TO: The Executive Committee and Academic Senate  
FROM: The Committee on Instruction and Curriculum  
SUBJECT: 15-16 CIC 7: Approval of B4 and D1-3 GE designation for FIN 2300: Personal Financial Management  
PURPOSE: For approval of the Academic Senate.  
ACTION REQUESTED: That the Academic Senate approve the request for the B4 and D1-3 designations for the course FIN 2300: Personal Financial Management  

BACKGROUND INFORMATION:  
At GE’s October 5, 2015 meeting, the subcommittee considered the request for B4 and D1-3 GE designations from the College of Business and Economics for FIN 2300: Personal Financial Management. Some concerns were raised regarding courses that are listed in multiple GE areas; the GE Subcommittee approved the request and recommends Senate approval.
Application for General Education Quantitative Reasoning (B4)

Courses approved for general education credit must provide students with explicit instruction in the approved student learning outcomes, listed below. Please be as specific as possible in your explanations, describing topics, readings, assignments, activities and assessments that illustrate how the course supports students’ acquisition of the learning outcomes. Remember, there may be no one on the review committees who has any knowledge of your discipline. Attach the course syllabus and any assignments and/or assessments needed to support your explanations.

Please use this template to address ALL of the following learning outcomes

Purpose of Quantitative Reasoning: Executive Order 1033 (system description) “B4... Students will not just practice computational skills, but will be able to explain and apply basic mathematical concepts and will be able to solve problems through quantitative reasoning.

CSUEB description: Students will demonstrate their ability, in homework and tests, to use college-level mathematical concepts and methods to understand, analyze, and explain issues in quantitative terms.

1. Students will demonstrate quantitative literacy by a) demonstrating they know formal mathematical concepts and formulae and

   This will be common in the course.
   For example:

   In constructing their own budget, students will master:

   • Income statement formulae and rules: Income (sources of funds) – Expenditures (uses of funds) = amount available for savings and investment.

   • Calculation of monthly expenses from unit costs and frequency in a month. For example, if students buy 3 Starbucks cappuccinos per week, at $2.85 per cappuccino, this would be a monthly expense of $34.20 ($2.85*3 times a week*4 weeks in a month = $34.20)

   In evaluating their investment options, students will master:

   • Present Value, Future Value, and compounding interest formulae and their uses

   • Investment options (instruments and institutional), comparative rates of return and fee, and their uses

   • Tax rates (tax tables, also paycheck payroll deductions) and their impact on financial decisions

   A graphic example of the impact of compounding (at a 6% annual rate of return)
And a graphic example of the power of time in compounding (at an 8% annual rate of return)

Also, in evaluating whether to buy or rent, students will master the algebra involved in comparing the costs and benefits of alternative courses of action.

Etc.

b) by finding appropriate sources for key mathematical ideas from the course.

Students will find sources for the concepts and key mathematical ideas in the required and optional textbooks, in articles and support materials posted on the class Blackboard site, and on EXCEL templates given to the students to use in various assignments and exercises. An expectation is that the students will continually refer to these sources as they continue to study at Cal State East Bay, and move on to their careers. They are guidebooks and enduring references.

2. Students will demonstrate numeracy skills (reasoning) by demonstrating:
   a) they know how to manipulate and use theories;

This will be common in the course.
For example:

In evaluating their own credit and debt, students will master:

- Components of their credit score
- Payment increase consequences of lower credit scores
- Methods to monitor and improve credit score
- Action to improve credit score

In evaluating their own student loans, students will master:

- Evaluating the features and costs and benefits of various income and loan options.
• Calculation of an amortization schedule to determine the interest and principal components of the student loan payback plan.

• Impacts of compounding on student loans (the concept of compounding is not just applicable to savings and investment; for example, a common recommendation to students is to try not to defer payments on student loans. “If possible, at least make interest-only payments while in school. It can save [the student] thousands of dollars in finance charges. Otherwise, after graduation, deferred interest folds into the principal so the student ends up paying interest on interest. Avoid this if possible by paying the interest while in school.” (Selinger, p.225)

Etc.

b) can graphically display and interpret quantitative results;

This will be common in the course. Each topic will be taught in a way that appeals to each type of learner: those who learn best with verbal, written, graphic, and kinesthetic (participatory) methods.

Here is a quantitative display example (which will introduce the impacts of late or minimum payments):

Undergraduates and credit card payment behavior

![Credit Card Payment Behavior Chart]

Etc.

c) perform basic arithmetic skills;

Algebra will be common in the course.
For example:

In addition to the above assignments, in developing their own insurance plan, students will master:

• Deductibles, probability of claim (amount), premium trade-offs

• Evaluation of the costs and benefits of term and life insurance

Etc.
3. Students will demonstrate their ability to use quantitative analysis to do problem solving (thinking) by demonstrating their ability to
da) identify and analyze real or potential problems;

This is what the whole course is about; quantitative analysis to do problem-solving is the foundation and superstructure of the course.

For example:

Students will identify issues and select the best course of action in relation to their own:

- Budget
- Credit and Debt
- Student Loans
- Savings
- Investments
- Buy or Rent
- Contracts
- Mortgages
- Health insurance under the new federal health care law and state programs
- Business activities

Etc.

b) apply appropriate quantitative theories to the problem;

The course is composed of many quantitative calculations. The evaluation of costs and benefits of various options is done on a quantitative basis.

c) can evaluate appropriate quantitative measures; and

This will be common in the course.

For example (next page, monthly payment impacts of your credit score; and how long it can take to pay off credit card debt):
Monthly payment impacts of your credit score

<table>
<thead>
<tr>
<th>FICO Score</th>
<th>APR</th>
<th>Monthly Payment</th>
<th>FICO Score</th>
<th>APR</th>
<th>Monthly Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>760–850</td>
<td>4.57%</td>
<td>$1,533</td>
<td>720–850</td>
<td>4.81%</td>
<td>$747</td>
</tr>
<tr>
<td>700–759</td>
<td>4.79%</td>
<td>$1,573</td>
<td>690–719</td>
<td>6.33%</td>
<td>$764</td>
</tr>
<tr>
<td>680–699</td>
<td>4.97%</td>
<td>$1,605</td>
<td>660–689</td>
<td>8.21%</td>
<td>$786</td>
</tr>
<tr>
<td>660–679</td>
<td>5.18%</td>
<td>$1,644</td>
<td>620–659</td>
<td>11.79%</td>
<td>$828</td>
</tr>
<tr>
<td>640–659</td>
<td>5.61%</td>
<td>$1,725</td>
<td>590–619</td>
<td>17.66%</td>
<td>$900</td>
</tr>
<tr>
<td>620–639</td>
<td>6.16%</td>
<td>$1,830</td>
<td>500–589</td>
<td>18.66%</td>
<td>$912</td>
</tr>
</tbody>
</table>

Mortgage loan amount: $300,000

Auto loan amount: $25,000

d) explain or discuss results in quantitative terms.

This will be common in the course.
For example:

How long it can take to eliminate credit card debt

<table>
<thead>
<tr>
<th>Each Month Pay This Percentage of the Initial Outstanding Balance</th>
<th>9%</th>
<th>12%</th>
<th>15%</th>
<th>18%</th>
</tr>
</thead>
<tbody>
<tr>
<td>4%</td>
<td>28 months</td>
<td>29 months</td>
<td>30 months</td>
<td>32 months</td>
</tr>
<tr>
<td>5%</td>
<td>22 months</td>
<td>22 months</td>
<td>23 months</td>
<td>24 months</td>
</tr>
<tr>
<td>10%</td>
<td>10 months</td>
<td>11 months</td>
<td>11 months</td>
<td>11 months</td>
</tr>
<tr>
<td>15%</td>
<td>7 months</td>
<td>7 months</td>
<td>7 months</td>
<td>7 months</td>
</tr>
</tbody>
</table>

**Step 1:** Find the row that corresponds to the percentage of your initial balance that you intend to pay off each month. If you have an initial outstanding balance of $5,000 and you intend to pay off $200 each month, you would be paying off $200/$5,000 = 4% each month. Thus, you should look in the 4% row.

**Step 2:** Find the column that corresponds to the annual percentage that you pay on your credit card. If your credit card charges 15%, look in the 15% column.

**Step 3:** The intersection of the payments row and the credit card interest column shows how many months it would take to pay off your initial balance. If you pay off 4% of your initial balance each month and the card charges 15%, it would take 30 months to pay off your initial balance.

If you pay off only 2 percent of your initial balance per month, and the credit card interest rate is 15 percent, it would take 79 months or over 6½ years before your credit card debt is paid. Keep in mind that this time frame assumes you don’t charge anything more on your card. If you have a substantial balance and keep charging, you may never get out of debt.
Course Description: The Personal Financial Management course is Finance 2300 is designed to give students a solid foundation in personal financial management skills as they enter the academic and professional world and are faced with important financial choices. 4 units. Prerequisites: Algebra I and II.

Student Learning Objectives: By completion of the course, students are expected to be able to:

A) master the basic financial literacy concepts that are useful for students moving from high school, to college, and on to careers

B) use these concepts to begin becoming financially independent and able to pursue your passions and your goals in life

Within this general context, students are expected to be able to:

- Develop and manage your budget
- Develop an appropriate credit card and debt plan
- Review and improve your FICO score
- Develop your savings plan
- Develop an investment plan, using the appropriate investment instruments and vehicles
- Develop an appropriate student loan management plan
- Describe the conditions under which one would rent or buy a home
- Describe the conditions for renting an apartment
- Describe the conditions under which one would buy a car
- Describe the options for underwater mortgages
- Describe the approach one would use for reviewing contracts
- Develop your insurance plan in the context of your overall financial plan; and describe the key elements of auto insurance, home (or renter’s) insurance, life insurance, and health insurance
- Develop a health insurance plan by November 2013 in accordance with the new federal health care law and Covered California guidelines
- Describe the key elements that make a business successful

Note that other learning objectives may be added in response to additions of course-related topics that may be requested by students and in response to current events
Application for General Education Credit
for Lower Division Social Science Course (Area D1-3)

Course title  **Personal Financial Management**  Course number  **FIN 2300 (tentative)**
Maximum enrollment  **55**

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**Please use this template to address ALL of the following learning outcomes**

Courses in this area acquaint students with fundamental principles and methods of inquiry, theoretical problems, and applications grounded in social science disciplines whose field of study is human behavior in its social environment.

1. Students will demonstrate, orally and in writing, recognition of the application of disciplinary concepts derived from at least three social or behavioral sciences in the study of human behavior, individually and in society.

   i. State at least two standard or basic theories and models

   1. **Economics: Basic Macroeconomic theory:** \( Y = C + I + G + X - M \)
      For example, the increase in student loan debt is decreasing consumption

      Student loan debt is a drag on the economy:
      (accompanying graphic shows that as student loans (for those age 35 and less) has increased from 7% to 15% since 2001, vehicle loans have decreased from 10% to 6% of total debt)

      Student debt and the crushing of the American dream:
      (By Joseph Stiglitz, Nobel Prize winner in Economics)

   2. **Economics: Basic Microeconomic theories:** consumer behavior and firm behavior:
      For example, credit levels are defining the job market (Labor Economics theory, supply of and demand for labor):

      The long shadow of bad credit in a job market search:
ii. Define key disciplinary terms

A few of the terms are as follows:

**401(k) Plan:** An employer-sponsored, salary reduction and qualified retirement plan that allows employees to defer paying current federal income taxes on a portion of their annual compensation. Contributions and earnings grow tax-deferred until withdrawn. Withdrawals are taxed at the employee's income tax rate at the time of withdrawal.

**403(b) Plan:** A salary reduction plan for employees of nonprofit organizations and government entities such as schools, hospitals, and educational organizations. Similar to the operation of a 401(k), contributions and earnings are tax-deferred until the money is withdrawn from the plan.

**529 Plan:** A tax-advantaged education savings plan operated by a state or educational institution. These plans are categorized as either prepaid or savings, and each has separate characteristics.

**Accrued Interest:** Interest that accumulates on the unpaid principal balance of a loan.

**Adjusted Gross Income (AGI):** All taxable income less IRS-allowable adjustments to income. This figure is from U.S. IRS tax forms.

**After-tax Return:** The return from an investment after the cost of taxes has been recorded.

**Amortization:** The process of gradually repaying a loan over an extended period of time through periodic installments of principal and interest.

**Annuity:** An insurance-based contract that provides future payments at regular intervals in exchange for a lump-sum premium paid when the annuity is purchased. It's a strategy for lifetime income in retirement.

**Asset:** Anything owned that has monetary value.

**Asset Allocation:** An ongoing process of balancing assets within a portfolio to limit risk.

**Award Letter:** An official notification from a college's financial aid office listing all the financial aid awarded to the student. The award letter will include information about the cost of attendance and terms and conditions for the financial aid.

**Beneficiary:** The person or party named by the owner of a life insurance policy or investment accounts to receive the proceeds in the event of the owner's death.

**Capital Gain or Loss:** The difference between the sales price and the purchase price of a capital asset. When that difference is positive, the difference is referred to as a capital gain. When the difference is negative, it is a capital loss.

**Cash Equivalents:** Short-term investments such as U.S. Treasury securities, certificates of deposit, and money market fund shares, that can be readily converted into cash.

**Cash Value:** The savings element of a permanent life insurance policy, which represents the

**Coinsurance or Co-payment:** The amount an insured person must pay for a covered medical and/or dental expense if his or her insurance doesn't provide 100 percent coverage.

**Commodities:** Grains, food products, livestock, oils, and metals that are traded on national exchanges. These exchanges deal in both "spot" trading for current delivery and "futures" trading
for delivery in future months.

**Common Stock:** A unit of ownership in a corporation. Common stockholders participate in the corporation's profits or losses by receiving dividends and capital gains or losses in the stock's share price.

**Compounding:** Earning interest not only on the original principal amount, but also on accumulated prior interest.

**Consolidated Omnibus Budget Reconciliation Act (COBRA):** COBRA is a federal law requiring employers with more than 20 employees to offer terminated or retired employees the opportunity to continue their health insurance coverage for 18 months at the employee's expense. Coverage may be extended to the employee's dependents for 36 months in the case of a divorce or death of the employee.

**Cosigner:** A person who signs a promissory note in addition to the borrower and is responsible for the obligation if the borrower does not pay.

**Cost Basis:** The tax cost of securities, which determines the profit when sold.

**Creditworthy:** An individual with no negative credit history per the criteria established by the lender.

**Current Yield:** The ratio of the coupon rate on a bond to the dollar purchase price expressed as a percentage. So if you pay par or 100 cents on the dollar for your bond, and the coupon rate is 6 percent, the current yield is 6 percent. However, if you pay 97 cents for your 6 percent bond, the current yield would be 6.186 percent (0.6 divided by 97). If you paid 102 cents for a 6 percent bond, the current yield would be 5.88 percent (0.6 divided by 102).

**Deduction:** An amount that can be subtracted from gross income, from a gross estate, or from a gift, thereby lowering the amount on which tax is assessed.

**Defined Benefit Plan:** A qualified retirement plan under which a retiring employee will receive a guaranteed retirement fund, usually payable in installments. Annual contributions may be made to the plan by the employer at the level needed to fund the benefit. The annual contributions are limited to a specified amount, indexed for inflation.

**Defined Contribution Plan:** A retirement plan under which the annual contributions made by the employer or employee are generally stated as a fixed percentage of the employee's compensation or company profits. The amount of retirement benefits is not guaranteed; rather, it depends upon the investment performance of the employee's account.

**Disclosure Statement:** Statement of the total cost and amount of a loan, including the interest rate and any additional finance charges.

**Diversification:** Investing in different companies, industries, or types of assets to reduce risks in an investment portfolio.

**Dollar-cost Averaging:** Periodic purchases of stocks or other investments that in the best-case scenario allows investors to register investment gains as prices head up and shield themselves from greater risk as investments head down.

**Employee Retirement Income Security Act (ERISA):** ERISA is a federal law covering all aspects of employee retirement plans. If employers provide plans, they must be adequately funded and provide for vesting, survivor's rights, and disclosures under federal law.
**Employee Stock Ownership Plan (ESOP):** A defined contribution retirement plan in which company contributions must be invested primarily in qualifying employer securities.

**Estate Tax:** Upon the death of a decedent, federal and state governments may impose tax on the value of an estate left to heirs.

**Executor:** Someone designated in a will or by the probate courts to carry out the wishes of someone who has died. **Expected Family Contributions (EFC):** The amount a family is expected to contribute to a student's education. EFC is calculated based on family earnings, net assets, savings, size of family and number of family members in college.

**Financial Aid:** College financial assistance in the form of scholarships, grants, work-study and loans for education.

**Free Application for Federal Student Aid (FAFSA):** The form that must be completed by students and parents applying for Federal Title IV student aid. All parents should consider filling out this form even if they have no immediate need for financial aid, because they may need it later if there is a family financial emergency.

**Gift Aid:** College financial aid, such as grants and scholarships, which don't need to be repaid.

**Gift Taxes:** A federal tax levied on the transfer of property as a gift and paid by the donor. The first $13,000 a year offered by the donor to recipient is tax-exempt.

**Grants:** College financial aid awards that do not have to be repaid. Grants are available through the government, state agencies and colleges.

**Individual Retirement Account (IRA):** A personal tax-deferred investment account to save for retirement. Contributions to a standard IRA may be deductible, and investments-including earnings and gains-generally are not taxed until distributed to you. Contributions to a Roth IRA are not deductible, but qualified distributions are not taxable.

**Inflation:** An increase in the price of products and services over time. The government's main measure of inflation is the Consumer Price Index.

**Interest Rate:** The cost of borrowing money, expressed as a percentage of the amount borrowed for a period of time, usually one year.

**Intestate:** The condition of an estate left by a decedent without a valid will. State law then determines who inherits the property or serves as guardian for any minor children.

**Joint Tenancy:** Co-ownership of property by two or more people in which those who survive one of the owners automatically assume ownership of a decedent's interest.

**Keogh Plan:** A retirement plan designed for self-employed individuals that allows up to $44,000 of self-employed income, as of 2006, to be deducted from compensation and set aside into the plan.

**Liability Insurance:** Insurance coverage that offers protection against claims resulting from the finding that a property owner has caused bodily injury or property damage to another party.

**Living Trust:** A trust created by a person during his or her lifetime.

**Load:** A sales or redemption charge, usually imposed by a mutual fund.
Load Fund: A mutual fund that carries a sales charge.

Lump-sum Distribution: The disbursement of the entire value of a profit-sharing plan, pension plan, annuity, or similar account to the account owner or beneficiary. Lump-sum distributions may be rolled over into another tax-deferred account.

Marginal Tax Bracket: The range of taxable income that is taxable at a certain rate. Currently, there are six marginal tax brackets-10 percent, 15 percent, 25 percent, 28 percent, 33 percent and 35 percent.

Marital Deduction: A tax code provision that allows all assets of a deceased spouse to pass to the surviving spouse free of estate taxes. It’s also called the unlimited marital deduction.

Money Market Fund: A mutual fund that specializes in investing in short-term securities.

Municipal Bond: A debt security issued by municipalities. The income from municipal bonds is usually exempt from federal income taxes and can be exempt from state income taxes in the state in which the municipal bond is issued.

Municipal Bond Fund: A mutual fund that specializes in investing in municipal bonds.

Mutual Fund: A collection of stocks, bonds, or other securities purchased and managed by an investment company with pooled funds from many investors.

Net Asset Value: The price at which a mutual fund sells or redeems its shares. The net asset value is calculated by dividing the net market value of the fund's assets by the number of outstanding shares.

No-load Fund: A mutual fund that does not pass a sales charge along to investors.

Pell Grants: A federal college grant program that awards money you don’t have to pay back solely on demonstrated financial need to every eligible undergraduate student who hasn’t already earned a bachelor's or professional degree. The amount of the Pell grant depends on financial need, college costs and whether the student is attending college full time or part time. The funds can be used for tuition, fees and living expenses.

Perkins Loans: Federally insured college loans funded by the government and awarded by the school. The loans feature a low interest rate and are repayable over an extended period.

Portfolio: All the investments held by an individual or a mutual fund.

Preferred Stock: A class of stock with claim to a company's earnings, before payment can be made on the common stock and that is usually entitled to priority over common stock if the company liquidates. Generally, preferred stocks pay dividends at a fixed rate.

Prenuptial Agreement: A legal agreement arranged before a marriage that establishes who brought what property into the marriage and how it will be divided in case of a divorce.

Prepaid Tuition Plan: A college savings plan that is guaranteed to rise in value at the same rate as college tuition. For example, if a family purchases shares that are worth half a year's tuition at a state college, they will always be worth half a year's tuition, even 10 years later when tuition rates will have doubled.

Price/earnings Ratio (P/E Ratio): The market price of a stock divided by the company's annual earnings per share, a widely regarded yardstick for investors.
**Principal:** The amount of money invested excluding earnings.

**Probate:** The court-supervised process in which a decedent's estate is settled and distributed.

**Profit-sharing Plan:** An agreement under which employees share in the profits of their employer.

**Qualified Domestic Relations Order (QDRO):** At the time of divorce, this order would be issued by a state domestic relations court and would require that an employee's ERISA retirement plan accrued benefits be divided between the employee and the spouse.

**Qualified Retirement Plan:** A pension, profit-sharing, or qualified savings plan established by an employer for the benefit of the employees in compliance with IRS rules.

**Replacement Cost:** The cost of replacing property without a reduction for depreciation. People shopping for homeowner's insurance should insist on replacement costs as a measurement for damage to their property.

**Rollover:** A method by which an individual can transfer the assets from one retirement program to another without the recognition of income for tax purposes. The requirements for a rollover depend on the type of program from which the distribution is made and the type of program receiving the distribution.

**Roth IRA:** A nondeductible IRA that allows tax-free withdrawals when certain conditions are met. Income and contribution limits apply.

**Simplified Employee Pension Plan (SEP):** A type of plan under which the employer contributes to an employee's IRA. Contributions may be made up to a certain limit and are immediately vested.

**Spousal IRA:** An IRA designed for a couple when one spouse has no earned income. The maximum combined contribution that can be made each year to an IRA and a spousal IRA is $8,000, through 2007, or 100 percent of earned income, whichever is less. This total may be split between the two IRAs as the couple wishes, provided the contribution to either IRA does not exceed $4,000.

**Subsidized Stafford Loans:** Need-based college loans in which interest does not accrue and payments are deferred until after students stop attending school full time.

**Umbrella Policy:** Umbrella coverage is insurance coverage that extends the terms of a regular insurance policy once coverage limits for the regular policy have been reached. Specifically, umbrella coverage is for people who want protection against a large jury award that is not covered in their standard policy.

**Universal Life Insurance:** A type of life insurance that combines a death benefit with a savings feature which accumulates tax-deferred at current interest rates. Under a universal life insurance policy, the policyholder may increase or decrease his or her own coverage under certain rules without purchasing a new policy.

**Variable Universal Life Insurance:** Life insurance that combines a death benefit with a savings feature that accumulates tax-deferred at current interest rates. However, under this insurance, the cash value can be placed in a variety of subaccounts with different investment objectives. Fees are charged on these subaccounts, so be careful.

**Vesting:** The qualification date for minimum company benefits at an assigned time in an individual's seniority with the company or organization.
**Whole Life Insurance:** This is a type of life insurance that features a death benefit and accumulates cash value tax-deferred at a particular interest rate. Whole life insurance is also referred to as "ordinary" or "straight" life insurance.

**Will:** A legal document that declares a person's wishes concerning the disposition of property, the guardianship of his or her children and the administration of the estate after his or her death.

**Yield:** In general, the yield is the amount of current income provided by an investment. For stocks, the yield is calculated by dividing the total of the annual dividends by the current price. For bonds, the yield is calculated by dividing the annual interest by the current price. The yield is distinguished from the return, which includes price appreciation or depreciation.

iii. Identify professional applications of disciplinary concepts

Students will be working toward their own financial independence. These principles will also apply to their professional careers, including good budgeting, credit management, contract development, loans and borrowing, savings and investment, capital purchases, insurance, and business prosperity. (I have been a Chief Financial Officer (CFO), and I know that these concepts will be useful for a variety of careers, including CFO, and other financial analyst and financial careers.)

2. Students will demonstrate, orally and in writing, recognition of the inquiry methods used by at least one of the social or behavioral science disciplines.

i. Identify key research issues

Students will be developing their own programs through individual research

Examples:

- Develop your budget. Monitor it over time. Adjust as appropriate.
- Review and improve your FICO score
- Review the FAFSA form, Describe advantages and disadvantages of different student loan options
- Develop a mock investment portfolio and track the return on investment and growth towards goals
- Select whether to rent or buy a residence
- Develop an insurance plan including health care under the new law
- Give a 60-second quickstarter pitch for your business
- Analyze the impacts of compounding on loans, and on savings

ii. Describe how hypotheses or research questions are formed

Individual financial goals will be developed by the students themselves.

Students will be given information on how to achieve these goals in the texts and course materials, and through class discussions.

iii. List examples of data that are examined

Here is an example of the budget data that are analyzed:
<table>
<thead>
<tr>
<th>Income</th>
<th>Projected Allocation</th>
<th>Actual Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages</td>
<td>$40.00</td>
<td>$40.00</td>
</tr>
<tr>
<td>Gifts</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>All insurance</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Financial aid</td>
<td>$200.00</td>
<td>$200.00</td>
</tr>
<tr>
<td>Other</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td><strong>TOTAL Income</strong></td>
<td><strong>$1,980.00</strong></td>
<td><strong>$1,980.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Projected Allocation</th>
<th>Actual Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>School</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Tution</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Fees</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Books</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Supplies</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL School expenses</td>
<td><strong>$2,000.00</strong></td>
<td><strong>$2,000.00</strong></td>
</tr>
<tr>
<td>Lodging</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Utilities</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL Lodging &amp; Utilities</td>
<td><strong>$1,000.00</strong></td>
<td><strong>$1,000.00</strong></td>
</tr>
<tr>
<td>Mortgage</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Water</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Gas</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL Energy expenses</td>
<td><strong>$2,000.00</strong></td>
<td><strong>$2,000.00</strong></td>
</tr>
<tr>
<td>Homeowners' or renters insurance</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Other</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL Energy expenses</td>
<td><strong>$2,000.00</strong></td>
<td><strong>$2,000.00</strong></td>
</tr>
<tr>
<td>Debt</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Student loan payments</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Other</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL Debt</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Charitable giving</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Path organisation</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Community organisation</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Other</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL Charitable giving</td>
<td><strong>$300.00</strong></td>
<td><strong>$300.00</strong></td>
</tr>
<tr>
<td>Transportation</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Car payment</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Car insurance</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Gas</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL Transportation</td>
<td><strong>$1,000.00</strong></td>
<td><strong>$1,000.00</strong></td>
</tr>
<tr>
<td>Public transportation</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Parking</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Other</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL Transportation</td>
<td><strong>$2,000.00</strong></td>
<td><strong>$2,000.00</strong></td>
</tr>
<tr>
<td>Communication</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Cell phone monthly plan</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Internet</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL Communication</td>
<td><strong>$300.00</strong></td>
<td><strong>$300.00</strong></td>
</tr>
<tr>
<td>Entertainment</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Movies</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL Entertainment</td>
<td><strong>$300.00</strong></td>
<td><strong>$300.00</strong></td>
</tr>
<tr>
<td>Personal expenses</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Personal products</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Clothing</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL Personal expenses</td>
<td><strong>$200.00</strong></td>
<td><strong>$200.00</strong></td>
</tr>
<tr>
<td>Food/household expenses</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Groceries</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Households goods</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL Food/household expenses</td>
<td><strong>$200.00</strong></td>
<td><strong>$200.00</strong></td>
</tr>
<tr>
<td>Gifts</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>For friends</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL Gifts</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Medical expenses</td>
<td>$50.00</td>
<td>$50.00</td>
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<tr>
<td>Medical insurance</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Doctor co-pays</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Prescriptions</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Other</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL Medical expenses</td>
<td><strong>$300.00</strong></td>
<td><strong>$300.00</strong></td>
</tr>
<tr>
<td>Pet expenses</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Veterinary expenses</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Food</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL Pet expenses</td>
<td><strong>$200.00</strong></td>
<td><strong>$200.00</strong></td>
</tr>
<tr>
<td>TOTAL Expenses</td>
<td>$2,000.00</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>Savings</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>House</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Other</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL long term goals</td>
<td><strong>$200.00</strong></td>
<td><strong>$200.00</strong></td>
</tr>
<tr>
<td>Short term goals</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Vacation</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Other</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>TOTAL short term goals</td>
<td><strong>$200.00</strong></td>
<td><strong>$200.00</strong></td>
</tr>
<tr>
<td>TOTAL Savings</td>
<td><strong>$2,000.00</strong></td>
<td><strong>$2,000.00</strong></td>
</tr>
<tr>
<td>TOTAL PROJECT</td>
<td><strong>$2,000.00</strong></td>
<td><strong>$2,000.00</strong></td>
</tr>
</tbody>
</table>
iv. Describe how data are analyzed

*Data are analyzed directly for the main points and for next steps to achieve financial goals. For example, after determining the financial impacts of a FICO score, students analyze the components of the development of the FICO score, analyze their own credit reports, and develop a method of improving their own FICO score.*

*The factors that determine your FICO score:*

![FICO Score Components Chart]

*Assignment:*

1. Get a free copy of your credit report from one of the credit reporting agencies; Get your credit score

2. Determine the dollar impact of moving up one step (per prior table) in your FICO score, if you are borrowing $25,000 for a new car

3. List one action you can take to improve your FICO score

4. Take that action

3. Students will demonstrate, orally and in writing, the ability to describe how human diversity and the diversity of human societies influence our understanding of human behavior, individually and in societies, both local and global

*In the course, the historic context of the development of financial management options will be introduced, highlighting the key developments and contributions from various individuals and societies (for example, insurance as beginning with Phoenician shipping and the use of probability distributions)*
4. Students will demonstrate, orally and in writing, some knowledge of the political, social, and/or economic institutions of a country other than the United States.

**Economic institutions**

Students will demonstrate a clear understanding of banks, credit card companies, individual credit rating companies, direct and indirect investment instruments and markets, loans, insurance companies, and business structures; and students will be able to describe how these relate to their individual financial independence and success. These basic economic institutions as they exist in the US and other nations will be compared (mainly similarities; some unique national elements)

5. Students will demonstrate, orally and in writing, the ability to describe major positions and contrasting arguments made on one or more significant contemporary issue area confronting US society as applied to human behavior. (Possible areas include: biomedical and health issues, class, crime, discrimination, education, energy, environment, gender, global economy, immigration, military intervention abroad, poverty, race, technology.)

**Poverty and Prosperity**

“In the richest nation the world has ever known:

- 43 million people receive food stamps...
- 1 of 6 Americans receive social security checks each month...
- 1 of every 135 people living in America lives in jail... we’re all paying for this ($30,000 to $50,000 per year per inmate) ...
- In 2010, more than 1.6 million Americans filed for bankruptcy ...
- In California, the richest state, half of the children are born to mothers who do not have a high school diploma ...
- Each child in America starts out life more than $40,000 in debt ...

“Of 100 people who started working at age 25, by the time they reach age 65:

- 1 will be rich
- 4 will be financially independent (able to take care of themselves)
- 45 will have some funds but will need some form of continuing financial aid
- 50 will be essentially broke ...

**Personal Financial Management (3e), Selinger, p.2-3.**

The instructor wants the students to be in that to 5%.

**Course Description**: Personal Financial Management is designed to give students a solid foundation in personal financial management skills as they enter the academic and professional world and are faced with important financial choices. 4 units. Prerequisites: Algebra I and II.

**Student Learning Objectives**: By completion of the course, students are expected to be able to:

A) master the basic financial literacy concepts that are useful for students moving from high school, to college, and on to careers

B) use these concepts to begin becoming financially independent and able to pursue your passions and your goals in life
Within this general context, students are expected to be able to:

- Develop and manage your budget
- Develop an appropriate credit card and debt plan
- Review and improve your FICO score
- Develop your savings plan
- Develop an investment plan, using the appropriate investment instruments and vehicles
- Develop an appropriate student loan management plan
- Describe the conditions under which one would rent or buy a home
- Describe the conditions for renting an apartment
- Describe the conditions under which one would buy a car
- Describe the options for underwater mortgages
- Describe the approach one would use for reviewing contracts
- Develop your insurance plan in the context of your overall financial plan; and Describe the key elements of auto insurance, home (or renter’s) insurance, life insurance, and health insurance
- Develop a health insurance plan by November 2013 in accordance with the new federal health care law and Covered California guidelines
- Describe the key elements that make a business successful

Note that other learning objectives may be added in response to additions of course-related topics that may be requested by students and in response to current events
Personal Financial Management

from College to Career

College of Business and Economics

David Murray

Fall 2013
Developing and tracking your budget
FACTS OF LIFE

A recent survey asked 22- to 29-year-olds if they worked out a monthly budget to help plan for their expenses:
Figure 1: Average Estimated Full-Time Undergraduate Budgets, 2012-13 (Enrollment-Weighted)

Budgeting

Analyzing:

where your money comes from
(income, other sources of funds)

and where it goes to
(expenditures, other uses of funds)
# Budgeting: Income and Financial Aid

<table>
<thead>
<tr>
<th>Income and Financial Aid</th>
<th>Monthly Estimate</th>
<th>Actual Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages (net of tax deductions)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Gifts Received</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Allowance</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Financial Aid (scholarships and grants)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Financial Aid (student loans) *</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total Income and Financial Aid</strong></td>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
</tr>
</tbody>
</table>

*NOTE* *Some sources of funds such as student loans increase future liabilities; see balance sheet section

Source: https://www.educationcents.org/Calculators/Budget-Worksheets/Traditional-College-Student.aspx
### Budgeting: Expenditures

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Monthly Estimate</th>
<th>Actual Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Expenses: Tuition and Fees</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>School Expenses: Books and Supplies</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Dorm Room or Apartment Rent</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>University Meal Plan</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Groceries</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cell Phone</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Transportation</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Entertainment (including restaurants)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Other (including medical and personal)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
## Budgeting: Net Savings

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Income and Financial Aid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Total Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Savings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Vacation Set-Aside</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Other Set-Asides</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Savings for Future (Investments)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*NOTE* *Some sources of funds such as student loans increase future liabilities; see balance sheet section*

Source: https://www.educationcents.org/Calculators/Budget-Worksheets/Traditional-College-Student.aspx
Web site: Mint — “the best free way to manage your money”
Address: http://www.mint.com/
Features:

- Free.
- Recommended by the Wall Street Journal and Businessweek.
- Award-winning, top-rated online finance service by PC World.
- Extremely easy to use.
- Connects securely with more than 16,000 U.S. financial institutions and automatically updates all transactions.
- Spending is automatically categorized to make it easy to see how much you’re spending on food, gas, groceries, entertainment, and more.
- Has a free app available for smartphones and other electronic devices.

What can you do with Mint.com?

- See all your accounts together at the same time — from checking and savings to credit cards, retirement, and more.
- Mint automatically pulls in and categorizes your transactions daily. You only need to enter your cash transactions. All other transactions are automatically entered.
- Mint can create a budget based on your actual spending, or you can create your own. Your budget works in real time allowing you to know how much you can spend while you’re out.
- Avoid late fees and monitor cash flow. Mint allows you to stay up-to-date with e-mail or text alerts (your choice) for budgets, fees, due dates, low balances, unusual activity, and more.
- Mint allows you to track all your expenses at a particular merchant — for example, Starbucks — to see if you are spending more or less than usual there.
- Mint tracks all of your investments, including your brokerage and bank accounts, 401(k)s, and IRAs, keeping you up-to-date on the performance of your investments.
- Mint helps you plan for your goals — like buying a car, retirement, and buying a house — and works those goals into your budget.
Assignment 1a
Prepare your own monthly budget

1. Using either the spreadsheet on: www.MyFinanceLab.com
   Or using: www.mint.com
   Complete and print out your budget for October 2013

2. Track your income and expenditures for October 2013

3. On a separate page, note any future amounts owed including for student loans, or for carryover credit card balances

4. If you have any funds owed under number 3, describe your plan and schedule for repaying these amounts owed
Managing credit: FICO scores
National distribution of FICO scores

The monthly payment impacts of your credit score

<table>
<thead>
<tr>
<th>FICO Score</th>
<th>APR</th>
<th>Monthly Payment</th>
<th>FICO Score</th>
<th>APR</th>
<th>Monthly Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>760–850</td>
<td>4.571%</td>
<td>$1,533</td>
<td>720–850</td>
<td>4.811%</td>
<td>$747</td>
</tr>
<tr>
<td>700–759</td>
<td>4.793%</td>
<td>$1,573</td>
<td>690–719</td>
<td>6.331%</td>
<td>$764</td>
</tr>
<tr>
<td>680–699</td>
<td>4.970%</td>
<td>$1,605</td>
<td>660–689</td>
<td>8.210%</td>
<td>$786</td>
</tr>
<tr>
<td>660–679</td>
<td>5.184%</td>
<td>$1,644</td>
<td>620–659</td>
<td>11.797%</td>
<td>$828</td>
</tr>
<tr>
<td>640–659</td>
<td>5.614%</td>
<td>$1,725</td>
<td>590–619</td>
<td>17.656%</td>
<td>$900</td>
</tr>
<tr>
<td>620–639</td>
<td>6.160%</td>
<td>$1,830</td>
<td>500–589</td>
<td>18.663%</td>
<td>$912</td>
</tr>
</tbody>
</table>

Mortgage loan amount: $300,000

Auto loan amount: $25,000
The factors that determine your credit score

- Payment History: 35%
- Length of Credit History: 15%
- Amounts Owed: 30%
- New Credit: 10%
- Types of Credit Used: 10%
Undergraduates with 4 or more credit cards

![Bar chart showing the percentage of students with 4 or more credit cards by year and year in college.]

Source: Sallie Mae, How Undergraduate Students Use Credit Cards (Reston, VA: Sallie Mae, 2010).
Undergraduates and credit card payment behavior

- 38% Make more than the minimum payment but always carry a balance
- 22% Make the minimum monthly payment on all cards every month
- 17% Pay off all credit card balances each month
- 14% Pay off some cards in full each month but make only the minimum payment on others
- 7% Make less than the minimum payment on some or all cards each month
- <1% My parent/spouse/other family member pays my credit card bill
How long it can take to eliminate outstanding credit card debt

<table>
<thead>
<tr>
<th>Each Month Pay This Percentage of the Initial Outstanding Balance</th>
<th>Annual Credit Card Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9%</td>
</tr>
<tr>
<td>4%</td>
<td>28 months</td>
</tr>
<tr>
<td>5%</td>
<td>22 months</td>
</tr>
<tr>
<td>10%</td>
<td>10 months</td>
</tr>
<tr>
<td>15%</td>
<td>7 months</td>
</tr>
</tbody>
</table>

**Step 1:** Find the row that corresponds to the percentage of your initial balance that you intend to pay off each month. If you have an initial outstanding balance of $5,000 and you intend to pay off $200 each month, you would be paying off $200/$5,000 = 4% each month. Thus, you should look in the 4% row.

**Step 2:** Find the column that corresponds to the annual percentage that you pay on your credit card. If your credit card charges 15%, look in the 15% column.

**Step 3:** The intersection of the payments row and the credit card interest column shows how many months it would take to pay off your initial balance. If you pay off 4% of your initial balance each month and the card charges 15%, it would take 30 months to pay off your initial balance.

If you pay off only 2 percent of your initial balance per month, and the credit card interest rate is 15 percent, it would take 79 months or over 6½ years before your credit card debt is paid. Keep in mind that this time frame assumes you don’t charge anything more on your card. If you have a substantial balance and keep charging, you may never get out of debt.
How do you resolve a billing error?

• Politely

• Companies have standard procedures for correcting billing errors. Usually:

  • Withhold payment for the item in question

  • Notify the credit card issuer within 60 days of the statement date. Use the “billing inquiry” or “billing error” address on credit card bill

  • You should receive notification of claim from the issuer within 30 days of your claim

  • The credit card issuer investigates within 90 days— and your account is corrected, or not, with the company’s explanation
How do you deal with identity theft?

- Promptly and professionally
- Identity theft is: Use of your name, address, Social Security number, bank or credit card account number, or other identifying information, by someone other than you without your knowledge
- Notify the credit card company or bank or agency immediately
- Put a fraud alert on your credit file
- Close all accounts that have been tampered with or you didn’t open
- File a police report
- File a report with the FTC
Get a free copy of your credit report each year from the three major credit bureaus at [www.annualcreditreport.com](http://www.annualcreditreport.com)

<table>
<thead>
<tr>
<th></th>
<th>Equifax Credit Information Services <a href="http://www.equifax.com">www.equifax.com</a></th>
<th>Experian (formerly TRW) <a href="http://www.experian.com">www.experian.com</a></th>
<th>TransUnion <a href="http://www.tuc.com">www.tuc.com</a></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>To Report Fraud</strong></td>
<td>800–525–6285</td>
<td>Experian Consumer Assistance P.O. Box 949 Allen, TX 75013 888–397–3742</td>
<td>800–916–8800</td>
</tr>
<tr>
<td><strong>To Dispute Something in Your Report</strong></td>
<td>P.O. Box 740256 Atlanta, GA 30374–0256 800–216–1035 800–685–5000</td>
<td>P.O. Box 949 Allen, TX 75013–0949 888–397–3742</td>
<td>P.O. Box 34012 Fullerton, CA 92634 800–916–8800</td>
</tr>
</tbody>
</table>
Assignment 1b
Review and improve your FICO score

1. Get a free copy of your credit report from one of the credit reporting agencies; Get your credit score

2. Determine the dollar impact of moving up one step (per prior table) in your FICO score, if you are borrowing $25,000 for a new car

3. List one action you can take to improve your FICO score

4. Take that action
Sources


Sources


Syllabus

Personal Financial Management: from College to Career (FIN 2300)
Fall 2013
Tuesdays and Thursdays, 10:00 am to 11:50 am
VBT 219

Course Description: Finance 2300 is designed to give students a solid foundation in personal financial management skills as they enter the academic and professional world and are faced with important financial choices. 4 units. Prerequisite: Entry Level Math (ELM)

Student Learning Objectives: By completion of the course, students are expected to be able to:

A) master the basic financial literacy concepts that are useful for students moving from high school, to college, and on to careers

B) use these concepts to begin becoming financially independent and able to pursue your passions and your goals in life

Within this general context, students are expected to be able to:

- Develop and manage your budget
- Develop an appropriate credit card and debt plan
- Review and improve your FICO score
- Develop your savings plan
- Develop an investment plan, using the appropriate investment instruments and vehicles
- Develop an appropriate student loan management plan
- Describe the conditions under which one would rent or buy a home
- Describe the conditions under which one would buy a car
- Describe the options for underwater mortgages
- Describe the approach one would use for reviewing contracts
- Develop your insurance plan in the context of your overall financial plan, and describe the key elements of auto insurance, home (or renter's) insurance, life insurance, and health insurance
- Develop a health insurance plan by November 2013 in accordance with the new federal health care law and Covered California guidelines
- Describe the key elements that make a business successful

Note that other learning objectives may be added in response to additions of course-related topics that may be requested by students and in response to current events
Textbooks: Required: (1) Personal Financial Management from College to Career (3e, 2011) by Fred Selinger, Pearson Learning Solutions, Boston, MA. ISBN 1256335452; and Optional: (2) Personal Finance, Turning Money into Wealth (6e, 2013) by Arthur J. Keown, Pearson Learning Solutions, Boston MA. ISBN 0132719169. A lending copy of each of these texts is available at the CSUEB Library Reserve Desk.

Course Materials/Access: Students will need a calculator for homework projects, exams, and quizzes, and a calculator and/or a computer with Excel for homework assignments. Additional study material requirements will be posted on the Course Materials page of the class Blackboard site.

Topics: A list of topics and tentative chapter reading assignments from the Selinger textbook follows. Specific dates when the chapters will be covered will be announced in class and will be posted on the Course Materials page. Specific assignment details will be announced in class and will be posted on the Course Materials page. A tentative relative schedule order of readings and assignments (in parentheses) is as follows:

Introduction and Foundational Concepts Chapters 1–3
- Budgets, Bank Accounts, Credit and Debt
  (A1: Develop and monitor a budget; review and improve your FICO score)

Financial Plan Context, Deductions and Loans Chapters 4-7, 22
- Financial Plans, Contracts, Payroll Deductions, Student Loans
  (A2: FAFSA Form and Student Loan Options)

Savings and Investment Chapters 6-12, 21
- Learning to Save, Investing in Stocks, Investing in Bonds, Investment Vehicles,
  Investing in Real Estate, Social Security/ DB or DC Plans/ 401(k)/ 457/ 529/ IRAs
  (A3: Mock Portfolio)

Home and Auto Chapters 14-17, 23
- Purchasing a Home, Renting an Apartment, Purchasing or Leasing a Car
  (A4: Rent or Buy?)
- Home, Auto, Life, Health
  (A5: Develop an insurance plan consistent with new federal health care law)

Business Concepts Chapter 28
- Decision Making with Uncertainty, Auctions, Adverse Selection, Moral Hazard
  + Separate Reading
  (A6: 60-second business plan pitch)

Grades: are based on:

Exams: Midterm Exams (2) 25% each, Final Exam 30%.
- The Midterms are tentatively scheduled for Tuesday --/--/13, and Thursday --/--/13.
- The Final Exam will be given at the date and time specified on the CSUEB website, tentatively on Thursday --/--/13.
- The exams will consist of multiple-choice, short-answer, and essay questions.

Assignments: 18%.
- In addition to the weekly readings, there will be 6 project assignments during the quarter. The assignments will be discussed in class, and will be posted on the class Course Materials page at least a week in advance of the due date. Some assignments may be completed by teams of students as described in class. The written and verbal communications evaluation rubric that will be used to evaluate assignments is posted on the Course Materials page.

Attendance and Participation: 2%
Course grades are assigned on the following overall student scores: $\geq 95\%=A$, $90\%-94\%=A-$, $85\%-89\%=B+$, $80\%-84\%=B$, $75\%-79\%=B-$, $70\%-74\%=C+$, $65\%-69\%=C$, $60\%-64\%=C-$, $55\%-59\%=D+$, $50\%-54\%=D$, and $<50\%=F$.

Class Rules:
- Students are expected to be prepared for each class session.
- Students are expected to be attentive and to participate in class discussions and class activities.
- Students are responsible for regularly checking the Blackboard course site and their CSUEB email accounts for assignment details and for any class updates. Some assignments may be reoriented to respond to current events, or specified as appropriate for student requirements.
- There are no make-up exams.
- Prompt make-up homework assignments can be arranged if appropriate accommodation documentation is provided at about the time the assignments are due.
- Grades of incomplete are given in cases of verified emergencies and if $60\%$ of the course work has been completed with a grade of C+ or better.
- Academic dishonesty is not tolerated. Enrolled students agree to grant the DSDJA permission to pursue actions on academic dishonesty cases. Enrolled students agree to uphold the standards of academic integrity as described in the CSUEB catalog at: [http://www20.csueastbay.edu/academic/academic-policies/academic-dishonesty.html](http://www20.csueastbay.edu/academic/academic-policies/academic-dishonesty.html). For example, cheating is not tolerated, plagiarism is not tolerated, getting answers from others including from the internet is not tolerated. Cases of academic dishonesty will result in serious consequences. These can include a grade of F in the class, a letter placed in the student’s academic file, and referral for university administrative sanctions.
- Photo IDs are required on the first day of class. Photo IDS are required throughout the quarter and may be periodically checked.
- Bring a green Scantron form, number-two pencils, a calculator, and a photo ID to exams. For exams, one page of notes handwritten by the students may be permitted. Electronic translators, programmable calculators (those with alphabetic keyboards), laptops, and cell phones, may not be used on exams. Students may not share calculators on exams.
- Laptops permitted for note-taking and class purposes.
- Cellphones: silent.
- Student writing will be graded according the CBE written communications rubric posted on the Course Materials page.
- The description of the entry level math (ELM) requirement can be found at: [http://www20.csueastbay.edu/csci/departments/math-cs/degrees-and-programs/elm.html](http://www20.csueastbay.edu/csci/departments/math-cs/degrees-and-programs/elm.html)
- CSUEB is committed to being a safe and caring community.
- If a student has a documented disability, and wishes to discuss academic accommodations, or if a student would need assistance in the event of an emergency, the student should contact the instructor as soon as possible. Students with disabilities needing accommodation should also speak with the Accessibility Services department. The Accessibility Services department link is: [http://www20.csueastbay.edu/af/departments/as/](http://www20.csueastbay.edu/af/departments/as/)
- Information on what to do in an emergency situation (earthquake, electrical outage, fire, extreme heat, severe storm, hazardous materials, a terrorist attack) may be found at: [http://www.aba.csueastbay.edu/EHS/emergency_mgnt.htm](http://www.aba.csueastbay.edu/EHS/emergency_mgnt.htm). Please be familiar with these procedures. Information on this webpage is updated as required. Please review the information on a regular basis.