



West Windsor-Plainsboro Regional School District  
Financial Literacy

## Unit 0: Personal Financial Literacy

Content Area: Personal Financial Literacy

Course & Grade Level: Personal Financial Literacy - Grade 12

### Summary and Rationale

The West Windsor-Plainsboro Regional School District recognizes the importance of the study 21<sup>st</sup> Century Life and Careers standards. Additionally, it is also believed this learning should not be taught in isolation and cross curricular and career ready practices are embedded in every unit of study. Unit 0 is incorporated into each unit of study of this curricular document.

### Recommended Pacing:

ELA Companion Standards and Career Ready Practices will be integrated throughout all units of study.

### Interdisciplinary Connections

#### Grades 9-10

#### Progress Indicators Reading Science and Technical Subjects

##### Key Ideas and Details

RST.9-10.1. Accurately cite strong and thorough evidence from the text to support analysis of science and technical texts, attending to precise details for explanations or descriptions.

RST.9-10.2. Determine the central ideas, themes, or conclusions of a text; trace the text's explanation or depiction of a complex process, phenomenon, or concept; provide an accurate summary of the text.

RST.9-10.3. Follow precisely a complex multistep procedure when carrying out experiments, taking measurements, or performing technical tasks, attending to special cases or exceptions defined in the text.

##### Craft and Structure

RST.9-10.4. Determine the meaning of symbols, key terms, and other domain-specific words and phrases as they are used in a specific scientific or technical context relevant to *grades 9-10 texts and topics*.

RST.9-10.5. Analyze the relationships among concepts in a text, including relationships among key terms (e.g., *force, friction, reaction force, energy*).

RST.9-10.6. Determine the author's purpose in providing an explanation, describing a procedure, or discussing an experiment in a text, defining the question the author seeks to address.

##### Integration of Knowledge and Ideas

RST.9-10.7. Translate quantitative or technical information expressed in words in a text into visual form (e.g., a table or chart) and translate information expressed visually or mathematically (e.g., in an equation) into words.

RST.9-10.8. Determine if the reasoning and evidence in a text support the author’s claim or a recommendation for solving a scientific or technical problem.

RST.9-10.9. Compare and contrast findings presented in a text to those from other sources (including their own experiments), noting when the findings support or contradict previous explanations or accounts.

**Range of Reading and Level of Text Complexity:**

RST.9-10.10. By the end of grade 10, read and comprehend science/technical texts in the grades 9-10 text complexity band independently and proficiently.

**Career Ready Practices**

CRP1. Act as a responsible and contributing citizen and employee.

CRP2. Apply appropriate academic and technical skills.

CRP3. Attend to personal health and financial well-being.

CRP4. Communicate clearly and effectively and with reason.

CRP5. Consider the environmental, social and economic impacts of decisions.

CRP6. Demonstrate creativity and innovation.

CRP7. Employ valid and reliable research strategies.

CRP8. Utilize critical thinking to make sense of problems and persevere in solving them.

CRP9. Model integrity, ethical leadership and effective management.

CRP10. Plan education and career paths aligned to personal goals.

CRP11. Use technology to enhance productivity.

CRP12. Work productively in teams while using cultural global competence.

**Competencies for 21<sup>st</sup> Century Learners**

X	Collaborative Team Member	X	Effective Communicator
X	Globally Aware, Active, & Responsible Student/Citizen	X	Information Literate Researcher
X	Innovative & Practical Problem Solver	X	Self-Directed Learner

<b>Financial Literacy</b>
<b>Content Area: Financial Literacy</b>
<b>Course &amp; Grade Level: Financial Literacy, 9-12</b>
<b>Summary and Rationale</b>
<p>The vision of the Financial Literacy curriculum is to equip students to live successfully in a changing world. The courses have roots in both academic and career education as they focus on the needs of individuals and families. The course purports to enrich students’ lives by preparing them to be self-sufficient, productive, and responsible adults. Financial literacy is fundamental for students to live and work in the 21st century. Students enrolled in Financial Literacy will investigate consumer practices and responsibilities that foster financial security. The knowledge and skills that students acquire provide a foundation for money management principles.</p>
<b>Recommended Pacing</b>
67 days
<b>State Standards</b>
<p><b>9.1 Personal Financial Literacy:</b>  This standard outlines the important fiscal knowledge, habits, and skills that must be mastered in order for students to make informed decisions about personal finance. Financial literacy is an integral component of a student's college and career readiness, enabling students to achieve fulfilling, financially-secure, and successful careers.</p>

## Unit 1: Careers

**Content Area: Financial Literacy**

**Course & Grade Level: Financial Literacy, 9-12**

### Summary and Rationale

Unit 1 addresses the relationship between career choice and earning potential. It explains how education and training affect career choice. It promotes the understanding of value and cost of career preparation and it compares the benefits and drawbacks between self-employment and working for someone else.

### Recommended Pacing

5 days

### State Standards

9.1.12.A.3	Analyze the relationship between various careers and personal earning goals.
9.1.12.A.4	Identify a career goal and develop a plan and timetable for achieving it, including educational/training requirements, costs, and possible debt.
9.1.12.A.5	Analyze how the economic, social, and political conditions of a time period can affect the labor market.
9.1.12.A.6	Summarize the financial risks and benefits of entrepreneurship as a career choice.
9.1.12.A.13	Analyze the impact of the collective bargaining process on benefits, income, and fair labor practice.

### Instructional Focus

#### Enduring Understandings

- Personal values direct my choices.
- Interests, aptitudes and personality traits will direct my career as skills and skill levels will guide it.
- An investment in education leads to a higher potential earnings.
- Being an employee differs significantly from being an entrepreneur.
- Money and wealth are products of the allocation of personal resources and the accumulation of assets and property.
- A job is a set of tasks you accomplish as you work whereas a career is an occupation to which you have made a long-term commitment.
- The chosen career path will be guided by the achievement of educational and experience benchmarks.
- The EEOC forbids discrimination by potential employers on the basis of race, age, color, religion, or national origin and/or disabilities.

<b>Essential Questions</b>
<ul style="list-style-type: none"> <li>• What guides people in making choices?</li> <li>• What are my career options?</li> <li>• What will I need to invest (time, money) to achieve my goals?</li> <li>• Are my goals realistic? What is my personality? What do I like and dislike? What are my strengths? What are my challenges?</li> </ul>
<b>Objectives</b>
<p><b>Students will know:</b></p> <ul style="list-style-type: none"> <li>• The decision making process utilizes a personal value system.</li> <li>• Their personal strengths and weaknesses.</li> <li>• Federal protections preventing discrimination.</li> </ul> <p><b>Students will able to:</b></p> <ul style="list-style-type: none"> <li>• Search for careers utilizing various identified sources.</li> <li>• Develop skills (educational and technical) necessary in the pursuit of career goals.</li> <li>• Articulate strengths and challenges, goals and objectives.</li> </ul>
<b>Evidence of Learning</b>
<b>Assessment</b>
Common Assessment #1: Career Research Document
<b>Resources</b>
<p><b>Suggested Resources:</b></p> <p>Web-based career aptitude assessment</p> <p>Articles on Entrepreneurship</p> <p>Articles on Collective Bargaining</p> <p>Bureau of Labor Statistics site (Occupational Handbook)</p> <p>Various College and Career resource sites</p>

## Unit 2: Budgeting & Savings

**Content Area: Financial Literacy**

**Course & Grade Level: Financial Literacy, 9-12**

### Summary and Rationale

Students will examine the importance of making sound financial choices including the process of budgeting and goal setting. Students will explore a variety of basic financial products and institutions.

### Recommended Pacing

11 days

### State Standards

9.1.12.B.1	Prioritize financial decisions by systematically considering alternatives and possible consequences.
9.1.12.B.3	Construct a plan to accumulate emergency “rainy day” funds.
9.1.12.B.4	Analyze how income and spending plans are affected by age, needs, and resources.
9.1.12.B.5	Analyze how changes in taxes, inflation, and personal circumstances can affect a personal budget.
9.1.12.B.6	Design and utilize a simulated budget to monitor progress of financial plans.
9.1.12.B.7	Explain the meaning of income tax, describe how it is calculated, and analyze its impact on one’s personal budget.
9.1.12.B.9	Research the types and characteristics of various financial organizations in the community (e.g., banks, credit unions, check-cashing stores, et. al.)
9.1.12.B.10	Develop a plan that uses the services of various financial institutions to meet personal and family financial goals
9.1.12.C.1	Compare and contrast the financial benefits of different products and services offered by a variety of financial institutions.
9.1.12.C.2	Compare and compute interest and compound interest and develop an amortization table using business tools.
9.1.12.D.4	Assess factors that influence financial planning.
9.1.12.D.5	Justify the use of savings and investment options to meet targeted goals.
9.1.12.D.9	Relate savings and investment results to achievement of financial goals.
9.1.12.D.10	Differentiate among various investment products and savings vehicles and how to use them most effectively.

## Instructional Focus

### Enduring Understandings

- Financial Goals can be divided into short, mid and long term.
- A budget is a plan developed from a worksheet, for dividing income among spending and savings options coupled with an effective filing system for your records usually over a period of a month or year.
- Fixed expenses are amounts you are committed to spend; no choice. Flexible expenses are amounts you choose to spend or not to spend.
- Limited resources and unlimited wants require the consumer to prioritize wants and needs to make informed financial decisions including financial products and institutions.
- Responsible spending practices are a result of rational decision making utilizing accurate information and cost-benefit analyses.

### Essential Questions

- What is a budget? Why is it a key to sound financial planning?
- What are basic financial products that can be used in financial planning?
- What factors do I need to consider when defining and making choices to meet financial goals?

### Objectives

#### Students will know:

- Realistic financial goal setting as an intricate part of their life including short, mid, and long term goal setting.
- As a consumer, your decisions are based on your values. Values are the standards you use to judge what is right and wrong or good and bad.
- Trade-offs create opportunity costs which are the value of an alternative that you give up when you make a choice.
- Scarcity exists when consumers' wants are greater than the resources available to satisfy those wants.

#### Students will be able to:

- Identify their personal financial goals and pursue them.
- Develop a workable, realistic, budget worksheet. Identify a record keeping system that coincides with their lifestyle. Track expenses and divide into fixed (committed) and flexible (choice) categories. Calculate their net worth.
- Explain budgeting concepts and format.
- Evaluate their personal values and determine how they define their personal goals.
- Demonstrate the ability to prioritize their needs and wants as related to the context of their daily lives as well as the long term.
- Articulate the importance of a budget
- Articulate their financial goals and the considerations taken into account to define them.
- Appraise a financial situation or goal and determine appropriate strategies for success.

Evidence of Learning
<b>Assessment</b>
Common Assessment 2: Budget document
<b>Resources</b>
<b>Suggested Resources:</b> Budget worksheets <a href="http://cdn.ramseysolutions.net">cdn.ramseysolutions.net</a>

## Unit 3: Credit and Debt Management

**Content Area: Financial Literacy**

**Course & Grade Level: Financial Literacy, 9-12**

### Summary and Rationale

Students will also explore credit. They explore the advantages and disadvantages of credit, why credit is important, how to utilize credit responsibly, and the consequences of mismanagement. Students will explore identity theft as well as deceptive credit practices.

### Recommended Pacing

11 days

### State Standards

9.1.12.B.8	Describe and calculate interest and fees that are applied to various forms of spending, debt, and saving.
9.1.12.C.1	Compare and contrast the financial benefits of different products and services offered by a variety of financial institutions.
9.1.12.C.2	Compare and compute interest and compound interest and develop an amortization table using business tools.
9.1.12.C.3	Compute and assess the accumulating effect of interest paid over time when using a variety of sources of credit.
9.1.12.C.4	Compare and contrast the advantages and disadvantages of various types of mortgages.
9.1.12.C.5	Analyze the information contained in a credit report and explain the importance of disputing inaccurate entries.
9.1.12.C.6	Explain how predictive modeling determines "credit scores."
9.1.12.C.7	Analyze the rights and responsibilities of buyers and sellers under consumer protection laws.
9.1.12.C.8	Identify the types and characteristics of predatory lending practices (e.g., payday loans, car title loans, high-risk mortgages)
9.1.12.C.9	Evaluate the implications of personal and corporate bankruptcy for self and other
9.1.12.E.7	Apply specific consumer protection laws to the issues they address.
9.1.12.E.8	Relate consumer fraud, including online scams and theft of employee time and goods, to laws that protect consumers.
9.1.12.E.9	Determine when credit counseling is necessary and evaluate the resources available to assist consumers who wish to use it.
9.1.12.E.10	Determine reasons for the increase of identity theft worldwide and evaluate the extent to which victims of identity theft are successful in fully restoring their personal identities.

<b>Instructional Focus</b>
<p><b>Enduring Understandings</b></p> <ul style="list-style-type: none"> <li>● Students will understand the concept of credit.</li> <li>● Students will understand creditworthiness.</li> <li>● Students will understand the types of credit available.</li> <li>● Laws protect your credits rights.</li> </ul>
<p><b>Essential Questions</b></p> <ul style="list-style-type: none"> <li>● What is FICO?</li> <li>● Should I pay cash or should I charge it?</li> <li>● What is a credit score and how is it calculated? Why is a credit score so important? What is good credit score?</li> <li>● What is a credit bureau and what do credit bureaus do? How do I fix my credit report and improve my score?</li> <li>● Is it better to buy or lease a car? Is it better to rent or buy a house?</li> <li>● What type of loan should I get to buy my house? What are closing costs? What are points on a home mortgage? Is the interest rate on my mortgage a good one? Should I refinance my mortgage loan?</li> </ul>
<p><b>Objectives</b></p> <p><b>Students will know:</b></p> <ul style="list-style-type: none"> <li>● About different types of credit and financing options, including buy vs. lease and buy vs. rent.</li> <li>● The advantages and risks of using credit cards, debit cards, gift cards.</li> <li>● The differences of secured and unsecured loans.</li> <li>● Where to obtain loans.</li> <li>● benefits and risks of utilizing a particular financial loan institutions</li> </ul> <p><b>Students will be able to:</b></p> <ul style="list-style-type: none"> <li>● Obtain and evaluate a credit report.</li> <li>● Define/analyze a credit opportunity.</li> <li>● Articulate the factors that determine your credit score.</li> <li>● Articulate the process of managing a credit report.</li> <li>● Identify various types of identity theft and minimize the risk, and/or address the consequences of being a victim of identity theft.</li> </ul>
<b>Evidence of Learning</b>
<p><b>Assessment</b></p> <p>Common Assessment 3: Test</p>
<b>Resources</b>
<p><b>Suggested Resources:</b></p> <p>Annualcreditreport.com</p>

## Unit 4: Investing

**Content Area: Financial Literacy**

**Course & Grade Level: Financial Literacy, 9-12**

### Summary and Rationale

This unit addresses the reasons, principles and strategies for saving and investing as well as the investment options available to consumers to achieve their goals. Students will research investments and markets as well as explore the buying and selling of securities.

### Recommended Pacing

13 days

### State Standards

9.1.12.B.2	Compare strategies for saving and investing and the factors that influence how much should be saved or invested to meet financial goals
9.1.12.C.1	Compare and contrast the financial benefits of different products and services offered by a variety of financial institutions
9.1.12.D.1	Calculate short- and long-term returns on various investments (e.g., stocks, bonds, mutual funds, IRAs, deferred pension plans, and so on).
9.1.12.D.2	Assess the impact of inflation on economic decisions and lifestyles.
9.1.12.D.3	Summarize how investing builds wealth and assists in meeting long- and short-term financial goals.
9.1.12.D.4	Assess factors that influence financial planning.
9.1.12.D.5	Justify the use of savings and investment options to meet targeted goals.
9.1.12.D.6	Analyze processes and vehicles for buying and selling investments.
9.1.12.D.7	Explain the risk, return, and liquidity of various savings and investment alternatives.
9.1.12.D.8	Explain how government and independent financial services and products are used to achieve personal financial goals.
9.1.12.D.9	Relate savings and investment results to achievement of financial goals.
9.1.12.D.10	Differentiate among various investment products and savings vehicles and how to use them most effectively.
9.1.12.D.11	Assess the role of revenue-generating assets as mechanisms for accruing and managing wealth.
9.1.12.D.12	Compare and contrast the past and present role of government in the financial industry and in the regulation of financial markets.
9.1.12.D.13	Determine the impact of various market events on stock market prices and on other savings and investments.
9.1.12.D.14	Evaluate how taxes affect the rate of return on savings and investments.
9.1.12.D.15	Analyze how savings, retirement plans, and other investment options help to shift current income for purposes of tax reporting and filing.

## Instructional Focus

### Enduring Understandings

- Understanding investment options is critical to effective financial planning.
- There are common financial risks and ways to manage them.
- Investment decisions are based on personal risk tolerance.

### Essential Questions

- How can investing contribute to the building of wealth and assist in meeting financial goals?
- Which combinations of investment alternatives are appropriate to meet varying risk, return and liquidity objectives?
- What role does the government play in the regulation of financial markets?
- What financial risks am I facing and how do I assess those risks?

### Objectives

#### Students will know:

- The income you earn on an investment is your return. In general, the higher the potential rate of return, the greater the risk of the investment.
- To reduce your overall risk, you should diversify your investments among a variety of investment vehicles.
- In making investment decisions, you should consider your current financial situation, your tolerance for risk, your values and your family's needs.
- Stocks, bonds and mutual funds differ in terms of their structure, risk and reward potential.
- Before you make any investments, you should create an investment plan based on your goals and values.
- The Securities and Exchange Commission (SEC) enforces laws concerning the investment process, licenses brokers and investigates consumer complaints.
- Workers must take responsibility for their own retirement savings. Many companies offer investment plans in which their employees can participate.

#### Students will be able to:

- Participate in an investment portfolio simulation creating diversified portfolios based on collaborative student research
- Students will present their investment portfolios articulating their investment strategies, transactions, results and outlook.
- Demonstrate how savings and investing works in the United States.

## Evidence of Learning

### Assessment

Common Assessment 4: Stock Market Game/Presentation

## Resources

### Suggested Resources:

Value Line                      Bloomberg.com  
Morningstar.com              S&P Reports  
Yahoo.Finance.com

## Unit 5: Critical Consumer

**Content Area: Financial Literacy**

**Course & Grade Level: Financial Literacy, 9-12**

### Summary and Rationale

Unit 5 addresses the roles, rights and responsibilities of consumers in the marketplace as well as governmental agencies established for their protection. Students will consider deception and fraud in addition to exploring strategies for resolving consumer problems.

### Recommended Pacing

11 days

### State Standards

9.1.12.E.1	Evaluate the appropriateness of different types of monetary transactions (e.g., electronic transfer, check, certified check, money order, gift card, barter) for various situations.
9.1.12.E.2	Analyze and apply multiple sources of financial information when prioritizing financial decisions.
9.1.12.E.3	Determine how objective, accurate, and current financial information affects the prioritization of financial decisions.
9.1.12.E.4	Evaluate how media, bias, purpose, and validity affect the prioritization of consumer decisions and spending.
9.1.12.E.5	Evaluate business practices and their impact on individuals, families, and societies.
9.1.12.E.6	Evaluate written and verbal contracts for essential components and for obligations of the lender and borrower.
9.1.12.E.7	Apply specific consumer protection laws to the issues they address.
9.1.12.E.8	Relate consumer fraud, including online scams and theft of employee time and goods, to laws that protect consumers.
9.1.12.E.9	Determine when credit counseling is necessary and evaluate the resources available to assist consumers who wish to use it.
9.1.12.E.10	Determine reasons for the increase of identity theft worldwide and evaluate the extent to which victims of identity theft are successful in fully restoring their personal identities.
9.1.12.F.1	Relate a country's economic system of production and consumption to building personal wealth and achieving societal responsibilities.
9.1.12.F.2	Assess the impact of emerging global economic events on financial planning.
9.1.12.F.3	Analyze how citizen decisions and actions can influence the use of economic resources to achieve societal goals and provide individual services.
9.1.12.F.5	Compare and contrast the role of philanthropy, volunteer service, and charities in community development and quality of life in a variety of cultures.

### Instructional Focus

#### Enduring Understandings

- Critical consumers understand their rights, responsibilities and the resources available to them for decision making.
- Students will evaluate the source of information.
- Media can affect financial decisions.
- Students will understand the importance of credit and how to manage and protect it.

**Essential Questions**

- As a consumer, what information do I need to make effective decisions in the current marketplace?
- Where can I obtain the information I need as a consumer to make the decisions that are right for me?
- How do I apply available information to my situation?
- What protections am I afforded as a consumer, and to whom can I reach out to for assistance or support?
- Given my rights as a consumer, what responsibilities are implied to me, my family and the broader community?

**Objectives****Students will know:**

- Consumers have rights and responsibilities.
- Advertising is done in a variety of ways and may affect your financial decisions.
- Laws protect consumers from inaccurate or misleading information and products that can endanger consumers' lives or health.
- There are numerous federal agencies that may be contacted for assistance with consumer problems.

**Students will able to:**

- Distinguish their role as a consumer and associated responsibilities within the larger economy.
- Identify consumer related problems, how they arise and possible solutions.
- Explain the protections afforded them as consumers.

**Evidence of Learning****Assessment**

Common Assessment 4: Test

**Resources****Suggested Resources:**

Annualcreditreport.com

Various Consumer Protection websites

## Unit 6: Income & Taxes

**Content Area: Financial Literacy**

**Course & Grade Level: Financial Literacy, 9-12**

### Summary and Rationale

Students will develop an appreciation of their contributions to the larger society while examining their civic financial responsibilities. Students will explore the concept of income and taxes. A variety of tax and payroll forms will be studied in addition to gaining an understanding of the purpose of use of tax revenue.

### Recommended Pacing

11 days

### State Standards

9.1.12.A.1	Differentiate among the types of taxes and employee benefits.
9.1.12.A.2	Differentiate between taxable and nontaxable income.
9.1.12.A.7	Analyze and critique various sources of income and available resources (e.g., financial assets, property, and transfer payments) and how they may substitute for earned income.
9.1.12.A.8	Analyze different forms of currency and how currency is used to exchange goods and services.
9.1.12.A.9	Analyze how personal and cultural values impact spending and other financial decisions.
9.1.12.A.10	Demonstrate how exemptions and deductions can reduce taxable income.
9.1.12.A.11	Explain the relationship between government programs and services and taxation.
9.1.12.F.6	Explain the concept and forms of taxation and justify the use of taxation to fund public activities and initiatives.

### Instructional Focus

#### Enduring Understandings

- The ability to financially plan, calculate and pay the required amounts of tax rests on the individual taxpayer.
- The potential for accumulating, consuming and distributing personal wealth includes responsibility to the broader community and an understanding of the legal rights and responsibilities of being productive citizen.
- Philanthropic, charitable and entrepreneurial organizations play distinctly different but vitally important roles in supporting the interests of local and global communities.
- There exists social, economic and legal requirements on individuals and businesses to become responsible taxpayers in an environment of increasing state and federal debt.

#### Essential Questions

- What is my role as a responsible taxpayer?
- How are my taxes used to contribute to the state and federal budget and spending process?
- How does the government use the tax system to encourage or discourage taxpayer behavior?

## Objectives

### Students will know:

- The government requires your employer to withhold money from your paycheck to pay taxes. If you are self-employed, you may be required to submit your estimated taxes to the government quarterly.
- Your level of income and the complexity of your financial circumstances determine what income tax forms you must file.
- The federal government receives its revenue from many sources, including personal income taxes, corporate income taxes, social insurance taxes, borrowing and a variety of other taxes.
- State and local governments collect most of their revenue from four types of taxes: income, sales, property and excise taxes.
- Taxes are assessed in a variety of ways. They can be assessed on what you own, what you earn, what you use and/or the price of items you buy.
- Federal spending is allocated for many purposes including Social Security, Medicare, health programs, community development, interest on national debt and national defense.
- State and local governments pay for most programs that benefit you directly, such as schools and police protection.
- Most individual tax returns are filed electronically. People with relatively low incomes may use the government's Free File program.
- Governments provide a significant amount of information and assistance with determining tax obligations via the internet. People with more complex situations may need to engage the services of a tax professional.
- Everyone has the opportunity to give something back. People donate substantial amounts of time, effort and personal resources to assist those in need and to further education, the arts, and humanitarian causes.
- Tax advantages of home ownership.

### Students will be able to:

- Analyze their contribution to governments via taxation and discuss how those funds are used to support local and national communities.
- Prepare and file a basic tax return.
- Examine how they contribute to society as a whole as productive citizens.

## Evidence of Learning

### Assessment

Common Assessment 6: Tax return completion and/or test

## Resources

### Suggested Resources:

IRS.gov

<https://www.whitehouse.gov/2014-taxreceipt>

<http://www.usdebtclock.org/>

Various government spending websites

## Unit 7: Risk Management & Insurance

**Content Area:** Financial Literacy

**Course & Grade Level:** Financial Literacy, 9-12

### Summary and Rationale

Unit 7 addresses the concepts of risk management and insurance. The student develops an understanding of the decisions required to achieve personal financial security. It explains how the government decisions affect economic life with regard to risk management.

### Recommended Pacing

5 days

### State Standards

9.1.12.A.12	Explain how compulsory government programs (e.g., Social Security, Medicare) provide insurance against some loss of income and benefits to eligible recipients.
9.1.12.F.4	Summarize the purpose and importance of a will.
9.1.12.G.1	Analyze risks and benefits in various financial situations.
9.1.12.G.2	Differentiate between property and liability insurance protection.
9.1.12.G.3	Compare the cost of various types of insurance (e.g., life, homeowners, motor vehicle) for the same product or service, given different liability limits and risk factors.
9.1.12.G.4	Evaluate individual and family needs for insurance protection using opportunity-cost analysis.
9.1.12.G.5	Differentiate the costs and benefits of renter's and homeowner's insurance.
9.1.12.G.6	Explain how to self-insure and how to determine when self-insurance is appropriate
9.1.12.G.7	Determine when and why it may be appropriate for the government to provide insurance coverage, rather than private industry.

### Instructional Focus

#### Enduring Understandings

- Insurance is designed to protect the consumer against unintended losses.
- Insurance can take several forms, including private and government.
- The students will understand the importance of a will in sound financial planning.
- A will can provide the foundation for estate planning and asset protection.

#### Essential Questions

- What is the purpose of insurance?
- What are the types of insurance products?
- Who needs insurance? Who is eligible to purchase insurance?
- Why is a will critical to solid financial planning?

**Objectives****Students will know:**

- Insurance is the transfer of risk. Insurance helps you manage risk by limiting possible financial losses to an amount you can handle.
- The basic premise of insurance is the “law of large numbers.” Insurance companies collect premiums from many policyholders, with the expectation that only a small percentage will suffer losses and make claims. Insurance companies use statistics to set premiums.
- Consumers must consider many different types of insurance to protect both their income and their property.

**Students will be able to:**

- Compare and contrast the features of different types of insurances and the protections they provide.
- Evaluate individual and family needs for insurance protection using opportunity-cost analysis.
- Describe the insurance claims process and the consumer’s associated responsibilities.

**Evidence of Learning****Assessment**

Common Assessment 7: Test

**Resources****Suggested Resources:**

Investopedia.com (5 Insurance Policies Everyone Should Have)