 **Santa Clara Adult Education**

**Adult High School Diploma Program**

**Personal Finance Elective**

**(5 Credits)**

 ***Name:*** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3/2019

**California Personal Finance  (5 elective credits)**

**Course Description:** This5 unit course is intended to familiarize students with the basic, essential concepts of personal finance. These concepts are presented through modules of Programmed Logic for Automated Teaching Operations (PLATO), podcasts, websites, and written material from 21st Century Student’s Guide to Financial Literacy. This course covers the fundamentals of personal finance, financial planning in personal life, ways to manage finances, and different investment strategies. It is oriented to the goal of students learning effective management of their own personal and family incomes and expenses.

**Course Methodology:**

This is an inquiry-based course,in which students will learn the basics of personal finance.

Acting as facilitator, instructor will guide students through units of study.  Students  will be expected to actively seek assistance when needed.  Ultimately, students will be responsible for completing all assigned reading, writing and activities to receive credit.

**Learner Resources:**

Programmed Logic for Automated Teaching Operations (PLATO), podcasts (NPR), websites, and written material from 21st Century Student’s Guide to Financial Literacy.

**Methods of Evaluation:**

Printed PLATO assignments; PLATO Mastery Tests; Written answers to questions based on printed material and Internet resources; Discussion.

**Course Outcomes:**

At the end of this course, students will be able to:

* Identify types and services of financial institutions and their role in personal financial planning.
* Know the basics of personal financial planning.
* Manage personal and family incomes and expenses.

**Prerequisite Skills:**

* Basic math knowledge
* Ability to visualize and apply creativity and innovation
* Familiarity with the writing process and following guidelines
* Basic computer skills
* Ability to structure and process information

*Common Core & College Career Readiness Standards*

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| --- | --- | --- |
| CCS | CCR |  |
| CCS W.11-12, 4 | W/WHST.11-12.4 | * Produce clear and coherent writing in which the development, organization, and style are appropriate to task, purpose, and audience.
 |
| CCS W.11-12, 7 | W/WHST.11-12.7 | * Conduct short as well as more sustained research projects based on focused questions, demonstrating understanding of the subject matter under investigation.
 |
| CCS R.11-12, 4 | RI/RL.9-10.4 | * Determine the meaning of words and phrases as they are used in a text.
 |
| CCS W.11-12,9 | W/WHST.11-12.9 | * Draw evidence from literary or informational texts to support analysis, reflection, and research.
 |
| CCS RI.11-12,2  | RST.11-12.2 | * Determine two or more central ideas of a text and analyze their development over the course of the text.
 |
| CCS RI.11-12,7 | RH.10-10.7 | * Integrate and evaluate multiple sources of information presented in different media or formats as well as in words to address a question or solve a problem.
 |
| CCS L.11-12,1 | L.9-10.1 | * Demonstrate command of the conventions of standard English grammar and usage when writing or speaking.
 |
| CCS.912.A.REI.1  | A.REI.1 | * Explain each step in solving simple equations as following from the equality of numbers asserted at the previous step, starting from the assumption that the original equation has a solution. Construct a viable argument to justify a solution method.
 |
| CCS.9-12.A.REI.2  | A.REI.2 | * Solve simple rational and radical equations in one variable, and give examples showing how extraneous solutions may arise.
 |
| CCS.9-12.F.1F.4  | F.IF.4 | * For a function that models a relationship between two quantities, interpret key features of the graphs and tables in terms of the quantities, and sketch graphs showing key features given a verbal description of the relationship.
 |
| CCS.9-12.F.IF.6  | F.F.IF.6 | * Calculate and interpret the average rate of change of a function (presented symbolically or as a table) over a specified interval. Estimate the rate of change from a graph.
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| CCS.9-12.F.IF.5  | F.IF.5 | * Relate the domain of a function to its graph and, where applicable, to the quantitative relationship it describes.
 |

**PLATO**

Internet site:  <https://ple.platoweb.com>

Account Login:   SCAS1

Plato Login:\_\_\_\_\_\_\_\_\_\_\_ (first initial, last name)

Password:  password

**This class utilizes 2 different courses on PLATO. Read the syllabus carefully and only do what is listed. You will also need to watch some Internet videos as shown and read from *The 21st Century Student’s Guide to Financial literacy.***

**The 21st Century Student’s Guide to Financial Literacy**

 **Getting Personal**

Some people are always looking for the pot of gold at the end of the rainbow in order to be rich. They imagine winning the lottery...inheriting vast amounts of money from a long lost relative, etc. Are you one of those people forever chasing rainbows, hoping to find your pot of gold?

Relying on luck is not a good way to build wealth and financial security. What do you know about wealth and financial security?

Think about it...

Where do you see yourself in 20 years? What will your lifestyle be? Will you be

enjoying the perks of great financial success, or barely able to keep a roof over your

head or food on the table? What are your personal financial goals?

Do you expect to be...

a. Crazy rich (Think Gates, Zuckerberg…)

b. Rich

c. Moderately well off

d. Living paycheck-to-paycheck

e. Flat broke, without a penny to your name

If you expect to live an a, b or c lifestyle and avoid a life of d and e, you must become

financially literate. That means you must learn how money works and how to use the money you earn to build a life of financial stability and security. One of the first steps toward being financially literate is to understand the differences between income and wealth.

**What is Income?**

Income is the money you earn on a regular basis from a job or other income producing

activity. This can be in the form of a salary, hourly wage, tips, or commission. For most

people it simply means the money you get paid to work. Income is regular and fairly

immediate. With a job, you get paid within a relatively short period of time -- usually every two weeks. If the job ends, so do your earnings!

In America, income is important because it determines many things about how your life plays out. Income determines the amount of taxes you pay, your lifestyle, and even impacts your health and life expectancy. Do you know Americans with high incomes live

up to six years longer than poor Americans? This is called the longevity gap — and it's widening! Income dictates your level of social mobility, which is the ability to move up in

social class and gain opportunity to build wealth for things like a nice home, a car, an education for your kids, and other quality of life items. Income is not “wealth” but it is important because it provides the key ingredient for building wealth.

What are the characteristics of income? It is based on earnings, usually from a job; income can be hourly or salary-based; it includes tips and commissions; it is fairly immediate as with a paycheck; it is regular, but stops when the job ends; it is essential for building wealth.

**What is Wealth?**

Many people think that income and wealth are the same things. Not true. Income is what you earn. Wealth is a broader and much more complex concept. Wealth is built by transforming the income you earn into the ownership of things that hold or increase their value over time, which are called investments. Income is earned; wealth is built over time from income. The distinctions between income and wealth are important for you to understand because different financial literacy concepts, terms, skills, and strategies apply to each.

Wealth is also referred to as net worth. It is the sum of the values of all of the things you

own, minus your debt. To find their net worth, a person would add up the value of the things they own such as a home, money in a bank account, money in a retirement account, and investments like stocks or bonds -- then subtract from that sum all of their debt, which is money owed, such as a home loan, credit card debt, and student loan debt. That number is their net worth.

Can you think of some examples of income? What are some examples of wealth?

Imagine you earn an income of $200,000 per year. You rent a killer apartment and stock the closet full of designer clothes. You take pricey vacations, constantly buy tech gadgets, and eat out every night. At the end of the year, what is the value of the things you actually own? Have you built your net worth?

**Let’s Compare Income and Wealth!**

INCOME WEALTH

• earned usually from a job • refers to the ownership of things

• fairly immediate that hold or increase their value over time

• includes salary or hourly pay, tips and • built over time from income

 commission • sustainable (ie. doesn’t end when a job

 ends)

• regular (as in a biweekly paycheck)

• correlates with higher education builds long term financial security

• ends when the job ends • also referred to as net worth

• requires career/job skills

• key ingredient for building wealth • requires money management skills

**Why is Wealth So Important?**

Building wealth is ultra-important because wealth provides long term and sustainable

financial security. Unless you build wealth, you will always be dependent on income. That means you may always be just one disruption, such as a job loss or illness, away from having no money and no means of support. If you want to be financially secure one day, rather than living paycheck-to-paycheck, you must build wealth. Wealth, in the form of saved or invested money, can provide the funds to buy a home, move to a better neighborhood, get a better education for your kids, and access quality of life items that we all enjoy.

**How Is Wealth Built?**

There are some essential things you need to understand about building wealth:

**1. Your Pot of Gold is Actually a College Degree.**

Education is the **leading factor in determining how much income people earn.** Since income is the main ingredient for building wealth, you need to get educated! The U.S. Department of Labor Bureau of Labor Statistics data prove that the higher your education, the higher your income. College graduates out-earn high school graduates by far. In 2015, the median salary of young adults with a bachelor's degree was $59,124. The median salary of a worker with only a

high school diploma was $35,256. Woe be the poor soul who never even graduates high school: Their median wage was just $25,636. Over a lifetime, a college graduate stands to make almost a million dollars more than a high school graduate. Households with higher incomes tend to have higher levels of education. Households with lower incomes tend to have lower levels of education.



**2. It’s All About Management!**

Earning a high income does not necessarily mean you are or will be wealthy. Conversely, earning a low income does not necessarily mean you

will not be able to build wealth. Of course, earning a high income makes it easier to save money and make investments. However, someone with a relatively low income can actually become wealthier than someone with a high income. How? They manage their money better! People who become wealthy and financially secure understand the importance of good financial management. People who don’t have money management skills often work their whole lives and never build wealth or improve their financial condition. Money management is not just for rich people. It is for everyone at every income level. Good money

management skills are key to building a secure financial future.

**3.Your Future Second Job is Wealth-building.**

The goal of a high school, college or other postsecondary education is to

prepare you to enter the workforce. That’s great, because having the knowledge and skills to qualify for a job is important! But you must also prepare for your job as a wealth builder. You must get educated about money, including personal finance and money management so that, once you are earning an income,

you can actively manage your money to successfully save and invest it for your future. There’s a lot to know about managing money! Taxes, saving, investing, retirement, insurance, credit cards, student loans .. you will eventually have to make a lot of important decisions about your money.

**4.You Can Start Learning Wealth-Building Skills Now!**

As a student, you may not have much, if any, income. Nevertheless, you can start learning some wealth-building skills now. One very important skill is to develop an awareness of and control over your financial habits. What is your relationship with money? Are you a thrifty person? Are you capable of saving money? Do you impulse shop? Buy too many things online? By developing good financial habits, self-awareness of and discipline over your spending habits you will learn how to avoid wasting money. Learn to comparison shop to save

money. Read tips on living frugally. Get a part time job, open a savings account and start saving a little money each week. Building wealth takes effort and lots of discipline. After all it’s a natural human tendency to want to spend the money you earn on fun and luxury. To be happy and secure in the long run you must fight the urge for immediate material gratification and develop financial self-discipline. Start now.

Think about these questions as you progress through this course. What is the difference in income and job security between a high school diploma and a

professional degree? What does money management mean to you? How do you manage money now? Do you understand that career skills and wealth-building skills are different? How will you get educated for your future job as a wealth-builder?

**Complete the following worksheet and submit to your teacher.**

**Name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. T F Income and wealth are the same things.

2. Which of the following are income?

a. tips

b. commission

c. salary

d. all of the above

3. Make a comparison chart below, and fill in at least five characteristics of income and

five characteristics of wealth.

4. Ellie, a systems analyst, earns a salary of $50,000 per year. She has $15,000 in

investments, $30,000 in a retirement fund and a condo worth $175,000. She has

$100,000 in debts, including her home loan and student loans. What is her net

worth?

5. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is the leading factor in determining how much income people

earn.

6. According to the U.S. Labor Department’s Bureau of Labor Statistics, people with a

\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_ have the highest income and employment rates.

a. bachelors degree

b. masters degree

c. professional degree

d. high school diploma

7. T F Money management is only for rich people.

8. Rewrite this passage from the text in your own words:

Unless you build wealth, you will always be dependent on income. That

means you may always be just one disruption, such as a job loss or illness,

away from having no money and no means of support.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

9. T F As a student, you may not have much income, but you can start learning how to manage money to build wealth and financial security.

10. Mara makes $100,000 per year; Mario makes $55,000. Is it possible for Mario to

become wealthier than Mara, even though he earns substantially less money?

Explain your answer.

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Adapted from The 21st Century Student’s Guide to Financial Literacy -

Getting Personal www.financialliteracylessons.com

**Plato Course: Financial Mathematics A**

 **Unit 1 Budgeting**

 **Do** Income Tutorial and Mastery Test. Skip page 22.

**Do** Planning for Expenses Tutorial and Mastery Test. Print pages 15 and 37.

**Do** Financial Goals Tutorial and Mastery Test. Skip page 23; Print page 25 and submit to teacher.

**Now** go to this Internet site: “6 Ways to Be the Master of Your Budget”

<https://www.npr.org/2019/01/09/683530953/be-the-master-of-your-budget> NPR Lifekit

**Answer** the following questions based on the podcast. Use complete sentences.

1. Briefly list the 6 ways to master your budget.
2. Explain the 50/30/20 method.
3. What is considered the bottom line for making budgeting work?

**Activity**: **Create Your Budget by completing the form your teacher will give you, and returning it to her/him.**

 **Unit 2 Saving**

 **Do** Saving for the Future Tutorial and Mastery Test. Skip page 20.

 **Now** watch “6 Simple Rules for Saving Money” NPR Lifekit <https://www.npr.org/2018/12/12/676120025/get-started-saving?utm_source=npr_newsletter&utm_medium=email&utm_content=20190115&utm_campaign=life-kit&utm_term=welcome?utm_source=npr_newsletter&utm_medium=email&utm_content=20190115&utm_campaign=life-kit&utm_term=welcome>

 **Answer** the following video questions in complete sentences:

1. Why is it recommended that you auto-deposit into different accounts?
2. How do you know whether to save or pay down debt?
3. Why reward yourself for saving? Isn’t that counter-productive?

**Plato Course : Financial Mathematics B**

**Unit 1 Earning and Protecting Income**

**Do** Types of Insurance Tutorial and Mastery Test. Print page 25 and give to teacher.

 **Now** go to this Internet site: <https://www.dmv.ca.gov/portal/dmv/detail/pubs/brochures/fast_facts/ffvr18> CA DMV (Financial Responsibility (Insurance) Requirements for Vehicle Registration (FFVR 18))

**Answer** the following questions based on the video in complete sentences:

1. What are 3 instances when you need to show proof of car insurance?
2. What are the minimum liability requirements for a private car?
3. What if you can’t afford liability insurance?
4. What things happen if you cancel your insurance?
5. If you drive your car on suspended registration, what 3 things can happen?

**Do Activity**: **Do Activity**: **Take the Insurance Quiz. Get it from your teacher and DO IN CLASS.**

 **Unit 2 Using Consumer Credit**

**Do** Credit Cards Tutorial and Mastery test. Print pages 19, 23 and 31 and submit to your teacher.

**Now** go to this Internet site: “6 Habits to Help You Use Your Credit Wisely” <https://www.capitalone.com/learn-grow/money-management/use-credit-wisely> CapitalOne

**Answer** these video-based questions in complete sentences.

1. Why should you check your credit report annually?
2. Who are the 3 credit reporting companies?
3. What 4 actions should you take to keep your credit “healthy”?

**Do** Loans Tutorial and Mastery Test. Skip page 33.

**Unit 3 Understanding Taxes**

**Do** Income Taxes Tutorial and Mastery Test. Print page 30 and submit to your teacher.

 **Do** Filing Taxes Tutorial and Mastery Test.

**Now** go to this Internet site: “Forms, Instructions, and Publications” IRS.gov <https://www.irs.gov/forms-instructions>

**Answer** these questions in complete sentences, using the information from the web page.

1. What form does your employer file with the government regarding your wages, etc.?
2. What publication can help you figure out how to correctly file taxes?
3. What form should you fill out regarding withholding?
4. What can you do if the amount of tax you owe is too much for you to pay?
5. Is it necessary to pay someone to file your taxes for you?

**Activity: Complete a 1040 tax form; you can get it from your teacher. You may use fictional information that is reasonable, rather than your own actual numbers. Please do NOT use your actual SSN.**

**Finally, go** to this Internet site: The Simple Dollar site: Everything You Ever Really Needed to Know about Personal Finance on the Back of 5 Business Cards

<https://www.thesimpledollar.com/credit-cards/blog/everything-you-ever-really-needed-to-know-about-personal-finance-on-the-back-of-five-business-cards/>

**In complete sentences, answer t**hese questions based on the video.

1. What does Trent Hamm consider the fundamental rule of personal finance?
2. What are 6 ways to earn more?
3. What is the main thing that will make you successful in whatever you do?
4. Define frugal.
5. Explain the “ten second rule”.
6. Explain Dave Ramsey’s “debt snowball” technique.
7. What does Hamm mean when he says that “It’s not about being rich...It’s all about freedom.”?

**RECORD SHEET FOR PERSONAL FINANCE ELECTIVE**

**NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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| --- | --- | --- | --- | --- |
| Activity | Date Completed | Teacher Initials | Hours are 4 each | Grade |
| .Getting Personal Questions #1-10 |  |  |  |  |
| PLATO Income Mastery Test |  |  |  |  |
| PLATO Planning Expenses pg 15, 37Mastery Test |  |  |  |  |
| PLATO Financial Goals page 25Mastery Test |  |  |  |  |
| NPR Podcast Budget Questions #1-3 |  |  |  |  |
| Activity: Personal Budget |  |  |  |  |
| PLATO Saving for Future Mastery Test |  |  |  |  |
| NPR Podcast Saving Questions #1-3 |  |  |  |  |
| PLATO Types Insurance page 25Mastery Test |  |  |  |  |
| DMV Questions #1-5 |  |  |  |  |
| Activity: Insurance Vocabulary Quiz |  |  |  |  |
| PLATO Credit Cards pages 19, 23, 31Mastery Test |  |  |  |  |
| Credit Card Questions #1-3 |  |  |  |  |
| PLATO Loans Mastery Test |  |  |  |  |
| PLATO Income Tax page 30Mastery Test |  |  |  |  |
| PLATO Filing Tax Mastery Test |  |  |  |  |
| IRS Questions #1-5 |  |  |  |  |
| Activity: 1040 Tax Form |  |  |  |  |
| Simple Dollar Questions #1-7 |  |  |  |  |