

Personal Finance*

Introduction

National Standards

Financial Responsibility and Decision Making: Apply reliable information and systematic decision making to personal financial decisions.

Standard 1: Take responsibility for personal financial decisions.

Standard 4: Make financial decisions by systematically considering alternatives and consequences.

Standard 5: Develop communication strategies for discussing financial issues.

Credit and Debt: Maintain creditworthiness, borrow at favorable terms, and manage debt.

Standard 1: Identify the costs and benefits of various types of credit.

Objectives

- Define personal finance.
- Outline the components of effective financial planning.
- Describe today's "normal" American family as it relates to personal finance.
- Evaluate your money personality; identify your money strengths and weaknesses.

Saving

National Standards

Financial Responsibility and Decision Making: Apply reliable information and systematic decision making to personal financial decisions.

Standard 1: Take responsibility for personal financial decisions.

Standard 4: Make financial decisions by systematically considering alternatives and consequences.

Income and Careers: Use a career plan to develop personal income potential.

Standard 3: Describe factors affecting take-home pay.

Planning and Money Management: Organize and plan personal finances and use a budget to manage cash flow.

Standard 2: Develop a plan for spending and saving.

Credit and Debt: Maintain creditworthiness, borrow at favorable terms, and manage debt.

Standard 3: Describe ways to avoid or correct debt problems.

Objectives

- Understand the purpose of having an emergency fund.
- Explain the three basic reasons for saving money.
- Understand the importance of saving for both long-term and short-term goals.
- Describe what a sinking fund is and identify purchases for which you would use a sinking fund.
- Calculate compound interest and understand the impact of annual

interest rate.

- Describe the difference between simple and compound interest.

Budgeting

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Standard 4: Make financial decisions by systematically considering alternatives and consequences.

Planning and

Money Management: Organize and plan personal finances and use a budget to manage cash flow.

Standard 1: Develop a plan for spending and saving.

Standard 2: Develop a system for keeping and using financial records.

Standard 3: Describe how to use different payment methods.

Standard 4: Apply consumer skills to purchase decisions.

Standard 6: Develop a personal financial plan.

Objectives

- Describe the purpose of cash flow planning.
- Identify reasons some people avoid having or sticking to a budget.
- Identify changes in personal spending behavior that contribute to wealth building.
- Develop a filing system for keeping financial records, both paper and electronic.
- Describe recordkeeping features that financial institutions provide for online account management.
- Describe how to use different payment methods and banking features.
- Create a zero-based budget.
- Develop a plan for spending and saving that has both long-term and short-term components.

Debt

National Standards

Financial Responsibility and Decision Making: Apply reliable information and systematic decision making to personal financial decisions.

Standard 1: Take responsibility for personal financial decisions.

Standard 3: Summarize major consumer protection laws.

Standard 4: Make financial decisions by systematically considering alternatives and consequences.

Standard 6: Control personal information.

Planning and Money Management: Organize and plan personal finances and use a budget to manage cash flow.

Standard 3: Describe how to use different payment methods.

Credit and Debt: Maintain creditworthiness, borrow at favorable terms, and manage debt.

Standard 1: Identify the costs and benefits of various types of credit.

Standard 2: Explain the purpose of a credit record and identify borrowers' credit report rights.

Standard 3: Describe ways to avoid or correct debt problems.

Standard 4: Summarize major consumer credit laws.

Objectives

- Identify the costs of using various types of credit.
- Evaluate and refute the myths associated with debt.
- Apply systematic decision making to identify the most cost-effective option for purchasing a car.
- Identify various types of mortgage loans and the most cost-effective option for purchasing a home.
- Evaluate ways that debt can negatively affect your financial future and how to overcome personal debt.
- Understand how to obtain a credit report.
- Analyze a credit report, indicate the time that certain negative data can be retained, and describe how to dispute inaccurate entries.

Insurance

National Standards

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Standard 4: Make financial decisions by systematically considering alternatives and consequences.

Standard 6: Control personal information.

Planning and

Money Management: Organize and plan personal finances and use a budget to manage cash flow.

Standard 7: Examine the purpose and importance of a will.

Risk Management and Insurance: Use appropriate and cost-effective risk-management strategies.

Standard 1: Identify common types of risks and basic risk-management methods.

Standard 2: Explain the purpose and importance of property and liability insurance protection.

Standard 3: Explain the purpose and importance of health, disability and life insurance protection.

Objectives

- Explain why insurance is an essential part of a healthy financial plan.
- Distinguish between necessary and unnecessary types of coverage.
- Understand the importance of identity theft insurance in the 21st Century.
- Define common insurance terms like “premium” and “deductible.”
- Understand the importance of property and liability protection.
- Be familiar with policies that offer duplicate coverage.
- Know the types of insurance to avoid.

*Course Objectives selected from *Foundations in Personal Finance* High School Edition.
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