



Financial Literacy with Mr. 401(k)  
Winter Term 2024 - 2025  
January 8, 2025

# Owning & Owning Stuff

## **Class 9: Assets – What You Own and Why it Matters**



# Recap: Important Financial Terms



## Income

Making Money



## Expenses

Spending Money



## Profit (Loss)

= Income - Expenses



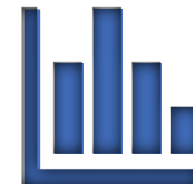
## Assets

The Stuff You Own



## Liabilities

The Stuff You Owe



## Equity

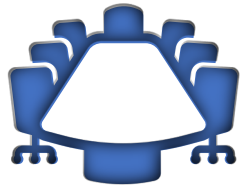
= Assets - Liabilities



Anything that can be  
owned and has value

**Asset**

# Anyone Can Own Assets



**Corporations**



**Governments**



**People**





## *Class Discussion*

*What are some examples of assets that people might own? Why might they find these valuable?*

# Examples of Assets



## Cash

Includes physical cash, such as paper money and coins, as well as electronic money, such as checking and savings accounts or digital currencies.



## Investments

Includes stocks, bonds, exchange traded funds, mutual funds, and other financial instruments.



## Intellectual Property

Includes intangible assets, like trademarks, copyrights, and patents, that are created by the owner or inventor.



## Property

Includes items that are owned for personal use or commercial use in business.



## Real Estate

Includes land, apartments, factories, houses, office buildings, and other physical property.



# *Class Discussion*

*What are some things that people can own, but are not worth much to others? Why do you think these things have little or no value?*





# *Class Discussion*

*What makes something valuable? Who or what determines its value?*



# Two (2) Types of Assets



## Tangible

These are things you can see, touch, and feel—like a car, a house, or even your favorite sneakers. They are physical items that have value.



## Intangible

These are the invisible things that hold value, like a brand name, a song copyright, or even an app idea. You cannot touch them, but they are still valuable.

# World's Most Valuable Brands

Source: Kantar List 2024



**Apple**

\$1.02 Trillion



**Google**

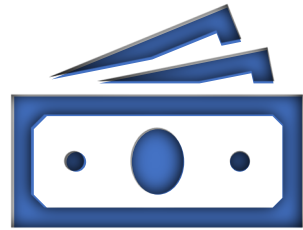
\$753 Billion



**Microsoft**

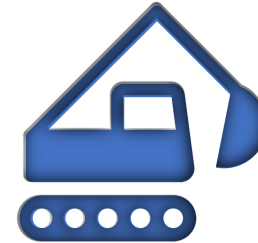
\$712 Billion

# Asset Classification



## Current Asset

These are the things you own that are easy to turn into cash or will be used up in less than a year. Think about money in your wallet, your savings account, or even a gift card.



## Fixed Asset

These are the big, important things you keep for a long time, like a house, a car, machinery, gaming consoles, etc. They are not meant to be sold or used up quickly—they are here for the long haul.



# Money Mavericks

**Objective:** Work to correctly identify the asset type and the asset classification withing your workgroups on the following Practical Applications slide.

Alpha: Green  
Beta: Orange  
Gamma: Gold





# Practical Application

Within your Money Mavericks Workgroups, identify the Asset Type as **Tangible** or **Intangible** and the Asset Classification as a **Current Asset** or a **Fixed Asset**.

## Alpha

Gift Cards

Cash

Rare Comic Books

Musical Instruments

Office Building

Trademark

## Beta

Bitcoin

Checking Account

Baseball Cards

Land

Patent on a Gadget

Company Stock

## Gamma

Classic Car

Computer

Gold Bars

Corporate Brand

Video Game Console

Savings Account



# Practical Application Answers

Within your Money Mavericks Workgroups, identify the Asset Type as **Tangible** or **Intangible** and the Asset Classification as a **Current Asset** or a **Fixed Asset**.

	<b>Tangible</b>	<b>Intangible</b>
<b>Current</b>	<b>Cash, Gift Cards</b>	<b>Bitcoin, Checking Account, Company Stock, Savings Account</b>
<b>Fixed</b>	<b>Rare Comic Books, Musical Instruments, Office Building, Baseball Cards, Land, Classic Car, Computer, Gold Bars, Video Game Console</b>	<b>Trademark, Patent on a Gadget, Corporate Brand</b>

# Asset Value Changes



## **Appreciation**

an increase in the value  
of assets over time



## **Depreciation**

a decrease in the value  
of assets over time





# Class Discussion

Can you name some things people own that increase in value over time? Why do you think they become more valuable?





## *Class Discussion*

*What are some things people buy that lose value quickly? Why do you think this happens?*



## *Class Discussion*

*Why do you think people buy things they know will lose value, like cars or phones? Can this ever be a smart choice?*

# Markets

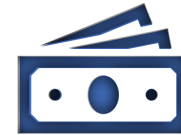
Places where people can buy and sell things



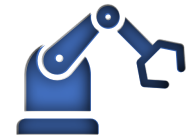
Farmers' Markets  
(ex. Pike Place)



Financial Markets  
(ex. Stocks & Bonds)



Foreign Exchange  
Markets  
(Currencies)



Industrial  
Equipment Market



Real Estate Market  
(Commercial)



Real Estate Market  
(Residential)



Used Car Market



Used Video Game  
Market





# *Class Discussion*

*If you wanted to sell a video game, how would you decide what price to ask for? What factors would you think about to make sure it's fair?*



# Asset Valuation

How do you figure out what something is worth?



## Compare Prices

Look at what similar items are selling for



## Consider Condition

Is it new or used?  
Good condition or damaged?



## Think About Demand

Are lots of people interested in it?

# Asset Valuation Methods



## Absolute Valuation

“What is it worth on its own?”

This method looks at the asset all by itself. It asks questions like: How much money could this make in the future? What would it cost to replace it today?

**Example:** Valuing a property based on size, location, features, and replacement cost.



## Relative Valuation

“What is it worth compared to others?”

This method compares the asset to other similar assets. It asks questions like: What are similar items selling for? Is it better or worse than others like it?

**Example:** Valuing a property based on sales and current prices of similar properties.





# Three Key Takeaways

1. Assets are things you own that have value, and their value can increase or decrease over time.
2. Current assets can be quickly turned into cash or used within a year, while fixed assets are kept longer.
3. Tangible assets are physical things you can see or touch, while intangible assets aren't physical.



## Where to Learn More

- [What Are Assets?](#) By E. Napoletano and Benjamin Curry via Forbes
- [What Is an Asset? Definition, Types, and Examples](#), by Adam Barone via Investopedia.
- [Money Skills for Teens: A Beginner's Guide to Budgeting, Saving, and Investing. Everything a Teenager Should Know About Personal Finance \(Essential Life Skills for Teens\)](#), by Ferne Bowe