

## 2022 - 2023, HS, Personal Finance, Quarter 1

Students begin a semester study of Personal Finance with the topics of **Financial Responsibility and Personal Decision Making**, **Education**, **Careers**, **Income**, and **Planning and Money Management**. This course complies with [T.C.A. § 49-6-1013](#).

### Tennessee State Standards and Learning Expectations

#### **Financial Responsibility and Personal Decision Making**

**PF.1** Define the concept of personal finance and explain the importance of personal financial planning using information sources such as instructional materials, news articles, blogs from reputable sources, personal narratives, and industry publications.

- Define the concept and explain the importance of personal financial planning.
- Define opportunity cost, net worth, and delayed gratification and describe the consequences of purchasing choices.

**PF.2** Write long-term (over 5 years), mid-term (1 - 5 years), and short-term (a year or less) personal financial goals, defining desired education, career, and earning milestones and saving and spending plans. Evaluate factors that may influence the goals, including family responsibilities, individual values, and economic conditions.

- Create a long-term, mid-term, and short-term personal financial plan.

#### **Creating a Budget**

**PF.7** Create a personal balance sheet. Determine assets and liabilities and calculate net worth. Using research from local sources (*such as newspapers, chambers of commerce, local government, and company websites*), create a monthly personal budget. Cite specific textual evidence from findings when calculating earnings of a selected occupation and including accurately estimated household living expenses, taxes, potential savings, and an emergency fund.

- Explain the difference between an asset and a liability.
- Create a realistic household budget based on local information sources that balances earnings, estimated expenses, taxes, emergency funds, saving, housing, utilities, food, entertainment, clothing, transportation, personal items, insurance, childcare costs, and educational savings plans.

#### **Education**

**PF.4** Demonstrate an understanding of Free Application for Federal Student Aid (*FAFSA*) requirements to apply for postsecondary education financial aid by completing an application. Identify strategies for reducing the overall cost of postsecondary education, including the impact of scholarships, grants, work study, and other assistance.

- Complete an application for a postsecondary institution, including completing a FAFSA application.
- Differentiate between a scholarship and a grant.
- Explain and define work study.

**PF.5** Research multiple viewpoints that support or question the use of student loan debt in paying for postsecondary education. Assess the extent to which the reasoning and evidence presented support the author's claim. Citing specific textual evidence, craft an argumentative essay that either supports or opposes the use of student loan debt, developing both claim(s) and counterclaim(s) fairly.

- Explain costs and benefits of using student loans to fund postsecondary education.

### Careers

**PF.3** Develop a chart, table, or graphic to compare characteristics of various careers, such as alignment to personal interest and aptitude, education requirements, available positions, salaries, potential lifetime earnings, and employer benefits. Research and report (*orally or in an explanatory text*) the requirements for admission to and related costs of attending a specific postsecondary institution and how that will support education, career, and earning goals.

- List and compare characteristics of various careers.
- Show the factors affecting income, including educational requirements, training costs, and educational level.
- Analyze employer benefit packages and prioritize them when given various life situations, including savings plans, retirement, insurance, employee leave (*vacation, sick*), access to stock purchases and options, educational reimbursement, incentive plans, and cafeteria plans.
- Research the requirements and cost to attend post-secondary institution.

### Income Taxes and Deductions

**PF.6** Describe factors affecting take-home pay such as tax withholdings, benefits (e.g., insurance, 401k), and plan payroll deductions. Complete a 1040EZ or 1040A and a W-4 Employee's Withholding Allowance paperwork and analyze the W-2 Wage and Tax Statement for federal income tax purposes.

- Name types of taxes and examine the personal and employer tax responsibilities, such as payroll taxes.
- Explain the programs that taxes fund such as: social security, Medicare, unemployment, and disability programs.
- Complete a 1040EZ, 1040A, W-4 tax form, and analyze the W-2, and various 1099 forms.
- Explain the functions of the Internal Revenue Service (I.R.S.).
- Explain that the funding of government services such as police and fire protection, schools, roads, social security, and parks comes from local taxes.

TCA - TN Code Annotated (required)

## 2022 - 2023, HS, Personal Finance, Quarter 2

Students complete their studies with the topics of Saving, Investing, Credit, Debt, and Risk Management. This course complies with [T.C.A. § 49-6-1013](#).

### Tennessee State Standards and Learning Expectations

#### Assets, Markets, and Planning

**PF.9** Compare and contrast services and products available from financial service providers such as commercial banks, savings and loans, and credit unions. Identify the services that best support the personal financial goals. Craft an argumentative essay supported by evidence about selecting a specific financial account or service to best meet current and/or future financial goals.

- Appraise the value of diversification, time value of money, compound growth/accrued interest, risk and return, and the Rule of 72.
- Explain the difference between a traditional IRA (Individual Retirement Account) and a Roth IRA.
- Explain an educational savings (529) account.
- Explain a 401k or 403B (for nonprofit employers).
- Practice writing a check and balancing a checkbook.
- Explain how saving and investing will help me be financially better off, build wealth, and meet personal financial goals.

### Types of Investments

**PF.16** Explain how saving and investing contribute to financial well-being, building wealth, and helping meet personal financial goals. Compare and contrast saving and investment strategies, such as savings accounts, certificates of deposit, stocks, bonds, mutual funds, employer sponsored savings plans, physical assets, and commodities. Design a diversified saving and investment plan that includes strategies compatible with personal goals. Include time value of money and compound interest calculations in analysis.

- Compare saving and investment strategies including saving accounts, certificate of deposits, stocks, bonds, mutual funds, employer sponsored savings plans, physical assets, and commodities by designing a diversified plan that works with my personal goals.

### Credit and Debt

**PF.10** Compare and contrast the various sources and types of consumer credit, such as student loans, auto loans, store credit cards, and payday loans. Draw conclusions about the types of credit best suited for financing and/or purchasing various goods and services, defending claims with specific textual evidence.

- Identify and compare several types of loans, including mortgage, Home Equity Lines of Credit (HELOC), installment loans, lines of credit, education/training loans, payday loans, personal loans (*secured and unsecured*), title loans, pawn shops, and check cashing businesses.

**PF.11** Citing information from at least one of the three major credit reporting agencies, describe credit reports and credit scores. Describe the relationship between consumers and credit reports/credit scores, discussing their importance and citing specific textual evidence from research. Analyze a sample credit report and interpret how the contents may affect the credit score. Explain how the credit score may impact borrowing opportunities and the cost of credit. Summarize specific activities used to maintain a good credit score.

- List the three major credit reporting agencies and what they do for lenders and borrowers.
- Read and understand a credit report.
- Explain the meaning of a credit score.
- List ways to maintain a good credit score or remediate a poor one.

**PF.12** Citing evidence found in credit applications, compare, and contrast various types of credit and calculate the real cost of borrowing. Explain factors that can affect the approval process associated with each type. Identify typical information and procedures required in the

credit application process. Analyze factors associated with the purchase of an automobile and defend a specific buying decision including **a.** define and understand factors most often included in negotiations (such as cash vs. financing, inclusion of trade-in, etc.) **b.** evaluate costs and benefits of different service contract and/or warranty options. **c.** compares and contrast available financing options based on consumer characteristics and size of down payment.

- Differentiate between diverse types of credit.
- Explain factors that affect credit approval.
- Explain how negotiation for a large purchase works.
- Choose a suitable service contract or warranty.
- Analyze financing options and choose wisely.

**PF.13** Identify strategies for good use of credit and effective debt management to recognize the warning signs of impending debt problems. Illustrate the long-term consequences of accumulating debt and of filing for bankruptcy. Formulate a plan to eliminate debt and determine the impact on a personal budget, citing specific textual evidence to defend elements of the plan.

- Illustrate the long-term consequences of accumulating unpaid debt and filing for bankruptcy by formulating a plan to retire debt over an extended period.
- Identify strategies for effective debt management and recognize the warning signs of impending debt problems.
- Compare types of consumer debt and their costs including:
  - Credit Card use and abuse
  - Credit costs—*interest, APR, penalties, fees, credit, and score*
  - Loan Consolidation—*benefits and disadvantages*
  - Credit counseling
  - Credit problems—*bankruptcy, foreclosure, repossessions, surrender of collateral, delinquency, and garnishment*
  - Effect of employment
  - Purchase of insurance
- Demonstrate knowledge of basic principles of consumer finance, including:
  - credit worthiness
  - consumer loans
  - credit life
  - interest (*simple vs. compound*)
  - insurance
  - down payment vs financing

## Insurance

**PF.14** Differentiate the benefits and costs associated with various types of insurance, such as health, life, property, and auto. Describe the risks associated with a lack of appropriate coverage in specific situations. Determine the role of insurance in personal financial planning to preserve and build wealth.

- Show and explain how I will minimize my own personal risk by choosing various insurance policies, including health, life (whole vs. term), homeowners, auto, renters, short-term disability, long-term disability, and long-term care.

**PF.15** Conduct assessments of various types of identity theft situations and scams, then determine strategies and present a plan to safeguard and protect against identity theft. Design and present a plan to significantly lower and protect against risks. Determine steps that should be taken by a victim of identity theft to report the incident and re-establish identity.

- Outline specific steps to prevent identity theft.
- Assess different populations that may be at risk of identity theft and design and present a plan for each population group for a class project or discussion.

### **Protecting Consumers**

**PF.8** Understand the availability of consumer protection laws, agencies, and resources. Investigate the availability and reliability of resources to assist consumers in making buying decisions (include national, state, and local resources, as appropriate).

- Determine the steps a victim of identity theft should take to report the incident and re-establish identity.
- Name government regulatory agencies and their functions, including the Consumer Financial Protection Bureau, Federal Deposit Insurance Corporation (F.D.I.C.), National Credit Union Association (N.C.U.A.), Securities and Exchange Commission (S.E.C.), and the Federal Reserve (the Fed).
- Explain how to use online ratings to make an informed purchase.
- Explain the role of private sector groups like Consumer Reports and the Better Business Bureau.

**TCA - TN Code Annotated (required)**