

**B.E. Publishing**  
**Title Submitted: Personal Finance for Teens**

**PERSONAL FINANCE**

**CODE: 5141**

**COURSE DESCRIPTION:** This one half unit (.5) Personal Finance course fulfills the requirement for graduation credit. It is designed to help students develop skills to make informed financial decisions, manage financial resources, and plan for future financial success.

Using experiential activities, students will learn the basic principles of personal finance and how to manage their money in a global economy, which include budgeting, banking, insurance, mortgages, savings, investments, inheritance, retirement, tax, and estate planning. Students will also learn about consumer protection laws, internet safety, and cyber security, enabling them to safeguard financial information against technology-based attacks.

**OBJECTIVE:** Given the necessary equipment, supplies, and facilities, the student will be able to successfully complete all of the following core standards.

<b>RECOMMENDED GRADE LEVELS:</b>	9-12
<b>COURSE CREDIT:</b>	0.5 unit
<b>PREREQUISITE:</b>	None
<b>COMPUTER REQUIREMENT:</b>	One computer per student
<b>RESOURCES:</b>	Instructional Materials

**A. MANAGING PERSONAL FINANCES**

**The student will analyze how human behaviors impact financial decisions.**

1. Explain the importance of taking responsibility for personal financial decisions.
  - Ch. 2, pg. 14: “The Difference Between Needs and Wants,” pg. 17 “How Values Influence Our Needs and Wants”; Ch. 2:” “Right It” and “Tech It”
2. Apply decision-making skills to make personal financial choices. (e.g., needs and wants, cost-benefit analysis, SMART Goals).
  - Ch. 1, pg. 4-6: “What are Goals?” and “Short-term vs. Long-term Goals”; Ch. 2, pg. 14: “The Difference Between Needs and Wants”; Ch. 1: “Make Sense of It” and “Check It”; Ch. 2: “Make Sense of It”
3. Apply strategies for making informed purchasing decisions.
  - Ch. 14, pg. 154-155: “Financing Major Purchases,” pg. 165: “Being a Savvy Consumer”
4. Describe the importance of budgeting.

- Ch. 8, pg. 78: “What is a Budget?”, pg. 82: “The Importance of Saving”; Ch. 8: “Right It”
- 5. Analyze how social media marketing is designed to encourage spending.
  - Not addressed
- 6. Investigate methods to safeguard financial information against technology-based attacks (e.g., privacy infringement, identity theft, fraud).
  - Ch. 11, pg. 117: “Safety Measures for eBanking”; Ch. 12, pg. 131-134: “How to Protect Your Money”; Ch. 12: “Check It” and “Create It”

## **B. UNDERSTANDING INSURANCE AND RISK**

**Students will demonstrate knowledge of insurance and the basics of risk management.**

1. Define the principles of insurance and fundamental insurance terminology (e.g., claim, beneficiary, deductible, policy, premium, insured).
  - Ch. 18, pg. 212: “The Importance of Insurance”; Ch. 19, pg. 223: “Insurance Policy Basics”; Ch. 19: “Right It”
2. Describe risk management methods: risk avoidance, reduction, assumption, and transfer.
  - Ch. 18, pg. 210-211: “Risk Management,” pg. 213-215: “Evaluating Insurance Needs”; Ch. 18: “Right It,” “Make Sense of It,” and “Check It”
3. Explain personal auto policy terms and features (e.g., liability, deductible, comprehensive, collision, underinsured, uninsured).
  - Ch. 19, pg. 224-225: “Automobile Insurance”; Ch. 19: “Make Sense of It”
4. Analyze how risk and other factors affect insurance premiums (e.g., driving record, driver’s age, type of vehicle, coverage limits).
  - Not addressed
5. Identify the purpose and features of health insurance (e.g., copay, covered/non-covered expenses, deductible, medical expenses, out-of-pocket costs, pre-existing condition).
  - Ch. 19, pg. 222: “Automobile Insurance”
6. Compare different types of life insurance products (e.g., term, whole life, variable life).
  - Ch. 19, pg. 221: “Life Insurance”
7. Investigate the features and benefits of other insurance products, including renters, long-term disability, and liability.
  - Ch. 19, pg. 221: “Homeowners Insurance,” pg. 223: “Disability Insurance”

## **C. UTILIZING BANKING SERVICES**

**The students will demonstrate knowledge of banking services and procedures.**

1. Evaluate the services offered at various financial institutions.
  - Ch. 11, pg. 113-116: “Financial Services Available” and “eBanking”; Ch. 11: “Check It”
2. Explain methods used for opening and managing checking and savings accounts.
  - NOT ADDRESSED
3. Identify the components of a bank statement.
  - Ch. 12, pg. 124-126: “Bank Statements”

4. Reconcile a checking account.
  - Ch. 12, pg. 124-126: “Bank Statements”; Ch. 12: “Make Sense of It”
5. Describe different fees and incentives that may be associated with online, mobile, and traditional banking.
  - Ch. 11, pg. 113-116: “Financial Services Available” and “eBanking”; Ch. 12, pg. 126 “Reconciling Your Account”
6. Explain how Internet access and technology have impacted banking services.
  - Ch. 11, pg. 115-116: “eBanking”; Ch. 12, pg. 122-124: “Checking Account Basics”; Ch. 12: “Right It”
7. Differentiate among types and regulations of electronic monetary transactions (e.g., e-checks, ETF).
  - Ch. 12, pg. 122-124: “Checking Account Basics”
8. Compare modern payment services between parties (e.g., Peer 2 Peer, digital wallet).
  - Ch. 13: “Tech It”

#### **D. MANAGING CREDIT**

**Students will demonstrate an understanding of the various types of debt and methods of managing personal credit.**

1. Identify types and sources of credit/debt (e.g., credit card, auto loans/leases, mortgages, student loans).
  - Ch. 13, pg. 140-142: “Using Credit”; Ch. 14, pg. 156-163: “Leasing or Buying a Car” and “Renting or Owning a Home”
2. Evaluate the costs and benefits of using credit, including interest rates, terms, fees and their effect on credit scores.
  - Ch. 13., pg. 140-142: “Using Credit”; Ch. 13: “Make Sense of It” and “Check It”
3. Explain how the components of a credit score and a credit profile are determined.
  - Ch. 13: “Right It”
4. Explain consumers’ rights and responsibilities and the process for disputing billing errors using various consumer protection laws. (e.g., Fair Credit Reporting Act, bankruptcy, Equal Credit Opportunity Act)
  - Ch. 13, pg. 146-149: “Building a Strong Credit History” and “Managing Your Credit Score”
5. Identify high risk strategies for repayment and ways to avoid financial pitfalls (e.g., payday loans, over-extended credit, and bankruptcy).
  - Ch. 13, pg. 146-149: “Building a Strong Credit History” and “Managing Your Credit Score”
6. Complete a loan application and evaluate an amortization schedule.
  - Ch. 14, pg. 140-142: “Using Credit”; Ch. 14: “Make Sense of It”
7. Calculate payment schedules for a loan using spreadsheets, calculators, and/or online tools.
  - Ch. 14, pg. 140-142: “Using Credit”; Ch. 14: “Make Sense of It”

#### **E. FINANCING EDUCATION AND TRAINING**

**Students will demonstrate knowledge of how to financially prepare for post-secondary education and training.**

1. Compare the various costs associated with post-secondary education or training.
  - Ch. 14, pg. 164: “Education”
2. Identify sources of financial aid.
  - Ch. 14, pg. 164: “Education”
3. Explain how to apply for financial aid for post-secondary education and training.
  - NOT ADDRESSED
4. Compare the impact of various education funding options (e.g., scholarships, grants, loans, work-study) on net cost.
  - NOT ADDRESSED
5. Analyze the FAFSA (Free Application for Federal Student Aid) process and its impact on student financial aid.
  - NOT ADDRESSED
6. Evaluate the characteristics of different types of student loans and their various repayment options.
  - NOT ADDRESSED
7. Describe investment options to pay for post-secondary education costs (e.g., 529 Plan, Coverdale).
  - NOT ADDRESSED

## **F. UNDERSTANDING TAXES**

**Students will examine the impact of taxes on personal finances.**

1. Define basic tax terminology (e.g., taxable income, tax credits, exemptions, deductions, itemized deductions, inheritance/estate, withholdings).
  - Ch. 7, pg. 68-71: “Personal Cash Flow”; Ch. 7: “Make Sense of It”
2. Explain the purposes and types of taxes at various levels of government in the United States.
  - Ch. 7, pg. 70-71: “The Anatomy of a Pay Stub”; Ch. 7: “Make Sense of It”
3. Compute local taxes on products and services.
4. Analyze tax forms and their purpose, to include W-2, 1099, W-4, and I-9 forms.
  - Ch. 7, pg. 69-70: “Form W-4”; Ch. 12, pg. 127-130: “Filing Your Income Taxes”
5. Evaluate how taxes, government transfer payments, and employee benefits relate to disposable income.
  - Ch. 7, pg. 68-71: “Personal Cash Flow”; Ch. 7: “Make Sense of It,” “Check It,” and “Create It”
6. Compute gross earnings, payroll deductions, and net pay.
  - Ch. 7, pg. 68-71: “Personal Cash Flow”; Ch. 7: “Make Sense of It”
7. Demonstrate how to fill out and file a federal and/or state individual income tax return.
  - Ch. 12, pg. 127-130: “Filing Your Income Taxes”; Ch. 12: “Tech It”

## **G. BUILDING FINANCIAL SECURITY**

**Students will develop skills to build financial security.**

1. Define basic investment concepts (e.g., stocks, bonds, mutual funds, Rule of 72, simple and compound interest).

- Ch. 10, pg. 96-: “How Time and Interest Make Your Money Grow,” “Time Value of Money,” “How Interest Rates Impact Money Growth,” and “Using Technology to Calculate Time Value of Money”; Ch. 16, pg. 182-188: “Stocks,” “Bonds”; Ch. 10: “Right It” and “Check It”; Ch. 16: “Right It,” “Make Sense of It,” and “Check It”
- 2. Explain the relationship between risk and the rate of return and the importance of risk management.
  - Ch. 15, pg. 174-175: “Investing”; Ch. 15: “Right It” and “Create It”
- 3. Identify funding requirements for different stages of life (e.g., post-secondary, parenthood, housing, retirement).
  - Ch. 15, pg. 176-177: “Your Financial Goals Timeline”; Ch. 15: “Right It”
- 4. Analyze the impact of Social Security benefits on retirement planning.
  - Ch. 15, pg. 174: “Investing”
- 5. Differentiate types of long-term retirement investments (e.g., Roth and traditional IRA’s, 403(B), 401(K), defined-benefit plans, annuities, and target date funds).
  - Ch. 15, pg. 174-175: “Investing”; Ch. 15: “Right It”
- 6. Describe types and purposes of estate planning (wills, trusts, gifts, and charitable contributions).
  - Ch. 3, pg. 24: “The Importance of Financial Planning”
- 7. Develop a personal investment portfolio.
  - Ch. 17, pg. 194-199: “Mutual Funds” and “Investment Diversification”; Ch. 17: “Right It” and “Tech It”
- 8. Explain the roles of insurance in financial planning.
  - Ch. 18, pg. 212-214: “The Importance of Insurance” and “Evaluating Insurance Needs”; Ch. 18: “Check It”

#### Additional Course Materials & Resources