

Foundations in Personal Finance Middle School Edition

** All content below is the content of the *Foundations in Personal Finance Curriculum*, and not that of Girls Inc.

Program Highlights

Course Rationale

Personal finance is 80% behavior and 20% head knowledge. We believe that teaching teens how to take control of their money can help them avoid huge money mistakes down the road. They need to know that their financial decisions have long-term consequences. Students must learn how to budget, save, spend wisely, avoid debt, and give. Studies show that money problems are the leading cause of college students dropping out of school and of divorce in America.

Students need to develop an education and career plan that will help them obtain and grow their income over time. This plan needs to account for the uncertain and changing market of the twenty-first century. While having a career plan and strong work ethic are important components of building wealth, understanding how to make money work for them through an investment and retirement portfolio is also necessary.

Finally, winning with money also means protecting one's wealth. Students need to understand how to manage financial risk through various types of insurance. Identity theft is the leading white-collar crime in American and young adults are the largest demographic target. Teens must be armed with awareness of this issue and an understanding of what precautions they can take to protect their identities.

With time and knowledge on their side, we believe that young adults can make smart financial decisions and begin to grow wealth from an early age.

Purpose

The purpose of *Foundations in Personal Finance: Middle School Edition* is to empower students with knowledge and the application of basic financial principles so they can make sound financial decisions for life.

Goals

- Reinforce academic skills such as communication, mathematics, reading, research, and writing.
- Help students develop flexible knowledge, effective problem-solving skills, effective collaboration skills, and intrinsic motivation through the use of a variety of individual and group activities.
- Enhance students financial literacy skills
- Enable students to develop informed money-management strategies
- Stimulate interest in financial management
- Inspire students from all backgrounds to achieve financial well-being
- Foster an understanding and appreciation of ethical money management

Foundations in Personal Finance: Middle School Edition addresses financial literacy national and state standards and integrates the content and skills necessary to meet them. This course also incorporates Common Core English Language Arts Standards in order to promote literacy skills.

Because of the unique nature of a personal finance course as it relates to individual student backgrounds, this course has incorporated many instructional methodologies highlighted in *Framework for Understanding Poverty*, by Ruby K. Payne, Ph.D. We feel that it is important to meet students where they are and provide meaningful, life-changing instruction in the area of personal finance.

Chapter 1: Saving and Budgeting

Chapter Overview: This chapter introduces the topic of personal finance and highlights the importance of both knowledge and behavior when it comes to managing money.

Learning Outcomes:

Lesson 1: Get Smart with Money

- Describe what it means to be financially responsible
- Recognize the difference between assets and liabilities
- Explain the meaning of net worth

Lesson 2: Cash in the Bank

- Describe how saving money improves my financial well-being
- Identify three basic reasons for saving money
- Compare simple interest and compound interest

Lesson 3: A Money Plan

- Understand the difference between wants and needs
- Describe the difference between a credit card and a debit card
- Explain how to balance a checkbook or bank statement

Lesson 4: Money Matters

- Recognize my money personality
- Understand how to talk about money with family members
- Describe different types of expenses

Lesson 5: Giving to Others

- Identify my core values
- Explain the meaning of charitable giving
- Describe the benefits of giving

Chapter 2: Credit and Debt

Chapter Overview: This chapter explores the topic of consumer debt and the negative impact of debt on personal finances

Learning Outcomes:

Lesson 1: Credit Concerns

- Define loan, debt, and credit
- Describe the use of credit in America
- Analyze the financial impact of debt on a household budget

Lesson 2: The Dangers of Debt

- Recognize some of the “debt myths” that exist today
- Describe the dangers of debt
- Compare the cost difference between cash and credit

Lesson 3: The Truth About Credit Scores

- Explain what makes up a credit score
- Describe what a debt collector is

Lesson 4: The High Cost of Student Loans

- Evaluate the effects of taking on debt to fund my college education
- Understand ways to pay for college without going into debt
- Explain the long-term cost of student loan debt

Chapter 3: Education, Careers, and Entrepreneurship

Chapter Overview: This chapter explores the topics of careers, the cost of educational choices, the impact of education on earning potential, and entrepreneurship

Learning Outcomes:

Lesson 1: What Are You Going to Do?

- Identify personal skills and interests related to various career options
- Estimate the cost of a college education
- Explore different sources for information about various career options

Lesson 2: Earning an Income

- Explain how education and/or training can affect lifetime income
- Understand the various types of income
- Describe the impact of taxes on take-home pay

Lesson 3: Be Your Own Boss

- Explain what it means to be an entrepreneur
- Describe a variety of things I could do now to earn money
- Recognize profit as an incentive for starting a business

Chapter 4: Investing, Insurance, and Identify Theft

Chapter Overview: This chapter examines the difference between saving and investing and highlights the purpose and importance of risk management as part of your financial plan.

Learning Outcomes:

Lesson 1: Investing for the Long Term

- Explain the difference between saving and investing
- Describe the impact of inflation
- Understand the time value of money

Lesson 2: Watching Money Grow

- Recognize how investing can help me build wealth
- Compare the various types of investments
- Explain the power of compound interest

Lesson 3: Protect Yourself

- Explain the purpose of insurance
- Analyze different types of insurance
- Recognize the difference between an insurance premium and an insurance deductible

Lesson 4: A Case for Stolen Identity

- Understand the issue of identity theft
- Describe problems that occur as a result of identity theft
- List ways to protect myself from identity theft

Chapter 5: Global Economics

Chapter Overview: This chapter examines different economic systems, varying levels of economic development, and global connections

Learning Outcomes:

Lesson 1: Economic Systems

- Compare and contrast different types of economic systems
- Explain the movement of goods and services
- Understand the concepts of supply and demand

Lesson 2: The Flow of Economics

- Explain the chain of production process
- Define gross domestic product (GDP)
- Describe the the difference between developed countries and developing countries

Lesson 3: Global Trade Activity

- Define globalization
- Explain how global trade works
- Describe scarcity and rationing

Chapter 6: Marketing and Consumerism

Chapter Overview: This chapter explores factors that influence consumer decisions and ways to avoid overspending.

Learning Outcomes:

Lesson 1: Buyer Beware

- Recognize the ways companies compete for my money
- Describe how peer pressure influences spending choices
- Define marketing

Lesson 2: Master of Marketing

- Define contentment
- Explain the concept of economic incentives
- Analyze and evaluate the claims in advertising

Lesson 3: You Have Rights

- Understand the role of the FTC
- Explain bait and switch
- Describe some ways to be a wise consumer