

MANCHESTER REGIONAL HIGH SCHOOL

BUSINESS EDUCATION

FINANCIAL LITERACY

Revised 6/10

Manchester Regional High School Board of Education

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MANCHESTER REGIONAL HIGH SCHOOL

COURSE TITLE

FINANCIAL LITERACY

COURSE DESCRIPTION

This course offers the student an opportunity to learn life-long skills that are necessary in order to function in our society. The units to be covered include the following topics: understanding income, money management, financial security and risk, spending and credit, saving and investing. You will learn how to maintain a checking account, a savings account, and invest in stocks.

COURSE DATA

- Length of Course: Half Year
- Credits: two and one half
- Periods Per Week: Five
- Classification: requirement-Grades 9
- Prerequisite: None

EVALUATION

The purpose of evaluation is to provide information about student progress and to determine whether students have learned the subject matter that has been taught. Teachers will evaluate student progress by using tests, quizzes, homework assignments, computer assignments and special projects.

MANCHESTER REGIONAL HIGH SCHOOL

COURSE TITLE

FINANCIAL LITERACY

COURSE DESCRIPTION

This course offers the student the opportunity to work with financial skills used by the citizens in our society. By understanding these forms, a student gains an appreciation for the operations of business. Also, this course reinforces basic skills in mathematics. Instruction is provided in the following areas: prioritizing spending, banking and financial services, reconciliation and statements for savings & checking accounts, goals & maintenance of budgets, bill paying, credit & debt, credit scores/rewards/penalties, investment opportunities and procedures, fraud prevention, role of government, consumer protection laws, taxes, business ethics and insurance.

MANCHESTER REGIONAL HIGH SCHOOL

COURSE OUTLINE

FINANCIAL LITERACY

STUDENT OUTCOMES:

The student will be able to properly define and/or perform:

UNDERSTANDING INCOME (Part I)

- I. Choices That Affect Income (Chapter 1)
 - A. Personal Financial Decisions
 - 1. *The Changing Job Market*
 - a. Job market
 - b. Job skills
 - 2. *Career Choices and Income*
 - a. Job title
 - b. Job description
 - 3. *Choices Depend on Values and Goals*
 - a. Value
 - b. Goal
 - 4. *Education Choices*
 - B. Career Planning
 - 1. *Economic Conditions Affect Income*
 - a. Economy
 - b. Economist
 - c. Demand
 - d. Supply
 - 2. *Training and Skills for Job Success*
 - a. Hard skills
 - b. Soft skills
 - 3. *Costs of Education and Training*
 - a. Tuition
 - 4. *Paying for Education and Training*
 - a. Financial aid
 - b. Interest
 - c. Subsidized student loan
 - d. Scholarship
- II. Income Sources (Chapter 2)
 - A. Earned Income and Benefits
 - 1. *Types of Earned Income*
 - a. Tax
 - b. Minimum wage
 - c. Overtime pay
 - d. Tips
 - e. Commission
 - 2. *Self Employment*
 - a. Entrepreneur
 - b. Profit

3. *Employee Benefits*
 - a. Benefits
 - b. Cafeteria plan
 - c. Disposable income
 - d. Paid holidays
 - e. Sick leave
 - f. Personal leave
- B. Unearned Income
 1. *Private Sources*
 - a. Unearned income
 - b. Dividend
 2. *Government Transfer Payments*
 3. *Costs and Benefits of Paying Taxes*
 - a. Excise tax
- C. Taxes and Other Deductions
 1. *Taxes and Disposable Income*
 2. *Required Deductions*
 3. *Optional Deductions*
 4. *Federal Tax Filing*
 - a. Form W-2
 - b. Form 1040EZ

New Jersey Core Curriculum Content Standards

Workplace Readiness

CP1.1-9;3.1,13;4.1

Literacy Standards

RH 9-10.4,7

MONEY MANAGEMENT

III. Financial Decisions and Planning (Chapter 4)

- A. Resources and Choices
 1. *Meeting Needs and Wants*
 - a. Wants
 - b. Financial resources
 - c. Discretionary income
 - d. Assets
 - e. Liability
 - f. Net worth
 2. *Making Good Financial Choices*
 - a. Trade-off
 - b. Opportunity cost
- B. Budgeting
 1. *The Purpose of Budgeting*
 - a. Budget
 2. *Building a Budget*
 - a. Variable expenses
 - b. Fixed expenses

3. *Preparing a Budget Analysis*
 - a. Variances
 4. *Recordkeeping Methods*
 - C. Personal Financial Planning
 1. *Financial Planning*
 - a. Financial plan

 2. *A Five-Step Financial Planning Process*
 - a. Personal goals
 - b. Financial goals
- IV. Banking Procedures (Chapter 5)
- A. Checking Accounts
 1. *Introduction to Checking Accounts*
 - a. Checking account
 - b. Check
 - c. Checkbook register
 - d. Deposit
 2. *Checks and Other Debits*
 - a. Automatic withdrawal
 - b. Postdated check
 - c. Debit card
 3. *Making Deposits*
 - a. Endorsement
 - b. Automatic deposit
 4. *Reconciling a Bank Statement*
 5. *Checking Account Fees*
 - B. Savings Accounts
 1. *The Purpose of Savings*
 - a. Savings account
 2. *Computing Interest*
 - a. Principal
 - b. Compound interest
 3. *Savings Options*
 - a. Certificate of Deposit
 - b. Money Market Account
 - c. U.S. Savings Bond
 4. *Meeting Financial Goals*
 - a. Rule of 72
 5. *Other Services and Fees*
 - a. Bounced check
 - b. Stop payment
 - c. Cashier's check
 - d. Money order
 - C. The Federal Reserve System
 1. *Introduction to the Federal Reserve System*
 2. *Roles of the Fed*
 - a. Monetary policy
 - b. Discount rate

- c. Federal funds rate
- d. Prime rate

V. Personal Risk Management (Chapter 6)

A. Risk Assessment and Strategies

1. *What is Risk?*

- a. Risk
- b. Loss
- c. Probability

2. *Risk Assessment*

3. *Risk Strategies*

- a. Premium
- b. Self-insure
- c. deductible

B. Income Protection

1. *Health Insurance*

- a. Co-pay
- b. Stop-loss provision

2. *Disability insurance*

3. *Life Insurance*

- a. Beneficiary
- b. Term life insurance
- c. Face value
- d. Permanent life insurance
- e. Group life insurance

C. Property Protection

1. *Homeowner's Insurance*

- a. Homeowner's policy

2. *Renter's Insurance*

3. *Automobile Insurance*

4. *Umbrella Insurance*

- a. Umbrella policy

New Jersey Core Curriculum Content Standards

CPI 1.12,2.6,3.1,3.4,3.12,13

RH 9-10.4

SPENDING AND CREDIT

VI. Buying Decisions (Chapter 7)

A. Buying Plans

1. *Purchasing Choices*

- a. Impulse buying
 - 2. *A Buying Plan*
 - a. Criteria
 - b. Spending limit
 - c. Rebate
 - B. Sources and Benefits of Credit
 - 1. *Sources of Credit*
 - a. Credit
 - b. Service credit
 - c. Revolving credit
 - d. Store accounts
 - e. Installment credit
 - f. Collateral
 - g. Line of credit
 - 2. *Benefits of Credit*
 - C. Costs of Credit
 - 1. *Credit Costs*
 - a. Fixed rate
 - b. Variable rate
 - c. Adjusted balance method
 - d. Previous balance method
 - e. Average daily balance method
 - f. Penalty
 - g. Over-the-limit fee
 - 2. *Checking Credit Statements*
- VII. Paying for Credit (Chapter8)
- A. Payment Methods
 - 1. *Manual Payments*
 - a. Money order
 - b. Certified check
 - 2. *Electronic Payments*
 - a. Online banking
 - b. Automatic payments
 - c. Wire transfer
 - 3. *Prepayment Penalties*
 - B. Consumer Loans
 - 1. *Types of Loans*
 - a. Installment loan
 - b. Personal loans
 - c. Secured loan
 - d. Cosigner
 - e. Mortgage
 - f. Adjustable rate mortgage
 - g. Balloon payment
 - h. Closing costs
 - i. Amortization
 - j. Student loan
 - 2. *Lease/Rent-To-Own*

- C. Credit Tips
 - 1. *Using Credit Wisely*
 - a. Grace period
 - 2. *Reduce and Avoid Costs*
 - a. Sales finance company
- VIII. Credit Problems and Laws (Chapter 9)
 - A. Resolving Credit Problems
 - 1. *Errors and Fraud*
 - a. Recourse
 - b. Documentation
 - c. Credit card fraud
 - 2. *Consumer Advocacy Groups*
 - 3. *Government Consumer Protection Services*

 - 4. *Credit Delinquency*
 - a. Garnishment
 - b. Repossession
 - c. Foreclosure
 - B. Bankruptcy
 - 1. *Avoiding bankruptcy*
 - a. Bankruptcy
 - b. Debt consolidation
 - c. Equity loan
 - d. Chapter 7 liquidation
 - e. Discharge
 - f. exemption
 - C. Consumer Protection and Laws
 - 1. *Credit Reports and Scores*
 - a. Credit report
 - 2. *Consumer Rights*
 - a. Fair Credit Reporting Act
 - b. Truth-in-Lending Act
 - c. Fair Credit Billing Act
 - d. Equal Credit Opportunity Act
 - e. Fair Debt Collection Practices Act
 - 3. *Getting Recourse*
 - 4. *Credit Scams and Related Crimes*
 - a. Scam

New Jersey Core Curriculum Content Standards

SAVING AND INVESTING

IX. Understanding Saving and Investing (Chapter 10)

- A. Reasons for Saving and Investing
 - 1. *Saving and Investing*

- a. Stocks
- 2. *Short-Term Needs*
 - a. Liquidity
 - b. Contingencies
 - c. Emergency fund
- 3. *Long-Term Needs*
 - a. Financial Security
- B. Saving and Investing Principles
 - 1. *Growth of Principal*
 - 2. *Return on Investment*
 - 3. *Risk and Return*
 - a. Investment risk
 - b. Inflation risk
 - c. Bond
 - d. Industry risk
 - e. Political risk
 - f. Stock risk
 - g. Tax-deferred
- C. Saving and Investing Strategies
 - 1. *Systematic Saving and Investing*
 - a. Dollar cost averaging
 - 2. *Diversification*
 - a. Investment portfolio
 - 3. *Understanding the Market*
 - a. Market
 - b. Bull market
 - c. Bear market

EVALUATION ACTIVITIES

Tests	40%
Quizzes/Projects	40%
Homework/Participation	20%

Grading structure: Benchmark for mastery of course content is 65%; content mastery for students with IEPs may be less than the Board of Education approved minimum for regular education students.

FINANCIAL LITERACY

BIBLIOGRAPHY:

TEXTBOOK:

Ryan, Joan S. Personal Financial Literacy, South Western Educational Publishing, Cincinnati, Ohio, 2008.

WORKBOOK:

Ryan, Joan S. Workbook for Personal Financial Literacy, South Western Educational Publishing, Cincinnati, Ohio, 2008.

OTHER:

Raine, David L., How To Do Your Banking, Hudson United Bank, 1997.

Ryan, Joan S. Annotated Instructor's Edition for Personal Financial Literacy, South Western Educational Publishing, Cincinnati, Ohio, 2008.

Ryan, Joan S. Managing Your Personal Finances, South Western Educational Publishing, Cincinnati, Ohio, 1997.