



# RECOMMENDED PERSONAL FINANCE COURSE OUTLINE



# OVERVIEW

This course outline is a suggestion of topics, exercises, lessons, and activities for a high school personal finance class. This outline utilizes Personal Finance Lab, both the Portfolio Simulation and the integrated learning modules, to connect the lessons to the real-world, and increase student engagement.

These recommendations are based off of the JumpStart National Standards for Personal Finance Education, recommendations from educators around the United States, and feedback from students. We do recommend some lesson plans for each subject, but these recommendations are not exhaustive or comprehensive.

## Definitions

This is to define the terminology we use for the rest of the suggested course outline:

### Unit

A "Unit" is a collection of topics, which usually spans 3-4 weeks. An example of a unit would be "Credit and Debt".

### Subjects

"Subjects" are smaller pieces of a "Unit", which should take about 1-2 weeks of class time. An example of a Subject would be "Using Credit".

### Assignments

An "Assignment" is a list of tasks that you can assign to your students as part of the StockTrak platform. These include reading educational articles and using interactive financial calculators and passing automatically-grading quizzes, watching short videos, and managing their virtual portfolio.

Assignments can be completed anywhere where a student has an internet connection, so they work equally well as part of class time, or homework. We also recommend some writing assignments to help students build communications and critical thinking skills.

# CLASS INTRODUCTION

## Before The First Day

Before the first day of class, you should set up your class contest on PersonalFinanceLab.com. For a personal finance class, our recommended class settings are:

- \$100,000 starting cash
- \$5 minimum stock buy price
- \$5 minimum stock short price
- Registration start dates as “today”, with registration end date as the last day of the class
- Trading start date as the Monday of the second week of class, with the trading end date either as the last day of the class, or later (to allow your students to continue to manage their portfolio after the class ends)
- Do not include Sharpe Ratio or Alpha Beta rankings
- Do allow short selling and day trading (this can significantly increase class engagement)
- Allow trading on margin (this allows students to borrow money and trade on credit, and be charged an interest rate for doing so)
- Fill orders on daily volume: 50% (this is a realism limiter, so students can only buy half as many of a stock as are trading in real life)
- Benchmark Index: S&P 500
- Security Types: Equities, Mutual Funds, and Bonds, all of which with \$10 commission per trade
- Allowed Exchanges: All North American exchanges
- Trade Notes: Required (this will require your students to write a sentence justifying each trade)



# THE FIRST WEEK OF CLASS

On the first day of class, have your students register to your class on PersonalFinanceLab.com. We recommend having your students manage their portfolios individually, rather than in teams.

## Recommended Assignment

Your students should now be registered to the website, but not yet able to trade. The Assignment for the first week focuses on getting them aware of different investing terms, and using the tutorials on the website. This will lay the foundations for everything in the future.

- Read Articles:
  - What is a Stock?
  - What is a Ticker Symbol?
  - Getting (and understanding) stock quotes
  - Why invest in Stocks?
  - Building a diversified portfolio
  - How to find stocks in specific sectors
  - Getting Trading Ideas
- Watch Videos:
  - Navigating The Site
  - Order Types
  - Trading Stocks

# THE SECOND WEEK OF CLASS

Trading officially begins on the second week of class, so now we want to give a few more articles about managing a portfolio.

This is the last "Introduction" – many schools are successfully able to combine both the Week 1 and Week 2 activities, if there is sufficient class time.

## Recommended Assignment

This assignment will have students start to build their portfolio, and learn more about what it means to invest.

- Read Articles:
  - Using Excel to track your portfolio
  - Percents, Fractions and Ratios
  - Why is it called Wall Street?
  - What is the New York Stock Exchange?
  - What is the Dow Jones Industrial Average?
  - What is an ETF?
  - What is a Mutual Fund?
  - What are Bonds
  - What is a Brokerage?
  - Making the most of margins
  - How to Choose and Compare Stocks
  - Understanding Price Movements
- Watch Videos:
  - Trading Mutual Funds
  - Trading Bonds
- Trading Activities:
  - Trade 5 US Stocks
  - Trade 1 Mutual Fund
  - Trade 1 Bond
  - Make 10 Total Trades
- Writing Activity:
  - If you required Trade Notes when setting up your class, your students will be writing down explanations for each trade.



# UNIT 1: SPENDING AND SAVING

This unit covers how to build and use a spending/savings plan, some basics of money and bank accounts, different payment methods, and keeping financial records.



# SUBJECT 1: GETTING ORGANIZED

The goal of this subject is to introduce common terms and concepts for personal finance, which students will master in the subjects to come.

## Recommended Assignment

- Make Trades:
  - Make 5 Total Trades
  - Use 2 Limit Sell Orders
- Read Articles:
  - What are “Financial Records”?
  - What is “Wealth”?
  - Banks, Credit Unions, and Savings & Loan Institutions
  - Reconciling Accounts
  - Receipts: Keeping and Tossing
- Use Calculators:
  - Saving to be a Millionaire
  - Compound Interest Calculator
- Writing Assignment:
  - Use their Trade Notes to analyze performance from Week 1. What trades were they right about, which were off-base?



# SUBJECT 2: BUDGETING AND SPENDING PLANS

This subject is focused on introducing students to saving and spending plans, budgeting, and financial record keeping.

## Recommended Assignment

- Make Trades:
  - Make 5 Total Trades
  - Use 2 Limit Buy Orders
- Read Articles:
  - All About Budgeting
  - Using a Spending Plan
  - Accounting for Automatic Payments
- Use Calculators:
  - Home Budget Calculator
- Writing Assignment:
  - Using what they learned from the Diversification article in Week 1, outline how they want to divide their portfolio between at least 3 industrial sectors, and why.





## UNIT 2: CREDIT AND DEBT

This unit covers how to build and use a spending/savings plan, some basics of money and bank accounts, different payment methods, and keeping financial records.



# SUBJECT 3: CREDIT AND DEBT

## TERMS

This subject is focused on introducing students to saving and spending plans, budgeting, and financial record keeping..

### Recommended Assignment

- Make Trades:
  - Make 5 Total Trades
  - Trade 2 Corporate Bonds
  - Trade 2 Treasury Bonds
- Read Articles:
  - What is Money?
  - Cash, Checks, and Stored Value
  - What is Credit?
  - What is Debt?
  - Good Debt, Bad Debt
  - Interest Rates
- Use Calculators:
  - Investment Return Calculator
- Writing Assignment:
  - If your class allows margin trading, ask your students to identify which of their trades were placed using cash, and which on credit. How did they figure the interest rate they were charged for the margin trades into their trading strategy?

# SUBJECT 4: CREDIT CARDS AND FINANCING

Building credit responsibly is one of the greatest challenges your students will face after graduation, regardless of their career path. These lessons help build a solid foundation on how credit works, from a user's perspective.

## Recommended Assignment

- Make Trades:
  - Make 5 Total Trades
  - Trade 2 Corporate Bonds
  - Trade 2 Treasury Bonds
- Read Articles:
  - Debit Cards
  - Credit Cards
  - Short-Term Financing
  - Credit Reports
- Use Calculators:
  - Credit Card Payment Calculator
- Writing Assignment:
  - If your class allows margin trading, ask your students to identify which of their trades were placed using cash, and which on credit. How did they figure the interest rate they were charged for the margin trades into their trading strategy?



# UNIT 3: TAXES AND INSURANCE

Nothing is certain but death and taxes! This unit covers the nuts-and-bolts of managing both tax burdens, and maintaining proper levels of insurance.

# SUBJECT 5: TAXES

This subject focuses on helping students understand their full tax burden, how to do basic filing, and when they need to look for extra help.

## Recommended Assignment

- Make Trades:
  - Make 5 Total Trades
  - Use 2 Trailing Stop orders
  - Buy 3 US Stocks
- Read Articles:
  - Paying attention to Sales Tax
  - Tax Filing and the 1040 EZ
  - Common income tax deductions
  - Common income tax additions
  - When to hire a tax professional
  - Income tax audits
- Use Calculators:
  - Net Worth Calculator
- Writing Assignment:
  - This should be about the mid-way point for your class, so this writing assignment should focus on how students' portfolios have evolved. Ask students to review their trade notes, diversification plan, and how they have utilized margin trading. What went according to plan, and what went wrong?

# SUBJECT 6: INSURANCE

Buying and maintaining the appropriate level of insurance is a life-long challenge. This subject introduces some of the most important types of insurance, along with how to maintain the appropriate level of risk.

## Recommended Assignment

- Make Trades:
  - Make 5 Total Trades
  - Trade 3 Mutual Funds
- Read Articles:
  - Types of Insurance
  - Car Insurance
  - Renter's Insurance
  - Home Owner's Insurance
  - Life Insurance
  - Health Insurance
- Writing Assignment:
  - Continue to update their Trade Notes with each trade. Use the Portfolio Graph tool to identify the days where they had the biggest gains and losses, and identify why.



# UNIT 4: FINANCIAL DECISION MAKING

This is the most comprehensive unit, covering everything from Employment and Income through Building Wealth and Planning For Retirement. Unit 4 should be the capstone of your personal finance class, bringing everything together.



# SUBJECT 7: FINANCIAL DECISION MAKING

Financial Decision Making will cover the day-to-day financial decisions that your students will face. This means understanding contracts, deciding between renting and buying, working and studying, and doing research on purchases.

## Recommended Assignment

- Make Trades:
  - Make 10 Total Trades
  - Trade 5 US Stocks
  - Trade 2 Mutual Funds
  - Trade 2 Bonds
- Read Articles:
  - Consumer Rights and Responsibilities
  - Opportunity Cost
  - Understanding Contracts
  - Evaluating Long-Term Purchases
  - Avoiding Fraud and Scams
  - Work Vs Study
  - Researching Purchases
- Use Calculators:
  - Rent vs Buy Calculator





# SUBJECT 8: ESCAPING BAD DEBT

Even with careful planning, most people will fall behind on their bills at least once in their life. Help students avoid panic, and build an action plan to escape bad debt.

## Recommended Assignment

- Make Trades:
  - Make 8 Total Trades
  - Trade 5 US Stocks
  - Use 2 Limit Sell Orders
- Read Articles:
  - Juggling Bills
  - Debt Negotiation
  - Consolidating Debt
  - Debt Management Services
  - Bankruptcy
- Writing Assignment:
  - Ask students to identify credit card offers for recent graduates, and identify the highest credit limit they believe they could safely maintain.



# SUBJECT 9: INCOME AND SAVINGS

Savings and Income go hand-in-hand. This subject tasks students to understand how to build a Career Plan, along with strategies to boost long-term savings.

## Recommended Assignment

- Make Trades:
  - Make 10 Total Trades
- Read Articles:
  - Understanding Income and Compensation
  - How to Choose an Internship
  - Biggest Mistakes of Job Seekers
  - Acing Job Interviews
  - Using Keywords in your Resume
  - Pay Yourself First
  - Budgeting and Spending Strategies
  - Unemployment and Other Programs
  - Preparing for Spending Shocks
- Writing Assignment:
  - Task students to identify their dream job. Next, direct them to the Career Center's Job and Internship search tool, and find a job posting fitting their dreams.

Each job posting lists the prerequisites needed to apply – have each student identify the education requirements, and the work experience requirements. Then use the work experience requirements to find other job postings that would help meet the experience criteria. Keep moving backwards for the work experience requirements, until the student can identify the exact education requirements necessary to get an entry-level position, putting them on the path to achieve their dream job.



# SUBJECT 10: BUILDING WEALTH

This is the final subject – helping students put everything together into one comprehensive action plan.

## Recommended Assignment

- Make Trades:
  - Make 20 Total Trades
- Read Articles:
  - Buying a Car
  - Mortgages
  - Family Planning
  - Managing Net Worth
  - Planning for Retirement
  - Advanced Tips and Tricks
- Use Calculators:
  - Net Present Value Calculator
  - Saving to be a Millionaire Calculator
- Writing Assignment:
  - This should be a final report project outlining the student's portfolio over the entire duration of the class. Ask the students to include relevant charts and graphs, and refer to their Trade Notes throughout the semester to identify their greatest foresight, and biggest mistakes.

# EXTRA CREDIT – INVESTING

## 101

In addition to the previous Personal Finance items, you can also give your students the opportunity to go further by taking advantage of the Investing101 Beginners Investing Course, which is part of the Personal Finance Lab platform.

This includes 10 chapters covering 100 investment topics specifically designed to help students understand investing, the stock market, and building their own long-term investing strategy. The full course usually takes students between 10 and 20 weeks, depending on their available time and learning pace. It is entirely self-contained, so it does not need to take up any class time on its own.

Just create an Assignment including all 10 of the Investing101 chapters, and your students can progress as much, or as little, as they like over the course of the class.

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## Recommended Assignment

- Investing101 Chapters
  - Chapter 1: Introduction To Investing
  - Chapter 2: How The Stock Market Works and Why It Works
  - Chapter 3: Making Your First Trade
  - Chapter 4: Building Your \$100,000 Portfolio
  - Chapter 5: Now That I Own It, What Should I Do?
  - Chapter 6: Fundamental Analysis – Cash Flow and Earnings
  - Chapter 7: Technical Analysis – Charts and Terms
  - Chapter 8: Current Hot Topics in Trading
  - Chapter 9: Introduction to Options
  - Chapter 10: The Investors' Guide To Success
- Other Articles:
  - What is an Option?
  - What is a Future?
  - Using Excel To Track Your Portfolio
- Other Trading (these may not be compatible if you use the recommended settings above):
  - Use 3 Trailing Stop orders
  - Trade 5 Asian Stocks
  - Trade 5 Latin American Stocks
  - Trade 5 Canadian Stocks
  - Trade 5 European Stocks
  - Buy a Call Option
  - Buy a Put Option
  - Write a Call Option
  - Trade an Index Future
  - Trade a Commodity Future

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