

Las Positas College
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Course Outline for PCN 40

LIFE SKILLS: FINANCIAL LITERACY

Effective: Spring 2017

I. CATALOG DESCRIPTION:

PCN 40 — LIFE SKILLS: FINANCIAL LITERACY — 1.00 units

Promoting financial responsibility through learning the basics of handling money and finances, including how to create positive relationships with financial institutions. Emphasis on understanding effective financial practices including record keeping, wise use of credit, saving and investing, budgeting, consumer safety laws, loans and home ownership.

1.00 Units Lecture

Grading Methods:

Letter or P/NP

Discipline:

	<u>MIN</u>
Lecture Hours:	18.00
Total Hours:	18.00

II. NUMBER OF TIMES COURSE MAY BE TAKEN FOR CREDIT: 1

III. PREREQUISITE AND/OR ADVISORY SKILLS:

IV. MEASURABLE OBJECTIVES:

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

- A. Describe the effective use of financial institutions including banks and credit unions
- B. Analyze and critically evaluate when and how to use credit and loans, and distinguish between credit building and credit repair
- C. Design a personal budget and spending plan, recognizing the importance of saving and investing money
- D. Recognize the various banking consumer rights and laws
- E. Examine the importance of establishing a credit history, including the processes and consequences of homeownership financing and consumer installment loans

V. CONTENT:

- A. An introduction to bank services
 1. The major types of financial institutions
 2. Basic banking terms
 3. Types of accounts
- B. An introduction to credit
 1. What it is and why it is important
 2. Recognizing different types of loans including home loans, consumer installment loans and credit cards
- C. Choosing and keeping a checking account
 1. The benefits of using a bank versus a check-cashing service and the types of fees involved
 2. Understanding how to write check and use ATM and debit cards
 3. Keeping records and reconciling accounts
- D. Budgeting
 1. How to keep track of your money using a budgeting tool to create a personal budget
 2. Identifying needs versus wants
- E. Saving
 1. The importance of saving money (paying yourself first)
 2. The power of compounding interest
 3. The difference between types of savings and investment accounts
 4. Identifying ways to save money
- F. Consumer rights
 1. Definition of banking consumer rights and the laws that protect the rights of a banking consumer
 2. Ways to protect identity
 3. Resolving complaints regarding a bank account
- G. The ins-and-outs of credit history
 1. The importance of good credit
 2. How to order and read a credit report
 3. Detecting credit repair scams and ways to start repairing your credit
 4. Identifying available resources
- H. Loans
 1. Know what you are borrowing before you buy

2. Definition and characteristics of consumer installment loans
3. Determine the right consumer installment loans for your needs
- I. Credit cards
 1. Description of the costs and benefits of using a credit card
 2. Characteristics of credit cards and potential problems with credit cards
- J. Home ownership
 1. What owning a home is all about and the processes for getting homeownership financing
 2. The benefits and pitfalls of renting versus owning; evaluating your readiness to own a home
 3. Knowing different mortgage programs
 4. Understanding basic terms used in mortgage transactions

VI. METHODS OF INSTRUCTION:

- A. **Guest Lecturers** - Financial experts to explain and add depth to topics
- B. **Discussion** - Class discussion of major topics and how they apply to real-life experiences
- C. In-class skill-building exercises and assignments
- D. **Audio-visual Activity** - Use of visual aides to help explain difficult concepts and provide examples
- E. **Lecture** - Lecture in basic concepts, definitions and skills

VII. TYPICAL ASSIGNMENTS:

- A. Group budgeting exercise
 1. Break into small groups to develop and discuss a personal budget. Include how you will identify needs vs wants, how you will pay yourself first, and ideas of how to keep your spending in line.
- B. Final Paper
 1. Using at least three class concepts, write a three-page paper detailing your personal finance goal and the steps you will take to achieve it. Be as specific as possible and make sure your goal is measureable, achievable, realistic and timely (SMART).

VIII. EVALUATION:

A. **Methods**

1. Exams/Tests
2. Quizzes
3. Papers
4. Projects
5. Class Participation
6. Home Work

B. **Frequency**

1. Two or three short quizzes
2. One mid term project
3. Weekly evaluation of participation
4. Weekly readings for homework
5. Final cumulative exam
6. Final paper

IX. TYPICAL TEXTS:

1. Ryan, Joan, and Christie Ryan. *Personal Financial Literacy*. 3 ed., Cengage Learning, 2017.
2. Wilson, Gwenn. *100% Financial Literacy Success*. 1 ed., Cengage Learning, 2014.
3. Madura, Jeff. *Personal Finance*. 5 ed., Pearson Education, 2014.

X. OTHER MATERIALS REQUIRED OF STUDENTS:

- A. Packet of materials prepared by the instructor