

Personal Finance

Unit of Study: Goals and Financial Planning

First Unit of Study

Abstract

Financial planning involves setting goals, developing a plan to achieve them, and putting the plan into action. It is important that one knows the difference between your needs and wants, and that you know how to get the most out of the money you have. People who are good at financial planning live more comfortably and without guilt or stress. People who never learn to plan often worry about having enough money for things they want or need. This unit will help you begin taking steps toward managing your money wisely so you can lead the kind of life you want.

Essential Questions:

- What are the various ways people earn a living?
- How can I differentiate between earned and unearned income?
- How is net pay calculated?
- How can mathematical operations be used to accurately determine gross pay, deductions and take home pay?
- How does my career choice, education and skills affect income and goal attainment?
- What are the characteristics and requirements of the occupations of one's interest?
- How are employer sponsored savings plans different from pension plans?

Lesson Outcomes:

The students will be able to:

1. select the income for varying pay periods in order to plan and evaluate budget needs, given hours/overtime hours, and hourly rates. Standards: CT PFFP 2.0, CC.9-12.A.SSE.1, CT CCSS ELA 11-12.RH.1
2. survey the income for varying pay periods in order to plan and evaluate budget needs, given an annual salary. Standards: CT PFFP 2.0, CC.9-12.A.CED.1, CT CCSS ELA 11-12.RH.4
3. interpret the tax tables to find the amount withheld for federal income tax in order to plan for paycheck deductions. Standards: CT PFFP 1.0, CC.9-12.A.CED.1, CT CCSS ELA 11-12.RH.5
4. compute the state taxes on a straight percentage basis in order to plan for paycheck deductions. Standards: CT PFFP 2.0, CC.9-12.A.CED.2, CT CCSS ELA 11-12.RH.2
5. produce the amount of income withheld for Social Security and Medicare taxes given tax rates to plan for paycheck deductions. Standards: CT PFFP 1.0, CC.9-12.A.SSE.1, CT CCSS ELA 11-12.RH.2

6. solve for an employee's deduction amount for group insurance given the total insurance amount and the employer's insurance pay rate, in order to plan for paycheck deductions. Standards: CT PFFP 2.0, CC.9-12.A.CED.1, CT CCSS ELA 11-12.RH.4
7. develop the net pay after 401k deductions and analyze how these deductions affect both federal and state tax amounts. Standards: CT PFFP 2.0, CC.9-12.A.SSE.1, CT CCSS ELA 11-12.RST.7
8. distinguish the effect on take-home pay of changing the allowances claimed on an "Employees' Withholding Allowance Certificate" (IRS Form W-4). Standards: CT PFFP 2.0, CC.9-12.A.CED.1, CT CCSS ELA 11-12.WHST.4
9. analyze and prepare federal and state income tax returns. Standards: CT PFFP 2.0, CC.9-12.A.REI.1-2, CT CCSS ELA 11-12.RH.7
10. consider how personal choices concerning human capital (experiences, technology, education/training, and other factors) influence income. Standard: CT PFFP 2.0, CC.9-12.A.CED.1, CT CCSS ELA 11-12.RH.2
11. compare and contrast compensation packages that include varying levels of wages and benefits. Standards: CT PFFP 2.0, CC.9-12.A.CED.2-3, CT CCSS ELA 11-12.WHST.6
12. critique several flexible job arrangements. Standards: CT PFFP 1.0, CC.9-12.A.CED.2-3, CT CCSS ELA 11-12.WHST.9
13. evaluate the role of unions and professional organization in the workplace. Standards: CT PFFP 1.0, CC.9-12.A.SSE.1, CT CCSS ELA 11-12.SL.4

Required Activities (Common Experiences):

1. Students use note-taking guide with PowerPoint slides for discussion.
2. Students utilize W-2 information to complete a 1040EZ, 1040A and 1040 tax return.
3. Students utilize W-2 information to complete State of CT tax return.
4. Create an organized comparison of two similar job offering having comparable salaries and benefits. Calculate the total income and net pay after benefits for each and defend your job choice in writing.
5. Spreadsheet application: Gross Income; Glencoe activity workbook, p. 6

Suggested Activities:

1. Students fill out a W-4 form
2. Complete paycheck worksheets
3. Complete paycheck stub worksheets
4. Use and algebraic equation to model total income scenarios of piecework and commission payment.
5. Simulation: Applying for a Job: Glencoe activity workbook, p. 12
6. As a group develop a list of standard interview questions. Interview individuals who work hourly, piecework, salary, commission jobs. Students present their findings to the class and create a list of pros and cons for each type of income payment method.

### Assessment Tasks:

1. Required activities above
2. Key Terms (vocab) worksheet
3. Paycheck math worksheet
4. Completing the Federal Income Tax workbook (attached)
5. Unit Test

### Instructional Resources:

Primary Text: Foundations of Personal Finance, Goodheart-Wilcox 2010 chpt 6

Mathematics with Business Applications, Glencoe 2010 chpts 1, 2 and 11 (insurance discussion)

Primary Workbook, Glencoe, Mathematics with Business Applications

### Materials and Resources:

- o Blank W-4 form
- o Movie "The Pursuit of Happiness" Chapter 20, 4 mins.
- o Understanding Your Paycheck note-taking guide
- o Power point presentation
- o Understanding your paycheck information sheet
- o Where did all your earnings go activity/handouts
- o Paychecks Math worksheet
- o Web site <http://fefe.arizona.edu/materials/understanding-your-paycheck-lesson-plan>  
(PowerPoint slides and handouts for this lesson)
- o Web site <http://fefe.arizona.edu/lessonplans/integrating-music> (links to songs related to finance and money)
- o Web site [www.irs.gov](http://www.irs.gov). (government tax forms may be downloaded including FORM W-4)
- o Web site [www.ssa.gov/online/ss-5.html](http://www.ssa.gov/online/ss-5.html) (application for social security card Form SS-5)
- o Web site w/simulation on how to complete W-4 Forms  
[www.irs.gov/app/understandingtaxes/hows/mod01/sim\\_mod01\\_01.jsp](http://www.irs.gov/app/understandingtaxes/hows/mod01/sim_mod01_01.jsp)
- o Web site <http://uscis.gov> (U.S. Citizenship and Immigration services)
- o Web site [www.nypirg.org/Consumer/cards/payroll.html](http://www.nypirg.org/Consumer/cards/payroll.html)  
("Pricey Plastics; NYPIRG report and survey of plastic card fees)

Pacing: This unit is expected to take approximately 8 classes taught in the block

**Key Terms/Vocabulary –**

Pay Period

Gross Pay

Net Pay

Deductions

Federal Withholding Tax

State Withholding tax

FICA

Social Security

Retirement Plan

Medical

Year-to-Date

State Withholding Tax

Retirement Plan/401K

Year-to-Date

Employee

Employer

Personal Finance

Unit of Study: Budgeting

Second Unit of Study

Abstract

One needs to have a goal to live on their own and have their own place. Budgeting is the vehicle to get them there. Developing a plan and evaluating that plan to meet one's goals is the first step to gaining financial independence. People that make budgeting a priority are better prepared to adapt to unexpected events that happen in their lives. Another important tool is being able to see if one has enough income to meet both their fixed and variable expenses. This unit will help a student gain the skills to lead a financially independent life.

Essential Questions:

- Why should you prepare a budget?
- Why would you prepare a net worth statement?
- How is an express contract different from an implied contract?
- Why should you read a contract before signing it?

Lesson Outcomes:

The students will be able to:

1. identify ways in which individuals and families obtain financial resources. Standards: CT PFFP 3.0, CC.9-12.N.Q.2, CT CCSS ELA 11-12.WHST.2.b
2. define fixed and variable expenses. Standards: CT PFFP 3.0, CC.9-12.F.1F.4, CT CCSS ELA 11-12.RH.4
3. categorize and classify expenses as fixed and variable. Standards: CT PFFP 3.0, CC.9-12.F.1F.4, CT CCSS ELA 11-12.RST.4
4. prepare a budget. Standards: CT PFFP 3.0, CC.9-12.N.Q.2, CT CCSS ELA 11-12.WHST.2.a
5. develop goals for a financial plan. Standards: CT PFFP 3.0, CC.9-12.F.1F.6, CT CCSS ELA 11-12.WHST.2.e
6. hypothesize the reasons for preparing a statement of net worth. Standards: CT PFFP 3.0, CT CCSS ELA 11-12.WHST.9

7. distinguish between discretionary and non-discretionary income in a budget plan. Standards: CT PFFP 3.0, CC.9-12.F.1F.4, CT CCSS ELA 11-12.RST.7
8. compare a personal budget plan with typical consumer spending as a tool for determining individual financial goals. Standards: CT PFFP 3.0, CC.9-12.F.1F.4, CT CCSS ELA 11-12.SL.4
9. consider how income and spending patterns change throughout the life cycle for the typical person and family. Standards: CT CFFP 3.0, CC.9-12.F.LE.1b, CT CCSS 11-12.RH.7
10. defend a contract that you have agreed to. Standards: CT PFFP 5.0, CT CCSS ELA 11-12.RST.4, 11-12.RH.7
11. interpret the four elements that would make a contract a legally binding. Standards: CT PFFP 5.0, CT CCSS ELA 11-12.WHST.6
12. apply the five consumer responsibilities when entering into a contract. Standards: CT PFFP 5.0, CT CCSS ELA 11-12.WHST.8

Required Activities (Common Experiences):

1. Construct and use a personal budget plan and evaluate it according to short- and long-term goals.
2. Define fixed and variable expenses.
3. Categorize and classify expenses as fixed or variable.
4. Determine discretionary income in a budget plan.

Student Activities:

1. Student will prepare a simple budget for themselves, listing expected income, savings and expenses for a month. If their budget does not balance, they will make adjustments until it does.
2. Each student will prepare a personal property inventory listing item in their room at home.
3. Define key terms/vocabulary related to budgets.
4. Complete workbook activities on budgeting : Glencoe activity workbook
5. Have students discuss their spending habits and distinguish between fixed and variable costs.

Assessment Tasks:

1. Required activities above
2. Key terms (vocab) worksheet
3. Convincing written arguments based upon their opinions of segments of “Can I Afford It” from the Susie Ormon show.
4. Write a contract using the four elements that would make a contract legally binding.
5. Students will complete “Erica Gets a Job” case study (attached)
6. Unit Test

Instructional Resources:

Primary Text: Foundations of Personal Finance, Goodheart-Wilcox 2010

Mathematics with Business Applications, Glencoe 2010

Primary Workbook, Foundations of Personal Finance, Goodheart-Wilcox 2010

Materials and Resources:

Sample budget

Budget worksheet

Case study "Erica Gets a Job"

Budget project assignment

Web site [http://www.sde.ct.gov/sde/lib/sde/PDF/DEPS/Career/Business/Personal\\_Finance\\_RG.pdf](http://www.sde.ct.gov/sde/lib/sde/PDF/DEPS/Career/Business/Personal_Finance_RG.pdf)  
(Personal Finance Project Resource Book)

Web site <http://feff.arizona.edu/lessonplans/income-and-expense-statement>  
(link to PowerPoint for Income and Expense Statement)

Web site <http://financialplan.about.com/cs/budgeting/1/b/budget.htm> (financial planning & budgeting)

Pacing: This unit is expected to take approximately 5 classes taught in the block schedule.

**Key Terms/Vocabulary –**

Budget

Cash flow

Discretionary income

Expenses

Fixed expense

Income

Pay yourself first

Short- and long-term goals

Standard of living

Taxes

Variable expense

Ledyard High School

Personal Finance

Unit of Study: Banking

Third Unit of Study

Abstract

This unit introduces students to personal banking. Students will describe the purpose of a checking account and prepare the proper banking forms. Through research the students will be able to distinguish the different types of checking accounts and other banking services. Students learn the services for which banks commonly charge fees and make sound consumer decisions. In addition, students have the opportunity to work with authentic bank forms, write checks and maintain a check register, compute simple and compound interest on savings accounts. Students will explore the electronic banking services offered to customers including but not limited to online banking and bill pay and electronic depositing.

Essential Questions:

- How are banking services playing an integral part of managing and organizing financial transactions?
- What information is essential in finding the banking institutions that meet the banking needs of people in various stages of their lives?
- How can mathematics be used to compare products and to make educated financial decisions?

Lesson Outcomes:

The students will be able to:

- 1) explain the purposes of a checking account. Standards: CT PFFP 6.0, CT CCSS ELA 11-12.RH.4
- 2) summarize how to open and maintain a checking account. Standards: CT PFFP 6.0, CT CCSS ELA 11-12.RH.4
- 3) reconcile a bank statement with the check register and reconcile all line statements. Standards: CT PFFP 6.0, CC.9-12.A.REI.1, CC.9-12.A.REI.2
- 4) produce a legally correct written check. Standards: CT PFFP 6.0, CT CCSS ELA 11-12.RST.3



- 5) prepare an endorsement for a check using a variety of endorsement methods. Standards: CT PFFP 6.0, CT CCSS 11-12.RST.3
- 6) produce a correctly written deposit and withdrawal slip for a savings and checking account and describe the use of common banking forms. Standards: CT PFFP 6.0, CT CCSS ELA 11-12.RST.7
- 7) illustrate a calculation of simple interest on savings accounts to understand basic financial growth. Standards: CT PFFP 6.0, CC 9-12.F.1F.4
- 8) solve problems involving simple interest using the simple interest formula ( $I=PRT$ ). Standards: CT PFFP 6.0, CC 9-12.F.1F.5
- 9) produce a calculated compound interest result using a table or the compound interest formula ( $A=P(1+r/n)^{nt}$ ). Standards: CT PFFP 6.0, CC 9-12.F.1F.6
- 10) compare the difference between a bank debit card and a bank credit card. Standards: CT PFFP 6.0, CT CCSS ELA 11-12.WHST.9
- 11) evaluate services and related costs associated with financial institutions in terms of personal banking needs. Standards: CT PFFP 6.0, CC.9-12.A.CED.2
- 12) analyze and contrast online banking with traditional brick and mortar banking. Standards: CT PFFP 6.0, CC.9-12.A.CED.3
- 13) differentiate among types of electronic monetary transactions (e.g. debit cards, ATM, and automatic deposits/payments and electronic check deposits) offered by various financial institutions. Standards: CT PFFP 6.0, CT CCSS ELA 11-12.RH.7
- 14) identify the rights and responsibilities associated with using a checking account. Standards: CT PFFP 6.0, CT CCSS ELA 11-12.RST.9

Required Activities (Common Experiences):

- 1) Utilize "Foldables" for note-taking/study skills
- 2) Students will work in small groups to research various financial institutions to compare and contrast the financial services offered. Students will contribute information to create and organized spreadsheet to show their findings. Resources may include Internet, print media and local contacts.
- 3) Students reconcile check register samples to corresponding bank statements; students build to reconciling consecutive months and utilize electronic banking statements.
- 4) Students use banking software to reconcile an electronic check register.
- 5) Using the cause and effect diagram in appendix A of the students will show the effects of globalization and technology on banking and the cause of consolidation and regulatory burden.
- 6) Students will role play a consumer in opening a checking account in a financial institution

Suggested Activities:

- 1) Becoming Money Smart: “How does compound interest differ from simple interest”; Glencoe workbook, p. 20-21.
- 2) Financial Calculators : Compound Interest; Glencoe workbook, p. 25
- 3) Vocabulary bingo using the key terms in the Glencoe Personal Finance book pages 176-195.
- 4) View “Catch Me if You Can” clip to study Bank Fraud.
- 5) Develop a Financial Services compare/contrast worksheet
- 6) Case Study “Help Josie Choose an Institution”

Assessment Tasks:

- 1) Institution research (including rubric) presentations
- 2) Financial services compare/contrast worksheet
- 3) Complete checkbook activity-reconciliation worksheet (see attached example)
- 4) Chapter Review activities in the Becoming Money Smart workbook
- 5) Unit Test

Instructional Resources and Materials:

Sources: Primary Text, Foundations of Personal Finance, Goodheart-Willcox 2010, chapter 8

Primary Workbook, Goodheart-Willcox , Becoming Money Smart

Secondary Workbook, Glencoe, Mathematics with Business

Applications

The following Web-Based information:

Web site <http://fefe.arizona.edu/lessonplans/understanding-credit-card> (PowerPoint and handouts for this lesson)

Web site <http://fefe.arizona.edu/lessonplans/integrating-music> (links to songs related to finance and money)

Web site [http://www.frbatlanta.org/forms/katrina\\_aftermath.cfm](http://www.frbatlanta.org/forms/katrina_aftermath.cfm) (Katrina’s Classroom video and lesson)

Web site <http://fefe.arizona.edu/lessonplans/checking-account-and-debit-card-simulation> (PowerPoint on checking accounts)

Web site [www.moneyinstructor.com](http://www.moneyinstructor.com) (interactive checking simulation)

“Catch Me If You Can” clip on [YouTube](#)

Web site [www.woodland.k12.mo.us/Reynolds](http://www.woodland.k12.mo.us/Reynolds) (checking simulation)

Web site [www.themint.org](http://www.themint.org) (banking activities)

Pacing: This unit is expected to take approximately 8 classes taught in the block schedule.

**Key Terms/Vocabulary** –

ATM

Checking account

Commercial bank

Credit union

Debit card

Depository institutions

Electronic Funds Transfer (EFT)

Endorsement

Federal Reserve Bank

Interest

Online banking

Personal Identification Number (PIN)

Reconciliation

Savings and Loan Association

Savings account

Share account

Ledyard High School

Personal Finance

Unit of Study: Saving and Investing

Fourth Unit of Study

Abstract

Saving and Investing are a very big part of the world we live in today. Understanding the difference between the two can help you achieve one's short- and long-term financial goals. Just like in the previous units, research is important in order to find the right saving and investing options.

Essential Questions:

- Why should you save money?
- Why do you need to start saving today to cover long-term needs?
- How does compounding interest make your savings grow?
- Why do you need an emergency fund before you start investing?
- Why is investing in stock considered more risky than investing in savings bonds?

Lesson Outcomes:

The students will be able to:

1. differentiate between saving and investing. Standards: CT PFFP 4.0, CT CCSS ELA 11-12.RH.4
2. distinguish between simple and compound interest. Standards: CT PFFP 4.0, CT CCSS ELA 11-12.RH.7
3. defend how and why the stock market works. Standards: CT PFFP 4.0, cc.9-12.F.1F.4, CT CCSS ELA 11-12.RST.9
4. identify the risk/return trade-offs for saving and investing. Standards: CT PFFP 4.0. CT CCSS ELA 11-12.WHST.7
5. analyze the power of compounding and the importance of starting early. Standards: CT PFFP 4.0, CC.9-12.N.Q.1, CC.9-12.F.LE.1, CC.9-12.F.LE.1a
6. explain the features and purposes of different savings options. Standards: CT PFFP 4.0, CT CCSS ELA 11-12.WHST.8
7. identify two things that could make saving money easier. Standards: CT PFFP 4.0, CT CCSS ELA 11-12.WHST.9

8. interpret the different stages of the investment process. Standards: CT PFFP 4.0, CT CCSS ELA 11-12.SL.4
9. evaluate the reasons for investing. Standards: CT PFFP 4.0, CT CCSS ELA 11-12.SL.1d
10. discuss what can be done to minimize risk when investing. Standards: CT PFFP 4.0, CT CCSS ELA 11-12.SL.1.c, 11-12.SL.4
11. summarize the five investment strategies. Standards: CT PFFP 4.0, CT CCSS ELA 11-12.SL.4
12. calculate and apply the Rule of '72. Standards: CT PFFP 4.0, CC.9-12.A.CED.1, CC.9-12.A.CED.3

#### Required Activities (Common Experiences):

1. Use note taking skills to follow PowerPoint slides used for discussion
2. Use an Internet savings calculator to produce an outcome to different saving scenarios.
3. Discuss the relationship between risk and return.
4. 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)
5. Discuss the advantages provided by employer-sponsored retirement savings plans including 401k and related plans.

#### Student Activities:

1. Watch and discuss "Your Life Your Money" PBS video
2. Students will create savings plans, listing their short-term and long-term goals and how they plan to achieve them.
3. Students will have to determine how much money will have to be saved to meet their goals using various investment instruments.
4. Define key terms/vocabulary related to saving and investing
5. Complete workbook activities on saving and investing: Glencoe activity workbook
6. Watch various episodes of the Susie Orman show and have them analyze the situations and give their recommendations on the investment scenarios.
7. Play the "Stock Market Game" ( an online activity)

#### Assessment Tasks:

1. Required activities above
2. Math reinforcement worksheet using simple and compound interest
3. Understanding risk worksheet
4. Risk Tolerance Quiz (attached)
5. Saving and Investing key terms (vocab)quiz
6. Unit Test

Instructional Resources:

Primary Text: Foundations of Personal Finance, Goodheart-Wilcox 2010

Mathematics with Business Applications, Glencoe 2010

Primary Workbook, Foundations of Personal Finance, Goodheart-Wilcox 2010

Materials and Resources:

Introduction to Investing and vocabulary list

Risk vs. return chart

Investing math worksheet

Understanding risk handout

To risk or not to risk worksheet

Note-taking guide

Web site <http://fefe.arizona.edu/lessonplans/introduction-investing> (PowerPoint and handouts for this lesson)

Web site <http://fefe.arizona.edu/lessonplans/integrating-music> (links to songs related to finance and money)

Web site <http://www.pbs.org/your-life-your-money/> (PBS video 10 min.)

Web site <http://www.discoveryeducation.com/nyse/index.cfm> (virtual tour of stock market and discussion guide)

E-Trade Baby Commercials on YouTube

Web site <http://njaes.rutgers.edu/money/riskquiz/> (online risk tolerance quiz)

Web site <http://cnbc.com/suzieorman>

Pacing: This unit is expected to take approximately 8 classes in a block schedule.

**Key Terms/Vocabulary –**

Bond

Broker

Broker's fee

Diversification

Dividend

Financial risk pyramid

Index

Index fund

Inflation

Investing

Investment risk

Initial Public Offering (IPO)

Market price

Maturity date

Mutual fund

Rate of return

Rule of 72

Speculative investments

Stock

Stockholder

Tax-sheltered investments

Ledyard High School

Personal Finance

Unit of Study: Credit and Debt

Fifth Unit of Study

Abstract

Does one know the importance of using credit wisely? This unit will teach the various forms of credit that exist and how to manage them. When using credit, it is important to understand the risk, responsibilities and how to protect oneself. Furthermore, while this unit will teach the benefits of credit, it will also take a look at how credit can affect a person in a negative way if not managed properly. Education and car loans, as well as mortgages and other large purchases made on credit will be discussed and researched. Students will solve problems involving loans and solve for unknown values of principal, rate and time.

Essential Questions:

- Why is borrowing used for the purchase of goods and services?
- How do credit bureaus gather information for your credit file?
- How do credit reports benefit both borrower and the lender?
- How could a negative credit report affect your financial future?
- How can one avoid unnecessary credit costs?
- How can consumers use mathematics to make sound financial decisions about purchasing item on credit?

Lesson Outcomes:

The students will be able to:

1. describe what a credit bureau is and what credit does. Standards: CT PFFP 7.0 CT CCSS ELA 11-12.RST.2
2. define what a credit report is and what a credit report contains. Standards: CT PFFP 7.0 CT CCSS ELA 11-12.RH.7, 11-12.RST.5
3. name the five Cs of credit and explain each of them. Standards: CT PFFP 7.0 CT CCSS ELA 11-12.WHST.4
4. develop five actions one can do to establish a good credit rating. Standards: CT PFFP 7.0 CT CCSS ELA 11-12.WHST.7
5. describe and explain two of the laws that protect consumers from unfair credit practices. Standards: CT PFFP 7.0 CT CCSS ELA 11-12.RST.7
6. give examples of four factors that determine how much one will pay for credit. Standards: CT PFFP 7.0 CT CCSS ELA 11-12.RH.4
7. explain and determine the three methods of calculating credit for the cost of a revolving charge account. Standards: CT PFFP 7.0, CC .9-12.A.

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8. dissimulate methods of solving credit problems. Standards: CT PFFP 7.0, CC .9-12.A.
9. articulate how credit card purchases and payment decisions can impact long term money management. Standards: CT PFFP 7.0, CC .9-12.A.
10. produce the balance on a charge account based on previous balance, new purchases, and new payments and finance charges in order to control credit spending. Standards: CT PFFP 7.0, CC .9-12.A.
11. calculate the simple interest and monthly payment, given principal, rate and time; determine the total amount repaid. Standards: CT PFFP 7.0, CC .9-12.A.

Required Activities (Common Experiences):

- 1) Utilize “Foldables” for note-taking /study skills while reviewing Power Point Slides on credit card rules and regulations
- 2) Students create a spreadsheet to compare monthly payments and total amount paid when principal and time are held constant and the rates are varied
- 3) Students compare the total amount paid, when paying the minimum amount due for one year to the overall change in the balance due.
- 4) Students read and discuss the fine print on credit card agreements pertaining to grace period and how average daily balance and minimum payment amounts are determined.
- 5) Students compare typical rates for a variety of loans and credit and analyze for sound financial decisions.
- 6) Students will visit the website of one of the three major credit bureaus and summarize what the bureau includes in its credit reports and outline the procedure to get a copy of his/her own report.

Suggested Activities:

- 1) Play video clip of Saturday Night Live “Don’t Buy Stuff” skit to introduce the lesson on Credit and Debt
- 2) Simulation: charge Accounts; Glencoe , activity workbook, p. 50-51
- 3) Spreadsheet Application: Loan; Glencoe, activity workbook, p.57
- 4) ABC Vocabulary of the key terms
- 5) Develop a credit card compare/contrast worksheet
- 6) Review a credit card statement and assess the information
- 7) Analyze, discuss and debate CNBC segments of “Can I Afford It”

### Assessment Tasks:

- 1) Credit Card Savvy Brochure (assessment attached)
- 2) Key Terms (vocab) worksheet
- 3) Understanding a credit card statement quiz
- 4) Comparison shopping credit card essay (includes rubric)
- 5) Calculate Debt Payments-to-Income Ratios case studies
- 6) Unit Test

### Instructional Resources and Materials:

Sources: Primary text, Foundations of Personal Finance, Goodheart-Wilcox 2010, Chapter 9

Primary Workbook, Goodheart-Wilcox, Becoming Money Smart

Secondary Workbook, Glencoe, Mathematics with Business Applications

- o Credit Card Scavenger hunt
- o Home discussion worksheet
- o Understanding a credit card statement/bill
- o Comparison shopping for a credit card
- o Shopping for a credit card worksheet
- o Sample credit card offers (mail)
- o Credit card trivia worksheet
- o Credit Card Chaos activity
- o Credit brochure assignment
- o Note-taking guide

o Web site <http://fefe.arizona.edu/lessonplans/understanding-credit-card> (PowerPoint and handouts for this lesson)

o Web site <http://fefe.arizona.edu/lessonplans/understanding-credit-reports> (PowerPoint and handouts for this lesson)

o Web site <http://fefe.arizona.edu/lessonplans/integrating-music> (links to songs related to finance and money)

o Confessions of a Shopaholic Movie lesson plan <http://fefe.arizona.edu/lessonplans/confessions-shopaholic>

o Saturday Night Live's "Don't Buy Stuff" on [YouTube](#)

o Web site [www.creditcards.com](http://www.creditcards.com) (credit offers, videos, etc.)

o Web site [www.bankrate.com](http://www.bankrate.com) (financial calculators, interest rates, etc.)

o Web site [www.nypirg.org](http://www.nypirg.org) (New York Public Interest Research Group)

Pacing: This unit is expected to take approximately 8 classes taught in the block schedule.

**Key Terms/Vocabulary –**

Annual fee  
Annual percentage rate (APR)  
Balance transfers  
Borrower  
Credit  
Creditworthiness, credit card  
Credit investigation  
Credit report  
Credit limit  
Credit score  
Debit card  
Fixed rate APR  
Interest  
Introductory rate  
Late payment fee  
Lender  
Over-the-limit fee  
Penalty APR  
Pre-approved  
Prime rate  
Schumer box  
Variable-rate APR

Personal Finance

Unit of Study: Risk Management

Sixth Unit of Study

Abstract

This unit will explore the many forms of insurance that protect you against risk and financial loss. Insurance companies offer many forms of insurance. It is important to choose the right coverage to protect yourself from potential loss due to unexpected life occurrences. Please complete this unit to see how insurance plays an important role in your everyday life.

Essential Questions:

- Why do people buy insurance?
- How do insurers decide how much to charge in premiums?
- What should you include in a risk management plan?
- How can you reduce your insurance costs?

Lesson Outcomes:

The students will be able to:

1. Evaluate the risks in life and how to gain protection against the consequences of risk. Standards: CT PFFP 8.0, CT CCSS 11-12.RH.4
2. Explain how all types of insurance are based on the concept of risk sharing and the statistical probability. Standards: CT PFFP 8.0, CT CCSS 11-12.RH.7
3. Distinguish the type of insurance associated with different types of risks (e.g.; automobile, personal and professional liability, home and apartment, health, life, long-term care and disability). Standards: CT PFFP 8.0, CT CCSS 11-12.RST.2
4. Compare the concepts of risk avoidance, risk reduction, risk assumption and risk transfer. Standards: CT PFFP 8.0, CT CCSS 11-12.RST.4
5. Discuss the three types of insurable risks. Standards: CT PFFP 8.0, CT CCSS 11-12.RST.7
6. Summarize the steps involved in the risk management process. Standards: CT PFFP 8.0, CT CCSS 11-12.WHST.7
7. Describe what liability insurance covers. Standards: CT PFFP 8.0, CT CCSS 11-12.WHST.9
8. Name four factors that automobile premiums are based on. Standards: CT PFFP 8.0, CT CCSS 11-12.SL.2

9. Explain the five basic types of automobile insurance. Standards: CT PFFP 8.0, CT CCSS 11-12.SL.4
10. Explain no-fault insurance, and what it avoids. Standards: CT PFFP 8.0, CT CCSS 11-12.RH.7
11. Develop an assigned-risk policy. Standards: CT PFFP 8.0, CT CCSS 11-12.SL.5
12. Analyze an umbrella policy and why a person would need to purchase one. Standards: CT PFFP 8.0, CT CCSS 11-12.RH.4
13. Describe what health insurance policies cover. Standards: CT PFFP 8.0, CT CCSS 11-12.RST.2
14. Interpret the different types of disability insurance. Standards: CT PFFP 8.0, CT CCSS 11-12.RST.7
15. Critique several reasons of why someone should buy life insurance. Standards: CT PFFP 8.0, CT CCSS 11-12.WHST.7, WHST.9
16. Identify and explain the three types of term insurance and permanent life insurance. Standards: CT PFFP 8.0, CT CCSS 11-12.WHST.4
17. Create a risk management plan. Standards: CT PFFP 8.0, CC.9-12.F.LE.5, CT CCSS ELA 11-12.SL.2

Required Activities: (Common Experiences):

1. Prepare a risk management plan for themselves and their family
2. Analyze current personal, property and liability risks, and then assume that you are 10 years older. Based on where you would like to be, analyze your personal, property, and liability risks for this stage in your life.
3. Determine the cost of auto insurance for a car of their choice and determine ways to reduce premium costs in a paper reporting your findings.
4. Develop a plan to recommended insurance coverage for individuals/families for various risks and different income levels based upon given scenarios.

Student Activities:

1. Required activities above
2. Define key terms/vocabulary related to risk management
3. Complete workbook activities on risk management: Glencoe activity workbook and the Foundations of Personal Finance , Goodheart-Wilcox 2010 workbook.
4. Power Point slides for discussion; students use note-taking guide.
5. Insurance event game w/activity cards
6. "Damon goes to the Hospital" scenario; divide students into small groups to discuss scenario and questions. Each group then takes a turn reporting their discussion for each question.
7. Obtain a brochure describing the benefits of a group health insurance plan and write a paper summarizing the findings including but not limited to: types of coverage, deductibles, co-payments, exclusions and cost to both employee and employer.
8. Describe a Health Savings account and analyze mathematical when it is practical to use one.
9. Research the Obama Health Plan and be able to describe in writing how it affects them as an employee of a small company or a large company and as a business owner.

### Assessment Tasks:

1. Student responses to YouTube clips (in the material section)
2. Note taking guide
3. Key Terms worksheet
4. Responses to Know-What-Learn (KWL) and insurance game cards
5. Completion of financial management simulation game
6. Types of Insurance quiz
7. Interview paper that includes a short story about a person's insurance experience.
8. "Damon goes to the Hospital" Reflection
9. Unit Test

### Instructional Resources:

Primary Text: Foundations of Personal Finance, Goodheart-Wilcox 2010

Mathematics with Business Applications, Glencoe 2010

Primary Workbook, Foundations of Personal Finance, Goodheart-Wilcox 2010

### Materials and Resources:

KWL Chart

"Damon goes to Hospital" case study and reflection

Insurance investigation handout and rubric

Insurance event game activity cards

Types of insurance note-taking guide

Types of insurance vocabulary list

Web site <http://fefe.arizona.edu/lessonplans/types-insurance> (PowerPoint slides and handouts for this lesson)

Web site <http://fefe.arizona.edu/lessonplans/integrating-music> (links to songs related to finance and money) Risk/Responsibility video [www.griffithfoundation.org/auto-insurance/auto-insurance-30-minutes](http://www.griffithfoundation.org/auto-insurance/auto-insurance-30-minutes) (clip takes 1 min. 19 sec.)

Web site [www.insurance.insureuonline.org](http://www.insurance.insureuonline.org) National Association of Insurance Commissioners

Allstate "Mayhem" commercials-available on YouTube

NextGen3: [www.nextgen3.org/NEXTGen3.htm](http://www.nextgen3.org/NEXTGen3.htm)

Pacing: This unit is expected to take approximately 8 classes taught in the block schedule.

**Key Terms/Vocabulary –**

Automobile Insurance

Beneficiary

Claim

Co-Insurance

Coverage

Deductible

Disability Insurance

Emergency savings

Employee benefits

Health benefits

Homeowners insurance

In-kind income

Insurance

Liability insurance

Long-term care insurance

Moral hazard

Policy

Policy holder

Premium

Property insurance

Renters insurance

Risk