

Personal Finance And Management

Grade Level:	9-10-11-12
Length:	1 Semester
Period(s) Per Day:	1
Credit:	1/2
Credit Requirement Fulfilled:	Vocational/Elective

Content: As consumer and college debt rises and with the use of online banking, high school students are expected to understand finance and banking skills while in high school and immediately after high school graduation. This class covers taxes (including the filing of tax forms), budgeting, use of credit, banking services, investing and savings, and how to maintain personal records of income and expenses. This relates to the financial needs of a consumer. Students will be expected to maintain a weekly expense record that will be converted into a semester-long expense record.

Theme Samples

1. Chapter Coursework Folders
2. Checking Account Practice Set-Sponsored by Independence Bank
3. College and Career Readiness Portfolio

Course Objectives and Expectations

1. To explain the meaning of financial competence and understand the personal side of consumer choice.
2. To discuss factors influencing financial decisions and apply principles to achieve important goals.
3. To identify and explain factors that impacts one's financial future and the impact of globalization on personal finances.
4. To discuss the importance of recordkeeping to help manage finances and how money management software can assist in financial planning.
5. To describe the steps in money management through a budget, cash flow statement and a net worth statement.

6. To understand the financial tasks attached to adult life to include the family life cycles and ways to avoid financial problems within these life cycles.
7. To identify the different types of earned income such as payroll deductions and net pay.
8. To describe and understand the importance of employee benefits.
9. To complete and file a 1040EZ tax return; discuss the options of electronic filing of income taxes.
10. To describe the Internal Revenue audit processes.
11. To relate taxation to government spending and be able to describe the Social Security program.
12. To identify the different types of financial institutions and their varied services.
13. To describe and differentiate between the varied personal checking accounts; open and use a checking account.
14. To define personal savings goals and apply various types of savings instruments that are available.
15. To be able to explain how savings instruments earn interest; then list and compare alternative places to save money.
16. To understand the advantages and disadvantages of using credit and differentiate between the types of consumer credit.
17. To realize the different between secured and unsecured loans and the establishment of a sound credit rating.
18. To identify and describe the types of credit cards and the important factors to consider when shopping for a credit card. Be able to describe subprime credit cards.
19. To be able to outline the steps involved in managing credit and resolving credit problems.
20. To be able summarize the laws that govern the use of credit and identify the types of financial fraud; to describe ways to protect one's self against these frauds.
21. To explain the role of investments in overall financial planning and identify the various types of investment choices.
22. To identify and explain common types of risks and to realize strategies for dealing with risk.
23. To explain how insurances protect individuals from financial losses.
24. To outline the different types of private health insurance coverage and ways to choose an health-insurance plan.

25. To describe types of government-sponsored health insurance programs.
26. To explain the purpose of disability insurance.
27. To describe the type of life insurance and endowment policies and how to select appropriate life insurance coverage.
28. To outline the key factors to consider when buying home and automobile insurance.

Pacing

National Business Standards

Unit 1: Personal Finance: An Overview	NSB VII.1: I.1-2.3-4/MS.C.1.I-III
Unit 2: Making Smart Decisions	NSB I.1-2.3-4: II.1.2.3-4: V.1.2/MS.C.1.I-III
Unit 3: Income and Taxes	NSB II.1.2.3-4: IV.4: V.3-4/MS.C.1.I-III
Unit 4: Financial Institutions and Services	NSB VI.1.2/ MS.C.1.I-III
Unit 5: Savings	NSB IV.1.2.3.4/ MS.C.1.I-III
Unit 6: Credit	NSB VII.1.2.3-4/ MS.C.1.I-III
Unit 7: Investing and Estate Planning	NSB VIII.1.2.3/ MS.C.1.I-III
Unit 8: Insurance	NSB VIII.1.2.3/ MS.C.1.I-III

Content: Semester

- Unit 1: Personal Finance: An Overview
 - A. Section 1.1: Personal Finance Basics
 - B. Section 1.2: Managing Your Personal Finances
 - C. Section 1.3: Financial Influencers
- Unit 2: Making Smart Decisions
 - A. Section 2.1: Your Personal Financial Landscape
 - B. Section 2.2: Documentation
 - C. Section 2.3: Young Adult and Family Finances
- Unit 3: Income and Taxes
 - A. Section 3.1: Income
 - B. Section 3.2: Tax Returns
 - C. Section 3.3: Taxes and Government Spending
- Unit 4: Financial Institutions and Services
 - A. Section 4.1: Banking Systems
 - B. Section 4.2: Checking Accounts
- Unit 5: Savings
 - A. Section 5.1: Savings Plans
 - B. Section 5.2: Maximizing Savings
- Unit 6: Credit
 - A. Section 6.1: Using Consumer Credit
 - B. Section 6.2: Using Credit Cards
 - C. Section 6.3: Credit Management

- D. Section 6.4: Consumer Protection
- Unit 7: Investing and Estate Planning
 - A. Section 7.1: Investments
 - B. Section 7.1: Investment Strategies and Estate Planning
- Unit 8: Insurance
 - A. Section 8.1: Risk Management
 - B. Section 8.2: Health and Disability Insurance
 - C. Section 8.3: Life Insurance
 - D. Section 8.4: Home and Auto Insurance

Timeline

Unit 1: Personal Finance: An Overview	one week to cover
Unit 2: Making Smart Decisions	one week to cover
Unit 3: Income and Taxes	three weeks to cover
Unit 4: Financial Institutions and Services	two weeks to cover
Unit 5: Savings	two weeks to cover
Unit 6: Credit	three weeks to cover
Unit 7: Investing and Estate Planning	two weeks to cover
Unit 8: Insurance	two and one-half weeks to cover

National Business Standards

Unit 1: Personal Finance: An Overview

Personal Decision Making: Use a rational decision-making process as it applies to the roles of citizens, workers, and consumers.

1. Provide examples of how individual pay for public goods and services through taxes and fees.
2. Define money and where it comes from.
3. Discuss why and how money is used in the economy.
4. Discuss the history of banking in the United States, how monetary and fiscal policies have evolved, and how monetary and fiscal policies have been in harmony with each other.
5. Define and give examples of economic wants.
6. Explain how every individual defines *wants* and *needs* differently.
7. Apply the steps in a rational decision-making process to a situation involving an economic decision by an individual.
8. Recognize and assume responsibility for the consequences of economic choices.
9. Differentiate between types of decisions and identify those for which a formal decision-making process should be used.
10. Apply the decision-making process to various types of decisions at different stages of the life cycle.
11. Apply the concept of marginalism to choice making.

12. Examine the impact of advertising, peer pressure, and family history on personal financial decisions.

Montana Standards for Career and Vocational Technical Education

Unit 1: Personal Finance: An Overview

Students experience various career opportunities and assess personal pathways.

1. Describe and demonstrate the importance of goal setting and career planning.
2. Explore and identify personal interests, aptitudes, and abilities and develop strategies to achieve tentative career goals.
3. Develop, evaluate, and modify personal career plans.

National Business Standards

Unit 2: Making Smart Decisions

Personal Decision Making: Use a rational decision-making process as it applies to the roles of citizens, workers, and consumers.

1. Define and give examples of economic wants.
2. Explain how every individual defines *wants* and *needs* differently.
3. Apply the steps in a rational decision-making process to a situation involving an economic decision by an individual.
4. Apply opportunity costs and trade-offs to personal decision making.
5. Recognize and assume responsibility for the consequences of economic choices.
6. Differentiate between types of decisions and identify those for which a formal decision-making process should be used.
7. Apply the decision-making process to various types of decisions at different stages of the life cycle.
8. Analyze the effects of leading economic indicators on a personal financial plan.
9. Examine the impact of advertising, peer pressure, and family history on personal financial decisions.
10. Identify various ways people earn a living.
11. Explain how types and availability of jobs are determined by consumer demand in the market-oriented economy of the United States.
12. Discuss how personal choices concerning capital (experiences, technology, education, training, and other factors) influence income.
13. Apply a rational decision-making process to personal buying decisions.
14. Distinguish between goods and services.
15. Discuss various ways competition among sellers helps the consumer and how it affects the consumer.
16. Apply a rational decision-making process to personal buying decisions.

Montana Standards for Career and Vocational Technical Education

Unit 2: Making Smart Decisions:

Students experience various career opportunities and assess personal pathways.

1. Describe and demonstrate the importance of goal setting and career planning.
2. Explore and identify personal interests, aptitudes, and abilities and develop strategies to achieve tentative career goals.
3. Develop, evaluate, and modify personal career plans.

National Business Standards

Unit 3: Income and Taxes

Earning and Reporting Income: Identify various forms of income and analyze factors that affect income as a part of the career decision-making process.

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 (e.g., transfer payments and gifts).
5. Differentiate between characteristics and requirements of occupations of interest, including entrepreneurial opportunities.
6. Differentiate between gross and net income.
7. Identify benefits as a component of total income.
8. Explain taxes and how they affect purchasing power.
9. Identify types of income other than wages that people earn from their resources.
10. Discuss how income affects supply and demand, geographic location, level of education, type of industry, union membership, productivity, skill level and work ethic.
11. Compare and contrast compensation packages that include varying levels of wages and benefits.
12. Describe the different types of taxes (progressive, regressive, and proportional).
13. Explore potential tax deductions and credits on a tax return.
14. Calculate personal tax liabilities for various types of taxes (e.g., property, income, sales, FICA, and Medicare).
15. Explain the impact of taxes on personal financial planning.
16. Investigate employee benefits and incentives.
17. Examine the fundamental workings of the Social Security System and the system's effects on retirement planning.
18. Explain the similarities and differences between state and federal taxation of a monetary inheritance.
19. Calculate the costs of utilities, services, maintenance, and other expenses involved in independent living.

Montana Standards for Career and Vocational Technical Education

Unit 3: Income and Taxes:

Students experience various career opportunities and assess personal pathways.

1. Describe and demonstrate the importance of goal setting and career planning.
2. Explore and identify personal interests, aptitudes, and abilities and develop strategies to achieve tentative career goals.

3. Develop, evaluate, and modify personal career plans.

National Business Standards

Unit 4: Financial Institutions and Services

Banking and Financial Institutions: Evaluate services provided by financial deposit institutions to transfer funds.

1. Identify various types of financial institutions.
2. List the basic products and services provided by financial institutions (e.g., savings, checking, credit cards, loans, safe-deposit boxes).
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.
6. Differentiate among the types of electronic monetary transactions (e.g., debit cards, ATM, and automatic deposit/payments) offered by various financial institutions.
7. Examine the use of banks and other financial institutions from a global consumer perspective.
8. Identify other means of transferring funds (e.g., money orders and certified checks).
9. Evaluate products and services and related costs and fees associated with financial institutions in terms of personal banking needs.
10. Describe and demonstrate the steps involved in the bank reconciliation process.
11. Compare and contrast the various forms of endorsement.
12. Analyze privacy and security issues associated with financial transactions.
13. Explain how certain historical events have influenced the banking system and other financial institutions.

Montana Standards for Career and Vocational Technical Education

Unit 4: Financial Institutions and Services

Students experience various career opportunities and assess personal pathways.

1. Describe and demonstrate the importance of goal setting and career planning.
2. Explore and identify personal interests, aptitudes, and abilities and develop strategies to achieve tentative career goals.
3. Develop, evaluate, and modify personal career plans.

National Business Standards

Unit 5: Savings:

Savings and Investing: Evaluate savings and investment options to meet short-term and long-term goals.

1. Describe why and how people save.
2. Identify the opportunity costs of saving.
3. Differentiate between saving and investing.
4. Distinguish between simple and compound interest.

5. Describe the advantages and disadvantages of various savings and investing plans.
6. Describe how financial institutions use deposited funds.
7. Identify the risk/return trade-offs for saving and investing.
8. Analyze the power of compounding and the importance of starting early in implementing a plan of saving and investing.
9. Apply criteria for choosing a savings or investment instrument (e.g., market risk, inflation risk, interest rate risk, liquidity, and minimum amount needed for investment).
10. Distinguish between the rights and responsibilities of owners of debt and equity investments.
11. Explain why individuals should change their savings and investing plans throughout their life cycles.
12. Differentiate between interest, dividends, capital gains, and rent from property.
13. Describe how saving and investing influence economic growth.
14. Identify costs for investments.
15. Examine the role of saving and investing in creating a financial plan.
16. Develop financial goals for the future based on one's lifestyle expectations and career choices.
17. Calculate and apply the Rule of 72.
18. Contrast the impact of simple interest vs. compound interest in savings.

Montana Standards for Career and Vocational Technical Education

Unit 5: Savings:

Students experience various career opportunities and assess personal pathways.

1. Describe and demonstrate the importance of goal setting and career planning.
2. Explore and identify personal interests, aptitudes, and abilities and develop strategies to achieve tentative career goals.
3. Develop, evaluate, and modify personal career plans.

National Business Standards

Unit 6: Credit:

Using Credit: Analyze factors that affect the choice of credit, the cost of credit, and the legal aspects of using credit.

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.
5. Determine advantages and disadvantages of using credit.
6. Evaluate the various methods of financing a purchase.
7. Define interest as a cost of credit and explain why it is charged.
8. Analyze credit card features and their impact on personal financial planning.
9. Explain how the amount of principle, the period of the loan, and the interest rate affect the amount of interest charged.

10. Explain why the interest rate varies with the amount of assumed risk.
11. Explain the need for a sound credit rating.
12. Calculate a payment schedule for a loan.
13. Select an appropriate form of credit for a particular buying decision.
14. Compare and contrast the various aspects of credit (e.g., APR, grace period, incentive buying, methods of calculating interest, and fees).
14. Explain credit ratings and credit reports and describe why they are important to consumers.
15. Describe the relationship between credit rating and the cost of credit.
16. Analyze the sources of assistance for debt management.
17. Research rights and responsibilities of consumers according to credit legislations (e.g., truth-in-lending, fair credit reporting, equal credit opportunity, and fair debt collection).
18. Describe legal and illegal types of credit that carry high interest rates (e.g., pay-day loans, rent-to-buy agreements, and loan sharking).
19. Identify the components listed on a credit report and explain how that information is used and how it is received and reported from the credit reporting agencies.
20. Identify specific steps that consumer can take to minimize their exposure to identify theft.
21. Identify specific steps that should be taken by a victim of identity theft.
22. Explain the implications of foreclosure and bankruptcy.
23. Describe consumer rights, responsibilities and remedies, giving examples of each.

Montana Standards for Career and Vocational Technical Education

Unit 6: Credit:

Students experience various career opportunities and assess personal pathways.

1. Describe and demonstrate the importance of goal setting and career planning.
2. Explore and identify personal interests, aptitudes, and abilities and develop strategies to achieve tentative career goals.
3. Develop, evaluate, and modify personal career plans.

National Business Standards

Unit 7: Investing and Estate Planning:

Saving and Investing: Evaluate savings and investment options to meet short-term and long-term goals.

1. Examine the financial implications of an inheritance.
2. Compare investment options for a monetary inheritance.
3. Explain the similarities and differences between state and federal taxation of a monetary inheritance.
4. Examine the fundamental workings of the Social Security System and the system's effects on retirement planning.
5. Explain how the stock market functions.
6. Describe the advantages of various investing plans.

7. Identify the risk/return trade-offs for investing.
8. Apply criteria for choosing a savings or investment instrument (e.g., market risk, inflation risk, interest rate risk, liquidity, and minimum amount needed for investment).
9. Distinguish between the rights and responsibilities of owners of debt and equity investments.
10. Explain why individuals should change their investing plans throughout their life cycle.
11. Differentiate between interest, dividends, capital gains, and rent from property.
12. Describe how investing influence economic growth (capital formation).
13. Identify the costs for investments.
14. Identify income sources for investments.
15. Examine the role of saving and investing in creating a financial plan.
16. Develop financial goals for the future based on one's lifestyle expectations and career choices.
17. Compare investment options for a monetary inheritance.

Montana Standards for Career and Vocational Technical Education

Unit 7: Investing and Estate Planning:

Students experience various career opportunities and assess personal pathways.

1. Describe and demonstrate the importance of goal setting and career planning.
2. Explore and identify personal interests, aptitudes, and abilities and develop strategies to achieve tentative career goals.
3. Develop, evaluate, and modify personal career plans.

National Business Standards

Unit 8: Insurance:

Protecting Against Risk: Analyze choices available to consumers for protection against risk and financial loss.

1. Identify risks in life and how to gain protection against the consequences of risk.
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).
6. Explain why insurance needs change throughout the life cycle.
7. Identify various suppliers of insurance (e.g., public and private).
8. Explain the role of insurance in financial planning as a wealth-building and wealth-preservation tool.
9. Develop recommended insurance coverage for individuals/families for various risks and different income levels.

Montana Standards for Career and Vocational Technical Education

Unit 8: Insurance:

Students experience various career opportunities and assess personal pathways.

1. Describe and demonstrate the importance of goal setting and career planning.
2. Explore and identify personal interests, aptitudes, and abilities and develop strategies to achieve tentative career goals.
3. Develop, evaluate, and modify personal career plans.

Resources

Montana Standards for Career and Technical Education. Available at:

<http://opi.mt.gov/pdf/Standards/ContStds-CareerTech.pdf>

National Standards for Business Education: What America's Students Should Know And Be Able To Do in Business. National Business Education Association. 2013. Reston, VA. Available at: www.nbea.org.