

BUTTE COLLEGE

COURSE OUTLINE

I. CATALOG DESCRIPTION

BUS 62 - Personal Finance

3 Unit(s)

Prerequisite(s): NONE

Recommended Prep: Reading Level IV; English Level IV; Math Level II

Transfer Status: CSU

51 hours Lecture

This course is an introduction to personal finance which integrates practical financial decision making with the social, psychological, and physiological contexts in which decisions are made. Students will examine their relationships with money, set personal goals, and develop a plan to meet those goals. Topics include consumerism, debt, healthcare, investing, retirement, long-term care, disability, death, and taxes.

II. OBJECTIVES

Upon successful completion of this course, the student will be able to:

- A. Evaluate their personal money history, their money personality, how money affects their relationships, and how the study of personal finance affects their self-understanding.
- B. Establish and evaluate personal goals and demonstrate the effect of daily financial decisions on the accomplishment of personal goals and their physical environment in various stages of the life cycle.
- C. Identify the major private and government sponsored healthcare programs, and explain their purpose and function.
- D. Evaluate the appropriateness of various investment products and investment strategies in achieving personal goals at different life stages.
- E. Assess the impact of social security, tax advantaged accounts, and lifestyle decisions on individuals' circumstances at retirement.
- F. Describe the emotional, psychological, physiological, and cultural issues related to death and dying and financial decision making.
- G. Analyze the connections between personal finance and larger social issues including consumerism, environmental problems, poverty, increasing personal bankruptcy rates, access and affordability of healthcare, tax policy, proposed privatization of social security, proposed changes to Medicare, Medicaid and other social insurance programs.

III. COURSE CONTENT

A. Unit Titles/Suggested Time Schedule

Lecture	
<u>Topics</u>	<u>Hours</u>
1. Money - Individual & Society	6.00
a. Psychology of money	
b. Social, religious, and cultural money messages	
c. Wealth and status	

2. Life Planning	5.00
a. Effective goal setting	
b. Life stages	
c. Role of personal finance	
3. Consumerism & Why We Spend	6.00
a. Fulfillment curve	
b. Shopping addiction	
c. Personal spending plan	
d. Stress management	
4. Debt in America	4.00
a. Culture of debt (Credit Card Nation)	
b. Good debt & bad debt (credit cards, home, car, student loans)	
c. Getting out of debt	
5. Healthcare	5.00
a. Private & government programs (insurance, Medicare, Medicaid)	
b. Income level and physical/mental health	
c. Disease prevention & economics of healthcare (Preventive care, smoking, other lifestyles issues)	
6. Investing to Achieve Goals	6.00
a. Types & characteristics of investments	
b. Investment valuation theories	
c. Behavioral finance - fear & greed	
d. Investment selection & life stage	
7. Retirement	6.00
a. Lifestyle choices	
b. Emotional and psychological effects of aging and retirement	
c. Social security	
d. Tax advantages accounts & social policy	
8. Death & Dying	6.00
a. Long term care an disability	
b. Medical directives, durable powers of attorney, and living wills	
c. Estate planning issues	
9. Tax Planning - Social Policy through Incentives & Penalties	3.00
a. Individual income taxes	
b. Estate and gift taxes	

- a. Relationships and money
- b. Divorce & money
- c. Domestic partnership issues
- d. Investing and gender differences

Total Hours

51.00

IV. METHODS OF INSTRUCTION

- A. Lecture
- B. Group Discussions
- C. Guest Speakers
- D. Class Activities
- E. Homework: Students are required to complete two hours of outside-of-class homework for each hour of lecture
- F. Multimedia Presentations

V. METHODS OF EVALUATION

- A. Exams/Tests
- B. Quizzes
- C. Homework
- D. Class participation
- E. Class Discussion
- F. Writing assignments such as personal financial plan, statement of personal goals, an essay on one's personal money history, and essay on the role and meaning of money in one's personal life. Writing assignments will be graded on college level syntax, grammar, as well as content.

VI. EXAMPLES OF ASSIGNMENTS

- A. Reading Assignments
 - 1. Read "High-End Deprivation, The Dark Side of Wealth" by Tian Dayton. Be prepared to discuss how extreme wealth can sometimes impede the healthy development of self-concept and family relationships.
 - 2. Read the Investing Basics chapter and explain the different types of securities as well as their risk and return properties.
- B. Writing Assignments
 - 1. In 6 double-spaced pages, write your personal money history. Document the various money messages you were exposed to growing up and explain your personal money philosophy today (your beliefs, attitudes, and assumptions regarding money). Be specific and provide examples wherever possible. You may use the attached page of questions to help generate ideas for the paper. Feel free to focus on a few areas that are most significant to you and most shape your current money attitudes, assumptions, and beliefs rather than answering all of the questions.
 - 2. Complete a personal financial plan with the following components:
 - a. Personal values statement explaining what is most important in your life
 - b. Statement of personal goals
 - c. Actual spending & income as well as budgeted spending & income (if different)
 - d. Statement of financial position (list of all assets, liabilities, & net worth)
 - e. Statement of financial goals
 - f. Debt reduction worksheet
 - g. Insurance analysis (optional unless have dependents)
 - h. Investment analysis (optional)

- i. Estate planning analysis (optional unless you have dependents or substantial assets)
- C. Out-of-Class Assignments
- 1. Complete the consumer debt worksheet and debt repayment schedule available online.
 - 2. After reading the "How Money Relates to Happiness" chapter, write a one page paper addressing the following questions:
 - a) What were the 3 most meaningful or important ideas discussed in the chapter?
 - b) How can you apply these ideas to your life?
 - c) What concept from the chapter was the least meaningful or did the author "get wrong?"

VII. **RECOMMENDED MATERIALS OF INSTRUCTION**

Textbooks:

- A. Rowley. Money & Happiness. 1st Edition. John Wiley & Sons, 2005.
- B. Kapoor, Dlabay, and Hughes. Personal Finance. 4th Edition. McGraw Hill, 2013.

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