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| **TEXAS CTE LESSON PLAN**[www.txcte.org](http://www.txcte.org) |
| **Lesson Identification and TEKS Addressed** |
| **Career Cluster** | Business Management and Administration |
| **Course Name** | Principles of Business Management, Finance, and Marketing |
| **Lesson/Unit Title** | Personal Investment Plan |
| **TEKS Student Expectations** | **130.132. (c) Knowledge and Skills** (10) The student demonstrates an understanding of personal financial management. (E) compare the advantages and disadvantages of different types of banking services;(F) The student is expected to examine investment growth by developing a personal investment plan |
| **Basic Direct Teach Lesson**(Includes Special Education Modifications/Accommodations and one English Language Proficiency Standards (ELPS) Strategy) |
| **Instructional Objectives** | * Identify and examine investment options
* Analyze investment options
* Prepare an income tax statement (1040EZ)
* Develop a personal investment plan

The purpose of this lesson is to examine investment growth by developing a personal investment plan and completing an income tax statement. |
| **Rationale** | To help students understand some basic information about investing, put together a simple personal investment plan, and give them the opportunity to fill out a 1040 EZ form.  |
| **Duration of Lesson** | 4-5 Days |
| **Word Wall/Key Vocabulary***(ELPS c1a,c,f; c2b; c3a,b,d; c4c; c5b) PDAS II(5)* | **Investment** - the purchase of a financial product or item of value with an expectation of favorable future returns…theuse of money in the hope to make more money.**US Savings Bond -** a registered, non-callable, non-transferable bond issued by the US Government and backed by itsfull faith and credit.**Certificates of Deposit (CDs)** - short or medium-term, interest bearing, FDIC insured debt instrument offered by banksand savings and loans.**Mutual Fund s**- an open-ended fund operated by an investment company which raises money from shareholders andinvests in a group of assets, in accordance with a stated set of objectives.**Stock** - an instrument that signifies an ownership position (called equity) in a corporation, and represents a claim on itsproportional share in the corporation’s assets and profits.**Real Estate** - a piece of land, including the air above it and the ground below it, and any buildings or structures on it. **Collectibles** - rare, valuable items such as antiques, art, books, and coins, acquired for their value as an investment. **Commodities** - a physical substance such as food, grains, and metals, which is interchangeable with another product ofthe same type and which investors buy or sell.**Penny Stock** - a stock which sells for less than one dollar per share, or in some cases less than five dollars per share. **Rate of Return -** the rate of return on an investment is expressed as a percentage of the total amount invested and isusually, but not always, calculated annually.**Income Tax Statement** - a form used to record your yearly financial information and turned in to the IRS for taxpurposes.**W-2 -** The form that an employer must send to an employee and the IRS at the end of the year. The W-2 form reportsan employee's annual wages and the amount of taxes withheld from his or her paycheck.**W-4 Form -** a tax form prepared by an employee for an employer indicating the employee’s exemptions and socialsecurity number, and enabling the employer to determine the amount of taxes to be withheld for the employee.**1040 EZ Form** - income tax return for single and joint filers with no dependents. Must earn a yearly taxable income ofless than $100,000, interest income (from investments) of no more than $1500, and no dependents.**Personal Investment Plan** - a person’s plan for his/her investment future. |
| **Materials/Specialized Equipment Needed** | Financial Plan Worksheet Financial Plan Pyramid Copies 1040 EZ Form CopiesW2 Form CopiesFinancial Plan ReportComputersInternetSpreadsheet program |
| **Anticipatory Set**(May include pre-assessment for prior knowledge) | To help students understand some basic information about investing, put together a simple personal investment plan, and give them the opportunity to fill out a 1040 EZ form. **ASK:** Have you ever thought about your financial future?**ASK:** Did you know people can make money when they sleep?**SAY:** Just like an athlete can train his/her body to burn calories while at rest, so can a person ‘burn calories’ (in this case, make money) while they sleep. It is dependent on whether investments have been made. They can also ‘gain weight’ (in this case, lose money) while they sleep, too.**ASK:** Do you know what kind of investor you would be? Low Risk, Medium Risk, or High Risk.**ASK:** Do you know what two things need to be determined first before you can start to plan your investments?**ASK:** If given $100,000 to invest, not spend, do you know what you would do with the money? |
| **Direct Instruction \*** | 1. Discovery
	1. Online search ‘personal financial plan’
		1. **Note:** There are many, many options out there and guides as to what a person should do, so much information to comb through. Point out to students what they will be doing is one option. When it comes down to it, financial planning is a personal decision on how to handle it
2. Introduction
	1. Introduce the ‘why’ of the lesson
		1. **Note:** Use the provided objectives and terms by method of choice.
		2. **Note:** Share with students The Advantage of Starting Early Chart to show them how investing can help you ‘burn’ calories while you sleep.
		3. Why we are doing this assignment
		4. Need to Know Terms
		5. The Advantage of Starting Early Chart
3. Guided Practice 1
	1. Financial Plan Worksheet
		1. **Note:** Help students estimate income and expenses and fill out the first sheet of the financial plan worksheet. You can brainstorm the data together, or have them pick a career, car, and place to live and let them do their data. One has been provided with sample information. In the sample provided, there is a $175.00 difference in income and expenses. This is the amount that can potentially be used for investment purposes. You can also add in categories such as charitable donations, tithing, etc. and/or delete/edit the existing categories. Once students see where the money comes from to invest, then move to the next stage.
4. Independent Practice 1
	1. What kind of investor am I?
		1. **Note:** Use the online quiz of your choice to allow each student to evaluate the type of investor they are. Once each student has taken the test, you may want to record your class’ answers and then partner/group them with like-minded students, or pair up a low-risk with a high-risk, etc. as if they might be ‘married.’ Or, they can continue the lesson on their own.
5. Guided Practice 2
	1. Financial Plan Pyramid
		1. **Note:** Once students have determined their risk level, use the provided Financial Plan Pyramid (.doc) to help gauge what types of investments match up with your students. This helps them see what different types of investments would be good for them based on their risk level. You may also want to give them copies of this, so they can identify (circle/highlight) which investments they want and the dollar amount they want to put with each type of investment.
6. Independent Practice 2
	1. Personal Financial Plan
		1. **Note:** Based on the amount they must invest (taken from the Financial Plan worksheet) and the types of investments they would be willing to make (based on the Financial Plan Pyramid), have students determine the following:
			1. How much money do I have to invest after a 3-month time period?
			2. How will I invest it?
			3. Why?
7. Guided Practice 3
	1. Filling out an income tax return form (1040 EZ)
		1. **Note:** Use the provided form (.pdf). Read through each part of the form and go through this with them (may want to use an overhead/document camera for this). This, and other forms, can be found at <http://www.irs.gov/formspubs/index.html>. You can also use the blank W2 form provided, or you can find the same form at the same website listed above. You may want to provide information in the W2 form and make copies for everyone prior to filling out the 1040 EZ Form. A completed W2 is not provided.
8. Summary
	1. Revisit objectives and ask summary questions. **Note:** Objectives are provided in this document.
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| **Guided Practice \*** | Have students download the Financial Plan Worksheet and help them go through the first sheet tabHave students determine which types of investments they would make based on the amount of income they should invest after a 3-month period. (Amount is determined after doing the Financial Plan Worksheet).Have students fill out a 1040 EZ tax return form. |
| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | Have students complete sheet tabs 2 and 3 on their own. Point out there probably will be differences in total wages for each month if they are recording wages, not salary, like the example.Once students have determined which types of investments they would like to make (guided practice), have them determine how much of their investment money (based on the total amount they should invest after the 3-month period from the Financial Plan Worksheet) they would like to invest in each type. *For example: Amount Available to Invest=$500. $100=Growth Mutual Funds, $200=Mutual Fund, and $200=Collectibles* |
| **Lesson Closure** | To help students answer the following questions:What do I need to do to set up a financial plan?How do I fill out a 1040 EZ Form?To also give them time and practice, give them guidance, and show them online resources available to help get a plan started |
| **Summative / End of Lesson Assessment \*** | Financial Plan Report |
| **References/Resources/****Teacher Preparation** | * http://www.tea.state.tx.us/index2.aspx?id=6148&menu\_id=720&menu\_id2=785
* NEFE High School Financial Planning Program (book)http://njaes.rutgers.edu/money/riskquiz/default.asp
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| **Additional Required Components** |
| **English Language Proficiency Standards (ELPS) Strategies** | . |
| **College and Career Readiness Connection[[1]](#footnote-1)** | **English-English 1*** 110.31(b)(1). Reading/Vocabulary Development. Students understand new vocabulary and use it when reading and writing.
* 110.31(b)(11). Reading/Comprehension of informational text/procedural texts. Students understand how to glean and use information in procedural texts and documents.

**Math-Algebra 1*** 111.xx(C)(1) Mathematical Process Standards. The student uses mathematical processes to acquire and demonstrate mathematical understanding. The student is expected to:

(A) apply mathematics to problems arising in everyday life, society, and the workplace;(B) use a problem-solving model that incorporates analyzing given information, formulating a plan or strategy, determining a solution, justifying the solution, and evaluating the problem-solving process and the reasonableness of the solution;(C) select tools, including real objects, manipulatives, paper/pencil, and technology as appropriate, and techniques, including mental math, estimation, and number sense as appropriate, to solve problems. |
| **Recommended Strategies** |
| **Reading Strategies** |  |
| **Quotes** |  |
| **Multimedia/Visual Strategy****Presentation Slides + One Additional Technology Connection** |  |
| **Graphic Organizers/Handout** |  |
| **Writing Strategies****Journal Entries + 1 Additional Writing Strategy** |  |
| **Communication****90 Second Speech Topics** |  |
| **Other Essential Lesson Components** |
| **Enrichment Activity**(e.g., homework assignment) | To extend the lesson, have students research and find specific interest rates and/or rates of return on their investment choices |
| **Family/Community Connection** |  |
| **CTSO connection(s)** | Business Professionals of AmericaFuture Business Leaders of America |
| **Service Learning Projects** |  |
| **Lesson Notes** |  |

1. Visit the Texas College and Career Readiness Standards at <http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>, Texas Higher Education Coordinating Board (THECB), 2009. [↑](#footnote-ref-1)