

Financial Literacy

Course Information

Grade(s):	10-12
Discipline/Course:	Business Education
Course Title:	Financial Literacy
Prerequisite(s):	None
Course Description: <i>Program of Studies</i>	This course provides students with the knowledge and skills to create a strong foundation for their immediate and long-term financial future. These skills include the ability to analyze the personal financial conditions that affect well-being. Students learn to discern current financial choices, respond competently to life events that affect everyday financial decisions, including events in the general economy, and plan for future financial independence. Topics include money management and budgeting, major expenditures, loans and credit, managing earning and taxes, banking, saving, investing, and protecting wealth through insurance.
Course Essential Questions:	<ul style="list-style-type: none"> • What financial plans and decisions will I have to make to live independently? • How do I manage money to ensure I have enough to pay all of my necessary expenses and still be able to make some discretionary purchases? • How do I plan and be able to afford large purchases like a home, car or vacation? • How do I use credit and manage debt positively and responsibly? • When and how do I start to plan for my retirement? • What do I need to do to protect the assets I've worked for and saved?
Course Enduring Understandings:	<ul style="list-style-type: none"> • Wealth is determined not by how much money I make, but the choices I make. • The decisions I make about money today will affect my financial future. • Practicing responsible financial planning and money management will help ensure financial stability today and financial independence in the future.
Duration and credit:	One semester (½ year) / .50 credits

Course Materials/Resources:	Next Gen Personal Finance (standards based curriculum) Financial and Government online sources
FPS Course Academic Expectation(s):	<u>Creating and Constructing</u> The student transfers or extends constructed knowledge to draft and develop ideas, claims, products, or solutions. <u>Exploring and Understanding</u> The student generates questions, gathers relevant, credible sources, and reviews text in order to acquire knowledge, infer meaning, and develop deep understanding.
Year at a Glance (Units):	Unit 1: Financial Decision Making (2 weeks) Unit 2: Earning and Taxes (3 weeks) Unit 3: Managing Finances and Setting Financial Goals (3 weeks) Unit 4: Major Expenditures (2 weeks) Unit 5: Managing Loan and Credit (3 weeks) Unit 6: Banking, Saving, and Investing (2 weeks) Unit 7: Protecting Against Risk (3 weeks)

Unit Number and Title:	Unit 1: Financial Decision Making
Duration:	2 weeks
Resource(s):	Next Gen Personal Finance (standards based curriculum) Financial and Government online sources
Unit Overview:	Students will be exposed to the concepts of needs versus wants, the five domains of well-being, and how personal values drive financial decision making. Students will also learn and practice a rational process for financial decision making and evaluate the trade offs and opportunity costs associated with their choices.
Learning Goals	
Standard(s):	<u>National Standards for Business Education: Personal Finance</u> I. Personal Decision Making Achievement Standard: Use a data-informed decision-making process as it applies to the roles of citizens, workers, and consumers. Level 1: 1. Define and give examples of economic wants 2. Explain how every individual defines wants and needs differently 3. Apply opportunity costs and trade-offs to personal decision making 4. Apply the steps in a rational decision-making process to a situation involving an economic decision by an individual 5. Recognize the consequences of economic choices
Essential Question(s):	<ul style="list-style-type: none"> • What are the benefits of a planned financial decision-making process? • How do values and emotions impact financial decisions?
Enduring Understanding(s):	<ul style="list-style-type: none"> • My financial success is dependent on understanding needs and wants and how to make decisions related to earning and spending. • My choices today affect my financial future.

Learning Goal(s):

Students will be able to use their learning to:

Students will be able to:

- Explain the importance of recognizing needs versus wants.
- Recognize individual responsibility of financial decision making and the social and economic consequences of excessive debt.
- Discuss personal values that affect financial choices (e.g., home ownership, work ethic, charity, civic virtue).
- Evaluate the role of emotions when making financial decisions.

Unit Number and Title:	Unit 2: Earning and Taxes
Duration:	3 weeks
Resource(s):	Next Gen Personal Finance (standards based curriculum) Financial and Government online sources
Unit Overview:	Students will learn the difference between gross and net income, how to read a pay stub and understand the various mandatory and voluntary deductions that are made. Students will also learn the types of benefits that can be offered to workers, including vacation/holiday/sick time off, workers' compensation and unemployment insurance, health insurance, employer sponsored saving/retirement, and other fringe benefits. Students will understand that financial planning and decision making, not income level, dictates wealth. Types of taxes will be studied – federal and state income taxes, payroll taxes (Social Security and Medicare), sales tax, property tax, excise tax – and how to plan for these expenses. Students will learn the concepts of progressive and regressive tax systems, marginal and effective tax rates, and how to file a 1040 tax form.
Learning Goals	
Standard(s):	<u>National Standards for Business Education: Personal Finance</u> II. Earning and Reporting Income Achievement Standard: Identify various forms of income and analyze factors that affect income as a part of the career decision-making process. Level 1: 1. Identify various ways people earn a living 2. Differentiate between earned and unearned income 3. Distinguish between income and wealth 4. Identify sources of unearned income Level 2: 8. Differentiate between gross and net income 9. Identify benefits as a component of total income 10. Explain the various types of taxes and their impact on purchasing power

Essential Question(s):	<ul style="list-style-type: none"> • Why don't I get to keep all of the income I make? • What is the purpose of the different types of taxes that we pay? • What employee benefits can be offered beyond a wage or salary?
Enduring Understanding(s):	<ul style="list-style-type: none"> • There are benefits beyond money that are considered part of my "paycheck." • Taxes are one of the largest expenses that must be considered during financial planning. • Taxes are necessary to fund various community and government expenses. • The amount of taxes I pay depends on my income.
Learning Goal(s): <i>Students will be able to use their learning to:</i>	<p>Students will be able to:</p> <ul style="list-style-type: none"> • Identify sources of income and common employee benefits. (e.g., insurance, leave, retirement). • Analyze how economic conditions and cost of living affect income. • Identify the purpose of taxation and the common federal and state withholding deductions. (Ex: Social Security, Medicare) • Calculate net income from an employee payroll record. • Complete income withholding form W9. • Analyze a W2 earning statement and complete an annual tax return.

Unit Number and Title:	Unit 3: Managing Finances and Setting Financial Goals
Duration:	3 weeks
Resource(s):	Next Gen Personal Finance (standards based curriculum) Financial and Government online sources
Unit Overview:	Students will learn the basics of money management and financial planning through a series of personal financial statements: Statement of Financial Position (net worth); Income and Expense Statement; and Spending Plan (budget). Students will practice making spending plans following a 50/30/20 rule, to ensure major expenses (housing, transportation, food) are fully met.
Learning Goals	
Standard(s):	<u>National Standards for Business Education: Personal Finance</u> III. Managing Finances and Budgeting Achievement Standard: Develop and evaluate a spending/savings plan. Level 1: 1. Identify examples of short-term and long-term goals 2. Identify various sources of income for personal spending Level 2: 3. Identify ways in which individual and families obtain financial resources 4. Define fixed and variable expenses 5. Categorize expenses as fixed or variable 6. Classify periodic expenses as fixed or variable 7. Determine discretionary income in a spending plan Level 3-4: 8. Evaluate a personal spending plan for consumer spending to determine individual financial goals 9. Construct and use a personal spending/savings plan and evaluate it according to short- and long-term goals 10. Discuss reasons why income and spending patterns change throughout the life cycle for the

	typical person and family
Essential Question(s):	<ul style="list-style-type: none"> • How do I make sure my income will meet all of my expenses? • How much can I afford for large purchases? • What is the significance of planning and saving for emergencies?
Enduring Understanding(s):	<ul style="list-style-type: none"> • Money management involves setting financial goals. • Financial security is dependent on creating a budget and planning for opportunities, unexpected events and emergencies. • Budgeting involves making sacrifices and trade offs to maintain financial well being and stability. • Large purchases are made through careful financial goals and planning. • Building net worth is a goal that will help ensure future financial independence.
Learning Goal(s): <i>Students will be able to use their learning to:</i>	Students will be able to: <ul style="list-style-type: none"> • Create a Statement of Financial Position to calculate and determine methods to grow net worth. • Construct an Income and Expense Statement to analyze cash flow. • Develop plans to afford large purchases. • Construct a Budget including a plan to accumulate an emergency and “rainy day” fund. • Set short and long term financial goals and develop plans to achieve them.

Unit Number and Title:	Unit 4: Major Expenditures
Duration:	2 weeks
Resource(s):	Next Gen Personal Finance (standards based curriculum) Financial and Government online sources
Unit Overview:	Students will be exposed to the many costs associated with independent living, how to plan for these costs, and how to apply a rational decision making process for major expenses. Students will learn how to comparison shop and assess choices related to housing, transportation, and food. Students will practice looking for apartments in various locations, shopping for a car and calculating the cost of car ownership, and how to efficiently plan and shop for food.
Learning Goals	
Standard(s):	<u>National Standards for Business Education: Personal Finance</u> V. Buying Goods and Services Achievement Standard: Apply a decision-making model to maximize consumer satisfaction when buying goods and services Level 1: 1. Apply a rational decision-making process to personal buying decisions 2. Distinguish between goods and services 3. Apply comparison shopping practices Level 2: 8. Use reliable consumer resources to collect information for making buying decisions about durable and nondurable goods Level 3-4: 10. Compare the costs and benefits of purchasing, leasing, and renting 11. Describe consumer assistance services provided by public and private organizations (e.g. government, Better Business Bureau, and manufacturers) 12. Examine the impact of advertising and marketing on consumer demand and decision making in the global marketplace

	14. Calculate the costs of utilities, services, maintenance, and other expenses involved in independent living
Essential Question(s):	<ul style="list-style-type: none"> • What are the biggest expenses I need to plan for in my budget? • What methods can be used to assess large purchase decisions? • What external forces influence my purchasing decisions?
Enduring Understanding(s):	<ul style="list-style-type: none"> • Large purchase decisions are an element of financial planning and independent living. • Resources and processes are applied when making major financial decisions and purchases.
Learning Goal(s): <i>Students will be able to use their learning to:</i>	Students will be able to: <ul style="list-style-type: none"> • Use objective comparison shopping and rational decision making processes when making major purchases. • Select a first apartment that satisfies needs and conforms to budget. • Analyze an apartment rental lease. • Select transportation based on need, cost and budget. • Understand marketing and media methods that can influence purchase decisions.

Unit Number and Title:	Unit 5: Managing Loans and Credit
Duration:	3 weeks
Resource(s):	Next Gen Personal Finance (standards based curriculum) Financial and Government online sources
Unit Overview:	Students will learn when loans and credit are appropriate and beneficial and how to assess the various types of credit available, including the cost of borrowing money. Students will learn how to use credit responsibly and understand the future benefits and consequences associated with decisions related to credit and loans. Credit history and score will be understood as a tool that creditors use to assess a borrower's ability to pay back loans and how it impacts borrower interest rates.
Learning Goals	
Standard(s):	<u>National Standards for Business Education: Personal Finance</u> VII. Using Credit Achievement Standard: Analyze factors that affect the choice of credit, the cost of credit, and the legal aspects of using credit. Level 1: 1. Explain when and why borrowing is used for the purchase of goods and services 2. Describe the risks and responsibilities associated with using credit 3. Identify the opportunity cost of credit decisions 4. Identify methods of establishing and maintaining a good credit rating Level 2: 5. Determine advantages and disadvantages of using credit 6. Describe the process to establish credit 7. Evaluate the various methods of financing a purchase 8. Define interest as a cost of credit and explain why it is charged 9. Analyze credit card features and their impact on personal financial planning 10. Explain how the amount of principal , the period of the loan, and the interest rate affect the amount of interest charged

	11. Explain why the interest rate varies with amount of assumed risk 13. Explain the need for a sound credit rating 16. Describe how to improve one's credit score
Essential Question(s):	<ul style="list-style-type: none"> • When is it appropriate to use loans and credit? • How can I receive the most favorable credit terms? • How do credit history and scores impact my ability to access loans and credit?
Enduring Understanding(s):	<ul style="list-style-type: none"> • Loans are necessary for certain types of expenditures. • Responsible use of credit can lead to many other financial benefits.
Learning Goal(s): <i>Students will be able to use their learning to:</i>	Students will be able to: <ul style="list-style-type: none"> • List the different types of loans and credit available. • Explain the responsibilities and risks associated with debt. • Discuss how credit reports are generated. • Explain the benefits and implications of a good versus poor credit rating.

Unit Number and Title:	Unit 6: Banking, Saving, and Investing
Duration:	3 weeks
Resource(s):	Next Gen Personal Finance (standards based curriculum) Financial and Government online sources
Unit Overview:	Students will learn the benefits of saving early, barriers to saving, and how to assess products and services available from financial institutions (banks) based on personal financial goals. Students will compare and contrast the goals of saving for financial security vs investing for financial independence, and understand the rewards and risks of each. The basic investing asset classes will be studied – cash, bonds, stocks, mutual funds – to allow students to learn the concept of diversification.
Learning Goals	
Standard(s):	<u>National Standards for Business Education: Personal Finance</u> VI. Banking and Financial Institutions Achievement Standard: Evaluate products and services provided by financial deposit institutions to transfer funds. Level 1: 1. Identify various types of financial institutions 2. List the basic products and services provided by financial institutions Level 2: 3. Identify the rights and responsibilities associated with using a checking account 4. Describe the steps involved in opening and using a checking account 5. Compare and contrast the different types of checking accounts offered by various financial institutions 7. Identify new and emerging methods of transferring money (e.g PayPal, Zello, Venmo, ApplyPay) and how they affect financial institutions Level 3-4: 10. Evaluate products and services and related costs and fees associated with financial institutions in terms of personal banking needs

	<p>11. Describe and demonstrate the steps involved in the bank reconciliation process</p> <p>13. Compare costs and benefits of online and traditional banking</p> <p><u>Jump Start Standards: Investing</u></p> <p>1b: Discuss how a person's risk tolerance influences their investment decisions</p> <p>2b: Compare nominal annual rates of return over time on different types of investments, including cash flows and price changes</p> <p>10a: Identify different potential sources of retirement income</p>
Essential Question(s):	<ul style="list-style-type: none"> • What services do financial institutions offer to help me manage my finances now and for the future? • How do I save now for future financial independence? • What is the difference between saving and investing?
Enduring Understanding(s):	<ul style="list-style-type: none"> • Saving leads to financial security today while investing is for future financial independence. • The earlier I start to save, the more time my money has to grow due to compounding. • Saving and investing decisions are based on my personal goals, expectation for growth, and tolerance for risk.
Learning Goal(s): <i>Students will be able to use their learning to:</i>	<p>Students will be able to:</p> <ul style="list-style-type: none"> • Assess financial institutions based on needs and benefits/services offered. • Utilize banking services to manage finances. • Evaluate saving and investing opportunities based on potential return, risk and liquidity. • Calculate expected interest and return on investments. • Explain the difference between fixed income and equity investments. • Explain the concept of portfolio diversification.

Unit Number and Title:	Unit 7: Protecting Against Risk
Duration:	2 weeks
Resource(s):	Next Gen Personal Finance (standards based curriculum) Financial and Government online sources
Unit Overview:	Students will be exposed to the various risks to their wealth and property and how to protect their assets for the future. Students will understand how to assess various insurance products for health, personal property, and liability. Methods to identify and minimize different types of risk and fraud will be discussed.
Learning Goals	
Standard(s):	<u>National Standards for Business Education: Personal Finance</u> VIII. Protecting Against Risk Achievement Standard: Analyze choices available to consumers for protection against risk and financial loss Level 1: 2. Define basic insurance terms (e.g., deductible, premium, peril, risk) 3. Explain how all types of insurance are based on the concept of risk sharing and statistical probability 4. Evaluate insurance as a risk management strategy 5. Identify the type of insurance associated with different types of risk (e.g. automobile, personal and professional liability, home and apartment, health, life, long-term care, disability) 8. Explain the role of insurance in financial planning as a wealth-building and wealth preservation tool 12. Examine ways to minimize danger and ramifications of identity theft
Essential Question(s):	<ul style="list-style-type: none"> • Why is insurance considered an essential part of financial planning? • For what types of financial risks can I protect myself? • How do I recognize when I may be a potential target for financial fraud?

Enduring Understanding(s):	<ul style="list-style-type: none"> • Insurance is designed to help protect the assets I've worked hard to acquire. • Proactive steps need to continually be taken to guard against financial fraud
Learning Goal(s): <i>Students will be able to use their learning to:</i>	Students will be able to: <ul style="list-style-type: none"> • Identify types of insurance to protect against different types of risk. • Understand, compare, and assess insurance coverage and costs of different policies. • Identify potential risks of financial fraud and ways to protect against them.