

Personal Finance – EBGN 304 – Section A

Instructor: Dr. Becky Lafrancois

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Office: 110 Engineering Hall

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Office Hours: 11:15-11:45AM and 3:45-4:15PM Monday, Wednesday, and Friday, or by appointment*

*You may schedule appointments outside of office hours through email.

Class Meetings: MWF 8:45-11:15 AM

Class Location: EH211 until July 27, MZ326 starting July 30

Instructional Activity: 3 hours lecture

Semester Hours: 3

Course Designation: Economics and Business Elective

Course Description

The management of household and personal finances. Overview of financial concepts with special emphasis on their application to issues faced by individuals and households: budget management, taxes, savings, housing and other major acquisitions, borrowing, insurance, investments, meeting retirement goals, and estate planning. Survey of principles and techniques for the management of a household's assets and liabilities. Study of financial institutions and their relationship to households, along with a discussion of financial instruments commonly held by individuals and families.

Required Materials

Laptop with Excel and a Financial Calculator

I Will Teach You to be Rich by Ramit Sethi

<https://www.amazon.com/Will-Teach-You-Be-Rich/dp/0761147489>

Topics Covered

- Financial Literacy
- Consumption Planning
- Saving
- Taxes
- Borrowing
- Major Purchases
- Investing
- Insurance
- Retirement Planning

Student Learning Outcomes

By the end of the course, you will:

1. Explain the importance of personal financial planning and the financial planning process
2. Develop personal financial goals and identify strategies for achieving these goals for different life situations
3. Analyze personal financial decisions using various concepts of time value of money
4. Use effective money management principles to create a personal balance sheet and cash flow statement and to develop and implement a personal budget
5. Identify the major types of taxation in the United States and explain basic tax strategies for various life situations
6. Calculate taxable income and income taxes owed for federal income taxes
7. Explain the various types of financial services available and the features of the financial institutions that offer these services
8. Evaluate various types of savings plans and payment methods
9. Explain the advantages and disadvantages of using consumer credit
10. Assess the types of sources of consumer credit, determine whether you can afford a loan
11. Calculate the cost of credit using a variety of interest formulas
12. Develop a plan to protect your credit and manage your debts
13. Explain the decision making process of major buying decisions and apply this process to the decision to purchase a vehicle
14. Evaluate the costs and benefits of renting versus buying housing
15. Explain the home buying process and calculate the costs associated with purchasing a home
16. Develop an investment program by establishing goals and assessing how elements like safety, risk, income, growth, and liquidity affect your investment decisions
17. Explain the importance of asset allocation and diversification in risk reduction
18. Identify features of stocks and explain how to evaluate stock investments
19. Explain stock trading techniques used by long-term investors and short-term speculators
20. Identify the key features of bonds and explain why investors purchase corporate and/or government bonds
21. Explain the key characteristics of mutual funds
22. Evaluate mutual funds for investment purchases
23. Identify types of risks and risk management methods and develop a risk management plan
24. Assess the insurance coverage and policy types available to homeowners and renters and analyze the factors that influence the amount of coverage and the cost of home insurance
25. Identify the important types of automobile insurance coverage and evaluate the factors that affect the cost of automobile insurance
26. Distinguish between the different types of life insurance companies and analyze the various life insurance policies these companies issue
27. Consider your life insurance needs at various life junctures and devise a plan to buy life insurance
28. Explain the importance of retirement planning and starting to plan for retirement
29. Estimate your retirement living costs and determine your planned retirement income

Graded Components

Homework Assignments and In-Class Activities – 10% of final grade

Homework assignments will be announced in class, posted on Canvas and, unless otherwise stated, be submitted online.

A portion of class time will be devoted to working on problems, reading, or discussing and analyzing articles or concepts. In-class activities will be graded according to the following scale:

- 0 = 0% -- no participation in assignment
- 1 = 50% -- minimal participation/correctness
- 2 = 80% -- good participation/correctness
- 3 = 95% -- excellent participation/correctness

Online Book Club – 15% of final grade

You will form a “book club” with teams of 3 students. This summer, the book you will read is “I Will Teach You to Be Rich” by Ramit Sethi. There will be 3 discussion periods over the course of the summer. You will be responsible for answering discussion questions individually and participating and leading online discussions through Canvas. Complete details will be handed out in a separate document.

Spending Journal – 10% of final grade

Throughout the semester, you will maintain a spending journal where you record your individual expenses and spending activities. Each week you will submit your spending worksheet through Canvas, and at the end of the semester you will be required to analyze your spending habits. Full details are provided in the Spending Journal Instructions sheet. Spending journals will be due before class on Monday mornings and your final analysis will be due at the end of the semester.

Spending Journal Due Dates: 7/2, 7/9, 7/16, 7/23, 7/30

Infographic Project – 10% of final grade

An infographic is a graphic visual representation of information, data, or knowledge that is intended to quickly and clearly present information. You will create an infographic related to a topic covered in class or other topics of interest. The infographics should target the Mines community as your audience. Full instructions are provided on the Infographics Project Instructions sheet.

Infographic Due Date: 7/27, 8/1

Personal Financial Plan Project – 55% of final grade

You will create and develop your own Personal Financial Plan during the semester. This plan can be thought of as a summary of the major sections of the course, or as your own personal roadmap to financial and personal success. Failure to turn in the final part of the report will result in a course grade no higher than a C. There will be a number of due dates throughout the semester with the final version of your plan due on August 1. Full instructions are provided on the Personal Financial Plan Instructions sheet.

Grading and Grading Procedures

Components:

1. Homework and In-Class Activities	10%
2. Online Book Club	15%
3. Spending Journal	10%
4. Infographic	10%
5. Personal Financial Plan	<u>55%</u>
	100%

Your grade in this class will be based on your overall percent average, using the following guidelines:

A =	90-100%
B =	80-89.999%
C =	70-79.999%
D =	60-69.999%
F =	below 60%

These guidelines are subject to change, but if you score in the stated range you are guaranteed at least the corresponding grade.

Grades will be maintained and posted on Canvas.

Grievance Procedure: Anyone feeling that a dispute exists after the grading of any assignment or exam may submit a written grievance. The grievance should identify the item in dispute and arguments supporting the student's position. Grievances must be submitted in writing within two class periods following the return of the assignment or exam. I will return a written response within two class periods after receipt.

Course Attendance Policy

Please be familiar with the Attendance Policy for the Colorado School of Mines:

<http://inside.mines.edu/Student-Absences>

Lectures: Failure to attend and participate in in-class assignments and activities will count negatively toward your course score. I expect students to regularly attend and participate in class. If you miss a lecture, it is your responsibility to get any notes and assignments from that class. It is up to you to master the subject matter of the course and to demonstrate the ability to use the tools covered at an acceptable skill level. **I will offer make-up opportunities for in-class assignments only if you have an excused absence.**

Coursework Return Policy

In-Class Assignments – In-class assignments will be graded and returned within one week.

Exams - Exams will be graded within one week and will be available for review in class. Students will not be permitted to keep exams, however they will be available for review in the professor's office.

Students with Disabilities

Colorado School of Mines complies with all federal and state laws and regulations regarding discrimination, including the Americans with Disabilities Act of 1990. If you have a disability and need a reasonable accommodation for equal access to education or services at Colorado School of Mines, please contact the Disability Services Office at 1770 Elm St. – Wellness Center 209, by calling 303-273-3297, or emailing Colin Terry cterry@mines.edu. If you have a disability that could affect your performance in this class or that requires an accommodation under the Americans with Disabilities Act, please see me as soon as possible so that we can make appropriate arrangements.

- Disability Services Website: <http://disabilities.mines.edu/>

Policy on Academic Integrity/Misconduct

The Colorado School of Mines affirms the principle that all individuals associated with the Mines academic community have a responsibility for establishing, maintaining and fostering an understanding and appreciation for academic integrity. In broad terms, this implies protecting the environment of mutual trust within which scholarly exchange occurs, supporting the ability of the faculty to fairly and effectively evaluate every student's academic achievements, and giving credence to the university's educational mission, its scholarly objectives and the substance of the degrees it awards. The protection of academic integrity requires there to be clear and consistent standards, as well as confrontation and sanctions when individuals violate those standards. The Colorado School of Mines desires an environment free of any and all forms of academic misconduct and expects students to act with integrity at all times.

Academic misconduct is the intentional act of fraud, in which an individual seeks to claim credit for the work and efforts of another without authorization, or uses unauthorized materials or fabricated information in any academic exercise. Student Academic Misconduct arises when a student violates the principle of academic integrity. Such behavior erodes mutual trust, distorts the fair evaluation of academic achievements, violates the ethical code of behavior upon which education and scholarship rest, and undermines the credibility of the university. Because of the serious institutional and individual ramifications, student misconduct arising from violations of academic integrity is not tolerated at Mines. If a student is found to have engaged in such misconduct sanctions such as change of a grade, loss of institutional privileges, or academic suspension or dismissal may be imposed.

- The complete policy is [online](#).

Discrimination and Harassment

This course and all learning opportunities at Mines require a safe environment for everyone to be productive, develop professional practices, and to be able to share and learn without fear of discrimination or harassment. **Discrimination or harassment of any type will not be tolerated.**

Sometimes harassment is unintentional, but regardless of intent the instructor will address any language or behaviors that might discriminate, stereotype, or promote harassment. If you witness discrimination or harassment of others, please bring it to the attention of Mines faculty so it can be addressed immediately.

Title IX is a federal law that protects individuals from discrimination based on sex and gender in educational programs or activities. Mines takes its Title IX obligations seriously and is committed to

providing a campus community free from gender-based discrimination. Gender-based discrimination, including sexual harassment, sexual violence, stalking, and domestic violence, is prohibited within the Mines campus community. If these issues have impacted you or someone you know, you can appropriate resources here: <http://inside.mines.edu/POGO-Title-IX>. You can also contact the Mines Title IX Coordinator, Karin Ranta-Curran, at 303.384.2558 or krcurran@mines.edu for more information.

Detailed Course Schedule*

Week	Dates	Topics	Learning Objectives	Assignments
1	6/25-6/29	Introduction to Personal Finance Time Value of Money Earning and Consuming	1, 2 3 4	
2	7/2-7/6	Taxes Savings	5, 6 7, 8	Spending Journal 1 - 7/2
3	7/9-7/13	Consumer Credit and Borrowing Major Purchases	9, 10, 11, 12 13, 14, 15	Spending Journal 2 - 7/9 Financial Plan 1 - 7/9 Financial Plan 2 - 7/9
4	7/16-7/20	Developing an Investment Plan Asset Allocation and Risk Stocks	16 17 18, 19	Spending Journal 3 - 7/16 Financial Plan 3 - 7/20
5	7/23-7/27	Bonds and Mutual Funds Retirement Planning	20, 21, 22 28, 29	Spending Journal 4 - 7/23 Infographic Research - 7/27
6	7/30-8/3	Risk Management and Insurance Guest Speaker	23, 24, 25, 26, 27	Spending Journal 5 - 7/30 Spending Analysis – 8/1 Infographic – 8/1 Financial Plan 4 – 8/1 Financial Plan 5 – 8/1

* Course content subject to change. All changes will be announced in class and online. It is your responsibility to stay informed of changes.