



Course Outline Personal Finance 31G

*Adapted from the Saskatchewan Personal Finance 30 credit with permission from original authors.



Course aim and foundations:

The aim of Personal Finance 31G is to provide students at the Secondary Level with basic skills in financial literacy. Personal Finance 31G will help students navigate an increasingly complex business and financial world. Students will develop an awareness and understanding of personal finance and personal economic decision-making. Students will become informed consumers, savers and investors.

This Personal Finance 31G course is designed to help students make informed decisions in order to protect their scarce resources. This curriculum outlines important financial situations that students will most likely be in. The modules were placed in a specific sequence in order for the course to proceed logically and to scaffold knowledge most efficiently; however, the modules may be rearranged as desired to suit the student's needs. Although all modules have been designated as core modules the teacher may focus on particular modules and delete others. The most critical requirements upon completion of this course are the ability to make informed financial decisions and the ability to protect finances in order to achieve financial freedom.

It is important for students to develop an awareness of the business environment in which they must interact. Students must be equipped with knowledge about options and vulnerabilities when making major purchases. It is important that students realize that they are in control of their finances and they can gain knowledge to make the best financial decisions. It also important that students understand that they can protect themselves from fraudulent and misleading information.

Rationale:

With the increasing debt loads of students and the rising number of personal bankruptcies, the need for financial management skills is greater than ever. This curriculum was created in order to address this growing concern, and the course is designed to provide students with a broad base of knowledge and skills related to personal financial management.

The areas covered in the course are relevant to high-school students and cover issues and topics they will encounter in the future – whether they decide to pursue post-secondary education or enter the workforce. This curriculum seeks to give students the knowledge and skills they need to be financially literate and operate successfully in the business world, and in their personal lives.

General student learning outcomes:

GLO 1 - Understand the factors that impact economies and the effects those factors have on individuals.

GLO 2 – Understand, analyze, and apply the decision-making process as it relates to personal finance.

GLO 3 - Demonstrate understanding of financial institution services used to access and manage personal finances.

GLO 4 - Demonstrate an understanding of income and personal taxation.

GLO 5 - Demonstrate understanding of personal budgets and their importance for financial planning.

GLO 6 - Demonstrate an understanding of the importance of investing, the various types of investment vehicles, their respective average rates of return and how interest can be used as an advantage.

GLO 7 – Demonstrate an understanding of Canadian-specific banking and investment plans such as RRSPs, RESPs, TFSA's, etc.

GLO 8 - Demonstrate an understanding of personal, financial and institutional services used to access credit options.

GLO 9 - Understand situations that could threaten one's present financial standing and the respective insurance that would provide protection.

GLO 10 - Demonstrate understanding of purchasing, leasing and renting options with a special emphasis on large item decisions.

Specific student learning outcomes:

Understand the factors that impact economies and the effects those factors have on individuals. (10 hours)

- a. Compare and contrast traditional, command, and market economies.
- b. Identify the impact of a market economy on an individual.
- c. Define, describe, and demonstrate how scarcity is the basis of all economies.
- d. Identify direct costs and opportunity costs relevant to one's self and others
- e. Explain supply and demand and understand the factors that influence it.
- f. Define and give examples of price elasticity
- g. Compare and contrast tangible and intangible money.

Understand, analyze, and apply the decision-making process as it relates to personal finance. (5 hours)

- a. Analyze and compare the difference between needs and wants.
- b. Analyze a decision to identify the steps and strategies being used.
- c. Understand personal factors (such as habits and values), economic influences (such as consumer prices, marketing and spending) and potential risks (such as income risk, inflation, interest rate, personal risk and liquidity) that would affect an individual's decision-making.
- d. Identify and role-play various decision-making strategies such as agonizing, procrastination, spontaneity, compliance, and security.
- e. Develop short and long-term goals in a situation relevant to one's self, using a logical decision-making process.

Demonstrate understanding of financial institution services used to access and manage personal finances. (10 hours)

- a. Compare and contrast banks and credit unions.
- b. Research and present orally with the aid of visuals (electronic or other), various types of banking services available from various financial institutions, such as online services, different types of accounts, telephone banking, mobile banking , ATM banking, or credit cards.
- c. Define commonly used terms within the banking industry.
- d. Analyze given or personal situations to determine the type of account that best meets the needs of the criteria for each of the situations.
- e. Research and explain various automated teller machine (ATM) service charges.
- f. Describe ways that try to ensure the security of personal and financial information; e.g., passwords, encryption, protection of personal identification number (PIN) and other personal identity information.
- g. Understand both personal and corporate legal obligations associated with a bank account.
- h. Demonstrate the skills necessary to maintain accurate personal financial

records (bank reconciliation, writing cheques and keeping a running balance of an account).

- i. Demonstrate how to fill out an application for a bank account.
- j. Determine the different types of identification needed to open account and explain why they are important.
- k. Determine ways to reduce service charges and bank fees associated with an individual's account.

Demonstrate an understanding of income and personal taxation. (10 hours)

- a. Determine why payroll records are important.
- b. Identify the necessary data that needs to be collected to process payroll, T4 Slips, and Records of Employment.
- c. Describe the advantages and disadvantages for a variety of methods of earning income, such as hourly wage, tips, piecework, salary, commission, contract work, and self-employment.
- d. Calculate the various methods of gross pay.
- e. Determine the Canadian Pension Plan (CPP), Employment Insurance (EI), and income tax deductions for a given amount of gross pay and use it to calculate net payment.
- f. Identify and describe deductions that may be relevant to self in the future which are used when calculating net pay (e.g., health plans, uniforms, union dues, charitable donations, payroll tax).
- g. Complete the major components of a personal income tax return and explain how they are interrelated.
- h. Explain how payroll functions, gross pay, deductions, and personal income tax are all related.

Demonstrate understanding of personal budgets and their importance for financial planning. (10 hours)

- a. Describe budgeting and explain how it relates to financial problem-solving and financial responsibility.
- b. Identify and describe the key terminology associated with budgeting such as assets, budgets, and liabilities.
- c. Explore the different types of expenses such as fixed, flexible, and discretionary.
- d. Explain considerations that must be made when developing a budget, e.g., income, prioritizing, recurring and unexpected expenses. Then use that process to help prioritize personal and financial goals.
- e. Monitor spending behaviours and income streams (monthly or quarterly).
- f. Create, modify and maintain a personal budget for earning, spending, saving and investing.

Demonstrate an understanding of the importance of investing, the various types of investment vehicles, their respective average rates of return, and how interest can be used as an advantage. (20 hours)

- a. Summarize what investing is and why it is important and the impact of starting at an early age.
- b. Investigate the basics of investing including (developing a personal investment strategy, establish investment objectives, understand tolerance for risk, understand the importance of diversification, asset mixes, importance of investment research).
- c. Compare and contrast short-term and long-term savings.
- d. Analyze and generalize the relationship between simple interest and compound interest.
- e. Differentiate between savings and investing.
- f. Explore the differences and similarities between the different types of investment vehicles.
- g. Identify the importance of retirement plans and explain how they work.
- h. Research different types of investment fraud and explain how consumers could protect themselves.

Demonstrate an understanding of Canadian-specific banking and investment plans such as RRSPs, RESPs, TFSAs, etc. (5 hours)

- a. Understand the advantages of placing investments within a registered savings plan (RSP) vs placing them in a non-registered account.
- b. Compare and contrast the benefits of placing various investment in an RRSP and/or a TFSA. Be able to explain the difference in tax treatment associated with either option.
- c. Understand the benefits of saving for post-secondary costs through a RESP. Become familiar with RESP-associated terms such as Canada Learning Bond and Canada Education Savings Grant (CESG).
- d. Research through case study exploration how various types of investments are affected by the Canadian Pension Plan (CPP) and Old Age Supplement (OAS).

Demonstrate an understanding of personal, financial and institutional services used to access credit options. (15 hours)

- a. Research and present orally with the aid of visuals (electronic or other), why people use credit and why people would not use credit and why it is a popular option.
- b. Understand the factors that influence the cost of credit (interest rate, time, down payment, payment amount, penalties etc.).
- c. List reasons why individuals (personally) will or will not lend money.
- d. Compare and contrast the three principal types of consumer credit and other types of credit that are available.
- e. Analyze the nature of a Home Equity Line of Credit (HELOC), how it compares to other forms of credit available in Manitoba, and why it has seen

such an increase in popularity over the last decade.

- f. Justify whether someone is credit worthy based on the three C's of credit (Character, Capacity, and Capital)*
- g. Analyze and generalize the three well known credit bureaus (Experian, Equifax, and Transunion) that keep track of one's credit rating.
- h. Identify what FICO stands for and how it applies to an individual's credit score.
- i. Describe strategies to use credit effectively, such as negotiating interest rates, planning payment timelines, reducing accumulated debt, timing purchases and explore the 20/10 rule.
- j. Distinguish between credit cards and debit cards.
- k. Analyze the services of the four main credit card providers (Visa, Mastercard, American Express, and Discover Card). Rank the providers based on their individual needs and justify their personal choice.
- l. Analyze and generalise the difference between retail cards and credit cards.
- m. Present the advantages and disadvantages of credit cards (related to interest rates, credit limits, usability).
- n. Solve situational questions involving credit card purchases relevant to family and self.
- o. Demonstrate the ability to complete, interpret and maintain records in order to obtain and continue to use a credit card properly and safely.
- p. Investigate and present ways that credit card theft occurs and how to handle unauthorized transactions, theft, and fraud.

Understand situations that could threaten one's present financial standing and the respective insurance that would provide protection. (5 hours)

- a. Identify, define and describe the features and terminology related to bankruptcy.
- b. Investigate and present the different types of scams and frauds such as Phishing, Pharming, Prize Pitch etc.) and how individuals can protect themselves.
- c. Critique the statement "Purchasing online is safe."
- d. Explain what a collection agency is and the effect they can have on an individual's credit rating.

Demonstrate understanding of purchasing, leasing and renting options with a special emphasis on large item decisions. (10 hours)

- a. Understand and explain the terminology related to buying, renting, and leasing.
- b. Compare and contrast the advantages and disadvantages of purchasing, renting and leasing big ticket items such as a house, vehicle, leisure items (R.V., boat, quad, snow machine).

- c. Analyze the factors that influence one's decision to rent or buy (down payment, interest rate, location, neighborhood, economy, proximal distance, fees etc).
- d. Compare and contrast the advantages and disadvantages of using a real-estate agent versus buying and selling privately.
- e. Research the different mortgage options for first time home buyers in Manitoba.
- f. Critique the following statements: "I can't afford insurance." "Insurance is a non-negotiable expense related to owning big-ticket items."
- g. Research the different insurance options and policies they provide within your community.



Learning approaches and strategies:

The following are some teaching strategies that will facilitate the stated learning outcomes:

- Inquiry learning projects
- Student self-directed learning
- Self-assessment activities
- Learning conversations and interviews
- Lectures
- Individual and group assignments
- Case study investigations
- Question & answer sessions from real-world experiences.
- Guided practice
- Guest speakers

Assessment strategies:

The general assessment strategies that will be used in this course include:

- Inquiry-based projects and assignments
- Whole-class assessment with formative assessment in mind.
- Self assessments
- Peer assessments
- Summative assessment via chapter tests and final exam

Assessment and evaluation overview:

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| ▪ Individual daily assignments | 25% |
| ▪ Chapter tests | 30% |
| ▪ In-depth personal finance book study | 10% |
| ▪ Team case studies/case competition assignments | 10% |
| ▪ Final summative exam | 25% |



Learning resources and bibliography:

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