

Intro to Liabilities and Assets

Objectives:

By the end of this section, participants will learn about the difference between liabilities and assets

Time:

1 hour

Materials

1. Magazines
2. Name Tags
3. Pencils
4. Scissors
5. Stick Glue
6. Mini poster board
7. Flip chart(s) and Markers
8. Rich Dad Poor Dad Poor Book by Robert Kiyosaki¹

Activity: Liabilities and Assets

The idea of this activity is to teach participants the difference between liabilities and assets. Participants will also learn about personal cash flow management.

1. Bring name tags for all participants
2. Set up flip chart(s) and markers
3. Ensure that you have old magazines so students can cut pictures out of them
4. Sharpen pencils
5. Ensure that you have a mini poster board for every group of 2 or 3 students

1. When participants arrive distribute to each team:
 - Name Tags
2. Group participants into teams of 2 or 3 depending on number of participants.

¹ Can be purchased on SimplyOutrageousYouth.com in the shop section or www.RichDad

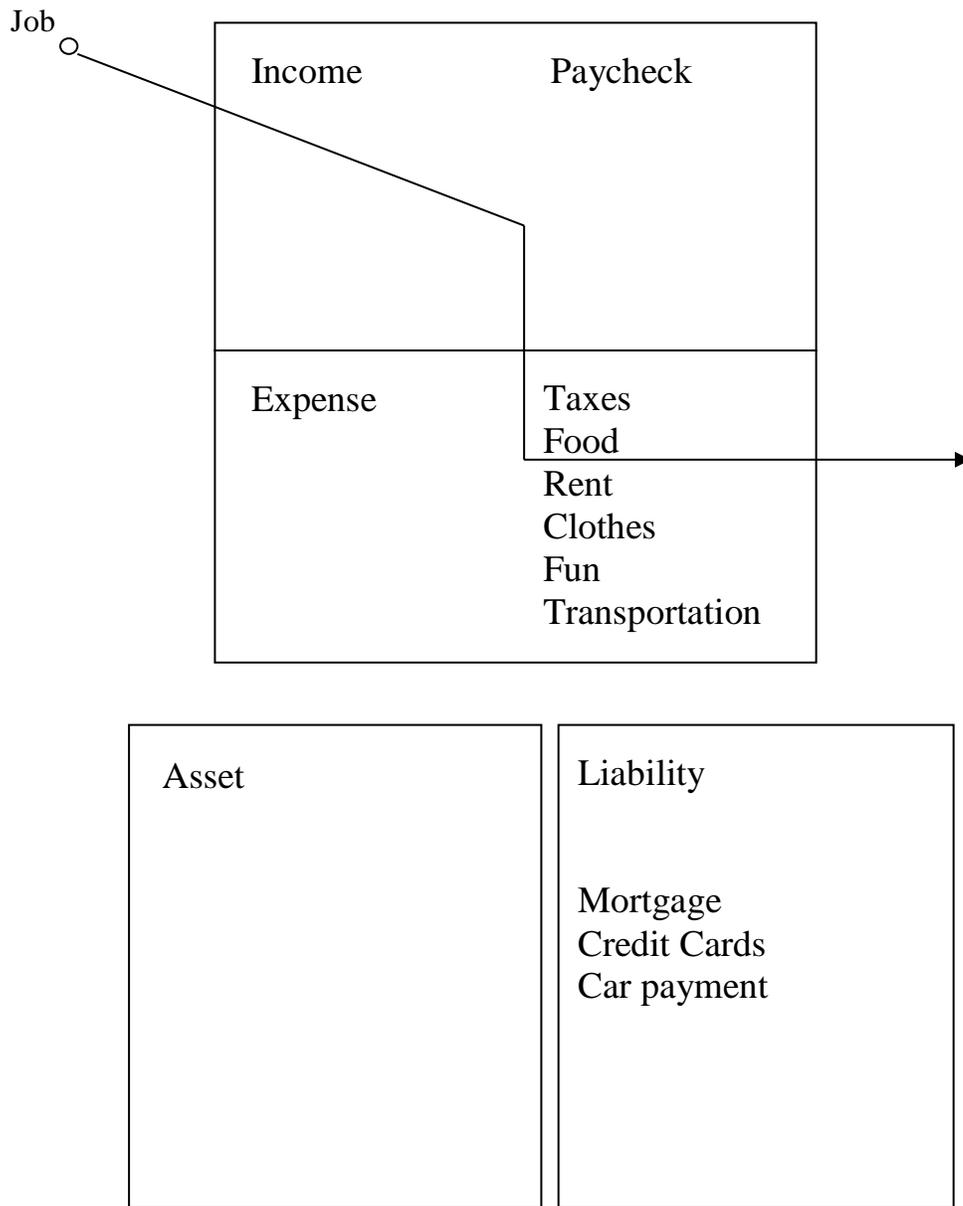
Leader's Notes - Once you have divided participants into teams, begin the activity by doing the following:

1. Make two columns on the flipchart: assets and liabilities
2. Ask participants what they would do if you gave them \$1,000 dollars. Participants may say they will buy shoes, clothes, or a car.
3. Once participants name items, categorize them under the liabilities and assets column.
 - *For example: If the participants would buy a car or shoes, then you should put this under the liabilities column. If the participants would buy stocks or invest in real estate, then you would put these items under the asset column.*
4. Explain to participants that an asset is something that puts money into your pocket
 - *For example: owning stocks, businesses, and real estate*
5. Explain to participants that a liability is something that takes money out of your pocket
 - *For example: car payment, buying clothes and shoes, credit card payment*
6. Draw the charts on pages 6,7, & 8 on flip chart paper
7. Explain and show participants the charts on pages 6, 7, & 8 which is the cash flow difference between the poor, middle class, and upper class
 - ❖ *Refer to page 62,63, and 64 of Robert Kiyosaki's Rich Dad Poor Dad*

Leader's Notes – Explain the Assets and Liabilities activity

1. Give each group a mini poster board
2. Tell students that they will make two columns on their poster board
3. In one column, the students will write the word "Assets"
4. In the other column, the students will write the word "Liabilities"
5. Give each group
 - 2 or 3 magazines
 - 2 pair of scissors
 - 1 or 2 glue sticks
6. Tell students that they are to cut pictures out of the magazines and place them into the asset or liability column (*If time permits, have students present posters*)
7. Remind students that an asset is something that puts money into your pocket
 - *For example: owning stocks, businesses, and real estate*
8. Explain to participants that a liability is something that takes money out of your pocket
 - *For example: car payment, buying clothes and shoes, credit card payment*
9. One item can be an asset for one person and a liability for another
 - *For example: Nike Shoes are an asset for Phil Knight, the owner of Nike, but a liability for people buying the shoes.*

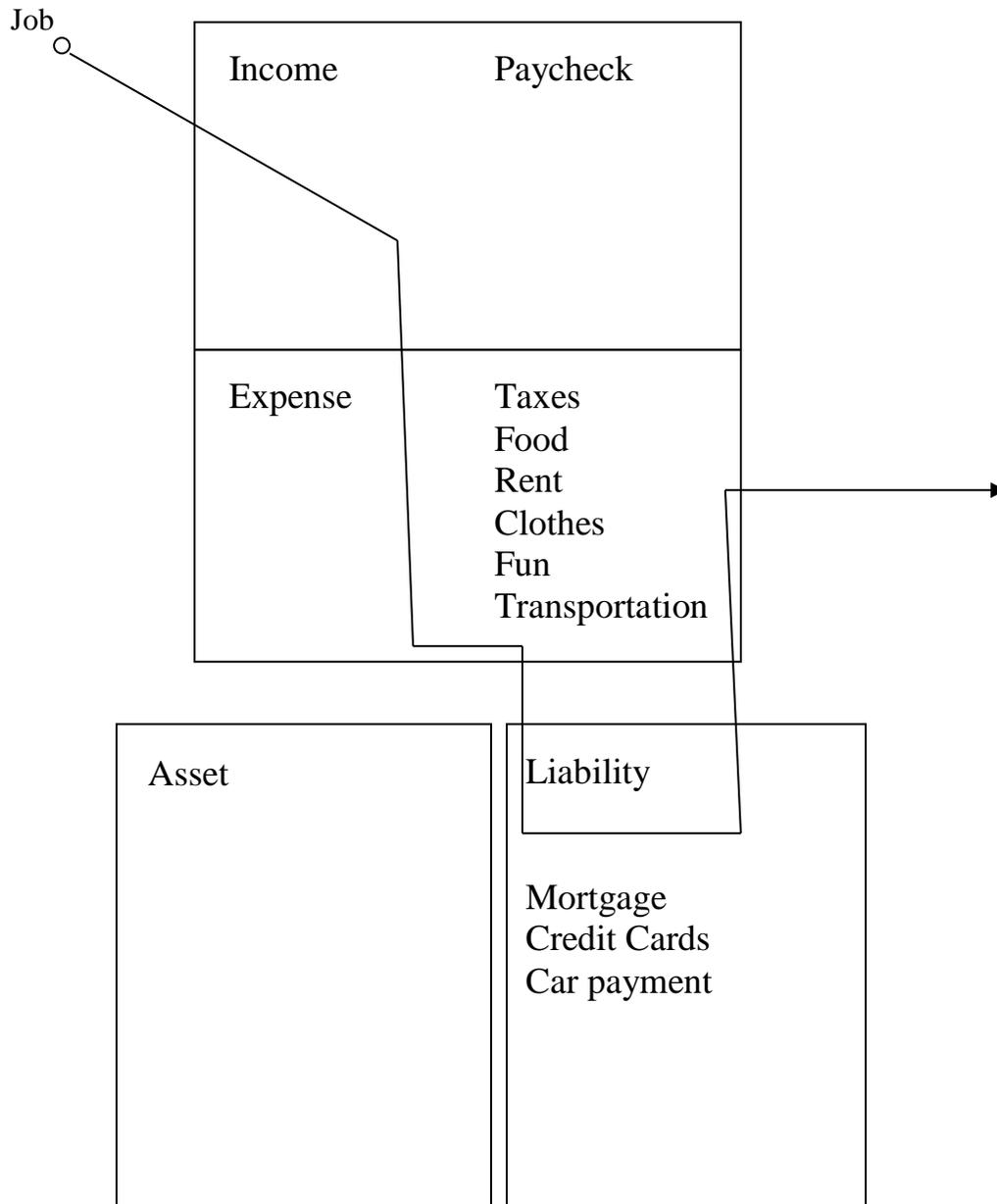
Cash flow Pattern for Young and Poor People²



Leader's note: Explain to participants that this is the cash flow pattern of young persons and poor people. Young persons and poor people usually have just enough money to pay for their expenses.

² This information was taken from Robert Kiyosaki's book Rich Dad Poor Dad, 62.

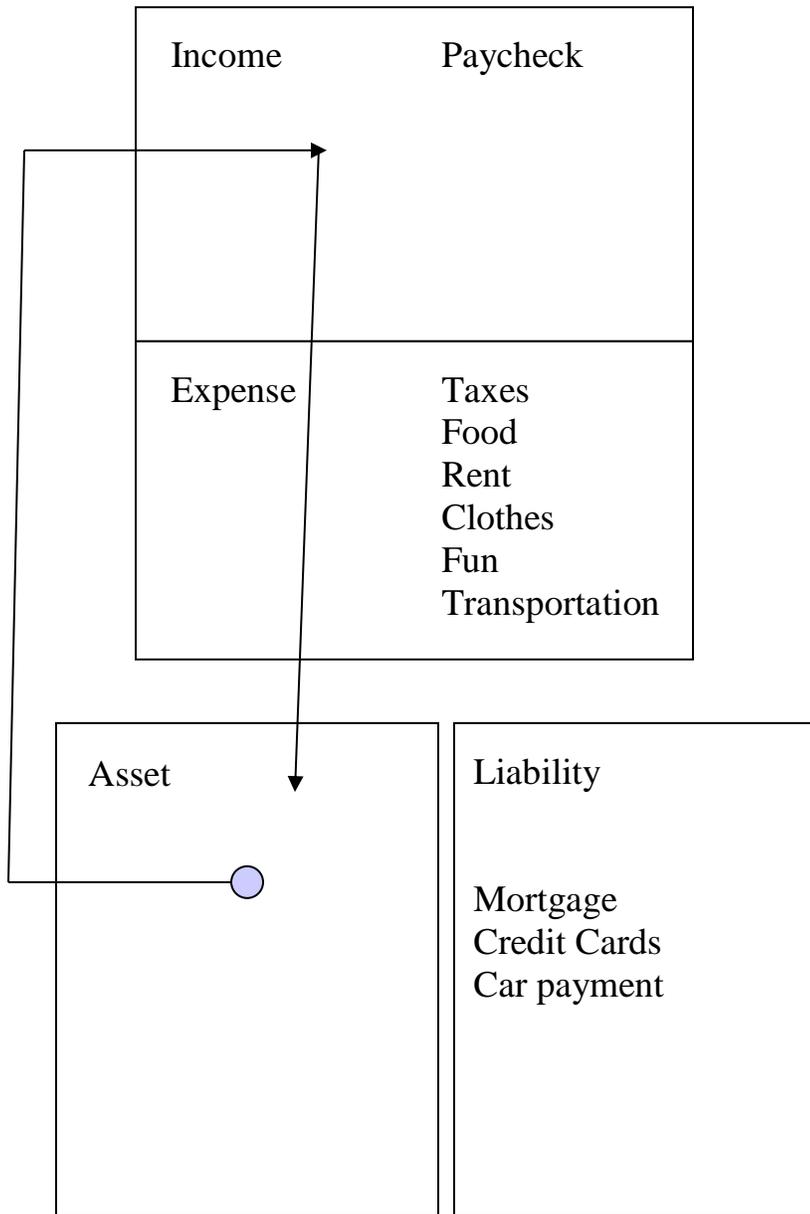
Cash flow Pattern for The Middle Class³



Leader's Notes – Explain to participants that this is cash flow pattern of the middle class. Middle class persons use their money to pay for expenses and liabilities.

³ This information was taken from Robert Kiyosaki's book Rich Dad Poor Dad, 63.

Cash flow Pattern for The Rich⁴



Leader's Notes – Explain to participants that this is cash flow pattern of the upper class. Upper class persons use assets to generate income.

⁴ This information was taken from Robert Kiyosaki's book Rich Dad Poor Dad, 64.

