4540

PERSONAL FINANCE
(PERS FIN)

Personal Finance is a business course that focuses on personal financial planning. The content includes financial planning, income and asset protection, income and money management, and spending and credit management. Students will learn the financial concepts and principles that provide a basis for avoiding financial pitfalls. This course prepares students for the roles and responsibilities of consumers, producers, entrepreneurs, and citizens. Instructional strategies should include simulations, guest speakers, tours, Internet research, and business experiences. These standards are aligned with the National Business Education Association (NBEA), Jump$tart Coalition for Personal Financial Literacy, and Indiana State University Networks Financial Institute standards and guidelines.

- Recommended Grade Level: 11-12
- Recommended Prerequisite: Computer Applications
- Credits: A one-credit course over one semester
- Counts as a Directed Elective or Elective for the General, Core 40, Core 40 with Academic Honors and Core 40 with Technical Honors diplomas
- A Career Academic Sequence, Career-Technical program, or Flex Credit course
- Course content standards/performance expectations and Indiana Academic Standards integrated at: http://www.doe.in.gov/octe/bme/curriculum/contentstandards.htm
- Teacher Requirements: http://doe.in.gov/dps/licensing/assignmentcode
- Career Clusters: A recommended component for career pathways in all Indiana career clusters
- Career pathway information: http://www.doe.in.gov/careerpathways

Course Content Standards and Performance Expectations

PF 1 Financial Responsibility and Decision Making

PF 1.1 **Content Standard:** Students understand financial planning concepts.

Performance Expectations

PF 1.1.1 Differentiate among the types of financial advisors, the kinds of services they offer, their professional certifications, and the ways their fees may be determined.
PF 1.1.2 Explain how federal and state government agencies protect and assist savers and investors.
PF 1.1.3 Explain the importance of starting early to implement a financial plan.
PF 1.1.4 Create and analyze a personal balance sheet.
PF 1.1.5 Define and calculate the time value of money.
PF 1.1.6 Develop financial goals for the future and a financial plan based on one's life style, expectations, skills, and career choices.
PF 1.1.7 Identify various traditional and technological resources available for obtaining financial information.
PF 1.1.8 Determine personal risk tolerance.
PF 1.1.9 Evaluate the benefits of establishing professional relationships with professional financial professional advisors, e.g., bankers, insurance agents, stockbrokers.

PF 1.2 **Content Standard:** Students demonstrate decision-making skills related to consumer rights and responsibilities.

Performance Expectations

PF 1.2.1 Explain the rights and responsibilities of buyers and sellers under consumer protection laws.

PF 1.2.2 Identify and describe consumer assistance services provided by public and private organizations.
PF 1.2.3 Identify and evaluate safeguards for personal information.
PF 1.2.4 Research identify theft to determine: what it is, how it can be detected, its potential impact, and actions that can be taken to recover from it.

PF 1.3 **Content Standard:** Students use a rational decision-making process as it applies to developing financial stability.

Performance Expectations
PF 1.3.1 Apply the steps in a rational decision-making process to financial decisions.
PF 1.3.2 Recognize and understand the opportunity costs of financial decisions.
PF 1.3.3 Understand the functions, motives and ethics of financial institutions.
PF 1.3.4 Identify and critique the influence of family history on personal financial decisions.

PF 2 Income and Careers

PF 2.1 **Content Standard:** Students understand the impact career and continuing education decisions have on financial goals.

Performance Expectations
PF 2.1.1 Evaluate the characteristics, requirements, and opportunity costs of careers of interest, including entrepreneurial opportunities.
PF 2.1.2 Assess the costs and benefits of financing and securing financial resources for post-secondary goals.
PF 2.1.3 Identify and analyze the factors pertinent to evaluating a job offer.
PF 2.1.4 Plan short, medium, and long-range career goals.
PF 2.1.5 Evaluate the economic effect of life-long learning, including staying current with technology and other marketable knowledge and skills.

PF 2.2 **Content Standard:** Students identify sources of income and analyze factors that affect income.

Performance Expectations
PF 2.2.1 Differentiate among sources of income (both earned and unearned income) derived from wages, rents, self-employment income, tips, royalties, commissions, interest, dividends, capital gains and gifts.
PF 2.2.2 Verify gross and net income calculations for a payroll check.
PF 2.2.3 Discuss how income is affected by macroeconomic factors, supply and demand, inflation, job category, geographic location, and level of education.
PF 2.2.4 Explain the value of employer-provided benefits such as medical and life insurance, child care, annuities, stock options, etc.
PF 2.2.5 Describe how income, saving, and spending patterns change throughout the life cycle.
PF 2.2.6 Analyze alternative actions for dealing with financial difficulties, such as credit over-extension, loss of job, and disability.

PF 2.3 **Content Standard:** Students understand the impact of taxes on personal financial planning.

Performance Expectations
PF 2.3.1 Identify reasons for the different types of taxes commonly incurred.

PF 2.3.2 Differentiate between deductions and credits and their effect on taxes.

PF 2.3.3 Calculate personal tax liabilities such as property, income, sales, FICA, and Medicare.
PF 2.3.4 Complete various tax forms such as W-4, W-2, 1099, and 1040s (A, EZ, 1040).
PF 2.3.5 Differentiate between taxable and non-taxable compensation.
PF 2.3.6 Differentiate between taxes levied on individuals and entrepreneurial businesses.
PF 2.3.7 Evaluate various services available for tax preparation.
PF 2.3.8 Analyze the concept of tax brackets.
PF 2.3.9 Evaluate the role of social security related to personal financial planning.

PF 3 Planning and Money Management

PF 3.1 **Content Standard:** Students develop and evaluate a budget for money management.

Performance Expectations
PF 3.1.1 Describe the advantage and disadvantages of various systems for organizing and using financial records.
PF 3.1.2 Develop and modify a personal budget for income, saving, and fixed, variable and discretionary expenses.
PF 3.1.3 Compare and contrast disposable and discretionary income.
PF 3.1.4 Consider regional guidelines when allocating dollars to spending plan categories, i.e. housing, utilities, food, transportation, savings, etc.
PF 3.1.5 Prioritize and allocate disposable income, including charitable contributions and emergency fund.
PF 3.1.6 Discuss the importance of the concept of "paying yourself first" in relationship to saving for meeting one's financial goals.
PF 3.1.7 Calculate break-even cash flow.

PF 3.2 **Content Standard:** Students understand services provided by financial institutions.

Performance Expectations
PF 3.2.1 Compare and contrast the different services offered by financial institutions based on cost-benefit analysis.
PF 3.2.2 Describe the benefits of choosing and working with a financial institution.
PF 3.2.3 Manage a personal checking account, including its costs and the reconciliation process.
PF 3.2.4 Evaluate the advantages and disadvantages of electronic banking such as direct deposit, debit cards, ATM, and online banking.
PF 3.2.5 Analyze privacy and security issues associated with financial transactions, endorsements, and electronic banking.

PF 3.3 **Content Standard:** Students understand the need for estate planning tools.

Performance Expectations
PF 3.3.1 Evaluate the cost of death and/or long-term illness.
PF 3.3.2 Examine the need for a will, trust, power of attorney, and health care directive.
PF 3.3.3 Examine the costs of probate.
PF 3.3.4 Assess tax issues for estate planning tools such as gift tax, inheritance tax, and estate tax.

PF 3.4 **Content Standard:** Students apply a decision-making model to maximize consumer satisfaction when buying goods and services.

Performance Expectations

PF 3.4.1 Evaluate features and benefits of goods and services in order to determine the best value.
PF 3.4.2 Compare and contrast goods and services on the basis of value versus price.
PF 3.4.3 Analyze impulse purchasing and how marketers employ techniques to stimulate impulse buying.
PF 3.4.4 Describe common marketing techniques used to influence or manipulate consumer buying and how consumers can protect themselves.

PF 4 Credit and Debt

PF 4.1 **Content Standard:** Students analyze various credit policies, practices, and procedures in using credit effectively.

Performance Expectations

PF 4.1.1 Compare and contrast the advantages and disadvantages of cash versus credit purchasing.
PF 4.1.2 Analyze sources and types of credit, including the legal aspects such as collateral requirements, title transfer, and responsibility limits.
PF 4.1.3 Analyze credit components, e.g., principal, interest, payment periods, grace periods, credit limits, incentive buying, fees, and minimum payments.
PF 4.1.4 Examine credit marketing techniques, features, and pitfalls.
PF 4.1.5 Create a realistic plan for repaying debt.
PF 4.1.6 Select an appropriate form of credit for a particular buying decision.
PF 4.1.7 Interpret the impact of credit reporting, credit bureaus, and FICO scoring on a consumer's credit worthiness.
PF 4.1.8 Explain the 5 C's of credit scoring.

PF 4.2 **Content Standard:** Students understand costs and benefits of home ownership.

Performance Expectations

PF 4.2.1 Compare benefits and costs of renting and home ownership.
PF 4.2.2 Analyze costs and benefits of home ownership.
PF 4.2.3 Assess the location and amenities of a home purchase.
PF 4.2.4 Evaluate resale value of a home purchase.
PF 4.2.5 Understand the process for buying and selling a home.
PF 4.2.6 Discuss the current laws involving home ownership.

PF 4.3 **Content Standard** Students understand the costs and benefits of mortgages.

Performance Expectations

PF 4.3.1 Identify the process of obtaining a mortgage.
PF 4.3.2 Compare and contrast various sources and types of mortgages.
PF 4.3.3 Calculate the amortization schedule for various types of mortgages.
PF 4.3.4 Analyze costs and benefits of refinancing home mortgages and home equity loans.
PF 4.3.5 Assess the impact of foreclosure.

PF 4.4 **Content Standard:** Students understand the costs and benefits of credit cards.

Performance Expectations

PF 4.4.1 Compare and contrast the advantages and disadvantages of credit cards.
PF 4.4.2 Compare and contrast different types of credit cards.
PF 4.4.3 Identify the appropriate use of credit cards.
PF 4.4.4 Research safety tips for using credit cards wisely.
PF 4.4.5 Analyze a credit card statement.
PF 4.4.6 Analyze credit card company practices, e.g. minimum payment trap, rewards cards, fees, universal default.
PF 4.4.7 Discuss the laws pertaining to credit cards.

PF 4.5 **Content Standard:** Students understand the costs and benefits of other forms of credit.

Performance Expectations
PF 4.5.1 Differentiate between closed-end, open-end, and service credit.
PF 4.5.2 Evaluate types of closed-end credit.
PF 4.5.3 Examine types of open-end credit.
PF 4.5.4 Evaluate types of service credit.
PF 4.5.5 Identify financial soundness of choosing a specific sources of credit, e.g., retail stores, credit card companies, banks and credit unions, finance companies, pawn brokers, private lenders, and payday loans, etc.

PF 4.6 **Content Standard:** Students understand the signals of and resolutions for credit misuse.

Performance Expectations
PF 4.6.1 Evaluate the effects of living beyond one's means.
PF 4.6.2 Analyze the various alternatives to resolving credit problems.
PF 4.6.3 Compare and contrast various bankruptcy filings and their effect on creditworthiness and financial planning.

PF 5 **Risk Management and Insurance**

PF 5.1 **Content Standard:** Students understand various types of risk and risk management strategies.

Performance Expectations
PF 5.1.1 Understand various types of risk.
PF 5.1.2 Identify hazards in our society such as moral hazards, morale hazards, physical hazards, and legal hazards.
PF 5.1.3 Analyze risk management strategies and how they protect against financial loss.
PF 5.1.4 Assess the potential consequences of an insufficient risk management plan.
PF 5.1.5 Design a risk management plan to include risk avoidance, risk reduction, risk assumption, and risk shifting.

PF 5.2 **Content Standard:** Students understand various types of insurance for income and asset protection.

Performance Expectations
PF 5.2.1 Explain the role of the "Law of Large Numbers" in risk and insurance.
PF 5.2.2 Discuss and differentiate between the types of insurance associated with different types of risk such as property, liability, health care, and life.
PF 5.2.3 Compare different types of insurance policies features and costs, e.g., deductibles, state limits, no-fault insurance, etc.

PF 5.2.4 Define criteria for selecting a policy that best fits a need.
PF 5.2.5 Define asset valuation and how it applies to insurance coverage.
PF 5.2.6 Describe the process for filing an insurance claim.
PF 5.2.7 Explain how insurance needs change throughout one's life cycle and employment.

PF 5.3 **Content Standard:** Students understand industry specific terminology for risk management.

Performance Expectations
PF 5.3.1 Apply the principle of insurable interest for different types of risk.
PF 5.3.2 Determine factors that affect insurance premiums such as color of car, brick versus vinyl siding, swimming pool, installment of fire alarms, smoke detectors, alarm system, etc.
PF 5.3.3 Examine the availability of discounts for insurance policies.
PF 5.3.4 Evaluate the need for an umbrella policy.

PF 6 Saving and Investing

PF 6.1 **Content Standard:** Students understand savings and investment strategies to facilitate financial planning.

Performance Expectations
PF 6.1.1 Distinguish between why people save and why they invest money.
PF 6.1.2 Describe different savings and investment options available based on personal income, e.g., time versus demand deposit, mutual funds, and CDs.
PF 6.1.3 Analyze savings and investment options for items such as market risk, inflation risk, interest rate risk, liquidity, and minimum investment amount.
PF 6.1.4 Recommend appropriate personal saving and investment strategies and planned changes as one proceeds through the life-cycle.
PF 6.1.5 Distinguish between simple and compound interest.

PF 6.2 **Content Standard:** Students apply and understand standard calculations to make investment decisions.

Performance Expectations
PF 6.2.1 Compare and contrast rates of return versus related risk for savings and investments.
PF 6.2.2 Calculate and analyze dollar cost averaging.
PF 6.2.3 Explain and calculate the Rule of 72.
PF 6.2.4 Analyze future value and present value of investments.
PF 6.2.5 Compare and contrast tax-deferred and tax-deductible savings and investment plans.

PF 6.3 **Content Standard:** Students understand investment securities.

Performance Expectations
PF 6.3.1 Research the history of the stock market.
PF 6.3.2 Explain how the stock market works.
PF 6.3.3 Describe the differences among full-service brokers, discount brokers, and internet trading for buying and selling stocks, bonds, and mutual funds.
PF 6.3.4 Examine the fees for different investment securities.
PF 6.3.5 Evaluate the degree of risk and expected return for investment securities.

PF 6.4 **Content Standard:** Students understand additional investment opportunities.

Performance Expectations

PF 6.4.1 Evaluate real estate as an investment opportunity, e.g., home ownership, rental properties, vacation homes, retirement homes, commercial property, and vacant land.

PF 6.4.2 Examine other investment choices such as metals, coins, gems, and collectibles.

PF 7 Communication

PF 7.1 **Content Standard**: Students develop skills to create and present accurate and effective communication for specific family and business-related purposes and audiences.

Performance Expectations

PF 7.1.1 Use clear and legible handwriting in all written work and communication.

PF 7.1.2 Demonstrate active listening skills.

PF 7.1.3 Use discussion skills to assume leadership and participant roles.

PF 7.1.4 Use research, composition, and oral skills to present information for a variety of situations utilizing appropriate technology.

PF 7.1.5 Work cooperatively with peers and authority figures.

PF 7.1.6 Use clear and concise writing skills to describe, explain, and inform various audiences.

PF 7.1.7 Follow and interpret directions, graphs, charts, and diagrams found in technical writing.

PF 7.1.8 Use appropriate industry terminology.

PF 7.1.9 Present quantitative support for business concepts.

Indiana Academic Standards
Integrated into Personal Finance

English/Language Arts

Standard 4
WRITING: Process
11.4.1 Discuss ideas for writing with classmates, teachers, and other writers.
11.4.4 Structure ideas and arguments in a sustained and persuasive way and support them with precise and relevant examples.
11.4.7 Develop presentations using clear research questions and creative and critical research strategies, such as conducting field studies, interviews, and experiments; researching oral histories; and using Internet sources.
11.4.9 Use a computer to integrate databases, pictures and graphics, and spreadsheets into word-processed documents.

Standard 5
WRITING: Applications
11.5.6 Use varied and extended vocabulary, appropriate for specific forms and topics.
11.5.7 Use precise technical or scientific language when appropriate for topic and audience.
11.5.8 Deliver multimedia presentations that:
- combine text, images, and sound and draw information from many sources, including television broadcasts, videos, films, newspapers, magazines, CD-ROMs, the Internet, and electronic media-generated images.
- select an appropriate medium for each element of the presentation.
- use the selected media skillfully, editing appropriately, and monitoring for quality.
- test the audience’s response and revise the presentation accordingly.

Standard 6
WRITING: English Language Conventions
11.6.1 Demonstrate control of grammar, diction, paragraph and sentence structure, and an understanding of English usage.
11.6.2 Produce writing that shows accurate spelling and correct punctuation and capitalization.

Standard 7
LISTENING AND SPEAKING: Skills, Strategies, and Applications
11.7.6 Use effective and interesting language, including informal expressions for effect, Standard English for clarity, and technical language for specificity.
11.7.19 Deliver multimedia presentations that:
- combine text, images, and sound by incorporating information from a wide range of media, including films, newspapers, magazines, CD-ROMs, online information, television, videos, and electronic media-generated images.
- select an appropriate medium for each element of the presentation.
- use the selected media skillfully, editing appropriately and monitoring for quality.
- test the audience’s response and revise the presentation accordingly.

Standard 4
WRITING: Process
12.4.4 Structure ideas and arguments in a sustained and persuasive way and support them with precise and relevant examples.

12.4.7 Develop presentations using clear research questions and creative and critical research strategies, such as conducting field studies, interviews, and experiments; researching oral histories; and using Internet sources.
12.4.9 Use technology for all aspects of creating, revising, editing, and publishing.

Standard 5
WRITING: Applications
12.5.6 Use varied and extended vocabulary, appropriate for specific forms and topics
12.5.7 Use precise technical or scientific language when appropriate for topic and audience.
12.5.8 Deliver multimedia presentations that:
- combine text, images, and sound and draw information from many sources, including television broadcasts, videos, films, newspapers, magazines, CD-ROMs, the Internet, and electronic media-generated images.
- select an appropriate medium for each element of the presentation.
- use the selected media skillfully, editing appropriately, and monitoring for quality.
- test the audience's response and revise the presentation accordingly.

Standard 6
WRITING: English Language Conventions
12.6.1 Demonstrate control of grammar, diction, and paragraph and sentence structure, as well as an understanding of English usage.
12.6.2 Produce writing that shows accurate spelling and correct punctuation and capitalization.

Standard 7
LISTENING AND SPEAKING: Skills, Strategies, and Applications
12.7.6 Use effective and interesting language, including informal expressions for effect, Standard English for clarity, and technical language for specificity.
12.7.19 Deliver multimedia presentations that:
- combine text, images, and sound by incorporating information from a wide range of media, including films, newspapers, magazines, CD-ROMs, online information, television, videos, and electronic media-generated images.
- select an appropriate medium for each element of the presentation.
- use the selected media skillfully, editing appropriately, and monitoring for quality.
- test the audience's response and revise the presentation accordingly.

Algebra I

Standard 2
Linear Equations and Inequalities
A1.2.2 Solve equations and formulas for a specified variable.
A1.2.6 Solve word problems that involve linear equations, formulas, and inequalities.

Standard 3
Relations and Functions
A1.3.1 Sketch a reasonable graph for a given relationship.
A1.3.2 Interpret a graph representing a given situation.

Standard 9
Mathematical Reasoning and Problem Solving
A1.9.1 Use a variety of problem-solving strategies, such as drawing a diagram, making a chart, guess-and-check, solving a simpler problem, writing an equation, and working backwards.

A1.9.2 Decide whether a solution is reasonable in the context of the original situation.

Social Studies
Economics

Standard 1
Scarcity and Economic Reasoning

E.1.2 Explain how consumers and producers confront the condition of scarcity, by making choices which involve opportunity costs and tradeoffs.
E.1.4 Describe how people respond predictably to positive and negative incentives.
E.1.5 Predict how interest rates will act as an incentive for savers and borrowers.
E.1.11 Formulate a savings or financial investment plan for a future goal.

Standard 2
Supply and Demand

E.2.5 Recognize that consumers ultimately determine what is produced in a market economy (consumer sovereignty).
E.2.9 Analyze how changes in the price of certain goods, such as gasoline, impact the lives of people in the community.
E.2.13 Explain how financial markets, such as the stock market, channel funds from savers to investors.

Standard 4
The Role of Government

E.4.4 Explore the ways that tax revenue is used in the community. (Civics and Government)
E.4.5 Identify taxes paid by students. (Civics and Government)
E.4.6 Define progressive, proportional, and regressive taxation. (Civics and Government)
E.4.7 Determine whether different types of taxes (including income, sales, and social security) are progressive, proportional, or regressive. (Civics and Government)

Standard 6
Money and the Role of Financial Institutions

E.6.5 Compare and contrast credit, savings, and investment services available to the consumer from financial institutions.
E.6.7 Research and monitor financial investments, such as stocks, bonds, and mutual funds.
E.6.8 Formulate a credit plan for purchasing a major item comparing different interest rates.

Standard 7
Economic Stabilization

E.7.2 Define the tools of fiscal and monetary policy. (Civics and Government)
E.7.3 Describe the negative impacts of unemployment and unintended inflation on an economy and how individuals and organizations try to protect themselves. (Individuals, Society, and Culture)