

BUSI 45: FUNDAMENTALS OF PERSONAL FINANCE

Foothill College Course Outline of Record

Heading	Value
Units:	4
Hours:	4 lecture per week (48 total per quarter)
Advisory:	Elementary Algebra or equivalent; demonstrated proficiency in English by placement via multiple measures OR through an equivalent placement process OR completion of ESLL 125 & ESLL 249.
Degree & Credit Status:	Degree-Applicable Credit Course
Foothill GE:	Non-GE
Transferable:	CSU/UC
Grade Type:	Letter Grade (Request for Pass/No Pass)
Repeatability:	Not Repeatable

Student Learning Outcomes

- Demonstrate techniques, calculations, and procedures necessary for building a personal financial model, including a budget.
- Demonstrate knowledge of the basic definitions, terminology, concepts, and frameworks for planning, implementation, evaluation of personal financial decisions.

Description

Designed to help students understand the impact of financial decisions on their personal, professional, and community lives. More specifically, the course will discuss personal finance and quantitative reasoning concepts, frameworks, and techniques to plan, implement, and evaluate financial strategies and tactics. Topics will also include the time value of money, major consumer purchases (e.g., home, car, student loans, credit cards), retirement planning, investment options and their interrelationship with psychological, sociological, and economic factors. The course will culminate with the development of a comprehensive personal financial plan and simulate investment, retirement, tax, insurance, credit, and other financial decisions. The long-term objective is for students to develop a critically-reflective and adaptive capacity for life-long financial decision-making.

Course Objectives

The student will be able to:

- Develop personal and family financial goals and plans
- Discuss the effects of financial decisions on a person's emotions, behavior, health, and relationships
- Prepare a household budget
- Apply the "time value of money" to personal finance problems, including major life events/purchases
- Assess financial decision outcomes by using financial metrics
- Calculate personal net worth (balance sheet) and liquidity (income/cash flow statement)
- Explain payroll and tax concepts, forms, and processes
- Appraise insurance needs

- Explain access to and maintenance of credit and other debt
- Examine retirement plans and options
- Examine investment options, including stocks, bonds, and mutual funds
- Prepare a personal financial plan

Course Content

- Foundations of Financial Planning
 - Defining success
 - Financial versus life success
 - Quantitative and qualitative measures
 - Money and happiness, family, and community
 - Importance of planning
 - Individual attitudes towards money
 - Personal and social financial values
 - Effects of wealth and debt
 - Psychological
 - Emotional
 - Social
 - Physical
 - Planning across the lifespan
 - Career choice and development
 - Life stages and financial concerns
 - Role of financial advisors
- Money Management Skills
 - A system for personal financial records
 - Net worth/personal balance sheet
 - Assets
 - Liabilities
 - Calculating and evaluating net worth
 - Evaluating net worth
 - Income/cash flows statement
 - Income sources
 - Discretionary and non-discretionary expenses
 - Measuring, recording, and evaluating financial activity
 - Personal budget
 - Savings/investments/purchases
 - Payroll and taxes
 - Primer on payroll system, forms, processes
 - Primer on federal and state income taxes
 - Expenses
 - Categorizing expenses
 - Estimating dollar amounts
 - Evaluation
 - Budgeted versus actual amounts
 - Variance analysis
 - Financial performance
 - Goal re-evaluation
 - Budget adjustments
 - Cash and Credit Management
 - Consuming versus investing
 - Checking accounts
 - Savings accounts
 - Revolving debt (credit cards)
 - Credit
 - Types of credit
 - Establishing and maintaining a credit history
 - Credit ratings
 - Credit bureau reports
 - Getting out of debt
 - Major Life Events/Purchases

1. Auto
2. Home
3. Education
 - a. Career planning
4. Retirement
- E. Basics of Insurance
 1. Purpose
 2. Types
- F. Investment Basics
 1. Risk and return
 2. Diversification; portfolio mix and stage of life
 3. Time value of money
 4. Bonds
 5. Stocks
 6. Mutual funds
 7. Other types (e.g., real estate)
- G. Retirement and Estate Planning
 1. Psychological, physical, and sociological effects of aging and retirement
 2. Retirement planning
 - a. Estimating income in retirement
 - b. Estimating financial needs in retirement
 - c. Retirement savings/investment vehicles
 3. Estate planning
 - a. Wills
 - b. Trusts
 - c. Estate taxes
 4. Social security and medicare
 5. Pensions
 6. Retirement savings accounts (e.g., 401k, IRA, 403b)
 - H. Personal Financial Plan
 1. Excel primer
 2. Web calculators
 3. Other software
 4. Reference Information (e.g., current interest and tax rates)

Lab Content

Not applicable.

Special Facilities and/or Equipment

A. When taught via Foothill Global Access, on-going access to computer with email software and hardware; email address.

Method(s) of Evaluation

Methods of Evaluation may include but are not limited to the following:

- A. Formative Assessments: quizzes, problem-solving exercises
- B. Summative Assessments: examinations
- C. Assessment of Critical Thinking: reflections, journal, discussions, research
- D. Integrative Assessment: comprehensive project (individual or team)

Method(s) of Instruction

Methods of Instruction may include but are not limited to the following:

- A. Lectures
- B. Discussions/chats
- C. Collaborative learning activities

- D. Presentations
- E. Demonstrations
- F. Cases
- G. Investment simulations

Representative Text(s) and Other Materials

Madura, Jeff. Personal Finance. 7th ed. Pearson, 2019.
 Keown, Arthur. Personal Finance. 8th ed. Pearson, 2018.
 Kapoor, Dlabay, and Hart. Focus on Personal Finance. 6th ed. McGraw-Hill Irwin, 2018.
 Kapoor, Dlabay, Hughes, and Hart. Personal Finance. 12th ed. McGraw-Hill Irwin, 2016.
 Garman, E. Thomas, and Raymond E. Forgue. Personal Finance. 13th ed. Cengage Learning, 2018.

Types and/or Examples of Required Reading, Writing, and Outside of Class Assignments

- A. Reading Assignments:
 1. Assigned textbook.
 2. Articles from professional or trade journals, such as Money, Forbes, Kiplinger's, or Business Week.
 3. Articles from financial newspapers, such as the Wall Street Journal, Barrons, or Investor's Business Daily.
 4. Websites related to consumer financial issues, such as the Consumer Financial Protection Bureau.
- B. Writing Assignments:
 1. Reflection journals:
 - a. Personal philosophy regarding personal financial matters, including financial objectives and attitudes towards money, credit cards, debt, investments, taxes, insurance, etc.
 - b. Personal budgeting and net worth.
 - c. Critical self-reflection on personal financial planning (end of course).

Discipline(s)

Business