

## **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.
2. Apply decision-making skills to make personal financial choices. (e.g., needs and wants, cost-benefit analysis, SMART Goals).
3. Apply strategies for making informed purchasing decisions.
4. Describe the importance of budgeting.
5. Analyze how social media marketing is designed to encourage spending.
6. Investigate methods to safeguard financial information against technology-based attacks (e.g., privacy infringement, identity theft, fraud).

### **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).
2. Describe risk management methods: risk avoidance, reduction, assumption, and transfer.
3. Explain personal auto policy terms and features (e.g., liability, deductible, comprehensive,

- collision, underinsured, uninsured).
4. Analyze how risk and other factors affect insurance premiums (e.g., driving record, driver's age, type of vehicle, coverage limits).
  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).
  6. Compare different types of life insurance products (e.g., term, whole life, variable life).
  7. Investigate the features and benefits of other insurance products, including renters, long-term disability, and liability.

### **C. UTILIZING BANKING SERVICES**

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

1. Evaluate the services offered at various financial institutions.
2. Explain methods used for opening and managing checking and savings accounts.
3. Identify the components of a bank statement.
4. Reconcile a checking account.
5. Describe different fees and incentives that may be associated with online, mobile, and traditional banking.
6. Explain how Internet access and technology have impacted banking services.
7. Differentiate among types and regulations of electronic monetary transactions (e.g., e-checks, ETF).
8. Compare modern payment services between parties (e.g., Peer 2 Peer, digital wallet).

### **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).
2. Evaluate the costs and benefits of using credit, including interest rates, terms, fees and their effect on credit scores.
3. Explain how the components of a credit score and a credit profile are determined.
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)
5. Identify high risk strategies for repayment and ways to avoid financial pitfalls (e.g., payday loans, over-extended credit, and bankruptcy).
6. Complete a loan application and evaluate an amortization schedule.
7. Calculate payment schedules for a loan using spreadsheets, calculators, and/or online tools.

### **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.
2. Identify sources of financial aid.
3. Explain how to apply for financial aid for post-secondary education and training.
4. Compare the impact of various education funding options (e.g., scholarships, grants, loans, work-study) on net cost.
5. Analyze the FAFSA (Free Application for Federal Student Aid) process and its impact on student financial aid.
6. Evaluate the characteristics of different types of student loans and their various repayment options.
7. Describe investment options to pay for post-secondary education costs (e.g., 529 Plan, Coverdale).

## **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).
2. Explain the purposes and types of taxes at various levels of government in the United States.
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.
5. Evaluate how taxes, government transfer payments, and employee benefits relate to disposable income.
6. Compute gross earnings, payroll deductions, and net pay.
7. Demonstrate how to fill out and file a federal and/or state individual income tax return.

## **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).
2. Explain the relationship between risk and the rate of return and the importance of risk management.
3. Identify funding requirements for different stages of life (e.g., post-secondary, parenthood, housing, retirement).
4. Analyze the impact of Social Security benefits on retirement planning.
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).
6. Describe types and purposes of estate planning (wills, trusts, gifts, and charitable contributions).
7. Develop a personal investment portfolio.
8. Explain the roles of insurance in financial planning.

Additional Course Materials & Resources