

Financial Planning

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| Primary Career Cluster: | Finance |
| Course Contact: | CTE.Standards@tn.gov |
| Course Code(s): | C29H02 |
| Prerequisite(s): | <i>Accounting I</i> (C29H00), <i>Accounting II</i> (C29H01) and <i>Banking and Finance</i> (C29H03) |
| Credit: | 1 |
| Grade Level: | 11-12 |
| Focused Elective Graduation Requirements: | This course satisfies one of three credits required for an elective focus when taken in conjunction with other <i>Finance</i> courses. |
| POS Concentrators: | This course satisfies one out of two required courses to meet the Perkins V concentrator definition, when taken in sequence in an approved program of study. |
| Programs of Study and Sequence: | This is the capstone course in the <i>Accounting</i> and <i>Banking and Finance</i> programs of study. |
| Aligned Student Organization(s): | DECA: http://www.decatn.org FBLA: http://www.fblatn.org |
| Promoted Tennessee Student Industry Credentials: | Credentials are aligned with postsecondary and employment opportunities and with the competencies and skills that students acquire through their selected program of study. For a listing of promoted student industry credentials, visit https://www.tn.gov/education/educators/career-and-technical-education/student-industry-certification.html . |
| Teacher Endorsement(s): | 030, 033, 035, 039, 052, 054, 152, 153, 158, 201, 202, 204, 311, 430, 435, 436, 471, 472, 474, 475, 476, 952, 953, 958 |
| Required Teacher Certifications/Training: | None |
| Teacher Resources: | https://www.tn.gov/education/educators/career-and-technical-education/career-clusters/cte-cluster-finance.html Best for All Central: https://bestforall.tnedu.gov/ |

Course at a Glance

CTE courses provide students with an opportunity to develop specific academic, technical, and 21st century skills necessary to be successful in career and in life. In pursuit of ensuring every student in Tennessee achieves this level of success, we begin with rigorous course standards which feed into intentionally designed programs of study.

Students engage in industry relevant content through general education integration and experiences such as career and technical student organizations (CTSO) and work-based learning (WBL). Through these experiences, students are immersed with industry standard content and technology, solve industry-based problems, meaningfully interact with industry professionals and use/produce industry specific, informational texts.

Using a Career and Technical Student Organization (CTSO) in Your Classroom

CTSOs are a great resource to put classroom learning into real-life experiences for your students through classroom, regional, state, and national competitions, and leadership opportunities. Below are CTSO connections for this course, note this is not an exhaustive list.

- Participate in the CTSO Fall Leadership Conference, DECA and FBLA Fall Leadership Camps, FBLA Regional and State Leadership Conferences, and the DECA Emerging Leader Summit to engage with peers, demonstrate logical thought processes, and develop industry specific skills that involve teamwork and project management.
- Participate in conferences that promote career development such as DECA Career Pathways and Career Development Conferences.
- Participate in FBLA career competitive events that highlight career development, including developing an electronic career portfolio, interviewing skills, career exploration, and crafting an elevator speech.
- Participate in DECA competitive events such as AT&T Later Haters Challenge, Business Finance Series, Financial Consulting, Finance Operations Research, Financial Services Team Decision Making, Principles of Finance, Stock Market Game, and Financial Literacy Project.
- Participate in FBLA competitive events such as Business Financial Plan, Economics, Middle-Level Business Math and Financial Literacy, Securities and Investments, Spreadsheet Applications, Insurance and Risk Management, and Business Calculations.

For more ideas and information, visit Tennessee DECA at <https://www.tndeca.org/> and Tennessee FLBA at <https://www.fblatn.org/>.

Using Work-Based Learning (WBL) in Your Classroom

Sustained and coordinated activities that relate to the course content are the key to successful work-based learning. Possible activities for this course include the following. This is not an exhaustive list.

- **Standard 1.2** | On-the-job training with a local business or finance firm to develop students' mastery of financial planning standards. Connect with finance and business industry professionals to conduct informational and mock interviews.
- **Standards 2.1-2.7** | On-the-job training with finance and business industry professionals to help students gain practical experience in investing and savings.
- **Standards 3.1-3.5** | Integrated project with multiple interactions and/or technical mentoring through online interactions with financial and business industry professionals to facilitate students' ability to counsel and ultimately develop a retirement plan for a mock client.
- **Standards 4.1-4.2** | Technical mentoring through online interactions with financial and business industry professionals to facilitate real-world understanding of business ethics and insider trading.
- **Standard 4.3** | Integrated project with multiple interactions with financial and business industry professionals in financial planning.

Course Description

Financial Planning, the capstone course in the *Banking and Finance* and *Accounting* programs of study, is intended for students interested in advanced analysis of financial decision-making and wealth management. In this course, students will delve into advanced concepts related to saving, investing, taxation, and retirement planning, and will compile original investment and retirement portfolio options to present to mock prospective clients. In addition, students will learn to critique financial consultations according to ethics, laws, and regulations. Upon completion of this course, proficient students will be prepared to pursue advanced study of financial planning, wealth accumulation and management, and market analysis at a postsecondary institution.

Course Standards

1. Financial Planning Careers and Professionalism

- 1.1 Financial Planning Basics: Define financial planning and identify the **key components of financial planning**. Explain why financial planning is critical for the future financial stability of individuals and families and is essential to economic growth.
- 1.2 Financial Planning Careers: Research the various **types of financial planners** and the **products and services** they provide. Identify the **skills needed to succeed in the field** and detail the future career opportunities. Participate in a mock interview, focusing on the most commonly asked interview questions, appropriate interview conduct, professional dress, and recommended follow-up procedures.
- 1.3 Verbal and Written Communication: Develop and refine **clear verbal and written communication techniques** to properly describe and explain key concepts in financial planning.

2. Saving and Investing

- 2.1 Saving and Investing: Identify **saving and investing strategies**. Draw conclusions about the **saving rate over time** for U.S. households and the flow of funds into **mutual funds** and **other popular investment vehicles**. Investigate key trends in U.S. saving compared to spending as a percentage of disposable income.
- 2.2 Investment Options: Analyze the major categories of **investment options** and determine the **levels of risk** and **potential return** on each. Research the past performance of each category to determine which investments have inverse performance characteristics and which investments perform best in expansionary and recessionary economic periods.
- 2.3 Diversification: Explain **diversification and its benefits**, including the aspect of minimizing risk and delivering more consistent returns.
- 2.4 Financial Security: Evaluate the **portfolios** of individuals and families at different stages of life (e.g., young, raising children, preparing for retirement, retired). Develop a plan for **personal and family financial security** based on investing sufficient funds to generate necessary **retirement cash flow**, using financial formulas and functions to project the future value of investments using annual growth rates.

- 2.5 Investment Taxes: Describe how various **investments are taxed** and how taxation affects investment growth and overall returns. Identify how **federal and state laws** allow individuals, couples, and families to reduce or defer investment taxes, including gifting and charitable donations. Investigate **incentive programs** like educational and retirement plans, including 529s, Education Savings Accounts, Individual Retirement Accounts, and 401(k)/403(b) accounts.
- 2.6 Tax-Deferred and Tax-Free Investments: Examine **tax-deferred** and **tax-free investments**, differentiating between “pre-tax” and “after tax” plans. Determine the **net cash flow** each plan will deliver after retirement.

3. Retirement and Estate Planning

- 3.1 Social Security: Examine the **Social Security system** and create a **cash flow diagram** to demonstrate how today’s employee contributions are necessary to pay today’s retirees. Research current issues associated with the Social Security system and its long-term sustainability, including proposed policy changes.
- 3.2 Drawing Social Security: Determine the options for drawing **Social Security retirement funds** at various ages. Assess the consequences of initiating payments at the earliest possible ages, considering projected constraints such as cost of living, medical expenses, and inflation rates.
- 3.3 Compound Growth: Calculate the **compound growth of investments** and identify the importance of beginning early with an investment plan to cover retirement needs. Examine **vehicles for retirement investments**, including 401(k) and 403(b) plans, IRA and Roth IRA, and defined benefit pension plans.
- 3.4 Retirement Planning: Develop a **retirement plan** for a mock client. Include a combination of **investment options** and estimate the **annual retirement cash flow**. Justify the choice of investment options and other financial decisions by citing evidence of their projected growth or success. Evaluate the plan’s coherence, investment options, strategies for safeguarding against untenable risk, and accuracy of financial calculations and projections.
- 3.5 End of Life Documents: Define and interpret the importance of **end-of-life documents and processes**, including wills, living wills, power of attorney, medical power of attorney, probate, and estates. Examine the process of dissolving an estate of a person with a will versus one who died intestate (without a will). Research federal and state laws concerning **estate taxes** and identify situations in which these taxes could present significant challenges to those without proper estate planning.

4. Legal Documents and Ethics

- 4.1 Ethics: Analyze the need for strong **ethics in financial planning**. Examine case studies and news reports on investment companies engaging in ethically questionable behavior. Determine the **legal protections** for individual investors and the processes for seeking restitution.

4.2 Insider Trading: Describe **insider trading** and explain the benefits of complying with **government taxation authorities**. Identify the consequences of illegal buying and selling of investments, tax evasion, and other unethical behaviors.

4.3 Portfolios and Net Worth: Evaluate sample **portfolios** and **net worth** scenarios, developing a plan of action for adjustments to maximize overall return and minimize risk in the future.

Standards Alignment Notes

*References to other standards include:

- P21: Partnership for 21st Century Skills [Framework for 21st Century Learning](#)
 - Note: While not all standards are specifically aligned, teachers will find the framework helpful for setting expectations for student behavior in their classroom and practicing specific career readiness skills.