

Bemidji Area School Business Education Objectives

Personal Finance		Grades 9 -12
<p>Personal Finance students learn to make informed decisions by understanding how the American economic system operates as well as their role in the system. The concepts are important for the successful management of personal financial activities. Personal Finance teaches students how to manage their resources to reach their goals. Students will learn how to make the best use of their resources to raise their standard of living and create financial security in their future.</p>		
Standard	Benchmarks	
Apply reliable information and systematic decision making to personal financial decisions.		
1. Take responsibility for personal financial decisions.	<ul style="list-style-type: none"> • Explain how individuals demonstrate responsibility for financial well-being over a lifetime. • Analyze how financial responsibility is different for individuals with and without dependents. • Given a scenario, discuss ethical considerations of various personal finance decisions. 	
2. Find and Evaluate financial information from a variety of sources.	<ul style="list-style-type: none"> • Determine whether financial information is objective, accurate, and current. • Investigate current types of consumer fraud, including online scams. • Identify relevant financial information needed to make a decision. • List factors to consider when selecting a financial planning/counseling professional and legal/tax advisor. 	
3. Summarize major consumer protection laws.	<ul style="list-style-type: none"> • Match consumer protection laws to descriptions of the issues that they address and the safeguards that they provide. • Research up-to-date information about consumer rights. 	
4. Make financial decisions by systematically considering alternatives and consequences.	<ul style="list-style-type: none"> • Set measurable short-, medium-, and long-term financial goals. • Determine the cost of achieving a long-term goal. • Apply systematic decision making to a long-term goal. • Analyze how inflation and taxes affect financial decisions. • Analyze how today's decisions can affect future opportunities. 	
5. Develop communication strategies for discussing financial issues.	<ul style="list-style-type: none"> • Analyze the value of discussing individual and shared financial responsibilities with a roommate before moving in. • Discuss the pros and cons of sharing financial goals and personal finance information before combining households. • Give examples of contracts between individuals, between individuals and businesses, and identify each party's responsibilities. 	
6. Control personal information.	<ul style="list-style-type: none"> • Describe actions to take to protect personal identity and problems that occur when one is the victim of identity theft. • List entities that have a right to obtain individual Social Security numbers. • Recommend actions a victim of identity theft should take to restore personal security. 	
Use a career plan to develop personal income potential.		
7. Describe factors affecting take-home pay.	<ul style="list-style-type: none"> • Explain the effect of inflation on income and buying power. • Explain the effect of changing the allowances claimed on a W-4 form. • Complete income tax returns. • Examine employer-sponsored savings plans and other options for shifting current income to the future. 	
8. Develop a plan for spending and saving.	<ul style="list-style-type: none"> • Explain how to use a budget to manage spending and achieve financial goals. • Identify changes in spending behavior that contribute to wealth-building. • Design a personal budget and analyze how changes in circumstances can affect the budget. 	

Organize and plan personal finances and use a budget to manage cash flow.

9.	Develop a system for keeping and using financial records.	<ul style="list-style-type: none"> • Develop a filing system for keeping financial records. • Describe recordkeeping features that financial institutions provide for online account management.
10.	Describe how to use different payment methods.	<ul style="list-style-type: none"> • Demonstrate skill in basic financial tasks, including scheduling bill payments, writing a check, reconciling a checking/debit account statement, and monitoring printed and/or online account statements for accuracy.
11.	Apply consumer skills to purchase decisions.	<ul style="list-style-type: none"> • Apply comparison shopping skills to purchasing decisions. • Compare benefits and costs of owning a house versus renting. • Explain the elements of a standard lease agreement.
12.	Consider charitable giving.	<ul style="list-style-type: none"> • Compare information about charities, such as percentage of money spent on programs vs. salaries and fundraising.
13.	Develop a personal financial plan.	<ul style="list-style-type: none"> • Discuss factors that affect net worth. • Construct a cash flow statement.
14.	Examine the purpose and importance of a will.	<ul style="list-style-type: none"> • Identify individuals and/or charitable organizations that are potential beneficiaries of personal property. • Explain how the law in the state of residence specifies the disposition of an estate when there is no valid will. • Explain the purpose and importance of a living will (durable power of attorney for health care).

Maintain creditworthiness, borrow at favorable terms, and manage debt.

15.	Identify the costs and benefits of various types of credit.	<ul style="list-style-type: none"> • Compare the costs of borrowing money by different means of credit options. • Discuss credit card disclosure terms on a typical credit card application. • Discuss how grace periods, methods of interest calculation and fees affect borrowing costs. Compare the costs of making minimum payments on a credit card versus making above-minimum payments. • Identify the most cost-effective option for purchasing a car. • Identify types of mortgage loans and mortgage lenders.
16.	Explain the purpose of a credit record and identify borrowers' credit report rights.	<ul style="list-style-type: none"> • Describe the elements of a credit score and factors that improve it. • Explain how a credit score affects creditworthiness and the cost of credit. • Explain the rights people have to examine their credit reports and information contained in the report. • Discuss how to dispute inaccurate entries and ways a negative credit report can affect a consumer's financial future.
17.	Describe ways to avoid or correct credit problems	<ul style="list-style-type: none"> • List ways to avoid credit problems. • Give examples of legal and illegal debt collection practices. • Identify possible indicators and consequences of excessive debt. • Describe actions a consumer can take to reduce or better manage excessive debt. • Describe the purpose of bankruptcy and its possible effects on assets, employability, credit cost and credit availability.
18.	Summarize major consumer credit laws	<ul style="list-style-type: none"> • Discuss consumer credit laws and the protections that they provide.

Use appropriate and cost-effective risk management strategies.

<p>19. Identify common types of risks and basic risk management methods.</p>	<ul style="list-style-type: none"> • Give examples of how people manage risk through avoidance, reduction, retention, and transfer. • Explain how to self-insure and give examples in which self-insurance is appropriate. • Recommend insurance for the types of risks that young adults might face.
<p>20. Explain the purpose and importance of property and liability insurance protection.</p>	<ul style="list-style-type: none"> • Differentiate among the main types of auto insurance coverage and factors that can increase or reduce auto insurance premiums. • Determine the legal minimum amounts of auto insurance coverage required in one’s state of residence. • Calculate the amount paid on an insurance claim after applying exclusions and deductibles. • Discuss how the cost of auto insurance for the same vehicle can vary, given two different deductibles and two different liability coverage limits. • Explain the benefits of renter’s insurance.
<p>21. Explain the purpose and importance of health, disability, and life insurance protection.</p>	<ul style="list-style-type: none"> • Analyze the conditions under which young adults need life, health, and disability insurance. • Identify government programs that provide financial assistance for income loss due to illness, disability, or premature death. • Discuss sources of health and disability insurance coverage, including employee benefit plans. • Explain the purpose of long-term care insurance.

Implement a diversified investment strategy that is compatible with personal goals.

<p>22. Discuss how saving contributes to financial well-being.</p>	<ul style="list-style-type: none"> • Describe advantages and disadvantages of saving for short-medium-, and long-term goals. • Discuss saving strategies, including “paying yourself first,” using payroll deduction, and comparison shopping to spend less.
<p>23. Explain how investing builds wealth and helps meet financial goals.</p>	<ul style="list-style-type: none"> • Explain the relative importance of the following sources of income in retirement: Social Security, employer retirement plans, and personal investments. • Discuss how the rate of return and years will affect the end value of a lump sum, and periodic investments.
<p>24. Evaluate investment alternatives.</p>	<ul style="list-style-type: none"> • Discuss common types of investment risk. • Describe the benefits of a diversified investment portfolio. • Identify appropriate types of investments to achieve the objectives of liquidity, income, and growth.
<p>25. Describe how to buy and sell investments.</p>	<ul style="list-style-type: none"> • Compare the advantages and disadvantages of buying and selling investments through various channels, including financial advisors, investment clubs, and online brokers. • Describe the benefits of dollar-cost averaging.
<p>26. Explain how taxes affect the rate of return on investments.</p>	<ul style="list-style-type: none"> • Compare the benefits of a traditional IRA versus a Roth IRA. • Describe the advantages provided by employer-sponsored retirement savings plans.
<p>27. Investigate how agencies that regulate financial markets protect investors.</p>	<ul style="list-style-type: none"> • Explain how federal and state regulators protect investors.