

# Financial Literacy: Personal Finance Basics

**Media Type:** DVD

**Duration:** 34 minutes

**Goal:** To organize and plan personal finances and use a budget to manage cash flow.

## Description:

*Financial Literacy: Personal Finance Basics* provides the student with an in-depth understanding of how to create a financial foundation. The student will learn how to implement a spending plan, what to consider when choosing a bank, and how to open a new account. Furthermore, students will learn the importance of reconciling an account monthly instead of relying solely on information from the bank.

## Objectives:

1. To identify how to create and implement a spending plan.
2. To identify, prioritize and create an action plan to achieve financial goals.
3. To identify different types of banking institutions and services offered.
4. To identify information needed to open a new account.
5. To identify the process of reconciling an account.
6. To identify the basic features of online and mobile banking.



Finance Career Cluster (FN)

Cluster	Standard
	Utilize mathematical concepts, skills and problem solving to obtain necessary information for decision making in the finance industry.
	Utilize tools, strategies and systems to plan, monitor, manage and maintain the use of financial resources.
	Plan, monitor and manage day-to-day activities to ensure effective and efficient finance operations.
	Plan, manage and maintain the use of financial resources to protect solvency.
	Plan, organize and manage a finance organization/department.
	Plan, monitor and manage day-to-day activities required to sustain continued business functioning.
	Access, evaluate and disseminate financial information to enhance financial decision-making processes.
	Employ financial risk-management strategies and techniques used to minimize business loss.
Accounting Career Pathway (FN-ACT)	Describe and follow laws and regulations to manage accounting operations and transactions.
	Utilize accounting tools, strategies and systems to plan, monitor, manage and maintain the use of financial resources.
	Process, evaluate and disseminate financial information to assist business decision making.
	Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop an accounting career.
Banking Services Career Pathway (FN-BNK)	Describe and follow laws and regulations to manage business operations and transactions in the banking services industry.
	Create and maintain positive, ongoing relationships with banking customers.
	Manage the use of financial resources to enhance banking performance.
	Demonstrate the use of banking technology and equipment.
	Plan, monitor and manage the day-to-day activities within a banking organization to ensure secure operations.
	Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop a career in banking services.
	Determine client needs and wants and respond through planned, personalized communication to guide purchase decisions and enhance future business opportunities in banking services.

# Financial Literacy: Personal Finance Basics



## Finance Career Cluster (FN) continued

<b>Business Finance Career Pathway (FN-BFN)</b>	Describe and follow laws and regulations to manage business operations and transactions in corporate finance.
	Manage the use of financial resources to ensure business stability.
	Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop in a corporate finance career.
	Employ risk-management strategies and techniques in corporate finance to minimize business loss.
<b>Securities &amp; Investments Career Pathway (FN-SEC)</b>	Describe and follow laws and regulations to manage business operations and transactions in the securities and investments industry.
	Manage the use of financial resources to perform key duties in the securities and investments industry.
	Plan, monitor and manage day-to-day securities and investments operations.
	Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop in a securities and investments career.
	Determine client needs and wants and respond through planned, personalized communication to guide purchase decisions and enhance future securities and investments opportunities.

## College & Career Readiness Anchor Standards for Writing

<b>Writing Standards for Literacy in History/Social Studies &amp; Technical Subjects</b>	
<b>Text Types &amp; Purposes</b>	Write arguments to support claims in an analysis of substantive topics or texts, using valid reasoning and relevant and sufficient evidence.
	Write informative/explanatory texts to examine and convey complex ideas and information clearly and accurately through the effective selection, organization, and analysis of content.
	<b>9-12.1</b> Write arguments focused on discipline-specific content.
	<b>9-12.2</b> Write informative/explanatory texts, including the narration of historical events, scientific procedures/ experiments, or technical processes.
<b>Production &amp; Distribution of Writing</b>	Produce clear and coherent writing in which the development, organization, and style are appropriate to task, purpose, and audience.
	Develop and strengthen writing as needed by planning, revising, editing, rewriting, or trying a new approach.
	Use technology, including the Internet, to produce and publish writing and to interact and collaborate with others.
	<b>9-12.4</b> Produce clear and coherent writing in which the development, organization, and style are appropriate to task, purpose, and audience.
	<b>9-12.5</b> Develop and strengthen writing as needed by planning, revising, editing, rewriting, or trying a new approach, focusing on addressing what is most significant for a specific purpose and audience.
	<b>9-10.6</b> Use technology, including the Internet, to produce, publish, and update individual or shared writing products, taking advantage of technology's capacity to link to other information and to display information flexibly and dynamically.
	<b>11-12.6</b> Use technology, including the Internet, to produce, publish, and update individual or shared writing products in response to ongoing feedback, including new arguments or information.

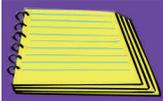
# Financial Literacy: Personal Finance Basics



College & Career Readiness Anchor Standards for Reading

Reading Standards for Literacy in Science & Technical Subjects	
Key Ideas & Details	Read closely to determine what the text says explicitly and to make logical inferences from it; cite specific textual evidence when writing or speaking to support conclusions drawn from the text.
	Determine central ideas or themes of a text and analyze their development; summarize the key supporting details and ideas.
	Analyze how and why individuals, events, and ideas develop and interact over the course of a text.
	<b>9-10.1</b> Cite specific textual evidence to support analysis of science and technical texts, attending to the precise details of explanations or descriptions.
	<b>9-10.2</b> Determine the central ideas 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.
	<b>9-12.3</b> 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.
	<b>11-12.1</b> Cite specific textual evidence to support analysis of science and technical texts, attending to important distinctions the author makes and to any gaps or inconsistencies in the account.
	<b>11-12.2</b> Determine the central ideas or conclusions of a text; summarize complex concepts, processes, or information presented in a text by paraphrasing them in simpler but still accurate terms.
	Integrate and evaluate content presented in diverse formats and media, including visually and quantitatively, as well as in words.
	Delineate and evaluate the argument and specific claims in a text, including the validity of the reasoning as well as the relevance and sufficiency of the evidence.
Integration of Knowledge & Ideas	<b>9-10.7</b> Translate quantitative or technical information expressed in words in a text into visual form and translate information expressed visually or mathematically into words.
	<b>9-10.8</b> Assess the extent to which the reasoning and evidence in a text support the author's claim or a recommendation for solving a scientific or technical problem.
	<b>9-10.9</b> Compare and contrast findings presented in a text to those from other sources, noting when the findings support or contradict previous explanations or accounts.
	<b>11-12.7</b> Integrate and evaluate multiple sources of information presented in diverse formats and media in order to address a question or solve a problem.
	<b>11-12.8</b> Evaluate the hypotheses, data, analysis, and conclusions in a science or technical text, verifying the data when possible and corroborating or challenging conclusions with other sources of information.
	<b>11-12.9</b> Synthesize information from a range of sources into a coherent understanding of a process, phenomenon, or concept, resolving conflicting information when possible.

# Financial Literacy: Personal Finance Basics



## Lesson Plan

**Class 1:** Begin the class by distributing the *Financial Literacy: Personal Finance Basics Vocabulary Handout and Worksheet*. Students should use these during the presentation. Show the *Creating a Spending Plan* segment of *Financial Literacy: Personal Finance Basics*. Follow the segment with its *Assessment*. Discuss answers as a class. Introduce the *Importance of a Spending Plan Project* for students to begin.



8 min.

**Class 2:** Distribute the *Financial Literacy: Personal Finance Basics Crossword* for students to complete. Then, remind students to continue to follow along with the *Vocabulary Handout* and fill in the *Worksheet*. Show the *Identifying Ways to Set Goals* and *Choosing a Bank* segments of *Financial Literacy: Personal Finance Basics*. After each segment, administer its corresponding *Assessment* and discuss the answers as a class.



14 min.

**Class 3:** As students view the *Opening a New Account* segment of *Financial Literacy: Personal Finance Basics*, they should reference the *Vocabulary Handout and Worksheet*. Follow the segment with its corresponding *Assessment*, and discuss answers as a class. Then, have students complete the *Opening a New Account Activity*, *Depositing Money into Your Account Activity*, and *Different Methods of Withdrawing Money Activity*.



4 min.

**Class 4:** Remind students to continue referencing the *Vocabulary Handout and Worksheet*. Show the *Reconciling Your Account* segment of *Financial Literacy: Personal Finance Basics*, then administer the segment *Assessment*. Discuss answers as a class. Instruct students to complete the *Where Did These Fees Come From? Activity* and the *Examining Bank Records Activity*.



9 min.

**Class 5:** Students should complete the *Managing a Bank Account Project*.



## Lesson Links

### Federal Trade Commission

- <http://www.ftc.gov>
- **360 Financial Literacy**
- <http://360financial literacy.org>

### Wells Fargo

- <http://www.wellsfargo.com>



## Career & Technical Student Organizations

### BPA

- Payroll Accounting
- Banking & Finance

### DECA

- Financial Literacy Promotion Project
- Accounting Applications Series

### FBLA

- Accounting I
- Accounting II



## Career Connections

- iCEV50176, James Wilder, Accounting and Research, Toyota
- iCEV50614, Donna Hill, Accounting Manager, Triumph Seed Company
- iCEV50565, Cindy Cox, Accounts Receivable, Lubbock Country Club

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## Lab Activities

### Opening a New Account

#### Directions:

For this activity, students will practice the task of opening a new account. The class will need Monopoly money, deposit slips and new account forms. Deposit slips and new account forms are provided. In pairs, one student will act as the banker and the other will act as the customer. Students will follow the steps of opening a new account. After the exercise is complete, the roles can be reversed to perform a second time. *Opening a New Account Teacher Instruction Sheet* is included and provides greater detail.

### Depositing Money into Your Account

#### Directions:

Students will work in pairs to practice depositing and transferring funds using Monopoly money, deposit slips and transfer slips. See *Depositing Money into Your Account Teacher Instruction Sheet* for details.

### Different Methods of Withdrawing Money

#### Directions:

Students will work in groups of eight to practice the various methods of withdrawing money. Using Monopoly money, mock debit cards, checks and withdrawal slips, students will be designated as “customers”, “bankers”, “sales clerk” or the “ATM” to play out scenarios in which customers withdraw funds using various methods. See *Different Methods of Withdrawing Money Teacher Instruction Sheet* for details.

### Where Did These Fees Come From?

#### Directions:

Students will participate in the practice of balancing a checkbook using a sample checking account transaction register, a list of bills and fees which are to be paid out of the account, and a list of deposits.

### Examining Bank Records

#### Directions:

For this activity, students will practice managing transaction registers against their bank statements. After using a list of expenses and deposits to fill out a checking account register, students will compare it to a banking statement. They should find discrepancies and indicate how they would address each. Finally, students should write a few sentences explaining why examining bank records is an important part of financial management. *Examining Bank Records Teacher Instruction Sheet* is included with more detail.



## Projects

### Importance of a Spending Plan

#### Directions:

In a three-page written report, students should discuss the benefits of having a spending plan by using evidence from the presentation or examples from their day-to-day lives. Students should discuss the differences in fixed, variable and discretionary expenses and give examples of each. Students should also include the importance of calculating averages of variable expenses when creating a spending plan.

### Managing a Bank Account

#### Directions:

To practice managing finances, students will imagine they recently opened a bank account but have not been doing a good job of tracking their expenses. They will review three bank statements and a budget to determine where changes should be made to better their financial situation. Then they will answer questions and develop a new budget to improve their spending habits. *Maintaining a Bank Account Project Answer Key* provides details and correct answers.