

Best Practices

Banking, Investing & Insurance



Rosie Bingham

Savannah-Chatham Schools



BANKING, INVESTING AND INSURANCE

Banks are just one part of the world of financial institutions, standing alongside investment banks, insurance companies, finance companies, investment managers and other companies that profit from the creation and flow of money.

Investing is the act of committing money or capital to an endeavor with the expectation of obtaining an additional income or profit.

Insurance is a contract in which an individual or entity receives financial protection or reimbursement against losses from an insurance company.

Banking, Investing & Insurance

07.43100

Banking, Investing and Insurance is the final course in the Financial Services pathway in the Finance Cluster. Students enrolled in this course should have successfully completed Introduction to Business and Technology and Financial Literacy. After mastery of the standards in this course, students should be prepared to earn an industry-recognized credential in this career area.

Finance Career Cluster Financial Services Pathway

07.44130 Introduction To Business & Technology

07.42600 Financial Literacy

07.43100 Banking, Investing, and Insurance

Focus on elements listed for each standard

FIN-BII-1 Demonstrate employability skills required by business and industry.

FIN-BII-2 Demonstrate an understanding of basic banking concepts, terminology and operating procedures.

FIN-BII-3 Compare and contrast various types of negotiable instruments and describe the effects of E-Commerce on banking.

FIN-BII-4 Interpret and measure financial performance of banking institutions.

FIN-BII-5 Demonstrate an understanding of basic investments principles, including the importance of investment planning and establishing financial goals.

FIN-BII-6 Demonstrate an understanding of investment instruments and their proper use in financial planning, retirement planning, retirement planning, estate-planning and wealth management.

FIN-BII-7 Predict future investment trends and explain the role of international finance in the investing process.

FIN-BII-8 Demonstrate an understanding of risk management basics and personal insurance coverage.

FIN-BII-9 Identify risk present in business and the insurance needed to protect a business.

FIN-BII-10 Students will evaluate the ethical needs of the financial services industry and examine the effects of fraud upon the industry.

FIN-BII-11 Students will identify and evaluate careers in the financial services industry.

Standard 12 CTSO

WISE Financial Literacy Certification Test Topic Checklist

As of Fall 2014

Money

- Sources of income
- **Exemption (aka an allowance)** and how does it work
- Liquidity—what does? What products are liquid?
- Gift cards and how they work (a monthly inactivity fee MAY begin after 12 months)
- Discretionary income or budget surplus
- Money orders (high rate of counterfeits)
- Why U.S. currency has value
- Opportunity cost
- Who is the most hurt and the least hurt with inflation
- Role of the U.S. Treasury Department

Banks

- Pay yourself first
- CD: What it is and what happens if you cash it before maturity
- Institutions that give loans—banks, credit unions, pawnshops, finance companies, payday lenders, tax preparers
- Which institution(s) charge the highest interest rates on loans (pawnshops, payday lenders, tax preparers, finance companies)
- What is a **credit union** and the advantage of using a credit union
- Overdraft protection and how it works
- Compound Interest
- Time value of money
- Liquid financial products (savings and checking accounts) vs. products that are less liquid
- Rule of 72
- Forms of endorsement for personal checks
- Reconciling a Checking account—why and when
- Repayment of student loans
- Tax anticipation loans

Credit

- Credit card cash advances
- Truth in Lending Act
- Consequence of paying the minimum payment due on a credit card bill or paying a bill late
- How does the degree of risk influence the interest rate charged for credit
- Debt to Credit Ratio
- Credit Reports
- Three leading credit reporting agencies (Equifax, TransUnion, Experian)
- Consequences of a lost or stolen credit card
- The length of debt repayment and impact on cost
- What to do if a person thinks he/she is a victim of identity theft

- Characteristics of predatory loans
- Collateral (secured vs. unsecured loans)
- Pawnshops

Insurance

- How insurance works—Concept of sharing risk
- Insurance deductible – What happens to the premium when the **deductible** is raised or lowered
- Collision coverage/when do consumers normally terminate this coverage
- Term life insurance
- Whole life insurance
- Health—HMO insurance and co-pay
- Renters Insurance
- Disability Insurance
- How to reduce the cost of auto insurance (i.e. dropping collision coverage)

Investing

- Liquidity: Most and least liquid investments
- Securities/equities (capital gains or loss; dividends; historical performance of stocks or the advantages of owning securities long term; primary vs. secondary markets)
- What is a bull market (remember us in bull – market goes UP) vs. a bear market
- Bonds –purpose; how they work; interest feature; tax free feature of Municipal Bonds
- Mutual Funds what are they; how do they work and who manages the fund
- Investment portfolio
- Diversification
- Dividends
- Treasury Bills
- Stock owner voting rights and proxy

Financial Planning

- Determine Net Worth and definition and examples of assets, liabilities and net worth
- Retirement: How different plans/accounts work and when taxes are paid on funds
- Retirement Plans
 - 401k plans
 - Traditional Individual Retirement Accounts (Traditional IRA)
 - Roth Individual Retirement Account
- Housing
- Inflation, deflation, depression—who suffers the most, the least
- Taxes-graduated income taxes

Regulatory Agencies

- Role of the SEC; Federal Reserve (Fed); FDIC; CFPB

wise | Financial Literacy
CERTIFICATION

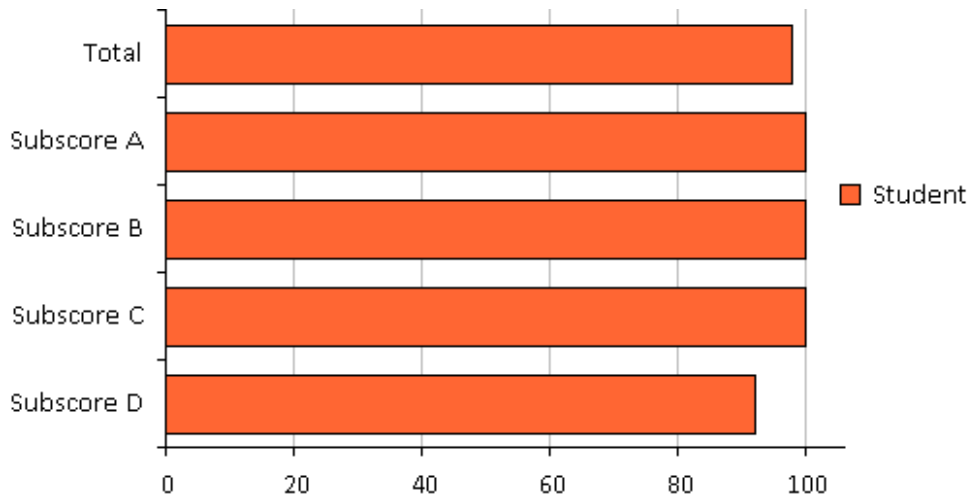


Working in Support of Education (WISE)

For additional information: wise-ny.org or 212.421.2700

CERTIFICATION Individual Report

Robert W. Groves High School
Student Name Emanuel N Murillo
Student Grade 12th Grade
Date Tested 12/18/2014
Pass Yes



Subscore	Student % Correct
Total	98%
Subscore A	100%
Subscore B	100%
Subscore C	100%
Subscore D	92%

Student % Correct = The student's percent correct on the Financial Literacy Certification Test.
School Average = The average percent correct for all students in the same school as the student.

Subscore Definitions:

- "A" - Money / Money Management / Personal Financial Planning
- "B" - Banks & Banking
- "C" - Credit
- "D" - Insurance & Investing

Resources

YOU are your student's most important resource. Lecture and make sure that you have their full attention (all eyes and ears on you). Attend as many local, state and national conferences as possible. You will get an array of finance resources for your classroom.

PowerPoint Presentations

Glencoe *Introduction to Business*

Glencoe *Business & Personal Finance*

Banking is (Practice Checkset)

Stock Market Game (participation)

Budget Challenge (participation)

FBLA Competitions

Banking & Finance Guest Speakers

Field Trips

Technology should be part of every phase of the consumer life cycle.

-Ron Berg

www.gactaern.org/rick.php?rsp=1

www.finance07.glencoe.com

www.glencoe.com

<http://stlouisfed.org/education/resources/implainenglishvideo.cfm>

www.moneyskill.org

www.everfi.com

www.ctaern.org

www.practicalmoneyskill.com

www.yahoofinance.com

www.CICMoney101.org

www.autofinancing101.org/learning_suite

https://bts.stlouisfed.org/econ_ed/online_learning/

www.allywalletwise.com

www.nextgenpersonalfinance.org

www.investprogram.org

www.takecharge.today.arizona.edu

www.actuarialfoundation.org

FOR MORE INFORMATION:

Rosie Bingham, Ed.Specialist
Robert W. Groves High School
100 Priscilla D.Thomas Way
Garden City, Georgia
rosie.bingham@sccpss.com
912.395.2520 ext. 716761

2014 W!SE National Certification
2014 Regional Stock Market Winners