



## Life Is Risky Business

### Lesson Author

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### Grade Level

6–8, 9–12

### Concepts

Risk

Types of risk

Risk management

Insurance

### Objectives

Students will be able to:

- Define risk
- Recognize there are positive and negative consequences from risk taking
- Identify different types of risks
- Recognize ways to minimize and manage risks
- Recognize the purpose of insurance.

### Time required

Quick Pick: Steps 1 through 3 (5 minutes)

Power Up: Steps 1 through 5 (10 minutes)

Deep Dive: Steps 1 through 7 (20 minutes)

### Materials

*Handout 1: “Risk Worksheet,” one per student*

*Handout 2: “Risk Map Assessment,” one per student or one per group*

*Visual 1: “Concept Mapping—Types of Risk”*

### Procedures

1. Write the word “RISK” on the board. Ask students not to write anything at this time but instead to think how they would explain what risk is to a friend. Allow one minute of reflection. Let students know that for something to be a risk, a degree of uncertainty must exist.
2. Now, ask students to write down in their own words on the worksheet provided how they would explain risk to a friend.
3. Ask students to write down words that come to their minds when they think of risk. Explain these words could be positive or negative. Ask for volunteers to share these words and write them down on the board.



4. Ask the students to circle the words that are negative. Ask them whether they have more negative or more positive words on their list. (*Usually, most of the words will be negative.*) Ask the students to discuss why so many of the words are negative. (*Students may say it is because risk implies getting hurt in some way and getting hurt is something we generally try to avoid.*)
5. Explain to students that there are different types of risks and provide examples.
  - **Action:** Risks from an action (driving and texting)
  - **No Action:** Risks from lack of action (not wearing your seatbelt)
  - **Not Me:** Risks that are known to you but you don't think it will happen (crossing a street and getting hit by a car)
  - **Every Day:** Risks worth taking in everyday life (trying out for a sports team at school)
6. Draw four quadrants on the board and write one of the following words in each quadrant: "action," "no action," "not me," and "every day." Ask student to write one or two examples they may encounter for each of the four types of risks. Have some students share their examples for each type.
7. Ask students to write down ways to manage the risk examples they identified. These risk management tools should be realistic. Ask some students to share the ways risks may be minimized. Circle back to the question, "Could we live in a risk-free world?"

Ask students who in the class is willing to assume someone else's risk for free? (*Most students will say no because they do not want to be hurt.*) How about for a fee? (*Some students may say yes if the chances of incurring the risk are small.*) What about in return for something?

Explain that the purpose of insurance is to transfer risk to a business in exchange for a premium or price. Insurance is purchased to protect yourself and/or your family against possible future losses. Insurance will not prevent risks. Insurance relieves the insured of the financial burden or losses associated with risks.

## Handout 1: Risk Worksheet

**Part One:** Describe the term “risk” as you would if you were trying to explain it to a friend.

Risk is...

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**Part Two:** Brainstorm a list of words you associate with the idea of risk and list them below. There is no right or wrong answer.

Words I associate with RISK...

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**Part Three:** List at least two examples from your own life for each type of risk in the chart below.

Action	Not Me
No Action	Every Day

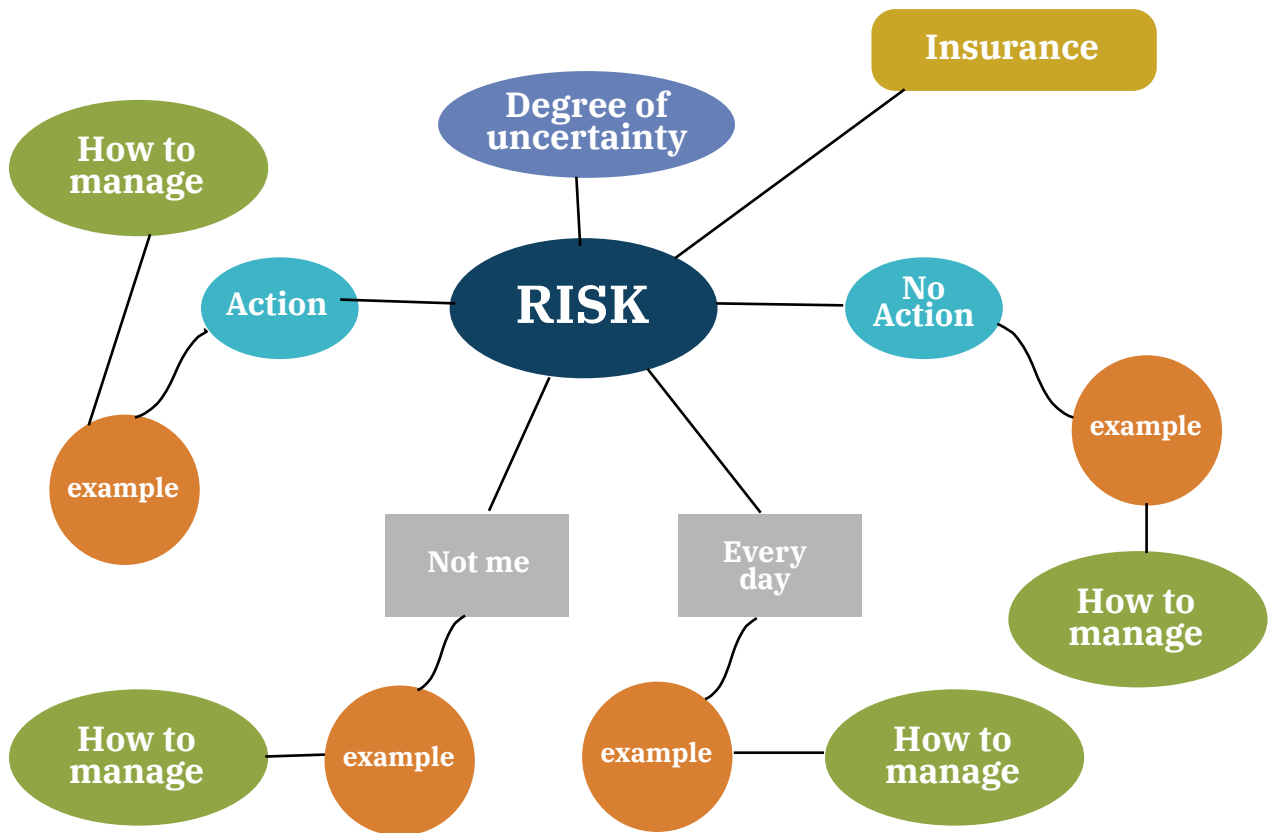


## Handout 2: Risk Map Assessment

This activity may be used as an assessment tool. It can be assigned individually or in small groups of four. Using a concept mapping\* strategy, have students create a concept map for risk. Explain to students that a concept map is a visual organizer to explain a concept. They may use whichever shape they prefer, such as a circle, square, or other shape and show the relationship to the concept by drawing a connecting line. A concept map can be any size students choose to make it. In addition to words, pictures or drawings may be used. Encouraging students to be creative promotes learning. If they used the worksheet, it may be used to create this risk map. Student instructions:

1. Begin with the word RISK.
2. Choose words that define risk.
3. Choose words that describe the four different types of risk.
4. Choose example(s) for each type.
5. Choose ways to manage each of the samples of risks, including insurance.

\*Note: Refer to the example provided.



## Visual 1: Concept Mapping—Types of Risk

**Action:** Risks from an action (driving and texting)

**No Action:** Risks from lack of action (not wearing your seatbelt)

**Not Me:** Risks that are known to you but you don't think it will happen (crossing a street and getting hit by a car)

**Every Day:** Risks worth taking in everyday life (trying out for a sports team at school)