

B.E. Publishing
Title Submitted: Personal Financial Literacy

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.

RECOMMENDED GRADE LEVELS:	9-12
COURSE CREDIT:	0.5 unit
PREREQUISITE:	None
COMPUTER REQUIREMENT:	One computer per student
RESOURCES:	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. 16-17: “What is a Financial Plan?” and “Advantages of Financial Planning”; Ch. 3, pg. 26-28 “Personal Responsibility in Financial Planning and Decision Making”; Ch. 3: “Read and Write” and “Listen and Speak”
2. Apply decision-making skills to make personal financial choices. (e.g., needs and wants, cost-benefit analysis, SMART Goals).
 - Ch. 1, pg. 5-10: “SMART Goals,” “Short-, Medium-, and Long-Term Goals,” “How Values Shape Goals,” and “Needs and Wants”; Ch. 3, pg. 31: “Opportunity Cost”; Ch. 1: “Read and Write,” “Listen and Speak,” and “Create and Design”
3. Apply strategies for making informed purchasing decisions.
 - Ch. 3, pg. 32-35: “Decision Making When Evaluating Products”; Ch. 9, pg. 203-204: “Consumer Decisions; Ch. 9: “Listen and Speak”

4. Describe the importance of budgeting.
 - Ch. 2, pg. 18-20: “Components of a Financial Plan”; Ch. 9, pg. 195-203: “Budgeting Basics”; Ch. 9: “Create and Design”
5. Analyze how social media marketing is designed to encourage spending.
 - Ch. 6, pg. 131-133: “Digital Communication”
6. Investigate methods to safeguard financial information against technology-based attacks (e.g., privacy infringement, identity theft, fraud).
 - Ch. 21, pg. 416-423: “Identity Theft” and “Protecting Your Financial Plan”; Ch. 21: “Read and Write” and “Create and Design”; Ch. 10, pg. 223 “Online Banking Safety Measures”

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. 20, pg. 394-412: “Insurance Basics” and “Types of Insurance”; Ch. 2, pg. 20: “Insurance Planning”; Ch. 10, pg. 224: “Insurance”; Ch. 20: “Read and Write”
2. Describe risk management methods: risk avoidance, reduction, assumption, and transfer.
 - Ch. 20, pg. 392-393: “Risk Management”; Ch. 20: “Listen and Speak” and “Create and Design”
3. Explain personal auto policy terms and features (e.g., liability, deductible, comprehensive, collision, underinsured, uninsured).
 - Ch. 20, pg. 409-412: “Automobile Insurance”
4. Analyze how risk and other factors affect insurance premiums (e.g., driving record, driver’s age, type of vehicle, coverage limits).
 - Ch. 20, pg. 394: “Insurance Basics,” pg. 401: “Policy Limits and Conditions,” pg. 409-412: “Automobile Insurance”
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. 20, pg. 403-405: “Health Insurance”; Ch. 4, pg. 57: “Health Insurance”
6. Compare different types of life insurance products (e.g., term, whole life, variable life).
 - Ch. 20, pg. 403-407: “Types of Insurance”
7. Investigate the features and benefits of other insurance products, including renters, long-term disability, and liability.
 - Ch. 20, pg. 394-412: “Insurance Basics” and “Types of Insurance”; Ch. 2, pg. 20: “Insurance Planning”; Ch. 10, pg. 224: “Insurance”; Ch. 15, pg. 307-308: “Being a Renter”

C. UTILIZING BANKING SERVICES

The students will demonstrate knowledge of banking services and procedures.

1. Evaluate the services offered at various financial institutions.
 - Ch. 10, pg. 216-227: “Types of Financial Institutions,” “Financial Services

- Available,” and “Evaluating Service Providers”; Ch. 10: “Read and Write” and “Create and Design”; Ch. 12, pg. 250-253: “Savings Options”
2. Explain methods used for opening and managing checking and savings accounts.
 - Ch. 12, pg. 250-253: “Savings Options”; Ch. 10, pg. 218-225: “Financial Services Available”
 3. Identify the components of a bank statement.
 - Ch. 9, pg. 205-206: “Bank Statements;” Ch. 13, pg. 272: “Managing a Checking Account”
 4. Reconcile a checking account.
 - Ch. 9, pg. 205-206: “Bank Statements;” Ch. 13, pg. 272: “Managing a Checking Account”
 5. Describe different fees and incentives that may be associated with online, mobile, and traditional banking.
 - Ch. 10, pg. 218-223: “Financial Services Available”; Ch. 15, pg. 300-301: “Financing Major Purchases”
 6. Explain how Internet access and technology have impacted banking services.
 - Ch. 10, pg. 218-223: “Financial Services Available”; Ch. 12, pg. 251-252: “Savings Accounts”; Ch. 13, pg. 266-267: “Electronic Funds Transfer”
 7. Differentiate among types and regulations of electronic monetary transactions (e.g., e-checks, ETF).
 - Ch. 13, pg. 258-270: “Cash Management Tools”; Ch. 13: “Listen and Speak”
 8. Compare modern payment services between parties (e.g., Peer 2 Peer, digital wallet).
 - Ch. 14, pg. 277: “Sources of Credit”

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. 14, pg. 277-282: “Sources of Credit,” “Types of Credit”
2. Evaluate the costs and benefits of using credit, including interest rates, terms, fees and their effect on credit scores.
 - Ch. 14, pg. 278-282: “Types of Credit.” pg. 285-287: “Impact of Credit Decisions,”; pg. 291-293: “Cost of Borrowing”; Ch. 14: “Create and Design”
3. Explain how the components of a credit score and a credit profile are determined.
 - Ch. 14, pg. 283-284: “5 Cs of Creditworthiness,” pg. 287-291: Credit Report and Score”; Ch. 14: “Listen and Speak”
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. 14, pg. 295-296: “Bankruptcy” and “Credit Laws”; Ch. 21, pg. 424-427: “Consumer Protection Laws”
5. Identify high risk strategies for repayment and ways to avoid financial pitfalls (e.g., payday loans, over-extended credit, and bankruptcy).
 - Ch. 14, pg. 279-281: “Closed-End Credit,” pg. 295-296: “Bankruptcy” and

“Credit Laws”

6. Complete a loan application and evaluate an amortization schedule.
 - Ch. 14, pg. 279-281: “Closed-End Credit”; Ch. 15, pg. 311-314: “Mortgages”; Ch. 15: “Create and Design”
7. Calculate payment schedules for a loan using spreadsheets, calculators, and/or online tools.
 - Ch. 14, pg. 279-281: “Closed-End Credit”; Ch. 15, pg. 311-314: “Mortgages”; Ch. 15: “Create and Design”

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. 16, pg. 318: “Costs of Postsecondary Education”; Ch. 16: “Listen and Speak”
2. Identify sources of financial aid.
 - Ch. 16, pg. 318-332: “Sources of Funding,” pg. 333: “Postsecondary Plan”; Ch. 16: “Read and Write” and “Create and Design”
3. Explain how to apply for financial aid for post-secondary education and training.
 - Ch. 16, pg. 318-332: “Sources of Funding”; Ch. 16: “Read and Write”
4. Compare the impact of various education funding options (e.g., scholarships, grants, loans, work-study) on net cost.
 - Ch. 16, pg. 318-332: “Sources of Funding,” pg. 333: “Postsecondary Plan”; Ch. 16: “Create and Design”
5. Analyze the FAFSA (Free Application for Federal Student Aid) process and its impact on student financial aid.
 - Ch. 16, pg. 318-321: “Sources of Funding”
6. Evaluate the characteristics of different types of student loans and their various repayment options.
 - Ch. 16, pg. 318-332: “Sources of Funding”; Ch. 16: “Read and Write”
7. Describe investment options to pay for post-secondary education costs (e.g., 529 Plan, Coverdale).
 - Ch. 16, pg. 330-332: “Other Funding Sources”

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. 8, pg. 173-177: “Tax Deductions,” pg. 185-189: “Tax Documentation”
2. Explain the purposes and types of taxes at various levels of government in the United States.
 - Ch. 8, pg. 173-177: “Tax Deductions,” pg. 182: “Local, State, and Federal Income Taxes”; Ch. 8: “Read and Write”
3. Compute local taxes on products and services.
 - NOT ADDRESSED

4. Analyze tax forms and their purpose, to include W-2, 1099, W-4, and I-9 forms.
 - pg. 185-189: “Tax Documentation”
5. Evaluate how taxes, government transfer payments, and employee benefits relate to disposable income.
 - Ch. 8, pg. 173-184: “Tax Deductions” and “Gross and Taxable Income”; Ch. 8: “Read and Write”
6. Compute gross earnings, payroll deductions, and net pay.
 - Ch. 8, pg. 173-184: “Tax Deductions” and “Gross and Taxable Income”; Ch. 8: “Create and Design”
7. Demonstrate how to fill out and file a federal and/or state individual income tax return.
 - pg. 185-189: “Tax Documentation”

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. 18, pg. 361-375: “Types of Investments” and “Factors Affecting Investments”; Ch. 18: “Read and Write” and “Create and Design”
2. Explain the relationship between risk and the rate of return and the importance of risk management.
 - Ch. 18, pg. 352-361: “Benefits of Investing” and “Foundations of Investing”; Ch. 18: “Read and Write” and “Listen and Speak”
3. Identify funding requirements for different stages of life (e.g., post-secondary, parenthood, housing, retirement).
 - “Ch. 3, pg. 26-28: “Personal Responsibility in Financial Planning and Decision Making”; Ch. 19, pg. -386: “Costs of Retirement” and “Sources of Income During Retirement”; Ch. 19: “Read and Write,” “Listen and Speak,” and “Create and Design”
4. Analyze the impact of Social Security benefits on retirement planning.
 - Ch. 19, pg. 382-386: “Sources of Income During Retirement”; Ch. 19: “Listen and Speak”
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. 19, pg. 383-386: “Employer-Sponsored Plans” and “Individual Savings”
6. Describe types and purposes of estate planning (wills, trusts, gifts, and charitable contributions).
 - Ch. 22, pg. 430-436: “What is Estate Planning?” and “Estate Planning Tools”; Ch. 22: “Read and Write,” “Listen and Speak,” and “Create and Design”
7. Develop a personal investment portfolio.
 - Ch. 18, pg. 353-360: “Foundations of Investing”; Ch. 18: “Read and Write”
8. Explain the roles of insurance in financial planning.
 - Ch. 20, pg. 394-402: “Insurance Basics”; Ch. 20: “Read and Write”

Additional Course Materials & Resources