

KEYS TO FINANCIAL SUCCESS

A HIGH SCHOOL
PERSONAL FINANCE COURSE



FEDERAL RESERVE BANK OF PHILADELPHIA



**Delaware Council on
Economic Education**



The Keys to Financial Success Course

Key to Financial Success is a complete course plan for teaching personal finance to high school students. It is composed of 52 lessons designed to help you teach your students personal finance using active and collaborative learning. Keys to Financial Success is offered free of charge to schools and teachers.

In a typical Keys to Financial Success course, students learn the knowledge, skills, and processes required to make sound financial decisions and manage their own personal finances. The lessons engage students in critical thinking, problem solving, and decision-making. A typical Keys to Financial Success course is divided into nine themes and each theme takes one to three weeks to cover. Rather than using a traditional text, which would rapidly become outdated as financial products, services, regulations, and laws change, the Keys to Financial Success course uses lessons from a variety of curriculum

sources, including *Financial Fitness for Life, Grades 9-12*; *VISA Practical Money Skills*; *Learning, Earning, and Investing*; and original content created by the authors. Throughout the course, students use the Internet for access to the latest information on personal finance topics and financial products. This approach allows teachers to update lessons from year to year to reflect changes in the financial marketplace. Using knowledge gained from the lessons and information gleaned from the Internet, students create a personal portfolio of tools and data. The students are encouraged to keep their portfolios as a reference when making financial decisions as adults.

We are sure that you will find Keys to Financial Success a course that engages your students and leads to significant increases in their personal finance knowledge and their ability to manage their personal finances as adults.

The Keys to Financial Success Experience

In spring 2001, the University of Delaware Center for Economic Education and Entrepreneurship, the Federal Reserve Bank of Philadelphia, the Delaware Bankers Association, and the Consumer Credit Counseling Service of Maryland and Delaware formed a partnership to provide curriculum resources and teacher training to Delaware high school teachers interested in teaching a semester-long personal finance course. Work began in the late spring and early summer of 2001 to develop such a course. The course was designed by selecting from the best instructional materials currently available. Curriculum resources included in the course approach the teaching of personal finance using basic economic concepts. Furthermore, the lessons are flexible enough to allow the result-

ing course to be taught in many potential high school departments, including social studies, mathematics, family and consumer science, and business. Major revisions of the curriculum were completed in 2010 and 2012.

In the 2001-2002 school year, the first Keys to Financial Success course was offered as a pilot at a Delaware high school. Since then, over 350 teachers in over 120 high schools in Delaware, Pennsylvania, and New Jersey have been trained to teach personal finance using the Keys to Financial Success model. In addition, thousands of high school students have been taught how to make sound financial decisions and manage their personal finances.

Teacher-Training Program

Each summer, the Delaware Council for Economic Education and the Federal Reserve Bank of Philadelphia offer a week-long teacher-training program, taught by the authors of the course's teacher's manual, for teachers beginning to use the Keys to Financial Success model. This training program, which is offered free of charge

to schools committed to offering a Keys to Financial Success course at least once per school year, is an invaluable professional development experience that ensures that new Keys teachers are well prepared to begin teaching the course the following September.

The Keys to Financial Success Lessons

With nine themes and 52 lessons, the Keys to Financial Success course gives you the tools to teach personal finance using the economic way of thinking and active- and collaborative-learning teaching methods.

Theme 1: Goals & Decision Making	Theme 2: Careers & Planning
1.1: How to Really Be a Millionaire 1.2: The Economic Way of Thinking 1.3: Making Decisions 1.4: How Can We Decide? 1.5: How to Set Goals	2.1: What Do You Mean I Have to Earn an Income? 2.2: Making a Job 2.3: Invest in Yourself 2.4: Why Some Jobs Pay More Than Others 2.5: What Else Is Out There and How Would I Find It? 2.6: Dreams and Plans
Theme 3: Budgeting	Theme 4: Saving & Investing
3.1: Why Should I Have a Budget? 3.2: Funding My Goals by Planning 3.3: Uncle Sam Takes a Bite: Forms, Forms, Forms 3.4: Managing Your Money 3.5: Preparing My Own Budget	4.1: Pay Yourself First, Early, and Often 4.2: Why Should I Have a Savings Plan? 4.3: How Do I Decide Whether to Save, Invest, or Both? 4.4: There Is No Free Lunch in Investing 4.5: Financial Institutions in the U.S. Economy 4.6: Reading the Financial Pages: In Print and Online 4.7: Researching Companies 4.8: How to Buy and Sell Stocks and Bonds
Theme 5: Credit	Theme 6: Banking Services
5.1: Extra "CREDIT": Cash or Credit? 5.2: What Is Credit? 5.3: Cash or Credit? Which Should I Use and When? 5.4: Making Credit Choices 5.5: Finding Your Way Through the Credit Maze 5.6: Applying for Credit 5.7: All About Interest 5.8: Shopping for a Credit Card 5.9: Consumer Credit Protection	6.1: What Financial Institutions Can Do for Me 6.2: Checking Accounts: Not All Are Created Equal 6.3: Practice, Practice: How to Record Deposits, Keep a Running Balance, and Reconcile a Checking Account
Theme 7: Transportation Issues	Theme 8: Housing Issues
7.1: How Do You Get Wheels and What Are the Costs? 7.2: What Do I Want and What Can I Afford? 7.3: What Are Warranties and Service Contracts and Why Do I Need Them? Or Do I? 7.4: Have I Got a Deal for You! Loan or Lease? 7.5: How Costly Will My Car Insurance Be?	8.1: Moving Into My Own Place 8.2: How Comfortable Will My Place Be? 8.3: Tired of Renting: Should I Buy My Own House? 8.4: Can I Really Afford That House? 8.5: Obtaining Financing: Shop for Your Mortgage
Theme 9: Risk Protection	Appendices and Other Materials
9.1: Let the Buyer Beware 9.2: Credit Scams, Schemes, Identity Theft, and Privacy Issues 9.3: Why Insurance and How Does It Work? 9.4: The Basics of Life Insurance 9.5: Everything You Ever Wanted to Know About Automobile Insurance 9.6: Why Renter's Insurance?	<ul style="list-style-type: none"> • Paper Stock Market Activity • Making the Case for Financial Literacy

Sources of Curricula

Each Keys to Financial Success teacher receives the 155-page *Keys to Financial Success Teacher's Manual*. This manual provides the teacher with the complete 52-lesson Keys to Financial Success course and is available free of charge from the Federal Reserve Bank of Philadelphia. The manual directs teachers to additional resources in the

following curriculum materials, all of which are provided free of charge to those teachers who attend the Keys to Financial Success teacher-training program offered each summer. Those teachers who choose not to participate in the teacher-training program may purchase these resources directly from their publishers.

COLOR	TITLE	SOURCE
	Capstone: Exemplary Lessons for High School Economics Teacher's Guide	Lopus, J., J. Morton, R. Reinke, M. Schug, and D. Wentworth, 2003. <i>Capstone: Exemplary Lessons for High School Economics Teacher's Guide</i> . New York: Council for Economic Education. Available at http://store.councilforeconed.org
	Capstone: Exemplary Lessons for High School Economics Student Activities	Lopus, J., J. Morton, R. Reinke, M. Schug, and D. Wentworth, 2003. <i>Capstone: Exemplary Lessons for High School Economics Student Activities</i> . New York: Council for Economic Education. Available at http://store.councilforeconed.org
	Financial Fitness for Life Teacher's Guide	Gellman, S. and S. Laux, 2011. <i>Financial Fitness for Life (Second edition) Grades 9-12</i> . New York: Council for Economic Education. Available at http://store.councilforeconed.org
	Financial Fitness for Life Student Workouts	Gellman, S. and S. Laux, 2011. <i>Financial Fitness for Life (Second edition) Grades 9-12</i> . New York: Council for Economic Education. Available at http://store.councilforeconed.org
	Financial Fitness for Life Teacher's Guide, Grades 6-8	Flowers, B. and S. Laux, 2011. <i>Financial Fitness for Life (Second edition) Grades 6-8</i> . New York Council for Economic Education. Available at http://store.councilforeconed.org
	Financial Fitness for Life, Student Workouts, Grades 6-8	Flowers, B. and S. Gallaher, 2001. <i>Financial Fitness for Life (Second edition) Grades 6-8</i> . New York Council for Economic Education. Available at http://store.councilforeconed.org
	Keys Materials	A CD-ROM of materials created by the authors. Available free of charge by contacting Todd Zartman (todd.zartman@phil.frb.org)
	Learning, Earning, and Investing	Caldwell, J., J. Davis, S. Gallagher, J. Lopus, J. Morton, M. Schug, M. Suiter, P. Van-Fossen, D. Wentworth, and W. Wood, 2004. <i>Learning, Earning, and Investing: High School</i> . New York: Council for Economic Education. Available at http://store.councilforeconed.org
	State Farm Insurance Lessons	Available on Virtual Economics: CD-ROM – Version 4.0. Available at http://store.councilforeconed.org
	VISA Practical Money Skills	VISA, 2000. <i>Practical Money Skills</i> . San Francisco: VISA U.S.A., Inc. Available at http://www.practicalmoneyskills.com

A Sample Lesson

Each lesson in the *Keys to Financial Success Teacher's Manual* has a number of key features, which help the teacher to carry out effective instruction to achieve student-specific learning objectives. This sample lesson gives you an overview of those components.

THEME 5: CREDIT
LESSON 5.4

Lesson 5.4: Making Credit Choices

Lesson Description
In this lesson, students face many credit choices. Students in this lesson act as financial advisors providing advice on when it may or may not be appropriate to use different forms of credit.

Content Standards
National Standards in Personal Finance: Credit and Debt: Standard 1

Concepts
Credit

Objectives
Students will be able to:

1. Identify advantages and disadvantages of using credit.
2. Make decisions about the wise use of credit.

Time Required
45-60 minutes

Materials

Financial Fitness for Life Teacher Guide
pp. 56-59, one copy for the teacher
Financial Fitness for Life Student Workbook
<ul style="list-style-type: none"> • Exercise 12.1—Smart Financial Advisors, pp. 89-91, one copy for each student
Keys Materials
<ul style="list-style-type: none"> • "Credit History: The Evolution of Consumer Credit in America," one copy for each student

Procedure

1. Complete the procedure found on pp. 56-59 of the **Financial Fitness for Life Teacher Guide**.
2. Introduce the students to the 20/10 rule and explain to them that this rule is important for them to know and understand when they begin to look for lenders offering credit. They can calculate the 20/10 rule themselves before they approach lenders and have a better understanding of how creditworthy they may be in the eyes of lenders.
3. Tell students that the 20/10 rule is one of many methods that lenders and creditors often use to grant credit to consumers. The 20/10 rule is made up of two parts, with the 20 dealing more specifically with the total debt as opposed to the monthly payments associated with such debt, and the 10 deals with the monthly payments.

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The teacher's manual follows a clear structure with numbered and color-coded lessons covering the nine themes of the course.

Each lesson begins with a lesson description that briefly introduces the teacher to the purpose of the lesson and provides a brief description of the procedure.

Every lesson is benchmarked to the applicable national personal finance and/or economics standard.

Each lesson clearly states the personal finance concept covered and lists in the objectives the student-centered learning outcomes that will be achieved by the procedure.

Each lesson includes the estimated completion time.

The materials section in each lesson lists the specific handouts, visuals, and additional resources the teacher will need to collect from the ancillary curriculum and duplicate prior to class. The various sources of the materials are color coded to make it quick and easy for the teacher to locate the relevant materials.

Each lesson includes a detailed procedure, which often refers the teacher to specific additional procedure steps contained in ancillary curriculum materials.

Thumbnails provide visual clues that assist teachers in locating materials from the ancillary curriculum.

FFL Teacher Guide, pp. 56-59

Exercise 12.1
FFL Student Workbook, pp. 89-91

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"Credit History..."
Keys Materials

Each lesson includes a specific closure section aimed at ensuring that the students have learned the important points of the lesson.

Throughout the procedure and the closure, carefully constructed discussion questions check for students' understanding and draw the students into the learning process.

Each lesson includes assessment items specifically designed to assess whether the students have achieved the lesson's learning objectives.

Throughout the teacher's manual, activities that meet one or more of the Common Core Standards for History/Social Studies are denoted with an icon.

4. Explain that your total annual household debt, excluding your mortgage, should not exceed 20 percent of your annual take home income. Net take home income is what you actually take home after taxes and deductions. Give the students the following example: Your take home income is \$35,000 per year. Take $\$35,000 \times 20$ percent = \$7,000. Your total consumer debt under the 20 rule should not exceed \$7,000.
5. Explain that your total monthly debt payments, excluding your mortgage payments, should not exceed 10 percent of your net monthly take home income. Give the students the following example: Your take home income is \$35,000 per year. Take \$35,000 and divide it by 12 = \$2,916.66. Now take the $\$2,916.66 \times 10$ percent = \$291.66. Your total monthly payment under the 10 rule should not exceed \$291.66 per month.
6. Have the students calculate the 20/10 rule using their chosen career's income. This calculation should help them better understand why it is important to be aware of their household debt.

Closure

7. Review the important points of the lesson by completing the following:
 - a. Complete the closure found on p. 58 of the [Financial Fitness for Life Teacher Guide](#).
 - b. Ask the following questions:
 - i. What is one very important aspect to consider when deciding whether or not to use credit when purchasing a car? (*Answers will vary but it is important to consider that a car is an asset that loses its value quickly.*)
 - ii. What is one very important aspect to consider when giving financial advice? (*Answers will vary; however, students should consider that when giving financial advice, not all financial advice fits every person and the situation they are currently in. Be very careful of giving advice without knowing exactly what is going on with the individual or group asking for the advice. Do not hesitate to recommend to individuals or groups that they should see a professional financial advisor for more advice.*)

Assessment

8. Have the students read the article "Credit History: The Evolution of Consumer Credit in America," *The Ledger*, Federal Reserve Bank of Boston: Spring/Summer 2004
9. Write the following statement on the board: "... it was hardly an exaggeration to say that the American standard of living was bought on the installment plan" — Daniel Boorstin, historian. Have the students write a short essay explaining what Daniel Boorstin meant by this statement. Students should give examples that Boorstin cited in the article and explain how those examples support his statement. [Common Core](#)
10. Complete the assessment found on p. 58 of the [Financial Fitness for Life Teacher Guide](#). [Common Core](#)

Standards

Each lesson in the Keys to Financial Success program is correlated with the national content standards in economics and personal finance.

- **National Standards in Economics**

Council for Economic Education, 2010. *Voluntary National Content Standards in Economics, 2nd Edition*. New York.

Available at <http://www.councilforeconed.org/ea/standards/standards.pdf>

- **National Standards in Personal Finance**

Jump\$Start Coalition for Personal Financial Literacy, 2007. *National Standards in K-12 Personal Finance Education*. Washington, D.C.

Available at <http://www.jumpstart.org/national-standards.html>

A Typical Keys to Financial Success Course in a Semester

THEME	WEEKS															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1: Goals & Decision Making	█	█														
2: Careers & Planning		█	█	█												
3: Budgeting				█	█	█										
4: Saving & Investing						█	█	█	█							
5: Credit									█	█	█	█				
6: Banking Services												█	█			
7: Transportation Issues													█	█		
8: Housing Issues														█	█	
9: Risk Protection															█	█

Cost

Keys to Financial Success is offered free of charge to schools and teachers. With free professional development and no textbooks to buy, Keys to Financial Success represents an excellent option for getting teachers and students started with personal financial education quickly.

For More Information

For more information about the Keys to Financial Success program, refer to the following list.

Teachers and administrators in Delaware and members of the Council for Economic Education network contact:

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