

**TOPIC: PERSONAL FINANCIAL MANAGEMENT****SUMMARY:**

We go to work to earn money. What we do with our money is based on our goals and values. It is difficult to be productive and sometimes trusted at work if an individual does not have his or her personal financial affairs in order. Individuals without a personal financial plan usually have little control over spending and a lot of stress caused by financial crisis. Creating and utilizing a personal financial plan helps create positive financial habits that contribute to the realization of long-term goals and professional success.

**OTHER RESOURCES:****POTENTIAL GUEST SPEAKERS**

- Invite a FINANCIAL ADVISOR to discuss the importance of avoiding debt.
- Invite a BANK REPRESENTATIVE to discuss different ways to save and invest.

**POTENTIAL FIELD TRIP**

- Visit a BANK or CREDIT UNION to give students an orientation to resources available in these places.

**LEARNING OUTCOMES: Students will be able to address the following:**

- Recognizing the significance of money management and budgeting on personal and professional success
- Distinguishing the wise use of credit and identifying debt management resources
- Evaluating alternatives for financing your education through student loans, financial aid, and other resources
- Discovering the impact your credit report has on your financial future
- Identifying methods to protect yourself from identify theft
- Assessing money wasters, emotional spending, and the impact money has on relationships

***You are a successful student if you:***

- Create and implement a personal budget including savings and investment goals
- Integrate your newfound knowledge of personal finance into your life plan
- Research and explain the optimal types and uses of credit

**OVERVIEW OF EXERCISES AND ACTIVITIES**

The following chart provides a quick overview of the activities for Attitude, Goal Setting, and Life Management. A complete description of each activity follows these tables. In the full

description, you will find the activity title, instructions, and how to conclude/evaluate the activity. As you review which of these activities to use, consider the following:

- None of the activities are meant to be prescriptive. Pick, choose, and adapt. You know your students and what they need better than anyone else.
- We have denoted the format in which the activities can be used. Note the column below titled “Applications.” Most of the activities can be easily replicated from the classroom to the online environment. For example, reflection papers and case studies could be posted on discussion boards or chat rooms and students could respond there. Where appropriate, additional suggestions have been included in the activity section below.
- We have included all worksheets needed to complete the activities for this topic.
- You may want to suggest means by which your students can save, retrieve, and send their activities. This is usually determined by you and the LMS used at your institution.
- The activities provided for this module are intended to give you suggestions that may assist you in providing students with activities, journal writing, thought-provoking situations, and group activities. You probably have many activities in addition to the ones found here. Use them to your best advantage. You and your ideas bring the class to life.
- TALK IT OUTS are found throughout the chapters and are set up to be used as in-class activities or may be assigned for homework.
- ACTIVITIES are found at the end of each chapter and are set up to be used as homework (some may be used as in-class activities).
- SELF-QUIZ is used as a review of key terms.

Activity #	Description	Related Skill and/or Learning Outcome	Applications
<b>Talk it Out: Debt Warning Signs</b>	Identify what causes debt	credit	<input checked="" type="checkbox"/> Traditional <input checked="" type="checkbox"/> Hybrid or Blended <input checked="" type="checkbox"/> Online
<b>Topic Situation</b>	Introduction to the purpose of budgeting; Discover the consequences of credit cards	personal budget credit	<input checked="" type="checkbox"/> Traditional <input checked="" type="checkbox"/> Hybrid or Blended <input checked="" type="checkbox"/> Online
<b>Think Like a Boss</b>	Critical thinking: for students to think as a boss	personal budget finances in your life plan credit	<input checked="" type="checkbox"/> Traditional <input checked="" type="checkbox"/> Hybrid or Blended <input checked="" type="checkbox"/> Online
<b>Text Activity #1 Last Week’s Spending</b>	Determine past spending as wanted or needed	personal budget	<input checked="" type="checkbox"/> Traditional <input checked="" type="checkbox"/> Hybrid or Blended <input checked="" type="checkbox"/> Online
<b>Text Activity #2 Determine Money Wasters</b>	Distinguish unnecessary spending from needed spending	personal budget	<input checked="" type="checkbox"/> Traditional <input checked="" type="checkbox"/> Hybrid or Blended <input checked="" type="checkbox"/> Online

<b>Text Activity #3 Identity Theft</b>	Anticipate what causes identity theft	finances in your life plan	<input checked="" type="checkbox"/> Traditional <input checked="" type="checkbox"/> Hybrid or Blended <input checked="" type="checkbox"/> Online
<b>Text Activity #4 Determine Monthly Income</b>	Beginning a budget	personal budget finances in your life plan	<input checked="" type="checkbox"/> Traditional <input checked="" type="checkbox"/> Hybrid or Blended <input checked="" type="checkbox"/> Online
<b>Text Activity #5 Debt Repayment Goals</b>	Prioritize debt payment	personal budget finances in your life plan credit	<input checked="" type="checkbox"/> Traditional <input checked="" type="checkbox"/> Hybrid or Blended <input checked="" type="checkbox"/> Online
<b>Text Activity #6 Financial Goals</b>	Create financial goals	finances in your life plan	<input checked="" type="checkbox"/> Traditional <input checked="" type="checkbox"/> Hybrid or Blended <input checked="" type="checkbox"/> Online
<b>Text Activity #7 Record Income</b>	Compose a record to identify all spending	personal budget	<input checked="" type="checkbox"/> Traditional <input checked="" type="checkbox"/> Hybrid or Blended <input checked="" type="checkbox"/> Online
<b>Text Activity #8 Personal Budget</b>	Create a personal budget	Personal Budget	<input checked="" type="checkbox"/> Traditional <input checked="" type="checkbox"/> Hybrid or Blended <input checked="" type="checkbox"/> Online
<b>Writing Exercises</b>	Review bad financial situations and what could have improved them Think about personal credit	personal budgeting finances in your life plan credit	<input checked="" type="checkbox"/> Traditional <input checked="" type="checkbox"/> Hybrid or Blended <input checked="" type="checkbox"/> Online
<b>Self-Quiz</b>	Review of key terms	all outcomes	<input checked="" type="checkbox"/> Traditional <input checked="" type="checkbox"/> Hybrid or Blended <input checked="" type="checkbox"/> Online

**MyStudentSuccessLab ASSESSMENTS and ACTIVITIES:**

MyStudentSuccessLab ([www.mystudentsuccesslab.com](http://www.mystudentsuccesslab.com)) is an online solution designed to help students acquire and develop the skills they need to succeed. Here students can access peer-led video presentations and develop core skills through interactive exercises and projects. Rich assessments based on Bloom’s Taxonomy and tied to learning outcomes provide students with the opportunity to identify their strengths and weaknesses and to communicate them more effectively. MyStudentSuccessLab helps students develop academic, life, and career skills that will transfer to ANY course or experience.

MSSL Topic	MSSL Activity	Description	Related Learning Objective	Time on Task	Suggested Use
Financial Literacy	Topic Pre-Test	20 Multiple Choice questions targeting various levels of Bloom’s taxonomy. Auto grading	All topic learning objectives (see Overview in the Learning Path)	30 min	Homework or in-class quiz
Financial Literacy	Video: Financial Literacy (9:16 min)	A series of freshman and upper classmen student interviews discussing financial issues	<ul style="list-style-type: none"> <li>Develop and apply strategies for reducing spending</li> </ul>	25-30 min	Homework, including viewing video and answering discussion questions
Financial Literacy	Practice 1: Financial Literacy Basics	A short multi-media activity that addresses “needs” v. “wants” and other finance basics	<ul style="list-style-type: none"> <li>Identify necessary and unnecessary spending</li> <li>Develop and apply strategies for reducing spending</li> </ul>	20 min	Extra practice or homework
Financial Literacy	Practice 2: How to Read a Credit Card Bill	Students view an interactive credit card statement and explore the effects of paying less than the principal	<ul style="list-style-type: none"> <li>Explain the pros and cons of credit</li> <li>Recommend strategies for using credit and other borrowing</li> </ul>	30-35 min	Extra practice or homework
Financial Literacy	Practice 3: Financing Your Education	Short multi-media activity in which students learn financial aid basics, such as what a FAFSA is; differences between loans, grants, and scholarships; and loan considerations	<ul style="list-style-type: none"> <li>Identify ways to finance your education</li> <li>Demonstrate an understanding of financial aid resources</li> </ul>	10 – 15 min	Extra practice or homework
Financial Literacy	Activity 1: Plan Your Budget	Students estimate and then track their income and expenses for a month and determine how their planned v. actual expenses compare. (Students can submit work via LMS or doc sharing for grading; See Appx A for Grading Rubric)	<ul style="list-style-type: none"> <li>Develop a budget</li> <li>Build awareness of spending, borrowing, earning, and saving patterns</li> <li>Evaluate and maintain your budget</li> </ul>	One month plus 1-2 hours to analyze data (Can adjust to one week)	Graded homework
Financial	Financial Lit:	Short e-journal activity to	<ul style="list-style-type: none"> <li>Build awareness of</li> </ul>	20 min	Reflection

<b>Literacy</b>	<b>Journal Writing Assignment</b>	reflect on spending patterns	spending, borrowing, earning, and saving patterns		activity
<b>Financial Literacy</b>	<b>Financial Lit: Goal Setting Writing Assignment</b>	Students set a long-term financial goal with at least two short-term goals	<ul style="list-style-type: none"> <li>Set a long-term financial goal</li> </ul>	30 min	Goal setting activity
<b>Financial Literacy</b>	<b>Extra Practice</b>	Test items with feedback for correct and incorrect answers. Test items cover all topic learning objectives (see Overview in the Learning Path)	Over 140 additional Extra Practice items assess all topic learning objectives	Self-paced so time is variable	Extra practice or homework
<b>Financial Literacy</b>	<b>Topic Post-Test</b>	20 Multiple Choice questions targeting various levels of Bloom's taxonomy. Auto grading	All topic learning objectives (see Topic Overview in the Learning Path)	30-45 min	Graded in-class test (can compare Pre- and Post-test results)

**TALK IT OUT: Debt Warning Signs**

*What are warning signs that you may be getting into debt?*

The purpose of this discussion is to get students to realize when the amount they are spending is more than their income. If they have trouble paying what they owe, they are in debt.

**TOPIC SITUATION RESPONSE*****1. Where are you unnecessarily spending money?***

This topic situation introduces a case where Oscar shares budgeting tips for a coworker. Students can begin to think about what unnecessary spending they are doing and how can they change that. They may be buying coffee, lunch, sodas, or other items that could be brought to school so they could save money.

***2. What are the risks if Simone does not pay the credit card balance in full each month?***

She could get into debt, she may start abusing the credit card by spending on items she cannot afford, she may apply for additional cards to buy more, she may have to pay interest, it may become hard for her to pay off the credit card, and she may ruin her credit score.

### **THINK LIKE A BOSS**

***1. You need to hire a receptionist that will be handling cash. What steps would you take to make sure you hire the right person?***

Make sure a background check is conducted prior to hiring the receptionist. Make sure the background check includes a credit and reference check.

***2. Why should you teach your employees the importance of personal financial management? What are some creative ways of doing this?***

A good employee is one who can manage his or her money. That employee will be trustworthy and responsible with the company's financial resources. Bosses can hold workshops and/or invite investment counselors to speak with employees. They should routinely share budget information to assist employees in understanding the company's financial position (including department budgets).





**Text Activity #2: Determine Money Wasters (Exercise 2-2)**

*Without repeating the examples in this section, identify three common money wasters and alternatives that will save money.*

<b>Small Expenditure Waste (Money Wasters)</b>	<b>What can be done to save money?</b>
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Have students list at least three examples. Answers will vary and may be different than what is listed here: buying coffee each day, buying lunch each day, paying for friends, paying to have car washed, salon manicures, unnecessary use of cell phones (text messaging), junk food, excessive social/entertainment activities, or purchasing music.

<b>Small Expenditure Waste (Money Wasters)</b>	<b>What can be done to save money?</b>

**Text Activity #3: Identity Theft (*Exercise 2-3*)**

***Identify ways identity thieves get their information***

Mail containing personal information (credit card offers, junk mail), listening when you give personal information over a phone, stolen wallets, making false calls as a company representative asking for personal information, Internet hacking, and other unidentified calls.

**Text Activity #4: Determine Monthly Income (Activity 2-1)**

*Determine your monthly income by completing the following information the best you can.*

Salary(s)/wage(s) per month <i>(Use net income—after taxes.)</i>	_____
Interest income per month <i>(Savings, checking, other)</i>	_____
Other income per month	_____
Total monthly income	

Answers will vary; make sure students use monthly income, and assure students that their responses are confidential (between teacher and student only).

**Text Activity #5: Debt Repayment Goals (Exercise 2-2)**

*If you have debt, create debt paying goals by listing each loan then list the amount you pay each month and the total amount you owe. Include the amount of interest you pay annually. Identify which creditor should be paid first.*

<b>Creditor = (e.g., credit card company, retailer, bank)</b>	<b>Amount Paid per Month</b>	<b>Total Amount Still Owed</b>	<b>Interest Percentage</b>	<b>Order of Payoff</b>
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Answers will vary; some students may not have debt at this time, and assure students that their responses are confidential (between teacher and student only)

<b>Creditor = (e.g., credit card company, retailer, bank)</b>	<b>Amount Paid per Month</b>	<b>Total Amount Still Owed</b>	<b>Interest Percentage</b>	<b>Order of Payoff</b>
<b>1.</b>	\$	\$	%	
<b>2.</b>				
<b>3.</b>				
<b>4.</b>				

**Text Activity #6: Financial Goals (Exercise 2-3)**

*Using you're the goals you set in Activity 1-4, write down your personal, educational, and career goals, then create financial goals to support your life plan. Identify the amount of money needed to reach each goal. In the last column, identify the year you plan to reach each goal.*

<b>Life Area</b>	<b>Goal</b>	<b>Financial Goal (Estimated Cost)</b>	<b>Year of Completion</b>
<b>Personal</b>			
Long-term goal:			
Short-term goal 1:			
Short-term goal 2:			
Short-term goal 3:			
<b>Education</b>			
Long-term goal:			
Short-term goal 1:			
Short-term goal 2:			
Short-term goal 3:			
<b>Career</b>			
Long-term goal:			
Short-term goal 1:			
Short-term goal 2:			
Short-term goal 3:			

Answers will vary; have students refer back to the chapter 1 goals, and assure students that their responses are confidential (between teacher and student only).







**Text Activity #8: Personal Budget (Activity 2-5)**

*Create a personal budget by only completing the estimated column. After one month, record actual spending and then calculate the difference to identify areas to decrease spending or opportunities to save.*

<b>BUDGET FOR MONTH OF _____</b>			
<b>Monthly Payment Category</b>	<b>Estimated Amount</b>	<b>Actual Amount</b>	<b>Difference + OR -</b>
Net spendable income per month	\$	\$	\$
Expenditures	\$	\$	\$
Clothing			
Communications (phone, Internet)			
Daycare			
Debts (including student loans)			
Donations			
Education			
Entertainment			
Food			
Housing			
Insurance			
Investments/savings			
Medical			
Miscellaneous			
Transportation			
Utilities			

Check that students are realistic in the amounts listed in their budgets. Remind students they should add categories if needed.

**WRITING EXERCISES**

1. Write about a time when you have been in a financial rut. Describe how you felt and how the financial problem was resolved. Applying what you have learned in this chapter, what would you do differently?
2. Write a letter to a potential lender explaining why you would be a good candidate for a credit card or loan.

**Self-Quiz**

**Matching Key Terms:** *In the blank column match the key term to the definition using the identifying number.*

Key Terms	Match Definition	Definitions
Assets		1. Expenses that do not change from month to month
Automatic deduction plan		2. Items that you own that are worth money
Budget		3. The cost of borrowing money
Credit report		4. Small expenditures that consume a larger portion of one's income than expected
Debt		5. A detailed credit history on an individual
Expense		6. Money coming in
Fair Isaac Corporation (FICO) score		7. The amount of money in a paycheck before paying taxes or other deductions
Fixed expenses		8. When funds are automatically deducted from an employee's paycheck and placed into a bank account
Flexible expenses		9. A large debt that is paid in smaller amounts over a period of time and has interest added to the payment
Gross income		10. The amount of money you have after all taxes and deductions are paid
Income		11. Money going out
Interest		12. The process of controlling personal income and expenses
Liability		13. A detailed financial plan used to allocate money for a specific time period
Loan		14. An obligation to pay what you owe
Money wasters		15. The amount of money that is yours after paying off debt
Net income		16. The most common credit rating
Net worth		17. Expenses that change from month to month
Personal financial management		18. Money owed

**Self-Quiz Answer Key**

<b>Key Terms</b>	<b>Match Definition</b>	<b>Definitions</b>
Assets	2	1. Expenses that do not change from month to month
Automatic deduction plan	8	2. Items that you own that are worth money
Budget	13	3. The cost of borrowing money
Credit report	5	4. Small expenditures that consume a larger portion of one's income than expected
Debt	18	5. A detailed credit history on an individual
Expense	11	6. Money coming in
Fair Isaac Corporation (FICO) score	16	7. The amount of money in a paycheck before paying taxes or other deductions
Fixed expenses	1	8. When funds are automatically deducted from an employee's paycheck and placed into a bank account
Flexible expenses	17	9. A large debt that is paid in smaller amounts over a period of time and has interest added to the payment
Gross income	7	10. The amount of money you have after all taxes and deductions are paid
Income	6	11. Money going out
Interest	3	12. The process of controlling personal income and expenses
Liability	14	13. A detailed financial plan used to allocate money for a specific time period
Loan	9	14. An obligation to pay what you owe
Money wasters	4	15. The amount of money that is yours after paying off debt
Net income	10	16. The most common credit rating
Net worth	15	17. Expenses that change from month to month
Personal financial management	12	18. Money owed

**PERSONAL FINANCIAL MANAGEMENT  
ASSIGNMENT SHEET**

Assignment	Points	Notes
Read Chapter 2		
Exercise 1		
Exercise 2		
Exercise 3		
Topic Situation: Spending Money		
Topic Situation: Credit Card Use		
Self-Quiz		
Think Like A Boss #1		
Think Like A Boss #2		
Activity 1		
Activity 2		
Activity 3		
Activity 4		
Activity 5		