

NGPF Behavioral Economics: What Money Does to Your Brain

2023



The Goal



To explore **Behavioral Economics** and **Consumer Skills** concepts and activities that you can use in your classroom!



Agenda

1

Behavioral Economics In Action!

- Cognitive Biases In Our Lives

2

Introduction to NGPF

3

Consumer Skills: The Modern Economy

- How We're Influenced



Experiments

Experiment #1: What's it Worth?



Discussion

Would you have sold your lottery ticket in this situation?



Discussion



Imagine the following scenarios:

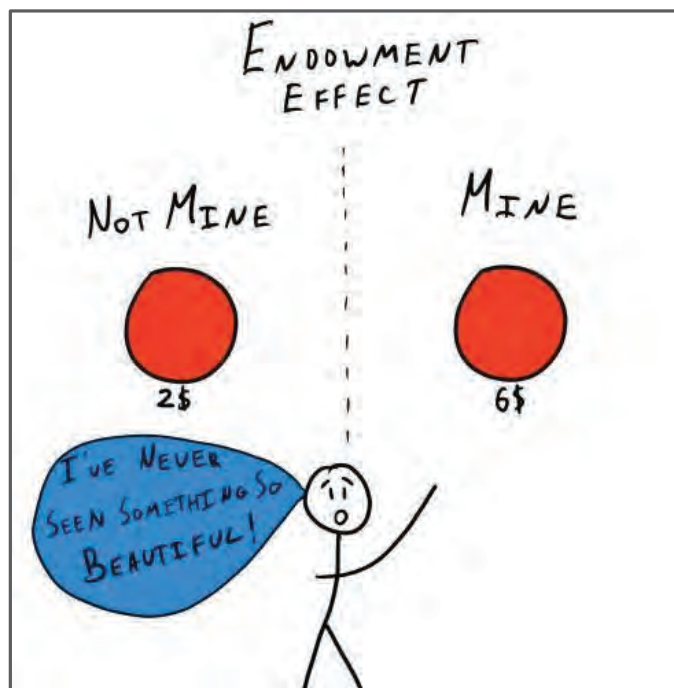
- If you complete every homework assignment this semester, you will receive 20 points of extra credit.
- Your teacher gives you 20 points of extra credit. If you miss one homework assignment, you will lose the extra credit.

What is the difference between these two scenarios?

Does “owning” the extra credit and losing it make you value it more or less?



Endowment Effect



Experiment #2: Find the Sequence Rule



Confirmation Bias

Examples of Confirmation Bias

The infographic is set against a blue background and contains four circular icons with corresponding text below them:

- Not seeking out objective facts:** An icon of a hand reaching for a stack of blue blocks.
- Interpreting information to support your existing belief:** An icon of an eye with a blue wave-like pattern inside.
- Only remembering details that uphold your belief:** An icon of a person sitting on a yellow crescent moon inside a white thought bubble.
- Ignoring information that challenges your belief:** An icon of a person holding a blue shield that is blocking a yellow sun.

verywell



Quick intro to



MISSION: 2030

By 2030, ALL students will take a one-semester personal finance course before they graduate from high school.

Quick Intro to NGPF



Curriculum

Courses for HS & MS

Semester Course

Lesson Plans, Activities,
& Projects

Arcade (TOP HIT!)



Teacher PD

3-5 live events/wk

40+ On-Demands

**12 content area
Certifications**

NGPF Academy



Advocacy

Mission 2030


Educators as
advocates

**It's all about access
& quality**



Free, and always will be.

Experiment #3: PLAY: Dollar Auction Game



NGPF Activity Bank
Behavioral Economics

PLAY: Dollar Auction Game

PLAY

SUMMARY
The objective of this activity is to explore the cognitive biases that arise when we're making financial decisions. Students bid to win a single dollar bill, then watch a video to learn about the biases that came into play.

WHY IT'S FUN
Simulated competition!

MATERIALS & PREP

- Dollar bill (paper, digital, or drawn)



Video: Dollar Auction Game



Sunk Cost Fallacy



Behavioral Economics

What is it?

Behavioral Economics

A growing field studying the ways human emotions, biases, and impulses affect our money choices.

Definitions

Behavioral Economics

- Blends ideas from psychology and economics
- Provides a framework to understand when and how people make errors

Source: [Psychology Today](#)

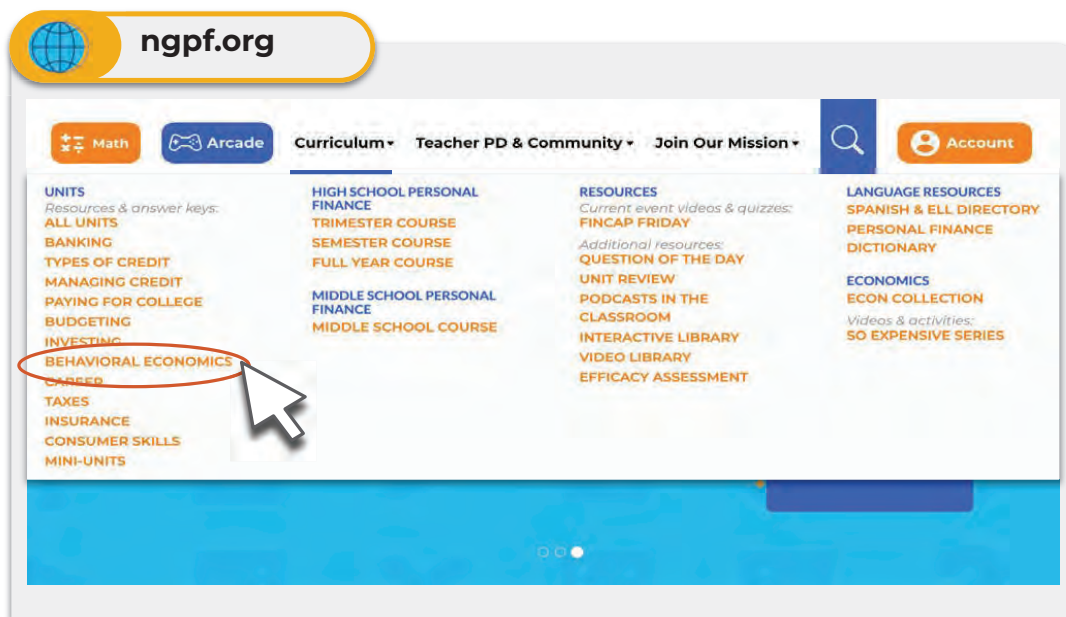
Cognitive Bias

“A cognitive bias is a **systematic error in thinking** that occurs when people are processing and interpreting information in the world around them and **affects the decisions and judgments** that they make....**Everyone** exhibits cognitive bias.”

Source: [Very Well Mind](#)



Behavioral Economics Unit



FOMO Meaning

The “fear of missing out” refers to the feeling of “anxiety that an exciting or interesting event may currently be happening elsewhere.”

Most people at one time or another have been preoccupied by the idea that someone, somewhere, is having a better time, making more money, or leading a more exciting life.



KAHOOT
VERSION



Financial FOMO



Click on the Kahoot icon below to begin the quiz.
Alternatively, you can use [EdPuzzle](#).

Kahoot!



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1. Which of the following is an example of companies using FOMO as a digital marketing tactic?

- a) Offering a one-click buy button
- b) Using a countdown sales timer
- c) Helping you reset your password
- d) Emailing you a birthday coupon



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2. What does FOMO stand for?

- a) Fear of More Obligations
- b) Fear of Missed Opportunities
- c) Finding Our Magic Opportunity
- d) Fear of Missing Out



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3. Research shows that ____ of people make purchases because of FOMO.

- a) 25%
- b) 45%
- c) 60%
- d) 90%



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3. Research shows that ____ of people make purchases because of FOMO.

- a) 25%
- b) 45%
- c) 60%
- d) 90%



4. People under the age of 30 make up ____ of all those who experience FOMO.

- a) 15%
- b) 31%
- c) 49%
- d) 56%



4. People under the age of 30 make up _____ of all those who experience FOMO.

- a) 15%
- b) 31%
- c) 49%
- d) 56%



5. What are the top two causes of most people's FOMO?

- a) food and jewelry
- b) events/parties and travel
- c) cars and houses
- d) shoes and clothes



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You've completed the exercise, now it's time to learn more about the current event:



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Discussion Prompt:

What are some examples of financial FOMO you have experienced in your own life?



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Extend Your Learning

Three Relevant Resources from NGPF:

- Everyone Else Is Doing It ([Lesson](#))
- ANALYZE: FOMO & Herd Mentality in Advertisements ([Activity](#))
- What percentage of people make purchases due to FOMO? ([Question of the Day](#))

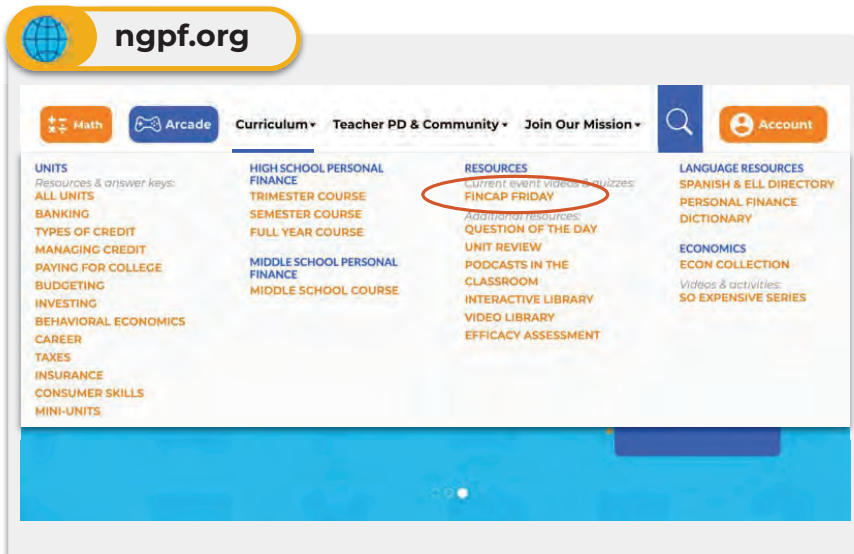
References:

- FOMO Is Making a Comeback ([VICE](#))
- Quarantine FOMO: Why you may still fear missing out, even when everything is canceled ([USA Today](#))
- FOMO Statistics You Need to Grow Your Business ([TruePulse](#))
- FOMO Marketing Strategy: Examples and Effective Uses of Fomo Marketing ([Sales Loves Marketing](#))



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FinCap Friday



- Bring current events into the classroom
- Released on NGPF's blog every **Friday** during the school year or view the FinCap Friday library!



How We're Influenced Consumer Skills



QUESTION OF THE DAY

Consumer Skills

Q: When deciding whether to follow an influencer on social media, what trait did teens say was most important?

[View blog post](#)



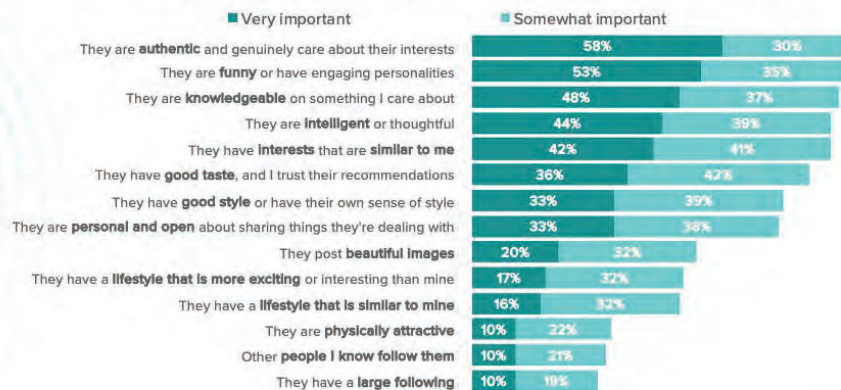
QUESTION OF THE DAY

Consumer Skills

Authenticity is the most important trait for influencers while 'having a large following' is less so

A:

When deciding whether to follow an influencer on social media, how important are the following?



Source: [Morning Consult report](#)

FOLLOW-UP QUESTIONS

1. In your own words, what is an influencer?
2. If you follow influencers, what trait is most important to you? Why?
3. How might a teenager assess the authenticity of an influencer, who is likely a person they've never met?
4. Have you ever bought a product endorsed by an influencer?

NO TECH



So You Want To Be An Influencer?

You've completed the exercise, now it's time to learn more about the current event:



SO YOU WANT TO BE AN INFLUENCER? | OCTOBER 22, 2021 EDITION | NEXT GEN PERSONAL FINANCE

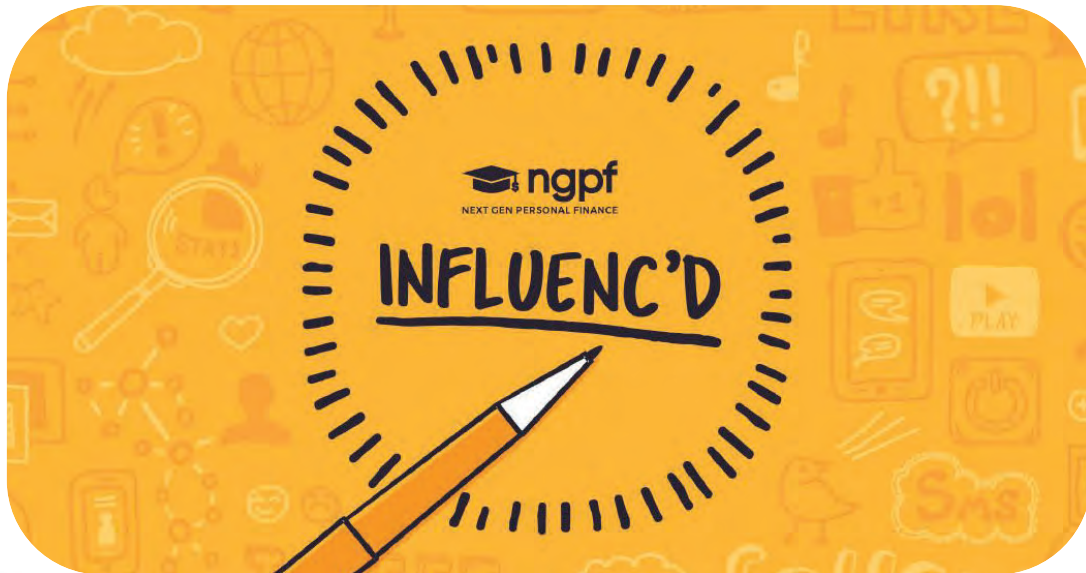
Discussion Prompt:

Do you think you can successfully make a living as an influencer?
Would you like to do this?
Why or why not?



SO YOU WANT TO BE AN INFLUENCER? | OCTOBER 22, 2021 EDITION | NEXT GEN PERSONAL FINANCE

NGPF Arcade - Influenc'd

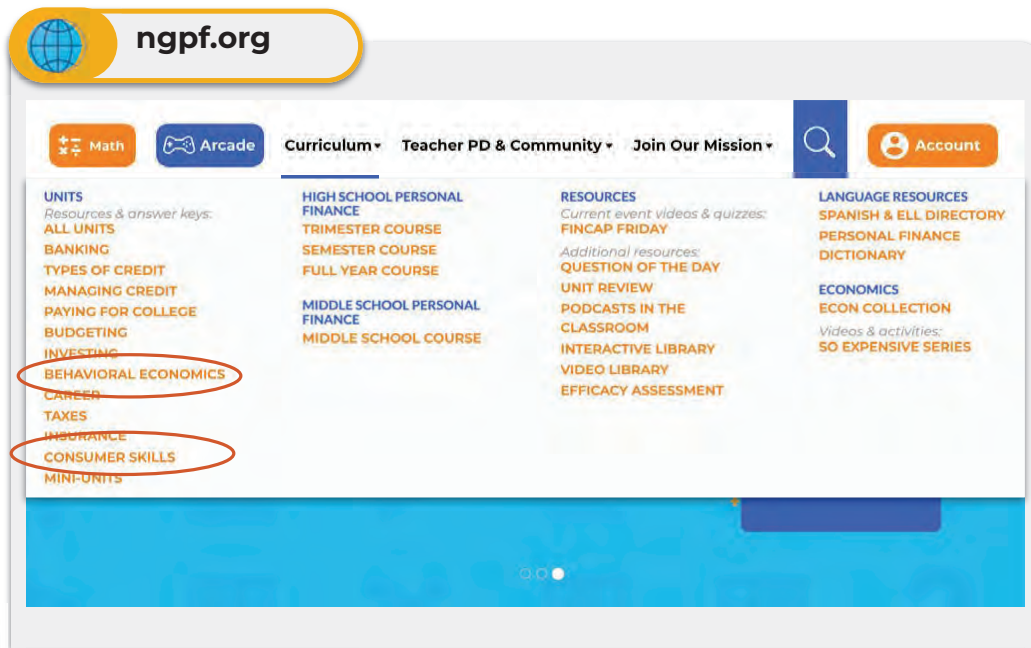


NGPF Arcade

- Free online games covering many different units
- Each has a student activity worksheet with reflection questions
- Engages students with game-based learning!



Exploration Time!



Answer Keys & Assessments

Free Teacher Account

Your FREE Teacher Account unlocks:

- ANSWER KEYS**
Once our team verifies your teacher status, all of the answer keys become accessible alongside lessons and activities on the unit pages! NGPF Answer Keys are locked and encrypted to prevent academic dishonesty.
- STUDENT ASSESSMENTS**
Pre-built, customizable assessments in traditional AND project-based formats, with corresponding answer keys for each course in the NGPF curriculum.
- PD REWARDS**
As part of NGPF Academy, you'll earn swag... as if the free, awesome professional development sessions weren't rewarding enough!

Create a Free Teacher Account
Complete the form below to access exclusive resources for teachers. Our team will review your account and send you a follow up email within 24 hours.

Your Information

First Name*

Last Name*

Your Email*

Retype Email*

User Type*

Teachers: Use your school email address that can be viewed in an online school directory to allow for faster verification



Answer Keys

SIGNED IN

SEMESTER COURSE

- Unit 6: Unit Plan & Assessments
- Paying for College 101
- Applying for the FAFSA

[View Google Doc](#) [View Answer Key](#)

INTERACTIVE: Payback

CREATE: Monthly College Budget

MOVE: The Net Price of College

RESEARCH: Finding Scholarships and Grants

ANALYZE: College and Career Choices

INTERACTIVE: How Much Will Your College Actually Cost?

ANALYZE: A Student Aid Report (SAR)

COMPARE: College Needs vs. Wants

CASE STUDIES

CASE STUDY: What College Should I Attend?

CASE STUDY: 50 Ways to Pay for College

FINCAP FRIDAYS

Money For College

FAFSA Fast Facts

Tuition, Fees, & Books, Oh My!



NGPF Professional Development



NGPF On-Demand

1-hour self-paced sessions. 40+ modules on a range of personal finance topics:

- FAFSA Basics
- Banking in the 21st Century
- Popular Budgeting Strategies



Certification Courses

9 hours of LIVE instruction followed by a 1-hour exam on various topics:

- Credit
- Investing
- Insurance
- Banking & Budgeting
- Paying for College



Virtual PD

3-5 LIVE collaborative sessions each week!

- Brush Up On: Financial Aid Packages
- Activity Spotlight: The Bean Game
- Speaker Series



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Closed Group: FinLit Fanatics!



Questions?

End of Session Survey



bit.ly/NGPFsessionsurvey

SESSION NAME

**NGPF Behavioral Economics:
What Money Does To Your Brain**