

Personal Finance Unit 1: A Paycheck and a Plan

Unit Focus

In Unit 1 of Personal Finance students will get the chance to explore potential careers and the education/training needed to perform those jobs. From those career choices, students will find an entry level salary, which they will use for the activities throughout the unit and the PBA. The essence of the unit has students calculating net pay as they learn about the income tax process and deductions from a paycheck. With their net pay, students learn the importance of a financial plan and sticking to a budget. The PBA will have students act as a financial planner in creating both a financial plan for a client with a specific profile, and a spending plan (budget) that aligns to the financial goals outlined in the financial plan.

Stage 1: Desired Results - Key Understandings

Established Goals	Transfer	
<p>Connecticut Goals and Standards <i>Business and Finance Technology (CTE)</i></p> <ul style="list-style-type: none"> Define and give examples of economic wants and needs. <i>BFT.PF.A.1</i> Analyze how career choice, education, and skills affect income and goal attainment. <i>BFT.PF.B.4</i> Calculate net pay. <i>BFT.PF.B.5</i> Construct and use a personal budget plan and evaluate it according to short- and long-term goals. <i>BFT.PF.C.7</i> Categorize and classify expenses as fixed or variable. <i>BFT.PF.C.8</i> Explain the role of savings and investing in creating a financial plan. <i>BFT.PF.D.12</i> Identify the costs of utilities, services, maintenance, and other expenses involved in independent living. <i>BFT.PF.E.15</i> <p>Student Growth and Development 21st Century Capacities Matrix <i>Collaboration/Communication</i></p> <ul style="list-style-type: none"> Product Creation: Students will be able to effectively use a medium to communicate important information (findings, ideas, feelings, issues, etc.) for a given purpose. <i>MM.3.2</i> <p><i>Self-Direction</i></p> <ul style="list-style-type: none"> Decision Making: Students will be able to propose ethical, responsible decisions based on data/evidence and context. <i>MM.4.3</i> 	<p>T1 Demonstrate fiscal responsibility through examination of needs and wants, development of short and long term plans, and/or conservation of limited resources.</p> <p>T2 Develop a product/solution that adheres to key parameters (e.g., cost, timeline, restrictions, available resources and audience).</p>	
	Meaning	
	Understandings	Essential Questions
	<p>U1 Budgets are an effective tool for financial planning and can help eliminate unnecessary spending.</p> <p>U2 The amount of taxes you pay is dictated by your total taxable income, which can be affected by many variables based on your life.</p> <p>U3 Career choices will involve education, training, cost of living, salary, and benefits-- all of which can increase or decrease your income.</p>	<p>Q1 How will having a financial plan and budget lead to effective spending habits to drive my financial future?</p> <p>Q2 What are the tax ramifications of various aspects of my life?</p> <p>Q3 How do I create and follow through with a budget?</p> <p>Q4 How can I protect myself financially from risks in life?</p>
Acquisition of Knowledge and Skill		
Knowledge	Skills	
<p>K1 Paying yourself first (401k)</p> <p>K2 Budget vocab: Fixed vs variable expenses, Gross pay vs net pay, discretionary income vs disposable income, opportunity cost</p> <p>K3 Tax vocabulary and forms (withholding, dependents, allowances, W4, W2, 1040, 1040ez)</p> <p>K4 Relationship of withholding allowances to total withholding</p> <p>K5 FICA (social security and medicare percentages)</p> <p>K6 Insurance vocabulary: premium and deductible.</p> <p>K7 A SMART goal is Specific, Measurable, Attainable, Realistic and Timely.</p>	<p>S1 Calculate net pay</p> <p>S2 Complete a W4 form properly</p> <p>S3 Use a W2 form to accurately fill out a 1040 form</p> <p>S4 Create a financial plan using SMART goals</p> <p>S5 Create a budget that aligns with the financial plan.</p> <p>S6 Choose insurance coverage based on level of risk and monthly budget</p>	