

Theme Introduction: Goals and Decision Making

COURSE TITLE:
Personal Finance

THEME TOPIC:
**Goals and
Decision Making**

GRADE LEVEL:
10-12

Missouri Competencies:

- I.2: Analyze how career choices, education, skills and economic conditions affect income and goal attainment.
- MM.1: Explain how limited personal financial resources affect the choices people make.
- MM.2: Interpret the opportunity costs of financial decisions.
- MM.3: Evaluate the consequences of personal financial decisions.
- MM.4: Apply a decision-making process to personal financial choices.
- SC.1: Compare the benefits and costs of alternatives in spending decisions.
- SC.2: Evaluate information about products and services.
- SC.3: Compare the advantages and disadvantages of different payment methods.
- SC.4: Analyze the benefits and cost of consumer credit.
- SI.1: Compare consumer choices for saving and investing.

Theme Rationale:

In a market economy such as that of the United States, individuals' choices largely determine the course of their lives. Further, the decisions individuals make as voters and citizens determine the "rules of the game" that influence individual choices. To make informed choices, people must develop sound decision-making skills. Economic analysis provides tools that can help students develop these skills and should be an important component of a personal finance economics course.

Essential Questions:

1. How does setting goals help focus attention on the need for good money management?
2. What decision-making skills are necessary for good money management?

Instructional Objectives in This Theme:

- A: Identify goals for the future. (I.2)
- B: Recognize that choices made today will affect goal attainment. (I.2)
- C: Apply steps in a problem-solving process and economic reasoning.
(MM.1, MM.2, MM.3, MM.4)
- D: Apply the economic way of thinking to improve money management skills and affect an individual's or family's standard of living. (SC.1, SC.2, SC.3, SC.4, SI.1)

Instructional Components

Summary:

1. Pretest and post test with record sheet.
2. CSI lesson 1: A Line to the Future.
3. CSI lesson 2: Many Paths, One You.
4. CSI lesson 3: New Wheels.

Sample Pretest and Post Test:

These tests are intended only as sample questions to assess student mastery, not as end-of-unit exams. The questions are not representative of the state's end-of-course exam for Personal Finance. Some questions were written to require higher order thinking skills. The accompanying record sheet is designed to help teachers compare student mastery throughout a course before and after instruction.

SCHEDULE:	NUMBER OF CLASSES:
50-min Period	3 Class Periods
90-min Period	2 Class Periods
120-min Period	1 Class Period

Also consider the enclosed lesson activity recommendations. Instructional objective References are included for each lesson.

Technology Integration:

Keep in mind that as you locate and use websites, updates can change links and availability of information. Check any website you plan to use BEFORE sending students to it.

- Use search words from the student vocabulary list to search for current websites and articles related to financial decision making and financial goal setting.
- Use a student personal inventory system available through your school guidance counselor, such as Kuder, to assist with self-evaluations.
- Possible web sites:
 - www.money.com *Money 101 link*
 - www.practicalmoneyskills.com *Lessons for Teens*

Reading and Writing Resources:

- Articles and books related to success provide students tips for setting goals and making decisions.
- Write a stem on the board daily to allow students to think and write reflectively about their own behaviors.
- Read current articles about personal economic decision making (*Smart Money, Money, Wall Street Journal*, local newspapers).
- Students should develop a list of short-term and long-term goals, determine an amount needed to achieve that goal, and indicate a timeline.

Higher Order/Critical Thinking Instructional Strategies:

CSI 1 Assignment – Goal Setting (Analyze career choices)

CSI 2 Assignment – Goal Setting (Evaluate decision making)

CSI 3 Assignment – Decision Making (Compare and contrast possible purchases)

Key Vocabulary:

- Benefits
- Choices
- Consequences
- Costs
- Opportunity cost
- Self-interest
- Needs
- Values
- Wants

Recommended Lesson Activities

Goals and Decision Making

with Instructional Objective Alignments

Instructional Objectives in This Theme:

- A: Identify goals for the future. (I.2)
- B: Recognize that choices made today will affect goal attainment. (I.2)
- C: Apply steps in a problem-solving process and economic reasoning.
(MM.1, MM.2, MM.3, MM.4)
- D: Apply the economic way of thinking to improve money management skills and affect an individual's or family's standard of living. (SC.1, SC.2, SC.3, SC.4, SI.1)

Using the Activities Chart:

MATCH ACTIVITIES TO THE MISSOURI PERSONAL FINANCE INSTRUCTIONAL OBJECTIVES.

1. Lesson activity recommendations are listed alphabetically by source and activity name.
2. Web addresses (URLs) are provided for all activities found online.
3. Activities are aligned to the objectives at right, indicated by the letter designation.
4. Additional space is provided for teachers to add their own lesson activity ideas to the listing.

Relevant Competencies:

- I.2 Analyze how career choice, education, skills, and economic conditions affect income and goal attainment.
- MM.1 Explain how limited personal financial resources affect the choices people make.
- MM.2 Identify the opportunity costs of financial decisions.
- MM.3 Evaluate the consequences of personal financial decisions.
- MM.4 Apply a decision-making process to personal financial choices.
- SC.1 Compare the benefits and costs of alternatives in spending decisions.
- SC.2 Evaluate information about products and services.
- SC.3 Compare the advantages and disadvantages of different payment methods.
- SC.4 Analyze the benefits and cost of consumer credit.
- SI.1 Compare consumer choices for saving and investing.

Recommended Lesson Activities Goals and Decision Making with Instructional Objective Alignments

	<i>Careers and Planning</i>	A.	B.	C.	D.
1.	EconEdLink, <i>Capital Investments: Human vs. Physical</i> http://www.econedlink.org/lessons/index.cfm?lesson=EM606&page=teacher	✓	✓	✓	
2.	EconEdLink, <i>Classroom Cash Incentive Plan</i> http://www.econedlink.org/lessons/index.cfm?lesson=EM444&page=teacher		✓	✓	✓
3.	EconEdLink, <i>College: Where Am I Going to Go</i> http://www.econedlink.org/lessons/index.cfm?lesson=EM463&page=teacher	✓	✓	✓	
4.	NCEE, Economics Curriculum, <i>Focus: Personal Decision Making, Lesson 2: Applying a Decision-Making Model</i> Pricing and ordering information: http://store.ncee.net/foconecperde.html	✓	✓	✓	
5.	NCEE, CD-ROM Curriculum, <i>Financial Fitness for Life, Lesson 1: How to Really Be a Millionaire</i> Pricing and ordering information: http://store.ncee.net/finfitperfin2.html				
6.	NCEE, CD-ROM Curriculum, <i>Financial Fitness for Life, Lesson 2: The Economic Way of Thinking</i> Pricing and ordering information: http://store.ncee.net/finfitperfin2.html	✓	✓	✓	✓
7.	NEFE, <i>High School Financial Planning Program, Lesson 1: Setting Financial Goals</i> http://www.nefe.org/hsfpportal/includes/main/home.asp?page=26000	✓	✓	✓	✓
8.	NEFE, <i>High School Financial Planning Program, Lesson 2: Effective Decision Making</i> http://www.nefe.org/hsfpportal/includes/main/home.asp?page=26000	✓	✓	✓	✓

Personal Finance Pretest

Goals and Decision Making

Name: _____

Date: _____

Class Period: _____

Grade: _____

Objectives:

A: Identify goals for the future. (I.2)

B: Recognize that choices made today will affect goal attainment. (I.2)

C: Apply steps in a problem-solving process and economic reasoning.
(MM.1, MM.2, MM.3, MM.4)

D: Apply the economic way of thinking to improve money management skills and affect an individual's or family's standard of living. (SC.1, SC.2, SC.3, SC.4, SI.1)

1. Explain what short-term, intermediate and long-term goals are and give an example of one of each.

2. List one choice that you have made today and explain how that choice will affect your future.

3. Read the following scenario and use the graph to make a financial decision for Mario.

Mario must pay his way through college. He is a sophomore in high school and currently babysits regularly on the weekends. He works 15 hours and makes \$4.00 an hour. He will be eligible to work at his uncle's restaurant in three months and can work 20 hours a week at \$5.50 an hour. Fill out the chart to decide what Mario's best alternative would be and how much he can save for college by the end of his junior year.

Criteria				
Alternatives				
Babysitting Job				
Restaurant				
No Job				

Explain your choice for Mario.

How much would he have saved at the end of his junior year?

4. What is the economic way of thinking, and how can that reasoning be used to improve money management skills and standard of living?

Definition:

Money Management Skills:

Standard of Living:

Personal Finance Post Test Goals and Decision Making

Name: _____

Date: _____

Class Period: _____

Grade: _____/30

Objectives:

A: Identify goals for the future. (I.2)

B: Recognize that choices made today will affect goal attainment. (I.2)

C: Apply steps in a problem-solving process and economic reasoning.
(MM.1, MM.2, MM.3, MM.4)

D: Apply the economic way of thinking to improve money management skills and affect an individual's or family's standard of living. (SC.1, SC.2, SC.3, SC.4, SI.1)

(1 point for each explanation and 1 point for each example. 6 points total.)

1. Explain what short-term, intermediate and long-term goals are and give an example of one of each.

(1 point for the choice and 3 points for the explanation. 4 points total.)

2. List one choice that you have made today and explain how that choice will affect your future.

(4 points for the criteria, 4 points for each section of the graph and 2 points for the evaluation questions. 10 points total.)

3. Read the following scenario and use the graph to make a financial decision for Mario.

Mario must pay his way through college. He is a sophomore in high school and currently babysits regularly on the weekends. He works 15 hours and makes \$4.00 an hour. He will be eligible to work at his uncle's restaurant in three months and can work 20 hours a week at \$5.50 an hour. Fill out the chart to decide what Mario's best alternative would be and how much he can save for college by the end of his junior year.

Criteria				
Alternatives				
Babysitting Job				
Restaurant				
No Job				

Explain your choice for Mario.

How much would he have saved at the end of his junior year?

(6 points for the definition and 2 points each for application. 10 points total.)

4. What is the economic way of thinking, and how can that reasoning be used to improve money management skills and standard of living?

Definition:

Money Management Skills:

Standard of Living:



A Line to the Future

The Set Up:

You are a sophomore in high school, and the school counselor has spoken to your class about selecting courses for the next school year. While there are required credits for graduation, the school curriculum offers several courses from which to choose to meet these requirements. You have taken the ASFAB and discussed it with your parents and counselor.

Knowing your general talents and attributes motivates you to think about your future after high school. While you are just in the planning phase for advancing your skills and knowledge so that you become independent and are able to support yourself, now is the time to set your future goals.

The Investigation:

Use a graphic organizer or timeline to outline your potential career and life goals. Label each component and use connecting lines/arrows to illustrate the progression you foresee for yourself. Try answering these questions:

- Where do I see myself in the workforce in five years? ten years?
- What knowledge and skills will I need to achieve this goal?
- How will I acquire that level of knowledge and skill?
- What must I do now to set out on this path?

Using the graphic organizer or timeline you created, explain how the steps in the process you illustrated represent “goals.”

Now that you have listed the steps toward achieving your career goal(s), elaborate on the decisions you will face in your financial life along the way?



Work It Out:

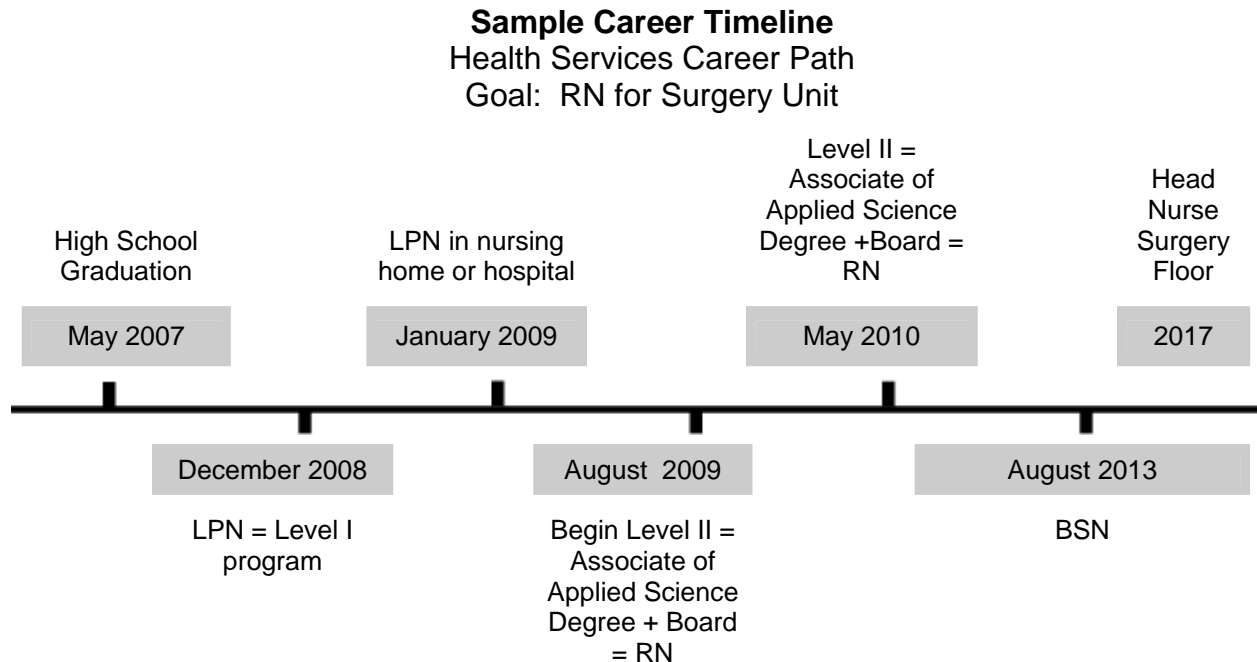
You can find many templates for timelines and graphic organizers on the Internet.

Creating Timelines from Templates:

http://www.phxelem.k12.az.us/technology_and_learning/online_learning/pdfs/creating_timelines_from_templates.pdf

Graphic Organizer Worksheets: <http://www.makeworksheets.com/samples/graphicorg/index.html>

Included is a sample horizontal timeline created from a template at www.teach-nology.com.



After graduation from high school, I plan to use my A+ credit to enroll in a Licensed Practical Nursing program at a community college. Medication technician classes will apply to an LPN certificate and allow me to work in the nursing field while I continue my education in a Registered Nurse program. I realize that to achieve my goal as a surgery floor nurse and eventually head nurse for surgery, a Bachelor of Science in Nursing (BSN) is required.

Powered by Teach-nology.com- The Web Portal For Educators! (www.teach-nology.com)

Consumer Scene Investigation Grade Sheet
CSI 1 - A Line to the Future

Competencies: I-1: Identify components and sources of income.
I-2: Analyze how career choices, education, skills and economic conditions affect income and goal attainment.

Objectives: A: Identify goals for the future.
B: Recognize that choices made today will affect goal attainment.

Name: _____

Date: _____

Criteria:	4	3	2	1	Total:
Analysis of Career Choice	Student realistically and effectively analyzed their career choice.	Choice is either unrealistic or ineffective, analysis is incomplete.	Choice is neither realistic nor effective, no analysis is evident.	Choice was made but is just an option that was not thought out.	
Analysis of Education and/or Skills Needed	Student realistically and effectively analyzed the needed education and skills.	Education/skills do not effectively meet the needs of the career choice.	Education/skills have not been analyzed. Student makes guesses at what is needed for this career choice.	Education and skills are listed but are not clear or thought out.	
Analysis of Steps Needed for Career Choice Obtainment	Student realistically and effectively analyzed the steps needed to achieve this career choice.	Steps would get the student started in this career but are either incomplete or unrealistic.	Steps have been listed but are not analyzed to be used in goal setting.	Steps have been guessed at and would not allow the student the opportunity to obtain the career.	
Goal Setting	Goals are short-term and long-term, related to the career, obtainable and measurable.	Goals are stated but not measurable or related to time.	Goals are stated but not suitable for obtaining success.	Goals are simply listed but not analyzed or written in a manner to make them obtainable.	
Timeline/ Graphic Organizer	Timeline uses a template and is clear to the reader.	Timeline uses a template but is not easy to follow.	Timeline is made but does not use a template.	Timeline is attempted but is unclear to the reader.	
				Total:	



Many Paths, One You

The Set Up:

It is the beginning of your senior year of high school. You want to enjoy your senior year but before you know it, you will graduate! Your school allows one day during the senior year for students to visit colleges, universities, trade schools and other institutions to learn more about the choices for selecting their post-secondary education. You attended the College Night hosted by your school and met recruiters from several institutions you wish to visit.

The Investigation:

- Describe the life style you envision for yourself and your future family.
- List the career path(s) you are considering.
- Make a chart to show a career goal, the level of education or training needed and identify the options in Missouri for you to increase your human capital to the point that you would be qualified for your chosen career.
- Further investigate and list the length of time this post-secondary education would require.
- Analyze the choices that you have for achieving your career goal and discuss your current plan/decision regarding how to achieve this goal.

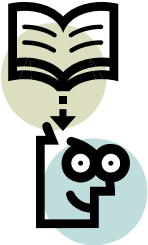


Many Paths, One You

Work It Out:

Describe your lifestyle in the future for you and your family:

Horizontal lines for writing a description of future lifestyle.



List the career paths you are considering and the education/ training needed in these fields.

- 1.
2.
3.
4.

Table with 3 columns: Career Path, Education or Training Required, Location of Training in Missouri. Includes sub-headers for Potential Salary, Time to Acquire Degree or Certification/License, and Cost to Complete the Training/Degree.

Consumer Scene Investigation Grade Sheet
CSI 2 - Many Paths, One You

- Competencies:**
- I.1: Identify components and sources of income.
 - I.2: Analyze how career choices, education, skills and economic conditions affect income and goal attainment.
 - MM.2: Interpret the opportunity costs of financial decisions.
 - MM.3: Evaluate the consequences of personal financial decisions.
 - MM.4: Apply a decision-making process to personal financial choices.

- Objectives:**
- A: Identify goals for the future
 - B: Recognize that choices made today will affect goal attainment
 - C: Apply steps in a problem-solving process/economic way of thinking
 - D: Apply the economic way of thinking to improve money-management skills and affect an individual's or family's standard of living

Name: _____

Date: _____

Criteria:	4	3	2	1	Total:
Life Style Analysis	Analysis was complete and realistic for future family goals.	Analysis was missing minor aspects or was slightly unrealistic.	Analysis was incomplete or unrealistic.	Analysis was more of a pie in the sky dream and could not be used in goal setting.	
Career Path/ Options Chart	The chart was complete and easy to use in comparisons.	The chart was complete but not easily used.	The chart left the reader guessing.	The chart was incomplete.	
Career Goals Chart	The chart was effective for analysis, information was appropriate.	The chart was somewhat effective but missing minor pieces.	The chart left the reader confused, more research was needed.	The chart wasn't effective or usable in comparing career paths.	
Decision Making	All steps in the decision-making process were used. The process described would be effective.	Minor areas of the decision-making process were missing, all steps were included. Process would be mostly effective.	A step was left out of the decision-making process. Process would not be effective.	More than one step of the process was missing; ineffective decision making.	
Comparison of Standard of Living and Career Path	Standard of living and career path were analyzed and compared. Evidence of the comparison is easily understood.	Standard of living and career path were compared but not analyzed individually.	Connections were made but neither comparison nor analysis is truly evident.	An attempt was made but did not meet the criteria.	
				Total:	



New Wheels

The Set Up:

Byron Haines wants to buy his first car. Of course Byron wants to use the car to drive to and from school; however, he will also be able to drive to and from his part time job. He may even be able to help his mom by taking his younger brother to and from baseball practice and games this summer.

Byron has saved \$3,500. He knows what he wants to buy—a sports car! His uncle who knows a lot about cars suggested that he look on the web at several used car sites and at the Kelly Bluebook site, too. Byron did that, and was a bit surprised by what he found. He can probably buy a sports car for \$3,500—but it will be a 1995 or earlier model and it is likely to have a lot of miles. Cars built after 1995 that have lower mileage and fit his budget are cars like the Ford Taurus and the Chevrolet Malibu—not quite as appealing as a sports car. Never the less, Byron is considering buying one of those cars. The Kelly Bluebook site even provides a list of cars for sale near his home that fit his \$3,500 budget. Byron talked with his mom and his uncle about going to see some of these cars. His uncle reminded him that there are some other things he must consider.

State sales tax on a car that costs \$3,500 will be 6% or \$210. It will cost \$38.50 for the license. Byron will also have to pay automobile insurance—it's a state law—he must have auto insurance. His uncle suggests that Byron get some quotes for automobile insurance on the models in which he is interested.



The Investigation:

Here's what Byron has learned so far about vehicles available in his area:

Byron's insurance for any one of these cars will be approximately \$250 per month for six months.

What other factors should Byron consider before making this decision?
Where can he get information to help him?

Chevrolet Cavalier 1996 87,000 miles 4-cylinder automatic \$2,710	Chevrolet Malibu 1997 84,000 4-cylinder automatic \$3,600	Hyundai Accent 1998 81,000 4-cylinder 5 speed \$3,405
Ford Aspire 1995 90,000 4-cylinder 5 speed \$2,100	Ford Taurus 1997 84,000 6-cylinder automatic \$3,380	Kia Sephia 1997 84,000 4-cylinder 5 speed \$2,350

Work It Out:

Go online and find the additional information that he needs about each of these cars. Then answer the following questions, and use a decision-making grid to make a choice for Byron.

- What is Byron's problem?
- What is his budget constraint?
- What are his alternatives?
- What criteria should he use in making this decision?

Criteria						
Alternatives	Gas Mileage	Added Costs				

Consumer Scene Investigation Grade Sheet
CSI 3 - New Wheels

- Competencies:** MM.1: Explain how limited personal financial resources affect the choices that people make.
 MM.3: Evaluate the consequences of personal financial decisions.
 MM.4: Apply a decision making process to personal financial choices.
 SC.1: Compare the benefits and costs of alternative in spending decisions.
 SC.2: Evaluate information about products and services.

- Objectives:** C: Apply steps in a problem-solving process and economic reasoning.
 D: Apply the economic way of thinking to improve money management skills and affect an individual's or family's standard of living.

Name: _____

Date: _____

Criteria:	4	3	2	1	Total:
Alternatives of Decision	Alternatives listed were realistic and effective for decision making.	Most of the alternatives were realistic and effective for decision making.	Alternatives were unrealistic or ineffective.	Alternatives were incomplete, decision making could not be done.	
Criteria of Decision	Criteria listed were realistic and effective for decision making.	Most of the criteria were realistic and effective for decision making.	Criteria were unrealistic or ineffective.	Criteria were incomplete; decision making could not be done.	
Decision Making	All steps in the decision-making process were used. The process would be effective.	Minor areas of the decision-making process were missing, all steps were included. Process was mostly effective.	A step was left out of the decision-making process. Process wouldn't be effective.	More than one step of the process was missing; ineffective decision making.	
Sources Used	Used the proper and correct sources of information in solving the problem.	Sources were effective but incomplete.	Sources were not effective for use in this decision.	Sources were not clearly examined or used.	
Evaluation of Products	Product evaluation was thorough, the proper process was used and a solution was found.	Product evaluation used the proper process and was effective in finding a solution.	Product evaluation used the proper process.	Process was incomplete and decision making ineffective.	
				Total:	