

## Personal Financial Management (#6300)

**Description** This course develops an understanding of finances, money management, diversity of investments, use of credit, and educates students to become better consumers and achieve personal lifestyle goals.

**Credits** .5

**Prerequisites** Junior/Senior

**Textbooks/Resources** Refer to attached listing of “Resources and learning activities that address course objectives.”

**Required Assessments** District-wide standards-based assessment has been developed for this course.

**Board Approved** February 2004

**Revised**

### AASD Personal Financial Management Goals for 11-12 Students

- *Learn money management skills.*
- *Understand sources of income.*
- *Become aware of consumer spending and credit.*
- *Apply principles of saving and investing.*

## **AASD Financial Literacy Standards for Students in Personal Financial Management (6300)**

- |                                 |   |
|---------------------------------|---|
| <b>I. Income</b>                | <ul style="list-style-type: none"><li>A. Identify sources of income.</li><li>B. Analyze how career choice, education, skills, and economic conditions affect income.</li><li>C. Explain how taxes, government transfer payments, and employee benefits relate to disposable income.</li></ul>   |
| <b>II. Money Management</b>     | <ul style="list-style-type: none"><li>A. Explain how limited personal financial resources affect the choices people make.</li><li>B. Identify the opportunity cost of financial decisions.</li><li>C. Discuss the importance of taking responsibility for personal financial decisions.</li><li>D. Apply a decision-making process to personal financial choices.</li><li>E. Explain how inflation affects spending and investing decisions.</li><li>F. Describe how insurance and other risk-management strategies protect against financial loss.</li><li>G. Design a plan for earning, spending, saving, and investing.</li><li>H. Explain how to use money-management tools available from financial institutions.</li><li>I. Understands choices in home and auto purchases.</li></ul> |
| <b>III. Spending and Credit</b> | <ul style="list-style-type: none"><li>A. Compare the benefits and costs of spending decisions.</li><li>B. Evaluate information about products and services.</li><li>C. Compare the advantages and disadvantages of different payment methods.</li><li>D. Analyze the benefits and costs of consumer credit.</li><li>E. Compare sources of consumer credit.</li><li>F. Explain factors that affect creditworthiness and the purpose of credit records.</li><li>G. Identify ways to avoid or correct credit problems.</li><li>H. Describe the rights and responsibilities of buyers and sellers under consumer protection laws.</li></ul>   |
| <b>IV. Saving and Investing</b> | <ul style="list-style-type: none"><li>A. Explain the relationship between saving and investing.</li><li>B. Describe reasons for saving and reasons for investing.</li><li>C. Compare the risk, return, and liquidity of investment alternatives.</li><li>D. Describe how to buy and sell investments.</li><li>E. Explain how different factors affect the rate of return of investments.</li><li>F. Evaluate sources of investment information.</li><li>G. Explain how agencies that regulate financial markets protect investors.</li></ul>  |

| Essential Learning Objectives   | Performance Indicators   | Classroom Assessments  |
|---|--|--|
| <p>1. <b>Career Decisions-Explore various aspects of career planning and how to make wise career decisions.</b></p> | <p><b>Performance will be satisfactory when the student:</b></p> <ul style="list-style-type: none"> <li>a. explains the process of job choice and understands the changes in the job market.</li> <li>b. lists factors affecting career choice, sources of job information, and job search techniques.</li> </ul>  | <ul style="list-style-type: none"> <li>• Unit test</li> <li>• Choosing a career path that will fit the student’s lifestyle needs</li> </ul>  |
| <p><b>Objectives are linked to the following AASD Financial Literacy standards:</b><br/>I. Income</p>               |  |  |
| <p>2. <b>Money Management-Understand the importance of managing money effectively.</b></p>                          | <p><b>Performance will be satisfactory when the student:</b></p> <ul style="list-style-type: none"> <li>a. computes payroll deductions and net pay, identifies optional and required employee benefits, lists trends in the workplace, and describes the role of labor unions.</li> <li>b. explains the purposes and types of taxes in the US, defines basic tax terminology, and prepares individual federal income tax returns.</li> <li>c. prepares personal and case study budgets to include choices in housing, transportation, and daily expenses (i.e.; food, utilities, etc.).</li> <li>d. understands different types of checking accounts and banking services available to customers, learns to prepare checks and deposit slips, records transactions in checkbook registers, and reconciles bank statements, along with understanding various check endorsements.</li> </ul> | <ul style="list-style-type: none"> <li>• Personal budget</li> <li>• Understand the day-to-day financial activities necessary to handle current personal economic resources while working toward long-term financial security</li> <li>• Unit test</li> </ul> |
| <p><b>Objectives are linked to the following AASD Financial Literacy standards:</b><br/>II. Money Management</p>    |  |  |

| Essential Learning Objectives   | Performance Indicators  | Classroom Assessments  |
|---|---|--|
| <p>3. <b>Financial Security-Explore options for saving and investing money.</b></p>   | <p><b>Performance will be satisfactory when the student:</b></p> <ul style="list-style-type: none"> <li>a. understands the goals of savings, how money compounds, financial institutions, and saving options.</li> <li>b. performs basic operations in a computer spreadsheet.</li> <li>c. discusses the need for risks of investing, and describes wise investment strategies.</li> <li>d. describes the features of common stocks and preferred stock, computes a stock’s return, buys and sells stocks and explains stock investment practices.</li> <li>e. identifies bond investments, including corporate and government bonds, and explains how to buy and sell bonds.</li> <li>f. describes the types of mutual funds and how they work, and discusses the advantages and disadvantages of investing in real estate, precious metals, gems, and collectibles; and futures and options.</li> <li>g. evaluates sources of investment information.</li> <li>h. understands how to use on-line investing tools.</li> <li>i. explains the objectives in retirement planning.</li> <li>j. explains how agencies that regulate financial markets protect investors.</li> </ul> | <ul style="list-style-type: none"> <li>• Students will be able to decide which type of savings and investments are appropriate for the different phases in their lives</li> <li>• Unit test</li> </ul> |
| <p><b>Objectives are linked to the following AASD Financial Literacy standards:</b><br/>                     IV. Saving and Investing</p> |   |  |

| <b>Essential Learning Objectives</b>  | <b>Performance Indicators</b>  | <b>Classroom Assessments</b>  |
|---|--|---|
| <p>4. <b>Credit Management-Understand what credit is and why it is important to you as a consumer in the American economy.</b></p>        | <p><b>Performance will be satisfactory when the student:</b></p> <ul style="list-style-type: none"> <li>a. describes the history of credit and basic credit vocabulary, lists the advantages and disadvantages of credit, kinds of credit, and sources of credit.</li> <li>b. explains credit records, credit worthiness, credit ratings, and credit laws.</li> <li>c. illustrates how a bank calculates the “average daily balance” using a credit card spreadsheet.</li> <li>d. discusses the responsibilities of using consumer credit, computes the costs of credit, discusses methods of reducing credit costs.</li> <li>e. explains how to solve credit problems, lists major causes of bankruptcy, identifies the advantages and disadvantages of bankruptcy, discusses bankruptcy laws and their purpose.</li> </ul> | <ul style="list-style-type: none"> <li>• Unit test</li> <li>• Develop a personal credit philosophy to follow</li> </ul> |
| <p><b>Objectives are linked to the following AASD Financial Literacy standards:</b><br/>                     III. Spending and Credit</p> |  |   |

| Essential Learning Objectives  | Performance Indicators  | Classroom Assessments  |
|--|---|--|
| <p>5. <b>Resource Management-Students will learn how to make good daily life decisions based on their needs and wants.</b></p>             | <p><b>Performance will be satisfactory when the student:</b></p> <ul style="list-style-type: none"> <li>a. explains the process of personal decision making, which is based on wants, needs, values, and factors such as marketing strategies that affect spending habits.</li> <li>b. describes housing alternatives and living arrangements as well as landlord/tenant responsibilities, advantages and disadvantages of home ownership and moving costs.</li> <li>c. builds a mortgage loan spreadsheet to show various options.</li> <li>d. explains the steps in buying a car, the costs of operating a car, ways of extending the life of a car, and laws designed to protect car buyers.</li> <li>e. builds an auto loan spreadsheet to show various options.</li> </ul> | <ul style="list-style-type: none"> <li>• Unit test</li> <li>• Complete various scenarios depicting major decisions facing families including housing, real estate, the automobile, and various life-stage choices</li> </ul> |
| <p><b>Objectives are linked to the following AASD Financial Literacy standards:</b><br/>II. Money Management</p>                           |   |  |
| <p>6. <b>Risk Management-Students will understand what risk is, how individuals manage it, and how insurance can be of assistance.</b></p> | <p><b>Performance will be satisfactory when the student:</b></p> <ul style="list-style-type: none"> <li>a. explains risk management and evaluates the methods of managing risk.</li> <li>b. discusses the need for property and liability insurance and the types of coverage available.</li> <li>c. describes the need for health, disability, and life insurance, and the types of coverage available.</li> <li>d. describes the rights and responsibilities of buyers and sellers under consumer protection laws.</li> </ul>   | <ul style="list-style-type: none"> <li>• Unit test</li> <li>• Develop a matrix illustrating different types of insurance needed at each stage in life.</li> </ul>  |
| <p><b>Objectives are linked to the following AASD Financial Literacy standards:</b><br/>II. Money Management</p>                           |   |  |

**Resources and learning activities that address course objectives:**

1. Tilley, James A. Money Math Learning Series, Personal Finance & Investments. The Actuarial Foundation, 2000.
2. Ryan Joan. Managing Your Personal Finances. South-Western Educational Publishing, 1997.
3. Financial Literacy 2001, Basics of Saving and Investing, 1998. [www.fl201](http://www.fl201).

## Web Addresses:

[www.teenvestor.com](http://www.teenvestor.com)[www.teenanalyst.com](http://www.teenanalyst.com)[www.fool.com/teens](http://www.fool.com/teens)[www.investopedia.com](http://www.investopedia.com)[www.better-investing.org](http://www.better-investing.org)[www.youngmoney.com](http://www.youngmoney.com)[www.youngbiz.com](http://www.youngbiz.com)[www.kiplinger.com](http://www.kiplinger.com)[www.homefair.com](http://www.homefair.com)[www.cibc.com/ca/youth](http://www.cibc.com/ca/youth)[www.wellsfargo.com](http://www.wellsfargo.com) - investing on your future[www.consumerjungle.org](http://www.consumerjungle.org)[www.themint.org](http://www.themint.org)[www.aba.com/consumer\\_connection](http://www.aba.com/consumer_connection)[www.americasaves.org](http://www.americasaves.org)