An Analysis and Case Study of Financial Literacy Courses in the High School Curriculum

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An Analysis and Case Study of Financial Literacy Courses in the High School Curriculum

Paul Bastedo

A Thesis in the Field of Mathematics for Teaching
for the Degree of Master of Liberal Arts in Extension Studies

Harvard University
May 2019
Abstract

This thesis project investigates the impact, including potential benefits and drawbacks of the inclusion of a one-semester financial literacy course in the high school math curriculum. It includes, as a case study, a financial literacy course designed and taught by the author. Much of high school and college education is geared toward giving young people the knowledge and skills for life as an adult, including entering the workforce with adequate skills; providing for oneself and possibly a family; and planning for the future all the way to retirement. In high school, young people are exposed to a background in a variety of topics so they have the tools to make informed decisions and are prepared for issues they will encounter in life. Unfortunately, as this thesis will demonstrate, one area where the public educational system typically falls short of meeting this goal is helping students attain the financial knowledge necessary to make informed decisions. Students are required to take math courses through Algebra II and often study further math, but there is no overall national requirement about taking a financial literacy course.

This thesis will show that most public schools do not currently require a financial literacy course in high school and it is not directly included in the Common Core State Standards. This study will consider explanations for financial literacy from organizations such as the General Accounting Office, and the National Educators Council, among others to determine a clear and concise definition. This study will examine the need for such a course by researching many of the issues consumers have to deal with today due to
lack of knowledge of our financial system. This study will investigate what is already in place in terms of individual state requirements. In addition, a case study analysis will be done of the experiences related to such a course showing the potential benefits and costs. Finally, this thesis project will incorporate information gained through the continued development of such a financial analysis class by the researcher, along with the rest of the information presented in the thesis to provide recommendations as to inclusion of financial literacy courses in the high school curriculum.
Paul Bastedo is a math teacher at Viewpoint School, a K-12 private school in Calabasas, CA. He has taught math from grades 6 to 12 including Pre-Algebra, Algebra 1, Algebra 2, Geometry, Pre-calculus, Statistics, AP Statistics, and Financial Literacy. The last 5 years he has been teaching Statistics, AP Statistics, and Financial Literacy. He has a B.S. in Accounting and he will receive a Master of Liberal Arts in Extension Studies, Mathematics for Teaching from Harvard University in May 2019.

He has always loved numbers and at one time was pursuing a career in accounting when his love of teaching took over. He is dedicated to exposing his students to the essential knowledge of how the financial world works. After numerous mistakes with his own financial strategies, he is truly interested in helping young people avoid such pitfalls.
Dedication

I dedicate this thesis to all the teachers who presently teach financial literacy in high school and to all the organizations who donate time and money to support financial education.
Acknowledgments

I want to thank my thesis advisor Dr. Andrew Engelward for helping guide me through the process, staying patient through my procrastination, and providing ideas and feedback. In addition, I wish to thank the rest of the Harvard Extension School faculty in the Mathematics for Teaching program for a wonderful experience leading up to this thesis. Next, thank you to Tim Ranzetta, Co-Founder of Next Gen Personal Finance and his team for their work on developing a wonderful curriculum for teaching financial literacy. Furthermore, thanks to Viewpoint School for giving me the opportunity to teach the class for the last four years, and finally I wish to thank all the students who took my class and were so supportive in making the class enjoyable to teach.
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Chapter I

Overview of Financial Literacy

The U.S. Department of Education’s mission statement reads

*Our mission* is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access. (U.S. Department of Education, 2019, https://www2.ed.gov/about/landing.jhtml, para. 1).

Each state also has an education department that oversees its own public education program and one can make the argument that their mission would also align with the phrase in this mission statement that “preparation for global competitiveness by fostering educational excellence.” This preparation involves a variety of subjects and the system cannot guarantee that every student achieves mastery in every subject, at least not to the extent that Malcolm Gladwell claims in his book *Outliers*, but the preparation needs to see that every young person gets what they need in preparation for global competitiveness. Hence, this leads to a case for including personal finance as a requirement for every student who graduates high school in the United States.

This approach is happening in some states, local districts, and individual schools, but it is the author’s opinion, based on the evidence shown in this thesis, that this should be included in every school. Based on a report by the Council for Economic Education, as of the year 2018, 22 states require high school students take a course in economics, 17 states require high school students take a course in personal finance, and only 7 of those 17 states require that robust testing accompanies the class (Survey of the States, 2018, p. 1).
Some people subscribe to the statement, “If it is not tested it’s not taught.” There are arguments both for and against to that statement, but as one puts together a class, some type of accountability should be required. That could be periodic tests, projects, daily worksheets, class discussions, simulations, or some combination of all of these.

As one puts together a curriculum for a personal finance class, it is key to start with a clear definition of financial literacy. Several organizations such as the National Financial Educators Council, U.S. General Accounting Organization, and Jump$tart have provided possible definitions.

National Financial Educators Council (National Financial Educators Council, 2013, Financial Literacy Definition, para.1)

Possessing the skills and knowledge on financial matters to confidently take effective action that best fulfills an individual’s personal, family and global community goals.


The process by which individuals improve their knowledge and understanding of financial products, services, and concepts

Jump$start (National Financial Educators Council, 2013, Jump$start, para.1)

Personal finance describes the principles and methods that individuals use to acquire and manage income and assets. Financial literacy is the ability to use knowledge and skills to manage one’s financial resources effectively for lifetime financial security. Financial literacy is not an absolute state; it is a continuum of abilities that is subject to variables such as age, family, culture, and residence. Financial literacy refers to an evolving state of competency that enables each individual to respond effectively to ever-changing personal and economic circumstances.

All three of these define what could be included in a definition of financial literacy, but perhaps a simpler definition, like the one by Sandra Huston in Measuring Financial Literacy (Huston, p. 303), works best. This definition covers the main topics
while specifically identifying key concepts that should be included in a financial literacy class. She broke the subject down into four main topics:

- money basics (time value of money, purchasing power, personal financial accounting concepts).
- borrowing (bringing future resources into the present through use of credit cards, consumer loans or mortgages).
- investing (saving resources for future use through the use of saving accounts, stocks, bond, mutual funds).
- protecting resources (either through insurance products or other risk management techniques).

Following this listing of topics, a course in financial literacy should include units covering buying, saving, and insurance. In this thesis, the author will provide evidence suggesting that such a course should be a graduation requirement of every high school student in the United States. The case study based on the researcher’s experience creating and teaching such a course will provide information for explaining the need for such a course in other teachers’ high schools, as well as providing assistance in course planning. Financial literacy courses have a clear benefit in the following sense: when students ask the question, “When am I ever going to use this” for a financial literacy class, it is obvious. Financial Literacy is one subject that every high school student will use every day.

In Chapter II, we will lay out some reasoning supporting the importance financial literacy from the increasing student loan debt, to credit card debt, to the mortgage crisis of 2008. These and many other examples will make it clear that there is a need for all
people to be financially literate. In addition, we will look at how to overcome some of the obstacles in starting and teaching the course.

In Chapter III, we will look at who is presently teaching the class. Although there is not a national requirement to teach financial literacy, 5 states have set their own requirements and standards. We will take a close look at the program in Utah, the only state that received an A+ for their program. We will also look at requirements in the other 4 states; Tennessee, Virginia, Alabama, and Missouri.

Chapter IV will outline the numerous materials available to support a financial literacy course. Starting with some textbooks options and continuing with the many online materials, many that are free. Even though numerous options are covered, it is not an exhaustive list.

Chapter V outlines a one-semester course mostly using two of the most popular resources for teaching financial literacy. It will lay out enough lessons to fill a short semester and some additional ideas to use if one has the time. This is outline can be used as a complete one-semester curriculum or it can be a starting point for one’s own unique curriculum.
Chapter II

The Importance of Financial Literacy

Since individuals will start making important financial decisions beginning as early as high school, it is important to give them the tools to make smart, informed decisions. Beginning in high school many students may have a checking account, a debit card, or a credit card in their name. In college, one is probably considering student loans and will likely need to create a budget to help with determining a loan payback program. After college, as young adult, one most likely needs to start supporting themselves and search for housing, purchase transportation, decide on utilities, save for short and long-term goals, as well as providing their own meals. One needs the knowledge to make good financial decisions and there is widespread evidence of young people not making good financial decisions.

A major issue for students today is how to finance a college education and not get overloaded with student debt. As of the time of this thesis, student debt is 1.4 trillion dollars, up from 101 billion in 2006 (Venckus, 2018, para. 1). That means that student loan debt has increased almost 600% in the last 14 years (Figure 1). About 43% of student loan borrowers are not making payments on their loans, instead deferring them up to 6 months after graduation letting them accumulate interest and thus increasing their loan balance (Pascarella, 2018, para. 17). The Consumer Financial Protection Bureau recommends that students borrow no more than their expected starting annual salary when one leaves school (Consumer Financial Protection Bureau, 2016). Consequently,
students need to be well informed on this subject so they do not become encumbered with so much debt that they cannot pay it off.

Figure 1. Total Student Loan Debt

*Progression of student loan debt over the last 14 years.*

Another potential pitfall for students and all adults is credit card debt. Thirty-eight percent, (38%) of U.S. households have credit card debt and, on average, they owe $16,048 with APR of about 16.47% (Pascarella, 2018, para. 18). Imagine all the money that goes into interest each month if one is only making the minimum payment. Students and adults need to understand how much money they may be wasting by carrying credit card debt and how long it takes to pay off that debt.
This brings up another important topic, credit scores. Staying away from credit entirely is not a good strategy because one’s credit history is a major component of one’s credit score. One’s credit score will help determine their ability to secure financing at a low rate of interest. This low rate of interest can make a considerable difference when one needs to make a major purchase like buying a car, or a home.

Many young people do not know what they can do to improve their credit score. LendEDU conducted a poll of 500 people between the ages of 17 and 37 asking what they could do to improve their credit score. The results are shown in the chart below (Figure 2). Just more evidence showing that young people need to know more about finance.

![Figure 2. How to improve one's credit score](image)

*Answers given by 17 to 37 year olds when asked how they can improve their credit score.*

*(Martin, 25 Aug 2017)*
Some other shocking facts are that 44% of Americans do not have enough cash to cover a $400 emergency and 33% of American adults have $0 saved in their retirement fund. Two-thirds of American adults cannot pass a basic financial literacy test (Pascarella, 2018, para. 10). Perhaps some of the people in these statistics have the knowledge but just do not have the means to save, but it is important to impress on young adults the advantage and importance to live within their means and start saving early.

One of the most compelling arguments for teaching high school students about personal finance occurred during the subprime mortgage crisis of 2007 to 2010. Some people took out interest-only loans where their monthly payments covered only the amount of interest owed that month and did not reduce the principle amount of the loan. Other unsuspecting people were talked into loans where the monthly payment was actually less than the interest resulting in an increase in principle every month due to the monthly accruing interest. There was a rationale for this type of loan, but it depended on real estate conditions that were not present at the time. The idea was that real estate typically appreciates at a reasonable rate and when a homeowner was in better financial position, they could refinance using a more conventional loan. The appeal to the homebuyer is using such a first time loan could make it possible to spend more to buy a more expensive house than they could afford otherwise because the loan structure initially had a lower payment.

Unfortunately, the way these loans were structured was that the low payment was only applicable for a couple of years and then the loan was automatically readjusted to cover principle and interest. This caused many people’s monthly payments to double or triple and they became unaffordable. Unexpectedly the bottom dropped out of the real
estate market and millions of people owed more on their homes than they were actually worth. Now they had a monthly payment they could not afford and could not refinance because more was owed than the home was worth. Consequently, foreclosures increased dramatically. If people had had better financial understanding, along with an understanding of the risks associated with such loan structures, and a better idea how the system worked they would not have been talked into a risky purchase, ending up with such precarious home finance situations in which they ended up buying more expensive homes than they could actually afford.

Given the types of financial issues and questions that people have to face during their lives, it is quite likely that most people would agree that understanding personal finance is important and is an important enough topic so that it should be taught in high school, but there are some obstacles.

These issues are not tied specifically to the question of a course in person finance, but they are ones that any school district will need to come to terms with before introducing new courses into what are typically already full schedules. On the other hand, if there is enough will, then if one wants to start a class at their school, these obstacles can be overcome. First, one needs the materials and, as one will see in Chapter IV, there is an overwhelming supply of highly useful resources currently available on the internet, often at no cost. Another critical aspect of introducing a new course into a school is to make sure that schools have qualified teachers. This may be a little harder to overcome, as it is less likely math department teachers have an extensive background in personal finance. However, if one is willing, there are programs to obtain that knowledge.
Another issue, which relates to any new course, is fitting the class into an already busy schedule. With so many high school course requirements and electives, students may have a hard time find room in their schedule. Even though it will be argued in this thesis that financial literacy should be a required course, as a compromise, it is possible to offer the class as a one semester elective and, in order not to add additional work for students, it could also be set up so that the class is taught with no homework and no tests. Since financial literacy is an important topic that everyone will use, it seems clear that schools should find a way to offer it.

If a teacher finds him or herself in a position requiring persuading school administration to introduce a course in financial literacy, then one can point out some of the facts that have been presented in this chapter. It seems quite clear that students would benefit from this class as they prepare for their journey into the real world. Out of all the subjects we teach students in high school, we should include something that all students will need. A school may feel justly proud that their graduates can solve a complex calculus problem, or be fluent in a second language, but will these same students understand the difference between a fixed rate loan and variable rate loan? This is just one simple example of why it is that all high school graduates should be just as fluent in personal finance as they are in other more “traditional” subjects.
Chapter III

Who Is Teaching It?

On the federal level, a couple attempts have been made to mandate financial literacy instruction in high school, but neither attempt was successful since individual states control curricula. Requirements by state vary widely from requiring a one-semester class dedicated to personal finance to no requirement at all.

Figure 3. States Grades in Financial Literacy Education

*Grades from Survey of the States: Economic and Personal Finance Education in Our Nation’s Schools 2018. (February 2018)*
As of this writing, financial literacy instruction was required in 14 states. Based on the 2018 report from the Council for Economic Education (Survey of the States, 2018, p. 1), 22 states require high school students take a course in economics and 17 require a course in financial literacy. There has been no change since 2016. Another important measure of the status of financial education in the United States is Champlain College’s Center for Financial Literacy’s national report card. Using the criteria below each state is given a grade from A to F based on state requirements only.

‘A’ Grade
The state requires personal finance instruction as a graduation requirement that is equal to a one-semester, half-year course (minimum of 60 hours of personal finance instruction in an academic year) (Peletier, 12 Dec 2017, p. 13). The five states that earned an “A” are Alabama, Missouri, Tennessee, Utah, and Virginia. Also all those states have a mandatory test at the end of their respective courses.

‘B’ Grade
The state mandates personal finance education as part of a required course. In some of these states, local school districts determine whether the personal finance instruction requirement is met through a stand-alone course offering or is embedded in another course. (Peletier, 12 Dec 2017, p. 13).

‘C’ Grade
The state has substantive personal finance topics in its academic standards that the local school districts are expected to teach. Implementation is left to local school districts with no material oversight by the state. There is no specific delivery mechanism identified for financial literacy instruction. A state may also receive a C grade if it requires a stand-alone personal finance elective course. (Peletier, 12 Dec 2017, p. 13).
‘D’ Grade

The state has modest levels of personal finance education in its academic standards that local school districts are expected to teach. Implementation is left to local school districts with no material oversight by the state. There is no specific delivery mechanism identified for financial literacy instruction. A state may also receive a D grade if it requires schools to offer an elective course that includes some personal finance education. (Peletier, 12 Dec 2017, p. 13).

‘F’ Grade

The state has virtually no requirements for personal finance education in high school. Students in these states are able to graduate without ever having the opportunity to take a course that includes financial literacy instruction. (Peletier, 12 Dec 2017, p. 13)

The “A” Grade States

Utah Stands Above the Rest

Utah earns its ‘A’ grade because it requires all high school students take a half-year stand-alone financial literacy course and complete an online, end-of-course assessment in financial literacy. This is a graduation requirement. Utah earns some extra credit setting it apart from the other ‘A’ states because the state board of education set its own standards for educators and requires all teachers who teach the course be endorsed to teach personal finance. This endorsement is satisfied by earning a General Financial Literacy (GFL) to teach financial literacy. To earn the GFL endorsement teachers must go through a rigorous process of face-to-face and online meetings to test one’s knowledge of personal finance.

The state also has its own website, Finance in the Classroom (https://financeinthe classroom.org/), providing resources for teachers related to financial
literacy education including modules, interactive activities, links to external resources, and how to earn the GFL endorsement. In addition, Utah’s standards are not limited to the one-semester high school class, but incorporates personal finance throughout the entire K-12 curriculum as seen in their scope and sequence (Figure 2).

Some evidence that the programs, enhanced by legislation in 2014, are effective is that Utah’s student’s graduate college with an average of only $18,873 in student loan debt, this is well below the national average of $37,172 nationally (Cowles, 2018, What About Student Loan Debt, para. 4).
Figure 4. Scope and Sequence.

Survey of the States: Economic and Personal Finance Education in Our Nation’s Schools 2018.
In addition to these requirements, Utah passed a law that this course must also address costs of college, student loans, scholarships, FAFSA, and technology related to banking, savings, and financial products. It is worth one’s time looking through Utah’s personal finance program (https://financeintheelementaryroom.org/).

Tennessee

Tennessee is similar to Utah in that beginning in 2013 it requires that students take a half-year course in personal finance somewhere during grades 9 - 12. The course description states

Personal Finance is a foundational course designed to inform students how individual choices directly influence occupational goals, future earning potential, and long term financial well-being. The standards in this course cover decision-making skills related to goal setting, earning potential, budgeting, saving, borrowing, managing risk, and investing. The course helps students meet the growing complexities of personal financial management and consumer decision making. Upon completion of this course, proficient students will understand how their decisions will impact future financial well-being. (Tennessee Department of Education, 2015).

Like Utah, Tennessee Department of Education outlines standards for the course and there are standardized test. In addition, educators must qualify to teach the course by meeting certain endorsements – including and not limited to a qualified course or state approved training. All this information is outlined in a section on the Tennessee Department of Education website (Tennessee Department of Education, 2016). Even though Utah’s web resources are more extensive, Tennessee information is worth viewing to look at the standards.
Virginia

Virginia earns its ‘A’ grade by requiring all high school students take a full-year course covering economics and personal financial, devoting at least 60 hours to personal finance. Their standards, adopted in 2010, cover both economics and personal finance. There are several ways to meet the economics and personal finance requirements, but one semester of at least 60 hours must be devoted to personal finance.

Similar to both Utah and Tennessee, Virginia Department of Education has its own set of standards for personal finance, administers standardized test, and requires some type of teacher certification. In order to be certified a teacher must be licensed in one of several specified areas, or they can acquire certification by taking an industry certification test administered by the organization Working in Support of Education (W!SE, n.d.).

Alabama

In Alabama, students must take a one-year career preparedness course in which 13 of the 23 standards focus on personal finance, this equates to about 68 hours of instruction. Similar to the previous three states, Alabama Department of Education provides state standards in the form of a course outline and pacing guide, and administers standardized tests. Unlike the other states, there does not appear to be any teacher certification required to teach the course but teachers do receive specialized training. One noticeable drawback is that Alabama State Department of Education recommends students take the course in their freshman year. This may not be ideal in that freshman are less likely to have encountered some of the topics included in the class. It is still
useful to go to their website and review the course outline (Alabama State Department of Education, 2018).

Missouri

In Missouri, students have several options to fulfill their financial literacy requirement. They can take their financial literacy incorporated in their social studies course or practical arts and pass an assessment. They may take a stand-alone, one-semester course in financial literacy and then are not required to take the assessment. The last way is to “test-out” of the course by receiving a 90% or higher on the assessment exam.

Financial Literacy in the Other States

Like most subject areas, it seems that none of the states requires the use of a specific textbook or resource to use for the class, consequently one can pick from the many options outlined in the next section. The only requirement is that the class cover the specific state standards or the standards as spelled out by a national organization like Jump$Start. At this time, there is no universally recognized standards.

Just 13 states require students to take a personal finance course or include the subject in an economics course before they graduate from high school, up from seven states in 2007, according to the Council for Economic Education. Meanwhile, 34 states, including those 13, have personal finance within their curriculum guidelines, up from 28 states in 2007. Even if a state has no requirement, individual districts or schools can have
their own requirements. In the following figure, one can view the status of personal finance in their own state (Survey of the States, February 2018, p. 7).

Figure 5. Current Status of Financial Education

*Survey of the States: Economic and Personal Finance Education in Our Nation’s Schools 2018.*
The grade for each state is based on state standards. Individual districts and individual schools may have excellent, “A” level programs using the same resources as the “A” states. If one is from a state that has no requirement, it would still be useful to start teaching a financial literacy course as the results from the next section of this thesis will show the value of such a course to high school students.

Effectiveness of a Personal Finance Course in High School Work

It is sometimes difficult to generate interest in some of the personal finance topics because many of the topics are not relevant to high school students yet. They most likely have encountered some of the topics like debit cards, checking and savings accounts, and electronic payments and will soon encounter many others. There is question as to whether a personal finance class does help students as they do encounter these decisions.

Anna Secino in an article in Forbes Magazine in 2013 referring to financial literacy courses at the high school level that “research shows that these classes have no impact on whether students will grow up to commit a series of costly fiscal missteps or turn into financial superstars” (Secino, 2013, para. 4). Instead, citing the working paper High School and Financial Outcomes: The Impact of Mandated Personal Finance and Mathematics Courses by Shawn Cole, Anna Paulson, and Gauri Kartini Shastry, Secino points out that mathematics ability, not financial literacy, predicts economic success (Secino, 2013, para. 4). Based on the comparison of financial histories of students who graduated before these classes were offered against students from the same state who graduated after the mandatory classes were offered found that the classes had “no effect on investment income, the value of financial assets owned or home equity” (Secino,
2013, para. 5). While this does not provide support for proponents of financial literacy in high school, the study was done in 2013 and much has changed since that date. Perhaps the newer standards are more effective in helping students learn better financial strategies.

Lewis Mandel and Lisa Schmid Klein conducted a study of differential impact of a personal financial management course on 79 high school students (Mandell, 2009, para. 1). The study compared the difference in mean financial literacy scores of those who took the course and those who did not. The requested the survey test from 400 students of which 79 responded. The result showed that the difference in mean scores was not statistically significant meaning there was not sufficient evidence that the class improved one’s knowledge of personal finance topics. The study covered the years 2004 – 2008 and in some cases, the number of respondents was extremely small. In fact, in the years 2002 and 2003 only 6 and 5 responded, which is too small to provide a conclusive result.

Georgia, Texas, and Idaho provided a different perspective on financial literacy in high school. After two years, students who graduated after the new financial education mandates were implemented, significantly increased their credit scores. For students who remained in school for a third year following inception of the program, their credit scores increased even more. Georgia scores increased by an average of 10.89 points, Idaho by 16.19 points, and Texas by 31.71 points (Mettler, 2015, para 4). In addition to the increase in credit scores, each state noticed a significant drop in their delinquencies.

These are just several examples of positive results, and there are many others showing either no impact, or a positive impact. After completing a comprehensive review of studies involving the impact of financial literacy requirements, it was found
that none of the studies showed a negative impact. Thus if one is careful to structure the
course so they are fun, meaningful, and there is accountability, then this can potentially
benefit students who are going to college and starting careers with some background they
will find useful when they are confronted with some of these important financial matters.
Chapter IV
Materials Presently Available to Support a Financial Literacy Class

It is not difficult to present a convincing case for offering a financial literacy class but it may not be easy to convince school administration to add the class to an already crowded curriculum. So much emphasis is placed on taking courses that help with college admissions it is hard for students to feel that they are able to fit in a course that may not enhance their college application. Many schools or districts dictate that in order to add something you must remove something else. Possibly one option, without removing something else, is to offer financial literacy as a one-semester elective; this would make the class more accessible. The first step in accomplishing this goal is to put together a course proposal to share with school administrators.

To prepare for a one-semester class, one needs to search for materials available to support a class and evaluate them to see if it fits one’s needs. There are several textbook options, an assortment of free and low priced internet resources, shared resources through social network groups, and conferences. The following is a list of the many options with some information to help interested teachers narrow down their choices. Many of the programs listed were not individually tested in this study so before using them, one should review them carefully and get some advice from teachers who have used the particular program in the classroom. One can access this type of advice by attending one
of the many conferences or social media groups that are dedicated to teaching financial literacy.

Textbook Options

The first and probably easiest option for teaching the course is to use a textbook. Whether digital or hard copy the teacher and students will have an outline of the course via the table of contents, daily lessons, access to activities, follow up questions, and unit assessments. Some of the textbook options come with ancillary materials to support instruction. One drawback is there are not that many formal textbook options for a class on financial literacy.

Here are three textbook options:


Financial Algebra with Financial Applications

Overview

This text works well as a fourth year math course following algebra II incorporating various personal finance concepts. It uses applications to solve real world financial problems reviewing algebra 1, algebra 2, geometry, and statistics concepts while bringing them to a higher level. For this reason, it may not be suited for a class of
students who struggle with math. In addition, this text is designed for a full year course but can be modified for a single semester course.

This textbook does include the full range of supporting materials including an annotated instructor’s edition, a computerized test generator, a guided practice CD, lesson plans with interactive whiteboard lessons, and a solutions manual.

The practice problems require students to use formulas and manually calculate solutions to financial problems instead of using the financial tools available online. Some may see this as a strength while others may find it a weakness. However, if one finds that having the students calculate all solutions manually is too cumbersome, the online tools are always available.

Some may find that students were not previously introduced to some of the statistics concepts; this should not be a concern as these particular concepts are learned quickly through the lessons.

Finally, this text aligns with Common Core State Standards for Mathematical Content. These standards are outlined in detail on the textbook website or in the textbook at the start of each chapter. Consequently, this book works well for those who are required to follow Common Core Standards.

Scope

This latest version of this text includes 11 units covering discretionary expenses, banking services, credit, automobile ownership, employment, taxes, independent living, investing, modeling a business, retirement, and prepare a budget. As mentioned above, this text uses concepts from algebra 1, algebra 2, geometry, and some basic statistics, here is a list of some math topics covered:
• Exponential functions
• Linear regression
• Quadratic-linear systems
• Expected value
• Piecewise functions
• Quadratic regression
• Probability
• Areas of regular polygons
• Functions
• Graphing
• Modified boxplots

• Greatest integer function
• Limits
• Natural logarithms
• Rational functions
• Polynomial functions
• Correlation
• Literal equations
• Spreadsheets
• Irrational functions
• Moving average
Fortunately, this and many textbooks have some relatively inexpensive purchasing options that are better for teachers needing to follow a restricted budget. In addition to the traditional textbook purchase, one can rent the physical textbook, purchase an online or Kindle version, or even rent the Kindle version. One potential drawback of rentals is they are typically geared for single semester usage and consequently may not be an option for a yearlong class. However, it could be the case that by the time one is ready to start teaching such a class that specific situation may change.

Strengths

For someone starting out teaching financial literacy this text has everything outlined and is easy to follow. With lesson plans and PowerPoints included, one could potentially avoid doing very much preparation; just show up and teach the course, but this is not advised. The point is everything is already set up for the instructor. This program is also great for reinforcing math skills as well as introducing some new ones with applications that relate to real-world problems.

Weaknesses

While some instructors may find the sole reliance on the raw mathematics to solve problems as a strength, others may find this a weakness. Because so much of the focus is on solving mathematical equations, students may lose sight of the interpretation of their solutions.

Conclusion

If one’s goal is to offer a fourth year math class in high school that focuses on financial topics, this would work. However, if one wants to appeal to a larger audience
and expose them to personal finance using financial tools instead of paper and pencil, then this text would be an even better choice.

Managing Your Personal Finance

Overview

This follows a typical textbook structure in that it is broken down into units with several sections in each unit. Every section begins with an Essential Question and lists the learning objectives. At the conclusion of each section are several questions to check for understanding of terms and concepts. At the end of each unit, there are questions, problems to extend learning, and a chapter project. Like most Cengage publications, students have access to a website with flashcards, activities, and lesson outlines. The teacher has access to PowerPoints, test banks, and other course support materials.

Scope

Units covered in this text include

- Managing Careers and Money – Careers, Pay and Benefits, Income Tax, Budgets, Checking and Banking, Saving, and Credit
- Managing Resources – Decision Making, Renting a Residence, Buying a Home, Buying and Owning a Vehicle, and Family Decisions
- Providing Financial Security – Investing, and Retirement Planning
- Risk Management – Insurance
- Consumer Rights and Responsibilities – Consumer Protection
Strengths

This textbook has everything one needs to teach the class along with a good collection of ancillary materials available for the teacher.

Weaknesses

This is an all-inclusive program but it is not free. With so many great free resources on the internet that include a complete curriculum, one must evaluate whether this program is worth the cost.

Conclusion

In conclusion, *Managing Your Personal Finance* is a good book for understanding all the details in all the financial decisions one may or will encounter, but it does not do a good job of introducing the math to help with those decisions. In addition, this book is geared for a yearlong course and would need to be revised for a one-semester course. With some additional math lessons incorporated into the curriculum and the elimination of some of the sections, this can work for a one-semester financial literacy course.

Foundations in Personal Finance

Overview

A textbook option for those who do not feel they have the background to teach financial literacy is Dave Ramsey’s *Foundations in Personal Finance* program (Ramsey, 2014). This program is a mixture of textbook and video which does all the instruction through video and short passages in a textbook. Using this resource, teaching can be done completely with a completely online text, or with the physical textbook. The cost of the program is the equivalent of a typical cost of a textbook.
This teaching resource is in a sense a combination of a textbook and workbook. Students start a lesson by answering a series of questions with “agree” or “disagree”. They then watch a video and answer the same questions to see if their opinion has changed. The rest of the lessons are short videos with a passage in the textbook and then some questions. This format allows students to work at their own pace and the program drives the curriculum. It seems reasonable to expect that this can be taught as a one-semester class in its present format.

Scope

Units included in this program are:

- Saving and Budgeting (Introduction to Personal Finance, Saving, and Budgeting).
- Credit and Debt (Debt, Life After High School, and Consumer Awareness).
- Financial Planning and Insurance (Bargain Shopping, Investing and Retirement, Insurance).
- Income, Taxes and Giving (Money and Relationships, Careers and Taxes, Giving).

Strengths

The style of this program lends itself well to a classroom with students working at their own pace. The curriculum is set and the teacher merely has students follow lessons in order.
Weaknesses

Like any program that has a consistent format, it can get a little monotonous. The style of the videos are like an infomercial, but they are not attempting to sell anything.

Conclusion

This is a good program if one wants to offer a class and let students work on their own. In fact, the name of the textbook says on the cover “for homeschool”. Perhaps worth a look but maybe some of the internet programs are better suited for the teacher who wants more flexibility and variety in their program.

Internet Resources

Although there are numerous books written on personal finance, there are not that many textbooks geared towards a personal finance class in high school. Instead, there is an overwhelming supply of online resources offering complete curriculum, individual lessons, classroom activities, games, and teaching materials. With the various online sources, one has great flexibility in designing a program that matches the needs of the class. Next we provide a brief overview of the various programs to consider along with their scope, the cost, whether they offer a complete curriculum or just individual lessons, or both. Some of the programs listed also offer lessons for lower grades. This is not a complete list of all the internet resources available but it does include the most popular ones. The list starts with two organizations that are very active in promoting financial literacy, followed by resources with complete curriculums, and ending with supplemental resources.
Jump$tart.  
(https://www.jumpstart.org/)

Grade Level(s): K-12  
Cost: Free

Overview

This is probably the main national organization dedicated to promoting financial literacy in the United States. Their mission statement says it well (Jump$tart, 2019, https://www.jumpstart.org/who-we-are/about/, Mission)

Jump$tart is a coalition of diverse financial education stakeholders. These organizations work together to educate and prepare our nation’s youth for life-long financial success.

Jump$tart publishes a complete set of standards for K-12 financial literacy; these are the ones used in chapter 5. They also

- supply search tools to find resources supporting any financial literacy topic.
- webcast monthly interviews with experts in the field of finance.
- have individual state coalitions.

The first priority for any financial literacy educator is the annual National Educators Conference at the beginning of November. Educators listen to speakers discuss relevant news in the financial education world, attend workshops to see the many resources available for the classroom, connect with other teachers of financial literacy, and visit the vendor area to talk directly with representatives from each of the resources listed in this section. This conference is very useful and highly recommended and there are numerous scholarships so one can attend free of charge.
Council for Economic Education.

(https://www.councilforeconed.org/)

Grade Level(s): K-12  Cost: Free

Overview

This organization is similar to Jump$tar! except that they also include economic education in their mission (Council for Economic Education, 2019, https://www.councilforeconed.org/about/, para. 1).

The Council for Economic Education’s (CEE’s) mission is to teach K-12 students about economics and personal finance—and we have been doing so for nearly 70 years. Our goal is to reach and teach every child in every district and school so that they can make better decisions for themselves, their families and their communities.

A good source of resources and links to many valuable materials. If one wishes to include economic education in their curriculum, this organization would be a great start.

Keep in mind that schools that do offer both topics make it a one-year class with one semester dedicated to financial literacy and the other economic education.

Next Gen Personal Finance

(https://www.ngpf.org/)

Grade Level(s): 6-8, 9-12  Cost: Free

Overview

An excellent resource of lesson, activities, articles, and videos is a program called Next Gen Personal Finance (“Next Gen Personal Finance,” 2018) or NextGen. A non-profit organization founded in 2014 provides free resources that are continuously updated, and free professional development. For professionals they provide fitness
camps, webinars, and a summer institute, all free of charge. This year fitness camps can be found in all 50 states.

NextGen provides units on a variety of topics that allows one to choose certain ones, or use a ‘ready-made’ curriculum for a one-semester course, an 8-week course, an 18-hour workshop or an 8-hour workshop. This helps a great deal in that one does not have to spend time looking through numerous resources. Each lesson begins with discussion prompts and then provides links to articles, videos, and charts to guide students through the lesson. Also included in each lesson is a student activity packet and an exit ticket. They also provide several interactive games and some quiz games in Kahoot, Quizlet, or Quizizz.

Scope

The units one has to choose from are checking, saving, banking, types of credit, managing credit, paying for college, budgeting, investing, financial pitfalls, career, taxes, and insurance. One can do them in any order and work very well if paired with the H&R Block Budget Challenge mentioned later.

Strengths

This is a very flexible curriculum and includes a variety of resources. The curriculum is constantly updated and amended to reflect the changing financial world. Help is readily available, they respond quickly to emails, and there are numerous opportunities for professional development.

Weaknesses

It is difficult to point out to any significant weaknesses as this program contains so many things to do. Using a different perspective, perhaps this factor could also be
considered a weakness, given that there in some sense too many things to do. This is a 
good problem to have, however, as one will not run out of activities.

Conclusion

This is a comprehensive program, used by many schools, and is highly 
recommended.

H&R Block Budget Challenge

(https://hrblock.budgetchallenge.com/)

Grade Level(s): 9 - 12                      Cost: $25 per student

Overview

The H&R Block Budget Challenge (H&R Block Budget Challenge, 2018) is a 10-
week program that challenges students to plan and maintain a budget. All students 
participating in the challenge have the same job, the same expenses, the same savings 
options, and receive a bi-weekly paycheck. At the beginning of the simulation, each 
student needs to make some choices regarding 401k savings, type of bank account, living 
arrangements, utility plan, insurance, and loan repayment plan. In addition to these 
regular expenses, each person has a credit card that is used for incidentals like groceries, 
clothing, and dining out. One has to manage all these expense on a very tight budget and 
make sure they have the funds to cover non-recurring expenses and a possible emergency 
expense. During the course of the simulation, students receive alerts via email alerting 
them an invoice has arrived. Students check the invoice and write a digital check by the 
due date.

Points are earned for each dollar saved in a 401k, keeping credit card balance low, 
and weekly quizzes. Points are lost when the credit card balance gets too high, bills are
paid late, or overdrawing one’s account. Students are motivated by viewing their ranking within the class on the daily class leaderboard, and can check the class ranking among all the other classes nationwide.

Scope

Each week has a different lesson with a quiz every Thursday. The weekly lessons include How to Play, Paychecks, 401k investing, Unexpected Events, Credit Card, Risk and Credit, Financial Responsibility, Taxes and Forms, Loans, and Student Loans.

Strengths

The competition aspect of the simulation really motivates students to focus on their individual budgets, make smart decisions on how much to save, and learn the concepts to perform well on the quizzes. It can be difficult to keep this enthusiasm going after the challenge ends, but there are some other activities than can be added to finish the semester.

Weaknesses

Since the challenge is only 10 weeks and a semester is likely much longer, one needs to fill in the extra time before and after the challenge with other material. One may find it difficult to fit some of the lessons into the one week allotted for each unit. The activities that go along with each topic can be improved so it is best to use activities from other sources. Recently they started charging $25 per student, which will likely have quite an impact as compared to when the program was offered for free.

Conclusion

The H&R Block Challenge is an excellent program for motivating students and, even though it can be a bit overwhelming for the teacher the first time through, it is worth
the time and effort. A teacher account is included so teachers can play along with the students, and a detailed roadmap guides teachers each step of the way.

High School Financial Planning Program

(https://www.hsfpp.org/)

Grade Level(s): 6 - 12  Cost: Free

Overview

“The High School Financial Planning Program ® (HSFPP) is a free, comprehensive, basic personal finance curriculum specifically designed to be relevant to the lives of teens, ages 13-19” (High School Financial Planning Program, 2018, About the Program, para. 1). Sponsored by the National Endowment for Financial Education, this program offers lessons that can be used as stand-alone, or together as an entire curriculum for a class in financial literacy. All materials are free and accessible online, or one may request hard copies. To get access such a copy, one needs to register for a free online teacher account.

Materials available with this program include student guidebooks, teacher lesson plans, student learning plans, PowerPoint shows, activity books, and performance assessments. All of these materials are in pdf form. If interested one can attend a training session, webinar, or see them at one of the national conferences all of which are listed at their website.

Scope

The HSFPP program consists of six modules each containing a series of four to five 45-minute lessons. Module topics includes money management, borrowing, earning
power, investing, financial services, and insurance. If one has time, extensions are also available for each of the lessons.

Strengths

This curriculum includes everything one needs to teach the course. Available are overviews of each module, detailed lesson plans, student activity books, PowerPoint presentations for each lesson with instructor notes, performance assessments, and an evaluation toolkit to create assessments. There is no shortage of great materials.

Weaknesses

With all the materials available, it will take a lot of paper to print them. One student activity book for a single module may be 44 pages. The alternative is to order the materials online, free of charge, but one needs to budget on it taking about three to four weeks.

Conclusion

This is also a popular program and worth considering for a one-semester personal finance class.

Take Charge Today

(https://takechargetoday.arizona.edu/)

Grade Level(s): 7 – 9, 10 - 12  
Cost: Free

Overview

This is a project of the University of Arizona by educators for educators consisting of an introductory curriculum for grades 7-9, or an advanced curriculum for grades 10-12. All the lessons are activity based, tested in multiple classrooms, and ready to teach. Course guides are available outlining a 2-week course, a 9-week course, a
semester course, or a yearlong course. Each lesson includes a guide for teachers and access to any needed ancillary materials including printable posters, PowerPoints, worksheets, and links to articles and websites.

Scope

The units covered in the introductory level are Saving and Investing, Earning, Managing Your Money, Spending and Borrowing, Distribution of Wealth, Receiving, and Take Charge of Your Financial Well-Being.

Strengths

All materials are available free with a teacher account, one needs to simply sign up. Along with the numerous activities, they have many professional development opportunities around the country. It is useful to take advantage of their forum to get and share ideas, and view some of their videos with discussions on current topics or some best practices. A complete set of tests come with each unit along with a Pre/Posttest for the entire course.

Weaknesses

Like many programs, a lot of material to navigate through but that means there is a lot there.

Conclusion

A complete curriculum for many levels that is well worth consideration.

Foolproof Me

(https://www.foolproofme.com/)

Grade Level(s): 6 – 8, 9 - 12, College, Parents  Cost: Free
Overview

Foolproof is different from most of the other programs in that the class is taught completely online through a series of PowerPoint style slides that contain text, videos, quizzes, and tests. Students’ progress at their own pace through each lesson and take a test at the end. Teachers can see each students’ progress through a detailed record keeping system. One should try to ensure that students have their headphones or earbuds to keep the noise down in the classroom.

One great feature is that teachers have complete control as to which lessons are open and which are not, meaning one can use this for just one topic or for an entire semester. The entire curriculum is customizable.

Scope

Modules have creative names and cover the entire gamut of personal finance topics.

Strengths

With such flexibility, teachers can set up the curriculum to suit their needs. Students can go through the program at their own pace and are accountable with an end-of-unit test. This program allows record keeping of student progress and grades.

Weaknesses

The structure can get a little monotonous. This may work best for just a unit or two and then use some other internet sources to vary the routine.

Conclusion

Sign-up for the free teacher account and use it for a few lessons.
Bank of America – Better Money Habits

(https://bettermoneyhabits.bankofamerica.com/en)

Grade Level(s): 9-12  Cost: Free

Overview

Bank of America has collaborated with Khan Academy to develop a resource with videos, articles, and links to walk one through a long list of financial topics. One can navigate through the information and choose to learn whatever is of interest. There is no particular order to the topics and no apparent assessments. This is probably a good resource to supplement one’s program.


VISA – Practical Money Skills

(https://www.practicalmoneyskills.com/)

Grade Level(s):  K-2, 3-6, 7-8, 9-12  Cost: Free

Overview

This program contains individual lessons that can be used as stand-alone and incorporated in one’s curriculum, or one can use the digital textbook for a semester course. It also includes a teacher’s guide for each lesson. Along with the digital book and lessons, this program has some excellent games to enhance and motivate learning. The most popular is Financial Football where one must answer financial questions to move up and down a pretend football field. Also available are Financial Soccer, Money Metroplois, Road Trip to Savings, Cash Puzzler, and Countdown to Retirement. To go
along with the lessons, this program comes with its own financial calculators for Mortgage Amortization, Auto Loans, and Retirement among others.

Like so many of the other programs, this has a complete curriculum for many levels including Pre K – Grade 2, Grade 3 – 6, Grade 7 – 8, Grade 9 – 12, and college. It just depends on taste, worth checking out.

National Endowment for Financial Education.

(https://www.nefe.org/)

Grade Level(s): 9-12, College, Adult Cost: Free

Overview

This contains a complete curriculum for a high school course. Units covered in this course include money management, borrowing, earning power, investing, financial services, and insurance. All the modules contain instructor and learning materials that are downloadable free of charge. The order and sequence of lessons is customizable. This organization also offers some workshop lessons and materials, along with their Cashcourse curriculum for college students. This research study did not formally test these lessons in the classroom, but feels it is worth take a closer look.

Federal Reserve Bank of Atlanta

(https://www.frbatlanta.org/education.aspx)

Grade Level(s): 6-8, 9-12 Cost: Free

Overview

This website contains individual lessons for both the middle school or high school levels. Although these lessons are not put together to form a one-semester curriculum,
one can use them to create their own curriculum or use them to supplement other programs. Many of these lessons include a booklet that is available for download, or one may get copies sent from the Federal Reserve Bank of Atlanta. One really needs to navigate this website to see all the available options. Choose some or use them all.

Federal Trade Commission


Grade Level(s): 9-12, adult  Cost: Free

Overview

These materials are free of charge and in the public domain. These materials are not actual lesson plans but information and links on a variety of topics. Shopping Tips, Free Credit Reports, Credit Repair, and Job Scams are just a few of the topics included for use in a personal finance class. This would be a good source to enhance or add-to some of the lessons in one’s curriculum and since the FTC is also tasked to look out for consumers, it can offer some extremely valuable advice.

Major topics are Saving & Shopping, Credit & Debit, Housing, Work & School, and Automobiles. Also included are consumer resources on Money & Credit, Home & Mortgages, Health & Fitness, Jobs & Making Money, Privacy & Online Security, and an extensive list of recent frauds.

Equifax

(https://www.equifax.com/personal/)

Grade Level(s): 9-12, adult  Cost: Free

Overview
Equifax, one of the main three credit reporting agencies, is much like the Federal Trade Commission materials in that it has several publications with information on topics related to consumer credit.

Credit reports, identity theft, credit scores, credit disputes, credit myths, fraud alert, security freeze, and credit report lock.

Wells Fargo

(https://www.wellsfargo.com/financial-education/)

Grade Level(s): 9-12  
Cost: Free

Overview

Although there are no formal lesson plans, Wells Fargo does provide a series of articles to help educate people on a wide variety of personal finance topics. This can be a useful source of supplemental information for the teacher or for students.

Centsai

(https://centsai.com/)

Grade Level(s): 9-12  
Cost: Free

Overview

Centsai is a series of blogs, articles, and links on a variety of financial topics. They believe that storytelling is the most effective way of teaching personal finance. This can be a good supplement to one’s financial literacy lessons.

Internal Revenue Service

(https://www.irs.gov/)
Overview

Although the IRS does not offer formal lessons on financial literacy, they do provide resources and forms relating to taxes. When doing a unit on taxes one can find blank W-2 forms, W-4 forms, 1040 forms, and Schedule A forms just to name a few. Included with these forms are instructions on how to fill them out, provided one is able to follow the instructions. One can also find some useful apps like Do a “Paycheck Checkup” where one can enter in their specific information and find their take-home pay. This site is a good source for anything to do with taxes.

Consumer Financial Protection Bureau.

(https://www.consumerfinance.gov/)

Overview

One can find numerous financial literacy activities here geared toward high school students with elementary and middle school levels to be added soon. Also this site, like many of the other government agencies, is loaded with information and consumer tools dealing with personal finance. Using their consumer tools some of the topics one can acquire information on are auto loans, bank accounts, credit cards, mortgages, and student loans. This site an extensive section for students and young borrowers to help navigate through paying for college, repaying student loans, and banking on campus.
Federal Deposit Insurance Corporation.

(https://www.fdic.gov/consumers/consumer/moneysmart/)

Grade Level(s): Pre-K-2, 3-5, 6-8, 9-12  
Cost: Free

Overview

Money Smart is a financial education program with sections on teaching financial  
management and learning financial management. Programs were developed for four  
different age groups, Pre-K – 2, 3 – 5, 6 – 8, and 9 – 12. Each lesson comes with a  
student guide and teacher presentation slides, a lesson overview, answer keys,

Scope

This program is broken down into the following themes: Earn, Spend, Save and  
Invest, Borrow, and Protect. Each theme has about 5 lessons.

Conferences

A very useful way to get information about the large assortment of programs that  
one can use to teach financial literacy is to attend a national conference. One of the best  
one to consider, which is geared solely to the teaching of personal finance, is typically  
held the first weekend in November and is run by the Jump$tart Coalition for Personal  
Financial Literacy (Jump$tart, 2018). Numerous scholarships have been offered in the  
past; consequently, teachers may be able to attend this conference free of charge. The  
conference is often held in Washington, D.C. but the 2019 conference was held in  
Cleveland with a Sunday night dinner at the Rock n’ Roll Hall of Fame.

The conference brings together all the vendors and organizations that provide  
materials supporting financial education. Major financial institutions typically sponsor  
this conference and provide free materials, lessons demonstrations, and are available for
questions in the vendor hall. This is a great place to connect with other teachers either during the opening night dinner, or during any of the other meals. This conference is highly recommended for any person teaching financial literacy.

In addition to this conference one should consider getting involved with one of Jump$tart state affiliates which are located in all 50 states. They frequently have meetings or events that promote financial education.

The Council for Economic Education (Council for Economic Education, 2018) has a national conference held annually in the fall that provides some of the same demonstrations as the Jump$tart conference, but they also support economic education. This conference can be valuable if one wants to combine personal finance and economic education into a single yearlong class, as some states require in high school. These schools typically offer a course devoting one semester to personal finance and one semester to economic education.

Social Media

Another useful source of ideas and connections is available through social media. Presently there are a couple closed Facebook groups dedicated to Financial Education in High School. One such group is named FinLit Fanatics and another is Jump$tart Teachers Creating. Both groups require approval to join but that makes it possible for them to be able to keep the conversation on topic. It is simple to just post a question or ask help to enhance a lesson and one gets numerous responses. It is recommended not to limit oneself to these groups as new groups pop up all the time.
Chapter V
Teaching The Class

This chapter is a guide for teachers who wish to teach a one-semester class in high school devoted to financial literacy. As of this writing there were no nationally adopted standards for teaching such a class, but there is one national organization, Jump$tart Coalition, devoted to supporting and promoting financial literacy in schools, K-12. Some states or districts may have their own set of standards, but the class designed as part of this thesis project will use the standards set forth by the Jump$tart Coalition in their 2017 publication “National Standards in K-12 Personal Finance Education” (Jump$tart, 2017, https://3yxm0a3wfgvh5wbo7lvyyl13-wpengine.netdna-ssl.com/wp-content/uploads/2018/01/2017_NationalStandardsBook.pdf). The main standards are listed below, subcategories are found in the publication:

Jump$tart Coalition National Standards

- Spending and Saving: Apply strategies to monitor income and expenses, plan for spending and save for future goals.

  Standard 1.  Develop a plan for spending and saving.

  Standard 2.  Develop a system for keeping and using financial records.

  Standard 3.  Describe how to use different payment methods.

  Standard 4.  Apply consumer skills to spending and saving decisions.
• Credit and Debt: Develop strategies to control and manage credit and debt.

  Standard 1. Analyze the costs and benefits of various types of credit.

  Standard 2. Summarize a borrower’s rights and responsibilities related to credit reports.

  Standard 3. Apply strategies to avoid or correct debt management problems.

  Standard 4. Summarize major consumer credit laws.

• Employment and Income: Use a career plan to develop personal income potential.

  Standard 1. Explore job and career options.

  Standard 2. Compare sources of personal income and compensation.

  Standard 3. Analyze factors that affect net income.

• Investing: Implement a diversified investment strategy that is compatible with personal financial goals.

  Standard 1. Explain how investing may build wealth and help meet financial goals.

  Standard 2. Evaluate investment alternatives.

  Standard 3. Demonstrate how to buy and sell investments.

  Standard 4. Investigate how agencies protect investors and regulate financial markets and products.

• Risk Management and Insurance: Apply appropriate and cost-effective risk management strategies.

  Standard 1. Identify common types of risks and basic risk management methods.
Standard 2. Justify reasons to use property and liability insurance.


- **Financial Decision Making:** Apply reliable information and systematic decision making to personal financial decisions.

Standard 1. Recognize the responsibilities associated with personal financial decisions.

Standard 2. Use reliable resources when making financial decisions.


Standard 5. Apply communication strategies when discussing financial issues.

Standard 6. Analyze the requirements of contractual obligations.

Standard 7. Control personal information.

Standard 8. Use a personal financial plan.

**Summary of Course**

Once a framework for a course on financial literacy has been established, the next step a teachers needs to undertake is deciding on resources to use for teaching. As seen in the previous chapter, there are numerous resources for supporting this class and one does not have to decide on just one resource. Most classes use a variety of resources; hence, for the creation of the financial literacy course for this thesis project, the decision
was made to use two of the most popular resources, the H&R Block Budget Challenge with Next Gen Personal Finance.

The H&R Block Budget Challenge is a 10-week simulation that has its own curriculum that accompanies the simulation, but it is limited. In the Budget Challenge, students receive a bi-weekly paycheck and 10 bills to pay. Using a spreadsheet they plan a budget to determine how much to save and how much to devote to upcoming bills. Students receive digital invoices and must write digital checks to pay the amount due. Students also take weekly quizzes on the topic for that week and earn points for correct responses. Other points are awarded for savings and points are lost for late payments, overdrafts, or excessive credit card balance. The object is to receive the most points. Point standings are updated daily so students can see how they rank in the class and how the class ranks nationally. Scholarships are awarded to the students with the most points, but attaining a top ranking is extremely difficult as thousands of students participate nationwide.

The Budget Challenge has two starting dates, one near the beginning of the semester, fall or spring, and one two weeks later. To determine the one that works best for a particular course, teachers should consider school vacations, ending date for the challenge, as well as how that lines up with the semester. There is time before, during, and after the Budget Challenge to incorporate lessons and, since the Budget Challenge lessons are limited, it works best supplemented with other resources, hence the use of the Next Gen Personal Finance curriculum.

The Next Gen curriculum has two options for this course; the semester course and the 8-week course. The semester course has too many lessons to complete in a short
semester so one must skip some lessons; the 8-week course does not have enough lessons so one must add lessons. This class will use the semester course guide and skip a few lessons.

The Next Gen semester course includes a course map that includes a list of each unit with each lesson, a lesson guide for the teacher, and all the activity sheets (a copy of unit 3 can be found in appendix 1). Each lesson includes one or more activity sheets that contain links to videos, articles, websites, or new activity sheets. Also included are a series of questions for students to reflect on the videos and articles. At the end of each unit one has a choice of administering a test or use an alternative assignment. The 10 units include Join the Workforce, Taxes, Checking, Saving, Paying for College, Types of Credit, Managing Credit, Investing, Insurance, and Budgeting. These lessons are constantly updated; work best with Google docs and Google Classroom; and have numerous other enjoyable activities available like Kahoot quizzes.

Finally, since most school curriculums are already overloaded, a class based on this will have no homework and no tests. Of course, if one wants to incorporate these elements into their own class, it is easily done. Each unit has a test available and each lesson has worksheets or extra activities that can be given as homework.

Next Gen Personal Finance Curriculum

The H&R Block Budget Challenge does not begin until two to four weeks into the semester so it is recommended that one start the Next Gen curriculum with units 3 and 4 so students get a general understanding of checking and savings. The Next Gen curriculum works extremely well with Google Classroom as all the activity sheets can be saved in Google Doc format. This seems to be the best platform as students get the
sheets through Google Classroom, and can turn them in digitally through the same platform. The activity sheets can also be downloaded into Microsoft word format, PDF format, and several others, but keeping it digital will make the lesson easier and save paper. Each activity sheet contains links so with a digital copy one merely needs to click on the link. If one uses paper copies then links must be listed on the board or students must access them from the sheets on the Next Gen website. Copies of all the Next Gen materials from chapter 3 can be found in Appendix 1. One might be concerned about whether or not it is allowed to use the materials in the classroom. Here is the answer quoted from the Next Gen website (NGPF, 2019, https://www.ngpf.org/help-center/para. 4):

Can I add NGPF content to my classroom website or Google classroom?

Of course! If you are a public, private, or charter school teacher; a professor at a community college or university; or if you work for a nonprofit organization that does financial literacy work with young adults, we’d LOVE for you to include our resources on your site. Please leave our NGPF logo atop the worksheet pages and/or otherwise give us credit for our work, mostly so others know where to find more great NGPF resources.

At NGPF, we give all of our resources and PD away completely free of charge. If you work for a private company or intend to generate revenue by using our resources, please confirm with info@ngpf.org before proceeding in this manner.

Preparing to use the course

- Sign up for free teacher account at https://www.ngpf.org. Link is near the bottom of the web page.
- Make a copy of the semester course map for reference. Curriculum>Semester Course. One can print a copy and/or save a copy. To save a copy File>Make a Copy.
• Make a copy of each lesson guide for the lesson one plans on covering. The links to the lesson guides are found in the unit plan. The lesson guides also have links to other guides and the outside resources used in each lesson.

Preparing for a lesson

• Make a copy of the Student Activity Packets for each lesson (this could be more than one sheet). Giving students access to a digital copy is preferable as they have click-on links to the other resources. These sheets work very well with Google Drive and Google Classroom as they are all in Google Doc form.

• Create an assignment in Google Classroom for each activity sheet and be sure to choose “Make a copy for each students” when attaching the file so students can write on the sheets.

• Students will “turn in” each activity sheet at the end of each lesson and they can be found in a new Google folder.

If the class does not have access to the Google Classroom, these digital sheets can be made available through a shared Google Drive, Dropbox or some other shared storage location that students can access. Teachers can decide how and if they want the completed sheets turned in and how they want to grade them. If one has many students, the idea of grading each one can be overwhelming, so perhaps just looking to see that students made the effort and giving them credit would be easier. In any event, the grading of work is up to the teacher and can be handled in a variety of ways.

For additional information or to learn more about how the Next Gen program works, visit their website and look at their Teacher Toolkit found from the homepage at
Teacher PD>Teacher Toolkit. In addition, it may be valuable to attend one of their FinCamps that are free and offered at various locations around the U.S. Alternatively, look at some of the Webinars and Virtual PDs offered. Information on these options are found on the home page of the Next Gen website under Teacher PD.

Finally, you will notice that the unit, Paying For College, is not included. The class that this was geared towards has the resources to pay for college and is unlikely to need student loans, and the college counseling office works closely with each student as they go through this process. That is not true of many students so it would be wise to include this unit in the curriculum, probably after Unit 5.

H&R Budget Challenge

This is the next major component of the class that can be difficult to navigate for the first time. Here is the short list of things to do:

- Register for a teacher account at https://hrblock.budgetchallenge.com/
- Create a class (take advantage of the teacher account to play along)
- Have students sign-up for the class
- Work with students on their vendor selections
- Work with students to create a budget spreadsheet
- Show students how to check invoices, pay bills, check bank statements
- Students take weekly quiz (opened every Thursday)
- Check leaderboard each class

First, go to the website https://hrblock.budgetchallenge.com, and sign up for a teacher account. With an account, one will have access to all the tools to setup and
manage the class. Under the Teacher Home menu is a lot of information to help with how the program works, but it can be confusing. The overall picture and systematic instructions are included in the Roadmap. Also, check out the videos in Teacher Buckle Up.

Two weeks prior to the official start of the challenge, student are able to sign up, just give them the link and the class code. During this two-week period, students will select their vendors, their 401k savings option, and create a budget plan with the provided spreadsheet. As a class, discuss the different vendor options along with their pros and cons. For example, when selecting a checking account, should they pay for overdraft protection? In the simulation there is a large point deduction for a NSF check and since that may cause a late payment, there is another large deduction. The consequences for an overdraft in the simulation may not be as bad as an NFF check.

After selecting, students should make a list of their payments, how much they are, and due dates during the simulation. This will help them fill out their budget spreadsheet. In the spreadsheet, students will enter each paycheck on the correct date and each payment to be made. Remember that one gets access to their funds from the paycheck on the day after they receive the check. For the credit card payments, students should enter about $500. They will soon see that to stay in the black, one may not be able to pay their credit card balance in full each month but must make the $15 minimum payment.

After completing their budget, students should see if there is any day in which their balance is in the red. If so, there are two places and only two places to save money. One is to reduce their 401k contribution percentage; the other is to reduce a credit card payment. One can change their 401k contribution percentage at any time and it will take
effect on the next paycheck. In addition, they can make extra credit card payments in order to keep the credit card balance as low as possible once they have funds. Their credit usage is one area where they can earn or lose points depending on the balance.

Every Thursday there is a quiz that covers the topic of the week. Students have one week to complete the quiz; it closes on Wednesday of the following week. They may work with each other, use the internet, or whatever procedure you choose. After the quiz, it is suggested that one takes time to go over and discuss the solutions.

During the simulation, there is one or more unexpected events. Therefore, it is a good idea to maintain a $500 balance in the checking account whenever possible. Sometimes this is not possible because one must first pay bills on time.

Each of the class periods, after the simulation has started, requires some attention to the budget challenge. Even though it is not included in the following lessons, the first few minutes of a class should be devoted to paying bills, checking bank statements, or taking the quiz. This could cause some classes to run out of time so just continue the lesson into the next class period.

Outline of the Course

This section includes a summary of each lesson used in the one semester course including learning objectives, applicable Jump$tart standards, and materials to prepare in advance. It is assumed that one is using Google Classroom. If one is using another classroom management system, including the old method of paper and pencil, just adjust the lesson to fit. Each lesson that uses Next Gen Student Activity Packets require the teacher create an assignment in Google Classroom with the activity sheets attached and
choose ‘double quote marks here make a copy for each student’ so they can write on them, or download them as a Microsoft Word doc and use in another CMS. Many of the lessons have multiple Next Gen Student Activity Packets so an assignment must be created for each one. Student Activity Packets may also include links to videos. One can have the class watch them as a whole, have the students watch in groups, or have the watch individually. It is important to note that with several videos playing it may result in a relatively noisy classroom; earbuds are a solution if students are able to watch individually.

Lesson 1: First Day of Class

This class should be devoted to introducing the class by a short financial literacy quiz found at online http://www.usfinancialcapability.org/quiz.php. This is done on any device or one can make a paper version. Here is the quiz:


Nearly Two-Thirds of Americans Can't Pass a Basic Test of Financial Literacy

Only 37% of those who took the survey in 2015 could answer four or more of the five questions on a basic financial literacy quiz. Are you part of that 37%?

1. Suppose you have $100 in a savings account earning 2 percent interest a year. After five years, how much would you have?
   a) More than $102
   b) Exactly $102
   c) Less than $102
   d) Don’t Know
2. Imagine that the interest rate on your savings account is 1 percent a year and inflation is 2 percent a year. After one year, would the money in the account buy more than it does today, exactly the same or less than today?
   a) More
   b) Same
   c) Less
   d) Don’t Know

3. If interest rates rise, what will typically happen to bond prices? Rise, fall, stay the same, or is there no relationship?
   a) Rise
   b) Fall
   c) Stay the Same
   d) No Relationship
   e) Don’t Know

4. A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage but the total interest over the life of the loan will be less.
   a) True
   b) False
   c) Don’t Know

5. Buying a single company's stock usually provides a safer return than a stock mutual fund.
   a) True
   b) False
BONUS: Suppose you owe $1,000 on a loan and the interest rate you are charged is 20% per year compounded annually. If you didn’t pay anything off, at this interest rate, how many years would it take for the amount you owe to double?

a) Less than 2 years  
b) 2 to 4 years  
c) 5 to 9 years  
d) 10 or more years  
e) Don’t Know

Solutions:

1. Answer is A, more than $102. You begin with $100 and make 2% the first year. After year 1 you have $100 + ($100 x 2%) = $102. After year 2 you have $102 + ($102 x 2%) which is greater than $102.

2. Answer is C, less. Inflation is a measure of the average increase in the price of goods and services per year. If your money grows at a rate of 1% per year and inflation is 2% per year, then the price of goods and services is increasing at a faster rate than your money. Consequently, your money is worth less because you can buy less.

3. Answer is B, fall. This is a tough one for students but here is the reasoning. If one buys Bond A for $100 at 5%, this means they receive $5 per year until the bond matures and they get their $100 back. If the interest rates rise and one can now buy Bond B for $100 at 10%, this bond would pay $10 per year until it matures. To sell Bond A that only makes 5% or $5 per year, the price would have to fall below $100.
to make up for the difference in the annual earnings and make it just as valuable as Bond B.

4. Answer is A, true. When paying back a loan, a shorter payback period will require a higher monthly payment and less interest.

5. Answer is B, false. When investing one is always advised to diversify because it is safer. A mutual fund contains many stocks and is diversified, a single company stock is not diversified.

Bonus: Answer is 2 to 4 years. Here one can apply the rule of 72. To find how long it takes money to double when left alone, divide 72 by the interest rate. In this case 72 / 20 = 3.6 years, which is between 2 and 4 years.

After students complete the quiz, talk about each of the solutions.

Lesson 2: Unit 3, SC-3.1 How Checking Works

Learning Objectives:

- Explain what a checking account is used for
- Understand the variety of ways they can deposit and withdraw funds from their checking account
- Conduct various banking activities, such as write a check, use an ATM, and more
- Describe the consequences of not being in the banking system
- Read a bank statement
• Understand what the various components of a bank statement mean to interpret where their money goes

Jump$tart Standards

Spending & Saving

• 2a: Investigate account management services that financial institutions provide

• 2d: Compare the costs of cashing a check with various third parties, such as a bank or credit union, check-cashing services and retail outlets

• 2e: Demonstrate how to schedule and manage bill payments

• 2f: Write a check

Lesson Summary

For this lesson, make digital copies of the following for students:

• Student Activity Packet 3.1 (SC-3.1)
• SC-3.1 Part 4 – Interactive: Basic Banking Activities
• SC-3.1 Part 6 – The Fine Print: Checking #1

Begin with a discussion about checking accounts following the discussion prompts in the lesson plan. Depending on the size of the class, this discussion can done in small groups or with the entire class. If done in groups follow it up by having students share their responses and record them on their activity sheet. Even though some students already have a checking account, they typically do not fully understand how they work.
Next have students continue through the packet answering questions as they go along. Part 4 is an interactive section that has a separate activity sheet so students must open a separate assignment to complete this part.

Part 6 is an exercise on reading a bank statement. Students should read the article, watch the video and complete the questions on the activity sheet. This exercise can be done individually or in small groups. Students or groups should compare answers and ask for help when needed. To conclude the lesson students will complete the exit ticket, turn in the activity sheet, and then have a class discussion about the questions in the exit ticket.

Additional Resources

In addition to completing the Student Activity Packet, you may want to show them a video by John Oliver discussing payday loans (Predatory Lending, 2014). Be careful when using John Oliver videos, available on YouTube, as they are for mature audiences and do contain some inappropriate language and references. The upside is they are funny, entertaining, and get the point across. In this case it shows how large the payday loan industry is and how people who have difficulty managing their finances can be trapped into an endless cycle of borrowing. As always, one should preview videos before showing them in a classroom to make sure they are appropriate. Administrative approval is also helpful.

Lesson 3: Unit 3, SC-3.2 Online and Mobile Banking

Learning Objectives:

- Explain the advantages and disadvantages of using online and mobile banking
• Understand how direct deposit, person-to-person payments, and digital wallets work
• Identify ways they can protect their checking account in a digital world

Jump$tart Standards

Spending & Saving

• 2a: Investigate account management services that financial institutions provide
• 3a: Summarize the risks and protections of checks, stored value cards, debit cards, and online and mobile payment systems

Lesson Summary

For this lesson, make digital copies of the following for students:

• Student Activity Packet 3.2 (SC-3.2) Online & Mobile Banking
• Part 3 – Data Crunch: How Do Consumers Access Their Checking Accounts?

Begin with a discussion using the discussion prompts in the lesson plan. Again, depending on the size of the class one may do the exercise as an entire class or within small groups. Make sure to ultimately have students in the class share their ideas.

Next, students should complete the rest of the sections answering the questions in each section. Section 2 contains three videos and section 5 contains a video so one can have the entire class watch them together, watch in small groups, or watch individually.
The downside of small groups is that the sound from several videos will be going on simultaneously. If done individually, students should use headphones or earbuds.

Section 3 requires a different activity sheet so they must open that assignment separately. Section 7, Payment Decisions, is also a separate activity sheet but this may be best done together as a class. One can go over each scenario and solicit responses from the class. This can lead to some interesting discussions on which payment method is best.

Finally, after students complete the exit ticket, discuss the results of these questions as a class.

Lesson 4: Unit 3, SC-3.3 Beware of Banking Fees

Learning Objectives:

- Identify common checking account fees and how to avoid them
- Explain how overdraft protection works and the impact of overdraft fees
- Read a Checking Account Summary
- Compare overdraft policies at major US banks

Jump$tart Standards

Spending and Saving

- 2a: Investigate account management services that financial institutions provide
• 3b: Compare the features and costs of personal checking accounts offered by different financial institutions

Lesson Summary

For this lesson, make digital copies of the following for students:

• Student Activity Packet 3.3 Beware of Banking Fees
• Part 5 – The Fine Print: Checking Account
• Part 6 – NGPF Project Bank: Overdraft Fee Analysis

The lesson starts with two videos that are probably best viewed as a class and then students should answer follow-up questions on the activity sheet. Emphasize how one can avoid most fees in their checking account by choosing one with free checking, or a student account. Discuss ways to ultimately get free checking like direct deposit, or carry a minimum balance. Next, it is important that students understand overdraft protection and overdraft fees. Discuss the implications of signing up versus not signing up.

Students should then do Part 4 on their own answering questions on the activity sheet. This is a very short article about checking account alerts. Part 5 includes a separate worksheet with some questions about the “fine print” that can be printed and given to each student, or it can be done as a class by displaying the questions to the entire class. If the worksheet is not printed, they will still have access to the “fine print” example and all the questions. Following the questions, show the entire video Helping Your Teen Manage a Checking Account.

To finish the lesson, just before the exit ticket, Part 6 has a great activity on overdraft fees where students analyze the same scenario handled by different banks.
Students will need a digital copy of the lesson, NGPF Project Bank: Checking #6, or use the link from the digital lesson plan. This activity may take a while and perhaps will flow over into the next class meeting. Following the activity, discuss the outcomes as a class and then show the class how banks can maximize profit by the order in which they post transactions.

Lesson 5: Unit 3 Exit Ticket

Lesson Summary

For this lesson, make digital copies of the following for students:

- Compare: Select a Checking Account (Resources>Activities>Checking)

To end the unit on checking one can either give a unit test, or use a culminating activity. Next Gen provides unit tests for each unit as a Google Doc, or a Google Form, or you can use the activity provided by Next Gen. The activity has students go through the process of selecting a checking account after evaluating various criteria important to their specific situation. Using the activity is a good choice if one wants alleviate the pressure of an end of unit test.

If time permits there are many great videos online to introduce the next topic, Savings. One such video is a TED Talk named Saving for Tomorrow. There are others so some research is wise, and always view the video yourself before showing it to a class.

Lesson 6: Unit 4 – Savings Introduction

Learning Objectives:

- Explain why it is important to save and have an emergency fund
• Understand how discipline is important in saving

• Understand how savings can grow over time with compound interest

Jump$tart Standards

Spending & Saving

• 1a: Use a plan to manage spending and achieve financial goals

Investing

• 1a: Wealth can increase over time with regular and frequent compounding

Financial Decision Making

• 1a: Financially responsible individuals choose to be accountable for their financial futures

• 4d: Develop a contingency plan to deal with events, such as a car breakdown or a phone loss that might affect personal finances on short notice

Lesson Summary

For this lesson, make digital copies of the following for students:

• Excel: Saving on an NBA Salary (Resources>Activities>Savings)

Since this lesson is the first one after Checking, it would be fun for the students to start with a Kahoot! Fortunately, Next Gen provides a whole library of Quiz Games in Quizlet, Kahoot, and Quizizz formats found under Resources. Use the 20 question Kahoot on Checking. After each question take time to clarify some of the choices except the ones that are obvious.
Following the Quiz Game, a great introduction to the Savings unit is the ‘Saving for the NBA Salary’ activity found under Resources>Activities. You may want to preface this activity and unit with the fact that 40% of Americans cannot cover a $400 unexpected expense. At the time of this lesson, January 2019, the country was in the midst of a government shutdown and many workers did not receive their two-week paycheck. Knowing the fact above, it is likely that many of them had to find funds elsewhere, consequently the reason some people do resort to payday loan centers. The remedy, save and keep an emergency fund. This is a good segue into the story of Alan Iverson.

This lesson follows former NBA player Alan Iverson and determines how much he could have saved for retirement with a disciplined savings plan. Print out the worksheet and have the students create a spreadsheet using Google Sheets or Microsoft Excel to answer the three questions. One can challenge students to create the spreadsheet on their own, in groups or guide them through the process. In the end, students should see that with a disciplined savings plan Alan Iverson could live comfortably with the money he saved for retirement, even though he retired at 36.

Lesson 7: Unit 4, SC-4.1 Save Early and Often

Learning Objectives:

- Describe how saving and investing are different
- Understand fundamentals of saving such as reasons for saving, how much to save, and strategies to enable saving
• Explain why it is important to start investing for retirement when you are still young

Jump$tart Standards

Spending and Saving

• 1a: Use a plan to manage spending and achieve financial goals

• 1d: Investigate changes in personal spending behavior that contribute to wealth building

Investing

• 1d: Illustrate how the concept of the time value of money applies to retirement planning

• 1e: Compare consequences of delaying investment for retirement and benefits of investing early

Financial Decision Making

• 4d: Develop a contingency plan to deal with events, such as a car breakdown or a phone loss that might affect personal finances on short notice

• 8c: Develop a personal financial plan, including goals, spending-and-saving plan, investing plan, insurance plan, a net worth statement and an estate plan

Lesson Summary

For this lesson, make digital copies of the following for students:

• Student Activity Packet 4.1 Save Early & Often

• Part 1 – Data Crunch: How “Financially Prepared” Are Americans?
Part 5 – Analyze: Saving for Retirement

Have student’s complete part 1 and then discuss answers as a class pointing out the difference between retirement savings and emergency funds. Most analysts say that one should have enough in their emergency fund to cover their expenses for three to six months. An emergency fund can also be for an unexpected expense like a broken appliance or a car repair. In addition, point out that many people do not start saving for retirement until their late 30’s which is not a good strategy. In a later exercise they will see how starting to save early will make a big difference.

Parts 2 and 3 are videos and probably best viewed as a class. After the videos, give students time to answer the corresponding questions. After they answer the questions, students should go on to part 4, read the short article and answer those questions. At this point, you may want to solicit some of the responses to number 4.

Part 5 is an excellent example of how money grows when one starts saving early. Have students look at the graphs and answer the questions on the activity. This can be done individually or in small groups. After completion of the worksheet in part 5, students should complete the exit ticket. Conclude the class by discussing the answers to the exit ticket.

Lesson 8: Unit 4 SPENT! Interactive: Living Paycheck to Paycheck

Learning Objectives

- Identify everyday obstacles Americans experience when trying to save money
- Experience simulated challenges of living paycheck to paycheck
• Understand why it is important to maintain an emergency fund

Jump$tart Standards

Spending and Saving

• 1d: Investigate changes in personal spending behavior that contribute to wealth building

Financial Decision Making

• 4d: Develop a contingency plan to deal with events, such as a car breakdown or a phone loss that might affect personal finances on short notice

Lesson Summary

For this lesson, make digital copies of the following for students:

• Interactive: Living Paycheck to Paycheck (Resources:Activities>Savings)

Prior to beginning the activity, show the following videos from Student Activity Packet 4.2: Living Paycheck to Paycheck, 3 Things to Know About an Emergency Fund. The links to these videos are also found on the Teacher Lesson Plan 4.2 page. After the videos, begin the activity SPENT described in the next paragraph.

In the activity students will play the game SPENT and should answer the questions in the worksheet as they proceed through the game. The goal is to make wise decisions and see how many days they can go before running out of money. Even though this is a budgeting game, it does incorporate ways one can save. At the end of the game, have a class discussion focusing on questions 13 and 14. As some additional
entertainment, watch some of the Suze Orman episodes of “Denied” that are found on YouTube.

Lesson 9: Unit 4 SC-4.3 Saving is Easy

Learning Objectives:

- Identify various rules of thumb and strategies to save money
- Determine whether a direct deposit or manually saving is the better strategy for them
- Understand how compound interest works to increase savings.

Jump$tart Standards

Spending & Saving

- 1a: Use a plan to manage spending and achieve financial goals
- 1d: Investigate changes in personal spending behavior that contribute to wealth building

Investing

- 1e: Compare consequences of delaying investment for retirement and benefits of investing early

Financial Decision Making

- 8c: Develop a personal financial plan, including goals, spending-and-saving plan, investing plan, insurance plan, a net worth statement and an estate plan

Lesson Summary
For this lesson, make digital copies of the following for students:

- Student Activity Packet 4.3 Strategies to Save
- Part 1 – Create: Your Savings Goals
- Part 6 – Calculate: How to Save

Part 1 is a great activity to get the students moving but the class will need a good supply of small post-it notes. Follow the directions in the activity, but instead of having students put their savings goals on an activity sheet, then put their post-it savings ideas on the board under one of the three categories. After the notes are posted, have a discussion with the class about the differences between short-term, medium-term, and long-term savings. Then discuss problem 2 on the worksheet and get ideas on how to allocate one’s savings.

Following this activity, have students work on parts 2 and 3 and answer questions on the activity sheet. Next, discuss the 50-30-20 rule and “pay yourself first’ idea as a class to make sure students have a good understanding of these key items.

Skip to Part 5 and show the video to the class, have them answer the questions and then discuss this as a class. Key idea is for them to see how compound interest works. This might be a good time to introduce the rule of 72. Take the rate of interest one earns on their savings, divide that into 72 and the solution is the number of years it take to double ones money. As an example, if one has $1000 invested at 6% interest then it will take 72 divided by 6 equals 12 years to double one’s money. In 12 years, they will have $2,000, then in another 12 years that balance increases to $4,000. Obviously the greater the interest rate or return rate the faster the money grows. Compound interest is earning interest on interest.
Culminate the lesson with the exit ticket and a final discussion.

Lesson 10: H&R Budget Challenge Sign-Up

Lesson Summary

This day may occur anytime near the beginning of the semester but that time varies depending on when the semester starts and which of the two start dates is chosen. The second start date is generally preferred allowing one to cover a couple topics, checking and saving, before the challenge begins. Each class is given a class code that can be shared with the students; they will need this and an email account to sign-up. Next, students should visit https://hrblock.budgetchallenge.com/, choose Student Registration and enter their information including the class code. The teacher can follow registration progress under Teacher Home>Registration. Students are ready to go when their name appears in the orange section, Completed Registration and Ready for Launch.

Once registered, students should go through and select their vendors. This can be changed at any time up to the official start date of the challenge. While selecting vendors students should write down the monthly payments, their due dates, and if they have a grace period. Both insurance vendors do not bill monthly, instead these are paid once during the challenge. They should also list each date during the simulation in which a payment is due, this will be helpful when creating the budget spreadsheet.

Lesson 11: H&R Budget Spreadsheet

Today students will create their budget spreadsheet. Use the template that is available on the H&R Block Budget Challenge website. Start them off by showing how
to fill in each paycheck, remembering that funds will be available on the day following the payday and should be entered on that date. Next, show them how to enter in one of their regular monthly bills. After that, let them work on their own to complete the budget spreadsheet. The teacher or a peer should check over the spreadsheets to make sure they are correct. A mistake here could cause a late payment or overdraft fee.

After the spreadsheet is complete, students should look it over and see if they anticipate being in the red on any one day. If so, they will need to adjust either their credit card payment or their 401k contribution. No other payments can be adjusted. Remind them that 401k contributions can be changed during the simulation, and that one can make additional credit card payments at any time, just make sure to make the minimum payment. The budget spreadsheet is merely a budget plan and will be adjusted constantly through the simulation.

Lesson 12: Unit 4 SC-4.4 Where to Save

Learning Objectives:

- Explain the difference between a checking and savings account
- Compare different savings vehicles such as a savings account, CD, and money market account
- Identify important criteria to consider when selecting a savings account.

Jump$tart Standards

Spending & Saving
2a: Investigate account management services that financial institutions provide

Lesson Summary

For this lesson, make digital copies of the following for students:

- Student Activity Packet 4.4 Where to Save
- Part 4 – Compare: Types of Savings Accounts

Start the lesson with the discussion prompts to see what students know about regular savings accounts, if they have a savings account, and what is the interest rate. Then show the video in Part 2 and have them answer the question on the activity sheet. After each student has entered their responses, discuss this as a class. Why should one have a savings account in the first place if it pays so little interest, just keep it in a checking account? Generally, checking accounts allow unlimited transactions while savings accounts may charge a fee after many transactions. Savings accounts are still liquid and a good place for an emergency fund while keeping it separate from checking.

Next have students read the article in part 3 and answer the questions, then have them do the activity sheet in part 4, which is a separate assignment. They should do some internet research to find the answer. Follow up the activity with a discussion on the 4 types of savings in the activity; traditional, online, CD, and money market. After students complete the activity in part 4, show them the Ally Bank video in part 5, then jump to the exit ticket in part 6. Culminate the lesson with a discussion of their exit ticket responses. End the class with the Ally Bank commercial in part 5 and see if they get the message.
Lesson 13: Unit 4 Exit Ticket

Learning Objectives:

- Understand fundamentals of saving such as reasons for saving, how much to save, and strategies to enable saving (2.1)
- Identify everyday obstacles Americans experience when trying to save money (2.2)
- Estimate the cost of medium- and long-term goals and devise smaller, periodic savings goals to reach them (2.2)
- Identify various rules of thumb and strategies to save money (2.3)
- Distinguish between the sticker and net price when it comes to college costs (5.1)
- Identify potential first job opportunities (9.2)

Lesson Summary

For this lesson, make digital copies of the following for students:

- Case Study: Save Me! (Resources>Case Studies>Saving)

For this exit ticket, students should work in small groups to complete the case study. The spreadsheet used in this activity is linked to the Case Study.

If there is time, show the John Oliver video Retirement Plans that can be found on YouTube. There is some inappropriate language so view the video first and make sure that administration is okay with the video. These videos are funny and do get the point across. If this video does not work, there are plenty of other options but one must search YouTube to find them.
Lesson 14: Unit 6 SC-6.1 Intro to Credit

Learning Objectives:

- Explain why a person may need or want credit
- Identify the major types of credit and their characteristics
- Understand and correctly use the three basic components of lines of credit: principal, interest rate, and term

Jump$tart Standards

Credit & Debt

1c: Categorize the types of information needed when applying for credit

Lesson Summary

For this lesson, make digital copies of the following for students:

- Student Activity Packet 6.1 Intro to Credit
- Part 4 – Analyze: Categorizing Credit

Start with Part 1 – Discussion Prompts by having a class discussion sharing their own experiences. Ask if they have loaned money to someone who repays quickly without reminders versus someone who seems to forget or never repays. Will they loan money to that second person again? This is like a credit score; we tend to keep a mental note of people who repay quickly and those who are unreliable. Consequently, we are less likely to loan money to someone who is unreliable or has a low credit score.
Watch the video in Part 2 & 3 as a class and have students answer the questions on the activity sheet. After students have had enough time, go over some answers as a class pointing out the following:

- Installment loans one borrows a set amount and have a fixed payment
- Revolving credit one has a credit limit, can continue to add charges, and the payment varies
- Secured loans require collateral like a car
- Unsecured loans do not require collateral

In Part 4 students will work through the second activity sheet, NGPF Activity Bank Types of Credit #2. The activity sheet provides links to websites to help them answer some of the questions. When students are finished, have them start working on Part 5, Exit Ticket. To culminate the lesson discuss their answer to Parts 4 and 5. Focus on the big ideas, understanding the terms principal, term, interest rate, and secured versus unsecured loans.

Lesson 15: Unit 6 SC-6.2 Credit Cards as a Young Adult

Learning Objectives:

- Understand credit cards are not “good” or “bad” but rather need to be used responsibly
- Understand how the use of and terms of a credit card can impact the total cost of purchasing goods and services
• Explain how a person under the age of 21 could open a credit card or gain access to credit

Jump$tart Standards

Credit & Debt Standards

• 1d: Compare the total cost of reducing a credit card balance to zero with minimum versus above-minimum payments, all other terms being equal and no further purchases being made

Lesson Summary

For this lesson, make digital copies of the following for students:

• Student Activity Packet 6.2 Credit Cards as a Young Adult

Start with Part 1, the discussion prompts. Have students answer these on their own and then discuss this as a class. There are differing opinions on the use of credit cards so, as a teacher, one should outline the pros and cons and that the decision is up to the individual and their family. A reason not to have a credit card is one can easily accumulate a lot of debt and it takes a long time to pay it off, especially if one only makes minimum payments. An advantage to having a credit card is it helps one build credit that may be necessary when needing a loan for a large purchase. Using the card and paying it off every month is a way to improve one’s credit score while not accumulating debt. However, one needs to be disciplined. There are many other reasons pro and con to this issue that the class can discuss.

Parts 2, 3, 4, 5, and 6 should be completed individually while answering the corresponding questions on the activity sheet. Part 3 does include a video but students
seem to be able to concentrate on their own video when each student plays their video at a low volume, or they can use earbuds.

To conclude the lesson ask students what their feeling is now about opening a credit card account. What can they do if they are under 18 and want a credit card?

Lesson 16: H&R Block Budget Challenge Begins

On the first day of the challenge, show the students how to access their account and take the quizzes. Several quizzes are opened on the first day and they should take each one. The first quiz is a survey and they get maximum points just for answering the questions, but they should answer honestly. The other quizzes require correct responses to earn points. It is up to the teacher to decide how to handle quizzes. One can allow internet access, collaboration, or just take it individually. A combination of all three may work the best.

After the quizzes, it is time to start paying bills. Students will receive an email each time an invoice is received and an alert will show up on their home page. The first time they do this the teacher should demonstrate how to pay one bill. To pay a bill, one should first check the invoice carefully and verify vendor and the amount. Once these are confirmed, it is time to write a check. To access the checkbook, under Student Home choose Banking. Here one can write a check to any vendor, but the sooner a check can be dated is two days from the current date. Do not wait until the last minute to pay bills. In addition, checks can be written for any date in the future and can be deleted if they have not yet cleared.
Once the challenge has started, take a few minutes at the beginning of each class to show the leaderboard, take weekly quiz, write some checks, or discuss some issues. Not every one of these are necessary every class period, but sometime this will take most of a class period.

Lesson 17: Unit 6 SC-6.3 How Credit Cards Work

Learning Objectives:

- Explain how a credit card works in terms of making purchases, managing payments, and avoiding interest charges
- Analyze a credit card statement
- Compare debit and credit cards

Jump$tart Standards

Credit & Debt Standards

- 1b: Explain how credit card grace periods, methods of interest calculation and fees affect borrowing costs.
- 1d: Compare the total cost of reducing a credit card balance to zero with minimum versus above-minimum payments, all other terms being equal and no further purchases being made.

Lesson Summary

For this lesson, make digital copies of the following for students:

- Student Activity Packet 6.3 How Credit Cards Work
Part 3: Fine Print: Credit Card Statement

Start the lesson with the discussion questions comparing debit cards and credit cards. After soliciting responses from students, watch the video in Part 2 and have students answer the questions on the activity sheet. Following this, discuss again as a class the differences between debit cards and credit cards. Make sure students bring up that debit cards are immediately withdrawn from the linked account and credit card charges accumulate, are billed monthly, and paid each month. On the other hand, credit cards carry other advantages such as rewards, guarantees, better fraud protection, and many more features.

Part 3 of the packet, students will refer to a assignment, The Fine Print Credit #1. They have an article to read, a video to watch, and then some questions to answer about a credit card statement. Have students work independently on this activity but they should compare answers with a classmate. Upon completion, field any questions students have about the activity sheet.

Part 4 also requires a separate activity sheet, NGPF Activity Bank Types of Credit #20, which should be listed as a separate assignment. Students should work on this activity in small groups comparing answers. This does involve watching video so it may get a little chaotic around the room. As always, when they are finished, discuss some of the responses focusing on an understanding of minimum payments and the implications of only making minimum payments.

To culminate the lesson, students should complete Part 5, Exit Ticket, and then discuss this as a class. The important lesson here is how long it will take to pay off a credit card when making just the minimum payments, and how much is paid in interest.
Lesson 18: Unit 6 SC–6.4 Credit Card Fine Print

Learning Objectives:

- Understand how to read a credit card agreement through a step-by-step analysis of the Schumer Box (Note: The Schumer Box summarizes key terms of the agreement)

- Analyze the different fees associated with credit cards and how they can be avoided

Jump$tart Standards

Credit & Debt Standards

- 1b: Explain how credit card grace periods, methods of interest calculation and fees affect borrowing costs

- 6b: Summarize the terms of a credit card or other loan agreement

Lesson Summary

For this lesson, make digital copies of the following for students:

- Student Activity Packet 6.4 Credit Card Fine Print

- Part 2 – Fine Print: Credit Card Agreement

- Part 3 – Calculate: Understand Your Credit Agreement

Start the lesson with the Discussion Prompts in Part 1, reminding students of some of the key points from the previous lesson like how to avoid paying interest. Following the initial discussion, have students work in small groups on the other two
activity sheets from Parts 3 and 4, entering answers as they go along. The teacher can choose to have each individual turn in their solutions or just turn in a group copy.

To culminate the lesson focus on discussion of question 11 in the first activity sheet. Students should pay attention to the annual fee and interest rate after introductory APR. They should also be aware of the penalty APR and the APR for cash advances. Next, they should look at the fees and be aware of balance transfer fees, cash advance fees, and late fees. These are common among most credit cards. Next, discuss Part III questions in the second activity. The Exit Ticket in this lesson is not necessary in that these items are discussed as part of the other activities.

Lesson 19: Unit 6 SC–6.5 Select a Credit Card

Learning Objectives:

- Understand the fine print of a credit card offer
- Avoid marketing schemes that might lead to bad credit decisions
- Select a credit card best suited to their needs

Jump$tart Standards

Credit & Debt Standards

- 1b: Explain how credit card grace periods, methods of interest calculation and fees affect borrowing costs
- 1c: Categorize the types of information needed when applying for credit

Lesson Summary
For this lesson, make digital copies of the following for students:

- Student Activity Packet 6.5 Select a Credit Card
- Part 4 – Compare: Select a Credit Card

Start this lesson with the Discussion Prompt questions to see what students remember seeing about credit cards in commercials and what claims are made in these commercials. Following the discussion, show the videos in Part 2 and discuss the questions that follow on the activity sheet, not necessary for students to record their individual responses. Next show the class the video in Part 3 asking them to focus on the main four factors that are important in selecting a credit card.

In Part 4 the fun begins! Using the activity sheet, students will do their own online research to find and evaluate four credit cards. Following the research, have each student write their top choice on the board along with the answers to the four criteria. Compare their choices to see who found the best deal. Point out that one needs to be 18 to get a credit card without a co-signer, and that not all people will qualify for these cards. This activity is sufficient for culminating the lesson.

Lesson 20: Unit 6 SC-6.6 Loan Fundamentals

Learning Objectives:

- Explain how amortization impacts loan structure and monthly payments
- Provide three common examples of loans
- Understand why it can be difficult to qualify for a loan

Jump$tart Standards
Credit & Debt Standards

- 1b: Explain how credit card grace periods, methods of interest calculation and fees affect borrowing costs

1c: Categorize the types of information needed when applying for credit.

Lesson Summary

For this lesson, make digital copies of the following for students:

- Student Activity Packet 6.6 Loan Fundamentals
- Part 4 – Data Crunch: Is It Easy to Get a Loan?

Start with the Discussion Prompt in Part 1 and point out the two major purchases that require financing are purchasing a car, and purchasing a house. This class will dedicate a lesson to each of these purchases in the next few days. Next, watch the video in Part 2 as a class and have students complete the corresponding questions. Make sure students understand what is meant by amortization, paying off a debt with a fixed monthly payment. In addition, they should know that the reason the amount of interest paid each period decreases is because interest is charged on the unpaid balance. As one pays down their debt the unpaid balance decreases, consequently the portion of each payment that goes to interest decreases.

Part 3 is an activity focusing on loan amortization. Students should work on this activity on their own or in small groups, answering all the questions on the activity sheet. Follow the activity with a discussion making the point that a large portion of the first few payments is interest while the last few payments include very little interest. In the
discussion, focus on their responses to questions 12, 13, and 14. This discussion is sufficient for culminating this lesson. If there is time, work on Part 4 as a group. Students should open the charts on their device or one can display it in front of the class. Discuss the questions as a class.

Lesson 21: Unit 6 SC 6.7 – Understanding Auto Loans

Learning Objectives:

- Understand the main terms of auto loans and how they may impact monthly payment amounts
- Analyze different auto loan offers to determine the best financing terms

Jump$tart Standards

Credit & Debt Standards

- 1c: Categorize the types of information needed when applying for credit
- 1e: Decide the most cost-effective option for paying for a car
- 6b: Summarize the terms of a credit card or other loan agreement

Lesson Summary

For this lesson, make digital copies of the following for students:

- Student Activity Packet 6.7 Understanding Auto Loans
- Part 5 – Compare: Auto Loans
- Buying a Car Activity Found in appendix A
Start with a discussion from Part 1 with a focus on the special offers that are advertised. One that is very popular is 0% interest, and in the small print it says ‘tier I credit.’ Not everyone will qualify for this deal as tier 1 credit is for those with a strong credit profile and a high credit score. From there jump to Part 2 which is merely a graphic displaying credit scores from lowest to highest. A good score would be about 720 and above.

Part 3 is a video and is best watched as a class. Play the video and ask students to answer the corresponding questions. Once they finish with the questions have a class discussion on how to get the best auto loan. Mention that not everyone has the ability to make a larger down payment, or that some people need a car despite the fact they have poor credit and will have to pay a higher interest rate. The goal is to have a large down payment and excellent credit, but that may be out of one’s control.

Complete this first part of the lesson by having students do Part 5, Compare: Auto Loans. Students will see how these loans work which leads to a meaningful class discussion about the different types of loans. Have students share with the class something they learned from Molly’s experience.

The second part of lesson is an activity sheet that has students purchase their dream car and calculate all the extra expenses that go with a car purchase. They may be surprised when they see how much one must pay for tax and license. It varies by state so the teacher may have to revise the activity sheet to guide students to the appropriate website. In this activity, students will find the monthly cost of their dream car. Coming back to reality, students will then trade in an existing car, the one they drive or would drive, and then purchase a pre-owned car with a limited budget. At the end of the
activity, it is fun for the students to share their dream car info by writing the pertinent data on the board. They should describe the car, give the price of the car, and then list their monthly payment. This entire lesson, first part and second part, will probably take two class periods.

Lesson 22: Unit 6 SC-6.8 Understanding Mortgages

Learning Objectives:

- Explain what a mortgage is and why most Americans require one to finance a home
- Understand how down payment, term, and principal influence the overall cost of a mortgage and the size of monthly payments
- Describe how amortization works

Jump$tart Standards

Credit & Debt Standards

- 1h: Differentiate between adjustable- and fixed-rate mortgages

Lesson Summary

For this lesson, make digital copies of the following for students:

- Student Activity Packet 6.8 Understanding Mortgages
- Part 5 – Calculate: Using a Mortgage Calculator
Start the lesson with the graph in Part 1 that graphs the percentage of U.S. Households that own homes. While displaying the graph ask students to volunteer answers to the questions. Next show the video in Part 2 and have students answer the corresponding questions emphasizing question 3. Students should realize how much they actually paid for their home after paying off the mortgage, usually about double the amount of the mortgage plus the down payment. In addition, mention the strategies to reduce the interest paid by paying extra each month, making an extra payment, or finance with a 15-year mortgage instead of a 30-year mortgage. A good way to show this is to set up an amortization schedule in Microsoft Excel or Google Sheets and change the payment amount to see the difference in total interest paid and how the extra amounts can shorten the time to pay off the loan.

Part 3 is a short slide presentation displaying the difference between fixed rate loans and variable rate loans. Discuss the advantages and disadvantages of each one. Why should someone choose an adjustable over a fixed and vice-versa. Next, go on to part 4 that is a video explaining amortization. Since this was discussed earlier, no extra discussion is necessary unless there are some questions from students.

Complete the lesson with the part 5 activity, using a mortgage calculator. Students can work on this individually or in small groups. They should compare answers with other students or groups and ask for help when they need help. At the end of the activity, ask students if they have any questions about the calculations or comments about each person’s situation. To finish have students complete the Exit Ticket and discuss their answers.
Lesson 23: VISA Financial Football

As a change of pace or on a Friday afternoon, a fun activity for the class is VISA Financial Football. This game is accessed online at https://www.practicalmoneyskills.com/play/financial_football. This game can be played as a class with two different teams, or it can be played in groups on individual devices. There are varying levels and time limits for the game so it can fill an entire period or just a 15-minute block. Try it out on your own to get a handle on the setup. This activity can fit in anytime during the semester.

Lesson 24: Activity Buying a House

Lesson Summary

For this lesson, make digital copies of the following for students:

- Activity Sheet – Buying a House found in appendix

To complete the unit on Types of Credit, a great activity is for students to go through the process of researching and buying a home. Of course, they will not actually buy a home, but there are numerous internet sites to help them find a home, find the price of the home, and then calculate the cost of a mortgage.

The activity starts with students determining how much house they can afford using a calculator at bankrate.com. Teachers may revise the activity sheet to fit their market as this activity is devised for the Los Angeles area market. Given a set down payment and annual salary, students must use internet resources to determine how much house they can afford, and then through Realtor.com, find a house in a certain area. Warn them not to shop for mobile homes as they carry some extra fees like space rent.
Once they find the home, they must calculate the monthly payment. After finding a home in their own area they will do the same thing anywhere in the United States, hopefully in a place they would consider living.

After students turn in their activity sheets, look them over to see if they are realistic and point out some errors or issues they overlooked. Finally, point out to the class some possible issues with some of their choices.

Lesson 25: Unit 7 SC-7.4 Intro to Credit Scores

Learning Objectives:

- Name the components of a credit score and how they’re calculated
- Explain the impact of timely payments and low debt on credit score
- Identify ways of finding out one's credit score

Jump$tart Standards

Credit and Debt

- 2g: Investigate ways that a negative credit report can affect a consumer's financial options
- 2i: Summarize factors that affect a particular credit scoring system
- 2j: Analyze how a credit score affects creditworthiness and the cost of credit

Lesson Summary

For this lesson, make digital copies of the following for students:

- Student Activity Packet 7.4 Intro to Credit Scores
Part 5 – Interactive: FICO Credit Scores

If one has enough time, cover SC-7.1 Why You Need Credit, SC-7.2 Your Credit History, and/or SC 7.3 Read a Credit Report. If one is more limited in number of class meetings, start with SC-7.4 Intro to Credit Scores as this topic will be very helpful to all young people.

Start the lesson with a discussion on why credit scores matter. Have students talk about some of their experiences with lending money to friends, without mentioning names. Some friend may be quick to pay the money back while others may conveniently forget. One’s experience with loaning money to a friend will influence their decision on whether to loan money again. However, what if one know nothing about the person who wants to borrow money? It is important to know something about one’s past repayment record before lending money, hence the credit score.

Part 2 links an article name All You Need to Know About Credit Scores. Students should read the article individually and answer the corresponding questions. After students have completed the questions discuss the five factors that are taken into account when determining one’s credit score. Part 3 is a video that can be shown to the entire class, or watched individually. Either way, have them answer the corresponding questions and discuss some of their answers.

Skip part 4 and move on to Part 5. This is an interactive activity. Using an online tool, students must find the credit of three individuals. They should work individually, record the impact of each detail on the credit score, and answer the questions at the end of each person. After they complete the worksheet, ask for student responses on recommendations for each individual to improve their credit score.
Part 6 includes a couple of articles about where one can get their credit score. Since earlier activities may have been skipped, this is the appropriate time to talk about their credit report. Everyone is entitled to an annual free credit report from each of the credit reporting agencies; Experian, Trans Union, and Equifax, but these reports do not contain a credit score. (Note: to get the free credit report visit annualcreditreport.com. Other websites try to lure people into purchasing their credit-monitoring program.) Once students understand that credit reports and credit scores come from different places, discuss ways to get a free credit score.

Culminate the lesson by reviewing the two most important factors taken into account when calculating a credit score, payment history and total debt.

Lesson 26: Unit 7 SC-7.5 Why Credit Score Matters

Learning Objectives:

- Describe how credit score impacts the ability to borrow money and at what rate
- Understand the implications of a thin file and how they can build credit and improve their score

Jump$tart Standards

Credit and Debt

- 2g: Investigate ways that a negative credit report can affect a consumer's financial options
- 2i: Summarize factors that affect a particular credit scoring system
- 2j: Analyze how a credit score affects creditworthiness and the cost of credit
Lesson Summary

For this lesson, make digital copies of the following for students:

- Student Activity Packet 7.5 Why Credit Score Matters
- Part 2 – Calculate: Impact of Credit Score on Loans
- Part 5 - Research: How Can I Improve My Credit Score?

The teacher should have the credit scores calculated in the last lesson for Sam, Jessica, and Danielle on the worksheet Calculate: FICO Credit Scores. Start the class with Part 3 that is a short article on the drawback of a thin credit file and the options when one has no credit or poor credit. After students read the article, they should answer the corresponding questions.

Next, have students work on Part 2, an activity where they calculate car loan terms, and home loan terms for Sam, Jessica, and Danielle based on their credit scores. After students complete the activity and answer the questions, discuss with the class the differences in each situation. End this part of the lesson with student input on the answer to question 7.

The last part of the lesson is looking up strategies for improving a credit score. Using the activity sheet Research: How Can I Improve My Credit Score and doing some internet research, students should list the strategies they found and be prepared to share some with the class. To culminate the lesson, have students share some of these strategies.
Lesson 27: Unit 7 SC-7.6 Identity Theft & Kahoot: Managing Credit

Learning Objectives:

- Understand different types of identity theft and how they might occur
- Take steps to identify and prevent personal identity theft
- Explain actions to take if they become a victim of identity theft

Jump$tart Standards

Risk Management & Insurance

- 7a: Outline steps to resolve identity theft problems as recommended by the Federal Trade Commission and relevant financial institutions
- 7c: Investigate consumer safeguards for mobile and online banking

Lesson Summary

For this lesson, make digital copies of the following for students:

- Student Activity Packet 7.6 Identity Theft
- Part 3 – Compare: Types of Identity Theft

Periodically it is fun to change up the routine a little, so to summarize some of the topics in managing credit use a Kahoot quiz. You can access these ready-made quizzes on the Next Gen website under Resources>Quiz Games Library>Managing Credit.

When finished with the quiz game it is time for identity theft. Start with the infographic in Part 2 that shows the four things that scare Americans most. Of course, three of these relate to a form of identity theft. Continue to Part 3, a new activity sheet to compare forms of identity theft. Before knowing how to protect oneself, one should have
a good understand of what they are trying to protect. Through internet research student should answer the questions on the activity sheet. When students complete the sheet have them share the type that they are most concerned about and how it occurs. In addition, they can share their experience in part II.

Because of the Kahoot quiz, this lesson may need to continue into the next class period but the next few activities are important. Show students the infographic in Part 4 and focus on some strategies to protect themselves when online. Follow this by showing the videos in Part 5 and have them answer the corresponding questions. Ask students if anyone has encountered a two-factor authorization yet.

Part 6 is an article giving a 12-point checklist if one is a victim. Students should read the article and focus on some points that may be applicable to them now or if they are a victim in the near future. Popular ones are fraud alerts on your credit report and credit freezes. Culminate this activity with Part 7 the Exit Ticket. Have students complete the questions and then discuss this as a class. This is an important topic and one does not want to learn the hard way.

Lesson 28: Unit 2 SC-2.1 Taxes and Your Pay Stub

Learning Objectives:

- Explain where income taxes are collected from and how they provide revenue for public expenses
- Read a pay stub and describe the different deductions

Jump$tart Standards
Employment & Income

- 3c: Differentiate between gross, net and taxable income

Lesson Summary

For this lesson, make digital copies of the following for students:

- Student Activity Packet 2.1 Taxes and Your Pay Stub
- Part 4 – Fine Print: Pay Stub

Before going into the discussion prompts, ask the students if any of them pay taxes and raise their hand if they do. Then ask the class to help make a list of the types of taxes making sure they include federal income tax, state income tax, social security tax, Medicare tax, sales tax, gasoline tax, and property tax. Note that this unit will focus on federal income tax leading into the Part 1 discussion prompt, about the top three spending categories the U.S. government. This can be a tricky question because one has to decide whether to differentiate between discretionary spending and mandatory spending. On the discretionary side military, health care, and interest on the debt occupy the top three spots while on the mandatory side social security and Medicare top the list. It should be noted, however, that social security and Medicare are funded by a separate tax. Leave the discussion about sustainability of these programs for another time.

After the discussion move on to Part 2, a video on If Paychecks Could Talk. Watch the video as a class and have students answer corresponding questions. After students complete the questions have some of them share their answers. Be sure to include the reason for taxes in the discussion. Part 3 is a link to a website that lets one input an amount of taxes paid and then see how much of it went to the different
categories of spending based on 2017 tax year. There is also a place for individual states. Give students time to use the website and answer the corresponding questions. After they finish the questions solicit some of their answers and reasons.

Part 4 is a separate activity sheet that starts with a video, *How To Understand Your Paycheck*, followed by an activity, Reading a Pay Stub. Have students complete these two parts individually and then answer the questions on the rest of the activity. After they complete the questions, students should move on the Part 5, Exit Ticket, and answer those questions. Culminate the lesson with a class discussion of the three questions on the Exit Ticket.

Lesson 29: Unit 2 SC-2.3 The Tax Cycle & Job Paperwork

Students will be able to

- Identify important dates of the tax cycle
- Understand the difference between common tax forms
- Explain the purpose of a W-4 and what withholdings mean for their paycheck
- Complete a W-4

Employment & Income

- 3a: Complete IRS form W-4 (Employee’s Withholding Allowance Certificate) to determine the optimal amount to withhold for personal income tax
- 3b: List circumstances that make it prudent to adjust the income tax withholding allowance

Lesson Summary
For this lesson, make digital copies of the following for students:

- Student Activity Packet 2.3 The Tax Cycle & Job Paperwork
- Part 3 – Compare: Tax Forms and Their Purpose

Begin the class with Part 3 and have students work in groups to match the “I am a…” to the correct tax form at the bottom of the worksheet. After the groups have completed the activity, go over the solutions explaining each one.

- The W-4, which they will see in the next activity, is filled out when starting a job.
- The I-9 checks to see if one is eligible to work in the U.S.
- The W-4 shows wages earned and taxes paid over the last calendar year.
- The 1099 shows money earned as an independent contractor.
- The 1040 form is used to file a tax return.

Next start focusing on the W-4 form with a short video in Part 4. Show the video to the entire class and have them answer the corresponding questions. Summarize this part by explaining that the W-4 form is used to help an employer estimate how much tax to take out of each of one’s paychecks, this is merely an estimate. Most single people will put 1 on their form, or possibly 0. The larger the number the less taxes taken out. The drawback is that if ones employer does not take out enough in taxes, one will have to pay additional tax come April 15 and possibly a tax penalty. It is best to be accurate, the goal is to owe zero taxes or get a small refund when filing taxes.
Next, have students go on to Part 5 and go through the online simulation for completing a W-4 form. Following the Simulation, students should move on to the Exit Ticket in Part 6. Culminate the lesson by reviewing the answers to the Exit Ticket.

Lesson 30: Unit 2 SC-2.4 How to File Your Taxes

Learning Objectives:

- Identify items they need to prepare their tax return
- Explain the different ways they can file their taxes
- Understand the purpose of a W-2 form and how to use it to file their taxes
- Explain how to make a tax payment if taxes are owed

Jump$tart Standards

Employment & Income

- 3c: Differentiate between gross, net and taxable income
- 3d: Complete IRS Form 1040 EZ, Form 1040, and applicable state income tax forms

Lesson Summary

For this lesson, make digital copies of the following for students:

- Student Activity Packet 2.4 How to File Your Taxes

Begin the lesson explaining why one must file a tax return. Point out that filing out the W-4 form only helps the employer estimate one’s tax liability. Since every individual’s situation is a little different, other factors that are not on the W-4 form will
influence one’s tax liability. When filing a tax return, one compares how much tax they did pay to how much tax they should have paid. This calculation determines if one gets a refund or must pay more tax. The next couple of days will be spent completing a couple of individual tax returns.

Now jump into Part 1, the discussion prompts, and ask the class what are the different ways to file a tax return, and which method they prefer. From there show the class the Tax Preparation Checklist in Part 2, and discuss the items on the checklist. Most of them will not apply to students now, but it is good for them to know. Next, watch the video as a class in Part 3 and have students complete the corresponding questions. After they complete the questions have some students share what they wrote for the pros and cons of each method.

In Part 4 there is a video explaining the W-2 form. Watch the video as a class and have students complete the corresponding questions individually. This may be a good time to add in that not everyone is required to file a tax return. Here is filing requirements from Internal Revenue Service Publication 501:
Even if one does not meet the criteria, it is wise to file if one is due a refund.

Now it is time to prepare a return. Have students work on the simulation that takes them through filing out a 1040A form given a W-2. This activity may be revised periodically as the tax rules and rates are constantly changing. Even if it follows an outdated tax table, it still takes students through the process.

After completing the tax return, it may be fun to do a paper return using a 1040EZ form. This will be applicable to students as they start their first job and file an individual
return. These forms are on the IRS website, and with a google search one can find a filled-out W-2 form to use.

Part 6 links to a page on the IRS website that covers the options for paying tax. Have students use this link to answer corresponding questions and then complete the Exit Ticket. At the end of the unit, give the class the “Filing Your Taxes” assessment. This is found under Curriculum>Assessments>Taxes. Students can work on this in small groups. After they complete the assessment, go over the solutions. It is the teachers’ choice whether students turn in the assignment.

If there is extra time at the end of this two-day lesson, use a Kahoot quiz on taxes with the class. These quizzes are located on the Next Gen website under Resources>Quiz Games Library.

Lesson 31: Unit 8 SC-8.1 Investing Basics

Learning Objectives:

- Understand the difference between saving and investing and when to use each strategy
- Explain how compound interest works, its benefits to savers, and how to calculate it using an online calculator
- Understand the relationship between risk and return and how it applies to investing
- Explain the differences between stocks and bonds

Jump$tar$t Standards
Investing

- **1e**: Compare consequences of delaying investment for retirement and benefits of investing early

- **2b**: Identify types of investments appropriate for different objectives such as liquidity, income and growth

Lesson Summary

For this lesson, make digital copies of the following for students:

- Student Activity Packet 8.1 Investing Basics
- Part 6 – Calculate: Compound Interest

Start the lesson with a review of the terms “Saving” and “Investing”. Ask the students in the class to offer up some of their ideas as to the difference. After this short discussion, go on to Part 2 and show the video explaining the difference. Following the video students should answer the corresponding questions. The two scenarios presented in the questions apply to saving and investing but not speculating. After students complete the answers, ask them to come up with a scenario that includes speculating and share them with the class. In addition, this would be a good time to discuss the first question, risk and reward.

Part 3 has a great chart comparing returns from investing in the market, investing in savings, or just keeping cash. The bottom of the chart outlines the assumptions made to get these figures. Instead of students answering the questions, discuss as a class the differences and the reason one would one want to keep money in savings or as cash. This
is a good time to introduce the idea of liquidity; some money must be kept as cash for unexpected events.

Part 4 is a chart that compares stocks and bonds; this may be a bit confusing for students. The main idea is that stock is ownership in a company while bonds are buying a debt that will be repaid to the bondholder. These two investments will be discussed in more detail in a later lesson.

Parts 5 and 6 deal with compound interest, the most important idea one should understand when discussing saving or investing. Start with the video in Part 5 and then follow with the activity sheet in Part 6. Have students work through each scenario observing balance of each investment at the end of the period. If one is able, setup a spreadsheet to calculate each of these scenarios and show the class. Ask students to share some of their thoughts on the different situations and come up with their own plan for saving for retirement covering the following:

- When will I start
- How much should I save (give a percent)
- Where should I put my savings

Then have students voluntarily share their answers.

Lesson 32: Unit 8 SC-8.2 So, What’s a Stock?

Learning Objectives:

- Describe what it means to own stock in a company
- Understand the basics of how investors make money in the stock market
• Use well-known companies to think about what impacts the value of stocks

• Understand what the stock market is, the basics of how it functions, and how investors interact with a stock exchange

Jump$tart Standards

Investing

• 3a: Give examples of how economic conditions and business factors affect the market value of a stock

• 3b: Use various sources of information, including prospectuses, online resources and financial publications to gather data about specific investments

Lesson Summary

For this lesson, make digital copies of the following for students:

• Student Activity Packet 8.2 So, What’s A Stock?

• Part 3 – Read: What Does It Mean to Own Stock?

Start this lesson with a review of stocks. Reminding them that a stock is:

• ownership in a company

• stock owners may get periodic returns called “dividends”

• make a profit when they sell, if the stock price goes up

There are other benefits to owning a stock, but students should at least understand the basic components.

Next, show the class the video in Part 2, How The Stock Exchange Works, and then students should complete the corresponding questions. After students complete the
questions have a class discussion on the two main points, how does stock benefit a company and how does the investor benefit. The main reason a company sells stock is to raise capital, while the investor buys stock in hopes of making a profit.

Part 3 is an activity where the students read an online article and answer a set of questions clarifying the meaning of stock ownership. One key point that should be discussed after students complete the activity is how stock prices are determined. If a seller wants to sell some stock at a certain price and there are not enough buyers, the seller must lower the price. Conversely, if there are too many buyers the price will go up. Point out that, even though economic news may influence the price of a stock, this is not automatic. The price is one’s estimation of what the stock is worth, even if a company is losing money. One example is Amazon. When the company first started as an online bookseller, they operated at a loss for years, yet their stock price continued to rise. In this case, investors were correct in their assessment of Amazon. Conclude this section by taking questions from students about the stock market, which you may or may not be able to answer.

Work through Parts 4 & 5 having students look at the chart and video and answer the questions. Culminate this lesson with a discussion on why the Chipotle stock price dropped so much at the end of 2015. Also take the position that this class is not about investing in stocks, instead, as most people do, invest in mutual and index funds to diversify one’s portfolio reducing one’s risk. If one does want to incorporate stock picking into the class, check out the Stock Market Game.
Lesson 33: Unit 8 SC-8.6 Index and Mutual Funds

Learning Objectives:

- Explain what a stock market index is and how they are used to construct index funds
- Understand the major differences between index funds and mutual funds and how they fit into investment strategy

Jump$Start Standards

Investing

- 2b: Identify types of investments appropriate for different objectives such as liquidity, income and growth
- 2c: Compare total fees for buying, owning and selling various types of stocks, bonds, mutual funds and exchange-traded funds
- 3b: Use various sources of information, including prospectuses, online resources and financial publications to gather data about specific investments
- 3c: Devise an evaluation strategy for selecting investments that meet the objectives of a personal financial plan

For this lesson, make digital copies of the following for students:

- Student Activity Packet 8.6 Index and Mutual Funds
- Part 4 – Interactive: What’s The S&P 500?

Start this lesson with a discussion from the discussion prompt in Part 1. Do the investing professionals do better at picking stocks than just investing in an index fund?
Some data suggest that investing in an index fund yields returns equal to or better than most investing professionals. Consequently, it may be better for most people to limit their stock investments to mutual funds or index funds.

Next, show the class the video in Part 2 where LeBron James asks Warren Buffet for some advice on a variety of topics. After the video, ask students what was the advice Buffet gave to LeBron about investing. What is the drawback of investing in individual stocks? After this discussion, show the class the video in Part 3, What Is A Stock Market Index?

Part 4 is a great activity helping students understand a specific stock index, the S&P 500. Working in small groups, students should view the linked map and answer the questions on the activity. In the follow-up discussion, solicit some of their answers to question 8. For most people an index fund makes the most sense, very few people can pick individual stocks that outperform many index funds.

Although it is not the most exciting video it is informative, so show the students the video in Part 5. After the video, discuss the difference between a mutual fund and an index fund. Both are diversified so why would one be better than the other one. In Part 6, have students look at the two charts, one showing the percentage of mutual funds outperforming an index fund, the second comparing the fees for each type of fund. Have the students focus on question #1 and then discuss their responses as a class. Notice that only a small percentage of the mutual funds outperform an index fund, and there is a big difference in fees.

Conclude the lesson asking students to name some major index funds. They should definitely include Dow Jones Industrial Average, NASDAQ, and the S&P 500.
Also, have them do some internet research to name at least 3 stocks that are included in each fund.

Lesson 34: Game – STAX!

This is a great investment game found on the Next Gen website under Resources>Activities>Investing>Interactive: Invest with STAX! Students can play alone or in small groups as they try to maximize their wealth. Instructions are given as the game moves along and students make some important choices that impact their wealth. At the conclusion of the game, students should answer the questions on the activity sheet.

For this lesson, make digital copies of the following for students:

- Make a copy of the worksheet

To culminate the activity, have students share their own results in wealth building and share their responses to question 9. Retirement seems too far in the future to start thinking about now, but the sooner one starts saving the more it has time to grow. It is very difficult to catch up later.

Lesson 35: Create Your Own Budget Activity

In this activity students will:

- choose a potential career path
- determine your take-home pay
- set aside money to pay yourself first
- try your hand at an independent adult’s budget
and then reflect on the process of budgeting.

Lesson Summary

For this lesson, make digital copies of the following for students, but first open the activity on the Next Gen website by going to Resources>Activities>Budget>Create: A Salary-Based Budget to access these documents.

- Create: A Salary Based Budget
- Salary-Based Budgeting worksheet
- Analyze: A Salary-Based Budget

This is a good culminating activity for the class before the fun Shark Tank activity. Students will follow the instructions on the Create sheet. This sheet also has some outside links to help find some of the expenses. Make sure students fill in the “Choice” column for those items that a response is required. They can tell by the light colored writing.

Some of the expenses may not seem accurate for the area but this is something that can be reflected on with the class at the end of the activity. At the end of the activity, have students share some of their savings strategies, spending habits, if they finished with a surplus or deficit, and identify lessons they learned through the activity.

Lesson 36: Shark Tank!

Lesson Summary

A fun way to end the semester is with a dose of Shark Tank. Students love watching the episodes and one can incorporate a “Shark Tank” style presentation as the
end of semester project. Start by showing a few of the episodes that can be found on the network website, https://abc.go.com/shows/shark-tank (ABC, 2019). Eventually show them two of the most popular products, the Scrub Daddy and Bamboee. The Scrub Daddy pitch is found on YouTube and should be about 4:23. As of this writing, it was found at https://www.youtube.com/watch?v=k3PY_p_M-8w. The Bamboee is found at https://www.youtube.com/watch?v=pAESJnfcaY and is about 9:28.

Purchase these two items online, perhaps amazon, and use them as prizes later. After showing the Bamboee episode, give each student a sheet off a roll of Bamboee. Save the Scrub Daddy’s for prizes for the best Shark Tank pitch project.

After viewing a few episodes of Shark Tank, have the students form groups of about 3 per group and create their own product with a pitch. Below are some guidelines one can use for the pitch. Have students vote by secret ballot for the best pitch; they cannot vote for their own. Copy these guidelines and give to each student.

Shark Tank Pitch Guidelines

You will have no more than 5 minutes to deliver your pitch.

Include in your pitch, name, location, and background.

Share your business mission, products and services.

Who is your target market or customer?

State your current progress towards your plans.

What do you need to get there?

This is your chance to sell your story and get others to invest in your dream.
Tips for your pitch

Keep it succinct and simple!

Show your passion for your business plans!

Be clear about what you will accomplish with your business.

Remember that your pitch is meant to inform, engage and market.

Demonstrate your belief in your success by using confident language like, "I will" and "We can."

Include some visuals like a slide show, poster, prototype, or pictures.

Extra Lessons

If there is time, watch a few more episodes or spend time on some of these lessons.

- Student Loans, FAFSA forms, and college savings accounts.
- Needs vs. Wants
- Auto Insurance

The Next Gen website is loaded with more activities, projects, quizzes, games, video, and case studies. Check them all out; perhaps one would like to incorporate some of these into the curriculum. The resources available for teaching financial literacy are overwhelming, so start with a basic framework and change it a little each year to improve the class.
Chapter VI.

Conclusion

Serious thought should go into mandating financial literacy instruction in schools. High school may be the most important place to implement a course devoted to personal finance because students are already encountering important financial decisions. A financial literacy class is one that all students will use in their daily lives and not have to ask the question, “When am I ever going to use this?” Although some young people will learn some of these basics at home or through their friends, many are not afforded that luxury. Consequently, it is very important to educate all high school students in personal finance.

One of the first financial dilemmas one is likely to encounter is how to pay for college. Affording college and learning how to managing this debt is important as we watch total student loan debt climb to over 1.4 trillion dollars in the United States. This debt can encumber students for many years after graduation. Another important topic is responsible use of credit cards as most Americans have a habit of overspending. Learning to managing a budget will be a useful tool as one tries to avoid overspending. This is just the beginning of the many spending lessons one needs to understand.

Learning about savings is extremely important and students need to learn the importance of starting early. Currently 44% of Americans do not have at least $400 to handle an unexpected expense. One needs to learn to forgo some luxuries and find cheaper options in order to maintain funds for a rainy day. Savings lessons will help
students understand how to plan for the future by establishing savings accounts for emergencies, future major purchases, and ultimately retirement.

Many lessons can be learned from the great recession in 2008. A better-educated public may have prevented or lessened the impact of the mortgage meltdown. Most people are not privy to all the issues one must deal with when buying a home and may get into a situation they cannot handle. If one can learn these lessons in high school, they will not have to learn them the hard way.

Making a case for a financial literacy class is not difficult, but finding a way to fit it in an already overloaded curriculum may be tricky. When presenting the idea to administration, one needs to have a plan. One option that would have the least impact on the schedule is to offer a one-semester elective class. To make it easier on students one could structure it with no or very little homework, and no formal high-pressure tests. The work done in class could be used to assess a student’s performance and give a grade, but the main priority is for the students to learn about personal finance.

As discussed in this thesis, many schools are already teaching financial literacy so one does not have to start from scratch. On the national level, 14 states presently require a one-semester financial literacy course. In an assessment of the state curriculums, a report entitled Survey of the States published by the Council on Economic Education (Survey of the States, February 2018), 5 states earned an A grade. The A grade was given to states that required a one-semester course dedicated to personal finance and an assessment at the end. The best grade was given to the state of Utah, which has its own website, Finance in the Classroom (https://financeintheclassroom.org/), providing resources for teachers related to financial literacy education.
Even if one is from a state that does not have any requirement at all, there is no reason that an individual district or school cannot start a program. There is no shortage of resources available to begin a program and many of them are free. Dozens of these materials are discussed in the thesis with a link to their websites. Some of the programs are for a full semester with lesson plans and teacher guides and some have just a series of lessons where one can choose the ones they want. There is an overwhelming amount of material so spend some time looking through some of them.

In addition to looking through materials, it is a good idea to connect with other teachers who have some experience teaching the class. One national organization, the Jump$tart Coalition for Personal Financial Literacy, is dedicated to promoting personal finance education K-12. On their website, they have numerous links to various resources that will be of great help when planning and teaching the class. They also have local state chapters that one can join some are more active than others are. The one thing one must do is attend the National Conference, usually held on the first weekend in November and usually in Washington, D.C. At this conference you can meet other educators, see vendors with materials available to enhance your class, and attend workshops where many of these curricular resources are presented. The best part is there are various scholarships available to fund the trip. This conference is a must for any financial literacy teacher.

The most widely used curriculums are the H&R Block Budget Challenge and the Next Gen Personal Finance Program. These two can work well together for a one-semester class and are the main materials used in the curriculum presented in this thesis.
The H&R Budget Challenge is a great program that motivates students to pay close attention to their budget as they can see daily class rankings. This 10-week program has many options for start and stop dates so it can fit easily into one’s semester plan. The only drawback, and this is new as of this writing, is that they are going to start charging $25 per student. This is the price of a used textbook, but if the school budget cannot absorb this expense one can investigate some of the funding help available. A budget exercise like this is necessary for the class, so if this program does not work, check on some of the free ones on the other websites.

The Next Gen Personal Finance Program has more than enough material to keep students busy for an entire year. With lessons, activities, games, projects, quizzes, and other tools, one has a variety of options. To get a closer look at the program one can attend one of their teacher professional development options. They have one-day Fincamps, Webinars, Summer Institutes, and they are visible at the Jump$tart National conference. The best part is that all their material is free.

In addition to these two programs, there are many other options as mentioned before. If putting together a curriculum seems overwhelming, there are a couple of textbook options. Like most textbooks, they will come with a complete set of ancillary and online materials. The drawback of the textbook is they are not free like the online materials.

A financial literacy class is probably the most important class students will ever take. Start offering it as an elective, but eventually it should be a required course for all high school students to complete before they graduate. Various studies have been conducted to test the effectiveness of the class with varying results. Although some early
studies show that students who took a class were no better off in their financial knowledge than students who did not take a class. Some other studies showed that some positive results in the form of increased credit scores. None of the studies showed that a class made students worse off in their financial knowledge. Done right, a financial literacy class should help students make sound financial decisions and money managers.

This thesis should help one get on their way to planning and implementing a financial literacy course at their school. If there is no state or district mandate, start it anyway. That mandate may be coming as more states are considering this requirement. Get ahead of the game and give high school students the financial education they need to succeed in life.
Appendix 1.

Course Map, Lesson Plans, and Activity Packets

The following pages contain the Semester Course Map, Lesson Plans, and all the Student Packets used for Unit 3 in chapter 5. These materials are from the Next Gen Personal Finance curriculum and can be reproduce for use in the classroom. Further information about the Terms of Use are found on their website at https://www.ngpf.org/terms/. In addition, the rest of the materials and additional materials can be found on the Next Gen Personal Finance website at https://www.ngpf.org/.
# Semester Course: Course Map

**Description:**
It’s the moment you’ve been waiting for -- NGPF has done all the hard work of whittling down our very best content into a semester course of Personal Finance essentials for every high school student.

**Units:**
1. Join the Workforce
2. Taxes
3. Checking
4. Saving
5. Paying for College
6. Types of Credit
7. Managing Credit
8. Investing
9. Insurance
10. Budgeting

**Format:**
This course consists of ninety 45-minute class periods, which creates 18 weeks of daily instruction to complete a semester course.

**Assessments:**
- Diagnostic exam
- Midterm & Final exams
- 10 unit tests
- 1-2 options for alternative Summative Assignments for each of 10 units
- Final project

❖ For assessments marked **Teacher Access Only**, refer to tab 1 of the NGPF Answer Key spreadsheet (received via email) for access. If you are a teacher and don’t yet have answer keys, create a free teacher account on our website. You’ll receive everything you need.
### Diagnostic Exam

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<td>Diagnostic Exam</td>
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### Unit 1 Join the Workforce

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<td>2</td>
<td>SC-1.1 Your First Job</td>
<td>SC-1.1</td>
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<td></td>
<td>3</td>
<td>SC-1.2 Resume &amp; Cover Letter</td>
<td>SC-1.2</td>
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<td></td>
<td>4</td>
<td>SC-1.3 Networking &amp; LinkedIn</td>
<td>SC-1.3</td>
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<td>5</td>
<td>SC-1.4 Interviewing</td>
<td>SC-1.4</td>
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<td>6</td>
<td>SC-1.5 Interview Challenge</td>
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<td>7</td>
<td>Option A: Unit Test</td>
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<td>● Do a test prep day, or</td>
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<td>● Break exam into 2 days &amp; start today</td>
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<td>● Use either Exam-Google Doc OR Exam - Google Form</td>
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<td>8</td>
<td>Option A: Unit Test</td>
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<td>● Use either Exam-Google Doc OR Exam - Google Form</td>
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<td>Option B: Summative Assignment</td>
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<td>● Start today &amp; complete tomorrow</td>
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<td>● Choose between Project 1 OR Project 2</td>
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- Join the Workforce Extra Resources Bank

**Extra Resources**
Unit 2 Taxes

Teacher Tip: Please note that our Taxes Unit will be updated in March of 2019 to include changes to the new tax law. We will be making smaller updates to individual resources starting in January. Please check the footer date of all documents to see when it was last updated!

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<td>11</td>
<td>SC-2.3 The Tax Cycle &amp; Job Paperwork</td>
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<td>12</td>
<td>12</td>
<td>SC-2.4 How to File Your Taxes</td>
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<td>13</td>
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<td>Option A: Unit Test</td>
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<td>Option B: Summative Assignment</td>
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<td>● Activity</td>
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## Unit 3 Checking

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<td>SC-3.0</td>
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<td>15</td>
<td></td>
<td>SC-3.2 Online &amp; Mobile Banking</td>
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<td>16</td>
<td></td>
<td>SC-3.3 Beware of Banking Fees</td>
<td>SC-3.3</td>
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</table>
| 17            |    | Option A: Unit Test  
|               |    | ● Use either Exam - Google Doc OR Exam - Google Form | ** Teacher access only ** |
|               |    | Option B: Summative Assignment  
|               |    | ● Activity | |
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## Unit 4 Saving

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<td>SC-4.1 Save Early &amp; Often</td>
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<tr>
<td>19</td>
<td></td>
<td>SC-4.2 The Challenges to Saving</td>
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<tr>
<td>20</td>
<td></td>
<td>SC-4.3 Strategies to Save</td>
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</table>
### SC-4.4 Where to Save

**Option A: Unit Test**
- Do a test prep day of your design or
- Break exam into 2 days & start today
  - Use either Exam - Google Doc or Exam - Google Form

**Option B: Summative Assignment**
- Start today & complete tomorrow
- Choose between Case Study or Project

**Option A: Unit Test**
- Use either Exam - Google Doc or Exam - Google Form

**Option B: Summative Assignment**
- Continue Case Study or Project

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**Savings Extra Resources Bank**

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### Unit 5 Paying for College

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• Do a test prep day of your design OR
• Break exam into 2 days & start today  
  ○ Use either Exam - Google Doc OR Exam - Google Form
Option B: Summative Assignment
• Start today & complete tomorrow
• Activity

Option A: Unit Test
• Use either Exam - Google Doc OR Exam - Google Form
Option B: Summative Assignment
• Continue Activity

Paying for College Extra Resources Bank

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### Unit 6 Types of Credit

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### Midterm Exam

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# Unit 7 Managing Credit

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Option B: Summative Assignment | **Teacher access only** **Teacher access only** |
- Project

- Insurance Extra Resources Bank

### Unit 10 Budgeting

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<td>SC-10.9 Needs vs. Wants</td>
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### Final Project

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|               |    | • Use either Exam-Google Doc OR Exam - Google Form |
# Semester Course

## 3.1 How Checking Works

### Lesson Guide

#### Learning Objectives

Students will be able to
- Explain what a checking account is used for
- Understand the variety of ways they can deposit and withdraw funds from their checking account
- Conduct various banking activities, such as write a check, use an ATM, and more
- Describe the consequences of not being in the banking system
- Read a bank statement
- Understand what the various components of a bank statement mean to interpret where their money goes

#### Approximate Time

- Lesson length: 45 mins

#### Distribute to Students

- Student Activity Packet SC-3.1

#### Jump$tart Standards

Spending & Saving
- 2a: Investigate account management services that financial institutions provide
- 2d: Compare the costs of cashing a check with various third parties, such as a bank or credit union, check-cashing services and retail outlets
- 2e: Demonstrate how to schedule and manage bill payments
- 2f: Write a check

#### Plan Your Unit

- Semester Course Checking Unit Plan

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### LESSON PLAN

<table>
<thead>
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<th>Questions</th>
<th>Est. Time</th>
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</table>
| 1 DISCUSSION PROMPTS       | Discussion Prompts
   - Discuss these questions with your classmates or with a partner:
     1. Do you have a checking account? Why or why not?
     2. What do you think are some of the advantages and disadvantages of having a checking account? | 5 mins    |
| 2 VIDEO (1:48)             | How Does a Checking Account Work?
   - This short video explains one aspect of a checking account. Watch the video and then answer the following questions.
     1. When you use your debit card, where does the money come from?
     2. What is the main difference between a debit card and credit card? | 5 mins    |
| 3 | REFERENCE | Make Deposits & Withdrawals  
Publisher: NGPF |
|---|---|---|
| 4 | ACTIVITY | INTERACTIVE: Basic Banking Activities  
Teacher Tip: This activity requires you to run Flash Player.  
Teacher Tip: There are 5 total simulations in this activity. You may wish to have students do the other 4 for homework or during extra class time. |
| 5 | VIDEO (3:39) | Spent: Looking for Change  
Publisher: The Young Turks |
| 6 | THE FINE PRINT | The Fine Print: Bank Statement  
Teacher Tip: To administer this Fine Print using Google Forms, make your own copy here. |
| 7 | EXIT TICKET | Exit Ticket  
Teacher Tip: To administer this Exit Ticket using Google Forms, make your own copy here. |
**Teacher Tip:** Completing all of this activity will likely take longer than the designated time. You may want to assign the remainder for homework.

---

**EXTEND THE LEARNING**

**FAST FACTS...**

- Sixty-nine percent of high school seniors and college students have a checking account (Citi/Seventeen 2013 Survey)
- You can open a checking account with as little as $25
- In 2012, in the Bronx (NYC) there were 131 check cashing stores and 152 traditional banks; 28.7% of households in the Bronx had no bank account (NY Times, 2012).
- The average American household that is underbanked or unbanked spends over $2400 annually for alternative financial service fees and interest (US Post Office, 2014).
- 68 million Americans (¼ of homes) have limited or no access to traditional banking services (New Republic, 2014).
In this lesson, you will learn to:

- Explain what a checking account is used for
- Understand the variety of ways they can deposit and withdraw funds from their checking account
- Conduct various banking activities, such as write a check, use an ATM, and more
- Describe the consequences of not being in the banking system
- Read a bank statement
- Understand what the various components of a bank statement mean to interpret where their money goes

### Resources

#### Questions

<table>
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<th>Resources</th>
<th>Questions</th>
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<tbody>
<tr>
<td><strong>1 Discussion Prompts</strong></td>
<td>1. Do you have a checking account? Why or why not?</td>
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<td>2. What do you think are some of the advantages and disadvantages of having a checking account?</td>
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<tr>
<td><strong>2 How Does a Checking Account Work?</strong></td>
<td>1. When you use your debit card, where does the money come from?</td>
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<td>2. What is the main difference between a debit card and credit card?</td>
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<tr>
<td><strong>3 Make Deposits &amp; Withdrawals</strong></td>
<td>1. What two methods of depositing and withdrawing money are most convenient for you? Why?</td>
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</table>
| 4 | **INTERACTIVE: Basic Banking Activities**  
As you saw in the previous reference, knowing how to use an ATM, write a check, and use your debit card are essential skills you need to using and managing your checking account. From this worksheet, select the simulation for the activity that you are LEAST familiar with. Do the simulation and answer the corresponding questions.  

--- Estimated time: 5 mins --- |
| 5 | **Spent: Looking for Change**  
You may be wondering, “What are some of the disadvantages if you do NOT have a checking account?” Watch this short segment (9:08-12:47) of a much longer documentary to learn what some of the challenges are. Then, answer the question at right.  

1. What are some of the disadvantages of being locked out of, or choosing not to belong to, the traditional banking system?  

--- Estimated time: 8 mins --- |
| 6 | **The Fine Print: Bank Statement**  
With your checking account, you’ll receive a bank statement that describes the transactions you made over that time period. Skip the article and watch the video that is listed on Page 1. Then, use the sample bank statement on Page 2 to answer the 10 comprehension questions that follow.  

--- Estimated time: 12 mins --- |
| 7 | **Exit Ticket**  
1. Identify two ways to deposit money into and withdraw money out of your checking account.  
2. What is one disadvantage of NOT having a checking account?  
3. Why is it a good idea to check your bank statements on a regular basis?  

--- Estimated time: 5 mins --- |
In this lesson, you will learn to:
- Explain what a checking account is used for
- Understand the variety of ways they can deposit and withdraw funds from their checking account
- Conduct various banking activities, such as write a check, use an ATM, and more
- Describe the consequences of not being in the banking system
- Read a bank statement
- Understand what the various components of a bank statement mean to interpret where their money goes

### Resources

<table>
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<th>Discussion Prompts</th>
<th>Questions</th>
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1. Discuss these questions with your classmates or with a partner.

1. Do you have a checking account? Why or why not?
   
   [Answers may vary]
   I have a checking account, because it allows me to make online purchases, protects my money from fraud, and is more convenient than storing my money in cash.

2. What do you think are some of the advantages and disadvantages of having a checking account?
   
   **Advantages:**
   - No need to carry cash
   - Safer to carry a debit card than carrying cash
   - Can shop online with a debit card
   - Online and mobile banking options

   **Disadvantages:**
   - If you run out of funds in your account and have not opted-out of Overdraft Protection, you will be charged an overdraft fee
   - Some checking accounts have minimum balance requirements
   - Many fees, such as transfer fees, annual fees, maintenance fees, etc.

2. **How Does a Checking Account Work?**
   This short video explains one aspect of a checking account.

   1. When you use your debit card, where does the money come from?
      
      The money comes straight from the balance in your bank account.

   2. What is the main difference between a debit card and credit card?
Watch the video and then answer the questions to the right.

<table>
<thead>
<tr>
<th>Debit card</th>
<th>Credit card</th>
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<tbody>
<tr>
<td>● Can’t spend more than you actually have in your bank account</td>
<td>● Have to pay interest if bill is not paid in full every month</td>
</tr>
<tr>
<td>● No points or rewards</td>
<td>● Can spend money you don’t have</td>
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<td>● Can get rewards, cashback, or point</td>
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Estimated time: 5 mins

3 **Make Deposits & Withdrawals**

How do you move money into and out of your account (also known as deposits and withdrawals)? Review this short reference. Then, answer the question at right.

1. What two methods of depositing and withdrawing money are most convenient for you? Why?  
   
   **[Answers may vary]**
   
   ● Depositing: I would use direct deposit from my employer because it is quick, simple, and encourages me to save. I would also use a mobile app deposit because it doesn’t require me to go to the branch and is fairly secure.
   
   ● Withdrawing: 3rd party person-to-person payment apps add a social element to repaying a friend and are quick and easy to use. They also generally don’t charge fees. To withdraw cash however, I would most likely have to visit an ATM. For day to day purchases, I would use a debit card.

Estimated time: 5 mins

4 **INTERACTIVE: Basic Banking Activities**

As you saw in the previous reference, knowing how to use an ATM, write a check, and use your debit card are essential skills you need to using and managing your checking account. From this worksheet, select the simulation for the activity that you are LEAST familiar with. Do the simulation and answer the corresponding questions.

Estimated time: 5 mins

5 **Spent: Looking for Change**

You may be wondering, "What are some of the disadvantages if you do NOT have a checking account?" Watch this short segment (9:08-12:47) of a much longer documentary to learn what some of the challenges are. Then, answer the question at right.

1. What are some of the disadvantages of being locked out of, or choosing not to belong to, the traditional banking system?
   
   ● High fees at Check Cashers for services that most banks usually offer for free
   
   ● Inability to take advantage of debit cards or checking accounts, meaning bills generally have to be paid in cash
   
   ● Bills have to be paid in person, which requires gas, time, and energy

Estimated time: 8 mins
The Fine Print: Bank Statement

With your checking account, you’ll receive a bank statement that describes the transactions you made over that time period. Skip the article and watch the video that is listed on Page 1. Then, use the sample bank statement on Page 2 to answer the 10 comprehension questions that follow.

Estimated time: 12 mins

Exit Ticket

1. Identify two ways to deposit money into and withdraw money out of your checking account.

Deposit
- At a bank branch
- Through an ATM
- Direct deposit from your employer
- Electronic transfer in from another account
- Mobile app deposit
- 3rd party app (ex: person-to-person payment)

Withdraw
- At a bank branch
- Through an ATM
- Use debit card to make a purchase in-person/online
- Write a check
- Electronic transfer out to another account
- Online bill pay
- Mobile app withdrawal/payment
- 3rd party app (ex: person-to-person payment)

2. What is one disadvantage of NOT having a checking account?

- High fees
- Inability to take advantage of debit cards or checking accounts, meaning bills generally have to be paid in cash.
- Bills have to be paid in person, which requires gas and time.

3. Why is it a good idea to check your bank statements on a regular basis?

- You are able to monitor your fees to bring them down if they are too high
- You can catch any possible errors that may be on your bank statement

Estimated time: 5 mins
INTERACTIVE: Basic Banking Activities

Interactive:

**GCF Pay Bills Simulation**
**GCF Deposit Simulation**
**GCF ATM Simulation**
**GCF Pay Debit Simulation**
**The Mint Writing a Check**

In this series of simulations, you will practice paying bills, using an ATM, writing a check, depositing a check, and using your debit card. Each simulation has a narration that will guide and prompt you to conduct various transactions.

**Part I: Pay Bills**
Most people do not like paying their bills, because there can be a lot to keep track of! This simulation will help you practice what it’s like to review your bills and pay them off.

1. What types of services were you being billed for?

2. What were some of the differences you saw among all of the bills? What were some of the similarities?
3. Reflect on the process of paying these bills. How did you feel at the beginning, middle and end of paying your bills?

Part II: Use an ATM

[5 mins]

Practice using an ATM through this simulation. When you are done, answer the following questions:

4. What was the first thing you did before you used the ATM? Why is it important to do this?

5. Let’s assume that your checking account has overdraft protection. Now, let’s say you forget to check how much money you have in your checking account, and you withdraw the $40.00 from your checking account even though you do not have enough money. What happens as a result?

6. Have you used an ATM before this simulation?
   a. If so, what was similar or different?
   b. If not, what steps were surprising for you?
Part III: Write a Check  
Many people think that checks are obsolete. However, it is common to receive your salary through a paycheck or even pay your rent using a check. Making mistakes on your check can result in missed payments and additional fees, so knowing how to write a check correctly is important! Practice writing a check in this interactive, and then answer the following questions:

7. What information goes into the “Pay to the Order Of” line?

8. Why do you think you have to spell out the numerical amount you put in the white box?

BONUS: What do the three numbers at the bottom of the check stand for?

Part IV: Deposit a Check
Sometimes, you may not want to use an ATM or mobile app to deposit your check and instead want to go inside the bank and speak to a teller. Practice depositing a check in this way through this simulation. When you are done, answer the following questions:

*Tip: for the signature step (the last step), you need to drag the signature from the blue piece of paper to the correct spot on the check.

9. You did a lot of steps in this simulation to deposit a check. List these steps in order below so that the next time you go to the bank, you’ll save yourself a lot of time.
10. Have you ever deposited a check in this manner before?
   a. If so, how did this online simulation compare to your experience?
   b. If not, what surprised you about the process?

Part V: Make a Payment Using Your Debit Card  [5 mins]
When using your debit card, it’s important to select the right options at the machine so that the money comes out of the right account. This simulation will help you practice making a payment using your debit card. When you’re done, answer the following questions:

11. A checking account has cash that you can use at your disposal. So, when the pharmacist asked “Cash or Credit?”, why did you say “debit” instead of either of the other two options?

12. A lot of credit and debit cards now come with embedded chips for increased security. If your card had been a chip embedded card in this simulation, how would your experience have been different, if at all?

13. As “you” said in the simulation, the card machines confuse you. Don’t worry - you are not alone! Many people make mistakes when using their cards at a machine. Why do you think this is?
Learning Objectives
Students will be able to
● Read a bank statement
● Understand what the various components of a bank statement mean to interpret where their money goes

Approximate Time
● Resources Length: 7 mins
● Comprehension questions: 10 mins

View Google Form
● Google Form: Bank Statement

Jump$tart Standards
Spending & Saving
● 2a: Investigate account management services that financial institutions provide
● 3g: Reconcile a checking account
● 3h: Explain how to verify printed and online account statements for accuracy

Recommended NGPF Lesson:
● 1.2 Read the Fine Print

Fine Print: Bank Statement

Getting Started:
Directions: These two resources will provide more information on how to maintain a checking account and avoid fees. Follow your teacher's directions on whether you should go through these resources or skip ahead to the next section.

<table>
<thead>
<tr>
<th>Resources</th>
<th>Estimated time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1   ARTICLE</td>
<td>5 mins</td>
</tr>
<tr>
<td>● How to Read Your Bank Statement</td>
<td></td>
</tr>
<tr>
<td>● Publisher: iGrad</td>
<td></td>
</tr>
<tr>
<td>2   VIDEO (1:38)</td>
<td>2 mins</td>
</tr>
<tr>
<td>● Reading Your Bank Statement</td>
<td></td>
</tr>
<tr>
<td>● Publisher: Money Smart Australia</td>
<td></td>
</tr>
</tbody>
</table>
Read The Fine Print:
Directions: Use the bank statement below to analyze the bank fees and transactions and answer the questions that follow.

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Ref.</th>
<th>Withdrawals</th>
<th>Deposits</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-10-08</td>
<td>Previous balance</td>
<td></td>
<td></td>
<td></td>
<td>0.55</td>
</tr>
<tr>
<td>2003-10-14</td>
<td>Payroll Deposit - HOTEL</td>
<td></td>
<td>694.81</td>
<td>695.36</td>
<td></td>
</tr>
<tr>
<td>2003-10-14</td>
<td>Web Bill Payment - MASTERCARD</td>
<td>9685</td>
<td>200.00</td>
<td></td>
<td>495.36</td>
</tr>
<tr>
<td>2003-10-16</td>
<td>ATM Withdrawal - INTERAC</td>
<td>3990</td>
<td>21.25</td>
<td></td>
<td>474.11</td>
</tr>
<tr>
<td>2003-10-16</td>
<td>Fees - Interac</td>
<td></td>
<td>1.50</td>
<td></td>
<td>472.61</td>
</tr>
<tr>
<td>2003-10-20</td>
<td>Interac Purchase - ELECTRONICS</td>
<td>1975</td>
<td>2.99</td>
<td></td>
<td>469.62</td>
</tr>
<tr>
<td>2003-10-21</td>
<td>Web Bill Payment - AMEX</td>
<td>3314</td>
<td>300.00</td>
<td></td>
<td>169.62</td>
</tr>
<tr>
<td>2003-10-22</td>
<td>ATM Withdrawal - FIRST BANK</td>
<td>0064</td>
<td>100.00</td>
<td></td>
<td>69.62</td>
</tr>
<tr>
<td>2003-10-23</td>
<td>Interac Purchase - SUPERMARKET</td>
<td>1559</td>
<td>29.08</td>
<td></td>
<td>40.54</td>
</tr>
<tr>
<td>2003-10-24</td>
<td>Interac Refund - ELECTRONICS</td>
<td>1975</td>
<td>2.99</td>
<td></td>
<td>43.53</td>
</tr>
<tr>
<td>2003-10-27</td>
<td>Telephone Bill Payment - VISA</td>
<td>2475</td>
<td>6.77</td>
<td></td>
<td>36.76</td>
</tr>
<tr>
<td>2003-10-28</td>
<td>Payroll Deposit - HOTEL</td>
<td></td>
<td>694.81</td>
<td></td>
<td>731.57</td>
</tr>
<tr>
<td>2003-10-30</td>
<td>Web Funds Transfer - From SAVINGS</td>
<td>2620</td>
<td>50.00</td>
<td></td>
<td>781.57</td>
</tr>
<tr>
<td>2003-11-03</td>
<td>Pre-Auth. Payment - INSURANCE</td>
<td></td>
<td>33.55</td>
<td></td>
<td>748.02</td>
</tr>
<tr>
<td>2003-11-03</td>
<td>Cheque No. - 409</td>
<td></td>
<td>100.00</td>
<td></td>
<td>648.02</td>
</tr>
<tr>
<td>2003-11-06</td>
<td>Mortgage Payment</td>
<td></td>
<td>710.49</td>
<td></td>
<td>-62.47</td>
</tr>
<tr>
<td>2003-11-07</td>
<td>Fees - Overdraft</td>
<td></td>
<td>5.00</td>
<td></td>
<td>-67.47</td>
</tr>
<tr>
<td>2003-11-08</td>
<td>Fees - Monthly</td>
<td></td>
<td>5.00</td>
<td></td>
<td>-72.47</td>
</tr>
</tbody>
</table>

*** Totals ***

<table>
<thead>
<tr>
<th>Withdrawals</th>
<th>Deposits</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,515.63</td>
<td>1,442.61</td>
<td></td>
</tr>
</tbody>
</table>
1. How frequently does John typically receive account statements from his bank?
   a. Daily
   b. Weekly
   c. Monthly
   d. Annually

2. How much did John Jones have in his account on the first day of the statement period?
   a. -$72.47
   b. $0.55
   c. $1,442.71
   d. Not sure

3. Most employers will pay their employees by directly depositing their paycheck into their checking account. According to his checking account statement, John was paid _______________ every __________.
   a. $200.00, 3 weeks
   b. $694.81, 2 weeks
   c. $300.00, month
   d. $100.00, 2 weeks

4. What are the various ways that you can access your money in a checking account? (choose ALL correct answers)

<table>
<thead>
<tr>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Using a debit card to purchase groceries</td>
</tr>
<tr>
<td>Online (Web) Bill Payment</td>
</tr>
<tr>
<td>ATM Withdrawals</td>
</tr>
<tr>
<td>Using a credit card to withdraw cash from ATM</td>
</tr>
<tr>
<td>Writing a check</td>
</tr>
</tbody>
</table>

5. John has two ATM transactions but only one of them has a fee (Interac). Why?
   a. Interac is an out-of-network ATM and First Bank charges customers if they use out-of-network ATMs.
   b. First Bank charges customers for using their ATMs.
   c. Banks charge fees if you take out less than $100 at an ATM machine.
   d. The first ATM transaction is free but all additional ATM transactions have a fee.
6. Which checking account transactions will REDUCE your checking account balances? (choose ALL correct answers)

<table>
<thead>
<tr>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill Payment</td>
</tr>
<tr>
<td>Deposit</td>
</tr>
<tr>
<td>Mortgage Payment</td>
</tr>
<tr>
<td>ATM Withdrawal</td>
</tr>
<tr>
<td>Refunds</td>
</tr>
</tbody>
</table>

7. What is the impact of the Web Funds Transfer - From Savings that appears on John's statement?
   a. John's Savings account balance declined by $50 and his Checking account balance increased by $50
   b. John's Savings account balance increased by $50 and his Checking account balance declined by $50
   c. John's Savings account balance had no change and his Checking account balance declined by $50
   d. John's Savings account balance increased by $50 and his Checking account balance had no change

8. What are examples of common checking account fees that you see on John's statement? (choose ALL correct answers)

<table>
<thead>
<tr>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Fee</td>
</tr>
<tr>
<td>Overdraft</td>
</tr>
<tr>
<td>Direct Deposit</td>
</tr>
<tr>
<td>ATM (Interac) Fees</td>
</tr>
</tbody>
</table>

9. As a result of the mortgage payment of $710.49...(choose ALL correct answers)

<table>
<thead>
<tr>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>John overdrew his account as the payment was greater than the balance he had available in the account.</td>
</tr>
<tr>
<td>John was charged an Overdraft Fee of $5 by the bank.</td>
</tr>
<tr>
<td>John has to repay the bank $72.47 to get his account back in balance.</td>
</tr>
<tr>
<td>The bank would pay John $72.47 to pay for his mortgage.</td>
</tr>
</tbody>
</table>
10. What is the mathematical formula that you would use to describe the financial activity on a bank statement?
   a. Ending Balance = Previous Balance + Deposits + Withdrawals
   b. Ending Balance = Previous Balance - Deposits + Withdrawals
   c. Ending Balance = Previous Balance + Deposits - Withdrawals
   d. Ending Balance = Previous Balance - Deposits - Withdrawals

What Did You Learn?
Directions: Use what you learned from analyzing the bank statement to answer this question.

11. Why is it important to review your bank account statement? What fees might this help you avoid? Explain your answer.
### Learning Objectives

Students will be able to
- Explain the advantages and disadvantages of using online and mobile banking
- Understand how direct deposit, person-to-person payments, and digital wallets work
- Identify ways they can protect their checking account in a digital world

### Approximate Time

- Lesson length: 45 mins

### Distribute to Students

- Student Activity Packet SC-3.2

### Jump$tart Standards

**Spending & Saving**
- 2a: Investigate account management services that financial institutions provide
- 3a: Summarize the risks and protections of checks, stored value cards, debit cards, and online and mobile payment systems

**Financial Decision Making**
- 7c: Investigate consumer safeguards for mobile and online banking

### Plan Your Unit

- Semester Course Checking Unit Plan

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### LESSON PLAN

<table>
<thead>
<tr>
<th>Resources</th>
<th>Questions</th>
<th>Est. Time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> DISCUSSION PROMPTS</td>
<td><strong>Discussion Prompts</strong></td>
<td>5 mins</td>
</tr>
<tr>
<td><strong>1</strong> DISCUSSION PROMPTS</td>
<td>Discuss these questions with your classmates or with a partner: 1. Have you used online or mobile banking before? a. If yes, what did you use it for and why? b. If no, what has kept you from using it thus far?</td>
<td></td>
</tr>
<tr>
<td><strong>2</strong> VIDEO (0:50)</td>
<td><strong>What are Online and Mobile Banking?</strong></td>
<td>3 mins</td>
</tr>
<tr>
<td><strong>2</strong> VIDEO (0:50)</td>
<td>Watch the following three commercials regarding online and mobile banking at three different banks. Then, answer the question. 1. What common themes do you see between the three commercials?</td>
<td></td>
</tr>
<tr>
<td><strong>2</strong> VIDEO (0:50)</td>
<td><strong>VIDEO (0:50)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>2</strong> VIDEO (0:50)</td>
<td><strong>HSBC Mobile Banking App Promo</strong></td>
<td></td>
</tr>
<tr>
<td><strong>2</strong> VIDEO (0:50)</td>
<td><strong>Publisher: HSBC UK</strong></td>
<td></td>
</tr>
<tr>
<td><strong>2</strong> VIDEO (0:30)</td>
<td><strong>VIDEO (0:30)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>2</strong> VIDEO (0:30)</td>
<td><strong>AZ Federal Mobile Solutions: Apple Pay</strong></td>
<td></td>
</tr>
<tr>
<td><strong>2</strong> VIDEO (0:30)</td>
<td><strong>Publisher: Tru Advertising, LLC</strong></td>
<td></td>
</tr>
<tr>
<td>VIDEO (0:31)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>
| ● **PNC Online Banking TV Spot: “Cupcakes”**  
● Publisher: iSpot.tv |  |  |

<table>
<thead>
<tr>
<th>DATA CRUNCH</th>
<th></th>
<th></th>
</tr>
</thead>
</table>
| ● **How Do Consumers Access Their Checking Accounts?**  
● Publisher: NGPF |  |  |

**DATA CRUNCH: How Do Consumers Access Their Checking Accounts?**  
Analyze the pie chart and answer the questions on this worksheet to complete the Data Crunch.  
8 mins

<table>
<thead>
<tr>
<th>VIDEO (3:48)</th>
<th></th>
<th></th>
</tr>
</thead>
</table>
| ● **Pay Day 101: Direct Deposit**  
● Publisher: YoungIllinoisSaves1 |  |  |

**Pay Day 101: Direct Deposit**  
When you get a job, you can choose to have your check mailed to you or have it deposited directly into your checking account. Watch this video to learn what some of the benefits of direct deposit are. Then, answer the following questions.  
1. In your own words, explain what direct deposit is.  
2. Out of the four benefits of direct deposit (safety, convenience, quick access to money, increased savings), which is the MOST compelling to you? Why?  
7 mins

<table>
<thead>
<tr>
<th>ARTICLE</th>
<th></th>
<th></th>
</tr>
</thead>
</table>
| ● **5 Things to Know About P2P Payment Apps**  
● Publisher: PCWorld |  |  |

**5 Things to Know About P2P Payment Apps**  
Once you’ve got money in your checking account, you can use mobile or online banking to transfer money between accounts, check your balance, and pay your bills. You can also utilize person-to-person payment apps (P2) such as Venmo, Zelle, or Facebook Messenger to send money to friends and family. Read the “5 things to know...” portion of this webpage and answer the questions.  
1. While P2P can be convenient, it can be costly. Name three ways using person-to-person apps can cost you more than just paying in cash.  
2. What are two precautions you should take when using P2P apps?  
3. In your opinion, is the convenience of P2P worth the potential pitfalls? Why or why not?  
7 mins

<table>
<thead>
<tr>
<th>VIDEO</th>
<th></th>
<th></th>
</tr>
</thead>
</table>
| ● **Using Apple Pay in the Real World**  
● Publisher: The Verge |  |  |

**Using Apple Pay in the Real World**  
Cellphone makers are getting into the online and mobile banking realm as they offer payment options such as Google Pay and Samsung Pay. Though this video is from a few years back, watch to learn the gist of how Apple Pay works and then answer the questions.  
1. Apple Pay looks so easy, and since this video was made, it’s now accepted at many more locations. How might using a digital wallet wreak havoc on a carefree consumer’s budget?  
5 mins
10 Ways to Protect Your Checking Account

While using a checking account is safer than relying solely on cash for your transactions, checking accounts come with their own set of risks you need to look out for. Read this infographic for tips on how to protect your checking account. Write 3 tips that are particularly relevant to you.

Exit Ticket

1. Identify one benefit and one risk of using online and mobile banking.
2. Make one recommendation as to how you can protect your checking account.
3. In your own words, describe what a person-to-person payment is.

Teacher Tip: Completing all of this activity will likely take longer than the designated time. You may want to assign the remainder for homework.

FAST FACTS...

- 82% of US consumers banked online more than once in the past 30 days, whereas 68% had used an ATM and 68% had visited a bank branch more than once during that same time period (Nielsen, 2014).
- Free financial website mint.com claims to have over 10 million registered users (mint.com, 2014).
- As of April 2016, PayPal’s traffic was 30 percent on mobile, and over a decade, PayPal has generated roughly $175 billion in mobile payments volume. Just five years ago, mobile accounted for only 1 percent of PayPal’s payments volume. (paypal.com, 2016).
- Digital payment company PayPal processed $27 billion in mobile payments in 2013, which was a 99% increase over its mobile processing in 2012 (paypal.com, 2014).
Name:

**In this lesson, you will learn to:**
- Explain the advantages and disadvantages of using online and mobile banking
- Understand how direct deposit, person-to-person payments, and digital wallets work
- Identify ways they can protect their checking account in a digital world

<table>
<thead>
<tr>
<th>Resources</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Discussion Prompts</strong></td>
<td>1. Have you used online or mobile banking before?</td>
</tr>
<tr>
<td>Discuss these questions with your classmates or with a partner.</td>
<td>a. If yes, what did you use it for and why?</td>
</tr>
<tr>
<td></td>
<td>b. If no, what has kept you from using it thus far?</td>
</tr>
<tr>
<td><strong>2 What Are Online and Mobile Banking?</strong></td>
<td>1. What common themes do you see between the three commercials?</td>
</tr>
<tr>
<td>Watch the following three commercials regarding online and mobile banking at three different banks. Then, answer the question.</td>
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</tr>
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<td>PNC Online Banking TV Spot: “Cupcakes”</td>
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</tr>
</tbody>
</table>

*Estimated time: 5 mins*

*Estimated time: 3 mins*

*Estimated time: 8 mins*
# Data Crunch: How Do Consumers Access Their Checking Accounts?

Analyze the pie chart and answer the questions on this worksheet to complete the Data Crunch.

---

## Pay Day 101: Direct Deposit

One way to facilitate your use of online and mobile banking is to receive your pay directly into your bank account -- no paper check! Watch this video to learn what some of the benefits of direct deposit are. Then, answer the questions.

**Estimated time: 7 mins**

1. In your own words, explain what direct deposit is.

2. Out of the four benefits of direct deposit (safety, convenience, quick access to money, increased savings), which is the MOST compelling to you? Why?

---

## 5 Things to Know About P2P Payment Apps

Once you’ve got money in your checking account, you can use mobile or online banking to transfer money between accounts, check your balance, and pay your bills. You can also utilize person-to-person payment apps (P2) such as Venmo, Zelle, or Facebook Messenger to send money to friends and family. Read the “5 things to know...” portion of this webpage and answer the questions.

**Estimated time: 7 mins**

1. While P2P can be convenient, it can also be costly. Name three ways using person-to-person apps can cost you more than just paying in cash.

2. What are two precautions you should take when using P2P apps?

3. In your opinion, is the convenience of P2P worth the potential pitfalls? Why or why not?
**Using Apple Pay in the Real World**

Cellphone makers are getting into the online and mobile banking realm as they offer payment options such as Google Pay and Samsung Pay. Though this video is from a few years back, watch to learn the gist of how Apple Pay works and then answer the questions.

1. Apple Pay looks so easy, and since this video was made, it’s now accepted at many more locations. But how might using a digital wallet wreak havoc on a carefree consumer’s budget?

**10 Ways to Protect Your Checking Account**

While using a checking account is safer than relying solely on cash for your transactions, checking accounts come with their own set of risks you need to look out for. Read this infographic for tips on how to protect your checking account. Write 3 tips that are particularly relevant to you.

1. Three tips that are particularly relevant to me:

**Exit Ticket**

1. Identify one benefit and one risk of using online and mobile banking.

2. Make one recommendation as to how you can protect your checking account.

3. In your own words, describe what a person-to-person payment is.
How Do Consumers Access Their Checking Accounts?

Data Crunch
Checking #5

Almost 1 in 4 Consumers Is Mobile First

(Percent of U.S. consumers who access their checking account at their primary bank)

Mobile Banking, 23%
Visiting the Bank's Branch, 17%
Through Online Banking, 39%
ATM, 10%
Other, 12%

Add to over 100% due to rounding.
© 2015 Javelin Strategy & Research

1. What percentage of consumers do not access their checking account by visiting their bank’s branches?

DOK 1

2. What demographic factors do you think determine how a consumer accesses their checking account?

DOK 1

3. What are additional questions that arise when looking at this chart?

DOK 2

4. How do you think this chart will change over the next 20 years? What segments do you expect to grow/decline? What implications might this have on the banking industry?

DOK 2
5. Name at least two advantages of accessing your account online or banking using your smartphone.
### Learning Objectives

Students will be able to
- Identify common checking account fees and how to avoid them
- Explain how overdraft protection works and the impact of overdraft fees
- Read a Checking Account Summary
- Compare overdraft policies at major US banks

### Jump$tart Standards

**Spending & Saving**
- 2a: Investigate account management services that financial institutions provide
- 3b: Compare the features and costs of personal checking accounts offered by different financial institutions

### Approximate Time

- Lesson length: 45 mins

### Distribute to Students

- Student Activity Packet SC-3.3

### Plan Your Unit

- Semester Course Checking Unit Plan

---

#### LESSON PLAN

<table>
<thead>
<tr>
<th>Resources</th>
<th>Questions</th>
</tr>
</thead>
</table>
| **1** DISCUSSION PROMPTS | **Discussion Prompts**

  Discuss these questions with your classmates or with a partner:
  1. The average U.S. household spends $290 a year on bank fees according to MarketWatch. What fees do you think banks charge on your checking account?

<table>
<thead>
<tr>
<th>RESOURCE</th>
<th>EST. TIME</th>
</tr>
</thead>
</table>
| **VIDEO (1:00)**
  - Ally Bank Commercial -- Accept It!
  - Publisher: RyanChan | 4 mins |

  **Ally Bank Commercial -- Accept It!**

  Most banks charge a variety of fees that come with your checking account. But, you don’t have to accept these fees if you do your research and find a bank account that works for you! Watch this Ally Bank commercial. Then, answer the following questions.
  1. The advice the man at the ATM receives about banking in this commercial is to just accept banking fees. Do you agree with this advice? Why or why not?
  2. Imagine that you are at an event that you bought tickets for. You want to buy a souvenir from one of the vendors but realize that you don’t have any cash, which is all they accept. You go to the ATM, and find that it is going to charge you $3
| 3 | VIDEO (2:03) | Bank Overdraft Fees  
One of the most common fees banks charge is the Overdraft fee.
Watch this video to learn what this fee is and what you can do to avoid it. Then, answer the following questions.  
1. What is misleading about the term “overdraft protection”?  
2. True or False: Once you are signed up for overdraft protection, you cannot opt out.  
3. What else did Sharon do to avoid future overdraft fees? | 5 mins |
| 4 | ARTICLE | 3 Mobile Banking Alerts Everyone Should Activate  
In the previous video, you saw that Sharon had set up some alerts so that she could avoid expensive banking fees. Skim this article to find out what kinds of alerts you can set up so you can avoid fees as well. Then, answer the following questions.  
1. In your own words, briefly describe the benefit of each type of alert below:  
   a. Low Balance  
   b. Mobile Deposit  
   c. Unusual Activity  
2. While all three of the alerts are highly recommended, which one do you think is most important? Why? | 5 mins |
| 5 | THE FINE PRINT | The Fine Print: Checking Account  
Each bank has its own terms and fees for different types of accounts. Use this Fine Print activity to get some practice reading and understanding these terms. Skip the article and video on Page 1. Use the sample checking account summary on page 2 to answer the 10 comprehensions questions that follow. | 10 mins* |
| 6 | PROJECT | Overdraft Fee Analysis  
What do overdraft fees at different banks look like? How much would the same transactions cost at different banks if you were to overdraft? Follow your teacher’s directions and the directions on this worksheet to complete this project. | 11 mins* |
| 7 | EXIT TICKET | Exit Ticket  
1. What is the overdraft fee?  
2. Identify two common checking account fees other than the overdraft fee.  
3. Your friend wants to open up a checking account and is doing research on different banks’ fees. What is one piece of advice you would give her regarding fees? | 5 mins |
Teacher Tip: Completing all of this activity will likely take longer than the designated time. You may want to assign the remainder for homework.

**EXTEND THE LEARNING**

**FAST FACTS...**

- Fifty-four percent of college students report overdrawing their checking account by taking out more money than they had in their account (Center for Economic and Entrepreneurial Literacy Survey).
- **$225**: The amount in annual fees, on average, for accounts that had at least one overdraft or non-sufficient funds fee in 2011 (Consumer Financial Protection Bureau).
- Banks made $31.5 billion in overdraft fees in year ending June 2012 (Moebis Services).
- What percent of consumers choose to opt-in and get overdraft protection? At the end of 2011, the average opt-in rate for overdraft coverage for all consumers – new accounts and established accounts – was 16 percent. For new accounts, the rate was 22 percent (Consumer Financial Protection Bureau).
- **$34**: The median per-item overdraft fee in 2012 at the country’s largest depository institutions (Consumer Financial Protection Bureau).
### In this lesson, you will learn to:
- Identify common checking account fees and how to avoid them
- Explain how overdraft protection works and the impact of overdraft fees
- Read a Checking Account Summary
- Compare overdraft policies at major US banks

### Resources

<table>
<thead>
<tr>
<th></th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Discussion Prompts</strong></td>
<td>Discuss these questions with your classmates or with a partner.</td>
</tr>
<tr>
<td><strong>Ally Bank Commercial -- Accept It!</strong></td>
<td>Most banks charge a variety of fees that come with your checking account. But, you don’t have to accept these fees if you do your research and find a bank account that works for you! Watch this Ally Bank commercial. Then, answer the questions to the right.</td>
</tr>
</tbody>
</table>

#### Estimated time: 5 mins

1. The average U.S. household spends $290 a year on bank fees according to [MarketWatch](https://www.marketwatch.com). What fees do you think banks charge on your checking account?

#### Estimated time: 4 mins

1. The advice the man at the ATM receives about banking in this commercial is to just accept banking fees. Do you agree with this advice? Why or why not?

2. Imagine that you are at an event that you bought tickets for. You want to buy a souvenir from one of the vendors but realize that you don’t have any cash, which is all they accept. You go to the ATM and find that it is going to charge you $3 to withdraw money from your account. Do you accept it? Why or why not?
### 3 Bank Overdraft Fees
One of the most common fees banks charge is the Overdraft fee. Watch this video to learn what this fee is and what you can do to avoid it. Then, answer the questions at right.

1. What is misleading about the term “overdraft protection”?  
2. True or False: Once you are signed up for overdraft protection, you cannot opt out.  
3. What else did Sharon do to avoid future overdraft fees?

### 4 3 Mobile Banking Alerts Everyone Should Activate
In the previous video, you saw that Sharon had set up some alerts so that she could avoid expensive banking fees. Skim this article to find out what kinds of alerts you can set up so you can avoid fees as well. Then, answer the questions at right.

1. In your own words, briefly describe the benefit of each type of alert below:  
   a. Low Balance  
   b. Mobile Deposit  
   c. Unusual Activity  
2. While all three of the alerts are highly recommended, which one do you think is most important? Why?

### 5 The Fine Print: Checking Account
Each bank has its own terms and fees for different types of accounts. Use this Fine Print activity to get some practice reading and understanding

*Estimated time: 5 mins*

*Estimated time: 5 mins*

*Estimated time: 10 mins*
these terms. Skip the article and video on Page 1. Use the sample checking account summary on page 2 to answer the 10 comprehensions questions that follow.

<table>
<thead>
<tr>
<th>6</th>
<th><strong>Overdraft Fee Analysis</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>What do overdraft fees at different banks look like? How much would the same transactions cost at different banks if you were to overdraw? Follow your teacher’s directions and the directions on this worksheet to complete this project.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7</th>
<th><strong>Exit Ticket</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimated time: 5 mins</td>
</tr>
<tr>
<td></td>
<td>1. What is the overdraft fee?</td>
</tr>
<tr>
<td></td>
<td>2. Identify two common checking account fees other than the overdraft fee.</td>
</tr>
<tr>
<td></td>
<td>3. Your friend wants to open up a checking account and is doing research on different banks’ fees. What is one piece of advice you would give her regarding fees?</td>
</tr>
</tbody>
</table>
Learning Objectives

Students will be able to

- Understand the criteria or rules that come with a checking account
- Avoid additional fees when using a checking account

Approximate Time

- Resources length: 8 mins
- Comprehension questions: 15 mins

View Google Form

- Google Form: Checking Account Agreement

Jump$tart Standards

Spending & Saving

- 3a: Compare the features and costs of personal checking accounts offered by different financial institutions
- 3c: Reconcile a checking account
- 3a: Summarize the risks and protections of checks, stored value cards, debit cards, and online and mobile payment systems

Recommended NGPF Lesson:

- 1.2 Read the Fine Print

Fine Print: Checking Account

Getting Started:

Directions: These two resources will provide more information on how to maintain a checking account and avoid fees. Follow your teacher’s directions on whether you should go through these resources or skip ahead to the next section.

<table>
<thead>
<tr>
<th>Resources</th>
<th>Estimated Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ARTICLE</td>
<td>5 mins</td>
</tr>
<tr>
<td>How to Avoid Monthly Checking Account Fees</td>
<td></td>
</tr>
<tr>
<td>Publisher: Nerdwallet</td>
<td></td>
</tr>
<tr>
<td>2 VIDEO (Watch from 3:00-5:15)</td>
<td>3 mins</td>
</tr>
<tr>
<td>Helping Your Teen Manage a Checking Account</td>
<td></td>
</tr>
<tr>
<td>Publisher: Better Money Habits</td>
<td></td>
</tr>
</tbody>
</table>
Read The Fine Print:
Directions: Use the checking account summary below to analyze the criteria, rules, and fees of this checking account and answer the questions that follow.

<table>
<thead>
<tr>
<th>Account Opening and Usage</th>
<th>TCF Bank Checking Account Summary—All States (except Arizona)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Account Types</strong></td>
<td>Basic Accounts: TCF Free Checking, TCF Free Student Checking</td>
</tr>
<tr>
<td></td>
<td>Special Accounts: TCF Premier 50+ Checking, TCF Premier 62+ Checking</td>
</tr>
<tr>
<td></td>
<td>Premium Accounts: TCF Premier Checking, TCF Premier Checking Plus</td>
</tr>
<tr>
<td><strong>Minimum Deposit Needed to Open Account</strong></td>
<td>$25 for Basic Accounts</td>
</tr>
<tr>
<td></td>
<td>$25 for Special Accounts</td>
</tr>
<tr>
<td></td>
<td>$500 for Premium Accounts</td>
</tr>
<tr>
<td><strong>Monthly Maintenance Fee</strong></td>
<td>$0 for Basic Accounts</td>
</tr>
<tr>
<td></td>
<td>$9.95 for Special Accounts</td>
</tr>
<tr>
<td></td>
<td>$15 for Premium Accounts</td>
</tr>
<tr>
<td><strong>Requirements to Waive Monthly Maintenance Fee</strong></td>
<td>N/A for Basic Accounts</td>
</tr>
<tr>
<td></td>
<td>$10,000 for Special and Premier Accounts minimum combined account balances OR 15 qualifying withdrawals (OR also for Premier 62+ Checking $200+ in direct deposits)</td>
</tr>
<tr>
<td></td>
<td>$15,000 for Premium Accounts minimum combined account balances OR $2,500+ minimum account balance</td>
</tr>
<tr>
<td><strong>Interest Bearing</strong></td>
<td>No for Basic Accounts</td>
</tr>
<tr>
<td></td>
<td>Yes for Special Accounts</td>
</tr>
<tr>
<td></td>
<td>Yes for Premium Accounts</td>
</tr>
<tr>
<td><strong>ATM Fees (for using an ATM in TCF’s ATM network)</strong></td>
<td>$0 for withdrawals, balance inquiries, and transfers. Fees may apply for other services.</td>
</tr>
<tr>
<td><strong>ATM Fees (for using an ATM outside of TCF’s ATM network)</strong></td>
<td>$3 per withdrawal in the U.S., plus any fee the ATM operator charges</td>
</tr>
<tr>
<td></td>
<td>$5 per withdrawal outside of the U.S., plus 3% of transaction, plus any fee the ATM operator charges</td>
</tr>
<tr>
<td></td>
<td>$2 per balance inquiry, plus any fee the ATM operator charges</td>
</tr>
<tr>
<td><strong>Non-Sufficient Funds (NSF) Fee</strong></td>
<td>$37 for each item we do not pay because it exceeds your available account balance. This is also called Returned Item NSF Fee.</td>
</tr>
<tr>
<td><strong>Deposited Item Returned Fee</strong></td>
<td>$20 for each item that you cash or deposit that is rejected because the payer did not have enough money in his or her account or for other reasons.</td>
</tr>
<tr>
<td><strong>Stop Payment Fee</strong></td>
<td>$35 per item to stop payment for up to 6 months</td>
</tr>
<tr>
<td><strong>Account Closing Fee</strong></td>
<td>$0</td>
</tr>
<tr>
<td><strong>Statement Fees</strong></td>
<td>$0 for online statements</td>
</tr>
<tr>
<td></td>
<td>$2 for paper statements (waived for Premium Accounts, Special Accounts, Free Student Checking and account holders younger than 18)</td>
</tr>
<tr>
<td><strong>Other Service Fees</strong></td>
<td>Please see TCF’s Deposit Account Services and Prices Schedule for a list of additional service fees.</td>
</tr>
</tbody>
</table>
**Overdraft Options**

<table>
<thead>
<tr>
<th>Option A: No Overdraft Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>If you decline any kind of overdraft service, TCF will not pay your overdrafts and will decline your ATM or debit card transactions that exceed your available account balance at the time you use your card. NSF fees may apply. See the Explanatory Note below.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Option B: Overdraft Transfer from Linked Savings Account</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$10 per automated overdraft protection transfer from a linked TCF savings account</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Option C: Overdraft Transfer from Line of Credit</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18%  Annual Percentage Rate on outstanding account balances (subject to credit approval)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Option D: Overdraft Fee</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Number of Overdraft Fees per Day</td>
<td>$37 for each item we pay that exceeds your available account balance. We also offer the option for an overdraft fee charged daily rather than per item. See Explanatory Note below.</td>
</tr>
</tbody>
</table>

| Minimum Amount Required to Trigger an Overdraft Fee | $5 If you are overdrawn by this amount or less, you will not incur an overdraft fee. |
|                                                     | $1 If we pay an item that overdraws your account and the item is less than this amount, you will not incur an overdraft fee. |
| Extended Overdraft Fee | $0 |

**Explanatory Note:** We will decline one-time debit card and ATM transactions at no cost to you if they exceed your available account balance at the time you use your card unless you ask for (opt-in to) overdraft service for these transactions. If you opt-in, we may, in our discretion, approve these transactions. We may pay overdrafts due to other transactions unless you opt-out of overdraft service for these transactions. If you opt-out, we will decline any transaction that exceeds your available balance.

**Processing Policies**

**Posting Order**

*The order in which withdrawals and deposits are processed*

- **First,** we process deposits made before the cutoff time before we process withdrawals.
- **Second,** we process certain priority withdrawals before others (e.g., those not described in one of the other categories below). We generally process these transactions in groups in chronological order within each group based on the date and time of the transaction.
- **Third,** we generally process ATM and Card withdrawals in chronological order based on a date and time associated with the transaction.
- **Fourth,** we generally process checks in lowest-to-highest order based on check number.
- **Fifth,** we generally process automated (ACH) withdrawals scheduled for payment on a Business Day in chronological order based on when we receive the electronic file for the withdrawals.
- **Sixth,** we process certain account fees, such as monthly maintenance fees, ATM withdrawal fees, paper statement fees and overdraft fees on daily overdraft fee accounts.

**Deposit Hold Policy**

*When funds deposited to your account are available*

- Wire transfers, direct deposits, cash deposits with a teller, cash deposits at TCF ATMs that accept cash deposits, and the first $250 of aggregate check deposits with a teller: Same Business Day.
- Check deposit at ATM: 1 Business Day.
- Cashier check, government check, check drawn on TCF Bank, or postal money order deposit with teller: 1 Business Day (except for the portion available Same Business Day).
- Other check deposits with a teller: 2 Business Days (except for the portion available Same Business Day).
- Longer delays may apply for new accounts. A “Business Day” is a non-holiday weekday. The end of a Business Day varies by TCF location, but it is no earlier than 2:00 PM.

**Dispute Resolution**

Your contract with TCF includes an arbitration agreement. If there is a dispute between you and TCF, and the dispute is covered by the arbitration agreement, then either you or TCF may require the dispute to be resolved by arbitration. This means that: (1) the dispute would be resolved by an arbitrator, not a court; (2) you and TCF would not have the right to a jury or court trial to resolve the dispute; and (3) you and TCF would not have the right to pursue the claim as a class action. You have the right to reject the arbitration agreement within 30 days of account opening.

This disclosure page is a summary only of TCF’s most widely used consumer checking products (excludes TCF Choice Checking), and is not part of your account contract with TCF. For an explanation of your account contract, including other service charges, please refer to TCF’s Deposit Account Services and Prices Schedule and TCF’s Terms and Conditions for Checking and Savings Accounts.
1. A Student Checking account would be classified as what type of account according to the Agreement?
   a. Basic
   b. Special
   c. Premium
   d. Premier

2. Which of the following are TRUE about a TCF Free Student Checking Account? (choose ALL correct answers)

<table>
<thead>
<tr>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>The minimum deposit to open the account is $25.</td>
</tr>
<tr>
<td>The monthly maintenance fee is $15 per month.</td>
</tr>
<tr>
<td>It does not earn interest.</td>
</tr>
<tr>
<td>There is no charge for using an ATM in the TCF ATM Network.</td>
</tr>
</tbody>
</table>

3. You choose Option A for Overdraft Options. What would happen if you had $30 in your checking account and tried to take out $45 at the grocery store using your debit card? (choose ALL correct answers)

<table>
<thead>
<tr>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>You would be charged an overdraft fee.</td>
</tr>
<tr>
<td>You would NOT be charged an overdraft fee.</td>
</tr>
<tr>
<td>Your transaction would be denied and you would have to return the groceries if you didn't have the cash to pay for it.</td>
</tr>
<tr>
<td>You would owe the bank $15 since that was the amount of the overdraft.</td>
</tr>
</tbody>
</table>

4. You choose Option B for Overdraft Options. Assume that you have $30 in your checking account and $50 in your savings account. What would happen if you tried to take out $45 at the grocery store using your debit card? (choose ALL correct answers)

<table>
<thead>
<tr>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>You would be charged a $10 fee.</td>
</tr>
<tr>
<td>Your transaction would be approved since the bank would automatically transfer money from your savings to your checking account.</td>
</tr>
<tr>
<td>Your transaction would be denied and you would have to return the groceries if you didn't have the cash to pay for it.</td>
</tr>
<tr>
<td>You would have to repay the bank the $15 that you borrowed from them to cover this grocery bill.</td>
</tr>
</tbody>
</table>
5. You choose Option D for Overdraft Options. What would happen if you had $10 in your checking account and completed the following debit card transactions on the same day? 1) $45 for groceries 2) $20 for movie tickets 3) $15 for popcorn and soda

<table>
<thead>
<tr>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>You would be charged one overdraft fee of $37.</td>
</tr>
<tr>
<td>You would be able to purchase the groceries, but would not be able to buy the movie tickets and popcorn and soda.</td>
</tr>
<tr>
<td>You would be able to purchase the groceries, movie tickets and popcorn and soda.</td>
</tr>
<tr>
<td>You would owe the bank $70 since that was the amount that you have overdrawn your account.</td>
</tr>
<tr>
<td>You would be charged three overdraft fees totaling $111.</td>
</tr>
</tbody>
</table>

6. You deposit your birthday check of $50 at the TCF ATM. When will you have access to the money?
   a. Immediately
   b. Same day
   c. One business day
   d. One week later

7. Assuming that you have a TCF Free Student Checking Account, what fees would you be responsible for on this account?

<table>
<thead>
<tr>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Out-of-network ATM Fees</td>
</tr>
<tr>
<td>Monthly maintenance fee</td>
</tr>
<tr>
<td>Paper statements</td>
</tr>
<tr>
<td>Non-sufficient funds fee</td>
</tr>
</tbody>
</table>

8. Which of these TCF checking account fees is the most expensive?
   a. Stop Payment Fee
   b. Automated Overdraft Protection Transfer Fee
   c. Paper Statement Fee
   d. Overdraft Fee (Option D)

9. You have the following transactions post to your account on the same day: your paycheck deposit, a check you wrote for your rent, and a debit transaction for groceries. Which would be processed first?
   a. Your paycheck deposit
   b. The check you wrote for rent
   c. The debit transaction for groceries
   d. It depends which day of the week it is
10. What is the fee for withdrawing money from an out-of-network ATM in the U.S.?
   a. $5 + any fee the ATM operator charges
   b. $2 + any fee the ATM operator charges
   c. $3 + any fee the ATM operator charges
   d. There is not a fee for withdrawing money out-of-network

What Did You Learn?
Directions: Use what you learned from analyzing the TCF Checking Account Summary to answer this question.

11. What advice would you offer to someone who is considering opening a checking account? What fees and criteria should they pay attention to? Why?
Project Summary

**Description:** In this Common Core Standards-aligned project, students will mathematically assess the overdraft fees associated with major banks' checking accounts and write a brief argument based on their analysis.

**Estimated Time:** 45 mins

**Grouping:** Individual

**Internet Usage:** Optional

**Spreadsheet Skills:** Optional

---

Common Core Learning Standards

**Mathematical Standards for Content - Modeling**
- Choosing and using appropriate mathematics to analyze empirical situations, to understand them better, and to improve decisions.

**Mathematical Standards for Practice**
- 1: Make sense of problems and persevere in solving them.
- 3: Construct viable arguments and critique the reasoning of others.
- 4: Model with mathematics.
- 5: Use appropriate tools strategically.

**Anchor Standards for Reading**
- 7: Evaluate content presented in diverse formats and media, including visually and quantitatively, as well as in words.

**Anchor Standards for Writing**
- 1: Write arguments to support claims using valid reasoning and relevant evidence.

---

Overdraft Fee Analysis

**Part I: Review your resources**
First, review the overdraft fee chart provided here [Overdraft Fees by Bank](https://www.nerdwallet.com) by NerdWallet.

Also, some banks reorder your daily transactions by size, putting the largest transactions first and the smallest last, while others process transactions in the order they occur. Some checking accounts waive overdraft fees for ATM and/or debit transactions. You can find that information provided here [Overdraft Practices by Bank](https://www.nerdwallet.com) by NerdWallet.

Use both resources together in the exercise as follows.

**Part II: Conduct mathematical analysis**

**The Scenario:**
- When the day begins, Joshua has $116 in his checking account, and he has overdraft protection
- Before school he buys his cousin a round trip bus fare for $4 using his debit card
- He then uses the card to get gas in his car for $43
- Once the banks open, a check he gave the school for his senior yearbook clears, and $75 comes out of his account
- Joshua’s Netflix account subscription is automatically debited today, too, so another $10 leaves the account
- After school he heads out with friends and uses his debit card to buy a $3 coffee
● He sends a person-to-person payment of $15 to his friend Bryant for his share of dinner
● Finally, he finishes out the day with some shopping to buy new soccer gear for $35

Using the information provided by NerdWallet in BOTH charts, determine how much Joshua would pay in overdraft fees at each bank:

A. Citibank
B. HSBC Bank
C. Regions Bank
D. SunTrust
E. TD Bank
F. Wells Fargo

Guidelines:
- You can use Google Spreadsheet, Microsoft Excel, another program, or do your work by hand neatly
- Regardless of which tool you use, present your work in a clear and easy to follow fashion
- Be sure to use BOTH NerdWallet charts for each bank.

Part III: What are the results?
1. How much did Joshua spend on actual purchases throughout the course of the day?

2. What was his ending balance at the day’s end?

3. How much did he pay in overdraft fees with each bank?
   a. Citibank
   b. HSBC Bank
   c. Regions Bank
Part IV: Analyze the bigger picture

5. How does whether a bank reorders transactions impact the cost of overdraft fees?

6. If you were selecting a checking account and reviewing account agreements to see which is the best fit for you, which factor matters more -- the size of the overdraft fee or the maximum number of overdraft fees charged per day? Explain your thinking.
7. Why do you think the banks have such widely varying policies on overdraft fees?

8. After seeing the wide range of results in Question 3 above, why would anyone select a bank that has unfavorable overdraft policies?
COMPARE: Select a Checking Account

Steps for Comparison Shopping for a Checking Account:
A. Brainstorm qualities/criteria you value in a checking account
B. Rank top 3 or 4 qualities/criteria
C. Pick 3-4 bank accounts to research & compare
D. Complete a decision matrix
E. Make your choice!

Imagine that you are ready to open your first checking account, or, if you already have one, you want to switch to one with a better fit for your lifestyle. You want to comparison shop to make sure you’re making the best choice.

1. Brainstorm qualities/criteria you value in a checking account
   - For example, if you’re going away to college, you may want a large network of ATMs. If you won’t be depositing a lot of money, you may want a low minimum balance.
   - You may refer to How to Open a Checking Account as an additional resource.

<table>
<thead>
<tr>
<th>Rank</th>
<th>QUALITIES/CRITERIA You Value in a Checking Account</th>
<th>WHY this Quality/Criteria Is Important to You</th>
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2. Rank the top 3 or 4 qualities that matter most to you
You’ll use these qualities on the y-axis of your decision matrix.

3. Pick 3 checking accounts to research & compare
You’ll list these different bank accounts on the x-axis of your decision matrix.

4. Complete a decision matrix by researching how each checking account compares for each of the qualities/criteria that matter to you.
Conduct online research to complete the matrix. You may need to dig into the fine print to find specific terms.

<table>
<thead>
<tr>
<th>Checking Accounts</th>
<th>Qualities/Criteria</th>
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5. Make your choice of which checking account is best for you, based on your decision matrix.
Which are you choosing? Why? Outline the reasons for your selection, and indicate why the account you selected is better than the other two you considered. Be specific in your answer and provide data, when possible, to support your choice.
Checking Unit Test

1. You are at the checkout counter at the local supermarket and use your debit card to pay for your groceries. Where does the money for this purchase come from?
   a. Your credit card company covers the cost
   b. It is deducted directly from your checking account
   c. Your credit card company provides you with a cash advance to cover the cost
   d. It is deducted from your credit card account

2. Jocelyn gets a text alert from the bank that her account balance has dropped below $100 after a series of $20 ATM withdrawals. She has not used her ATM in over a week and wonders what she should do. What would you recommend?
   a. Wait until your monthly statement arrives so you can check to see if those withdrawals are still there
   b. Wait a week as it is fairly common for the bank to catch mistakes like this
   c. Check your wallet to be sure your debit card has not been stolen. If you still have it, then you should not worry.
   d. Contact your bank immediately as it appears that your account may have been hacked

3. Which of the following is a way to access the money in your checking account?
   a. Taking out cash using your credit card at an ATM machine
   b. Using your debit card to pay for groceries at a Point-of-Sale (POS) terminal
   c. Depositing a paycheck at an ATM
   d. Receiving a person-to-person payment from your friend

4. You deposit a birthday check by using the bank app that you have on your smartphone. What is the standard amount of time that you will need to wait in order to get access to these funds?
   a. Available immediately
   b. Available the same day
   c. Usually 1-7 business days later
   d. 30 business days
5. Which of the following transactions will REDUCE your checking account balance immediately?
   a. Writing your monthly rent check which you will mail tomorrow
   b. Using your debit card to pay for groceries at the supermarket
   c. Using your credit card to pay for your school books
   d. Depositing a check at a local bank branch

6. Which TWO of the following statements are advantages of online banking?
   A) Once you set up online banking, your bank will waive overdraft, ATM, and monthly fees
   B) With online banking, you can view your daily transactions and balances, rather than waiting for your monthly statement
   C) Using online banking, you can request transfers, pay bills and automate your savings without visiting the bank branch
   D) You can shop online only if your bank account has online banking features
   a. A & B
   b. B & C
   c. B & D
   d. A & C

7. Which practice below is NOT considered a good check writing practice?
   a. Using a pencil so that you can quickly erase any errors without having to throw any checks away
   b. Using your check register to keep details of all of checks written
   c. Writing the purpose of the check in the "Memo" space on the check
   d. Double-checking the check to be sure that you have completed all fields correctly

8. When signing up for a new checking account, you answer "Yes" to receive overdraft protection. On this day, you have $10 in your account and go out and use your debit card to buy lunch for $12, a movie ticket for $12 and dinner for $15. What is likely to be the outcome resulting from these transactions?
   a. Your account would be closed
   b. You will likely be charged an overdraft fee for EACH transaction and also will need to repay the bank for the amount overdrawn ($29) + interest
   c. Since you requested overdraft protection, the bank will not allow you to overdraw your account so your debit card will be denied
   d. The bank will provide you five days to add funds to your account to cover the overdraft and no fees will be assessed

9. Which checking account is best for you if you expect to have an average balance of $1,000?
   a. Annual interest rate earned of 1.5% and monthly maintenance fee of $10/month
   b. Annual interest rate earned of 1.0% and no monthly maintenance fee
   c. Annual interest rate earned of 0% and monthly maintenance fee of $2.50/month
   d. Annual interest rate earned of 2.0% and monthly maintenance fee of $5/month
10. Which of the following transactions may NOT be reflected when you go online to review your checking account balance?
   a. ATM cash withdrawal from yesterday
   b. Check that you mailed to your cousin for his birthday today
   c. Automatic payment for your car loan paid two days ago
   d. Debit card transaction from purchasing snacks at a local convenience store today

11. The largest source of fees for banks when it comes to checking accounts is...
   a. Overdraft fees
   b. Wire transfer fees
   c. Check printing fees
   d. Interest expense

12. While opening your checking account, the bank representative seems very interested in getting you to opt in for overdraft protection. What might explain his motivation?
   a. He wants to minimize the fees you might pay to the bank
   b. He is required by law to sign you up for overdraft protection
   c. He knows that once you decide to opt into overdraft protection, you cannot opt out
   d. He may be receiving a sales commission for every customer who opts in to get overdraft protection

13. What is NOT a good strategy to help you avoid overdraft fees?
   a. Relying solely on the bank app that provides you with your current checking account balance
   b. Tracking all of your banking transactions in a check register or spreadsheet
   c. Keeping all of your receipts and using them to track your spending
   d. Setting up a text alert so your bank will notify you when your balance falls below a certain level

14. Which of the following is TRUE about checking accounts?
   a. Interest rates are fixed as long as your account is open
   b. Banks cannot change the fees on your account while it is open
   c. Banks can change interest rates but not fees on your account while it is open
   d. Both interest rates and fees are subject to change by the banks

15. When signing up for a new checking account you answer "No" and opt out of overdraft protection. On this day, you have $10 in your account and go out and use your debit card to buy lunch for $12, a movie ticket for $12 and dinner for $15. What is likely to be the outcome resulting from these transactions?
   a. Your account will be closed
   b. You will likely be charged an overdraft fee for EACH transaction and need to repay the bank the funds overdrawn ($29) + interest
   c. Since you turned down overdraft protection, the bank will not allow you to overdraw your account so your card will be denied in these 3 instances
   d. The bank will provide you with five days to add funds to your account to cover the overdraft but will not charge you any fees
16. Which of these is NOT a scenario in which a person-to-person payment could be used?
   a. Tina pays her neighbor $200 for breaking his window with a softball
   b. Rafael writes the whole monthly rent check to the landlord, and his roommates Valerie and Carlos pay Rafael for their share of the monthly rent
   c. Ahmed's soccer coach pays the team's registration fee for a big tournament, and each player then owes him $35 for their share of the registration fee
   d. Mia pays Randy the delivery driver from Cheesy Pizza Co. for a pizza she orders for her Spanish study group

17. Which of the following is NOT a good habit to protect your checking account information?
   a. Carry the PIN number for your debit card with you in your purse or wallet
   b. Shred documents that have your account number on it
   c. Check your ATM and debit card transactions on a frequent basis
   d. Use only secure websites when entering in your account information online

18. Which of these transactions will a bank cover even if the customer does not have enough money in their account to cover the amount of the transaction?
   a. An in-network ATM withdrawal
   b. A debit card transaction on an account which the customer has opted-in to overdraft protection
   c. A debit card transaction on an account which the customer has opted-out of overdraft protection
   d. A debit card transaction in which the customer's PIN was used

19. Mia is opening her first checking account, and she's trying to decide whether she should sign up for overdraft protection. Which friend's advice is MOST accurate?
   a. Jordan says, "With overdraft protection, you never have to worry about how much money is in your account."
   b. Donnie says, "Yes, you'll have to pay a fee for each overdraft, but you DON'T have to pay the bank back the money you overdrew the account by."
   c. Frank says, "Overdraft protection may seem handy if you have an emergency (like needing gas to get to work) but you might pay lots of overdraft fees if you don't keep track of your account closely."
   d. Alex says, "If you say "No" to overdraft protection, and you TRY to withdraw more than what's in your account, the bank will contact you to see if you want them to cover it."

20. Your cousin Justine overdraws her checking account at least 4 times per month every month. Which of the following recommendations does NOT seem reasonable to help get her account under control?
   a. Justine should rework her budget and cut out nonessential purchases each month.
   b. Justine should set up alerts on her account so she receives a text when she has a low account balance.
   c. Justine should shut down her checking account and start paying for everything in cash.
   d. If all of her spending is essential, she should look for a second job, a higher paying job, or a way to split costs with someone.
21. You are a customer with an Everyday Checking Account. Indicate which statement below about your account is TRUE.

<table>
<thead>
<tr>
<th>Checking designed for</th>
<th>Customers looking for easy access to their money</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly service fee</td>
<td>$10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Options to avoid the monthly service fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoid the fee with one of the following each fee period:</td>
</tr>
<tr>
<td>- Maintain a $1,500 minimum daily balance</td>
</tr>
</tbody>
</table>
| - $500 or more in total qualifying direct deposits
| - 10 or more debit card purchases and/or payments from this checking account |
| - Linked to a Wells Fargo Campus ATM or Campus Debit Card |
| Monthly service fee discounts available | $5 monthly service fee discount when the primary account owner is 17 through 24 years old |
| Minimum opening deposit | $50 when opened at a banking location |
| Interest | Not applicable |
| Optional Overdraft Protection available | Yes |

a. If you are between 17 and 24, you will not pay a monthly service fee
b. Your monthly service fee is waived if you have at least $1,500 as a daily balance
c. You are earning interest on this account
d. Based on current regulations, you were automatically signed up for overdraft protection, and you have to call to cancel it if you don’t want it

22. You "opt-in" and have overdraft protection on your checking account. The overdraft fees are $34 for each transaction when your account is overdrawn. You start the day with $5 in your checking account and spend $10 for a movie ticket, $7 for two slices of pizza, and $20 at the mall for some clothes. How much in overdraft fees will you owe the bank?

a. $0. You are covered since you have overdraft protection.
b. $22
c. $34
d. $102

23. Which is an advantage of paying your bills using the online bill pay feature with your checking account?

a. The company you are paying receives the money on the same day.
b. There is typically only a small fee to set-up and use this feature.
c. It saves time and paper.
d. It eliminates late fees.
24. Which of the following is a TRUE statement about check cashing stores?
   a. Their checking accounts typically cost less than traditional bank accounts
   b. They tend to charge consumers a lot of hidden fees
   c. Customers use check cashing stores even though the employees are unfriendly and often make customers feel embarrassed or out-of-place
   d. They make their money by charging fees for transactions that can be done for free by customers with a traditional checking account

25. What is the most important question you should have after seeing this ad about a check cashing business?

   a. How many locations do you have?
   b. Can I get a written copy of all of the fees that you charge for your services?
   c. What are your hours of operation?
   d. How many tellers do you have?
Short Answer
Answer each question below in the provided boxes.

1. When comparing checking accounts, interest earned on the account is the most important factor. Agree or disagree with this statement.

2. Your friend says it’s a bad idea to have a checking account because of all the fees. Make a persuasive argument about the benefits of having a checking account.

3. What are two ways you can deposit money into your account and two ways you can withdraw money from your account (four answers total)?

4. Name two reasons why it is important to check your bank statements on a regular basis.

5. Identify two fees that banks typically charge on a checking account and how you can avoid them.
Essay

Now that he has a part-time job, your younger brother Daniel is opening up his own checking account. You want to pass on what you have learned about checking accounts to him. Prepare a list of recommendations for Daniel covering the following topics:

1) Questions he should ask before opening an account
2) Three ideas on how best to manage his account
3) Three features of online and mobile banking that he should use
4) Overdraft protection: Opt-in or opt-out?
Financial Literacy
Buying a Car

Today you will choose a car to purchase (go ahead and dream). Use the website TrueCar.com to search for your car.

Choose your dream car, then Build and Price the car

Car:

Picture:

Market Average: $ 

Plus:
Total Registration Fee: $ 
(https://www.dmv.ca.gov/FeeCalculatorWeb/newVehicleForm.do)

Plus: Tax: $ 

Less: Down Payment $ (use 20% of MA)

Total Financed $ (TMV+Tax+License-Down)

Monthly Payment $ 
(https://www.bankrate.com/calculators/auto/auto-loan-calculator.aspx)
Saving for the down payment:
You are saving for 3 years. How much do you have to save each month to save for your down payment (assume 1% interest).
(https://www.bankrate.com/calculators/savings/simple-savings-calculator.aspx)

Trade-in:
Use the website www.kbb.com to see how much you can get for trading in your present car

Trade-in Range:

Trade-in Value:

Now Let’s get real

You have a budget of $20,000 total to spend on a car. Use the website www.carmax.com to find a car that you will be satisfied with. Remember there is tax on buying used cars (license is probably not due upon purchase).

Car:

Picture:

Asking Price: $ 
Plus: Tax (9.5%): $ 
Less: Down Payment: ($4,000) $ 
Total Financed (3 yr): $ 
Monthly Payment: $ 

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MAJOR PURCHASES

Buying a House

You are purchasing your first home and we’ll assume you have $80,000 saved for a down payment. We are also going to assume that you are still at the low end of the salary scale making $60,000 per year. In order to qualify for a loan we’ll also assume that the bank requires monthly debt be less than about 36% of your gross income and your monthly mortgage payment be less than 28% of your gross income.

Assuming you have no debt what is your maximum monthly mortgage payment? (Show Calculation).

Use bankrate.com to determine the maximum you can borrow. On the bankrate website look under MORTGAGES > USE CALCULATORS > HOW MUCH HOUSE CAN YOU AFFORD. Your ‘Wages’ are your monthly wages. Your ‘Loan Term’ is 30 years and ‘Interest Rate’ is 4.5%. ‘Homeowners Insurance’ is $450, ‘Annual Property Taxes’ is $5000. Enter ‘0’ in all other places.

My maximum mortgage is:

My maximum home price is (don’t forget to add your down payment):

Now use realtor.com to start looking for house. First look for a home in your price range that is near Calabasas assuming you are staying in the area. Please include the following information:

Asking price:

Address:

# of Beds/Baths:

Square feet:

Monthly Payment (use bankrate mortgage calculator):

Total of Monthly Payments (30 Years):

Include a picture (copy & paste):
Next look for two more homes in your price range in an area you would consider living (anywhere in the US). Please include the following information:

**House #1**

City, State:

Asking price:

Address:

# of Beds/Baths:

Square feet:

Monthly Payment (use bankrate mortgage calculator):

Total of Monthly Payments (30 Years):

Include a picture (copy & paste):


**House #2**

City, State:

Asking price:

Address:

# of Beds/Baths:

Square feet:

Monthly Payment (use bankrate mortgage calculator):
Total of Monthly Payments (30 Years):

Include a picture (copy & paste):


