police, if appropriate.
- Get the name and contact information of the driver of the other vehicle and any passengers or witnesses.
- If you think the other driver is under the influence, insist that both of you take a test for alcohol.
- Take a picture of the damages with your cell phone or camera.
- Even if you think the accident was your fault, ask to see the other driver's proof of insurance and driver's license; copy down all of the information (or take a photo with your phone) in case you need to make a claim.
- Contact your insurance agent, follow the advice given, cooperate with your agent.
- Don't sign anything, do not admit guilt, and do not comment on how much insurance you have.
- Write down your recollections of what happened soon after the accident.
- Get a copy of the police report and correct any inaccuracies.
- File a claim with the help of your insurance agent.
- Keep records of all your expenditures associated with the accident.
- If the accident is serious, meet with a lawyer so that you know what your rights are and how to best protect yourself.

☆ RENTER'S/HOMEOWNER'S INSURANCE

How much money is everything in your room worth? How much would it cost you to replace it?
Will it change much if you move into a dorm room or apartment?

On average, it costs about $20,000 to replace all of the items in a two-bedroom apartment.

Stuff happens! Therefore, you need to protect yourself for when it does. What would it cost to replace everything you own?

List some of the items you own and estimate their value.

Item	Price
1)	
2)	
3)	
4)	
5)	

Two-thirds of renters do not carry renter's insurance.

We already learned that insurance protects us, but how does it work when living in an apartment?
Many renters are under the misconception that their landlord's insurance policy will cover their belongings, but this is not the case. Purchasing renter's insurance is very cost effective and will ensure that your personal belongings are covered.

Insurance does not cover you in every scenario. Conditions (**perils**), which are not covered include: the dwelling (the landlord's responsibility) and damage as a result of war, wear and tear, mechanical and nuclear disaster.

The insurance company will typically compensate you for your loss or damage from the following perils:

- Fire or lightening
- Weight of ice, snow or sleet
- Smoke
- Windstorm or hail
- Theft
- Glass breakage
- Vandalism or malicious mischief
- Volcanic eruption
- Vehicles
- Explosion
- Aircraft
- Falling objects
- Accidental discharge of water or steam
- Accidental damage from electrical current
- Freezing of plumbing, heating, air-conditioning, fire sprinkler or appliance

How will I be compensated for my property in a loss?

When you select property insurance, you may choose a policy that covers either actual cash value or replacement cost. Replacement cost will cost you more because it ensures that you will be able to replace the items you lost.

Actual cash value, which is replacement value less estimated depreciation, may be well below the cost of replacing your property. For example, if you purchase a new TV three-years ago for $1,000, it is no longer worth that amount and the insurance company will pay for what it is worth at the time of the loss.

Replacement cost covers the cost to replace the item that is lost no matter how much the item is worth at the time. For example, if you have a three-year-old laptop that is stolen and your insurance company gives you only actual cash value, you may only get $100 because that is how much it is worth after three years. If you have replacement coverage, the insurance company will provide you with funds to replace the laptop, which could be hundreds of dollars depending on the laptop you had.

Take an inventory of your personal belongings

To ensure that you are fully compensated for any loss, prepare a detailed inventory of your personal property. Take photographs or make a videotape to provide additional evidence of property ownership. List the brand, model number, and serial number of valuable items such as stereo equipment and computers. Don't forget about your closets.

Keep this inventory and the receipts of your purchases. This means you need to have them kept in safe place away from your apartment like a safety deposit box. There are also phone applications you can use to help you to track the information. Your insurance company may even have their own application that you can download.

Loss of use insurance

Also covered is loss of use, which means that if your apartment is not livable, say from a fire, you can be compensated for temporary housing and some other costs.

Flood insurance

This insurance is provided by the U.S. Federal Government but purchased through your local insurance companies. When flooding occurs, we typically hear in the news that homeowners thought they were covered for floods by their homeowners insurance policy. Unfortunately, they are not. So if your apartment is near water and at risk of a flood, it makes sense to buy this product, which is relatively inexpensive, because renters insurance will not cover flood damage.

Floaters

Uniquely valuable items (coin collections, wedding rings, artwork, etc.) are usually NOT protected against loss or damage by standard homeowners or renters policies. Insurance companies, however, can provide coverage for these items via special additions to the standard policies. These special coverages are called **floaters**.

☆HEALTH/MEDICAL INSURANCE

Have you ever seen the bill after you or a family member has visited the doctor? The practice of medicine is complicated and expensive. Medical insurance often covers routine care, such as annual physicals, and most major medical expenses. Health insurance plans are binding, legal contracts between the insurer and the insured. Health insurance plans, like other kinds of insurance, include premiums and deductibles.

Unlike other types of insurance, most health insurance plans have a co-payment. A **co-payment** is the portion of a claim or medical expense that members of a health plan must pay out-of-pocket. Usually this is a fixed amount, such as $10 or $20, for each visit. **Deductibles** also apply in health insurance, and just like with car or homeowners insurance this is the amount you are responsible for paying before the insurance company will begin to pay.

Health insurance is often the most confusing and expensive insurance coverage you will have. The necessary thing for you to understand is the importance of having health insurance. Healthcare is extremely expensive and even common medical procedures such as having a baby or breaking a bone can cost tens of thousands of dollars. Uncommon medical occurrences, such as being diagnosed with a more severe illness cost even more money.

The implementation of the Affordable Care Act now provides provisions to both employers and individuals surrounding healthcare coverage. Many employers are now required to provide health insurance as well as individuals having to maintain health insurance coverage or possibly being fined.

Receiving health insurance coverage through your employer can be a benefit worth hundreds of dollars monthly.

☆ LIFE INSURANCE

Life insurance stems from the need to protect ourselves and family from financial hardship due to a death.

Life insurance protects your family in case you die. Your death could have serious financial consequences for your family. You may not have financial dependents now, but soon you will be in the working world and will have responsibilities for others.

Do you need life insurance?
Most everyone needs life insurance to help pay for the expenses of the family that is left behind. The money from a life insurance policy can be used for any purpose: to pay off loans, to supplement existing income, to pay higher education costs, retirement security, etc. Much like auto insurance, life insurance premiums paid to an insurance company are pooled together and when an insured person dies, the insurance company pays out the policy amount to the person named in the policy. In insurance jargon, the named recipient of the funds is the **beneficiary**.

However, under some circumstances, life insurance may not be needed. See the table below for examples of such situations:

Generally, life insurance is not necessary if:	Consider life insurance if:
You are single with no dependents.	You have children.
You're part of a married, double-income couple, with no children.	You're married, single-income couple with no children who needs to provide income for your spouse.
You're married, but aren't employed.	You own your own business.
You're retired.	The value of your estate is over the estate-tax-free threshold, then insurance money can pay the estate taxes.

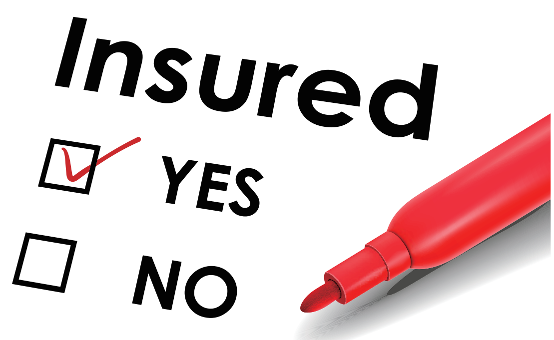
How much life insurance do I need?
Let's say we have established that you need insurance, so now the question is, how much?

Someone may want to provide for his or her surviving spouse with income until the kids are through school, including college. Others may feel that the spouse will be able to recover financially in five years, so no money is needed to support the household except for college expenses. Different people will have different views about this and no one is right or wrong.

There are two methods of determining the amount of life insurance needed:

Earnings-multiple approach provides for replacement of a stream of annual income that is lost. Here you determine the annual stream of income that requires replacement and multiply it by the number of years.

The **needs approach** is a customized approach that attempts to determine the money needed to support the family's needs.



Some of the needs are:

- Immediate needs at the time of death
- Dependency expenses
- Debt elimination funds
- Educational expenses for children
- Retirement income
- Spousal life income
- Immediate transitional needs

With this approach, you determine the dollar amount required for each of the above items.

Term Insurance

Although there are several kinds of life insurance policies, the most commonly sold is term insurance, meaning that the life (the term) of the policy and its coverage are limited. For example, a 10-year term policy would expire at the end of 10 years, and you would need to apply for a new policy if you still needed the insurance coverage. In this example, unless you died within the 10-year term, you would receive nothing in return for the premiums you had paid over the 10-year period.

☆ DISABILITY INSURANCE

You may assume that since you are in good health you will not need disability insurance, but the statistics may surprise you. According to the U.S. Census Bureau, nearly 1 in 5 Americans will be disabled for a year or more before the age of 65. If you are not able to work how will you be able to pay your bills? Disability insurance will help to supplement the lost income if you become disabled.

Anyone who is working and relying on his or her income to live should have disability insurance. Disability insurance covers a portion of your income while you are unable to work due to a disability, from either an accident or an illness. Your employer may provide disability insurance through a group insurance policy.

Short-term disability replaces a portion of your salary for about three months in most cases. One common use of short-term disability is when a woman has a baby and goes on maternity leave. Long-term disability typically replaces income for longer periods of time.

You can also purchase individual disability insurance. An advantage of purchasing an individual policy is that it is portable and will follow you if you change jobs.

What is insurance, why do you need it and how does it work?

Insurance is a way in which individuals are financially protected against losses by sharing risks with other individuals. Those who buy insurance pay a small amount that is pooled to protect against a large loss. An insurance policy is a contract between you and the insurance company identifying how much you will pay for the protection (premium), what is being protected (you specify the items), and how much the insurance company will pay (you specify how much coverage you want).

What are insurance premiums and how are they are determined?

Insurance premiums are payments by individuals to insurance companies. In exchange for these premiums, the insurance company signs a contract with the individual agreeing to make payments to the individual when specific losses occur. Type of risk, amount of risk, and personal characteristics such as age, sex, and marital status significantly impact your premiums. Your personal history also impacts premiums. For example, if you have moving violations or have been involved in traffic accidents, you will likely pay more. Geography is also a factor; those who live in urban areas pay more for auto insurance since there is a higher incidence of accidents and thefts compared to rural areas. Credit scores can also impact your premium. Statistical findings suggest those with low credit scores are more likely to file a claim than those with high credit scores; hence, those with low scores are charged more.

What is liability coverage and how does it apply to auto and renter's/homeowner's insurance policies?

Liability insurance protects you when you are at fault or being sued. It provides coverage for bodily injury if someone gets hurt in your home or on your property. Your policy will cover medical expenses due to the injury. Property damage liability covers damage done by your negligence, to the building and belongings of others in the building. Some policies even cover the behavior of household pets.

What are the various parts of an automobile insurance policy and what do they cover?

General liability: Liability coverage covers you if you are legally liable for damage, including property and bodily injuries, caused by your automobile.

Personal injury protection (PIP): PIP coverage pays for medical bills and funeral expenses, with limits, for you and your passengers.

Uninsured motorist protection coverage: Covers you when the other party causes damages to you, but does not have insurance to cover the full cost of your damage.

Underinsured motorist protection coverage: Covers you when the other party causes damages to you and has insurance, but does not have enough insurance to cover your damage.

Collision coverage: Collision coverage is optional and covers repairs for damages you cause to your own vehicle. This is a no-fault coverage which means your car is fixed whether the damage is your fault or not.

Comprehensive coverage (optional): Covers non-collision damage to your vehicle such as vandalism, theft, and break-ins.

What are some of the major decisions that have to be made when purchasing insurance policies?

What risks do you face? Can you mitigate those risks? How much loss are you willing to incur? If the loss is potentially significant, you should purchase insurance. Once you have made this decision, it is important that you know what is in the contract that you are signing; read it carefully or have someone help you read and understand it before signing the contract.

APPENDIX A: Auto Insurance Review

It is important to ensure you understand your auto insurance and maintain proper coverage. Review you auto insurance declarations page and fill out this worksheet.

Liability coverage:
What is liability coverage?

___________ Bodily Injury Per Person/_______BI Per Accident/_______Property Damage
Is your liability coverage more than the state minimum? If not, why?

Collision Coverage:
What is collision coverage?

Do you carry collision coverage? If so, how much is your deductible?

Comprehensive Coverage:
What is comprehensive coverage?

Do you carry comprehensive coverage? If so, how much is your deductible?

Other:
After the insurance lecture, what other items struck you as important relating to auto insurance?

APPENDIX B: Home Inventory Worksheet

It is important to keep a proper inventory of your household items for your homeowners/renters insurance. Use this sheet to help guide you through the process of developing an inventory of your items. Make copies of the sheet and use one sheet per room in your house. Be sure to save copies of this inventory in a safe space.

Room: ______________________________ Date Modified: ______________

Item	Manufacturer	Model/Serial Number	Purchase Date	Purchase Price

APPENDIX C: Claim Worksheet

This worksheet can be used to to track important information for an automobile claim.

Date of loss (Accident):

Description of accident:

Location of accident:
Time of the accident:
Name of other driver(s):
Name(s) of your passenger(s):

Name(s) of passenger(s) in other vehicle(s):

Name(s) of witness(es):

Other vehicle(s) involved:

Police report number (if applicable):

Claim number with your insurance carrier:

Claims representative name and contact information with your insurance carrier:

Claim number with other party's insurance carrier:

Claims representative name and contact information with other party's insurance carrier:

APPENDIX D: Health Insurance Comparison Worksheet

Use this worksheet to compare health insurance policies.

	Policy A	Policy B	Policy C
Provider			
Monthly premium			
Deductible			
Type of plan (HMO, PPO, EPO, POS)			
Co-payment for hospital visits			
Co-payment for office visits			
Out of pocket maximum			
Maximum medical expenses covered			
Prescription drug coverage			
Are my doctors preferred providers?			
Do I need referrals to specialists?			
Is chiropractic care covered?			
Is naturopathic care covered?			
Is preventative care treated differently?			

ACTIVITY: Are You Covered?

Accidents happen all too often, do you know which type of insurance keeps you covered? Look at these different accident scenarios and enter the insurance policy it would be covered under.

Insurance Policies:

- **Auto- Liability**
- **Auto- PIP**
- **Auto- Comprehensive**
- **Auto- Collision**
- **Renters**
- **Health**
- **Life**
- **Disability**
- **Not covered**

Accident	Type of Insurance
You go to the hospital after a car accident	
You take time off after having a baby	
Your bike is stolen at work	
You hit a deer with your car	
Your car gets stolen	
You break your leg skiing	
You burn down the kitchen cooking	
You run your car into a pole	

SURVEY: RISK MANAGEMENT

School ______________________ Teacher ______________________

Date ______________________ Class Time ______________________

Please rate how much you agree with the following statements:

	Strongly Disagree	Disagree	Agree	Strongly Agree
After participating in the Risk Management program, I know why insurance is necessary.				
After participating in the Risk Management program, I know how insurance premiums are determined.				
After participating in the Risk Management program, I know what liability coverage is.				
After participating in the Risk Management program, I know how to compare various insurance coverage and costs to choose the right plan for me.				
Before participating in the Risk Management program, I knew why insurance was necessary.				
Before participating in the Risk Management program, I knew how insurance premiums were determined.				
Before participating in the Risk Management program, I knew what liability coverage was.				
Before participating in the Risk Management program, I knew how to compare various insurance coverage and costs to choose the right plan for me.				

How often do your parents/guardians discuss risk management/insurance with you?

- Never
- Rarely
- Sometimes
- Frequently
- Very frequently

Before today's program, I learned about risk management/insurance in school:

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

Learn More

Financial Foundations	The Financial Foundations program is divided into five distinct modules that include specific activities and learning objectives:
Banking	Banking is important to understand because participation in banking services is typically one's first exposure to the financial world. Having a strong relationship with a financial institution and properly managing a bank account can provide a strong foundation for future financial transactions one might require. In this section, we introduce financial institutions, how they work, and how you can utilize them.
Budgeting	Budgeting is the foundation of personal financial planning. Budgeting allows us to manage our money by tracking our income and expenses. Since every person is different, it is important to know how to create a budget to use for our own specific needs.
Credit	In today's economy, it would be rare not to use credit to pay for large purchases, such as car repairs or any type of emergency situation. Credit can be an overwhelming topic, but understanding credit is critical for managing one's finances responsibly, as credit can affect many aspects of your life.
Investing	Investing is an excellent way to build wealth and achieve your financial goals in life. Understanding risk versus return, time value of money and how to navigate the financial system helps individuals to meet their long term goals.
Risk Management	Many times, individuals feel that they are paying money into insurance policies but not getting their fair share back. This is not how insurance should be viewed. Purchasing insurance is a way to manage risk. With insurance, you are paying for the protection of your assets and should hope that you do not have to use it, since using insurance sometimes means something bad happened.

Financial Beginnings

Our Mission

Financial Beginnings was founded in 2005 with the following mission:

Financial Beginnings empowers youth and adults to take control of their financial future. We provide educational programs that incorporate all aspects of personal finance to give individuals the foundation they need to make informed financial decisions.

Our Model

We have a simple and full-service approach to program delivery:

Learning Materials	Students and hosts receive a resource guide full of valuable and applicable financial lessons.
State Standards	Our curricula meet state content standards for both Oregon and Washington.
Trained Volunteers	We train industry professionals to deliver our programs as volunteers at no cost to schools or community groups.
Simple Registration	Schools and community groups register online. We take care of the rest.

Our Programs

FINANCIAL FOOTINGS	**This program is an introduction to money and personal finances or elementary students.**
FINANCIAL FRAMINGS	**This program relates personal finance to the global economy for middle school students.**
FINANCIAL FOUNDATIONS	**This program provides personal finance education for high school students and adults.**
PATHWAYS	**This program provides lessons for high school and college students on career, college, and money management.**
Unraveling the Mysteries of YOUR MONEY	**This program is a series of public forums about relevant and timely personal finance topics.**
FINANCIAL LITERACY CONFERENCE	**This annual conference is provided for educators to learn more about personal finance education, pedagogy, and resources.**