

RECOMMENDED PERSONAL FINANCE CURRICULUM





OVERVIEW

This course outline is a suggestion of topics, exercises, lessons, and activities for a high school personal finance class. This outline utilizes the StockTrak Platform, 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 the StockTrak platform. For a personal finance class, our recommended class settings are:

- \$100,000 starting cash
- \$0.25 minimum stock buy price
- \$3 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 first day of the 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: SP500
- Security Types: Equities, Mutual Funds, Bonds, and Spots, all of which with \$10 commission per trade
- Allowed Exchanges: All North American exchanges



THE FIRST DAY OF CLASS

On the first day of class, have your students register to your class on the StockTrak platform. We recommend having your students manage their portfolios individually, but many schools also like to pair students in teams of 2.

Recommended Assignment

For your first class, we recommend giving your students an Assignment designed to get them introduced to the platform. By managing their portfolio over the course of the semester, they will be able to connect the movements of their stocks with what they are learning in class.

- Watch Videos:
 - Site Overview
 - How To Trade Stocks
- Make Trades:
 - Buy 2 US Stocks
- Read Articles:
 - What Are Incentives?



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: PAYMENT METHODS AND BANKING

The goal of this subject is to familiarize students with money, payment methods, and different types of bank accounts.

Recommended Lesson Plans

"Banks and Credit Unions" by Melissa Smith.

<http://www.econedlink.org/teacher-lesson/691/>

Recommended Assignment

- Watch Videos:
 - Order Types
- Make Trades:
 - Make 5 Total Trades
 - Use 2 Limit Sell Orders
- Read Articles:
 - Money and Stored Value
 - Banks, Credit Unions, and Savings & Loans
 - What Makes A Contract Valid?
- Use Calculators:
 - Saving to be a Millionaire
 - Compound Interest Calculator
- Writing Assignment:
 - Write a 250 word summary of why you bought or sold particular stocks in your portfolio this week. Students should maintain this trading journal over the course of the semester.



SUBJECT 2: SAVING AND SPENDING

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

Recommended Lesson Plans

"Using an Excel Checkbook" by Mike Fladlien.

<http://www.econedlink.org/teacher-lesson/1013>

"Budgeting and Income" by TheMint.org.

<http://www.themint.org/teachers/budgeting-your-financial-resources.html>

"Staying Afloat Financially" by Michael Koren

<http://www.econedlink.org/teacher-lesson/792/>.

Recommended Assignment

- Make Trades:
 - Make 10 Total Trades
 - Make 3 "Short" Trades
- Read Articles:
 - Spending and Savings Plan
 - Keeping Financial Records
 - What is Wealth?
 - Consumer Rights and Responsibilities
- Use Calculators:
 - Home Budget Calculator
 - Buy Vs Lease Calculator
- Writing Assignment:
 - In addition to the normal trading journal, students should outline 2 trades that they decided NOT to make, detailing the costs and benefits.



UNIT 2: INVESTING

The Investments unit covers many investment topics, many of which will be built upon in the later subjects of retirement, fraud, and income.

SUBJECT 1: ELEMENTS OF INVESTING

This subject introduces students to what stocks, ETFs, mutual funds, and bonds are, and their role in the economy.

Recommended Lesson Plans

"NYSE Made Easy" by Matthew Wolfe.

<http://www.econedlink.org/teacher-lesson/292/>

"Make Your Millions In The Stock Market" by William Trainor.

<http://www.econedlink.org/teacher-lesson/333/>

"The Five Stages of Investing" by Melissa Smith.

<http://www.econedlink.org/teacher-lesson/707/>

Recommended Assignment

- Watch Videos:
 - Trading Mutual Funds
 - Trading Bonds
- Make Trades:
 - Buy 2 Mutual Funds
 - Buy 1 Treasury Bond
 - Buy 1 Corporate Bond
 - Make 10 Total Trades
- Read Articles (there are a few, but they are all fairly short):
 - What is a Stock?
 - What is an ETF?
 - What is a Mutual Fund?
 - What is a Bond?
 - What is a Ticker Symbol?
 - Why Invest in Stocks?
 - Why is it called Wall Street?
 - What is the NYSE?
 - How To Choose Stocks
- Use Calculators:
 - Advanced Investment Returns
 - Net Present Value
- Writing:
 - Add in how 2 events in the news this week impacted their trading decisions to their Trading Journal



SUBJECT 2: INVESTMENT STRATEGY AND PORTFOLIOS

This subject is based on helping students become more comfortable researching companies, managing a portfolio, understanding what an investment strategy is, and how to build their own.

Recommended Lesson Plans

"Understanding an Income Statement" by Mike Fladlien.

<http://www.econedlink.org/teacher-lesson/1034/>

Recommended Assignment

- Watch Videos:
 - Research Tools
 - Trading Spot Contracts
- Make Trades:
 - Trade 3 Stocks
 - Trade 2 Spots
 - Trade 1 Mutual Fund
 - Make 10 Total Trades
- Read Articles:
 - Getting (and understanding) Stock Quotes
 - Building a Diversified Portfolio
 - How To Find Stocks In Specific Sectors
 - What Is The Dow Jones Industrial Average?
 - What is an Income Statement?
 - What is a Balance Sheet?
 - Different Investment Strategies
- Use Calculators:
 - Net Worth Calculator
- Writing:
 - Students should outline a particular investment strategy for their portfolio moving forward. How closely have their previous trades matched this strategy?



UNIT 3: CREDIT AND DEBT

This unit focuses on getting students acquainted with loans, credit cards, and debt.

SUBJECT 1: CREDIT

This subject discusses the concept of credit, credit cards, and other types of loans.

Recommended Lesson Plans

"Earning Credit" by Martha Rush and David Mushrush.

<http://www.econedlink.org/teacher-lesson/1034/>

"Loan Amortization – Mortgage" by Mike Fladlien.

<http://www.econedlink.org/teacher-lesson/1022/>

"Car Loan Project" by Wendy Clark. <http://www.econedlink.org/teacher-lesson/386/>

Recommended Assignment

- Make Trades:
 - Make 10 Total Trades
- Read Articles:
 - Using Credit
- Use Calculators:
 - Credit Card Payments Calculator
 - Car Loan Calculator
- Writing:
 - Have your students traded any stocks On Margin? If they are being charged 8% annual interest, compounded daily, on their borrowed money, how much have they been charged in the last day?



SUBJECT 2: DEBT

This subject discusses what it means to be in debt and credit reports.

Recommended Assignment

- Make Trades:
 - Make 10 Total Trades
- Read Articles:
 - Managing Debt
 - Credit Reports
- Writing:
 - Continue to maintain their Trading Journal. How well have their trades in the last weeks been matching their Investment Strategy? What parts of their Investing Strategy should they change?



UNIT 4: EMPLOYMENT AND RETIREMENT

This unit covers topics relating to preparing for the job market, starting a business, and how to plan for retirement.



SUBJECT 1: EMPLOYMENT AND UNEMPLOYMENT

This subject discusses different types of income, along with different causes of unemployment.

Recommended Lesson Plans

"College: Where am I going to go?" by Mike Duckworth.

<http://www.econedlink.org/teacher-lesson/463/>

"Entrepreneur!" by Connections Cross-Curricular.

<http://www.econedlink.org/teacher-lesson/376/>

Recommended Assignment

- Making Trades:
 - Make 10 Total Trades
- Read Articles:
 - Income and Compensation
 - Starting A Business
 - Unemployment
- Writing:
 - Continue to maintain your Trading Journal. Identify 3 pieces of market news that impacted how you traded this week.



SUBJECT 2: INSURANCE AND RETIREMENT

This subject aims to encourage students to start thinking about the future, both by preparing for risk and the future.

Recommended Lesson Plans

"Break A Leg!" by EconEdLink. <http://www.econedlink.org/teacher-lesson/312/Break-Leg>

Recommended Assignment

- Make Trades:
 - Make 10 Total Trades
- Read Articles:
 - Types of Insurance
 - Preparing for Retirement
 - Protecting against Fraud
- Use Calculators:
 - Saving to be a Millionaire
- Writing:
 - Continue to update your Trading Journal. Based on your returns so far, how long will you need to keep saving if you can afford to put aside \$300 per month if you want to save \$1 million for retirement?
- Bonus: At the end of the course, have your students prepare a short 5 – 10 minute presentation of their investing strategy, how it evolved over the course of the semester, and an overview of their portfolio holdings/returns.

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 StockTrak 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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