



# A Model Personal Finance Course for Pennsylvania High Schools



Module 1: Money Management



Module 2: Earning Income



Module 3: Borrowing Money



Module 4: Financial Services



Module 5: Risk Management



Module 6: Saving and Investing



# **A Model Personal Finance Course for Pennsylvania High Schools**

## **Introduction**

### **Purpose**

The Pennsylvania Department of Education (PDE), pursuant to Act 104 of 2010, seeks to provide resources to school districts and educators in Pennsylvania to support financial education instruction. This model personal finance course for Pennsylvania high schools is one in a series of efforts by PDE to assist schools in developing, implementing, and constantly enhancing their personal finance instruction.

This effort was undertaken in partnership with the Pennsylvania State University and a team of educators across the commonwealth. Together this team presents a comprehensive model for schools to use when developing a course or seeking to improve an existing financial education program.

The model course was developed with the full recognition that school districts in Pennsylvania take a variety of approaches to teaching personal finance. While some offer standalone courses, others integrate personal finance into courses such as family and consumer sciences or economics. In some cases these courses are required for graduation while others are electives. The bulk of the courses across the state are offered in either the business, computer, and information technology or family and consumer sciences department. In fewer cases these courses are found in social studies or mathematics departments. Regardless of the format of the course, this model can be applied and used as a guide.

For additional resources for teaching personal finance, visit [www.MakingCentsPA.org](http://www.MakingCentsPA.org) or PDE's Standards Aligned System at [www.pdesas.org](http://www.pdesas.org).

### **Using the Model Personal Finance Course**

The model course is designed to provide an instructional framework for a one-semester standalone personal finance course at the high school level. While the course may be offered at any grade, teachers report greater levels of success and interest with students in 11<sup>th</sup> and 12<sup>th</sup> grades. This aligns to when many students are starting their first jobs, beginning to drive, and thinking more intently about their plans after high school.

When developing or reviewing a personal finance class, it is often helpful to conduct a school-wide curriculum review. Such an assessment can determine what personal finance topics are already being addressed in existing courses. These reviews should be conducted with involvement from every department with personal finance instruction (business, family and consumer sciences, math, and social studies). The model course can be used to conduct this review by asking representatives from each department to note which, if any, components of the model curriculum are currently being addressed.

Existing coursework and foundational knowledge will play a role in determining how a school uses the model. For example, some schools have an entire course devoted to career exploration. In this case, the earning module may receive less attention while other areas can be expanded upon to provide further depth and rigor.

The pacing suggested in the course is provided based on a one-semester (18-week course) on a traditional schedule. This can be modified in many ways to accommodate other

scheduling formats. The content provided in the “Elements of Successful Instruction” provides more than enough content to fill a complete yearlong course, if desired.

## Module Components

The following describes the components found in each module:

- **Subject:** Personal Finance
- **Grade:** High School (11 or 12 recommended)
- **Suggested Timeline:** Number of weeks (in an 18 week course)
- **Big Idea:** These are declarative statements that describe the concepts and transcend grade levels.
- **Essential Questions:** These questions are tied to the curriculum framework and are specifically linked to the big ideas. They frame student inquiry, promote critical thinking, and assist in learning transfer.
- **Module Overview:** This section provides a brief summary of the module
- **Module Objectives:** Student-focused objectives that define desired outcomes
- **Focus Standards Addressed in this Unit:** Focus standards are the essential standards actually taught/assessed in the module.
- **Important Standards Addressed in this Unit:** Important standards are standards that are reinforced or introduced – but not a primary focus of instruction.
- **Misconceptions:** Common pitfalls or misunderstandings that students may encounter in this module
- **Proper Conceptions:** Parallels the misconceptions and clarifies the understandings
- **Concepts:** Drawn from the Curriculum Framework, concepts define what we want students to know.
- **Competencies:** Drawn from the Curriculum Framework, concepts define what we want students to be able to do as a result of instruction.
- **Vocabulary:** List of tier 3 words essential to the module
- **Assessments:** Includes sample assessments that support instruction and aligns to one or more of the focus standards. Aligned to the module objectives.
- **Elements of Instruction/Suggested Strategies:** Includes strategies/activities to support classroom instruction; may also include specific suggestions or ideas for formative assessments. Note: This section is not designed to provide a day-to-day lesson plan view; rather, it is offered as a guide to inform lesson planning. Some lesson plans are suggested more than once as they address content in more than one objective.
- **Differentiation:** Strategies for struggling learners and/or advanced/gifted learners
- **Interdisciplinary Connections:** Extensions that naturally extend to other subject areas
- **Additional Resources:** Links to resources that may support the content and/or instruction with a brief description
- **Created By:** Lists individuals that contributed to the module’s development

## Additional Information

For additional information or resources to support personal finance instruction, visit [www.MakingCentsPA.org](http://www.MakingCentsPA.org) or PDE’s Standards Aligned System at [www.pdesas.org](http://www.pdesas.org) (login then access Teacher Tools ->Curriculum Mapping -> instructional Framework for Personal Finance).

Specific questions can be directed to Making Cents Coordinator, Hilary Hunt, at [hilary@makingcentspa.org](mailto:hilary@makingcentspa.org) or PDE’s Social Studies Advisor, Sally Flaherty, at [saflaherty@pa.gov](mailto:saflaherty@pa.gov).

## Acknowledgements

The model course and the model curriculum, which laid the groundwork, were made possible through the work of the following dedicated educators.

- Sharon Baillie, Burgettstown Area School District
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- Terry Doutrich, Eastern York School District
- Jean Dyszel, Education Consultant
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- Sharon Hogan, Fairfield Area School District
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- Lorna Sager, Eastern York School District
- Mary Rosenkrans, Rosenkrans Consulting
- Margaret Sowers, Retired
- Melissa Webber, West Chester Area School District



# A Model Personal Finance Course for Pennsylvania High Schools

## Module 1: Money Management

**Subject:**

Personal Finance

**Grade:**

High School  
(11 or 12 recommended)

**Suggested Timeline:**

3 weeks (in an 18 week course)

**Big Idea:**

Money management includes setting goals and developing a plan for how to spend, save, and share financial resources.

**Essential Questions:**

- How do financial goals vary across a person's lifetime?
- In what ways does money management impact reaching financial goals?
- What constitutes sound financial decision making?
- How does organized record keeping impact finances?
- What factors impact a person's spending plan?

**Module Overview:**

In this module, students learn about goal setting, budgeting, consumer decision making, and financial record keeping in order to be successful financial managers. Students will set SMART goals, create a budget, make purchasing decisions, and other money management activities.

**Module Objectives:**

At the end of this module students will be able to independently use their learning to:

- Analyze the management of financial resources across the lifespan based on a person's values and standard of living. (11.1.12.B, 11.1.12.C, 13.3.11.D, 15.6.12.A, 15.6.12.B, 15.6.12.F, 15.6.12.G, 15.6.12.H, 15.9.12.B, 16.1.12.D)
- Analyze what major financial steps must occur to meet short, intermediate, and long-term financial SMART goals. (15.6.12.A, 15.6.12.B, 15.6.12.F, 15.6.12.G, 15.6.12.H, 15.9.12.B, 16.1.12.D)
- Apply effective consumer strategies to select goods and services by comparing alternatives and criteria. (6.1.9.B, 11.1.12.C, 11.1.12.F, 15.6.12.A, 15.6.12.B, 15.6.12.F, 15.6.12.G, 15.6.12.H, 15.9.12.B, 16.1.12.D)
- Differentiate between personal needs and wants. (6.1.9.B, 15.6.12.A, 15.6.12.B, 15.6.12.F, 15.6.12.G, 15.6.12.H, 15.9.12.B, 16.1.12.A, 16.1.12.D)
- Demonstrate an understanding of statements of net worth, income and expense statements, and spending plans. (15.6.12.G)
- Calculate fixed and variable expenses and proper allocations of any cash surplus to create an effective savings and spending plan when given a net income. (11.1.12.B, 13.3.11.D, 15.6.12.A, 15.6.12.B, 15.6.12.F, 15.6.12.G, 15.6.12.H, 15.9.12.B, 16.1.12.D)



### **Focus Standards Addressed in this Unit:**

- 6.1.9.B Analyze how unlimited wants and limited resources affect decision making.
- 11.1.12.B Analyze the management of financial resources across the lifespan.
- 11.1.12.C Analyze the relationship among factors affecting consumer housing decisions (e.g., human needs, financial resources, location, legal agreements, maintenance responsibilities).
- 11.1.12.F Compare and contrast the selection of goods and services by applying effective consumer strategies.
- 13.3.11.D Develop a personal budget based on career choice, such as, but not limited to: charitable contributions, fixed/variable expenses, gross pay, net pay, other income, savings, taxes.
- 15.6.12.A Evaluate the impact of internal and external influences on financial decisions.
- 15.6.12.B Analyze financial decisions for major purchasing events occurring at different stages in life, systematically considering alternatives and consequences.
- 15.6.12.F Evaluate criteria for personal spending in relation to the economic climate.
- 15.6.12.G Identify strategies for personal financial management.
- 15.6.12.H Evaluate payment methods for major purchases.
- 15.9.12.B Differentiate types of consumer behavior and characteristics including but not limited to spending habits, emotional buying, rational buying and buying power.

### **Important Standards Addressed in this Unit:**

- 15.1.12.Y Determine and calculate taxable income and tax liability for both personal and business taxes.
- 16.1.12.A Evaluate emotional responses in relation to the impact on self and others at home, school, work, and community.
- 16.1.12.D Incorporate goal setting into college, career, and other life decisions.

## Misconceptions:

1. Students tend to believe in financial stereotypes such as millionaires are extravagant spenders and everyone who lives in a large home has lots of money.
2. Students believe an abundance of money negates the need to budget.
3. High school students have a hard time planning for the future and/or believe there will be plenty of time for that in the future.
4. Students often believe that items with higher costs are higher quality.
5. Students tend to have a sense of entitlement and that everything is a need rather than a want.
6. Students do not understand the value of tracking spending, income, and net worth.
7. Many students view budgets as unnecessary and restrictive.

## Proper Conceptions:

1. Earnings do not necessarily define spending habits.
2. The need for money management is not a function of income.
3. Setting goals and planning for the future are ways to prepare for the unexpected.
4. Comparison-shopping is important to get the best value.
5. Differentiating between needs and wants is essential to effective financial management.
6. Tracking spending, income, and net worth are critical components of effective financial management.
7. Developing a budget is an essential component of effective financial management.

## Concepts:

Financial goals  
Decision making  
Spending plan  
Purchasing  
Giving

## Competencies:

- Identify strategies for personal financial management.
- Analyze types of consumer behavior and characteristics including but not limited to spending habits, emotional buying, rational buying, and buying power.
- Demonstrate the relationship of the components of a simple spending plan and how that relationship allows for managing income, expenses and savings.
- Evaluate the impact of internal and external influences on purchasing decisions.
- Evaluate how charitable organizations use contributions.

## Vocabulary:

alternatives  
budget  
cash flow statement  
charitable donations  
comparison shopping  
consumer  
decision making  
disposable income  
emergency fund  
financial goals  
financial plan  
goal setting  
impulse buying  
needs  
net worth  
opportunity cost  
philanthropy  
record keeping  
savings goal  
scarcity  
SMART goals (specific, measurable, attainable, realistic, time bound)  
spending plan  
standard of living  
wants



## Assessments

The following assessments are specific to the objectives below.

- Analyze the management of financial resources across the lifespan based on a person's values and standard of living. (11.1.12.B, 11.1.12.C, 13.3.11.D, 15.6.12.A, 15.6.12.B, 15.6.12.F, 15.6.12.G, 15.6.12.H, 15.9.12.B, 16.1.12.D)
  - My Well-Being from Take Charge Today's [Lesson 2.1.2: Money in Your Life](#) (verified teacher login required)
- Analyze what major financial steps must occur to meet short, intermediate, and long-term financial SMART goals. (15.6.12.A, 15.6.12.B, 15.6.12.F, 15.6.12.G, 15.6.12.H, 15.9.12.B, 16.1.12.D)
  - [Challenge 1-A: My Smart Goals](#) from NEFE High School Financial Planning Program's Module 1 (verified teacher login required)
- Apply effective consumer strategies to select goods and services by comparing alternatives and criteria. (6.1.9.B, 11.1.12.C, 11.1.12.F, 15.6.12.A, 15.6.12.B, 15.6.12.F, 15.6.12.G, 15.6.12.H, 15.9.12.B, 16.1.12.D)
  - [Deal or No Deal: Understanding Car Loans](#) student activity page from Visa Practical Money Skills for Life's [Lesson 3: Researching and Buying a Car](#) (login required)
  - Exercise 3.3: Buying a New Computer or Digital Camera from CEE's [Financial Fitness for Life Theme 1 Lesson 3: Decision Making](#) (student workbook pg. 15 and teacher's guide page 13)
- Differentiate between personal needs and wants. (6.1.9.B, 15.6.12.A, 15.6.12.B, 15.6.12.F, 15.6.12.G, 15.6.12.H, 15.9.12.B, 16.1.12.A, 16.1.12.D)
  - [Wishful Wants or Necessary Needs](#) student activity page from Visa Practical Money Skills for Life's [Lesson 11: Sharpening Money Decisions](#) (login required)
- Demonstrate an understanding of statements of net worth, income and expense statements, and spending plans. (15.6.12.G)
  - Tori's Statement of Financial Position, Net Worth Knowledge, Cody's Statement of Financial Position, Chuck and Wendy's Statement of Financial Position, Ed and Mary's Statement of Financial Position, Financial Position Throughout the Life Cycle, and My Statement of Financial Position from Take Charge Today's [Lesson 2.2.3: Statement of Financial Position](#) and My Income and Expense Statement from [Lesson 2.2.4: Income and Expense Statement](#) (verified teacher login required)
- Calculate fixed and variable expenses and proper allocations of any cash surplus to create an effective savings and spending plan when given a net income. (11.12.1.B, 13.3.11.D, 15.6.12.A, 15.6.12.B, 15.6.12.F, 15.6.12.G, 15.6.12.H, 15.9.12.B, 16.1.12.D)
  - My Spending Plan and Spending Plan Template from Take Charge Today's [Lesson 2.2.5: Spending Plans](#) (verified teacher login required)
  - [Budget Busters and Budget 101](#) student activity pages from Visa Practical Money Skills for Life's [Lesson 9: Making a Budget](#) (login required)

The following assessments can be used for summative assessment on topics throughout this module:



- NEFE's High School Financial Planning Program [Module 1 Knowledge Assessments](#).
- Take Charge Today's [My Money Management Unit Assessment](#)

## Elements of Instruction/Suggested Strategies

*NOTE: Some lesson plans are suggested more than once as they address content in more than one objective.*

Analyze the management of financial resources across the lifespan based on a person's values and standard of living. (11.1.12.B, 11.1.12.C, 13.3.11.D, 15.6.12.A, 15.6.12.B, 15.6.12.F, 15.6.12.G, 15.6.12.H, 15.9.12.B, 16.1.12.D)

- Create a pie chart dividing lifespan into percentages of a whole (i.e. young adult, middle adulthood, adulthood, senior years) and discuss the management of financial resources at each stage.
- Use a Venn diagram to demonstrate the five domains that make up an individual's well-being - physical, emotional, intellectual, social, and financial. Provide examples to describe each domain.
- Demonstrate cost comparisons of standards of living in various areas of the United States.
- Guide students through the process of identifying and ranking what they value.

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 3-4: Lifestyle](#) (verified teacher login required)
- Take Charge Today's [Lesson 2.1.2: Money in Your Life](#) and [Lesson 2.1.3: Financial Decisions](#) (verified teacher login required)
- Visa's Practical Money Skills for Life's [Lesson 8: Money and Roommates](#) (login required)

Analyze what major financial steps must occur to meet short, intermediate, and long-term financial SMART goals. (15.6.12.A, 15.6.12.B, 15.6.12.F, 15.6.12.G, 15.6.12.H, 15.9.12.B, 16.1.12.D)

- Develop SMART goals collaboratively with students beginning with broad goals and becoming more refined.
- Engage students in the comparison of short, intermediate, and long-term goals with timeframes.

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 1-2: SMART Goals](#) (verified teacher login required)
- Federal Reserve Bank's Keys to Financial Success Lesson 1.5: How to Set Goals (awaiting permission to upload files)
- Take Charge Today's [Lesson 2.1.4: Setting Financial Goals](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 2: Money and Goals](#) (login required)

Apply effective consumer strategies to select goods and services by comparing alternatives and criteria. (6.1.9.B, 11.1.12.C, 11.1.12.F, 15.6.12.A, 15.6.12.B, 15.6.12.F, 15.6.12.G, 15.6.12.H, 15.9.12.B, 16.1.12.D)

- Present decision making strategies such as the use of a T-chart or a PACED (problem, alternatives, criteria, evaluation, decision) graphic organizer to compare various alternatives for purchasing goods and services (i.e. appliances, cell phones, cars, housing, haircuts, or vacations).
- Address how advertising and peer pressure influence decision-making.

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 1-3: Decision Making](#) (verified teacher login required)
- Federal Reserve Bank's Keys to Financial Success Lesson 1.3: Making Decisions, Lesson 1.4: How Can We Decide?, Lesson 7.1: How Do You Get Wheels and What Are the Costs?, Lesson 7.2: What Do I Want and What Can I Afford?, Lesson 8.1: Moving Into My Own Place, Lesson 8.2: Tired of Renting: Should I Buy My Own House?, Lesson 8.4: Can I Really Afford That House? (awaiting permission to upload files)
- Take Charge Today's [Lesson 2.6.6: Smart Consumer Spending](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 3: Researching and Buying a Car](#) and [Lesson 11: Sharpening Money Decisions](#) (login required)

Differentiate between personal needs and wants. (6.1.9.B, 15.6.12.A, 15.6.12.B, 15.6.12.F, 15.6.12.G, 15.6.12.H, 15.9.12.B, 16.1.12.A, 16.1.12.D)

- Use graphic organizers or interactive lesson to differentiate between needs and wants based on individual circumstances.

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 1-1: Money Habits](#) (verified teacher login required)
- Take Charge Today's [Lesson 2.1.3: Financial Decisions](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 11: Sharpening Money Decisions](#) (login required)

Demonstrate an understanding of statements of net worth, income and expense statements, and spending plans. (15.6.12.G)

- Use a net worth statement organizer to identify the difference between individual assets and liabilities.
- Create a net worth statement to show how to calculate net worth.
- Use a graphic organizer to compare a statement of net worth, an income and expense statement, and a spending plan.
- Demonstrate how each statement can be used to track your financial well-being.



The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 1-4: Spending Plan \(Budget\)](#) and [Lesson 1-5: Cash Flow](#) (verified teacher login required)
- Take Charge Today's [Lesson 2.2.3: Statement of Financial Position](#), [Lesson 2.2.4: Income and Expense Statement](#), and [2.2.5: Spending Plans](#) (verified teacher login required)

Calculate fixed and variable expenses and proper allocations of any cash surplus to create an effective savings and spending plan when given a net income. (11.12.1.B, 13.3.11.D, 15.6.12.A, 15.6.12.B, 15.6.12.F, 15.6.12.G, 15.6.12.H, 15.9.12.B, 16.1.12.D)

- Use examples to calculate gross pay, deductions, and net income.
- Using examples, distinguish the difference between fixed and variable expenses.
- Provide examples and explain expense allocations in a typical budget (i.e. percentages of income to be allocated to housing, transportation, food, etc.).
- Develop options for cash surplus.
- Discuss the importance of the "pay yourself first" concept.
- Address philanthropic spending.
- Given a specific net income create a monthly and yearly budget.
- Investigate how unforeseen events can impact one's budget and the importance of an emergency fund.

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 1-4: Spending Plan \(Budget\)](#) and [Lesson 1-5: Cash Flow](#) (verified teacher login required)
- Federal Reserve Bank's Keys to Financial Success Lesson 3.1: Why Should I Have a Budget?, Lesson 3.2: Funding My Goals by Planning, Lesson 3.4: Managing Your Money, and Lesson 3.5: Preparing My Own Budget (awaiting permission to upload files)
- Take Charge Today's Lesson [2.2.5: Spending Plans](#) and [3.0.47: The Ultimate Gift](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 9: Making a Budget](#) and [Lesson 22: Kindness Counts](#) (login required)

## Differentiation

### *Strategies for struggling learners*

- The following lesson plans from Visa's Practical Money Skills for Life program align with this module and are designed specifically for students with learning disabilities: [Lesson 1: Making Decisions](#), [Lesson 3: Budgeting Your Money](#), and [Lesson 4: Shopping Wisely](#). All are available at [https://www.practicalmoneyskills.com/foreducators/lesson\\_plans/special.php](https://www.practicalmoneyskills.com/foreducators/lesson_plans/special.php) and include teacher's guides, student activities, and accompanying presentations.
- The lessons cited above as elements of successful instruction from the University of Arizona's Take Charge Today program are from the Advanced Level Curriculum

designed for use with grades 10-12. The student workbook pages for each lesson include note taking guides and student information sheets that can be used in various ways with struggling students. In addition, struggling learners may benefit from instruction from the [Introductory Curriculum](#) lessons below which align with this module and are designed for students in grades 7-9: [Checking Account and Debit Card Simulations](#); [Comparison Shopping Splendor](#); [Diving Into Spending Plans](#); [Does Money Grow on Trees](#); [Exploring Values, Needs and Wants](#); [Goals Galore](#); [Major Expenditure Mania](#); and [Introductory Level Course Assessment](#). All links above require a verified teacher login.

### *Strategies for advanced/gifted learners*

- The lessons cited above from the University of Arizona's Take Charge Today program are from the Advanced Level Curriculum designed for use with grades 10-12. Some of the lessons include scenario-based Enrichment Activities that can be used with all students or for advanced/gifted learners only. The lessons with enrichment activities that align with this module include: Lesson [2.1.2: Money in Your Life](#); Lesson [2.1.3: Financial Decisions](#); Lesson [2.1.4: Setting Financial Goals](#); Lesson [2.2.2: The Basics of Taxes](#); Lesson [2.2.3: Statement of Financial Position](#); Lesson [2.2.4: Income and Expense Statement](#); Lesson [2.2.5: Spending Plans](#); Lesson [Assessment 2.2.6: My Money Management Guide](#); Lesson [2.6.6: Smart Consumer Spending](#); Lesson [2.7.1: Give To Others](#); and Lesson [Assessment 2.7.3 Live Well, Do Good Things](#). All links above require a verified teacher login.
- The lessons cited above as elements of successful instruction from Visa's Practical Money Skills for Life are from the high school (grades 9-12) curriculum. The same source also has the following lessons for college students that may be used to augment or differentiate instruction for advanced/gifted learners: [Lesson1: The Art of Budgeting](#) and [Lesson 7: Consumer Awareness](#). All are available at [https://www.practicalmoneyskills.com/foreducators/lesson\\_plans/college.php](https://www.practicalmoneyskills.com/foreducators/lesson_plans/college.php) and include teacher's guides, student activities, and presentations.

## **Interdisciplinary Connections**

### English Language Arts Connections

- Create a story about a person who has a high well-being by actively contributing to each of the five well-being domains. (from Everyone Needs High Well-Being Story activity from Take Charge Today's [Lesson 2.1.2: Money in Your Life](#))

#### PA English Language Arts Standards Connections

- CC.1.4.11-12.M: Write narratives to develop real or imagine experiences or events
- Respond to the question, "Why is it important to consider long-term financial goals?" (from Goal Setting activity from Take Charge Today's [Lesson 2.1.4: Setting Financial Goals](#)).

#### PA English Language Arts Standards Connections

- CC.1.4.11-12.G: Write arguments to support claims in an analysis of substantive topics.
- After researching a charity, determine whether it is credible. Provide a thorough explanation. (Adapted from [Charity Checklist](#) activity in Visa's Lesson 22)

#### PA English Language Arts Standards Connections

- CC.1.4.11-12.G: Write arguments to support claims in an analysis of substantive topics.

#### Math Connections

- Create a pie chart dividing lifespan into percentages of a whole (i.e. young adult, middle adulthood, adulthood, senior years) and discuss the management of financial resources at each stage.

#### PA Math Standards Connections

- CC.2.4.HS.B.1: Summarize, represent, and interpret data on a single count or measurement variable.
- CC.2.4.HS.B.2: Summarize, represent, and interpret data on two categorical and quantitative variables.
- Calculate fixed and variable expenses and proper allocations of any cash surplus to create an effective savings and spending plan when given a net income.

#### PA Math Standards Connections

- CC.2.4.HS.B.3: Analyze linear models to make interpretations based on the data.

### Additional Resources

- Everfi's Financial Literacy program includes the following learning modules related to money management: Module 1: Savings and Module 6: Renting versus Owning. All are accessible at no charge at <http://www.everfi.com/financial-education> with a verified teacher login.
- The Foolproof curriculum involves the following video-based lessons related to money management: Module 1: When it Hits the Fan; Module 3: Kick Some Buck; Module 6: Burning Money; Module 9: Moving Out; Module 11: Gambling; Module 13: Giving Versus Getting, and Module 16: Broke. All are accessible at no charge at <http://foolproofme.com> with a verified teacher login.
- The MoneySkill curriculum involves the following lessons related to money management: Module 7: The Consumer Life Cycle; Module 11: Tracking Expenses and Budgeting; Module 12: Paying for What We Buy; Module 14: Renting a Home; Module 16: Food and Clothing; Module 17: Buying or Leasing a Vehicle; Module 18: Operating a Vehicle; and Module 19: Vacation and Leisure. All are accessible at no charge at <http://moneyskill.org> with a verified teacher login.
- The Banzai program involves activities related to money management and is accessible at no charge at [TeachBanzai.com](http://TeachBanzai.com) with a verified teacher login.

### Created By

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Cathy Bowen, Penn State University  
Mary Ann Buckley, Huntingdon Area School District  
Hilary Hunt, The Making Cents Project  
Greg Kaylor, Blairsville School District  
Lorna Sager, Eastern York School District  
Margaret Sowers, Retired



## A Model Personal Finance Course for Pennsylvania High Schools

# Module 2: Earning Income

**Subject:**  
Personal Finance

**Grade:**  
High School  
(11 or 12 recommended)

**Suggested Timeline:**  
3 weeks (in an 18 week course)

### Big Idea:

Earning capabilities over a lifetime are maximized by career planning, education, and job choices.

### Essential Questions:

- What impacts a person's earning potential over a lifetime?
- How do people develop a career plan?
- What factors do people consider when accepting a job?
- What determines personal tax liability and take home pay?

### Module Overview:

In this module, students learn about education and training requirements for various careers and the process of gaining employment. Students learn about compensation and taxes and develop a career plan through research and reflection.

### Module Objectives:

At the end of this module students will be able to independently use their learning to:

- Analyze career opportunities and income potential tied to ones interests, aptitudes, and desired standard of living including entrepreneurship. (6.5.12.A, 15.6.12.D, 13.3.11.D, 13.4.11.A)
- Develop a career plan with accompanying education requirements. (15.2.5.F, 15.2.12.F, 15.2.8.F)
- Demonstrate skills to gain employment (i.e., complete a standard job application; create a resume, cover letter, and follow up letter; demonstrate interview skills). (15.2.12.G)
- Compare factors that affect personal tax liability and take home pay. (11.1.12.E, 15.1.12.M, 15.1.12.Y, 15.6.12.E)
- Compare compensation plans including benefits offered by employers. (15.8.8.Q)

### Focus Standards Addressed in this Unit:

6.5.12.A Analyze the factors influencing wages.

11.1.12.E Compare and contrast factors affecting annual gross and taxable income and reporting requirements (e.g., W-2 form, Income tax form).

13.1.11.A Relate careers to individual interests, abilities, and aptitudes.

13.1.11.B Analyze career options based on personal interests, abilities, aptitudes, achievement and goals.

13.1.11.E Justify the selection of a career.



- 13.1.11.F Analyze the relationship between career choices and career preparation opportunities, such as, but not limited to: associate degree, baccalaureate degree, certificate/licensure, entrepreneurship, immediate part/full time employment, industry training, military training, professional degree, registered apprenticeship, tech prep, vocational rehabilitation centers.
- 13.1.11.G Assess the implementation of the individualized career plan through the ongoing development of the career portfolio.
- 13.2.11.C Develop and assemble, for career portfolio placement, career acquisition documents, such as, but not limited to: job application, letter of appreciation following an interview; letter of introduction, postsecondary education/training applications, request for letter of recommendation, resume.
- 13.2.11.D Analyze, revise, and apply an individualized career portfolio to chosen career path.
- 13.3.11.A Evaluate personal attitudes and work habits that support career retention and advancement.
- 13.3.11.D Develop a personal budget based on career choice, such as, but not limited to: charitable contributions, fixed/variable expenses, gross pay, net pay, other income, savings, taxes.
- 13.3.11.F Evaluate strategies for career retention and advancement in response to the changing global workplace.
- 13.3.11.G Evaluate the impact of lifelong learning on career retention and advancement.
- 13.4.11.A Analyze entrepreneurship as it relates to personal career goals and corporate opportunities.
- 15.1.12.M Analyze and calculate gross pay and net pay, including regular and overtime wages, commission, and piece rate.
- 15.1.12.Y Determine and calculate taxable income and tax liability for both personal and business taxes.
- 15.2.5.F Discuss the costs associated with post-secondary education.
- 15.2.8.F Analyze financial options and costs associated with post-secondary education.
- 15.2.12.F Evaluate various methods for financing a post-secondary education.
- 15.2.12.G Analyze and complete an application (e.g., job, scholarship, financial aid, post-secondary) in a focused and effective manner.
- 15.6.12.D Develop criteria to evaluate employment options.
- 15.6.12.E Assess the purpose, source, and impact of various taxes.
- 15.8.8.Q Discuss employee compensation plans for various careers.

### **Important Standards Addressed in this Unit**

- 13.4.11.B Analyze entrepreneurship as it relates to personal character traits.
- 16.1.12.A Evaluate emotional responses in relation to the impact on self and others at home, school, work, and community.
- 16.1.12.B Demonstrate personal traits leading to positive relationships and life achievements.

#### 16.1.12.D Incorporate goal setting into college, career, and other life decisions.

##### **Misconceptions:**

1. Students believe that if they work harder, they will make more money.
2. Students underestimate the factors that impact their ability to get a job typically considering only their skills, grades, and work ethic.
3. Students lack an understanding of the labor market and frequently believe that the more education they get, the more money they will earn down the road.
4. Students underestimate their level of experience that can be mentioned when applying for a job.
5. Students sometimes view all taxes as bad and serving little purpose.

##### **Proper Conceptions:**

1. Potential income is determined by a variety of factors in addition to hard work (i.e., economic conditions, job demand, networking, skill level, etc.).
2. Credit score, irresponsible content on social media, and attendance record can also affect your employability.
3. Other factors that can affect compensation are experience, economic conditions, and geographic area.
4. Students have many personal and educational experiences transferable to workplace skills.
5. Taxes are necessary for public services and infrastructure.

##### **Concepts:**

Career plan  
Earning income  
Net pay  
Taxes

##### **Competencies:**

- Analyze a career goal and develop a plan and timetable for achieving it.
- Investigate and present the educational/training requirements, lifetime income potential, and primary duties of at least two jobs of interest.
- Hypothesize the future income needed to maintain a desired standard of living.
- Analyze and calculate net pay.
- Explain the purposes of tax-related forms and complete samples.

##### **Vocabulary:**

career  
career plan  
compensation  
earned income  
employee  
employee benefits  
employer-sponsored retirement  
savings plan  
entrepreneur  
federal insurance contributions act (FICA)  
garnishment  
gross pay/gross income  
income  
job  
net pay/net income  
payroll deduction  
pension protection act, salary  
social security  
tax  
tips  
transfer payment  
wage



## Assessments

The following assessments are specific to the objectives below.

- Analyze career opportunities and income potential tied to ones interests, aptitudes, and desired standard of living including entrepreneurship. (6.5.12.A, 15.6.12.D, 13.3.11.D, 13.4.11.A)
  - Introduction to Occupations and Occupation Research from Take Charge Today's [Lesson 2.3.2: Career Exploration](#) (verified teacher login required)
  - [Knowledge Assessment 3-2](#) from NEFE High School Financial Planning Program's Module 3 (verified teacher login required)
- Develop a career plan with accompanying education requirements. (15.2.5.F, 15.2.12.F, 15.2.8.F)
  - Occupation Characteristics and Self-Reflection from Take Charge Today's [Lesson 2.3.2: Career Exploration](#) (verified teacher login required)
  - [Knowledge Assessment 3-2](#) from NEFE High School Financial Planning Program's Module 3 (verified teacher login required)
- Demonstrate skills to gain employment (i.e., complete a standard job application; create a resume, cover letter, and follow up letter; demonstrate interview skills). (15.2.12.G)
  - Get a Job Toolkit from Take Charge Today's [Lesson 2.3.6: Get a Job](#) (verified teacher login required)
  - [Knowledge Assessment 3-2](#) from NEFE High School Financial Planning Program's Module 3 (verified teacher login required)
- Compare factors that affect personal tax liability and take home pay. (11.1.12.E, 15.1.12.M, 15.1.12.Y, 15.6.12.E)
  - Getting Paid Reinforcement Worksheet and The Ways We Are Paid from Take Charge Today's [Lesson 2.3.9: Getting Paid](#) and The Basics of Taxes from Take Charge Today's [Lesson 2.2.2: The Basics of Taxes](#) (verified teacher login required)
  - [Knowledge Assessment 3-2](#) from NEFE High School Financial Planning Program's Module 3 (verified teacher login required)
- Compare compensation plans including benefits offered by employers. (15.8.8.Q)
  - [Activity 3.9 Compare Employee Benefits](#) from NEFE High School Financial Planning Program's [Lesson 3-2: Job Options](#) (verified teacher login required)
  - Lifelong Employment Information sheet from Take Charge Today's [Lesson 2.3.7: Lifelong Employment](#) (verified teacher login required)

The following assessments can be used for summative assessment on topics throughout this module:

- NEFE's High School Financial Planning Program [Module 3 Knowledge Assessment](#)
- Take Charge Today's [Career Path Interview](#)



## Elements of Instruction/Suggested Strategies

*NOTE: Some lesson plans are suggested more than once as they address content in more than one objective.*

Analyze career opportunities and income potential tied to ones interests, aptitudes, and desired standard of living including entrepreneurship. (6.5.12.A, 15.6.12.D, 13.3.11.D, 13.4.11.A)

- Lead students through self-assessments of interests and aptitudes such as the o\*net Interest Profiler available from the U.S. Department of Labor at <http://www.mynextmove.org/explore/ip>.
- Provide students with examples of growing career areas using the Bureau of Labor Statistic's Occupational Outlook Handbook at <http://www.bls.gov/ooh/>
- Direct students in independent career research in preparation for their future career and education plan.
- Explore the relationship between post-secondary education and earning potential.
- Highlight entrepreneurship as a career opportunity.

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 3-1: Invest in Yourself](#), [Lesson 3-2: Job Options](#), [Lesson 3-4: Lifestyle](#), and [Lesson 3-5: Plan for Change](#) (verified teacher login required)
- Federal Reserve Bank's Keys to Financial Success Lesson 2.1: What Do You Mean I Have to Earn an Income?, Lesson 2.2: Making a Job, Lesson 2.4: Why Some Jobs Pay More than Others, Lesson 2.5: What Else is Out There and How Would I Find It?, and 2.6: Dreams and Plans (awaiting permission to upload files)
- Take Charge Today's [Lesson 2.3.2: Career Exploration](#) (verified teacher login required)

Develop a career plan with accompanying education requirements. (15.2.5.F, 15.2.12.F, 15.2.8.F)

- Discuss steps of career planning.
- Direct students in developing a career plan including education, skills, and experience needed.
- Explore financial resources available to fund educational goals (i.e., loans, financial aid).

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 3-5: Plan for Change](#) (verified teacher login required)
- Federal Reserve Bank's Keys to Financial Success Lesson 2.3: Invest in Yourself (awaiting permission to upload files)
- Take Charge Today's [Lesson 2.3.2: Career Exploration](#) and [Lesson 2.3.1: Invest in Yourself](#) (verified teacher login required)



Demonstrate skills to gain employment (i.e., complete a standard job application; create a resume, cover letter, and follow up letter; demonstrate interview skills). (15.2.12.G)

- Review skills valued by employers.
- Explore types of resumes including electronic submission.
- Discuss how to relate education, extra-curricular, volunteer, and employment experiences to resumes. Provide students with resume word lists and examples.
- Direct students in creating a resume, cover letter, and follow-up letter for an entry-level position.
- Lead students through sample job applications.
- Review interviewing skills. Provide students with most commonly asked interview questions and then have students practice.

The following lesson plans include the use of such strategies and others:

- Scholastic's [Applications and Interviews](#) lesson plan
- Read Write Think's [Resume and Cover Letters for High School Students](#) lesson plans
- Take Charge Today's [Lesson 2.3.6: Get a Job](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 5: Finding the Right Career for You](#) (login required)

Compare factors that affect personal tax liability and take-home pay. (11.1.12.E, 15.1.12.M, 15.1.12.Y, 15.6.12.E)

- Using sample paychecks and common tax documents, introduce vocabulary relating to payroll, deductions, and taxes.
- Compare gross and net pay under a variety of circumstances including salary/hourly, different pay periods, overtime, commission, etc.
- Discuss and calculate payroll deductions.
- Explain the purposes of tax-related forms (W-4, W-2, I-9, and 1040) and complete samples.

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 3-3: Pay and Taxes](#) (verified teacher login required)
- Federal Reserve Bank's Keys to Financial Success Lesson 3.3: Uncle Same Takes a Bite: Forms, Forms, Forms (awaiting permission to upload files)
- Take Charge Today's [Lesson 2.2.2: The Basics of Taxes](#) and [Lesson 2.3.9: Getting Paid](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 13: Understanding Your Take Home Pay](#)
- Internal Revenue Service's Understanding Taxes – [The How's of Taxes](#) modules



Compare compensation plans including benefits offered by employers. (15.8.8.Q)

- Define components of compensation plans.
- Guide students through the research and comparison of various compensation plans and discuss other factors that influence job selection (i.e. driving distance, cost of uniform, working environment, hours, and promotion opportunities).
- Consider inviting a guest speaker from the human resources field to talk about applying for jobs and comparing job offers and compensation plans.

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 3-2: Job Options](#) and [Lesson 3-3: Pay and Taxes](#) (verified teacher login required)
- Take Charge Today's [Lesson 2.3.7: Lifelong Employment](#) (verified teacher login required)

## Differentiation

### *Strategies for struggling learners*

- The following lesson plan from Visa's Practical Money Skills for Life program align with this module and are designed specifically for students with learning disabilities: [Lesson 2: Making Money](#). It is available at [https://www.practicalmoneyskills.com/foreducators/lesson\\_plans/special.php](https://www.practicalmoneyskills.com/foreducators/lesson_plans/special.php) and includes a teacher's guide, student activities, and an accompanying presentation.
- The lessons cited above as elements of successful instruction from the University of Arizona's Take Charge Today program are from the Advanced Level Curriculum designed for use with grades 10-12. The student workbook pages for each lesson include note taking guides and student information sheets that can be used in various ways with struggling students. In addition, struggling learners may benefit from instruction from the [Introductory Curriculum](#) lessons below which align with this module and are designed for students in grades 7-9: [Planet Paycheck](#); [The Places You Will Go](#); [What Does Your Future Hold](#); and [Introductory Level Course Assessment](#). All links above require a verified teacher login.

### *Strategies for advanced/gifted learners*

- The lessons cited above as elements of successful instruction from Visa's Practical Money Skills for Life are from the high school (grades 9-12) curriculum. The same source also has the following lesson for college students which may be used to augment or differentiate instruction for advanced/gifted learners: [Lesson 2: Living on Your Own](#). It is available at [https://www.practicalmoneyskills.com/foreducators/lesson\\_plans/college.php](https://www.practicalmoneyskills.com/foreducators/lesson_plans/college.php) and includes a teacher's guide, student activities, and a presentation.
- The lessons cited above from the University of Arizona's Take Charge Today program are from the Advanced Level Curriculum designed for use with grades 10-12. Some of the lessons include scenario-based Enrichment Activities that can be used with all students or for advanced/gifted learners only. The lessons with enrichment activities that align with this module include: [Lesson 2.2.2: The Basics of Taxes](#); [Lesson 2.3.1: Invest in Yourself](#); [Lesson 2.3.2: Career Exploration](#);



[Lesson 2.3.3: Preparing For Higher Education](#); [Lesson 2.3.4: Planning For Higher Education](#); [Lesson 2.3.5: Paying For Higher Education](#); [Lesson 2.3.6: Get a Job](#); [Lesson 2.3.7: Lifelong Employment](#); [Lesson 2.3.9: Getting Paid](#); and [Lesson Assessment 2.3.10: Career Path Interview](#). All links above require a verified teacher login.

## Interdisciplinary Connections

### English Language Arts Connections

- Prepare resumes, cover letters, and job applications.

#### PA English Language Arts Standards Connections

- CC.1.2.11-12.J: Acquire and use accurately general academic and domain-specific words and phrases, sufficient for reading, writing, speaking, and listening at the college- and career-readiness level; demonstrate independence in gathering vocabulary knowledge when considering a word or phrase important to comprehension or expression.
- CC.1.4.11-12.E: Write with an awareness of the stylistic aspects of composition. Use precise language, domain-specific vocabulary, and techniques such as metaphor, simile, and analogy to manage the complexity of the topic. Establish and maintain a formal style and objective tone while attending to the norms of the discipline in which they are writing.
- Have students write an e-mail to a friend who is trying to select a career and explain how the *Bureau of Labor Statistics: Occupational Outlook Handbook* might be useful in their friends' search. Have students share their e-mails with the class and receive feedback. (From Federal Reserve Bank's Keys to Financial Success Lesson 2.5: What Else is Out There and How Would I Find It?)

#### PA English Language Arts Standards Connections

- CC.1.4.11-12.G: Write arguments to support claims in an analysis of substantive topics.
- Have students take a position about whether taxes are good or bad and support their position with a logical argument.

#### PA English Language Arts Standards Connections

- CC.1.4.11-12.G: Write arguments to support claims in an analysis of substantive topics.

### Math Connections

- Compare gross and net pay under a variety of circumstances including salary/hourly, different pay periods, overtime, commission, etc.
- Calculate payroll deductions.

#### PA Math Standards Connections

- CC.2.4.HS.B.1: Summarize, represent, and interpret data on a single count or measurement variable.
- CC.2.4.HS.B.2: Summarize, represent, and interpret data on two categorical and quantitative variables.
- CC.2.4.HS.B.3: Analyze linear models to make interpretations based on the data.



## Additional Resources

- The U.S. Department of Labor's My Next Move website offers information on careers at <http://www.mynextmove.org>.
- Everfi's Financial Literacy program includes the following learning modules related to earning income: Module 5: Financing Higher Education and Module 7: Taxes and Insurance. All are accessible at no charge <http://www.everfi.com/financial-education> with a verified teacher login.
- The Foolproof curriculum involves the following video-based lessons related to earning income: Module 12: Tax Me and Module 14: Who Needs Money. All are accessible at no charge at <http://foolproofme.com> with a verified teacher login.
- The MoneySkill curriculum includes the following seven modules on earning income: Module 3: Earned Income and Skill Demand, Module 4: Earned Income and Skill Supply, Module 5: Property Income, Module 6: Income from Financial Assets, Module 7: The Consumer Life Cycle, Module 8: Income Over the Life Cycle, Module 9: Federal Income Taxes, and Module 10: Other Deductions from Pay. All are accessible at no charge at <http://moneyskill.org> with a verified teacher login.
- The Banzai program involves activities related to earning income and is accessible at no charge at [TeachBanzai.com](http://TeachBanzai.com) with a verified teacher login.
- ReadWriteThink provides an interactive [Resume Generator](#) and [Letter Generator](#) that can be used to prepare resumes and cover letters.

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## A Model Personal Finance Course for Pennsylvania High Schools

# Module 3: Borrowing Money

**Subject:**

Personal Finance

**Grade:**

High School  
(11 or 12 recommended)

**Suggested Timeline:**

4 weeks (in an 18 week course)

**Big Idea:**

Borrowing money has costs and benefits.

**Essential Questions:**

- How do people decide when and how to use credit?
- What rights and responsibilities do people have when borrowing money?
- What impacts a person's creditworthiness?
- How does responsible credit behavior benefit a consumer?

**Module Overview:**

In this module, students apply sound decision-making principles to determine when and how to use credit. Students learn about borrowers' rights and responsibilities and the risks associated with using credit irresponsibly.

**Module Objectives:**

At the end of this module students will be able to independently use their learning to:

- Draw conclusions about the advantages and disadvantages of using credit. (15.6.12.H)
- Compare types of credit and ways to responsibly use each. (11.1.9.B, 15.6.12.H, 15.6.12.J, 15.6.8.K, 15.6.12.K)
- Analyze the impact of credit legislation on borrowers' rights and responsibilities. (11.1.9.D, 11.1.12.D, 15.6.12.L)
- Investigate ways to obtain and build credit. (15.2.12.G)
- Apply concepts of responsible credit use to the purchase of goods and services, including the calculation of the total cost of credit. (15.6.12.H, 15.6.12.J)
- Analyze the parts of a credit report, the factors which influence credit scores, and understand the use of each. (11.1.9.D, 11.1.12.D, 15.6.8.K, 15.6.12.K, 15.6.12.M)
- Analyze and synthesize the effect of positive and negative credit behavior (e.g. bankruptcy, credit counseling, and cost of credit and insurance). (15.6.8.K, 15.6.12.K, 15.6.12.M)

**Focus Standards Addressed in this Unit:**

- 11.1.9.B Explain the responsibility associated with managing personal finances (e.g., savings, checking, credit, non-cash systems, investments, insurance).
- 11.1.9.D Explain how consumer rights and responsibilities are protected (e.g., government agencies, consumer protection agencies, consumer action groups).
- 11.1.12.D Evaluate the role of consumer rights and responsibilities in the resolution of a consumer problem through the practical reasoning process.



- 15.2.12.G Analyze and complete an application (e.g., job, scholarship, financial aid, post-secondary) in a focused and effective manner.
- 15.6.12.H Evaluate payment methods for major purchases.
- 15.6.12.J Analyze the total cost of a major purchase loan agreement using fixed and variable interest rates, calculated over time.
- 15.6.8.K Investigate factors that contribute to a positive or negative credit history.
- 15.6.12.K Analyze the impact of a positive or negative credit history.
- 15.6.12.L Research major consumer credit laws and their impact on individuals in debt.
- 15.6.12.M Assess the impact of identity theft: develop a plan for correcting a negative credit report.

### **Important Standards Addressed in this Unit**

- 16.2.12.D Utilize appropriate conflict resolution skills effectively in home, school, and community.
- 16.2.12.E Access appropriate support when necessary to resolve a problem or situation.
- 16.3.12.A Evaluate conflicts considering personal, ethical, legal, safety, and civic impact of the consequences and acceptance of final choice.

### **Misconceptions:**

1. Students frequently believe that all debt is bad.
2. Students underestimate the value of having good credit thinking it is only important for buying a house or a car.
3. Students believe stereotypes that only those with limited incomes get into debt.
4. Students believe they cannot have poor credit if they have never borrowed money.
5. Students believe they do not have to worry about student loans until after they graduate.
6. Students often believe there is a "quick fix" for poor credit.

### **Proper Conceptions:**

1. Debt used responsibly can be beneficial.
2. A good credit history lowers costs of borrowing, insurance and provides access to employment.
3. Keeping debt to income ratio in proper proportion is a key to financial stability.
4. A poor credit history can be established by identity theft, late payments on bills, or borrowing money.
5. Student loans should be understood at the time they are entered into including that it will come due within a year after graduation and may take decades to repay.
6. Poor credit can only be improved with time and sound credit practices.

**Concepts:**

Creditworthiness  
Credit  
Credit rights and responsibilities

**Competencies:**

- Analyze the impact of a positive or negative credit history.
- Analyze the total cost of a major purchase loan agreement using fixed and variable interest rates, calculated over time.
- Develop a logical argument for using a specific credit product to make a purchase.
- Investigate major consumer credit laws and their impact on individuals in debt.

**Vocabulary:**

annual percentage rate (APR)  
bankruptcy  
closed end credit  
co-signor  
collateral  
collection agency  
contracts  
costs of credit  
credit  
credit application  
credit bureaus  
credit cards  
credit counseling services  
credit reports  
credit responsibilities  
credit rights  
credit score  
creditworthy  
debt, default  
disclosure act  
easy-access credit  
equal credit opportunity act  
fair and accurate credit transaction act (FACT act)  
fair credit reporting act  
finance charge  
fixed rate  
fraud  
grace period  
interest  
loan  
open end credit  
payday loan  
peer-to-peer loans  
post-secondary education loans  
variable rate



## Assessments

The following assessments are specific to the objectives below.

- Draw conclusions about the advantages and disadvantages of using credit. (15.6.12.H)
  - Credit Basics (2.6.2.A4) student workbook page from Take Charge Today's [Lesson 2.6.2: Credit Basics](#) (verified teacher login required)
  - [Knowledge Assessment 2-2](#) from NEFE High School Financial Planning Program's [Module 2: Borrowing](#) (verified teacher login required)
- Compare types of credit and ways to responsibly use each. (11.1.9.B, 15.6.12.H, 15.6.12.J, 15.6.8.K, 15.6.12.K)
  - [Credit Crossroads](#) student activity page from Visa Practical Money Skills for Life's [Lesson 15: Staying Out of Debt](#) (login required)
  - Credit Basics (2.6.2.A4) and Types of Alternative Credit Planning Sheet (2.6.2.A5) student workbook pages from Take Charge Today's [Lesson 2.6.2: Credit Basics](#) (verified teacher login required)
  - [Challenge 2-A: DECIDE the Best Deal for You](#) from NEFE High School Financial Planning Program's [Module 2: Borrowing](#) (verified teacher login required)
- Analyze the impact of credit legislation on borrowers' rights and responsibilities. (11.1.9.D, 11.1.12.D, 15.6.12.L)
  - [Consumer Credit Laws](#) student activity page from Visa Practical Money Skills for Life's [Lesson 14: Taking Credit for Your Finances](#) (login required)
- Investigate ways to obtain and build credit. (15.2.12.G)
  - [Challenge 2-B: Building Creditworthiness](#) from NEFE High School Financial Planning Program's [Module 2: Borrowing](#) (verified teacher login required)
  - [Spot the Credit Crisis](#) student activity page from Visa Practical Money Skills for Life's [Lesson 6: Why Credit Matters](#) (login required)
- Apply concepts of responsible credit use to the purchase of goods and services, including the calculation of the total cost of credit. 11.1.9.B, 15.6.12.H, 15.6.12.J)
  - [Activity 2.3: Simply Tell the Total](#) from NEFE High School Financial Planning Program's [Module 2: Borrowing](#) (verified teacher login required)
  - [Activity 2.4: What is the Average Payment?](#) from NEFE High School Financial Planning Program's [Module 2: Borrowing](#) (verified teacher login required)
  - Credit Basics student workbook page from Take Charge Today's [Lesson 2.6.2: Credit Basics](#) (verified teacher login required)
  - The final exam for the [ABCs of Credit](#) program from the Center for Student Credit Card Education, Inc can be used online with a report sent to the teacher via email.
- Analyze the parts of a credit report, the factors which influence credit scores, and understand the use of each. (11.1.9.D, 11.1.12.D, 15.6.8.K, 15.6.12.K, 15.6.12.M)
  - Credit Reports and Scores Quiz (2.6.1.A1) student workbook page from Take Charge Today's [Lesson 2.6.1 Credit Reports and Scores](#) (verified teacher



login required)

- Caroline Blue's Credit Report Worksheet (2.6.1.A2) and Isabella's Combined Credit Report Worksheet (2.6.1.A3) from Take Charge Today's [Lesson 2.6.1 Credit Reports and Scores](#) (verified teacher login required)
- Analyze and synthesize the effect of positive and negative credit behavior (e.g. bankruptcy, credit counseling, and cost of credit and insurance). (15.6.8.K, 15.6.12.K, 15.6.12.M)
- [Credit Crossroads](#) student activity page from Visa Practical Money Skills for Life's [Lesson 15: Staying Out of Debt](#) (login required)

The following assessment can be used for summative assessment on topics throughout this module:

- NEFE's High School Financial Planning Program [Module 2: Knowledge Assessments](#).

## Elements of Instruction/Suggested Strategies

*NOTE: Some lesson plans are suggested more than once as they address content in more than one objective.*

Draw conclusions about the advantages and disadvantages of using credit. (15.6.12.H)

- Discuss why people borrow and use credit.
- Evaluate the cost and terms of credit.
- Introduce vocabulary; create a word splash and write sentences using those words.
- Critique various credit scenarios to determine advantages and disadvantages of using credit.

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 2-1: Using Credit](#) (verified teacher login required)
- Federal Reserve Bank's Keys to Financial Success Lesson 5.1: Extra "CREDIT": Cash or Credit; Lesson 5.2: What is Credit?; Lesson 5.3: Cash or Credit? Which Should I Use and When?; Lesson 5.4: Making Credit Choices (awaiting permission to upload files)
- Take Charge Today's [Lesson 2.6.2: Credit Basics](#) and [Lesson 2.6.3: Understanding Credit Cards](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 6: Why Credit Matters](#) (login required)

Compare types of credit and ways to responsibly use each. (11.1.9.B, 15.6.12.H, 15.6.12.J, 15.6.8.K, 15.6.12.K)

- Using online resources like [Bankrate.com](#) or [Creditcard.com](#) students compare and assess different credit products.
- Using scenarios students will determine appropriate credit instruments, explain the difference between open-end and closed-end credit.

The following lesson plans include the use of such strategies and others:



- NEFE's High School Financial Planning Program [Lesson 2-2: Credit Costs](#) (verified teacher login required)
- Federal Reserve Bank's Keys to Financial Success Lesson 5.5: Finding Your Way through the Credit Maze; Lesson 5.8: Shopping for a Credit Card (awaiting permission to upload files)
- Take Charge Today's [Lesson 2.6.2: Credit Basics](#) and [Lesson 2.6.3: Understanding Credit Cards](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 15: Staying Out of Debt](#) (login required)

Analyze the impact of credit legislation on borrowers' rights and responsibilities. (11.1.9.D, 11.1.12.D, 15.6.12.L)

- Address the key components of the Fair Credit Reporting Act, the Truth in Lending Act, and Federal CARD Act 2009.
- Direct students to explore the Federal Reserve website [http://www.federalreserve.gov/credit\\_card/](http://www.federalreserve.gov/credit_card/).

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 2-4: Rights and Responsibilities](#) (verified teacher login required)
- Federal Reserve Bank's Keys to Financial Success Lesson 5.9: Consumer Credit Protections (awaiting permission to upload files)
- Visa's Practical Money Skills for Life [Lesson 14: Taking Credit for Your Finances](#) (login required)

Investigate ways to obtain and build credit. (15.2.12.G)

- Using a FICO pie chart analyze the different components that help build credit. [www.myfico.com/crediteducation/whatsinyourscore.aspx](http://www.myfico.com/crediteducation/whatsinyourscore.aspx)
- Connect the sections of the pie chart to strategies that help build credit.
- Identify the criteria of establishing credit using the 4 C's of credit using a graphic organizer.
- Using situation cards or scenarios analyze what will increase or decrease your credit score.

The following lesson plans include the use of such strategies and others:

- Federal Reserve Bank's Keys to Financial Success Lesson 5.6: Applying for Credit (awaiting permission to upload files)
- NEFE's High School Financial Planning Program [Lesson 2-3: Credit Rating](#) (verified teacher login required)
- Take Charge Today's [Lesson 2.6.1 Credit Reports and Scores](#) (verified teacher login required)

Apply concepts of responsible credit use to the purchase of goods and services, including



the calculation of the total cost of credit. (11.1.9.B, 15.6.12.H, 15.6.12.J)

- Discuss appropriate debt to income ratio.
- Calculate the cost of credit using interest formulas.
- Calculate amortization tables using online calculators.

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 2-2: Credit Costs](#) (verified teacher login required)
- Federal Reserve Bank's Keys to Financial Success Lesson 5.7: All About Interest, Lesson 7.4: Have I Got a Deal For You! Loan or Lease, Lesson 8.3: Tired of Renting: Should I Buy My Own House, and Lesson 8.5: Obtaining Financing: Shop for Your Mortgage (awaiting permission to upload files)
- Take Charge Today's [Lesson 2.6.3: Understanding Credit Cards](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 4: The Cost of College](#) and [Lesson 16: Home Sweet Home](#) (login required)

Analyze the parts of a credit report, the factors which influence credit scores, and understand the use of each. (11.1.9.D, 11.1.12.D, 15.6.8.K, 15.6.12.K, 15.6.12.M)

- Lead students through parts of a credit report using examples and a graphic organizer analyzing each part and identifying what makes a high-risk borrower.
- Explore [www.annualcreditreport.com](http://www.annualcreditreport.com) to access links to all three credit reporting agencies with sample reports from each one. Introduce forms and processes for disputing inaccuracies can also be found on the link.
- View commercials about misconceptions of credit reports.

The following lesson plans include the use of such strategies and others:

- Math in the Real World's [Lesson: Earning Credit](#) from econedlink
- NEFE's High School Financial Planning Program [Lesson 2-3: Credit Rating](#) (verified teacher login required)
- Take Charge Today's [Lesson 2.6.1 Credit Reports and Scores](#) (verified teacher login required)

Analyze and synthesize the effect of positive and negative credit behavior (e.g. bankruptcy, credit counseling, and cost of credit and insurance). (15.6.8.K, 15.6.12.K, 15.6.12.M)

- Given scenarios, have students determine positive and negative credit behavior and the effect on their credit report/score.
- Discuss the most common types of behaviors.
- Discuss the negative impact of bankruptcy on your creditworthiness.
- Explain the advantages of using credit counseling and how to identify credit counseling scams.

The following lesson plans include the use of such strategies and others:

- Federal Reserve Bank's Keys to Financial Success Lesson 5.6:Applying for Credit, Lesson 5.9: Consumer Credit Protection, and Lesson 9.2: Credit Scams, Schemes, Identity Theft, and Privacy Issues (awaiting permission to upload files)
- Visa's Practical Money Skills for Life [Lesson 15: Staying Out of Debt](#) (login required)

## Differentiation

### *Strategies for struggling learners*

- The following lesson plans from Visa's Practical Money Skills for Life program align with this module and are designed specifically for students with learning disabilities: [Lesson 4: Shopping Wisely](#), [Lesson 7: Understanding Credit](#), and [Lesson 8: Cars and Loans](#). All are available at [https://www.practicalmoneyskills.com/foreducators/lesson\\_plans/special.php](https://www.practicalmoneyskills.com/foreducators/lesson_plans/special.php) and include teacher's guides, student activities, and accompanying presentations (login required).
- The lessons cited above as elements of successful instruction from the University of Arizona's Take Charge Today program are from the Advanced Level Curriculum designed for use with grades 10-12. The student workbook pages for each lesson include note taking guides and student information sheets that can be used in various ways with struggling students. In addition, struggling learners may benefit from instruction from the [Introductory Curriculum](#) lessons below which align with this module and are designed for students in grades 7-9: [Take Charge of Credit Cards](#) and [Introductory Level Course Assessment](#). All links above require a verified teacher login.

### *Strategies for advanced/gifted learners*

- The lessons cited above as elements of successful instruction from Visa's Practical Money Skills for Life are from the high school (grades 9-12) curriculum. The same source also has the following lesson for college students which may be used to augment or differentiate instruction for advanced/gifted learners: [Lesson 2: Living on Your Own](#), [Lesson 3: Buying a Home](#), [Lesson 4: About Credit](#), [Lesson 5: Credit Cards](#), [Lesson 6: Cars and Loans](#), [Lesson 7: Consumer Awareness](#), and [Lesson 9: In Trouble](#). They are available at [https://www.practicalmoneyskills.com/foreducators/lesson\\_plans/college.php](https://www.practicalmoneyskills.com/foreducators/lesson_plans/college.php) and include teacher's guides, student activities, and presentations (login required).
- The lessons cited above from the University of Arizona's Take Charge Today program are from the Advanced Level Curriculum designed for use with grades 10-12. Some of the lessons include scenario-based Enrichment Activities that can be used with all students or for advanced/gifted learners only. The lessons with enrichment activities that align with this module include: Lesson [2.5.2: Receiving From Family](#); Lesson [2.5.3: Receiving From Government Programs](#); Lesson [Assessment 2.5.4: Perez Family Case Study](#); Lesson [2.6.1: Credit Reports and Scores](#); Lesson [2.6.2: Credit Basics](#); Lesson [2.6.3: Understanding Credit Cards](#); Lesson [2.6.7: Major Expenditures: Housing, Transportation and Food](#); Lesson [2.6.8 Assessment: Purchasing an Automobile](#). All links above require a verified teacher login.



## Interdisciplinary Connections

### English Language Arts Connections

- Have students write a paragraph or two describing a situation that a consumer might have regarding his or her use of credit. Explain what specific protections the law provides that might help solve their problem. (Adapted from the Federal Reserve Bank of Philadelphia's Keys to Financial Success Lesson 5.9: Consumer Credit Protection)

#### PA English Language Arts Standards Connections

- CC.1.4.11–12.M: Write narratives to develop real or imagined experiences or events.
  - CC.1.4.11–12.G: Write arguments to support claims in an analysis of substantive topics.
- Have students describe a situation that may require a consumer to use credit to pay for something. Explain why the use of credit is the best option in the case described.

#### PA English Language Arts Standards Connections

- CC.1.4.11–12.M: Write narratives to develop real or imagined experiences or events.
- CC.1.4.11–12.G: Write arguments to support claims in an analysis of substantive topics.

### Math Connections

- Using a FICO pie chart analyze the different components that help build credit. [www.myfico.com/crediteducation/whatsinyourscore.aspx](http://www.myfico.com/crediteducation/whatsinyourscore.aspx). Connect the sections of the pie chart to strategies that help build credit.

#### PA Math Standards Connections

- CC.2.4.HS.B.1: Summarize, represent, and interpret data on a single count or measurement variable.
- CC.2.1.HS.F.3: Apply quantitative reasoning to choose and Interpret units and scales in formulas, graphs and data displays.

## Additional Resources

- Everfi's Financial Literacy program includes the following learning modules related to borrowing money: Module 3: Payment Types, Interest Rates, and Credit Cards; Module 4: Credit Scores; and Module 6: Renting versus Owning. All are accessible at no charge <http://www.everfi.com/financial-education> with a verified teacher login.
- The Foolproof curriculum involves the following video-based lessons related to borrowing money: Module 2: Breathing Without Air; Module 3: Kick Some Buck; Module 6: Sucker Punch; Module 7: Boxing Practice; and Module 10: Buying a Home. All are accessible at no charge at <http://foolproofme.com> with a verified teacher login.
- The MoneySkill curriculum includes the following seven modules on borrowing



money: Module 15: Owning a Home; Module 27: The Cost and Benefits of Borrowing; Module 28: Secured Borrowing; Module 29: Credit Cards and Unsecured Borrowing; Module 30: Your Credit Rating. All are accessible at no charge at <http://www.moneyskill.org> with a verified teacher login.

- The Banzai program involves activities related to borrowing money and is accessible at no charge at <http://www.TeachBanzai.com> with a verified teacher login.
- The Consumer Finance Protection Bureau offers information related to credit card applications and borrowing such as "Know Before You Owe." Information is accessible at no charge at [www.consumerfinance.gov](http://www.consumerfinance.gov).
- Oprah's Debt Diet is a video series featuring stories of families and individuals facing severe debt issues. Information is accessible at no charge at <http://www.oprah.com/search.html?q=debt+diet>.
- The ABCs of Credit offers resources related to borrowing at <http://www.Theabcsofcredit.com>. A registration login is required to access the information.

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## A Model Personal Finance Course for Pennsylvania High Schools

# Module 4: Financial Services

**Subject:**

Personal Finance

**Grade:**

High School  
(11 or 12 recommended)

**Suggested Timeline:**

3 weeks (in an 18 week course)

**Big Idea:**

Financial institutions offer services for people to secure, access, and transfer their money.

**Essential Questions:**

- How do people choose and use financial services?
- In what ways do people safeguard their financial assets and information?

**Module Overview:**

In this module, students apply sound decision-making principles to select financial services and products. Students learn how to minimize susceptibility to and recover from financial scams and identity theft.

**Module Objectives:**

At the end of this module students will be able to independently use their learning to:

- Investigate financial institution services and the associated features (e.g., checking accounts, loans, interest rates, saving accounts, FDIC insurance). (11.1.9.B, 15.2.12.G, 15.6.12.I)
- Compare advantages and disadvantages of using various depository financial institutions and the electronic handling of money. (11.1.9.B, 11.1.12.F)
- Assess the impact of using high-cost, non-depository financial service providers (e.g., payday lenders, money transmitters, rent-to-own, pawnshops). (11.1.12.F, 16.3.12.A)
- Employ strategies to minimize susceptibility to and recover from financial scams and identity theft. (15.6.8.M, 15.6.12.M)

**Focus Standards Addressed in this Unit:**

- 11.1.9.B Explain the responsibilities associated with managing personal finances (e.g., savings, checking, credit, non-cash systems, investments, insurance).
- 11.1.12.F Compare and contrast the selection of goods and services by applying effective consumer strategies.
- 15.2.12.G Analyze and complete an application (e.g., job, scholarship, financial aid, post-secondary) in a focused and effective manner.
- 15.6.12.I Analyze the functions of the Federal Reserve and other financial institutions.
- 15.6.8.M Examine steps to minimize exposure to identity theft.
- 15.6.12.M Assess the impact of identity theft; develop a plan for correcting a negative credit report.



## Important Standards Addressed in this Unit

- 16.2.12.D Utilize appropriate conflict resolution skills effectively in home, school, and community.
- 16.2.12.E Access appropriate support when necessary to resolve a problem or situation.
- 16.3.12.A Evaluate conflicts considering personal, ethical, legal, safety, and civic impact of the consequences and acceptance of final choice.

### Misconceptions:

1. Students can be naive and believe financial professionals only give advice that is in their best interest.
2. Students may believe credit unions don't offer the same services as banks.
3. Students often believe they can only join a credit union if they work someplace specific.
4. Students often think financial institutions do not make mistakes.
5. Students believe their online activity is safe and cannot affect personal finances.

### Proper Conceptions:

1. Financial professionals are in the business of making money.
2. Credit unions and banks offer similar services.
3. Anyone can join a credit union.
4. Account holders must monitor and reconcile accounts.
5. Online activity is not safe and can have long lasting negative effects on personal finances.

### Concepts:

Financial institutions  
Financial services  
Identity theft

### Competencies:

- Analyze the functions of the Federal Reserve and other financial institutions.
- Analyze and complete a financial application.
- Assess the impact of identity theft.

### Vocabulary:

account types  
automated deposit  
automated payment  
bank  
certificate of deposit (CD)  
check  
check casher  
checking account  
credit union  
debit card  
electronic funds transfer (ETF)  
fees  
financial institutions  
fraud  
federal deposit insurance corporation (FDIC)  
identity theft  
interest  
loan shark  
mobile banking  
money market account  
money order  
money Transmitter  
national credit union administration (NCUA)  
online banking  
pawn shop



payment method  
point of sale  
savings account  
savings and loan  
scams  
stored-value card  
transaction tracking

## Assessments

The following assessments are specific to the objectives below.

- Investigate financial institution services and the associated features (e.g., checking accounts, loans, interest rates, saving accounts, FDIC insurance). (11.1.9.B, 15.2.12.G, 15.6.12.I)
  - Challenge 5-A: Using a Checking Account from NEFE High School Financial Planning Program's [Module 5: Financial Services](#) (verified teacher login required)
- Compare advantages and disadvantages of various financial institutions related to money management. (11.1.9.B, 11.1.12.F)
  - [Bank It](#) student activity page from Visa Practical Money Skills for Life's [Lesson 10: Saving for a Rainy Day](#) (login required)
- Assess the impact of using high-cost, non-depository financial service providers (e.g., payday lenders, money transmitters, rent-to-own, pawnshops). (11.1.12.F, 16.3.12.A)
  - Students create consumer reports on predatory lending practices using different media.
  - Assessment items from the Math in the Real World's [Lesson: How Expensive Are Payday Loans](#) on econedlink (login required)
- Employ strategies to minimize susceptibility to and recover from financial scams and identity theft. (15.6.8.M, 15.6.12.M)
  - Challenge 5-D: Scam Action Plan from NEFE High School Financial Planning Program's [Module 5: Financial Services](#) (verified teacher login required)
  - Students create a checklist or write a short narrative detailing their plan to manage their financial resources.
  - Students create a PSA (public service announcement) to educate peers about strategies to reduce risk.

The following assessment can be used for summative assessment on topics throughout this module:

- NEFE's High School Financial Planning Program [Module 5 Knowledge Assessments](#).



## Elements of Instruction/Suggested Strategies

*NOTE: Some lesson plans are suggested more than once as they address content in more than one objective.*

Investigate financial institution services and the associated features (e.g., checking accounts, loans, interest rates, saving accounts, FDIC insurance). (11.1.9.B, 15.2.12.G, 15.6.12.I)

- Lead students to investigate the costs and benefits of financial institutions.
- Identify differences between services offered.
- Complete an interest rate comparison for both borrowing and saving money.
- Demonstrate the mechanics of a checking account by recording deposits, writing checks, and reconciling a checking account.

The following lesson plans include the use of such strategies and others:

- Federal Reserve Bank's Keys to Financial Success Lesson 6.1: What Financial Institutions Can Do for Me, Lesson 6.2: Checking Accounts: Not All are Created Equal, and Lesson 6.3: Practice, Practice: How to Record Deposits, Keep a Running Balance, and Reconcile a Checking Account (awaiting permission to upload files)
- NEFE's High School Financial Planning Program [Lesson 5-1: Checking Accounts](#) and [Lesson 5-4: Financial Service Providers](#) (verified teacher login required)
- Take Charge Today's [Lesson 2.2.1: Introduction to Depository Institutions](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 12: Selecting a Banking Partner](#) (login required)

Compare advantages and disadvantages of various financial institutions related to money management. (11.1.9.B, 11.1.12.F)

- Design an appropriate graphic organizer to compare financial institutions.
- Encourage students to share results of their comparisons with their classmates.

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 5-2: Financial Tools and Technology](#) (verified teacher login required)
- Math in the Real World's [Lesson: How Expensive Are Payday Loans](#) on econedlink (login required)
- Visa's Practical Money Skills for Life [Lesson 10: Saving for a Rainy Day](#) (login required)

Assess the impact of using high-cost, non-depository financial service providers (e.g., payday lenders, money transmitters, rent-to-own, pawnshops). (11.1.12.F, 16.3.12.A)

- Show students videos or share news stories concerning non-depository service providers.



- Design a graphic organizer on types of predatory lending and ways to avoid predatory practices.
- Students complete independent research or work in pairs to investigate practices of various non- depository providers.

The following lesson plans include the use of such strategies and others:

- Take Charge Today's [Lesson 2.6.2: Credit Basics](#) (verified teacher login required)

Employ strategies to minimize susceptibility to and recover from financial scams and identity theft. (15.6.8.M, 15.6.12.M)

- Show students videos from the [Federal Trade Commission](#) and local news articles concerning recent incidents of fraud.
- Consider inviting a guest speaker. (e.g., security officer from a financial institution or a victim of identity theft).
- Share handouts and/or information from the [Federal Trade Commission](#) with students.
- Invite a guest speaker from a local financial institution. The Pennsylvania Institute of Certified Public Accountants can help you [find a speaker](#).

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 2-5: Identity Fraud](#) and [Lesson 5.3: Financial Fraud](#) (verified teacher login required)
- Take Charge Today's [Lesson 2.6.4: Protecting Yourself from Fraud: Identity Theft](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 7: Privacy Please: Protecting Your Identity](#) (login required)

## Differentiation

### *Strategies for struggling learners*

- The following lesson plan from Visa's Practical Money Skills for Life program align with this module and are designed specifically for students with learning disabilities: [Lesson 6: Banking Services](#). It is available at [https://www.practicalmoneyskills.com/foreducators/lesson\\_plans/special.php](https://www.practicalmoneyskills.com/foreducators/lesson_plans/special.php) and includes a teacher's guide, student activities, and a presentation (login required).
- The lessons cited above as elements of successful instruction from the University of Arizona's Take Charge Today program are from the Advanced Level Curriculum designed for use with grades 10-12. The student workbook pages for each lesson include note taking guides and student information sheets that can be used in various ways with struggling students. In addition, struggling learners may benefit from instruction from the [Introductory Curriculum](#) lessons below which align with this module and are designed for students in grades 7-9: [Checking Account and Debit Card Simulations](#); [Depository Institution Discovery](#), [Electronic Banking Bonanza](#), and [Introductory Level Course Assessment](#). All links above require a verified teacher login.



### *Strategies for advanced/gifted learners*

- The lessons cited above as elements of successful instruction from Visa's Practical Money Skills for Life are from the high school (grades 9-12) curriculum. The same source also has the following lesson for college students that may be used to augment or differentiate instruction for advanced/gifted learners: [Lesson 7: Consumer Awareness](#). It is available at [https://www.practicalmoneyskills.com/foreducators/lesson\\_plans/college.php](https://www.practicalmoneyskills.com/foreducators/lesson_plans/college.php) and includes teacher's guide, student activities, and presentation. (login required)
- The lessons cited above from the University of Arizona's Take Charge Today program are from the Advanced Level Curriculum designed for use with grades 10-12. Some of the lessons include scenario-based Enrichment Activities that can be used with all students or for advanced/gifted learners only. The lessons with enrichment activities that align with this module include: [Lesson 2.2.1: Introduction to Depository Institutions](#) and [Lesson 2.4.3 Savings Tools](#) (requires a verified teacher login).

## **Interdisciplinary Connections**

### English Language Arts Connections

- Have students write a short essay that completes the following statement: "It is important to learn the "mechanics" of maintaining a checking account because..." (Adapted from the Federal Reserve Bank of Philadelphia's Keys to Financial Success Lesson 6.3: Managing My Checking Account)

#### PA English Language Arts Standards Connections

- CC.1.4.11-12.G: Write arguments to support claims in an analysis of substantive topics.
- If you had \$100 and wanted to put it into a savings account, which institution and type of account would you choose? Compare accounts from two local financial institutions. Which would you choose and why? (adapted from Visa's Lesson 10: [Bank It Activity Sheet 2](#))

#### PA English Language Arts Standards Connections

- CC.1.4.11-12.G: Write arguments to support claims in an analysis of substantive topics.

### Math Connections

- Calculate the cost of payday loans in Math in the Real World's [Lesson: How Expensive Are Payday Loans](#) on econedlink (login required)

#### PA Math Standards Connections

- CC.2.2.HS.D.7: Create and graph equations or inequalities to describe numbers or relationships.
- Have students calculate whether debt payments fall within the recommended allotment in the Can They Handle It activity from Take Charge Today's [Lesson 2.6.2: Credit Basics](#) (verified teacher login required)

#### PA Math Standards Connections

- CC.2.4.HS.B.3: Analyze linear models to make interpretations based on the



data.

## Additional Resources

- The Consumer Financial Protection Bureau has financial information for consumers at <http://www.consumerfinance.gov/>.
- Consumer Jungle offers a Fraud of the Month with information about scams circulating the consumer world at <https://www.consumerjungle.org/fraud>.
- Everfi's Financial Literacy program includes the following learning modules related to financial services: Module 2: Banking. All are accessible at no charge <http://www.everfi.com/financial-education> with a verified teacher login.
- The Federal Bureau of Investigation (FBI) and Federal Trade Commission (FTC) offers information on identity theft at [http://www.fbi.gov/about-us/investigate/cyber/identity\\_theft](http://www.fbi.gov/about-us/investigate/cyber/identity_theft) and <http://www.consumer.ftc.gov/features/feature-0014-identity-theft>.
- The Federal Deposit Insurance Corporation (FDIC) and National Credit Union Association have information on financial institutions and consumer protection at <https://www.fdic.gov/> and <http://www.mycreditunion.gov>.
- The Foolproof curriculum involves the following video-based lessons related to financial services: Module 1: When it Hits the Fan; Module 4: Road Trip; and Module 5: Junk in the Trunk. All are accessible at no charge at <http://foolproofme.com> with a verified teacher login.
- The Goodwill Community Foundation offers online modules in Banking Options, Managing a Checking Account, and Managing a Savings Account at no charge at <http://www.gcflearnfree.org/moneybasics>.
- The MoneySkill curriculum includes the following seven modules on financial services: Module 13: Using a Checking Account and Module 32: Identity Theft. All are accessible at no charge at <http://www.moneyskill.org> with a verified teacher login.
- The Banzai program involves activities related to financial services and is accessible at no charge at <http://www.TeachBanzai.com> with a verified teacher login.

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## A Model Personal Finance Course for Pennsylvania High Schools

# Module 5: Risk Management

**Subject:**

Personal Finance

**Grade:**

High School  
(11 or 12 recommended)

**Suggested Timeline:**

2 weeks (in an 18 week course)

**Big Idea:**

Risk management strategies are used to protect against potential loss.

**Essential Questions:**

- Why do people choose to limit their risk?
- How do people protect themselves from financial loss throughout their life?
- How does insurance work?

**Module Overview:**

In this module, students learn about risks faced in life and strategies for managing those risks to prevent loss. Students are exposed to different types of insurance and other ways to manage risk, including avoiding and accepting. Students create a risk management plan that includes end-of-life decisions and securing financial documents.

**Module Objectives:**

At the end of this module students will be able to independently use their learning to:

- Apply concepts of risk management (e.g. avoidance, reduction, retention, and transfer). (11.1.9.B, 11.1.12.B)
- Develop a logical argument to justify the purpose and importance of insurance. (11.1.9.B, 11.1.12.B, 15.6.8.N)
- Compare and contrast various types of insurance. (15.6.8.N)
- Compare and contrast various suppliers of insurance products and develop criteria to evaluate insurance needs. (15.6.12.N)
- Explain how and why people make end-of-life plans. (11.1.12.B)
- Construct a plan to manage loss of financial information or assets due to unexpected life events. (11.1.9.B, 15.6.12.O)

**Focus Standards Addressed in this Unit:**

11.1.9.B Explain the responsibilities associated with managing personal finance (e.g., savings, checking, credit, non-cash systems, investments, insurance).

11.1.12.B Analyze the management of financial resources across the lifespan.

15.6.8.N Examine the purpose and importance of various types of insurances.

15.6.12.N Compare and contrast various suppliers of insurance products and develop criteria to evaluate individual insurance needs.

15.6.12.O Develop criteria for a disaster management plan that includes provisions for secure storage of digital and paper documents, inventory of household items, cash reserves, and medical records.



## Important Standards Addressed in this Unit

16.1.12.B Demonstrate personal traits leading to positive relationships and life achievements.

16.2.12.E Access appropriate support when necessary to resolve a problem or situation.

16.3.12.A Evaluate conflicts considering personal, ethical, legal, safety, and civic impact of the consequences and acceptance of final choice.

### Misconceptions:

1. Students think insurance is the only way to manage risk.
2. Students tend to believe their driving record is the main factor that determines car insurance rates.
3. Students believe that "full coverage" auto insurance includes rental and towing coverage.
4. Students consider that they are better off investing their money than buying life insurance of any kind.
5. Students believe they don't have to worry about their actions because insurance will cover their poor choices.
6. Students do not see insurance as a good way to spend their money.
7. Students believe they are either too young to have a will or make their end-of-life wishes known or have not given it any consideration.
8. Students are influenced by advertising and believe all insurance companies offer competitive pricing.
9. Students often disregard how to store their documents (e.g. ATM receipts, car insurance policy, social security card) or believe storing them in a shoebox is fine).

### Proper Conceptions:

1. Buying insurance is one of four ways to manage risk.
2. Insurance prices are based on many factors including age, gender, type of car, behavior, and credit rating.
3. It is necessary to read your policy and speak with your agent about the specifics about what is covered with any type of insurance.
4. Insurance is not an investment and should be considered separately as a form of risk management.
5. Not all insurance policies cover the full replacement costs of items and students can still spend money on deductibles.
6. Having insurance is like carrying an umbrella when it is cloudy outside. You have it, but you hope you won't have to use it.
7. Formal, legal documents are the only way to insure that your wishes will be executed.
8. Comparison shopping between insurance companies and policies offered is necessary to get competitive pricing.
9. Legal and financial documents need to be stored in a secure place.

### Concepts:

Risk  
Insurance

### Competencies:

- Compare how people manage risk through avoidance, reduction, retention, and transfer.
- Explain how and why people make end-of-life plans.

### Vocabulary:

advanced directive  
automobile insurance  
claim  
disability insurance  
durable healthcare power of attorney



- Compare and contrast various suppliers of insurance products and develop criteria to evaluate individual insurance needs.
  - Describe types of insurance including health, disability, auto, homeowners, renters, life, and long-term care.
  - Assess the impact of identity theft.
- estate  
health insurance  
homeowners insurance  
insurance  
liability insurance  
life insurance  
living will  
major medical  
Medicaid  
Medicare  
no-fault  
probate court  
renters insurance  
risk  
risk management  
will

## Assessments

The following assessments are specific to the objectives below.

- Apply concepts of risk management (e.g. avoidance, reduction, retention, and transfer). (11.1.9.B, 11.1.12.B)
  - Activity 6-1: Teens at Risk from NEFE's High School Financial Planning Program's [Lesson 6-1: Manage Risk](#) (verified teacher login required)
- Develop a logical argument to justify the purpose and importance of insurance. (11.1.9.B, 11.1.12.B, 15.6.8.N)
  - Challenge 6-A: Case for Insurance from NEFE High School Financial Planning Program's [Module 6: Insurance](#) (verified teacher login required)
- Compare and contrast various types of insurance. (15.6.8.N)
  - [Insurance Matchmaker](#) student activity page from Visa Practical Money Skills for Life's [Lesson 17: Protect Yourself](#) (login required)
- Compare and contrast various suppliers of insurance products and develop criteria to evaluate insurance needs. (15.6.12.N)
  - [My Perfect Plan](#) student activity page from Visa Practical Money Skills for Life's [Lesson 17: Protect Yourself](#) (login required)
- Have students give a presentation about findings from personal research.
  - Challenge 6-C: Cellphone Insurance from NEFE's High School Financial Planning Program [Lesson 6-3: Selecting Insurance](#) (verified teacher login required)
- Explain how and why people make end-of-life plans. (11.1.12.B)
  - [Where There's a Will, There's a Way](#) student activity page from Visa Practical Money Skills for Life's [Lesson 17: Protect Yourself](#). (login required) Students will list important aspects of a will.
  - Reflect on parent interview.
- Construct a plan to manage loss of financial information or assets due to unexpected life events. (11.1.9.B, 15.6.12.O)

- Students create a plan and provide a reflection about it.

## Elements of Instruction/Suggested Strategies

*NOTE: Some lesson plans are suggested more than once as they address content in more than one objective.*

Apply concepts of risk management (e.g. avoidance, reduction, retention, and transfer). (11.1.9.B, 11.1.12.B)

- Before addressing risk management discuss things that people value and without which they would suffer hardship (e.g. belongings, health, money).
- Show video "[Risk, Responsibility, and Reality](#)" from the Griffith Foundation to begin discussion.
- Use lessons from Next Generation to assess student understanding of risk. <http://www.scholastic.com/nextgeneration/>.
- Simulate a risk scenario using something fictitious such as sneeze insurance an example of such an activity found at [wimedialab.org/finance/q912woletz.html](http://wimedialab.org/finance/q912woletz.html)

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 6-1: Manage Risk](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 17: Protect Yourself](#) (login required)

Develop a logical argument to justify the purpose and importance of insurance. (11.1.9.B, 11.1.12.B, 15.6.8.N)

- Use videos from insurance companies such as the "Mayhem" series from AllState to introduce why insurance is necessary with humor.
- Help students understand costs of various types of health insurance using resources from Next Generation website. There is an activity in [Lesson 2: Price is Right](#).

The following lesson plans include the use of such strategies and others:

- Federal Reserve Bank's Keys to Financial Success Lesson 9.3: Why Insurance and How Does It Work? (awaiting permission to upload files)

Compare and contrast various types of insurance. (15.6.8.N)

- Conduct an activity using scenarios to help determine appropriate insurance.
- Next Generation website has various activities about the different types of insurance.
- Allow students to play the [longevity game](#) to learn how their lifestyle choices effect life expectancy.

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program [Lesson 6-2: How Insurance Works](#) (verified teacher login required)
- Federal Reserve Bank's Keys to Financial Success Lesson 9.4: The Basics of Life Insurance; Lesson 9.5: Everything You Ever Wanted to Know About Automobile Insurance; and Lesson 9.6: Why Renter's Insurance (awaiting permission to upload files)
- Take Charge Today's [Lesson 2.6.5: Types of Insurance](#) (verified teacher login required)

Compare and contrast various suppliers of insurance products and develop criteria to evaluate insurance needs. (15.6.12.N)

- Brainstorm the different insurance company names.
- Bring in guest speakers as a panel to discuss their products.
- Use independent agent to collect information from various companies to compare and contrast then use graphic organizer for student comparison activity.
- Research and report as an outside activity.

The following lesson plans include the use of such strategies and others:

- Federal Reserve Bank's Keys to Financial Success Lesson 7.5: How Costly Will My Car Insurance Be? (awaiting permission to upload files)
- NEFE's High School Financial Planning Program [Lesson 6-3: Selecting Insurance](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 17: Protect Yourself](#) (login required)

Explain how and why people make end-of-life plans. (11.1.12.B)

- Find a story about an end-of-life dilemma situation and have a discussion about it such as the Terry Schiavo case in Florida in 2003.
- Encourage students to have a discussion/interview with an adult about end-of-life plans/advanced directives.
- Invite a lawyer and or banker/trust officer to be a guest speaker.

The following lesson plans include the use of such strategies and others:

- Visa's Practical Money Skills for Life [Lesson 17: Protect Yourself](#) (login required)

Construct a plan to manage loss of financial information or assets due to unexpected life events. (11.1.9.B, 15.6.12.O)

- Preview articles about record-keeping.
- Brainstorm a list of important papers (e.g. tax documents, Social Security Card, credit cards, ATM receipts, medical cards, titles, warranties, insurance cards). Have students sort these documents into categories of a personal filing system.
- Records management lesson plan from [Right on the Money](#).
- Use kits and guides available at [Operation Hope Emergency Financial First Aid Kit](#) website to develop a plan.

The following lesson plans include the use of such strategies and others:

- Federal Reserve Bank's Keys to Financial Success Lesson 7.3: What Are Warranties and Service Contracts and Why Do I Need Them? Or Do I? (awaiting permission to upload files)
- Visa's college level [Lesson 6: Cars and Loans](#) (section on warranties and service contracts)

## Differentiation

### *Strategies for struggling learners*

- The following lesson plan from Visa's Practical Money Skills for Life program align with this module and are designed specifically for students with learning disabilities: [Lesson 9: Protecting Your Money](#). It is available at [https://www.practicalmoneyskills.com/foreducators/lesson\\_plans/special.php](https://www.practicalmoneyskills.com/foreducators/lesson_plans/special.php) and includes a teacher's guide, student activities, and a presentation (login required).

### *Strategies for advanced/gifted learners*



- The lessons cited above as elements of successful instruction from Visa's Practical Money Skills for Life are from the high school (grades 9-12) curriculum. The same source also has the following lesson for college students that may be used to augment or differentiate instruction for advanced/gifted learners: [Lesson 2: Living on your Own](#), [Lesson 9: In Trouble](#), and [Lesson 10: About Consumer Privacy](#). It is available at [https://www.practicalmoneyskills.com/foreducators/lesson\\_plans/college.php](https://www.practicalmoneyskills.com/foreducators/lesson_plans/college.php) and includes teacher's guide, student activities, and presentation (login required).
- The lessons cited above from the University of Arizona's Take Charge Today program are from the Advanced Level Curriculum designed for use with grades 10-12. Some of the lessons include scenario-based Enrichment Activities that can be used with all students or for advanced/gifted learners only. The lessons with enrichment activities that align with this module include: [Lesson 2.6.4: Protecting Yourself from Fraud: Identity Theft](#), [Lesson 2.6.5: Types of Insurance](#), [Lesson 2.6.6: Smart Consumer Spending](#), [Lesson Assessment 2.6.8: Purchasing an Automobile](#); and [Lesson 2.7.2: Estate Planning](#) (requires a verified teacher login).

## Interdisciplinary Connections

### English Language Arts Connections

- Describe a situation in which a person chooses to avoid, reduce, retain, or transfer risk. Develop an argument for the selected risk management technique.  
PA English Language Arts Standards Connections
  - CC.1.4.11-12.G: Write arguments to support claims in an analysis of substantive topics.
- Calculate and graph the cost of insurance for an item over the course of time. Then calculate and graph the depreciated or appreciated value of the asset over time. Describe why insuring the item makes sense or not.  
PA English Language Arts Standards Connections
  - CC.1.4.11-12.G: Write arguments to support claims in an analysis of substantive topics.

### Math Connections

- Calculate and graph the cost of insurance for an item over the course of time. Then calculate and graph the depreciated or appreciated value of the asset over time. Describe why insuring the item makes sense or not.  
PA Math Standards Connections
  - CC.2.2.HS.D.7: Create and graph equations or inequalities to describe numbers or relationships.
- Examine an [actuarial life table](#) such as the one available through the Social Security Administration. Have students interpret and/or graph the data.  
PA Math Standards Connections
  - CC.2.2.HS.D.7: Create and graph equations or inequalities to describe numbers or relationships.
  - CC.2.4.HS.B.3: Analyze linear models to make interpretations based on the data.



## Additional Resources

- Everfi's Financial Literacy program includes the following learning module related to risk management: Module 7: Taxes and Insurance. It is accessible at no charge <http://www.everfi.com/financial-education> with a verified teacher login.
- The Foolproof curriculum involves the following video-based lesson related to risk management: Module 15: Don't Forget the Parachute. It is accessible at no charge at <http://foolproofme.com> with a verified teacher login.
- The MoneySkill curriculum includes the following seven modules on risk management: Module 32: Identity Theft; Module 33: Understanding Insurance; Module 34: Life, Wills, and Disability Insurance; Module 35: Health Insurance; and Module 36: Retirement. All are accessible at no charge at <http://moneyskill.org> with a verified teacher login.
- The Banzai program involves activities related to risk management and is accessible at no charge at [TeachBanzai.com](http://TeachBanzai.com) with a verified teacher login.
- Scholastic's Next Generation resource provides lessons, videos, and other resources for teaching about risk management and insurance at no charge at <http://www.scholastic.com/nextgeneration/>.

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## A Model Personal Finance Course for Pennsylvania High Schools

# Module 6: Saving and Investing

**Subject:**

Personal Finance

**Grade:**

High School  
(11 or 12 recommended)

**Suggested Timeline:**

3 weeks (in an 18 week course)

**Big Idea:**

Saving and investing habits influence lifelong opportunities for financial independence.

**Essential Questions:**

- Why do people choose to save and invest money?
- In what ways do people save and invest their money?
- Why do some investments have the potential for greater return and risk than others?

**Module Overview:**

In this module, students learn to differentiate between saving and investing, understand the importance of each, and analyze the impacts on their financial future. Students perform calculations related to the development of investment strategies. Students demonstrate an understanding of portfolio diversification, investing for various life situations, and the role government regulation plays in saving and investing.

**Module Objectives:**

At the end of this module students will be able to independently use their learning to:

- Explain the purpose of saving and investing money to build wealth. (6.5.9.E, 11.1.9.B, 15.6.8.F)
- Evaluate different types of savings vehicles and compare features for each. (6.5.9.G, 15.6.8.F)
- Analyze variations in interest rates and the impact on investment decisions. (6.5.12H)
- Apply concepts of solving equations and percentages to perform financial calculations (e.g. rate of return, Rule of 72, simple interest, compound interest). (6.5.9.H, 6.5.12.H, 15.6.8.Q, 15.6.12.Q)
- Evaluate different types of investments including stocks, bonds, and mutual funds and compare the risks and returns of each. (6.5.9.G, 6.5.12.G, 15.1.8.I, 15.1.12.I, 15.6.8.F)
- Analyze portfolio diversification strategies appropriate for various life situations taking into consideration the role of government. (11.1.9.B, 15.6.12.P, 15.6.8.R, 15.6.12.R, 15.6.12.S)

**Focus Standards Addressed in this Unit:**

- 6.5.9.E Define wealth and describe its distribution within and among the political divisions of the United States.
- 6.5.9.G Compare and contrast the various financial tools available to savers.
- 6.5.9.H Explain the impact of higher or lower interest rates for savers, borrowers,



- consumers, and producers.
- 6.5.12.G Analyze the risks and returns of various investments.
- 6.5.12.H Evaluate benefits and costs of changes in interest rates for individuals and society.
- 11.1.9.B Explain the responsibilities associated with managing personal finance (e.g., savings, checking, credit, non-cash systems, investments, insurance).
- 15.1.8.I Identify and classify the classes and rights of types of stock.
- 15.1.12.I Differentiate between and journalize entries for issuance or repurchase of stock and the declaration and payment of dividends.
- 15.6.8.F Evaluate assets as related to personal wealth and spending.
- 15.6.8.I Compare advantages and disadvantages of different financial institutions relating to saving, investing, and borrowing.
- 15.6.12.P Develop financial investment plans to accommodate various economic and personal scenarios.
- 15.6.8.Q Calculate investment growth using varying rates of return.
- 15.6.12.Q Apply the "Rule of 72" to estimate the number of periods required to double an investment.
- 15.6.8.R Evaluate the benefits of a diversified portfolio.
- 15.6.12.R Compare and contrast various investment plans to achieve goals of liquidity, income, and growth.
- 15.6.12.S Analyze the role of government in investment planning and retirement planning.

### Important Standards Addressed in this Unit

- 16.1.12.D Incorporate goal setting into college, career, and other life decisions.

#### Misconceptions:

1. Students frequently believe saving and investing are the same thing.
2. Students often believe all bank and credit union savings accounts are the same.
3. Students vary in their attitudes about risk with many thinking you should never take financial risks.
4. Some students believe investing in the stock market is the same as gambling.
5. Students believe stereotypes that only those with lots of money invest in the stock market.
6. Students feel they do not need to worry about saving for retirement until they are older.

#### Proper Conceptions:

1. Savings is for everyday expenses and emergencies; investing is for long-term planning and building wealth.
2. Consumers need to comparison shop when choosing a savings account at financial institutions.
3. Taking financial risks creates greater potential return.
4. Gambling is based on chance. Investing is based on research and economic principles of supply and demand.
5. Anyone can invest in the stock market, even with small amounts of cash.
6. Due to the power of compounding, it is wise to start saving and investing for retirement as young as possible and on a regular basis.



### Concepts:

Saving  
Interest  
Assets  
Investing  
Fraud

### Competencies:

- Analyze savings goals and options people have at various life stages.
- Evaluate benefits and costs of changes in interest rates for individuals and society.
- Develop a definition of wealth considering personal values, priorities, and goals.
- Critique investment plans in terms of their ability to achieve goals of liquidity, income, growth, and tax benefit.
- Analyze the risks and returns of various investments.
- Analyze the role of federal and state regulators in protecting savers and investors.

### Vocabulary:

capital gain  
capital loss  
compound interest  
diversification  
dividends  
dollar-cost averaging  
emergency fund  
employer-sponsored retirement savings plan  
equity, financial advisor  
financial rewards  
financial risk, individual retirement account (IRA)  
interest  
interest income  
investing  
liquidity  
mutual fund  
net worth  
portfolio  
principal  
prospectus  
rate of return  
retirement planning  
rule of 72  
saving  
savings account  
savings bond  
savings goals  
security  
simple interest  
stock  
stock market  
tax deferral  
time value of money  
trust  
truth in savings act  
wealth

### Assessments

The following assessments are specific to the objectives below.

- Explain the purpose of saving and investing money to build wealth. (6.5.9.E, 11.1.9.B, 15.6.8.F)
  - Choose to Save Reinforcement Worksheet (2.4.1.A3) from Take Charge Today's [Lesson 2.4.1: Choose to Save](#) (verified teacher login required)
- Evaluate different types of savings vehicles and compare features for each. (6.5.9.G, 15.6.8.F)
  - Choose to Save Reinforcement Worksheet (2.4.1.A3) from Take Charge



- Today's [Lesson 2.4.1: Choose to Save](#) (verified teacher login required)
  - Savings Tools Reinforcement Worksheet (2.4.3.A2) from Take Charge Today's [Lesson 2.4.3: Savings Tools](#) (verified teacher login required)
- Analyze variations in interest rates and the impact on investment decisions. (6.5.12H)
  - Letter to Jane (2.4.3.A3) from Take Charge Today's [Lesson 2.4.3: Savings Tools](#)
- Apply concepts of solving equations and percentages to perform financial calculations (e.g. rate of return, Rule of 72, simple interest, compound interest). (6.5.9.H, 6.5.12.H, 15.6.8.Q, 15.6.12.Q)
  - "Rule of 72" Math from Take Charge Today's [Lesson 2.4.5: Rule of 72](#).
  - [Time Value of Money Math Practice](#) from Take Charge Today
  - What's My Interest from Visa's [Lesson 18: A Way to Wealth](#)
- Evaluate different types of investments including stocks, bonds, and mutual funds and compare the risks and returns of each. (6.5.9.G, 6.5.12.G, 15.1.8.I, 15.1.12.I, 15.6.8.F)
  - The Fundamentals of Investing (2.4.4.A2) from Take Charge Today's [Lesson 2.4.4: The Fundamentals of Investing](#) (verified teacher login required)
  - Investment FAQ from NEFE's High School Financial Planning Program [Lesson 4-3: Choosing Investments](#) (verified teacher login required)
- Analyze portfolio diversification strategies appropriate for various life situations taking into consideration the role of government. (11.1.9.B, 15.6.12.P, 15.6.8.R, 15.6.12.R, 15.6.12.S)
  - It's My Life Plan (2.4.6.A1) from Take Charge Today's [Lesson 2.4.6: It's My Life](#) (verified teacher login required)

The following assessment can be used for summative assessment on topics throughout this module:

- NEFE's High School Financial Planning Program [Module 4 Knowledge Assessments](#).
- Take Charge Today's [It's My Life](#)

## Elements of Instruction/Suggested Strategies

*NOTE: Some lesson plans are suggested more than once as they address content in more than one objective.*

Explain the purpose of saving and investing money to build wealth. (6.5.9.E, 11.1.9.B, 15.6.8.F)

- Discuss the purpose of saving and investing for the future.
- Use financial calculators to demonstrate the effect of compound interest on savings.

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program 4-1: Put Savings to Work and Lesson 4-2: How Investing Works from [Module 4: Investing](#) (verified teacher login required)



- Federal Reserve Bank's Keys to Financial Success Lesson 4.1: Pay Yourself First, Early, and Often and Lesson 4.2: Why Should I Have a Savings Plan? (awaiting permission to upload files)
- Take Charge Today's [Lesson 2.4.1: Choose To Save](#) (verified teacher login required)

Investigate different types of savings vehicles identifying features for each. (6.5.9.G, 15.6.8.F)

- Use graphic organizer to compare types of deposit accounts and their special features.

The following lesson plans include the use of such strategies and others:

- Take Charge Today's [Lesson 2.4.3: Saving Tools](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 10: Saving for a Rainy Day](#) (login required)

Analyze variations in interest rates and the impact on saving decisions. (6.5.12H)

- Compare features and interest rates of deposit accounts among differing financial institutions.

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program Lesson 4-1: Put Savings to Work from [Module 4: Investing](#) (verified teacher login required)
- Take Charge Today's [Lesson 2.4.3: Saving Tools](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 10: Saving for a Rainy Day](#) (login required)

Apply concepts of solving equations and percentages to perform financial calculations (e.g. rate of return, Rule of 72, simple interest, compound interest). (6.5.9.H, 6.5.12.H, 15.6.8.Q, 15.6.12.Q)

- Students compute example word problems with or without the use of calculators. Follow up with Excel exercises.

The following lesson plans include the use of such strategies and others:

- Take Charge Today's [Lesson 1.14.3: Time Value of Money](#); [Lesson 2.4.1: Choose To Save](#); [Lesson 2.4.3: Saving Tools](#); and [Lesson 2.4.4: The Fundamentals of Investing](#) (verified teacher login required)
- Visa's [Lesson 18: A Way to Wealth: Understanding Interest and Investments](#) (login required)

Investigate different types of investments including stocks, bonds, and mutual funds and the risks and returns of each. (6.5.9.G, 6.5.12.G, 15.1.8.I, 15.1.12.I, 15.6.8.F)



- Describe the types of investment options and use a graphic organizer to compare types of investment options and their features.
- Use a prepared or teacher-created stock market simulation to research, select, and track stocks over time.
- Introduce the investment pyramid and discuss the relation between risk and reward with various saving and investment vehicles.
- Have students compare the risk of various saving and investing options considering financial risk, market price risk, inflation risk, liquidity risk, and return on investment.
- Use an investment industry guest speaker to introduce the services available from professional investment firms and what to look out for with investment scams.

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program Lesson 4-3: Choosing Investments and Lesson 4-4: Investment Strategy from [Module 4: Investing](#) (verified teacher login required)
- Federal Reserve Bank's Keys to Financial Success Lesson 4.3: How Do I Decide Whether to Save, Invest, or Both? Lesson 4.4: There is No Free Lunch in Investing; Lesson 4.5: Financial Institutions in the U.S. Economy; Lesson 4.6: Reading the Financial Pages: In Print and Online; Lesson 4.7: Research Companies; and Lesson 4.8: How to Buy and Sell Stocks and Bonds (awaiting permission to upload files)
- Take Charge Today's [Lesson 2.4.4: The Fundamentals of Investing](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 19: The Forces of the Financial Universe](#) and [Lesson 21: How to Make Money with Money](#) (login required)

Analyze portfolio and diversification strategies appropriate for various life situations taking into consideration the role of government. (11.1.9.B, 15.6.12.P, 15.6.8.R, 15.6.12.R, 15.6.12.S)

- Use video on Roth IRA from Wisconsin Media Lab, Million Dollar Lesson. <http://wimedialab.org/finance/D912Kubeny.html>
- Use a pie chart to demonstrate appropriate investment allocations at different life stages.
- Discuss the importance of using diversification to manage risk.
- Research the history of stock market performance highlighting factors which affected market corrections (e.g. tech bubble, housing bubble).
- Students complete the risk tolerance quiz offered by Rutgers University. <http://njaes.rutgers.edu/money/riskquiz/>

The following lesson plans include the use of such strategies and others:

- NEFE's High School Financial Planning Program Lesson 4-3: Choosing Investments from [Module 4: Investing](#) (verified teacher login required)
- Federal Reserve Bank's Keys to Financial Success Paper Stock Market Activity (awaiting permission to upload files)



- Take Charge Today's [Lesson 2.4.4: The Fundamentals of Investing](#) (verified teacher login required)
- Visa's Practical Money Skills for Life [Lesson 21: How to Make Money with Money](#) (login required)

## Differentiation

### *Strategies for struggling learners*

- The following lesson plan from Visa's Practical Money Skills for Life program align with this module and are designed specifically for students with learning disabilities: [Lesson 10: Savings and Investing](#). It is available at [https://www.practicalmoneyskills.com/foreducators/lesson\\_plans/special.php](https://www.practicalmoneyskills.com/foreducators/lesson_plans/special.php) and includes a teacher's guide, student activities, and a presentation (login required).
- The lessons cited above as elements of successful instruction from the University of Arizona's Take Charge Today program are from the Advanced Level Curriculum designed for use with grades 10-12. The student workbook pages for each lesson include note taking guides and student information sheets that can be used in various ways with struggling students. In addition, struggling learners may benefit from instruction from the [Introductory Curriculum](#) lessons below which align with this module and are designed for students in grades 7-9: [The Secrets of Savings](#) and [Introductory Level Course Assessment](#). All links above require a verified teacher login.

### *Strategies for advanced/gifted learners*

- The lessons cited above as elements of successful instruction from Visa's Practical Money Skills for Life are from the high school (grades 9-12) curriculum. The same source also has the following lesson for college students that may be used to augment or differentiate instruction for advanced/gifted learners: [Lesson 8: Savings and Investing](#). It is available at [https://www.practicalmoneyskills.com/foreducators/lesson\\_plans/college.php](https://www.practicalmoneyskills.com/foreducators/lesson_plans/college.php) and includes teacher's guide, student activities, and presentation (login required).
- The lessons cited above from the University of Arizona's Take Charge Today program are from the Advanced Level Curriculum designed for use with grades 10-12. Some of the lessons include scenario-based Enrichment Activities that can be used with all students or for advanced/gifted learners only. The lessons with enrichment activities that align with this module include: [Lesson 2.4.1: Choose To Save](#), [Lesson 2.4.3: Saving Tools](#), [Lesson 2.4.4: The Fundamentals of Investing](#), [Lesson 2.4.5: Rule of 72](#), [Lesson 1.14.3: Time Value of Money Math](#), and [Lesson Assessment 2.4.6: It's My Life](#) (require a verified teacher login).

## Interdisciplinary Connections

### English Language Arts Connections

- If you had a sudden windfall of \$1,000, would you spend, save or invest the money? Describe what you would do and justify your response.

### PA English Language Arts Standards Connections

- CC.1.4.11-12.G: Write arguments to support claims in an analysis of substantive topics.



## Math Connections

- Calculate interest using equations and/or the rule of 72.

### PA Math Standards Connections

- CC.2.2.HS.D.9: Use reasoning to solve equations and justify the solution method.
- CC.2.2.HS.D.10: Represent, solve, and interpret equations/inequalities and systems of equations/inequalities algebraically and graphically.

## Additional Resources

- The Foolproof curriculum includes the following lessons related to money management: Module 1: When It Hits The Fan and Module 3: Kick Some Buck. All are available online at <http://Foolproofme.com> free of charge.
- Everfi's Financial Literacy program includes the following learning modules related to saving and investing: Module 1: Savings and Module 9: Investing. All are accessible at no charge <http://www.everfi.com/financial-education> with a verified teacher login.
- The Foolproof curriculum involves the following video-based lesson related to saving and investing: Module 8: Burning Money; Module 17: Pay Me While I Sleep; and Module 18: Time Travel. All are accessible at no charge at <http://foolproofme.com> with a verified teacher login.
- The MoneySkill curriculum includes the following seven modules on saving and investing: Module 20: Investing in Physical Assets; Module 21: Saving; Module 22: Short-Term Saving Vehicles; Module 23: Fixed Income Assets; Module 24: Equities; Module 25: Mutual Funds; and Module 26: Investing in Business. All are accessible at no charge at <http://moneyskill.org> with a verified teacher login.
- The Banzai program involves activities related to saving and investing and is accessible at no charge at [TeachBanzai.com](http://TeachBanzai.com) with a verified teacher login.

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