

# A. Course: **37:575:250:B6 Finance for Personal and Professional Success** (Tentative Syllabus)

**Instructor:** Mary Evans

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**Meeting time and Location:** Due to the current quarantine, this class will be taught remotely via WebEx. The class lecture will be held live on Tuesdays and Thursdays from 6pm to 9:40pm, (from May 26 until July 2<sup>nd</sup>).

**NOTE:** For Emergencies **No** Phone calls/ text messages...please email me or you can let me know in class. In the subject of your email, please include your name, the course and the section. Please check your Rutgers email or Sakai online in cause of any class cancellations.

**Office Hours:** Prior to class by appointment, and immediately after every class

**Pre-Requisite:** None

**Course Description:** Overview of core financial concepts and techniques useful both at work and in personal life; budgets, banking, interest, credit, personal loans, insurance, investments, present value; and net worth

## **Overarching Math Philosophy/Objectives Overview: Mathematics of Life:**

Imagine that you are taking a vacation next year. You have many financial choices to make. How big is your vacation budget and how do you want to allocate it? The more money that you save now, the more you will have to spend on your vacation.

Now imagine that you are planning your financial future. You have many choices to make. How will you pay off your student loan? How much of your budget should be allocated to food and utilities? How much can you afford to spend on clothes? Should you buy a house? Should you buy a new car? What investments should you consider? When do you want to retire? All of these decisions require detailed planning.

Financial planning, prudent financial management, and careful spending can help you achieve your financial goals, which affect one's standard of living in the future.

The **financial planning process** enables you to understand the key components of a **financial plan** and to develop a **personal financial plan**. The simple objective of financial planning is to make the **best use of your resources to achieve your financial goals**. The sooner you develop your goals and a financial plan to achieve these goals, the easier it will be to achieve your objectives. Topics in personal finance include financial and career planning, budgeting, tax management, cash management, credit cards, borrowing, major expenditures, risk management, investments, retirement planning and estate planning.

Success in Life. A solid understanding of personal finance topics offers you an increased probability of success in facing life's financial challenges, responsibilities and opportunities. Such successes might include: paying minimal credit costs, not paying too much in income taxes, purchasing automobiles at low prices, financing housing on good terms, buying appropriate and fairly priced insurance, selecting

successful investments that match your needs and tolerance for risk, planning for a comfortable retirement, and passing on your estate with minimal transfer costs.

Basic Mathematical models underlie all these financial analyses. The mathematics behind the time value of money can be applied to determining how much **current** savings will be worth in the **future**, or how to reach your goal of saving for a house or starting a business. If you were to win the lottery, should you take the lump sum or annual payments (annuity). If you have to invest, how do you know what is a good return? How much does a credit card really cost? How much money do you need for retirement? Debt also grows through mathematical models. There are tax implications as well.

Critical thinking plays a major role in financial analysis, as there may be more than one way to accomplish a goal. For example, if you decide to reduce your housing expenses you can, for example, either move to a cheaper unit and/or take in a room-mate. If you're saving for retirement, and can't save enough each month to meet your goal; consider alternatives such as: later retirement, reducing current or future expenses, or investing differently.

The measures of performance in this class will be referred to as authentic assessments. That is, student performance is evaluated based upon realistic life decision assignments, including:

- a series of math problems,
- an ongoing case analysis,
- course projects, such as assessing a lease and managing stocks in the stock market; planning for retirement planning using the time value of money; finding the best bank to fit your needs,
- Excel applications; one project applies the Pareto Principal (80:20 Rule) to tracking your frivolous expenditures (non obligations of rent or mortgage, insurance, etc.) using Excel.
- developing your personal financial plan.

This is in sharp contrast to the types of assessments based on multiple choice, short answer, etc. in a timed environment. Clearly this type of assessment will provide the student the same type of environment as s/he will have during his/her life.

### **Relationship to SAS Learning Objectives:**

- **Goal x** (Apply effective and efficient mathematical or other formal processes to reason and to solve problems.) Specifically the focus is on the mathematics underlying the process of investment, and borrowing/ saving money. The student will learn to apply concepts from algebra necessary to specify and solve equations related to loans, savings, mortgage, credit and insurance using compound interest.
- **Goal w** (Formulate, evaluate, and communicate conclusions and inferences from quantitative information)

### **Other Learning Objectives:**

- Familiarize students with core concepts of interest, present value, risk, diversification, and insurance,

- Improve student skills in using spreadsheets and other tools in common use for analyzing financial information, and
- Introduce students to major types of financial instruments including stocks, bonds, mutual funds, and to investments in real estate.

**Assessment of Learning Objectives:** Project assessments will be used to evaluate these objectives.

**Text - Required:** (Online enrollment of an E-textbook using Wiley Plus, via Canvas site)

**Introduction to Personal Finance: Beginning Your Financial Journey, 1st Edition,** by John Grable and Lance Palmer, Wiley publishing.

**Text – Recommended (Optional):** Dworsky, L. N., **Understanding the Mathematics of Personal Finance**, Wiley, 2009, ISBN 978-0-470-49780-7.

**Required:** Statistical software in Excel 2003 (or higher), which is required for homework, related cases, and team assignments. Reading assignments must be completed prior to each lecture. Communication Devices: No communication devices (cell phones, palm pilots, beepers, pagers, etc.) can be used in the classroom.

**Academic Integrity:** All students are responsible for locating, reading, and abiding by the University Policy on Academic Integrity for Undergraduate and Graduate Students. The policy is available on-line at <http://cat.rutgers.edu/integrity/policy.html>

**Recommendations:** Requests for recommendations must be made in writing after completion of the course.

#### **Communication:**

##### **1. NETID Needed**

Rutgers uses the Sakai system. In order to use this system, you must have a NETID and PW. A NETID is an account on one of the main systems at Rutgers (Pegasus, Eden, Andromeda or RCI).

- **If you have a NETID**, you can currently ensure that you will be able to login to the system.

- **If you do not have a NETID**, please use the following page to attain one: <http://netid.rutgers.edu/>

- **If you have any problems**, please contact your local RUCS Help Desk. You can reach them at [help@nbc.rutgers.edu](mailto:help@nbc.rutgers.edu) or 732-445-Help

##### **2. Canvas**

To facilitate class learning, please access and print course documents needed for class from the course management system known as Canvas. Course documents are posted in Modules for each lessons. Projects, Lesson Questions, Final paper rubric, etc...are found under ASSIGNMENTS.

#### **Quick Start for Canvas:**

<https://canvas.rutgers.edu/students/getting-started-in-canvas-students/>

If you do not see this course listed, then the site is likely in the “Courses” dropdown box to the Left of your tabs.

#### **Student E-Mail and Phone Numbers:**

a. Students, also, have the responsibility to then inform the professor of any changes to their phone numbers (day and evening). Please use “**37:575:250:B6**” in the Subject section to avoid being spammed. **Please sign your full name in all e-mail correspondence.**

b. Please check your e-mail regularly, especially on the day of class, to learn if there are any changes in the class schedule, class requirements, or for other general announcements.

**Study Groups:** Forming study groups will facilitate learning by keeping you focused, involved, and current in the course. In this type of course, Student who have formed study groups tend to do better than students who work alone. They have a better understanding of the material, can talk it over and catch mistakes that each person makes. I highly encourage you to form your own study group.

**Classroom Etiquette:** Common courtesy is expected at all times.

**Parking Impacts:** Special events may impact parking.

**University/Campus Closings:** 732-932-INFO (New Brunswick); <http://campusstatus.rutgers.edu>

**Special Needs** – Rutgers, the State University of New Jersey abides by the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments (ADAA) of 2008, and Sections 504 and 508 which mandate reasonable accommodations be provided for qualified students with disabilities and accessibility of online information. If you have a disability and may require some type of instructional accommodation, please contact me early in the semester so that I can provide or facilitate in providing accommodations you may need. If you have not already done so, you will need to register with the Office of Disability Services, the designated office on campus to provide services for students with disabilities. The Office of Disability Services is located in the Kreeger Learning Center, 151 College Ave, 732-932-2848. I look forward to talking with you soon to learn how I may be helpful in enhancing your academic success in this course.

**Assessments:** This class is hands-on and features assessment of projects and assignments, rather than a lecture course that uses exams to assess learning. Course assessment is calculated as a weighted average of the following projects.

**SUMMER ASSIGNMENTS AND PROJECTS:**

<b>GRADING</b>	<b>ASSIGNMENTS</b>	<b>PERCENTAGE OF CUMULATIVE</b>
<b>CHAPTER QUESTIONS (DUE ON TUESDAYS)</b>	<b>4 ASSIGNMENTS, (EACH ASSIGNMENT = 10%)</b>	<b>40%</b>
<b>PROJECTS (DUE ON THURSDAYS)</b>		<b>25%</b>
	<b>VISION BOARD</b>	<b>2.5</b>
	<b>OUT-OF-POCKET EXPENSE TRACKER</b>	<b>2.5</b>
	<b>GOALS, BUDGETS, PERSONAL BALANCE SHEETS</b>	<b>2.5</b>
	<b>BANKING PROJECT</b>	<b>2.5</b>
	<b>IDENTITY THEFT ASSESSMENT</b>	<b>2.5</b>
	<b>ANNUAL CREDIT REPORT</b>	<b>2.5</b>
	<b>COST NEEDS ANALYSIS</b>	<b>2.5</b>
	<b>RISK TOLERANCE</b>	<b>2.5</b>
	<b>LIFE EXPECTANCY</b>	<b>2.5</b>
	<b>RETIREMENT PLANNING</b>	<b>2.5</b>
<b>GUEST SPEAKERS (VIA WEBEX)</b>	<b>VARIES</b>	<b>10%</b>
<b>PERSONAL FINANCIAL PLAN</b>	<b>DUE LAST DAY OF CLASS</b>	<b>25%</b>
<b>TOTAL CUMULATIVE</b>		<b>100%</b>

<b>Personal Financial Plan Grading rubric</b>	Max <b>possible</b> points earned
On-time	10%
<b><u>FORMAT</u></b>  <b>Option 1:</b> 5 pages (Single spaced) or 10 pages double spaced... Minimum written material. (max font of Times New Roman 14) OR <b>Option 2:</b> Create a Presentation or Vlog	10%
Current situation (What is your story?) and Goals (Short term, intermediate, long term)	5%
Budgeting, Saving plans (current and future goals)	5%
Banking (where, strategies to maximize interest rates, research on best fit?)	5%
Taxes (current and hypothetical future, taxes in retirement)	5%
Personal Loans (auto, home, education, business, etc...)	5%
Credit (managing and assessment of credits, credit cards, debt management)	5%
Identity theft (preventing, identifying, safeguarding strategies)	5%
Insurance (Life and medical, Disability, how much do you need? Supplemental insurance outside of employment)	5%
Insurance (auto or home)	5%
Healthcare planning (Long term care, incapacity, family history, children, health directives)	5%
Investing (Risk tolerance, asset allocation, diversification, asset classes, portfolio, timed goals, investment strategy, etc...)	5%
Retirement planning (401k, IRAs, ROTHs, Life expectancy, Saving for retirement, retirement income, withdrawal rates, calculating inflation, Medicare, Medicaid, social security, long term care)	5%
Estate Planning (Wills, trusts, power of attorney, trustees, executor, beneficiary, insurance benefits, retirement account benefits, Paid-upon-death accounts, joint tenants, exclusions of persons in Wills, probate, intestate)	5%
What you learned or took away most from class, guest speakers	5%
Back up plans, (alternatives, changing time lines) and overcoming future obstacles	5%
APPENDIX	5%
TOTAL	100%

## In-Class Projects: Ethical Dilemma, films, etc.

Target Week	<p><b>Proposed Chapter Series</b></p> <p><b>Notes:</b> Guest lecturers may result in modifications to the schedule. As a courtesy to our guest lectures, please turn off all laptops and communication devices.</p>
#1	<p><b>Syllabus, Course expectations, layout</b></p> <p><b>Overview of a Financial Plan;</b></p> <ul style="list-style-type: none"> <li>• Components and Developing a Financial Plan</li> <li>• Excel spreadsheets, graphics and financial applications</li> <li>• Pre-Assessment of Financial Literacy</li> </ul> <p><b>goal setting (short-term, intermediate-term, and long-term)</b></p> <p><b>In class:</b></p> <ul style="list-style-type: none"> <li>• <b>Bucket List</b></li> <li>• <b>Opportunity cost (how much does it cost to miss a class)</b></li> <li>• <b>Case study question</b></li> <li>• <b>Introduce Out of Pocket tracking project</b></li> <li>• <b>Savings Plan, Cash inflow/Cash outflow, Balance Statements</b></li> </ul>
#1	<p><b>Planning with Personal Financial Statements Factors that affect cash flows; creating a budget</b></p> <p><i>Discussion of tradeoffs regarding: What's it worth to reduce my spending and understanding the Latte Factor</i></p> <p><b>Assigned: Vision Board presentations (due next class)</b></p> <p><b>Assigned: Out-of-Pocket Project (takes 2 weeks so will be due June 11th)</b></p>
#2	<p><b>Applying Time Value Concepts</b></p> <ul style="list-style-type: none"> <li>• Future and present value of a single dollar amount</li> <li>• Future and present value of an annuity</li> <li>• Rule of 72</li> <li>• Simple interest</li> <li>• Compounding interest</li> </ul> <p><i>To be a millionaire, how long would it take with different rates of savings and rates of return, etc.</i></p> <p><b>Assigned: GOALS, Budgets, and balance sheets Project (PF chapter 1, PF chapter 2). Due on next class on Thursday.</b></p> <p><b>Assigned: TVM and Taxes Questions given (Due the following week on Tuesday)</b></p>
#2	<p><b>Tax planning</b></p> <ul style="list-style-type: none"> <li>• W-2,</li> <li>• W-4</li> <li>• Filling out a 1040, Schedules</li> <li>• Filing status</li> <li>• Exempted income</li> <li>• Adjusted Gross Income</li> <li>• Standard deduction versus itemized deductions</li> <li>• Capital gains and capital loss harvesting</li> <li>• Tax Liability</li> <li>• Zero marginal tax bracket</li> <li>• Planning for your future income and LEGALLY reducing your tax burden</li> </ul> <p><b>Due next class: Chapter TVM and Taxes Questions given</b></p>

<p>#3</p>	<p><b>Banking and Interest Rates and Managing Your Money</b></p> <p>Types of financial institutions and their services; Interest rates; Money market investments and their risk  <i>How to choose a bank, with given minimum deposits, balances, monthly fees, check-writing charges?</i>  <i>How do you evaluate choosing between two CDs?</i>  <i>How much do you need to save to purchase a car?</i>  <i>How should you plan to purchase a condo?</i></p> <p><b>Assigned: Bank comparison of your area, in Find a better bank project. (Due Thursday).</b>  <b>Assigned: Banking, managing your money and Credit Questions, (due next Tuesdays)</b></p>
<p>#3</p>	<p><b>Assessing and Securing Your Credit and Managing Your Credit</b></p> <p>Credit cards; dealing with credit debt  <i>Evaluate your preparedness to defend against identify theft</i></p> <p><b>Due next class: Banking, Managing your money questions and, Chapter Credit questions</b></p>
<p>#4</p>	<p><b>Personal Loans, Student loans, How to go to college for free? Auto loans and Purchasing and Financing a Home</b></p> <p>Evaluation of personal loans, auto loans and 30-year mortgages  Evaluate what you can afford to borrow to finance the purchase of a home  Valuation of a home  <i>How much can I borrow?</i></p> <p><b>Assigned: Identity theft Assessment Project, (Due Thursday)</b>  <b>Assigned: Annual credit report and Pareto project, (due Thursdays)</b>  <b>Assigned: Loans and Insurance Questions (due next Tuesdays)</b></p>
<p>#4</p>	<p><b>Auto and Homeowner’s Insurance; Health and Disability Insurance; Life Insurance and Long-term care insurance</b></p> <p>Managing risk; factors that affect auto insurance premiums; homeowner’s and renter’s insurance</p> <p><i>What insurance should I have? Types of life insurance and determining the amount of life insurance needed</i>  <i>How much life insurance do I need?</i></p> <p><b>Due tonight: Out of Pocket tracking Project</b>  <b>DUE Next class: Personal loans, Mortgages, and Insurance Questions (next Thursday)</b></p>
<p>#5</p>	<p><b>Investing Fundamentals. Investing in: Stocks, Bonds, ETFs, Indexes, Mutual funds</b></p> <p><i>How do my investment decisions impact my wealth?</i>  Types of investments; tradeoffs between return and risk  Risk tolerance  Analyzing the firm’s annual report; industry analysis of stocks; stock valuation (Price-earnings method and price-revenue method)  Stock Exchanges; purchasing or selling stocks; buying stock on margin and assessing performance of stock investments</p> <p><i>What stocks meet my criteria? How do I compare and contrast them?</i>  <i>How do I assess analysts’ comments and earnings estimates?</i>  Types of bonds; valuing a bond; risk from investing in bonds; bond investment strategies  Type of mutual funds; return and risk of a mutual fund</p>



	<p><i>How do the purchase of bonds impact my protecting of assets and income, as well as my retirement? How do I select mutual funds that best meet my individual financial goals?</i></p> <p><b>Assigned: Capital Needs analysis project (due Thursday)</b>  <b>Assigned: Risk Tolerance assessment project (Due Thursday)</b>  <b>Assigned: Asset Allocation, Investing Questions given (due Tuesday)</b></p>
#5	<p><b>Chapters 17 (Investing in Mutual Funds),</b></p> <p><b>Chapter 18 ( Asset Allocation)</b>  How diversification reduces risk; strategies for diversifying; asset allocation strategies; factors that affect your asset allocation decision  <i>Is my asset allocation conservative, moderate or aggressive?</i></p> <p><b>Assigned: Life Expectancy Project and Retirement Calculator (due Thursdays)</b>  <b>Due next week: Asset Allocation, Investing Questions given</b></p>
#6	<p><b>Chapter 19 (Retirement Planning)</b></p> <p>Social Security; employer-sponsored retirement plans (defined-benefit and defined-contribution plans)  Retirement plans offered by employers; Keogh Plan, SEP, IRAs, etc.  <i>How do my savings decisions and what types of plan(s) contribute to impact my retirement?</i></p> <p><b>Chapter 20 (Estate Planning)</b>  Purpose of a will; estate taxes; trust, gifts, and contributions  <i>What key events and changes in my assets impact the review and change of my will?</i></p> <p><b>Financial Literacy Assessment</b></p> <p><b>In class:</b>  <b>Make a Will and Estate planning questionnaire</b></p>
#6	<p><b>Chapter 21 (Integrating the Components of a Financial Plan)</b>  Budgeting, managing liquidity; personal financing; protecting your assets and income; managing investments; retirement planning; maintaining your financial documents  <i>How can I further improve my financial health?</i></p> <p><b>PERSONAL FINANCIAL PLAN DUE By 11:59pm, NO CLASS or LECTURE, JUST FINAL due.</b></p>

**\*\*\*NOTE: \*\*\***

**GENERALLY:**

- 1) Chapter questions are ALWAYS DUE on Tuesdays. They are assigned the previous week. For example: they are available on a Tuesday, and generally due the following Tuesday. Please see me for help during or immediately after class lectures.
- 2) Projects, which are small, are assigned will be due on Thursdays. They will be open from the start of the course but will have specific due dates to correspond with the topics covered in lecture. Please pay attention to our Canvas. There is a To-do list that is found on the right-hand side of your main home page, which will tell you what active assignments are open and due.