

College Wealth Building and Financial Management

Course Description

This course is designed to provide knowledge of personal financial management. Students learn to manage their resources to make sound personal financial decisions, interpret data to develop short- and long-term budgetary plans, and develop product knowledge related to financial planning. Students will develop a financial plan that includes savings, investing, credit management, risk management, and retirement. This course may be available for articulated or dual credit at a postsecondary institution.

Course Code: 033002

Program(s) of Study to which This Course Applies

- Finance

Course Framework	Reference Standards	Academic Crosswalk
<p>Standard 1. Students will understand the fundamental aspects of finance and personal attributes that may contribute to a successful career.</p>	NAF 1	[TBD by NDE]
<p>Benchmark 1.1 Identify various forms of income.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> • Analyze how career choice, education, and skills affect income and goal attainment. • Analyze the financial characteristics and requirements for occupations of interest, including entrepreneurial opportunities. <p>Benchmark 1.2 Analyze factors that affect income as part of the career decision-making process.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> • Analyze how economic, social, cultural, and political conditions can affect income and career potential. • Evaluate employment benefits as part of total compensation. 	<p>NBEA (Pg. 67: IIA Level 3-4 #5)</p> <p>NBEA (Pg. 67: IIA Level 2 #3)</p> <p>JS (Pg. 11: II-1 #4)</p> <p>NEFE (Pg. 195)</p>	[TBD by NDE]
<p>Standard 2. Students will understand strategies used to maintain, monitor,</p>	FIN CORE 12.7.0	[TBD by NDE]



<p>control, and plan the use of financial resources.</p>	<p>CC (FINA 1200)</p>	
<p>Benchmark 2.1 Analyze financial needs and goals to determine financial requirements.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> Assess personal values when determining financial needs (e.g., college, retirement, wills, insurance). Explain the importance of saving and investing. Formulate personal and financial goals. Construct a personal spending/savings plan and evaluate according to short- and long-term goals. <p>Benchmark 2.2 Apply concepts of financial management to achieve personal goals.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> Demonstrate skill in basic financial tasks (e.g., budgeting, scheduling bill payments, reconciling a checking/debit account statement, monitoring printed and/or online account statements for accuracy). Interpret a pay stub for payroll tax deductions to determine net pay. Analyze the impact of taxes on personal financial planning. Calculate personal tax liabilities (e.g., property, income, sales, FICA, Medicare). Investigate employee benefits and incentives to identify potential tax deductions and credits on a tax return. 	<p>FIN CORE 12.7.2</p> <p>NBEA (Pg. 68: IIIA Level 1 #2)</p> <p>FIN CORE 12.7.3</p> <p>JS (Pg. 14: III-3 #1)</p> <p>NBEA (Pg. 68: IIA Level 3-4 #8, #9)</p> <p>NBEA (Pg. 68: IIA Level 3-4 #7, #11)</p>	<p>[TBD by NDE]</p>
<p>Standard 3. Students will understand strategies used to establish, build, maintain, monitor, and control credit.</p>	<p>CC (FINA 1200)</p>	
<p>Benchmark 3.1 Analyze factors that affect choice and cost of credit.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> Compare advantages and disadvantages of using credit. Explain when and why credit is used. Define interest as a cost of credit and explain why it is incurred. <p>Benchmark 3.2 Identify strategies to establish and maintain a good credit rating for effective credit management.</p> <p><u>Sample performance indicators:</u></p>	<p>NBEA (Pg. 70 VIIA)</p> <p>NBEA (Pg. 70: VIIA Level 1 #1)</p> <p>NBEA (Pg. 71: VIIA Level 3-4 #8)</p> <p>NBEA (Pg. 70: VIIA Level 2 #3)</p>	<p>[TBD by NDE]</p>



<ul style="list-style-type: none"> • Explain the importance of credit ratings, credit scores, and credit reports. • Distinguish between a credit rating and the cost of credit. • Formulate procedures to resolve credit discrepancies. <p>Benchmark 3.3 Summarize the loan application process and how it is used to determine the creditworthiness of the applicant.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> • Examine sources of financing and how to secure a loan. • Identify the components on a credit report and explain how the information is analyzed by lenders and credit reporting agencies. • Explain how credit grace periods, methods of interest calculations, and fees affect borrowing costs. • Calculate the effective cost of borrowing (e.g., APR, fees, penalties). <p>Benchmark 3.4 Investigate credit laws and regulations.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> • Identify and describe federal laws affecting consumer credit. • Research and explain recent changes in credit laws that affect consumer protection (i.e., Frank-Dodd Act of 2010). • Compare and contrast the legal aspects of different forms of credit (e.g., title transfer, responsibility limits, collateral requirements, co-signing). • Critique types of credit with high interest rates (e.g., payday loans, rent-to-buy agreements, loan sharking) and related laws Understand the rights and responsibilities of consumers according to credit legislation (e.g., truth-in-lending, fair credit reporting, equal credit opportunity, fair debt collection, Frank-Dodd Act of 2010). 	<p>NBEA (Pg. 70: VIIA Level 1 #4)</p> <p>NBEA (Pg. 71: VIIA Level 3-4, #11)</p> <p>NBEA (Pg. 71: VIIA Level 3-4 #4)</p> <p>JS (Pg. 17 IV-1 #3)</p> <p>NBEA (Pg. 71: VIIA Level 3-4 #5)</p> <p>NBEA (Pg. 71: VIIA Level 3-4 #6)</p> <p>CC (FINA 1200)</p> <p>NBEA (Pg. 71: VIIA Level 3-4 #9)</p> <p>NBEA (Pg. 71: VIIA Level 3-4 #10)</p>	
<p>Standard 4. Students will evaluate savings and investment strategies to achieve financial goals.</p>	<p>FIN CORE 12.7.5</p> <p>NBEA (Pg. 68: IVA)</p>	<p>[TBD by NDE]</p>
<p>Benchmark 4.1 Distinguish between income and wealth.</p> <p><u>Sample performance indicators:</u></p>	<p>NBEA (Pg. 67: IIA Level 1 #3)</p>	<p>[TBD by NDE]</p>



<ul style="list-style-type: none"> • Differentiate between earned and unearned income. • Identify sources of unearned income (e.g., transfer payments, gifts, interest, rent, profit). • Formulate a definition of wealth based on personal values, priorities, and goals. • Analyze various means to accumulate wealth. <p>Benchmark 4.2 Evaluate the need for saving and investing to ensure financial well-being and wealth building.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> • Differentiate between saving and investing. • Identify the opportunity costs of saving and investing. • Cite evidence of the risk/return trade-offs for saving and investing. • Describe how saving and investing influence economic growth. <p>Benchmark 4.3 Evaluate saving and investment options and criteria.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> • Apply criteria for choosing saving or investment instruments (e.g., stocks, bonds, mutual funds, annuities, insurance, retirement plans, Social Security System, CDs, money market, inheritance). • Assess key performance financial ratios (e.g., income-to-debt ratio, asset-to-debt ratio, liquidity ratio). • Apply concepts of compounding (e.g., time value of money, Rule of 72, simple and compound interest). • Explain why a savings and investing plan changes throughout life. 	<p>NBEA (Pg. 67: IIA Level 1 #2)</p> <p>NBEA (Pg. 67: IIA Level 1 #4)</p> <p>JS (Pg. 23 VI 1 #3)</p> <p>NBEA (Pg. 67: IA Level 1-2 #4)</p> <p>CC (FINA 1200)</p> <p>NBEA (Pg. 68: IVA Level 1 #2, #3)</p> <p>NBEA (Pg. 68: IVA Level 2 #3)</p> <p>NBEA (Pg. 68: IVA Level 3 #1)</p> <p>NBEA (Pg. 68: IVA Level 3 #5)</p> <p>NBEA (Pg. 68: IVA)</p> <p>NBEA (Pg. 68: IVA Level 2 #4)</p> <p>NBEA (Pg. 68: IVA Level 3 #3)</p>	
<p>Standard 5. Students will understand the economic advantages and disadvantages of real estate as an investment tool.</p>		<p>[TBD by NDE]</p>
<p>Benchmark 5.1 Identify the advantages and disadvantages of buying versus renting a</p>		<p>[TBD by NDE]</p>



<p>home.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> Analyze alternative real estate options (e.g., renting, building, owning, or selling a home). Investigate criteria in purchasing a home (e.g., market conditions, location, price, financing, property condition, age of homeowner). Identify financing options and contingencies. Apply real estate concepts of valuation and appraisal to owner-occupied residential property. <p>Benchmark 5.2 Identify the risks and rewards of investing in income-producing real estate (e.g., residential, agricultural, commercial).</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> Identify potential investors of income-producing real estate. Analyze real estate options available to investors (e.g., residential, agricultural, commercial). Investigate financing options for investment properties. Apply real estate concepts of highest and best use, valuation, and appraisal to evaluate the performance of investment properties. 	<p>NBEA (Pg. 69: VA Level 3-4 #1)</p> <p>CC (FINA 1200)</p>	
<p>Standard 6. Students will differentiate between perils and risks in life and how to protect against the consequences of risk.</p>		<p>[TBD by NDE]</p>
<p>Benchmark 6.1 Identify common types of risks and basic risk management strategies.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> Define insurance terminology. Identify risk management strategies (e.g., retention, avoidance, reduction, transfer). Explain how all types of insurance are based on the relationship between frequency and severity of perils and risks. Formulate ways to minimize the cost of insurance. <p>Benchmark 6.2 Evaluate insurance as a risk management strategy.</p> <p><u>Sample performance indicators:</u></p> <ul style="list-style-type: none"> Identify the type of insurance associated with different types of risk (e.g., automobile, personal and professional liability, property, health, life, long-term care, disability). 	<p>JS (Pg. 20, V-1)</p> <p>NBEA (Pg. 71: VIIIA Level 1 #1)</p> <p>NBEA (Pg. 71: VIIIA Level 2 #2)</p> <p>NBEA (Pg. 71: VIIA Level 3 #1)</p> <p>NBEA (Pg. 71: VIIA Level 4 #1)</p>	<p>[TBD by NDE]</p>



- Calculate recommended insurance coverage(s) for various risks and different income levels.
- Develop a logical argument for using insurance as a wealth building tool.

NBEA (Pg. 71: VIIA
Level 3 #4)

Reference Standards Sources

- JS = Jump\$tart Coalition. National Standards in K-12 Personal Finance Education. Revised 2010
- NBEA = National Business Education Association Standards
- NAF = National Academy Foundation-Academy of Finance
- NEFE = National Endowment for Financial Education
- FIN CORE = MBA Research
- CC = Metropolitan Community College, Omaha, NE

Contributors

Secondary: Amy Copper – Loup County, Lori Harding – Wakefield Community Schools, Dan Hohensee – Lincoln Public Schools, Chad Huseth – Bellevue West, Gogi Supenski – Bellevue West, Cindy Talley – Fillmore Central

Postsecondary: Patricia Arneson – Wayne State College, David Wilhelm –Metropolitan Community College

Creation date: July 13, 2011

Approval date:

Revision date *(if changes made after final draft):*

Other Information

Suggestions for innovative teaching and learning strategies:

- Develop a comprehensive financial plan
- Dave Ramsey Videos and Materials (Financial Peace University)
- Oprah Winfrey’s Five-Part “Debt Diet” Series

Related assessments:

- WISE Financial Literacy Assessment
- Financial Literacy Project
- NEFE – National Endowment for Financial Education
- FEFE – Family Economics and Financial Education
- IRS Understanding Taxes Modules
<http://www.irs.gov/app/understandingTaxes/index.jsp>

Extended learning opportunities:

- Job Shadowing & Internships
- FBLA & DECA
- Mint.com (track your own spending/budgeting)
<http://www.mint.com>
- Kiplinger's Personal Finance Magazine
<http://www.kiplinger.com>
- Practical Money Skills for Life
<http://www.practicalmoneyskills.com>
- Annual Credit Report
<http://www.annualcreditreport.com>
- Stock Market Game
<http://www.stockmarketgame.org>
- Finance Challenge ONLINE!
<http://www.financechallenge.org>
- Federal Reserve
<http://www.federalreserveeducation.org>
- EconEd
<http://www.econedlink.org>
- UNO Center for Economic Education
<http://www.ecedweb.unomaha.edu>
- EconEd Reviews
<http://www.econedreviews.edu>
- Griffith Foundation
<http://www.griffithfoundation.org>
- Nebraska Career Connections