

FINANCING THE FUTURE



This guide links the *Financing the Future* unit to the Texas Essential Knowledge and Skills (TEKS) for high school students. *Financing the Future* is an interdisciplinary unit that allows students to explore personal finance and financial literacy associated with their college-going goals. *Financing the Future* has connections to the social studies, mathematics, and career and technical education disciplines. For example, students will develop and implement a plan for collecting and analyzing data (qualitative and quantitative) in order to make decisions as outlined in the Mathematical Models and Applications TEKS. The following document includes the applicable TEKS and the details of the *Financing the Future* unit. The final section of this document presents the applicable Texas College and Career Readiness Standards adopted by the Texas Higher Education Coordinating Board (THECB) on January 24, 2008.

Description of Unit

In this task, students will track their income and spending and prepare financial documents including tax and interest calculations. They will research long-term income projections associated with education levels and career fields and develop college saving and financing plans based on an assessment of their college and career interests. Student learning culminates in the development of a college funding portfolio and action plan.

Goals

Students will meet these goals in their explorations:

- Examine their personal financial status
- Develop and implement saving goals and plans
- Understand basic federal/state taxation that impact workers' paychecks
- Conduct research and prepare financial projections
- Identify college and career interests

Financing the Future (High School)

- Understand the costs associated with different educational paths
- Create a financial plan for college

Phase I. Learning Experiences

1. Develop a monthly budget spreadsheet that includes income from allowances and jobs, savings, and costs and expenditures.
2. Read about personal money management using a resource such as "Start Smart: Money Management for Teens," a special edition of *FDIC Consumer News* available at www.fdic.gov/consumers/consumer/news/cnsum06.
3. Develop a personal savings goal and plan. See Personal Finance Game at <http://www.genirevolution.org/>.
4. Complete activities in personal finance and money management, including credit-card math and calculating income tax, FICA, social security, and Medicare obligations from available financial literacy curricula (see resources from the [Texas Council on Economic Education](#)).
5. Conduct research and comparative analysis on banking options. For example, compare processes such as starting an account at various institutions. What steps must a consumer take to open an account and what are the minimum deposits as well as personal information that must be collected? What are the schedules for statements, how are deposits and withdrawals made, and what types of online or mobile banking programs exist?
6. Compare different types of savings plans including standard savings plans, money market accounts, and long-term savings plans such as CDs. What fees exist and how is interest accrued? What is the interest rate and how does it change with market conditions? For how long must money be held within the account before it can be withdrawn? What is the difference between a bank and a credit union? What are some of the advantages and disadvantages of using each type of institution?
7. Research and prepare a costs-of-college plan that identifies specific costs associated with a range of postsecondary options (see resources from *Going to College* lesson plan). The plan should consider different types of loans for education.
8. Take a field trip to the financial aid office of a local college or listen to a presentation from a college financial aid officer. In what ways does a student qualify for financial aid? What are the steps in starting the process? What types of loans are available, what are the repayment plans, interest rates, and terms of each type of loan? Who are the lenders? What college expenses may be paid using aid money?

9. Research and prepare a presentation on the long-term benefits of going to college including a cost-benefit analysis associated with specific career fields.

Phase II. Independent Research

A. Research process

1. Selecting a topic. Students identify both near-term and long-term personal goals. In what ways will the student's personal financial decisions aid or hinder him/her in reaching those goals? Students will complete career interest and college preference inventories to identify educational plans. Students will create a target list of 5 or more college programs aligned with their postsecondary goals.
2. Asking guiding questions. Students will develop a plan for reaching their postsecondary goals. Students begin by tracking personal financial data and examining current financial resources. Guiding questions might include:
 - How have the student's income and expenditures changed over time?
 - How might the student collect data, track trends, and prepare an analysis of his/her spending habits?
 - What habits might need to change in order to reach postsecondary educational goals?
 - What are the costs associated with the targeted college programs?
 - What other costs—such as living expenses, food, health insurance, and transportation—must be accounted for in the student's plan?
 - What might be some of the student's options for earning and saving income as well as reducing expenses?
 - What sources of aid such as loans, grants, and scholarships should the student consider? What are the application deadlines and requirements?
3. Creating a research proposal. Students will identify their college funding needs and develop a research plan for finding funding, including loans, scholarships, and savings and work plans. Students should identify both primary and secondary sources for information concerning funding for their particular areas of study. For example, students may wish to interview professors or college financial aid officers directly for information on scholarships or competitions.
4. Conducting the research. Students will collaborate with their guidance counselors to review college funding options and plans. Students may need to examine their plans from several different perspectives. Dialogue should be encouraged between students and counselors, teachers, college representatives, professionals in the student's selected field of study, professors, parents and guardians, community members and businesspeople, and/or trusted peers.

Student research culminates in a college funding portfolio that includes

- a completed Free Application for Federal Student Aid (FAFSA),

- identification of 10-20 scholarships for which the student is eligible at the targeted colleges,
- sample completed scholarship applications and essays, and
- a budget breakdown for financing college, including tuition, food and housing, textbooks, and other costs associated with college.

Finally, students will create an action plan detailing the steps they will need to take to realize their college funding goals.

5. Sharing findings. Students present their portfolios and action plans to a panel of adults that may include teachers, guidance counselors, professional mentors, and/or members of the community. Student portfolios should be communicated through concise multimedia presentations—as if the student was pitching the idea of his/her plans to investors. Presentations should identify information uncovered through research and convey which opportunities the student will pursue and how the student plans to meet deadlines and deliver high-quality application materials to various funding sources.

B. The product

Students will develop a college funding portfolio and action plan. The portfolio will include the inventory of identified college programs based on the student’s self-assessment of career interests and future goals. Additionally, the portfolio contains a completed FAFSA application, 10-20 college scholarship leads, sample applications and essays, and an itemized budget for college and living expenses. The final component of the student’s product is an action plan that outlines the steps the student will take to pursue the leads generated through the portfolio research as well as address any personal financial habits that might need modification in order to help the student realize his/her goals.

C. Communication

Each student presents the college funding portfolio and action plan to a panel of adults. The panel might include teachers, guidance counselors, mentors or professionals in the student’s chosen field of study, parents/ guardians, community members, and/or business people. After the presentation, the panel members engage the student in a brief, informal Q&A session. The purpose of the Q&A session should be to provide further direction for college funding research and formative feedback to help the student hone their college and scholarship application materials.

D. A completed project consists of:

- Inventory results identifying career goals and target colleges
- Analysis of personal spending habits and current financial resources
- College cost analysis
- College funding portfolio
- Action plan
- Video recording of the student’s portfolio presentation and Q&A session

Resources

Students are encouraged to work with their teachers and parents/guardians to conduct the research necessary to support and enhance each task, following local district guidelines. Online resources like The Smithsonian Museum, The Library of Congress, The Texas State Archives, Texas State Historical Association, and National Geographic's Kids offer information on a variety of topics and could serve as a good starting place.

Texas Essential Knowledge and Skills

The unit may address the following TEKS:

English Language Arts and Reading:

English I

- I.11 Understands how to glean and uses information in procedural texts and documents
- I.13 Uses elements of the writing process (planning, drafting, revising, editing, and publishing) to compose text
- I.15 Writes expository and procedural or work-related texts to communicate ideas and information to specific audiences for specific purposes
- I.17 Understands the function of and uses the conventions of academic language when speaking and writing
- I.18 Writes legibly and use appropriate capitalization and punctuation conventions in their compositions

- I.20 Asks open-ended research questions and develops a plan for answering them
- I.21 Determines, locates, and explores the full range of relevant sources addressing a research question and systematically records the information they gather
- I.23 Organizes and presents their ideas and information according to the purpose of the research and their audience
- I.24 Uses comprehension skills to listen attentively to others in formal and informal settings
- I.25 Speaks clearly and to the point, using the conventions of language

English II

- II.11 Understands how to glean and use information in procedural texts and documents
- II.13 Uses elements of the writing process (planning, drafting, revising, editing, and publishing) to compose text
- II.15 Writes expository and procedural or work-related texts to communicate ideas and information to specific audiences for specific purposes
- II.17 Understands the function of and uses the conventions of academic language when speaking and writing
- II.18 Writes legibly and uses appropriate capitalization and punctuation conventions in their compositions
- II.20 Asks open-ended research questions and develops a plan for answering them
- II.21 Determines, locates, and explores the full range of relevant sources addressing a research question and systematically records the information they gather
- II.22 Clarifies research questions and evaluates and synthesizes collected information
- II.23 Organizes and presents their ideas and information according to the purpose of the research and their audience
- II.24 Uses comprehension skills to listen attentively to others in formal and informal settings
- II.25 Speaks clearly and to the point, using the conventions of language

Mathematics:**Mathematical Models with Applications**

- M.1 Uses mathematical processes to acquire and demonstrate mathematical understanding
- M.2 Uses mathematical processes with graphical and numerical techniques to study patterns and analyze data related to personal finance
- M.3 Uses mathematical processes with algebraic formulas, graphs, and amortization modeling to solve problems involving credit
- M.4 Uses mathematical processes with algebraic formulas, numerical techniques, and graphs to solve problems related to financial planning
- M.10 Applies mathematical processes to design a study and use graphical, numerical, and analytical techniques to communicate the results of the study

Social Studies:**Sociology**

- SOC.7 Understands the concept of adolescence and its characteristics

- SOC.8 Understands the life stage of adulthood and its characteristics
- SOC.10 Understands the nature of social stratification in society
- SOC.12 Understands changing societal views on gender, age, and health
- SOC.14 Identifies the basic social institutions of economics and politics and explains their influence on society
- SOC.15 Identifies the basic social institutions of education and religion and explains their influence on society
- SOC.16 Understands the basic social institutions of science and the mass media and their influence on society
- SOC.17 Understands how population and urbanization contribute to a changing social world
- SOC.18 Understands how collective behavior, social movements, and modernization contribute to a changing social world
- SOC.19 Applies critical-thinking skills to organize and use information acquired from a variety of valid sources, including electronic technology
- SOC.20 Communicates in written, oral, and visual forms
- SOC.21 Uses problem-solving and decision-making skills, working independently and with others, in a variety of settings

Special Topics in Social Studies

- ST.1 Uses problem-solving and decision-making skills, working independently and with others, in a variety of settings
- ST.2 Applies critical-thinking skills to organize and use information acquired from a variety of valid sources, including electronic technology
- ST.3 Creates written, oral, and visual presentations of social studies information

Social Studies Research Methods

- RM.1 Understands the need for an organizing framework to identify an area of interest and collect information
- RM.2 Applies a process approach to a research topic, applying the ideas, theories, and modes of inquiry drawn from the social sciences in the examination of persistent issues and social questions
- RM.3 Employs the processes of critical social science inquiry to understand an issue, topic, or area of interest using a variety of sources, checking their credibility, validating and weighing evidence for claims, and searching for causality
- RM.5 Creates a written and oral presentation of research and conclusions

Economics with Emphasis on the Free Enterprise System and Its Benefits:

High School

- ECO.12 Understands the role of money in an economy
- ECO.17 Understands the role of financial markets/institutions in saving, borrowing, and capital formation
- ECO.18 Understands the role of individuals in financial markets
- ECO.19 Applies critical-thinking skills to analyze the costs and benefits of personal financial decisions

ECO.20	Understands how to provide for basic needs while living within a budget
ECO.21	Understands the various methods available to pay for college and other postsecondary education and training
ECO.22	Applies critical-thinking skills to organize and use information acquired from a variety of valid sources, including electronic technology
ECO.23	Communicates in written, oral, and visual forms
ECO.24	Uses problem-solving and decision-making skills, working independently and with others, in a variety of settings

Career and Technical Applications:

Finance – Money Matters

FIN.1	Uses career planning concepts, tools, and strategies to explore, obtain, and develop a career in the area of financial planning
FIN.2	Demonstrates an understanding of the fundamental principles of money
FIN.4	Explains the impact of government on business activities within a free enterprise system
FIN.5	Discusses economic concepts impacting finance
FIN.6	Describes economic indicators impacting financial decision making
FIN.8	Employs sociological knowledge to facilitate finance activities
FIN.9	Applies psychological knowledge to facilitate finance activities
FIN.10	Analyzes personal financial needs and goals based on current and projected economic factors
FIN.11	Manages personal finances to achieve financial goals

Texas College and Career Readiness Standards

This unit may address the following Texas College and Career Readiness Standards:

English Language Arts:

I.A.2	Generates ideas and gathers information relevant to the topic and purpose, keeping careful records of outside sources
I.A.3	Evaluates relevance, quality, sufficiency, and depth of preliminary ideas and information, organizes material generated, and formulates thesis
III.A.1	Understands how style and content of spoken language varies in different contexts and influences the listener's understanding
III.A.2	Adjusts presentation (delivery, vocabulary, length) to particular audiences and purposes
III.B.1	Participates actively and effectively in one-on-one oral communication situations
III.B.2	Participates actively and effectively in group discussions
III.B.3	Plans and delivers focused and coherent presentations that convey clear and distinct perspectives and demonstrates solid reasoning
IV.A.1	Analyzes and evaluates the effectiveness of a public presentation

- IV.A.2 Interprets a speaker’s message; identifies the position taken and the evidence in support of that position
- IV.B.1 Listens critically and responds appropriately to presentations
- IV.B.2 Listens actively and effectively in one-on-one communication situations
- IV.B.3 Listens actively and effectively in group discussions
- V.A.1 Formulates research questions
- V.A.2 Explores a research topic
- V.A.3 Refines research topic and devises a timeline for completing work
- V.B.1 Gathers relevant sources
- V.B.2 Evaluates the validity and reliability of sources
- V.B.3 Synthesizes and organizes information effectively
- V.C.1 Designs and presents an effective product

Mathematics:

- VIII.A.1 Analyzes given information
- VIII.A.2 Formulates a plan or strategy
- VIII.C.1 Formulates a solution to a real world situation based on the solution to a mathematic problem
- VIII.C.2 Uses a function to model a real-world situation
- VIII.C.3 Evaluates the problem solving process
- IX.A.1 Uses mathematical symbols, terminology, and notation to represent given and unknown information in a problem
- IX.A.2 Uses mathematical language to represent and communicate the mathematical concepts in a problem
- IX.A.3 Uses mathematics as a language for reasoning, problem solving, making connections, and generalizing
- IX.B.2 Summarizes and interprets mathematical information provided orally, visually, or in written form within the given context
- IX.C.1 Communicates mathematical ideas, reasoning, and their implications using symbols, diagrams, graphs, and words
- IX.C.2 Creates and uses representations to organize, record, and communicate mathematical ideas
- IX.C.3 Explains, displays, or justifies mathematical ideas and arguments using precise mathematical language in written or oral communications
- X.A.1 Connects and uses multiple strands of mathematics in situations and problems
- X.A.2 Connects mathematics to the study of other disciplines
- X.B.1 Uses multiple representations to demonstrate links between mathematical and real-world situations
- X.B.2 Understands and uses appropriate mathematical models in the natural, physical, and social sciences
- X.B.3 Knows and understands the use of mathematics in a variety of careers and professions

Science:

- II.A.6 Estimates results to evaluate whether a calculated result is reasonable
- II.A.7 Uses calculators, spreadsheets, computers, etc., in data analysis
- II.B.1 Carries out formal operations using standard algebraic symbols and formulae
- II.B.2 Represents natural events, processes, and relationships with algebraic expressions and algorithms
- III.D.1 Uses search engines, databases, and other digital electronic tools effectively to locate information
- III.D.2 Evaluates quality, accuracy, completeness, reliability, and currency of information from any source

Social Studies:

- I.A.2 Analyzes the interaction between human communities and the environment
- I.A.3 Analyzes how physical and cultural processes have shaped human communities over time
- I.E.2 Defines the concept of socialization and analyzes the role socialization plays in human development and behavior
- I.E.3 Analyzes how social institutions function and meet the needs of society
- I.E.4 Identifies and evaluates the sources and consequences of social conflict
- I.F.1 Uses a variety of research and analytical tools to explore questions or issues thoroughly and fairly
- I.F.2 Analyzes ethical issues in historical, cultural, and social contexts
- IV.A.2 Situates an informational source in its appropriate contexts
- IV.A.3 Evaluates sources from multiple perspectives
- IV.A.4 Understands the differences between a primary and secondary source and uses each appropriately to conduct research and construct arguments
- IV.A.5 Reads narrative texts critically
- IV.A.6 Reads research data critically
- IV.B.1 Uses established research methodologies
- IV.B.3 Gathers, organizes, and displays the results of data and research
- IV.B.4 Identifies and collects sources
- IV.C.1 Understands/interprets presentations critically
- IV.D.1 Constructs a thesis that is supported by evidence
- V.A.1 Uses appropriate oral communication techniques depending on the context or nature of the interaction
- V.A.2 Uses conventions of standard written English

Cross-Disciplinary Standards:

- I.B.3 Gathers evidence to support arguments, findings, or lines of reasoning
- I.B.4 Supports or modifies claims based on the results of an inquiry
- I.C.1 Analyzes a situation to identify a problem to be solved

- I.C.2 Develops and applies multiple strategies to solving a problem
- I.C.3 Collects evidence and data systematically and directly related to solving a problem
- I.D.1 Self-monitors learning needs and seeks assistance when needed
- I.D.2 Uses study habits necessary to manage academic pursuits and requirements
- I.D.3 Strives for accuracy and precision
- I.D.4 Perseveres to complete and master tasks
- I.E.1 Works independently
- I.F.1 Attributes ideas and information to source materials and people
- I.F.2 Evaluates sources for quality of content, validity, credibility, and relevance
- II.A.2 Uses a variety of strategies to understand the meanings of new words
- II.A.3 Identifies the intended purpose and audience of the text
- II.A.4 Identifies the key information and supporting details
- II.A.5 Analyzes textual information critically
- II.A.7 Adapts reading strategies according to structure of texts
- II.A.8 Connects reading to historical and current events and personal interest
- II.B.1 Writes clearly and coherently using standard writing conventions
- II.B.2 Writes in a variety of forms for various audiences and purposes
- II.C.5 Synthesizes and organizes information effectively
- II.C.6 Designs and presents an effective product
- II.C.7 Integrates source material
- II.C.8 Presents final product
- II.D.3 Presents analyzed data and communicates findings in a variety of formats
- II.E.1 Uses technology to gather information
- II.E.2 Uses technology to organize, manage, and analyze information
- II.E.3 Uses technology to communicate and display findings in a clear and coherent manner
- II.E.4 Uses technology appropriately