

## Section 1: Assets and Asset-Building

We will discuss what assets are, why assets are beneficial, how assets can help you build your financial future, and how you can develop a plan to build assets.



### What is an Asset?

An asset is something you own that has value.

There are three types of assets:

- **Physical assets.** These are assets you can see and touch.
- **Financial assets.** These are monetary assets.
- **Productive assets.** These are intangible assets that can help you produce more assets, often by earning more money.



An asset's value is determined based on its type.

- Physical assets are valued based on their **resale value**.

Examples:

- Financial assets are valued based on their **actual value**.

Examples:

- Productive assets are generally **not valued in dollars**.

Examples:



## Try It: Is It an Asset?

Check "Yes," "No," or "It Depends" for each item.

Item	Yes It is an asset	No It is not an asset	It Depends	Notes from the Discussion
New computer				
Credit card				
College degree				
Inventory in a business				
Your credit history and credit scores				
Lunch at a restaurant				
Renting an apartment				
On-the-job training				
Money in a savings account				
Cell phone				
House you own				
Cable television service				



## Apply It: My Assets

Think about the assets you or your family have.  
Then answer the questions.

**Physical:** What physical assets do I or my family have?

**Financial:** What financial assets do I or my family have?

**Productive:** What productive assets do I or my family have?

## Benefits of Asset-Building

Asset-building refers to strategies that increase the financial, physical, and productive assets you own.

Being financially secure means you can take care of yourself and your family even if unexpected things happen.

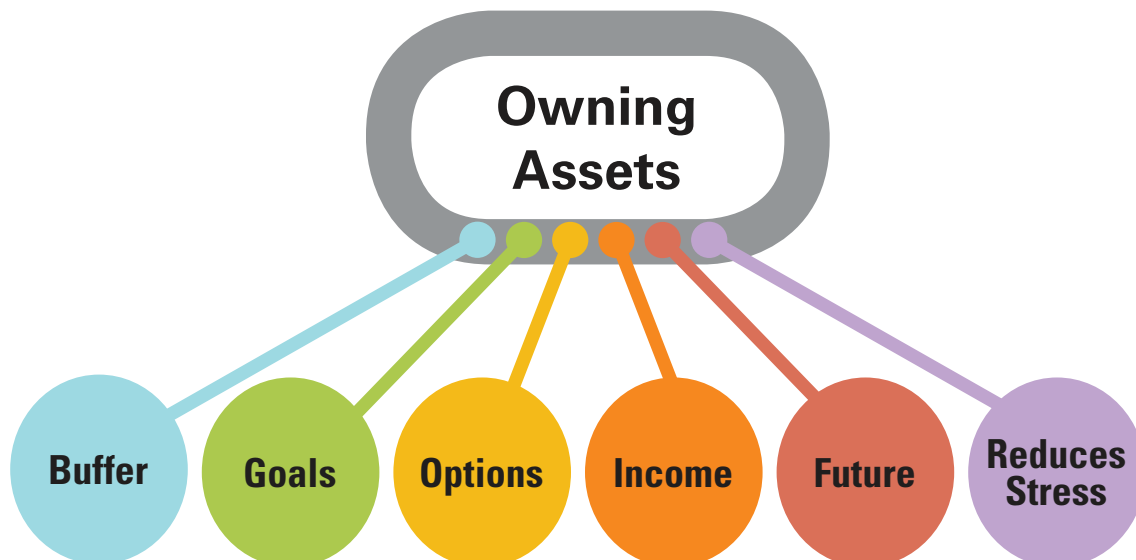
Financial security requires both income and assets.

You can think of your assets as the foundation for your financial future.

### Owning Assets

- Creates a “buffer” to help you and your family handle emergencies and hardships
- Helps you reach your goals
- Increases your options for education, health care, where you live, and other things in life
- Helps you earn more income
- Inspires you to look to the future and make long-term plans
- Reduces stress for you and your family

## Financial Security → Income AND Assets





## Apply It: Developing My Plan to Build More Assets

You can start to develop your plan by answering these questions.

**What additional assets – financial, physical, and productive – would help me meet the goals I have for my future?**

**What resources do I need to get those assets?**

**What specific steps could I take to get those resources?**

**Apply It: Developing My Plan to Build More Assets *continued***

**What are some obstacles that may get in the way as I build assets?**

**How will I manage those obstacles?**



**Remember the Key Takeaway**

**Assets can lead to wealth and financial security.**