

Personal Finance Course Goals

One semester course—1/2 Carnegie unit

Course: Personal Finance
Subject area: Miscellaneous/Career Focus
Teacher Licensure: Any licensed secondary teacher
Grades: 9-12
Course Number: 496020

The intent of this personal finance course is to inform students how individual choices directly influence occupational goals and future earnings potential. Real world topics covered will include income, money management, spending and credit, as well as saving and investing. Students will design personal and household budgets, utilize checking and saving accounts, gain knowledge in finance, debt, and credit management and evaluate and understand insurance and taxes. This course will provide a foundational understanding for making informed personal financial decisions.

What students should know and be able to do

Goal 1: Income

- 1.1. Interpret factors affecting income
 - Compare career choices and potential income
 - Education requirements/training
 - Financing post high school academics/training
- 1.2 Critique employer benefits packages
 - Savings plan
 - Retirement
 - Insurance
 - Leave (vacation, sick, etc.)
 - Stock purchase
 - Educational reimbursement
 - Incentive plans
 - Cafeteria plan
- 1.3 Demonstrate an understanding of inflation and the effect on purchasing power
 - Cost and availability of goods
 - Effect of cost on availability of and demand for goods
 - Inflation's affect on the value of money
- 1.4 Examine the components of paying taxes
 - Different types of taxes (Federal, State, County, City)
 - Personal and employer tax responsibilities
 - Various documents for reporting taxes (W-2, W-4, 1040, 1040-EZ, etc.)
- 1.5 Analyze the costs and benefits of paying taxes
 - Cost of government services (Police and fire protection, schools, roads, Social Security, AFDC, etc.)

Goal 2: Money Management

- 2.1 Apply a decision making process to personal financial choices
- 2.2 Design a personal financial plan
 - Budget income for spending and saving
 - Short-term components
 - Budget for food, entertainment, clothing, personal transportation, etc.
 - Long-term components
 - Estate planning, wills, disability insurance, education, long-term care
- 2.3 Create a realistic household budget

Items to consider: housing, utilities, transportation, food, clothing, education, applicable expenses of work, entertainment, insurance, long-term expenses, savings, investments, taxes, etc.

2.4 Understand banking procedures and services

- Opening a checking and a savings account
- Maintaining checking accounts
- Reconciling a bank statement
- Balancing checking and savings accounts
- Bank service fees
- Payment methods
- Debit and ATM cards
- Loans

2.5 Analyze personal risk management

- Insurance
- Health
- Life
- Homeowners
- Auto
- Renters
- Disability
- Salary indemnity

Goal 3: Spending & Credit

3.1 Demonstrate knowledge of basic principles of consumer finance

- Comparison shopping
 - Purchasing
 - Goods/ Services
 - Consumer loans/credit
- Opportunity cost
 - Consequences of purchasing choices

3.2 Demonstrate awareness of consumer protection and information

- Laws and regulations
 - Crimes against consumers
 - Fraud
 - Loan Sharking
 - Identify theft
 - Scams
 - Consumer Protections
 - Identify protection
 - Credit reporting services (Equifax, Trans Union, Experian, etc.)

Legal Documents

- Contracts
- Service
- Employment
- Personal
- Insurance policies
- Rental/ Lease

3.3 Analyze consumer debt management

- Credit card use and abuse
- Credit costs (interest [including APR], penalties, fees, etc.)
 - Loan consolidation (benefits and disadvantages)
 - Credit Counseling
 - Credit problems including bankruptcy, foreclosure, repossession, surrender of collateral (turn back), delinquency, garnishment, effect on employment and purchase of insurance, etc.

- 3.4. Examine various forms of credit payment
 - Installment
 - Bank draft
 - Lay Away
 - Electronic (Internet, debit card, wire transfer)

- 3.5 Compare/contrast various types of loans
 - Mortgage
 - Balloon
 - Installment
 - Education/Training
 - Check cashing businesses
 - Personal
 - Secured and unsecured
 - Line of credit
 - Equity
 - Credit union

Goal 4: Saving & Investing

- 4.1 Identify reasons for saving & investing
 - Education
 - Emergencies/ rainy day
 - Personal goals
 - Short term
 - Long term
 - Retirement
 - Down payment
- 4.2 Evaluate methods of saving
 - Certificates of Deposit
 - Interest bearing savings account (Passbook savings)
 - Individual Retirement Account (IRA)
 - Pension plans (401K, annuities, etc.)
 - Credit Unions
 - Piggy bank
- 4.3. Evaluate methods of investing
 - Stocks and bonds
 - Mutual funds
 - Real estate
 - Annuities
 - Business
- 4.4 Appraise other aspects of saving and investing
 - Diversification
 - Time value of money
 - Compound growth/ Accrued interest
 - Rule of 72 (divide interest rate into 72 to determine number of years in which money will double)
 - Risk and return
- 4.5 Identify regulatory agencies and their functions
 - Federal Deposit Insurance Corporation (FDIC)
 - Federal Savings and Loan Insurance Corporation (FSLIC)
 - Securities Exchange Commission (SEC)
 - Federal Reserve
 - Internal Revenue Service (IRS)

It is **suggested that two goals be covered in each 9 weeks period.

Possible Resources for 9-12 Personal Finance Curriculum

Use these resources to find the best economics education web sites. These web sites have been selected and approved by the [EconEdLink Review Board](#) using a [set of guidelines](#).

Consumer Economic Links

[JumpStart Coalition](#)

<http://www.jumpstartcoalition.org>

This site has a list of web links to many financial information websites.

This organization maintains (with the help of the National Institute for Consumer Education) a searchable database of personal finance educational materials. There's also a section that lists personal financial management guidelines and benchmarks.

[National Institute for Consumer Education](#)

<http://www.nice.emich.edu/>

Review the 'mini-lessons' on credit; financial management; children and money; cars and housing; and frauds and scams.

[SoundMoney](#)

<http://www.soundmoney.org>

Visitors can listen any time (via this site) to recent broadcasts of this popular radio show on personal finance. The resources section includes listings of web sites, books, etc. related to weekly broadcasts. There's also a forum for sharing tips on saving money.

Federal Reserve Links

[Dallas Federal Reserve Bank: Student Resources](#)

<http://www.dallasfed.org/htm/educate/students.html>

Find out about programs, online games and activities, and other useful links for students.

[Dallas Federal Reserve Bank: Teachers' Materials](#)

<http://www.dallasfed.org/htm/educate/teachers.html>

Teaching packets, lesson plans, videos are available free of charge to high school economics teachers.

www.ml.com/philanthropy/po

This site is funded by Merrill Lynch. It has some downloadable materials and some to order.

[Minneapolis Federal Reserve Bank](#)

<http://woodrow.mpls.frb.fed.us/econed/>

This site has a section on teaching economic concepts using the Internet. Information on the *Economics Challenge* and a student essay contest is also provided.

[New York Federal Reserve Bank](#)

<http://www.ny.frb.org/education/index.html>

Be sure to check out the 'Econ Explorers Club.' 5th and 6th grade students learn about inflation, money and the world of work through hands-on, community-based projects. A Federal Open Market Community simulation give students the opportunity to make decisions about monetary policy based on economic data.

[Richmond Federal Reserve Bank](http://www.rich.frb.org/econed/index.html)

<http://www.rich.frb.org/econed/index.html>

EquilibriaChat is an excellent place for teachers to ask questions and share ideas. This online discussion utility is frequented by economic educators from various Federal Reserve Banks. Publications with classroom activities for K-12 teachers are also available here.

[San Francisco Federal Reserve Bank](http://www.frbsf.org/education/index.html)

<http://www.frbsf.org/education/index.html>

Introduce the 'Muffin Market' to your students via a download-able computer simulation, videotape and collateral materials. This site also contains numerous video clips, a treasure hunt and even an online museum.

[St. Louis FRED II](http://www.stls.frb.org/fred/index.html)

<http://www.stls.frb.org/fred/index.html>

With the U.S. economy increasingly becoming a topic of interest, more and more individuals and organizations are finding that up-to-date financial and economic data are critical to their success. Through the FRED® database, the Federal Reserve Bank of St. Louis provides consumers, students, economists and financial institutions around the world with economic and financial information in an easy-to-use format.

General Economic Links

[Commanding Heights The Battle for the World Economy](http://www.pbs.org/wgbh/commandingheights/hi/)

<http://www.pbs.org/wgbh/commandingheights/hi/>

The purpose of this site is to promote better understanding of globalization, world trade and economic development, including the forces, values, events, and ideas that have shaped the present global economic system.

<http://www.nefe.org/amexeconfund/personalfinancebasics.html>

This site is managed by the National Endowment for Financial Education. It is a clearinghouse for personal finance materials.

[Dr. T's EconLinks.com](http://econlinks.com/)

<http://econlinks.com/>

Dr. T's EconLinks.com provide a portal to carefully screened economics, business and finance sources on the Web.

[EcEdWeb, Economic Education Web](http://ecedweb.unomaha.edu/teach.htm)

<http://ecedweb.unomaha.edu/teach.htm>

This award-winning site has numerous links to sites of interest to K-12 teachers. Find curricular materials, web teaching ideas, standards, discussion lists and more.

[Http://www.themint.org](http://www.themint.org)

An interactive website for middle/high school students. The activities are related to earning, saving, and investing.

<http://www.japersonalfinance.com/ncee.net>

[EconData](http://www.econdata.net)

<http://www.econdata.net>

This site lists more than 400 links to socioeconomic data sources and a top-ten list of sites. The data collections section includes tools, compendia and intermediaries to give visitors access to multiple data sources.

[Economagic](http://www.economagic.com/)

<http://www.economagic.com/>

This is a comprehensive site of free, easily available economic time series data useful for economic research -- economic forecasting, in particular. Students are given easy access to large amounts of data and can get charts of that data.

[Orley AmosWorld](http://www.amosweb.com/)

<http://www.amosweb.com/>

The 500-term glossary here is a favorite among economic educators. Be sure to review Mr. Economy's 'Question of the Week' for irreverent, yet informative, responses to questions about economics.

[Resources for Economists on the Internet](http://www.rfe.org)

<http://www.rfe.org>

This guide lists the many resources on the Internet of interest to academic and practicing economists, as well as those interested in economics. In all, more than 700 resources are listed here and almost all are described.

[The Digital Economist](http://www.digitaleconomist.com/)

<http://www.digitaleconomist.com/>

This site provides a comprehensive listing of economic definitions. There are also several applets that help visualize the understanding of economics.

[Whitehouse Briefing Room](http://www.whitehouse.gov/fsbr/esbr.html)

<http://www.whitehouse.gov/fsbr/esbr.html>

The purpose of this service is to provide easy access to current Federal economic indicators. It provides links to information produced by a number of Federal agencies. All of the information included in the Economic Statistics Briefing Room is maintained and updated by the statistical units of those agencies.

General Resource Links

[CIA World Factbook Online](http://www.odci.gov/cia/publications/factbook/index.html)

<http://www.odci.gov/cia/publications/factbook/index.html>

The CIA presents information organized by country: maps, geographic data, population demographics, government descriptions, economic data, communications systems, transportation systems, military, international disputes, etc.

Stock Market Links

[National SMS](http://www.nationalsms.com/)

<http://www.nationalsms.com/>

SMS stands for Stock Market Simulation. The word simulation means that the SMS is more than just a game. It is a tool that teachers can use to help instruct their students in the world of economics, finance, current events, math, social studies, and technology.

[The Stock Market Game™](http://www.smgww.org/)
<http://www.smgww.org/>

The Stock Market Game (SMGWW) is an electronic simulation of Wall Street trading, designed to help students and adults understand the stock market, the costs and benefits involved in decision-making, the sources and uses of capital and other related economic concepts.

[Wall Street Journal Classroom Edition](http://www.wsjclassroomedition.com/index.html)
<http://www.wsjclassroomedition.com/index.html>

The Wall Street Journal Classroom Edition gives teachers timely articles and fully developed lesson plans covering economic concepts such as decision making, cost/benefit analysis, supply and demand, and incentives.

Suggested Resource Speakers to Supplement Personal Finance Curriculum and Literacy

- Arkansas Securities Department/Investor Educator
- Bank
 - Human Relations Officer
 - Trust Officers
 - Loan Officers
- Credit Bureau
- Federal Reserve/ Little Rock
- Financial Planners
- Human Resource Managers from various industries
- Insurance Agents
 - Home
 - Life
 - Automobile
 - Disability
- Internal Revenue Service
- Lawyers
 - Legal Documents
 - Bankruptcy
- Social Security Administration
- Stock Brokers

Additional Resources

Junior Achievement at <http://www.ja.org/>

SIFE: Changing the World at www.sife.org