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TE 408
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Unit Plan: High School Economics/Personal Finance

Desired Results

Established Goals: All students will be able to identify, evaluate, and apply key personal finance concepts and concepts, as well as develop strategies to make better decisions while managing risk such as earning, spending, saving and investing.

Applicable HSCEs: E4(4.1[4.1.1, 4.1.2, 4.1.3, 4.1.4, 4.1.5, 4.1.6])

Essential Questions:

1. How do the economic terms scarcity and opportunity cost affect personal financial decisions?
2. Why does marginal benefit and marginal cost impact personal financial choices?
3. What are the key components of personal finance and how do you create a personal finance strategy using these components?
4. What is a decision-making model and can it be used to evaluate different aspects of personal finance?
5. How does developing a risk management plan protect individuals from massive loss?

Understandings:

Students will understand...

1. That personal finance is dictated by personal decision making
2. That the economy, especially in the US, relies on personal finance decisions such as investment, insurance, saving, or spending
3. That decision-making models are used to evaluate options and different aspects of personal finance
4. That financial choices in the present can determine the availability of personal financial decisions in the future
5. That personal decisions regarding risk management can effectively protect individuals from massive loss if designed correctly

Knowledge:

I. Key Concepts of Personal Finance

- Scarcity and opportunity cost
 - Affect on personal finance decisions
- Marginal benefit and marginal cost
 - Impact on choices and decisions

- Case studies
- Personal Finance Strategy
 - Earning
 - Spending
 - Saving
 - Investing resources
- Key Components of Personal Finance (also into week 2)
 - Money management
 - Saving
 - Investment
 - Spending
 - Credit
 - Income
 - Mortgages
 - Retirement
 - Investing
 - 401K
 - IRAs
 - Insurance

Essential Questions: 1, 2 & 3

Understandings: 1 & 2

II. Personal Decision-Making and Risk

- Personal Decisions
 - Decision-making models
 - Stating a problem
 - Listing alternatives
 - Establishing criteria
 - Weighing options
 - Making the decision
 - Evaluating the result
 - Different aspects of personal finance
 - Careers
 - Savings
 - Investing tools
 - Different forms of income generation
- Risk Management Plans
 - Creation
 - Avoidance
 - Reduction
 - Retention
 - Transfer

Essential Questions: 4 & 5

Understandings: 3

Skills:

Students will be able to...

1. Apply concepts of scarcity, opportunity cost, marginal benefit and marginal cost while making decisions
2. Give examples of instances where personal finance concepts are prevalent in society today
3. Develop a personal finance strategy to dictate resources
4. Use a decision-making model to evaluate different aspects of personal finance
5. Work individually and within groups to understand monetary exchanges and transactions
6. Practice creating and using a risk management plan
7. Take clear and concise notes during lectures and individual work times
8. Analyze a personal financial situation and give clear and realistic advice
9. Research financial resources and budgets

Rationale:

This unit is essential to Economics because...

This unit is important because it is critical for high school students to understand how to control their financial situation before going to college, getting a job, or starting a family. Whatever students chose to do, money will be a critical factor in how they are able to accomplish it. Students need to understand that the choices they make today strongly influence the future, if they are able to save, invest, and maintain good credit, they will be able to afford more decisions in the future. I need to make sure that this information seems not only attainable for them, but also relatable, making strong connections to college life and even decisions they are currently making while in high school. It is one thing to learn about the economy as a functioning machine, but another to present it to students in a way they understand and relating to them the ways in which this will be pertinent to them in the near future.

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TE 408
March 4, 2014

Unit Plan: High School Economics Personal Finance Assessment

Goal:

The goal is for students to understand the importance of smart personal financial planning and decision-making. They should understand how these systems function, as well as how current decisions and personal financial plans affect future financial and personal decisions.

Role:

Students will play the role of a financial advisor to Brooke Davis, a recently graduated high school student. As many of them are also in similar positions to Brooke, they may place themselves in the role of a peer advisor. Regardless of how students position themselves to Brooke, their role is to give advice from a position of knowledge on the subjects of personal financial planning and decision making about college and the future.

Audience:

The target audience for this assignment is Brooke Davis, the person to which the students are giving the advice. They can write it either as if they are speaking directly to Brooke or they can tell me what they think Brooke should do.

Situation:

This assignment requires students to recall what they learned throughout the semester and apply it to a very real situation for many of them. They have to look at the information presented within the scenario, the graphs, and the terms and decide how to best advise Brooke. They should give her advice about decision making and personal financial planning based on the information given using the terms from the class that are listed at the beginning of the assignment.

Product:

This will be an in-class assignment, at the end of which, students will turn in their advice for Brooke in essay form. Students may also include a chart, graphic organizer, or concept map to help depict how they conceptualized their ideas. But in order to receive credit for the terms and so that I can grade for understanding, I want them to also include some essay portion, whether short or long answer.

Standards:

Students must include terms listed at the beginning of the assessment, as well as show a comprehensive understanding of the subject. I am not going to list a specific amount of terms because I want students to use as many as possible, but I also want them to use them correctly. As it states in the rubric, I will assess the work based on:

- Correct application of terms
- Explanation and understanding of situation and terms
- Quality and realistic nature of advice
- Connections between present and future decisions
- Writing style and punctuation

Rationale:

The authentic assessment that I have chosen is for students to act as a personal advisor to Brooke Davis, a recently graduated high school student. The reason I chose this assessment is because this situation applies to the unit in many ways and is also closely tied to where the students are at in their lives with their decision-making and personal financial decisions. As we talk about retirement and insurance, students will have to look far into their futures, while at the same time realize that decisions that they make today will affect their retirement and access to insurance. I chose the Brooke scenario because students relate closely and they should have an understanding of how to relate the terms from the beginning throughout the scenario. I want students to describe and show the fluidity of financial and personal decisions and that their effects are continuous. By having them give Brooke advice, they will be able to connect the facets of personal finance and decision-making as well as connecting decisions in the present with decisions in the future.

Rubric

	Excellent	Proficient	Limited	Points
Correct definition and application of terms according to the scenario	Student defines uses multiple terms correctly when giving advice. Student also connects terms to larger themes.	Student defines and applies terms correctly and when giving advice. Larger themes are hinted at.	Student is unable to define terms and suffers with application. There is no indication of larger themes.	/25
Explanation and understanding of situation and terms	Student gives a thorough explanation of the defined terms and why they are applicable to this scenario. They show complete understanding of the situation and through use of their explanations and terms, connect the situation to larger themes.	Student explains defined terms and discusses briefly why they are applicable to this scenario. They show understanding of the situation and are able to hint at larger class themes.	Student briefly explains why the terms are applicable to the scenario. They seem to lack an understanding of the situation and are unable to connect the scenario to the larger themes presented in the class.	/35
Quality and realistic nature of advice	Student gives excellent advice that is realistic and very thorough. Their advice is multi-faceted and discusses all the parts of Brooke's life that the scenario introduces. The student offers realistic and quality advice that would be applicable for Brooke.	Student gives advice that is somewhat realistic and well thought out. Their advice is well rounded, though lacking some components of Brooke's life. The student offers a reasonable solution and quality advice that would be applicable for Brooke.	Student gives unrealistic advice that lacks understanding of class topics and discussion. Their advice failed to take into account all aspects of Brooke's life and was missing critical components. The student didn't offer a reasonable solution or advice that would be applicable for Brooke.	/25

Connections between present and future decisions	Student clearly demonstrates understanding of connections between decision making in the present and how that affects decision making in the future. They connect Brooke's future aspirations with her current decisions.	Student connects decision making in the present with decision making in the future, however, has trouble drawing connections. They attempt to connect Brooke's future aspirations with current decisions.	Student doesn't connect decision making in the present with decision making in the future. There are no connections made throughout, and there is no attempt to connect Brooke's future aspirations with current decisions.	/15
Writing style and punctuation	Student has very few grammatical or punctuation errors and shows great effort, thought and creativity.	Student has minor grammatical or punctuation errors and shows fair effort and thought.	Student has noticeable grammatical and punctuation errors and shows minimal effort.	/5

Unit Plan Final Assessment

Name: _____

Date: _____

Instructions:

Read the scenario below and give financial advice based on your knowledge of the terms below. You can use knowledge from your previous assignments and experiences. Make sure to use terms, evidence, and detail to justify your advice. Not **all** terms need to be used, but to get full points you need to discuss major themes and use as many terms in the correct way as possible.

Terms:

Scarcity

Opportunity Cost

Marginal Benefit

Income

Insurance

Reduction

Decision Making

Marginal Cost

Savings

Spending

Mortgage

Risk Management Plan

Retention

Personal Finance

Earning

Investment

Credit

Retirement

Avoidance

Transfer

Choices

Scenario

This is Brooke Davis, she is a recent graduate of Tree Hill High School. She plans on attending Michigan State University in the fall for business so she can eventually go into fashion design. She is working this summer at a restaurant where she is making a reasonable amount of money. She also has some money that she was able to save through out her time in high school from babysitting. She will have many expenses in the coming four years, including tuition, books, travel, living, food, and extraneous expenses. She wants to hang out with all of her friends at school and not have a job, but she doesn't know if that is realistically an option for her. Her parents will **not** be helping her with college expenses, meaning she has to pay for everything on her own. Give Brooke some advice on what she should do as she prepares for leaving for college and preparing her own personal finance plan. Below you will find Brooke's potential expenses for **one year**, along with some financial resources that she already has available, but notice that they may not match up.



Brooke's Financial Breakdown:

	Cost	Details
Tuition	\$12,862.00	15 credit sem./in state
Housing (w/meal plan)	\$8,806.00	On-campus w/ meal plan
Campus taxes	\$96.00	Housing, ASMSU, News tax
Books/supplies	\$700.00	About \$350 per semester
Travel (bus pass & gas)	\$400	About \$200 per semester
Extra	\$700	Shampoo, medicine, dinners with friends, misc...
Total	\$23,564.00	

	Money Available	Details
Loans	\$16,000.00	Fixed Interest of 3.86%
Savings from babysitting	\$1,200	
Scholarships	\$3,000	
Checking from restaurant	\$1,700	
Approved Credit	\$800	Non-fixed Interest 9.2%
Total	\$22,700.00	

*Remember: Brooke does not have to choose to take out all of her offered loans.

Questions to think about:

1. How could taking out loans and credit now, affect Brooke's long-term financial goals?
2. What does Brooke have to give-up in order to make her goals a reality?
3. Do you think Brooke could see a problem with availability of resources at such a large University with so many students all competing for the same things?
4. What can Brooke do this coming year and in the years to follow to help her in the future?
