

Course Name: Financial Literacy | FVTC

Course Overview:

[Unit 1](#)

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Course Materials/Resources/Technology:

- Blackboard
- **Textbook:** Personal Financial Planning 14e | Billingsley, Gitman, Joehnk
- NGPF
- Practical Money Skills

UNIT 1: Foundations of Financial Planning

Duration of Unit:

3 Weeks

Description of Unit:

In this unit we will identify the benefits of using personal financial planning techniques to manage your finances; we will understand the relationship between financial plans and statements; we will discuss the basic principles of income taxes and determine your filing status; and we'll describe the sources of gross income and adjustments to income, differentiate between standard and itemized deductions and exemptions, and calculate taxable income.

Academic Vocabulary:

- Consumer Price Index (CPI), Contraction, Expansion, Financial Assets, Financial Goals, Gross Domestic Product (GDP), Inflation, Peak, Personal Financial Planning, Standard of Living, Tangible Assets, Trough, Utility, Wealth
- Annuity, Assets, Balance Sheet, Budgets, Budget Control Schedule, Budget Variance, Compounding, Current Liability, Discounting, Equity, Expenses, Fixed Expenses, Future Value, Income, Income and Expense Statement, Investments, Liabilities, Liquid Assets, Liquidity Ratio, Long-Term Liability, Net Worth, Personal Property, Present Value, Real Property, Rule of 72, Savings Ratio, Solvency Ratio, Time Value of Money, Variable Expenses
- Adjusted Gross Income (AGI), Amended Return, Average Tax Rate, Estimated Taxes, Exemptions, FICA, Federal Withholding Taxes, Gross Income, Income Shifting, Income Taxes, Itemized Deductions, Marginal Tax Rate, Progressive Tax Structure, Standard Deduction, Taxable Income, Taxes, Tax Audit, Tax Avoidance, Tax Credits, Tax Deferred, Tax Evasion

Materials/Resources/Technology:

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FVTC Course Competencies:

1. Explain the financial planning process
2. Prepare financial statements
3. Manage personal taxes

Textbook Chapters	Learning Targets
Chapter 1: Understanding the Financial Planning Process	<ul style="list-style-type: none"> → Identify the benefits of using personal financial planning techniques to manage your finances. → Describe the personal financial planning process and define your goals. → Understand the importance of career choices and the economic environment's influence on personal financial planning. → Explain the life cycle of financial plans, their role in achieving your financial goals, and the use of professional financial planners.
Chapter 2: Using Financial Statements and Budgets	<ul style="list-style-type: none"> → Understand the relationship between financial plans and statements. → Prepare a personal balance sheet and generate a personal income and expense statement. → Construct a cash budget and use it to monitor and control spending. → Apply time value of money concepts to put a monetary value on financial goals.
Chapter 3: Preparing Your Taxes	<ul style="list-style-type: none"> → Discuss the basic principles of income taxes and determine your filing status. → Describe the sources of gross income and adjustments to income, differentiate between standard and itemized deductions and exemptions, and calculate taxable income. → Prepare a basic tax return using the appropriate tax forms and rate schedules. → Implement an effective tax planning strategy.

Common Formative and Summative Assessments

- **Formative:**
 - **Chapter 1 Engagement Activity (10 points)**
 - **Chapter 1 Assignment (40 points)**
 - **Chapter 1 You Decide (10 points)**
 - **Chapter 2 Engagement Activity (10 points)**

- Chapter 2 Assignment (40 points)
- Chapter 2 You Decide (10 points)
- Chapter 3 Engagement Activity (10 points)
- Chapter 3 Assignment (40 points)
- Chapter 3 You Decide (10 points)
- **Summative:**
 - Chapter 1 Exam (60 points)
 - Chapter 2 Exam (60 points)
 - Chapter 3 Exam (60 points)

UNIT 2: Managing Basic Assets

Duration of Unit:

2 Weeks

Description of Unit:

In this unit we will understand the role of cash management in the personal financial planning process; and we'll develop a cash management strategy that incorporates a variety of savings plans; we will design a plan to research and select a new or used automobile; we'll decide whether to buy or lease a car; and we'll identify housing options.

Academic Vocabulary:

- Account Reconciliation, Asset Management Account (AMA), Automated Teller Machine (ATM), Cash Management, Cashier's Check, Certificates of Deposit (CD), Certified Check, Checkbook Ledger, Compound Interest, Debit Cards, Demand Deposit, Deposit Insurance, Effective Rate of Interest, Electronic Funds Transfer Systems (ETFs), Internet Banks, Money Market Deposit Account (MMDA), Money Market Mutual Fund (MMMF), Negotiable Order of Withdrawal (NOW) Account, Nominal Rate of Interest, Overdraft, Overdraft Protection, Simple Interest, Stop Payment, Time Deposits, Traveler's Check, U.S. Treasury Bill
- Anchor, Adjustable-Rate Mortgage (ARM), Adjustment Period, Balloon-Payment Mortgage, Biweekly Mortgage, Buydown, Capitalized Cost, Closing Cost, Condominium, Convertible ARM, Closed-End Lease, Conventional Mortgage, Contingency Clause, Depreciation, Down Payment, Earnest Money Deposit, Foreclosure, Fixed-Rate Mortgage, FHA Mortgage Insurance, Graduated-Payment Mortgage, Growing-Equity Mortgage, Homeowner's Insurance, Interest-Only Mortgage, Index Rate, Interest Rate Cap, Lease, Loan-to-Value Ratio, Margin, Multiple Listing Service (MLS), Mortgage Points, Mortgage Loan, Mortgage Banker, Mortgage Broker, Negative Amortization, Open-End Lease, Payment Cap, Prequalification, Purchase Option, Private Mortgage Insurance (PMI), PITI, Property Taxes, Residual Value, Rental Contract Lease Agreement, Rent Ratio, Real Estate Settlement Procedures Act (RESPA), Sales Contract, Shared-Appreciation Mortgage, Real Estate Short Sale, Title Check, Two-Step ARM, VA Loan Guarantees

Materials/Resources/Technology:

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FVTC Course Competencies:

1. Manage your personal cash and savings
2. Making housing and automobile decisions

Textbook Chapters	Learning Targets
Chapter 4: Managing Your Cash and Savings	<ul style="list-style-type: none">→ Understand the role of cash management in the personal financial planning process.→ Identify various checking, savings, electronic banking, and other bank services that may meet your needs.→ Calculate the interest earned on your money using compound interest and future value techniques.→ Develop a cash management strategy that incorporates a variety of savings plans.
Chapter 5: Making Automobile and Housing Decisions	<ul style="list-style-type: none">→ Design a plan to research and select a new or used automobile.→ Decide whether to buy or lease a car.→ Identify housing alternatives, assess the rental option, and perform a rent-or-buy analysis.→ Describe the home-buying process.→ Evaluate the benefits and costs of homeownership.

Common Formative and Summative Assessments

- **Formative:**
 - Chapter 4 Engagement Activity (10 points)
 - Chapter 4 Assignment (40 points)
 - Chapter 4 You Decide (10 points)
 - Chapter 5 Engagement Activity (10 points)
 - Chapter 5 Assignment (40 points)
 - Chapter 5 You Decide (10 points)
- **Summative:**
 - Chapter 4 Exam (60 points)
 - Chapter 5 Exam (60 points)

UNIT 3: Managing Credit

Duration of Unit:

2 Weeks

Description of Unit:

In this unit we will describe the reasons for using consumer credit and identify its benefits and problems; we'll develop a plan to establish a strong credit history; and we will choose the best loans by comparing finance charges, maturity, collateral, and other loan terms.

Academic Vocabulary:

- Annual Percentage Rate (APR), Average Daily Balance (ADB) Method, Balance Transfer, Bank Credit Card, Base Rate, Cash Advance, Credit Bureau, Credit Counselor, Credit Investigation, Credit Limit, Credit Scoring, Credit Statement, Debt Safety Ratio, Grace Period, Home Equity Line of Credit, Line of Credit, Minimum Monthly Payment, Open Account Credit, Overdraft Protection Line, Personal Bankruptcy, Prepaid Card, Retail Charge Card, Revolving Lines of Credit, Reward (co-branded) Credit Card, Secured Credit Card, Straight Bankruptcy, Student Credit Card, Unsecured Personal Credit Line, Wage Earner Plan
- 529 College Savings Plan, Captive Finance Company, Cash Value (of life insurance), Chattel Mortgage, Collateral Note, Collateral, Consumer Finance Company, Consumer Loans, Credit Disability Insurance, Credit Life (or disability) Insurance, Discount Method, Installment Loan, Interim Financing, Lien, Loan Application, Loan Disclosure Statement, Loan Rollover, Prepayment Penalty, Rule of 78s, Sales Finance Company, Simple Interest Method, Single-Payment Loan

Materials/Resources/Technology:

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FVTC Course Competencies:

1. Establish borrowing on an open account
2. Compare consumer loan options

Textbook Chapters	Learning Targets
Chapter 6: Using Credit	<ul style="list-style-type: none"> → Describe the reasons for using consumer credit and identify its benefits and problems. → Develop a plan to establish a strong credit history. → Distinguish among the different forms of open account credit and will apply for, obtain, and manage open forms of credit. → Avoid credit problems, protect yourself against credit card fraud, and understand the personal bankruptcy process.
Chapter 7: Using Consumer Loans	<ul style="list-style-type: none"> → Learn when to use consumer loans, differentiate between the major types of

- consumer loans, and identify the various sources of consumer loans.
- Choose the best loans by comparing finance charges, maturity, collateral, and other loan terms.
 - Evaluate the benefits of a single-payment loan and an installment loan.
 - Determine the costs of installment loans and analyze whether it is better to pay cash or take out a loan.

Common Formative and Summative Assessments

- **Formative:**
 - Chapter 6 Engagement Activity (10 points)
 - Chapter 6 Assignment (40 points)
 - Chapter 6 You Decide (10 points)
 - Chapter 7 Engagement Activity (10 points)
 - Chapter 7 Assignment (40 points)
 - Chapter 7 You Decide (10 points)
- **Summative:**
 - Chapter 6 Exam (60 points)
 - Chapter 7 Exam (60 points)

UNIT 4: Managing Insurance Needs

Duration of Unit:
3 Weeks

Description of Unit:

In this unit we will explain the concept of risk and the basics of insurance underwriting; we will discuss why having adequate health insurance is important and identify the factors contributing to the growing cost of health insurance; and we will discuss the importance and basic principles of property insurance, including types of exposure, indemnity, and co-insurance.

Academic Vocabulary:

- Beneficiary, Cash Value, Convertibility, Credit Life Insurance, Decreasing Term Policy, Disability Clause, Group Life Insurance, Guaranteed Purchase Option, Industrial Life Insurance, Insurance Policy, Life Insurance Policy Illustration, Loss Control, Loss Prevention, Mortgage Life Insurance, Multiple Indemnity Clause, Multiple-of-Earnings Method, Needs Analysis Method, Nonforfeiture Right, Participating Policy, Policy Loan, Renewability, Risk Assumption, Risk Avoidance, Social Security Survivor's Benefits, Straight Term Policy, Term Life Insurance, Underwriting, Universal Life Insurance, Variable Life Insurance, Whole Life Insurance

- Community Rating Approach, Comprehensive Major Medical Insurance, Consolidated Omnibus Budget Reconciliation Act (COBRA), Coordination of Benefits Provision, Deductible, Disability Income Insurance, Exclusive Provider Organization (EPO), Flexible Spending Account (FSA), Group Health Insurance, Group HMO, Guaranteed Renewability, Health Maintenance Organization (HMO), Health Reimbursement Account (HRA), Health Savings Account (HSA), Indemnity (fee-for-service) Plan, Individual Practice Association (IPA), Internal Limits, Long-Term Care, Major Medical Plan, Managed Care Plan, Medicaid, Medicare, Medicare Advantage Plans, Optional Renewability, Participation (co-insurance) Clause, Patient Protection and Affordable Care Act and the Reconciliation Act of 2010 (ACA), Point-of-Service (POS) Plan, Pre-existing Condition Clause, Preferred Provider Organization (PPO), Prescription Drug Coverage, Supplementary Medical Insurance (SMI), Waiting (elimination) Period, Workers' Compensation Insurance
- Actual Cash Value, Automobile Insurance Plan, Bodily Injury Liability Losses, Captive Agent, Claims Adjustor, Co-Insurance, Collision Insurance, Comprehensive Automobile Insurance, Comprehensive Policy, Financial Responsibility Laws, Independent Agent, Liability Insurance, Named Peril Policy, Negligence, No-Fault Automobile Insurance, Peril, Personal Automobile Policy (PAP), Personal Liability Umbrella Policy, Personal Property Floater (PPF), Principle of Indemnity, Property Damage Liability Losses, Property Insurance, Replacement Cost, Right of Subrogation, Underinsured Motorists Coverage, Uninsured Motorists Coverage

Materials/Resources/Technology:

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FVTC Course Competencies:

1. Develop a plan - insure your life
2. Develop a plan - insure your health
3. Develop a plan - protect your property

Textbook Chapters	Learning Targets
Chapter 8: Insuring Your Life	<ul style="list-style-type: none"> → Explain the concept of risk and the basics of insurance underwriting. → Discuss the primary reasons for life insurance and identify those who need coverage. → Distinguish among the various types of life insurance policies and describe their advantages and disadvantages. → Calculate how much life insurance you need and choose the best life insurance policy for your needs at the lowest cost.
Chapter 9: Insuring Your Health	<ul style="list-style-type: none"> → Discuss why having adequate health insurance is important and identify the factors contributing to the growing cost of health insurance. → Differentiate among the major types of health insurance plans and identify major private and public health insurance providers and their programs. → Analyze your own health insurance needs and explain how to shop for appropriate coverage. → Assess the need for long-term care and disability income insurance.

Chapter 10: Protecting Your Property

- Discuss the importance and basic principles of property insurance, including types of exposure, indemnity, and co-insurance.
- Identify the types of coverage provided by homeowner's insurance and will select the right homeowner's insurance policy for your needs.
- Describe different types of property and liability insurance.
- Choose a property and liability insurance agent and company, and settle claims.

Common Formative and Summative Assessments

- **Formative:**
 - Chapter 8 Engagement Activity (10 points)
 - Chapter 8 Assignment (40 points)
 - Chapter 8 You Decide (10 points)
 - Chapter 9 Engagement Activity (10 points)
 - Chapter 9 Assignment (40 points)
 - Chapter 9 You Decide (10 points)
 - Chapter 10 Engagement Activity (10 points)
 - Chapter 10 Assignment (40 points)
 - Chapter 10 You Decide (10 points)
- **Summative:**
 - Chapter 8 Exam (60 points)
 - Chapter 9 Exam (60 points)
 - Chapter 10 Exam (60 points)

UNIT 5: Managing Investments

Duration of Unit:

3 Weeks

Description of Unit:

In this unit we will discuss the role that investing plays in the personal financial planning process and identify several different investment objectives; we will describe the various types of risks to which investors are exposed, as well as the sources of return; and we will describe the basic features and operating characteristics of mutual funds and exchange-traded funds.

Academic Vocabulary:

- Annual Stockholders Report, Arbitration, Ask Price, Asset Allocation, Bear Market, Bid Price, Bull Market, Day Trader, Discount Broker, Diversification, Dow Jones Industrial Average (DJIA), Dow Jones Wilshire 5000 Index, Full-Service Broker, Investing, Investment Plan, Limit Order, Market Order, National Association of Securities Dealers (NASD), NYSE Index, Odd Lot, Online Broker, Portfolio, Prospectus, Rate of Return, Risk Averse, Round Lot, Securities and Exchange Commission (SEC), Securities Investor Protection Corporation (SIPC), Securities Markets, Short Sale, Speculating, Standard & Poor's (S&P) Indexes, Stockbroker, Stop-Loss (stop order)
- Accrued Interest, Agency Bond, Beta, Blue-Chip Stock, Book Value, Business Risk, Call Feature, Clean Price, Conversion Premium, Conversion Privilege, Conversion Ratio, Conversion Value, Corporate Bond, Coupon, Current Yield, Cyclical Stock, Debenture, Defensive Stock, Dirty (full) Price, Discount Bond, Dividend Reinvestment Plan (DRP), Dividend Yield, Earnings Per Share (EPS), Equipment Trust Certificate, Event Risk, Financial Risk, Fixed-Income Securities, Fully Taxable Equivalent Yield, General Obligation Bond, Growth Stock, Income Stock, Interest Rate Risk, Junk Bond, Large-Cap Stock, Liquidity Risk, Market Risk, Mid-Cap Stock, Mortgage-Backed Securities, Mortgage Bond, Municipal Bond, Net Profit Margin, Premium Bond, Price/Earnings (P/E) Ratio, Proxy, Purchasing Power Risk, Required Rate of Return, Residual Owners, Return on Equity (ROE), Revenue Bond, Risk-Free Rate of Return, Serial Obligation, Sinking Fund, Small-Cap Stock, Speculative Stock, Stock Dividends, Tech Stock, Treasury Bond, Treasury Inflation-Indexed Bond, Yield to Maturity, Zero Coupon Bond
- 12b-1 Fee, Automatic Investment Plan, Automatic Reinvestment Plan, Back-End Load, Closed-End Investment Company, Conversion Privileges, Exchange-Traded Fund (ETF), General-Purpose Money Fund, Government Securities Money Fund, Income Property, International Fund, Load Fund, Low-Load Fund, Management Fee, Mutual Fund, Net Asset Value (NAV), No-Load Fund, Open-End Investment Company, Pooled Diversification, Real Estate Investment Trust (REIT), Socially Responsible Fund (SRF), Systematic Withdrawal Plan, Tax-Exempt Money Fund

Materials/Resources/Technology:

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FVTC Course Competencies:

1. Develop a plan - invest in stocks and bonds
2. Develop a plan - make securities transactions
3. Develop a plan - invest in mutual funds

Textbook Chapters	Learning Targets
Chapter 11: Investment Planning	<ul style="list-style-type: none"> → Discuss the role that investing plays in the personal financial planning process and identify several different investment objectives. → Distinguish between primary and secondary markets as well as between broker and dealer markets. → Explain the process of buying and selling securities. → Describe an investment portfolio and how you'd go about developing, monitoring, and managing a portfolio of securities.

Chapter 12: Investing in Stocks and Bonds	<ul style="list-style-type: none"> → Describe the various types of risks to which investors are exposed, as well as the sources of return. → Search for an acceptable investment on the basis of risk, total return, and yield. → Discuss the merits of investing in common stock and be able to distinguish among the different types of stocks. → Describe the basic issue characteristics of bonds, as well as how these securities are used as investment vehicles.
Chapter 13: Investing in Mutual Funds, ETFs, and Real Estate	<ul style="list-style-type: none"> → Describe the basic features and operating characteristics of mutual funds and exchange-traded funds. → Differentiate between open- and closed-end funds as well as exchange-traded funds. → Discuss the various types of fund loads and charges. → Discuss the types of funds available to investors and the different kinds of investor services offered by mutual funds and exchange-traded funds. → Understand the role that real estate plays in a diversified investment portfolio along with the basics of investing in real estate, either directly or indirectly.

Common Formative and Summative Assessments

- **Formative:**
 - Chapter 11 Engagement Activity (10 points)
 - Chapter 11 Assignment (40 points)
 - Chapter 11 You Decide (10 points)
 - Chapter 12 Engagement Activity (10 points)
 - Chapter 12 Assignment (40 points)
 - Chapter 12 You Decide (10 points)
 - Chapter 13 Engagement Activity (10 points)
 - Chapter 13 Assignment (40 points)
 - Chapter 13 You Decide (10 points)
- **Summative:**
 - Chapter 11 Exam (60 points)
 - Chapter 12 Exam (60 points)
 - Chapter 13 Exam (60 points)

UNIT 6: Retirement and Estate Planning

Duration of Unit:

2 Weeks

Description of Unit:

In this unit we will recognize the importance of retirement planning, and identify the three biggest pitfalls to good planning; as well as describe the role of estate planning in personal financial planning, and identify the seven steps involved in the process.

Academic Vocabulary:

- Accumulation Period, Annuity, Annuity Certain, Cash-Balance Plan, Contributory Pension Plan, Deferred Annuity, Defined Benefit Plan, Distribution Period, Employee Retirement Income Security Act (ERISA), Fixed-Rate Annuity, Guaranteed-Minimum Annuity, Immediate Annuity, Individual Retirement Account (IRA), Installment Premium Annuity Contract, Keogh Plan, Life Annuity - Period Certain, Life Annuity - with No Refund, Noncontributory Pension Plan, Nondeductible (after-tax) IRA, Pension Protection Act, Profit-Sharing Plan, Qualified Pension Plan, Refund Annuity, Salary Reduction, Single Premium Annuity Contract, Survivorship Benefit, Thrift and Savings Plans, Traditional IRA, Variable Annuity, Vested Rights
- Administrator, Annual Exclusions, Applicable Exclusion Amount (AEA), Beneficiaries, Codicil, Community Property, Durable Power of Attorney for Financial Matters, Durable Power of Attorney for Health Care, Estate Planning, Estate Tax, Ethical Wills, Executor, Gift Splitting, Gift Tax, Grantor, Gross Estate, Intestacy, Irrevocable Life Insurance Trust, Irrevocable Living Trust, Joint Tenancy, Letter of Last Instructions, Living Trust, Living Will, Pour-Over Will, Probate Process, Revocable Living Trust, Right of Survivorship, Tenancy by the Entirety, Tenancy in Common, Testamentary Trust, Testator, Trust, Trustee, Unified Rate Schedule, Unified Tax Credit, Will

Materials/Resources/Technology:

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FVTC Course Competencies:

1. Develop a plan - attain retirement goals
2. Develop a plan - preserve your estate

Textbook Chapters	Learning Targets
Chapter 14: Planning for Retirement	<ul style="list-style-type: none"> → Recognize the importance of retirement planning, and identify the three biggest pitfalls to good planning → Estimate your income needs in retirement and the level of retirement income you've estimated from various sources. → Explain the eligibility requirements and benefits of the Social Security program.

	<ul style="list-style-type: none"> → Differentiate among the types of basic and supplemental employer-sponsored pension plans. → Describe the various types of self-directed retirement plans and choose the right type of annuity for your retirement plan.
<p>Chapter 15: Preserving Your Estate</p>	<ul style="list-style-type: none"> → Describe the role of estate planning in personal financial planning, and identify the seven steps involved in the process. → Recognize the importance of preparing a will and other documents to protect you and your estate. → Explain how trusts are used in estate planning, and we'll calculate federal taxes due on an estate. → Determine whether a gift will be taxable, and we'll use effective estate planning techniques to minimize estate taxes.

Common Formative and Summative Assessments

- **Formative:**
 - Chapter 14 Engagement Activity (10 points)
 - Chapter 14 Assignment (40 points)
 - Chapter 14 You Decide (10 points)
 - Chapter 15 Engagement Activity (10 points)
 - Chapter 15 Assignment (40 points)
 - Chapter 15 You Decide (10 points)
- **Summative:**
 - Chapter 14 Exam (60 points)
 - Chapter 15 Exam (60 points)