

Money 101

by SuperMoney

A free, one-semester personal finance course for high school, homeschool and anyone who missed it.

Reviewed by Andrew Latham, CFP®

9 units

One semester (18 weeks)

Lessons, worksheets and quizzes

Teacher guide and answer keys

Free to use and share

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Guide	Teacher and parent guide, answer keys and capstone rubric	
Pack	Document pack: pay stub, card disclosure, aid offers, scam or legit	
Last page	Certificate of completion to print and fill in	

How to use this course

Teachers: each unit is self-contained and sized to the weeks shown, for a standard 18-week semester. Teach lessons in order, use the worked example as the anchor for discussion, assign the activity, and give the quiz at the end. Pacing and answer keys are in the Teacher and Parent Guide. Everything can be photocopied.

Homeschool families: plan on two to three short sessions a week. Read the lesson together, talk through the worked example, then let your student complete the activity with real documents from your household where you are comfortable sharing them.

Adults learning on their own: start with Units 3 and 4 (budgeting and credit), then work through the rest in any order. The activities work just as well with your own pay stub, cards and accounts.

About the numbers. Examples state their assumptions. Tax rules, loan limits and contribution limits change; the course points you to the official source for current figures (IRS.gov, studentaid.gov, consumerfinance.gov). Nothing in this course is individual financial, tax or legal advice.

Course map and standards alignment

The course covers all five topics in the **Promoting Financial Literacy in Secondary Schools Act (H.R. 10528)** and all six areas of the **National Standards for Personal Financial Education** (Jump\$tart Coalition and Council for Economic Education, 2021).

Unit	Weeks	H.R. 10528 topic	National Standards
1. Earning Income, Paychecks and Taxes	2	Not in H.R. 10528 (added)	Jump\$tart: Earning Income
2. Banking and Payment Tools	1.5	Evaluating financial products	Jump\$tart: Spending, Saving
3. Budgeting and Saving	2.5	Budgeting and saving (H.R. 10528 topic I)	Jump\$tart: Spending, Saving
4. Credit Reports, Scores and Credit Cards	2.5	Credit (H.R. 10528 topic III)	Jump\$tart: Managing Credit
5. Borrowing and Getting Out of Debt	1.5	Credit; evaluating financial products (H.R. 10528 topics III and IV)	Jump\$tart: Managing Credit
6. Paying for College and Career Training	2.5	Paying for college (H.R. 10528 topic V)	Jump\$tart: Earning Income (higher education planning), Managing Credit
7. Investing and Building Wealth	2.5	Saving and investing (H.R. 10528 topic II)	Jump\$tart: Investing
8. Protecting Yourself: Insurance, Identity and Scams	1.5	Evaluating financial products and avoiding scams (H.R. 10528 topic IV)	Jump\$tart: Managing Risk
9. Capstone: Your First Year on Your Own	1.5	All five H.R. 10528 topics	All six Jump\$tart standards

Every unit includes

- **Why it matters** and learning objectives ("You will be able to")
- **Key terms** with plain-English definitions
- **Lessons** written to be read aloud or read independently
- A **worked example** with real math and stated assumptions
- An **activity worksheet** using real-world documents
- A five-question **quiz** and a **reflection** prompt

Unit 1

Earning Income, Paychecks and Taxes

2 weeks Not in H.R. 10528 (added)

Why it matters

Most people earn money before they ever borrow it. A first paycheck that is noticeably smaller than hours times wage is many people's first financial surprise. Knowing where that money went, and how taxes work, makes every later decision easier.

You will be able to

- Explain the difference between gross pay and net pay and read every line of a pay stub.
- Fill out a Form W-4 and explain what withholding does.
- Describe federal income tax, state income tax, Social Security and Medicare.
- Explain where a tax refund comes from and how to change its size.
- Compare W-2 employment with 1099 gig work, including self-employment tax.
- Explain how benefits and education affect total compensation over a career.

Key terms

Gross pay	What you earn before anything is taken out: hours worked times hourly wage, or your salary for the period.
Net pay	What actually lands in your bank account after taxes and deductions. Also called take-home pay.
Withholding	Tax your employer takes from each paycheck and sends to the government on your behalf.
FICA	Social Security (6.2%) and Medicare (1.45%) taxes. Together 7.65% of most paychecks.
Form W-4	The form you give your employer that tells them how much federal income tax to withhold.
Form W-2	The form your employer sends you after the year ends showing what you earned and what was withheld.
Form 1099-NEC / 1099-K	Forms that report income from freelance, gig or app-based work where nothing was withheld.
Marginal tax rate	The rate you pay on your last dollar of income. Moving into a higher bracket only raises the tax on the dollars inside that bracket.
Self-employment tax	The Social Security and Medicare tax gig workers pay themselves, about 15.3% of net self-employment earnings.

Lesson 1.1: Gross pay vs. take-home pay

When you take a job paying \$15 an hour, you might expect a 20-hour week to put \$300 in your account. It will not. The \$300 is your **gross pay**. Before it reaches you, your employer subtracts taxes and any deductions you signed up for. What is left is your **net pay**.

Every pay stub has the same basic parts: your gross pay for this period and for the year so far, a list of taxes withheld, a list of other deductions (health insurance, retirement contributions), and your net pay. Check every line of your first few pay stubs. That is how people catch missing hours or the wrong tax setting.

The two taxes almost everyone pays from the first dollar are **Social Security (6.2%)** and **Medicare (1.45%)**, together called FICA. Federal income tax depends on how much you earn in the whole year and what you put on your W-4. Many students who work part time end up owing little or no federal income tax, but FICA is still withheld. Most states also have an income tax, and some cities do too.

Lesson 1.2: How income tax works

The U.S. uses **tax brackets**. Your income is split into layers, and each layer is taxed at its own rate. If you earn enough to reach a higher bracket, only the dollars inside that bracket are taxed at the higher rate. Plenty of people believe a raise can shrink their paycheck by pushing them into a higher bracket. It can't.

Before any brackets apply, most people subtract the **standard deduction**, an amount of income that is not taxed at all. For a teenager with a part-time job, the standard deduction often covers all of their wages, which is why they can get back most or all federal income tax withheld by filing a return.

A **refund** means you had more withheld during the year than you owed. It is your own money, returned without interest. A very large refund every year means you could have had that money in your paychecks instead. Owing money at tax time means too little was withheld. Neither is good or bad on its own, but you control it through the W-4.

You file a federal return by April 15 for the year before. Free options include IRS Free File and the free versions of commercial software for simple returns. If you earned money but had federal tax withheld and owe none, you must file to get it back.

Lesson 1.3: Gig work and the 1099

Delivery apps, ride-share, tutoring, babysitting through an app and selling online often pay you as an **independent contractor**. Nothing is withheld. Instead of a W-2 you may receive a 1099 form, and you are responsible for your own taxes.

If your net self-employment earnings (income minus business expenses) are **\$400 or more** in a year, you must file a federal return and pay **self-employment tax** of about 15.3% on most of those earnings. That is both halves of Social Security and Medicare, because there is no employer paying half for you. You may also owe income tax.

One habit protects gig workers: move a share of every payout, often 20% to 30%, into a separate savings account the day it arrives. Track mileage and expenses, because they reduce what you owe. If you expect to owe \$1,000 or more for the year, the IRS expects you to pay in quarterly estimated payments.

Lesson 1.4: Total compensation and your career

A job is worth more than its wage. Health insurance, a retirement plan match, paid time off, tuition help and training all have real dollar value. When comparing two offers, add the value of benefits to the pay.

Over a lifetime, the biggest driver of income is what you can do: education, certifications, skills and experience. That does not always mean a four-year degree. Apprenticeships, trade licenses and community college certificates often lead to strong earnings with far less debt. Unit 6 covers how to compare those paths.

Worked example: one week at \$15 an hour

Assumes 20 hours, \$15 an hour, 10% federal withholding from the W-4 settings, 4% state tax, no other deductions. Real withholding depends on your W-4, your state and your total annual pay.

Gross pay (20 hrs x \$15)	\$300.00
Social Security (6.2%)	-\$18.60
Medicare (1.45%)	-\$4.35
Federal income tax withheld (10%)	-\$30.00
State income tax withheld (4%)	-\$12.00
Net pay	\$235.05

Takeaway: About 22% never reached the paycheck. If this student's yearly earnings fall under the standard deduction, filing a tax return gets the \$30 a week of federal withholding back.

Activity: Decode the pay stub

Use the sample pay stub in the Document Pack (Appendix A). Answer each question, then repeat the math as a gig worker who earned the same \$300 with nothing withheld.

1. What is the gross pay for this period? For the year to date?

2. List every tax withheld and its amount.

3. What percent of gross pay is the net pay?

4. If this worker had a 1099 job instead, how much should they set aside from \$300 at 25%?

5. Name one thing you would check on your first real pay stub.

Unit 1 quiz

Name _____ Date _____

1. Your gross pay is \$400 and your net pay is \$318. What explains the difference?

- ☐ A Your bank's monthly fee
- ☐ B Taxes and deductions withheld by your employer
- ☐ C Interest charged on your paycheck
- ☐ D A mistake. Net pay should equal gross pay.

2. Which two taxes are withheld from nearly every paycheck from the first dollar?

- ☐ A Sales tax and property tax
- ☐ B Social Security and Medicare
- ☐ C Estate tax and gift tax
- ☐ D Capital gains tax and excise tax

3. You get a raise that moves part of your income into a higher tax bracket. What happens?

- ☐ A All your income is taxed at the higher rate
- ☐ B Your take-home pay can go down
- ☐ C Only the dollars inside the higher bracket are taxed at the higher rate
- ☐ D You stop paying Social Security

4. You earn \$600 from a delivery app and nothing is withheld. What is true?

- ☐ A You owe nothing because it is under \$1,000
- ☐ B You must file a return because net self-employment earnings are \$400 or more
- ☐ C The app pays your taxes for you
- ☐ D Gig income is not taxable

5. You get a \$2,400 federal refund every year. What does that usually mean?

- ☐ A The government paid you a bonus
- ☐ B You had more tax withheld than you owed and could adjust your W-4
- ☐ C You made a mistake on your return
- ☐ D You earned interest on your taxes

Reflection

Would you rather get a large refund each spring or have more in each paycheck? Explain your choice.

Unit 2

Banking and Payment Tools

1.5 weeks Evaluating financial products

Why it matters

Where your money sits decides what it costs you and what it earns. Overdraft fees, ATM fees and accounts that pay almost no interest quietly drain young people's money, and payment apps make it easy to lose money you cannot get back.

You will be able to

- Compare checking, savings and high-yield savings accounts and choose one of each.
- Explain FDIC and NCUA insurance and the \$250,000 limit.
- Avoid overdraft and non-sufficient funds fees.
- Explain the differences between debit cards, credit cards, prepaid cards and payment apps.
- Set up direct deposit, alerts and automatic transfers.

Key terms

Checking account	An account for everyday spending, with a debit card, bill pay and direct deposit. Usually pays little or no interest.
Savings account	An account for money you are not spending soon. Pays interest.
APY	Annual percentage yield: the interest a savings account pays in a year, including compounding.
FDIC / NCUA insurance	Federal insurance that protects deposits at banks (FDIC) and credit unions (NCUA) up to \$250,000 per depositor, per institution, per ownership category.
Overdraft	When you spend more than is in your account and the bank covers it, often for a fee.
Credit union	A member-owned, not-for-profit financial institution. Often lower fees and loan rates.
P2P payment	Person-to-person payment apps. Payments are usually instant and very hard to reverse.

Lesson 2.1: Choosing where your money lives

Most people need two accounts: a **checking account** for spending and a **savings account** for money that should not be spent this month. Keeping them separate makes saving automatic and protects savings from everyday spending.

Banks, credit unions and online banks all offer both. Compare them on four things: monthly fees and how to avoid them, minimum balance requirements, ATM access and fees, and the APY on savings. Online banks and credit unions often pay much higher savings rates than large traditional banks, because they have fewer branches to run.

Check that the institution is **FDIC** (banks) or **NCUA** (credit unions) insured. Insured deposits are protected up to \$250,000 if the institution fails. Many apps are not banks. They hold your money at a partner bank, and if the app itself fails it can take time to get your money back. Read where your money is actually held.

Lesson 2.2: Fees and how to avoid them

An **overdraft** happens when you spend more than you have. Some banks decline the purchase. Others pay it and charge a fee, which can be \$25 to \$35 per transaction at some banks, even if the purchase was a \$4 coffee. Several overdrafts in one day can add up to more than \$100.

To protect yourself, opt out of overdraft coverage for debit card purchases, so a purchase is declined instead of charged a fee. Turn on low-balance alerts. Link your savings account as a backup. Time your bill autopays for the day after payday.

Other fees to watch: out-of-network ATM fees (charged by both the ATM owner and your bank), monthly maintenance fees, paper statement fees and foreign transaction fees. Most can be avoided by choosing the right account.

Lesson 2.3: Cards and apps

A **debit card** spends money already in your checking account. A **credit card** borrows money you must pay back (Unit 4). A **prepaid card** spends only what you loaded onto it. Credit cards have the strongest legal protection against fraud. Debit card fraud protection is weaker the longer you wait to report it, so check your account often.

Payment apps such as Zelle, Venmo and Cash App move money in seconds. That speed is the risk. Once you send money to the wrong person or to a scammer, it is often gone for good, because you authorized the payment. Only send money to people you know in person, double-check the recipient, and never use payment apps to pay a stranger for something you have not received.

Worked example: the cost of a \$4 coffee

Assumes a \$35 overdraft fee and that the account was \$2 short.

Coffee	\$4.00
Overdraft fee	\$35.00
Real cost of the coffee	\$39.00
Effective markup	875%

Takeaway: Opting out of debit overdraft coverage would have declined the purchase at no cost.

Activity: Pick your bank

Find the account disclosures for three real institutions: a large bank, a local credit union and an online bank. Fill in the table and choose one checking and one savings account. Explain your choice in two sentences.

1. Monthly fee, and how to avoid it

2. Minimum opening deposit and minimum balance

3. Overdraft fee and whether you can opt out

4. ATM network and out-of-network fee

5. Savings APY

6. FDIC or NCUA insured?

Unit 2 quiz

Name _____ Date _____

1. What does FDIC insurance protect?

- ☐ A Your stock investments if prices fall
- ☐ B Deposits at an insured bank up to \$250,000 if the bank fails
- ☐ C Purchases made with a debit card
- ☐ D Money sent through any payment app

2. Which step best prevents debit card overdraft fees?

- ☐ A Use the card only on weekends
- ☐ B Opt out of overdraft coverage so purchases are declined instead
- ☐ C Keep the receipt
- ☐ D Use a different ATM

3. You send \$200 to the wrong person on a payment app. What is most likely?

- ☐ A The app automatically reverses it
- ☐ B Your bank must refund it
- ☐ C You may not get it back, because you authorized the payment
- ☐ D The money returns after 24 hours

4. Why might an online bank pay a higher savings APY than a large traditional bank?

- ☐ A It is not insured
- ☐ B It has lower costs because it runs few or no branches
- ☐ C It charges overdraft fees
- ☐ D Interest rates are set by each customer

5. Which payment method usually gives you the strongest fraud protection?

- ☐ A Cash
- ☐ B Credit card
- ☐ C Payment app
- ☐ D Wire transfer

Reflection

What is one fee you or your family has paid that could have been avoided? What would have prevented it?

Unit 3

Budgeting and Saving

2.5 weeks Budgeting and saving (H.R. 10528 topic I)

Why it matters

A budget decides in advance where your money goes, so less of it leaks away on things you would not have chosen. People who track their spending and save automatically are far better prepared for surprises.

You will be able to

- Track spending for two weeks and sort it into needs, wants and saving.
- Build a monthly budget from a real income figure.
- Plan for fixed, variable and irregular expenses.
- Size an emergency fund and explain where to keep it.
- Set a SMART savings goal and automate progress toward it.
- Calculate compound interest and use the rule of 72.
- Recognize common behavioral spending traps.

Key terms

Budget	A plan for every dollar of income: what you will spend, save and give.
Fixed expense	A cost that stays the same each month, such as rent or a phone plan.
Variable expense	A cost that changes month to month, such as groceries or gas.
Irregular expense	A cost that does not come every month but is predictable over a year, such as car repairs, gifts or annual subscriptions.
Sinking fund	Money set aside a little each month for an irregular expense.
Emergency fund	Savings for true surprises, such as a job loss or medical bill. A common target is three to six months of essential expenses.
Pay yourself first	Moving money to savings automatically on payday, before you spend.
Compound interest	Earning interest on your interest, so growth speeds up over time.
Rule of 72	Divide 72 by an interest rate to estimate how many years it takes money to double.

Lesson 3.1: Where does the money go?

Before you can plan spending, you need to know what it looks like now. For two weeks, write down every purchase, including small ones and subscriptions that renew automatically. Bank and card apps can help, but cash and app purchases are easy to miss.

Sort each purchase into three groups. **Needs** are costs you must pay to live and work: housing, basic food, transportation, insurance, minimum debt payments. **Wants** make life better but are optional: eating out, entertainment, upgrades. **Saving** is money set aside for the future. Many things are partly both. A phone is a need, but the newest model is a want.

Lesson 3.2: Building a budget that works

A simple starting point is the **50/30/20 guideline**: about 50% of take-home pay to needs, 30% to wants and 20% to saving and extra debt payments. Adjust it to fit your life. In high-rent areas needs may take 60% or more, and that is fine if you adjust wants.

Budgets fail most often because of **irregular expenses**. Car repairs, birthday gifts, annual subscriptions and back-to-school costs come every year, just not every month. Add them up, divide by 12, and save that amount monthly in a **sinking fund**.

Use whatever method you will actually keep: a spreadsheet, an app, separate bank accounts for different goals, or envelopes of cash. Whichever you pick, look at it once a week.

Lesson 3.3: Saving on autopilot

Your first savings goal is an **emergency fund**. Start with a mini goal such as \$500 or \$1,000, which covers most small emergencies. Then build toward three to six months of essential expenses. Keep it in a separate, insured, high-yield savings account: easy to reach in an emergency, but not linked to your debit card.

Set goals the **SMART** way: specific, measurable, achievable, relevant and time-bound. "Save more" is a wish. "Save \$1,200 for a used laptop by June by moving \$100 every payday" is a plan.

Then **pay yourself first**. Set an automatic transfer to savings for the day after payday. People save far more when saving is the default instead of a decision they make every month.

Lesson 3.4: Compound interest and money habits

Compound interest means you earn interest on your interest. \$1,000 earning 5% a year becomes \$1,050 after one year, then \$1,102.50 after two, because the second year's interest is calculated on \$1,050. Over decades, compounding does most of the work.

The **rule of 72** estimates doubling time: divide 72 by the annual rate. At 6%, money doubles in about 12 years. At 9%, about 8 years. The same rule works against you on debt: a card balance at 24% doubles in about 3 years if you do not pay it down.

Watch for habits that quietly undo a budget: **lifestyle creep** (spending rises every time income does), forgotten subscriptions, spending to keep up with friends, and the "it's only \$5" trap. \$5 a day is more than \$1,800 a year.

Worked example: a first-job budget

Assumes \$38,000 salary and about \$2,600 a month take-home after taxes and benefits. Rent varies a lot by area; use real local listings in the activity.

Take-home pay	\$2,600
Needs: rent with roommate, utilities, groceries, transportation, insurance, phone	\$1,430 (55%)
Wants: eating out, entertainment, clothes, subscriptions	\$650 (25%)
Saving: emergency fund, sinking funds, retirement	\$520 (20%)

Takeaway: At \$520 a month, this person has a \$3,000 starter emergency fund in under six months and can then shift money to longer-term goals.

Activity: Two-week tracker and first-year budget

Part 1: Track every purchase for two weeks and sort it into needs, wants and saving. Part 2: Build a monthly budget for a first job paying \$38,000 a year in your area, using real rent from local listings. Include at least three irregular expenses as sinking funds.

1. Total spent in two weeks: needs, wants, saving

2. Your biggest surprise from tracking

3. Monthly take-home pay used for Part 2

4. Rent you found and where you found it

5. Three irregular expenses and their monthly sinking fund amounts

6. Your emergency fund goal and how many months to reach it

Unit 3 quiz

Name _____ Date _____

1. Which is the best example of an irregular expense?

- ☐ A Monthly rent
- ☐ B Annual car registration
- ☐ C Weekly groceries
- ☐ D A daily bus fare

2. Under the 50/30/20 guideline, how much of \$2,000 take-home pay goes to saving and extra debt payments?

- ☐ A \$200
- ☐ B \$400
- ☐ C \$600
- ☐ D \$1,000

3. Where is the best place to keep an emergency fund?

- ☐ A Invested in a single stock
- ☐ B A separate insured high-yield savings account
- ☐ C Cash under the mattress
- ☐ D A gift card

4. Using the rule of 72, how long does money take to double at 8%?

- ☐ A About 6 years
- ☐ B About 9 years
- ☐ C About 12 years
- ☐ D About 72 years

5. Your car needs a \$700 repair next month and you have no sinking fund. What is the strongest plan?

- ☐ A Put it on a credit card and pay the minimum
- ☐ B Cut wants for the month, use part of the emergency fund and refill it
- ☐ C Skip the repair
- ☐ D Take a payday loan

Reflection

Which of your spending habits would be hardest to change, and what is one small step you could take this month?

Unit 4

Credit Reports, Scores and Credit Cards

2.5 weeks Credit (H.R. 10528 topic III)

Why it matters

Your credit history affects the interest rate on a car loan, whether a landlord accepts your apartment application, insurance prices in most states and sometimes a job offer. You start building it the day you open your first credit account.

You will be able to

- Explain the difference between a credit report and a credit score.
- Name the five FICO score factors and their approximate weights.
- Calculate credit utilization.
- Read a credit card disclosure.
- Show why paying only the minimum is expensive.
- Describe safe ways to start building credit.
- Dispute an error on a credit report.

Key terms

Credit report	A record of your borrowing and repayment history, kept by the three credit bureaus: Equifax, Experian and TransUnion.
Credit score	A three-digit number (usually 300 to 850) calculated from your credit report that predicts how likely you are to repay.
Credit utilization	Your card balances divided by your credit limits. Lower is better.
APR	Annual percentage rate: the yearly cost of borrowing, including interest and some fees.
Grace period	The time between the end of a billing cycle and the due date. Pay the full statement balance by the due date and you pay no interest on purchases.
Minimum payment	The smallest payment that keeps the account in good standing. Paying only this keeps you in debt for years.
Hard inquiry	A credit check when you apply for credit. Can lower your score slightly for a short time.
Soft inquiry	A credit check that does not affect your score, such as checking your own credit.
Secured card	A credit card backed by a cash deposit. A common first card.

Lesson 4.1: Reports and scores

Your **credit report** lists your credit accounts, balances, payment history and any collections. The three bureaus each keep their own version. You can get your reports free from **AnnualCreditReport.com**, the only official site. Most teenagers do not have a report yet, and that is normal.

Your **credit score** is calculated from your report. The most common, FICO, weighs five factors: **payment history (35%)**, **amounts owed (30%)**, **length of credit history (15%)**, **new credit (10%)** and **credit mix (10%)**. The first two make up almost two-thirds of the score, which leads to the two most important credit habits: pay on time every time, and keep balances low.

Checking your own score or report is a **soft inquiry** and never hurts your score.

Lesson 4.2: How credit cards really work

A credit card is a loan that renews every month. Each month you get a statement with a balance, a minimum payment and a due date. If you pay the **full statement balance** by the due date, the **grace period** means you pay no interest on purchases. Used this way, a credit card is free and builds your credit.

If you carry a balance, interest is charged at the card's **APR**, which is often above 20%. Paying only the **minimum** keeps the account in good standing but stretches the debt out for years. Card statements are required to show how long payoff will take at the minimum. Read that box.

Other terms to find in a card's disclosure: the annual fee, the late fee, the penalty APR (a higher rate that can apply after a late payment), and fees for cash advances and balance transfers. Cash advances usually start charging interest immediately, at a higher rate.

Lesson 4.3: Utilization and building credit from zero

Credit utilization is your balance divided by your limit. \$300 on a \$1,000 limit is 30%. Keeping utilization under 30%, and ideally under 10%, helps your score. Because the balance that counts is usually the one on your statement, paying down a card before the statement closes lowers reported utilization.

Ways to start: become an **authorized user** on a parent's card with a long, on-time history; open a **secured card** with a deposit; get a **student card**; or take a small **credit-builder loan** from a credit union. Under federal law, applicants under 21 need independent income or a co-signer to get their own card.

An easy credit-building routine: one card, one small recurring bill on it (like a streaming subscription), and autopay set to the full statement balance. Within six months you will usually have a score.

Lesson 4.4: Fixing mistakes

Check your reports at least once a year. If you find an account you did not open, a payment marked late that was on time, or a debt that is not yours, **dispute it** with the bureau that reports it, online or by mail, with copies of any proof. The bureau generally has 30 days to investigate.

Late payments and collections can stay on your report for up to seven years, but their effect fades over time. The fastest way to repair credit is a long run of on-time payments and low balances. Be wary of "credit repair" companies that charge up-front fees. They cannot legally remove accurate information.

Worked example: the minimum payment trap

Assumes a \$1,500 balance at 24% APR, no new purchases, and a minimum payment of 1% of the balance plus that month's interest, with a \$25 floor. Card formulas vary.

Pay the minimum only	114 months (9.5 years), about \$1,887 in interest
Pay a fixed \$100 a month	19 months, about \$301 in interest
Difference	8 years sooner and about \$1,586 saved

Takeaway: Paying only the minimum costs more in interest than the original purchase. A fixed payment you can afford ends the debt in under two years.

Activity: Read the card disclosure

Use the sample credit card disclosure in the Document Pack (Appendix B). Answer the questions, then run the minimum payment example above with a \$3,000 balance using an online credit card payoff calculator.

1. Purchase APR and penalty APR

2. Annual fee and late fee

3. Length of the grace period

4. Cash advance APR and fee

5. With a \$1,000 limit, the highest balance that keeps utilization under 30%

6. Months to pay off \$3,000 at the minimum vs. \$150 a month

Unit 4 quiz

Name _____ Date _____

1. Which factor carries the most weight in a FICO score?

- ☐ A Credit mix
- ☐ B New credit
- ☐ C Payment history
- ☐ D Length of credit history

2. You have \$450 on a card with a \$1,500 limit. What is your utilization?

- ☐ A 15%
- ☐ B 30%
- ☐ C 45%
- ☐ D 333%

3. How do you avoid paying any interest on credit card purchases?

- ☐ A Pay the minimum on time
- ☐ B Pay the full statement balance by the due date every month
- ☐ C Only use the card for groceries
- ☐ D Request a higher limit

4. Which is true about checking your own credit score?

- ☐ A It lowers your score by about 10 points
- ☐ B It is a soft inquiry and does not affect your score
- ☐ C You can only do it once a year
- ☐ D It costs \$25 by law

5. You are 18 with no income of your own. How can you most easily start building credit?

- ☐ A Open three store cards
- ☐ B Become an authorized user on a parent's well-managed card
- ☐ C Take out a payday loan and repay it
- ☐ D Credit cannot be built before 21

Reflection

Write the three rules you will follow with your first credit card.

Unit 5

Borrowing and Getting Out of Debt

1.5 weeks Credit; evaluating financial products (H.R. 10528 topics III and IV)

Why it matters

Almost every young adult borrows for something: a car, a phone, a couch on buy now, pay later. The cost of a loan is in the details, not the monthly payment, and the most expensive loans are marketed hardest to people with the least money.

You will be able to

- Explain the difference between an interest rate and an APR.
- Compare loans by total cost, not monthly payment.
- Explain how buy now, pay later works and when it becomes a problem.
- Recognize high-cost credit and calculate its APR.
- Compare the avalanche and snowball methods of paying off debt.
- Explain what happens when payments are missed.

Key terms

Principal	The amount you borrow.
Loan term	How long you have to repay. Longer terms mean lower payments but more total interest.
Secured loan	A loan backed by something the lender can take if you do not pay, such as a car.
Unsecured loan	A loan backed only by your promise to pay, such as a credit card or most personal loans.
Co-signer	Someone who promises to repay if you do not. Co-signing makes you fully responsible for the debt.
Buy now, pay later (BNPL)	Short-term installment plans at checkout, often four payments over six weeks.
Payday loan	A small, short-term loan due on your next payday, with fees that equal extremely high APRs.
Avalanche method	Pay minimums on everything, then put extra money toward the highest-interest debt first. Saves the most money.
Snowball method	Pay minimums on everything, then put extra money toward the smallest balance first. Builds motivation with quick wins.

Lesson 5.1: The true cost of a loan

Sellers like to ask "what monthly payment are you looking for?" because almost any purchase can fit a monthly payment if the loan is long enough. The better question is **what will this cost in total?**

Compare loans using the **APR**, which includes interest and many fees, and the **total of payments**, which lenders must disclose. A longer term lowers the payment but raises total interest, and on a car it can mean owing more than the car is worth for years.

Get a pre-approval from a bank or credit union before you shop for a car. Then you can compare the dealer's financing offer with one you already have.

Lesson 5.2: Buy now, pay later and high-cost credit

Buy now, pay later splits a purchase into installments, often with no interest if every payment is on time. The risks: late fees, several plans running at once that are hard to track, and making it easy to buy things you could not otherwise afford. A good test: if you could not buy it with the cash you have today, BNPL is a loan, not a discount.

Payday loans, **rent-to-own** stores, **car title loans** and some **cash advance apps** with expedite fees or "tips" can cost the equivalent of 100% to 400% APR or more. To compare a fee to an APR: divide the fee by the amount borrowed, then multiply by how many times that period fits into a year.

Better options in an emergency: an emergency fund, a small-dollar loan from a credit union, a payment plan directly with the company you owe, or an employer pay advance.

Lesson 5.3: Getting out of debt

Two proven payoff methods both start the same way: pay the minimum on every debt, then put every extra dollar on one target. The **avalanche** targets the highest interest rate first and saves the most money. The **snowball** targets the smallest balance first and gives you a quick win that keeps you going. The best method is the one you stick with.

Two tools can help: a **debt consolidation loan** at a lower rate than your cards, or a **0% balance transfer card** (watch the transfer fee and the date the promotion ends). Both only work if you stop adding new debt.

If you miss payments, expect late fees, a possible penalty APR and, after 30 days, a mark on your credit report. Unpaid debts can be sent to **collections**. Collectors must follow federal law: they cannot threaten you or call at unreasonable hours, and you can ask them to verify the debt in writing. If you are falling behind, call the lender before you miss a payment. Hardship plans are common.

Worked example: the same car, two loans

Assumes \$25,000 financed at 8% APR. Your rate depends on your credit, the lender and whether the car is new or used.

36-month loan	\$783 a month, about \$3,203 total interest
72-month loan	\$438 a month, about \$6,560 total interest
Cost of the lower payment	about \$3,357 more in interest

Takeaway: The 72-month payment feels easier, but it costs twice the interest and keeps you paying for six years on a car that loses value every year.

Activity: Car-buying simulation

Pick a real used car listing under \$20,000. Get or estimate two financing quotes: one from the dealer and one from a credit union. Present which has the lowest total cost and the trade-offs of a longer term.

1. Car, price and mileage

2. Down payment

3. Quote 1: lender, APR, term, monthly payment, total interest

4. Quote 2: lender, APR, term, monthly payment, total interest

5. Insurance estimate (call or get an online quote with a parent)

6. Your choice and why

Unit 5 quiz

Name _____ Date _____

1. A \$400 payday loan costs a \$60 fee for two weeks. What is the approximate APR?

- ☐ A 15%
- ☐ B 60%
- ☐ C 156%
- ☐ D 390%

2. Which loan costs the most in total interest at the same APR and amount?

- ☐ A 24 months
- ☐ B 36 months
- ☐ C 48 months
- ☐ D 72 months

3. The avalanche method targets which debt first?

- ☐ A The smallest balance
- ☐ B The highest interest rate
- ☐ C The newest debt
- ☐ D The one with the friendliest lender

4. You co-sign a friend's car loan and they stop paying. What happens?

- ☐ A Nothing, it is their loan
- ☐ B You are legally responsible for the payments and your credit is affected
- ☐ C The car becomes yours automatically
- ☐ D The loan is cancelled

5. Which is the best test before using buy now, pay later?

- ☐ A Is the store popular?
- ☐ B Could I buy it today with cash I already have?
- ☐ C Does the plan have four payments?
- ☐ D Is it a sale?

Reflection

Think of an ad that advertised a low monthly payment. What information was missing?

Unit 6

Paying for College and Career Training

2.5 weeks Paying for college (H.R. 10528 topic V)

Why it matters

For many students, choosing how to pay for education is the largest financial decision they will make before age 25, and they make it at 17. Comparing net prices, borrowing federal before private and matching borrowing to expected pay can save tens of thousands of dollars.

You will be able to

- Complete the FAFSA, or a practice version, and explain the Student Aid Index.
- Rank funding sources from cheapest to most expensive.
- Compare two financial aid offers to find the true net price.
- Explain federal loan limits and the protections private loans lack.
- Compare total borrowing with expected starting salary.
- Compare lower-cost paths: community college, apprenticeships, trades, military and employer tuition help.
- Explain grace periods, repayment, delinquency and default.

Key terms

Cost of attendance	A school's full yearly price: tuition, fees, housing, food, books, transportation and personal costs.
Net price	Cost of attendance minus grants and scholarships. Loans do not reduce the net price. They are how you pay it.
FAFSA	Free Application for Federal Student Aid. Unlocks federal grants, work-study and federal loans, and is used by many states and schools.
Student Aid Index (SAI)	A number calculated from the FAFSA that schools use to determine your aid.
Grant	Aid you do not repay, usually based on need, such as the Federal Pell Grant.
Subsidized loan	A federal loan for students with financial need. The government pays the interest while you are in school at least half time.
Unsubsidized loan	A federal loan where interest builds from the day it is paid out.
Capitalization	When unpaid interest is added to your loan balance, so you then pay interest on it.
Repayment Assistance Plan (RAP)	The income-driven repayment plan for federal loans made on or after July 1, 2026. Payments are 1% to 10% of income; any balance left after 30 years is forgiven.
Default	Failing to repay a federal loan, generally after 270 days without payment. Leads to collections, damaged credit and possible wage garnishment.

Lesson 6.1: The FAFSA and the real price

Every college-bound student should file the **FAFSA**, even if they think they will not qualify. It is required for federal grants, work-study and federal loans, and many states and colleges use it for their own aid. It opens each fall for the following school year. File early, because some state and school aid runs out.

A school's sticker price is not what most students pay. The number that matters is the **net price**: cost of attendance minus grants and scholarships. Every college has a **net price calculator** on its website. A private school with a high sticker price can cost less than a public one after aid.

When financial aid offers arrive, separate free money (grants, scholarships) from money you must earn (work-study) and money you must repay (loans). Some offers list loans as if they were aid. They are not.

Lesson 6.2: Cheapest money first

Pay for education in this order. First, **free money**: scholarships and grants. Second, **savings and earnings**, including work-study. Third, **federal subsidized loans**, then **federal unsubsidized loans**. Last, **Parent PLUS** and **private loans**.

Federal student loans have fixed rates, do not require a credit check for undergraduates, and come with protections: income-based repayment options, deferment and forbearance in hardship, and forgiveness programs for certain public service jobs. **Private loans** usually require a credit check or co-signer, may have variable rates and have far fewer protections. Use them only after federal options are used up.

Federal loan limits for dependent undergraduates are \$5,500 in the first year, \$6,500 in the second and \$7,500 in the third year and beyond. Rules changed on July 1, 2026. **Parent PLUS** loans, which parents take out for a dependent student, are now capped at \$20,000 a year and \$65,000 in total per student, so families can no longer borrow up to the full cost of attendance. New **Grad PLUS** loans for graduate school have ended. Check studentaid.gov for the current rules before you borrow.

Lesson 6.3: How much is too much?

A common guideline: keep total student debt **below your expected first-year salary**, and ideally well below it. The federal **College Scorecard** shows typical earnings for graduates of specific programs at specific schools. Look up your intended major, not just the school.

Lower-cost paths can lead to the same place. Starting at a **community college** and transferring can cut the cost of a bachelor's degree sharply. **Registered apprenticeships** pay you while you train. Many **trade programs** take under two years. **Military service**, the National Guard and **employer tuition assistance** can pay for school outright.

Whatever path you choose, finishing matters. Students who borrow and do not complete a credential are the most likely to struggle with repayment, because they have the debt without the higher earnings.

Lesson 6.4: Repayment basics

Most federal loans have a **six-month grace period** after you leave school before payments start. Interest on unsubsidized loans keeps building during school and the grace period. Paying even the interest while in

school keeps the balance from growing.

Anyone who takes out a new federal loan on or after July 1, 2026 has two repayment plans to choose from. The **standard plan** has fixed payments, with a longer term for larger balances, and usually costs the least in total. The **Repayment Assistance Plan (RAP)** sets your payment at 1% to 10% of your income, depending on how much you earn, and forgives any balance left after 30 years. RAP keeps payments low early in a career but can cost more over time. Set up autopay; many servicers offer a small rate discount for it.

If you cannot pay, contact your servicer before you miss a payment. Federal loans 90 days late are reported to credit bureaus, and loans in **default** can lead to collections and garnishment of wages or tax refunds. There is almost always a better option than ignoring the bill.

Worked example: two aid offers

Yearly numbers for illustration.

School A: cost \$28,000, grants \$12,000	Net price \$16,000 a year
School B: cost \$45,000, grants \$25,000, loans \$5,500	Net price \$20,000 a year (the loan is not aid)
Difference	School A is \$4,000 a year, \$16,000 over four years, cheaper
Borrowing \$27,000 total at an example 6.4% over 10 years	about \$305 a month, about \$9,600 in interest

Takeaway: Always subtract only grants and scholarships. A big loan on an offer letter makes a school look cheaper than it is.

Activity: Four-year funding plan

Choose two real schools or programs (for example, one in-state public and one private or out-of-state, or a college and a trade program). Use each school's net price calculator and the College Scorecard. Use the sample aid offers in the Document Pack (Appendix C) for practice first.

1. School / program 1: cost of attendance, estimated grants, net price per year

2. School / program 2: cost of attendance, estimated grants, net price per year

3. How you would pay each year, cheapest money first

4. Total borrowing after four years (or program length)

5. Typical earnings for your program from the College Scorecard

6. Estimated monthly loan payment and percent of monthly take-home pay

Unit 6 quiz

Name _____ Date _____

1. School A costs \$28,000 with \$12,000 in grants. School B costs \$45,000 with \$25,000 in grants and a \$5,500 loan. Which has the lower net price?

- ☐ A School A, by \$4,000
- ☐ B School B, by \$1,500
- ☐ C They are the same
- ☐ D School B, because of the loan

2. Which should you use first to pay for college?

- ☐ A Private loans
- ☐ B Parent PLUS loans
- ☐ C Grants and scholarships
- ☐ D Credit cards

3. What is a key advantage of federal student loans over private loans?

- ☐ A They never have to be repaid
- ☐ B Income-based repayment and hardship options
- ☐ C They always have variable rates
- ☐ D They require a high credit score

4. A common guideline for how much to borrow in total is:

- ☐ A As much as the school offers
- ☐ B Less than your expected first-year salary
- ☐ C Twice your expected salary
- ☐ D Whatever your friends borrow

5. Why should you file the FAFSA even if you think you will not qualify for aid?

- ☐ A It is required to graduate in every state
- ☐ B It unlocks federal loans and many state and school aid programs
- ☐ C It raises your credit score
- ☐ D It is only for students with high grades

Reflection

What is one path after high school you had not considered before this unit? What would it cost?

Unit 7

Investing and Building Wealth

2.5 weeks Saving and investing (H.R. 10528 topic II)

Why it matters

Money invested at 18 has close to 50 years to grow before a typical retirement age. A handful of ideas, plus the patience to ignore market noise, covers most of what a lifetime investor needs.

You will be able to

- Explain the relationship between risk and return.
- Describe stocks, bonds, mutual funds, index funds and ETFs.
- Explain diversification.
- Calculate the long-term cost of investment fees.
- Apply the order of operations for saving and investing.
- Evaluate investing claims from social media.

Key terms

Stock	A small piece of ownership in a company.
Bond	A loan you make to a company or government that pays interest.
Mutual fund / ETF	A basket of many investments bought in one purchase.
Index fund	A fund that owns every stock (or bond) in a market index, such as the S&P 500. Low cost and broadly diversified.
Diversification	Spreading money across many investments so one failure does not sink you.
Expense ratio	The yearly fee a fund charges, as a percent of what you have invested.
401(k)	A workplace retirement account. Many employers add a matching contribution.
Roth IRA	An individual retirement account funded with after-tax money that grows and can be withdrawn tax-free in retirement. Anyone with earned income can contribute, including teens through a custodial account.
Dollar-cost averaging	Investing a fixed amount on a regular schedule regardless of price.

Lesson 7.1: Saving vs. investing, risk vs. return

Saving is for money you will need soon or in an emergency. It should be safe and easy to reach. **Investing** is for money you will not need for at least five years. It can lose value in the short run but has historically grown much faster than savings over long periods.

Higher potential return comes with higher risk. Over long periods, U.S. stocks have returned more than bonds, and bonds more than cash, but stocks can fall 30% or more in a bad year. Long holding periods help here. Investors who stay invested through downturns have historically recovered. Investors who sell in a panic lock in their losses.

Lesson 7.2: What you can buy

A **stock** is part ownership of a company. A **bond** is a loan to a company or government. A **fund** holds many stocks or bonds at once. An **index fund** owns everything in a market index, so you own a small piece of hundreds or thousands of companies for a very low fee.

Most professional stock pickers fail to beat a basic index fund over long periods after fees. For most people, a few low-cost, broadly diversified index funds are the core of a lifetime of investing.

Fees matter more than they look. A fund that charges 1% a year takes 1% of your whole balance every year, whether it gains or loses. Over decades that can cost a third or more of your final amount.

Lesson 7.3: The order of operations

A sensible order for each new dollar: (1) a starter emergency fund; (2) enough in your workplace 401(k) to get the **full employer match**, which is an instant return of 50% or 100% on that money; (3) pay off high-interest debt such as credit cards; (4) a **Roth IRA**; (5) more in the 401(k) or a regular brokerage account.

Teens with a job can open a **custodial Roth IRA** with a parent. You can contribute up to the amount you earned that year (subject to the annual limit). Money in a Roth grows tax-free, and starting at 16 or 17 gives that money decades of tax-free growth.

Lesson 7.4: Hype, crypto and influencers

Social media is full of people promising fast, guaranteed returns from a hot stock, a new crypto token, options trading or a trading course. Ask three questions: **How does this person make money?** (often by selling you something, or by selling after you buy). **What is the risk?** (if no one mentions it, it is large). **Is it diversified?** (putting everything in one asset is a bet).

Watch for **pump-and-dump** schemes: a group hypes a small, thinly traded stock or token, the price jumps as new buyers arrive, and the promoters sell at the top. Crypto assets are highly volatile, are not FDIC insured and are a common vehicle for scams. If you choose to buy any speculative asset, keep it to a small amount you can afford to lose entirely.

Worked example: the early saver and the late saver

Assumes a 7% average annual return, monthly compounding, no taxes or fees. Real returns vary year to year and are not guaranteed.

Early saver: \$100 a month from 18 to 28, then stops	Puts in \$12,000. Has about \$229,000 at 65
Late saver: \$100 a month from 28 to 65	Puts in \$44,400. Has about \$210,000 at 65
Fees: \$10,000 for 40 years at 7% before fees	0.05% fee: about \$147,000. 1% fee: about \$103,000

Takeaway: Starting ten years earlier beat contributing almost four times as much. And a 1% fee would cost about \$44,000 on a single \$10,000 investment.

Activity: Build a starter portfolio

Using a compound interest calculator, reproduce the early saver and late saver numbers. Then design a simple portfolio for \$1,000 using no more than three low-cost index funds, and explain why you chose them. Finally, find one investing claim on social media and evaluate it using the three questions from Lesson 7.4.

1. Early saver result at 65, and your own version starting at your age

2. Your three funds, what each holds and its expense ratio

3. The social media claim you found

4. How does the person make money?

5. What is the risk?

6. Is it diversified?

Unit 7 quiz

Name _____ Date _____

1. Your employer matches 50% of what you contribute, up to 6% of pay. You earn \$40,000 and contribute 6%. How much does the employer add each year?

- ☐ A \$600
- ☐ B \$1,200
- ☐ C \$2,400
- ☐ D \$3,600

2. What is an index fund?

- ☐ A A single company's stock
- ☐ B A fund that owns all the investments in a market index
- ☐ C A savings account
- ☐ D A guaranteed investment

3. Money you will need in 18 months for a car should be:

- ☐ A Invested in stocks
- ☐ B In a high-yield savings account
- ☐ C In cryptocurrency
- ☐ D In a single stock you like

4. Who can contribute to a Roth IRA?

- ☐ A Only people over 21
- ☐ B Anyone with earned income, including teens through a custodial account
- ☐ C Only people with a 401(k)
- ☐ D Only people who own a home

5. Which is a warning sign of a pump-and-dump?

- ☐ A A low-cost index fund
- ☐ B A group urging everyone to buy a small, little-known token right now
- ☐ C A company's annual report
- ☐ D A 401(k) match

Reflection

If you could invest \$25 a month starting today, what would you choose and why?

Unit 8

Protecting Yourself: Insurance, Identity and Scams

1.5 weeks Evaluating financial products and avoiding scams (H.R. 10528 topic IV)

Why it matters

One uninsured accident can wipe out years of saving, and scammers target young people constantly. In FTC data, people in their twenties who report fraud lose money more often than older adults do. Knowing the patterns is the best defense.

You will be able to

- Explain premiums, deductibles, copays, out-of-pocket maximums and coverage limits.
- Describe health, auto and renters insurance.
- Recognize common scams aimed at young people.
- Protect your identity with strong passwords, two-factor authentication and credit freezes.
- Report fraud.
- Understand how gambling and sports betting apps are designed.

Key terms

Premium	What you pay for insurance, monthly or yearly.
Deductible	What you pay out of pocket before insurance starts paying.
Copay / coinsurance	Your share of a covered cost after the deductible, as a flat amount or a percent.
Out-of-pocket maximum	The most you pay for covered health care in a year. After that, insurance pays 100%.
Liability coverage	Auto insurance that pays for damage or injuries you cause to others. Required in nearly every state.
Renters insurance	Covers your belongings and your liability as a tenant. Often inexpensive.
Identity theft	Someone using your personal information to open accounts or commit fraud.
Credit freeze	A free block that stops new credit from being opened in your name. Does not affect your score.
Phishing	Fake messages designed to trick you into giving up information or money.

Lesson 8.1: How insurance works

Insurance moves a risk you cannot afford onto a company, in exchange for a **premium**. When something goes wrong, you pay the **deductible** and the insurer pays the rest of a covered loss, up to the policy limit. A higher deductible lowers your premium but means paying more yourself when you claim. Choose a deductible your emergency fund can cover.

Health: you can usually stay on a parent's plan until 26. After that, coverage comes from an employer, the marketplace at HealthCare.gov or Medicaid. The out-of-pocket maximum is the most you could owe in a bad year. **Auto:** liability coverage is required almost everywhere. Collision and comprehensive cover your own car. **Renters:** covers your stuff if it is stolen or destroyed and is usually one of the cheapest policies you will ever buy.

Lesson 8.2: Scams that target young people

Scams change their story but share the same signs: **urgency**, **secrecy**, an **unusual payment method** (gift cards, crypto, wire transfer, payment apps) and **an offer that is too good**. Common ones aimed at young people:

Fake jobs that send you a check, ask you to buy equipment or gift cards with part of it, and then the check bounces. **Online marketplace scams** where the seller wants payment by app before you see the item. **Impersonation texts** from "your bank" or a delivery company with a link. **Crypto romance or investment scams** that start with a friendly message and end with a fake trading site. **Sextortion**, where someone threatens to share images unless you pay. If this happens, do not pay; stop contact, save the messages and tell a trusted adult. The FBI and the NCMEC Take It Down service can help.

Lesson 8.3: Locking down your identity

Use a unique password for every financial account, stored in a password manager, and turn on **two-factor authentication**. Never share one-time codes with anyone. A real bank will never ask for them.

A **credit freeze** at Equifax, Experian and TransUnion is free and stops anyone from opening new credit in your name. You can lift it in minutes when you apply for credit yourself. Parents can freeze a minor's credit too.

If you are a victim, report it quickly: to your bank or card issuer, to the FTC at **IdentityTheft.gov** or **ReportFraud.ftc.gov**, and to local police if needed. Speed matters, especially for debit cards and bank transfers.

Lesson 8.4: Gambling and betting apps

Sports betting and casino apps are designed to keep you playing: bonus bets, push notifications, near-misses and fast, frictionless deposits. Every bet carries a **house edge**, the built-in margin that guarantees the operator profits over time. On a standard sports bet you must risk \$110 to win \$100, so a bettor who picks winners 50% of the time loses money.

Legal betting ages are 21 in most states. If betting stops being fun or you chase losses, free help is available at 1-800-GAMBLER.

Worked example: the fake check job

A common pattern reported to the FTC.

Day 1: "Employer" mails a \$2,000 check	Bank makes funds available within days
Day 3: You buy \$500 in gift cards for "equipment" and send the codes	Gift card money is gone instantly
Day 10: The check bounces	Bank removes \$2,000 from your account
Result	You owe the bank the \$500 you spent, plus any fees

Takeaway: "Funds available" does not mean the check is good. No real employer asks you to buy gift cards.

Activity: Scam or legit?

Sort the messages in the Document Pack (Appendix D) into scam or legit. For each scam, name the red flag. Then, with a parent's help, look up the premium and deductible on one real family insurance policy.

1. Messages you marked as scams and the red flag in each

2. Messages you marked as legit and why

3. One insurance policy: type, premium, deductible

4. Could your emergency fund cover that deductible?

5. Have you set up two-factor authentication on your email? (yes / no)

Unit 8 quiz

Name _____ Date _____

1. You have a \$1,000 deductible and a \$4,000 covered car repair. How much do you pay?

- ☐ A \$0
- ☐ B \$1,000
- ☐ C \$3,000
- ☐ D \$4,000

2. Which payment request is the biggest red flag?

- ☐ A A utility bill payable on the company's website
- ☐ B A caller who asks you to pay with gift cards
- ☐ C A paycheck by direct deposit
- ☐ D A credit card bill

3. What does a credit freeze do?

- ☐ A Lowers your credit score
- ☐ B Stops new credit from being opened in your name
- ☐ C Closes your existing cards
- ☐ D Costs \$50 a year

4. Someone texts you a code and says they sent it by mistake. They ask you to send it back. You should:

- ☐ A Send it, they need it
- ☐ B Ignore it and never share the code
- ☐ C Post it online
- ☐ D Call the number in the text

5. A sports bet requires risking \$110 to win \$100. If you win exactly half your bets, over time you will:

- ☐ A Break even
- ☐ B Lose money
- ☐ C Win money
- ☐ D Double your money

Reflection

Have you or someone you know received a scam message? What gave it away, or what made it convincing?

Unit 9

Capstone: Your First Year on Your Own

1.5 weeks All five H.R. 10528 topics

Why it matters

Money decisions rarely arrive one topic at a time. The capstone asks you to combine everything into a real plan for the year after high school.

You will be able to

- Build a complete first-year financial plan for a chosen path.
- Compare two real financial products using their disclosures.
- Adjust the plan after unexpected life events.
- Explain your three most important decisions.

Key terms

Financial plan	A written plan connecting income, spending, saving, debt, protection and goals.
Trade-off	Choosing one thing means giving up another. Every financial decision has one.
Opportunity cost	The value of the best option you did not choose.

Lesson 9.1: Choose your path

Pick one path for the year after graduation: a four-year college, community college, a trade program or apprenticeship, military service or full-time work. Research the real numbers for your area: pay or aid, housing, transportation and insurance.

Your plan must include: monthly income after taxes, a full budget with sinking funds, an emergency fund goal, how you will build credit safely, how any education is paid for, insurance you need, and your first investment step.

Lesson 9.2: Life happens

During the project your teacher (or parent) will hand out three life event cards. Examples: your hours are cut by 25% for two months; a \$900 medical bill arrives; you get a \$1.50 an hour raise; your laptop dies; a friend asks you to co-sign a car loan. For each, show what changes in your plan and why.

Finally, compare two real financial products of the same type: two credit cards, two auto loans or two savings accounts. Use their official disclosures and defend your choice.

What a strong capstone includes

Checklist used in the rubric.

Income	Realistic, sourced, after taxes
Budget	All needs, wants and saving; at least three sinking funds
Safety	Emergency fund goal with a timeline; insurance chosen
Credit and debt	A credit-building plan; any borrowing justified by total cost
Future	A first investing step and a 5-year goal
Life events	Three events handled with specific changes

Takeaway: Your plan doesn't have to be perfect. You need to understand it well enough to change it when life does.

Capstone deliverable

Submit a one-page financial plan (template below) and give a two-minute presentation of your three most important decisions.

1. Path chosen and where

2. Monthly take-home pay

3. Housing, transportation, food, insurance, phone

4. Sinking funds and emergency fund goal

5. Credit plan and any debt

6. First investment step

7. Life event 1, 2, 3 and your response

8. Product comparison and choice

Reflection

Which money habit from this course will you actually keep, and how will you start?

Teacher and parent guide

Suggested pacing assumes five 45 to 50 minute class periods a week. Homeschool families can combine lessons into longer sessions.

Unit	Suggested sessions
1. Earning Income, Paychecks and Taxes 10 sessions	4 lesson sessions (one per lesson, opening with the key terms), 4 activity session(s), 1 review using the worked example, 1 quiz
2. Banking and Payment Tools 8 sessions	3 lesson sessions (one per lesson, opening with the key terms), 3 activity session(s), 1 review using the worked example, 1 quiz
3. Budgeting and Saving 12 sessions	4 lesson sessions (one per lesson, opening with the key terms), 6 activity session(s), 1 review using the worked example, 1 quiz
4. Credit Reports, Scores and Credit Cards 12 sessions	4 lesson sessions (one per lesson, opening with the key terms), 6 activity session(s), 1 review using the worked example, 1 quiz
5. Borrowing and Getting Out of Debt 8 sessions	3 lesson sessions (one per lesson, opening with the key terms), 3 activity session(s), 1 review using the worked example, 1 quiz
6. Paying for College and Career Training 12 sessions	4 lesson sessions (one per lesson, opening with the key terms), 6 activity session(s), 1 review using the worked example, 1 quiz
7. Investing and Building Wealth 12 sessions	4 lesson sessions (one per lesson, opening with the key terms), 6 activity session(s), 1 review using the worked example, 1 quiz
8. Protecting Yourself: Insurance, Identity and Scams 8 sessions	4 lesson sessions (one per lesson, opening with the key terms), 2 activity session(s), 1 review using the worked example, 1 quiz
9. Capstone: Your First Year on Your Own 8 sessions	8 sessions: 1 kickoff, 5 work sessions with life event cards, 2 presentation days

Teaching tips that make it stick

- **Use real documents.** Pay stubs, card disclosures and aid offers beat textbook examples. The document pack gives you safe samples.
- **Teach close to the decision.** Run Unit 6 in the fall of senior year, when the FAFSA opens. Run Unit 4 before students turn 18.
- **Never ask students to share family finances.** Activities work with sample or researched numbers.
- **Award the certificate.** The last page is a certificate of completion to print and fill in. A fair bar: all unit quizzes at 4 of 5 or better and the capstone presented, or 80% on a final test. Students who finish online

can generate their own certificate after passing the final quiz.

- **Measure behavior, not just scores.** Track how many students open a savings account, file the FAFSA or set up a credit freeze.

Answer keys

Unit 1: Earning Income, Paychecks and Taxes

- 1 B. Gross pay minus taxes and deductions equals net pay.
- 2 B. FICA (Social Security 6.2% plus Medicare 1.45%) applies from the first dollar of wages.
- 3 C. Brackets are layers. A raise always increases take-home pay.
- 4 B. At \$400 or more of net self-employment earnings you must file and pay self-employment tax (about \$85 on \$600, before any expenses).
- 5 B. A refund is your own money returned without interest.

Unit 2: Banking and Payment Tools

- 1 B. FDIC insures deposits at member banks. NCUA does the same for credit unions.
- 2 B. Opting out means a short account declines the purchase rather than charging a fee.
- 3 C. Authorized P2P payments are very hard to reverse. Always confirm the recipient.
- 4 B. Lower operating costs let many online banks pay more interest.
- 5 B. Federal law limits your liability for unauthorized credit card charges to \$50, and most issuers offer \$0 liability.

Unit 3: Budgeting and Saving

- 1 B. It happens once a year but is predictable, so it belongs in a sinking fund.
- 2 B. 20% of \$2,000 is \$400.
- 3 B. It should be safe, insured and easy to reach, but separate from everyday spending.
- 4 B. $72 / 8 = 9$ years.
- 5 B. Adjusting the budget and using savings avoids expensive debt. Then start a car repair sinking fund.

Unit 4: Credit Reports, Scores and Credit Cards

- 1 C. Payment history is about 35% of a FICO score.
- 2 B. $\$450 / \$1,500 = 30\%$.
- 3 B. The grace period only applies if you pay the full statement balance.
- 4 B. Checking your own credit is a soft inquiry.
- 5 B. Applicants under 21 need independent income or a co-signer for their own card. Authorized user status can help start a history.

Unit 5: Borrowing and Getting Out of Debt

- 1 D. $\$60 / \$400 = 15\%$ per two weeks. $15\% \times 26$ two-week periods = 390% APR.
- 2 D. Longer terms mean more months of interest.
- 3 B. Highest interest first saves the most money.
- 4 B. A co-signer is fully responsible for the debt.
- 5 B. If not, BNPL is a loan on something you cannot afford yet.

Unit 6: Paying for College and Career Training

- 1 A. A: \$16,000. B: \$20,000. Loans do not reduce the net price.
- 2 C. Free money first, then federal loans, then everything else.
- 3 B. Federal loans carry borrower protections most private loans lack.
- 4 B. Keeping total debt below expected starting pay keeps payments manageable.
- 5 B. Many students qualify for more than they expect, and federal loans require it.

Unit 7: Investing and Building Wealth

- 1 B. 6% of \$40,000 is \$2,400; 50% match = \$1,200.
- 2 B. Index funds offer broad diversification at low cost.
- 3 B. Investing is for money you will not need for at least five years.
- 4 B. Earned income is the requirement, up to the annual limit.
- 5 B. Hype plus urgency plus an obscure asset is the classic pattern.

Unit 8: Protecting Yourself: Insurance, Identity and Scams

- 1 B. You pay the deductible; the insurer pays the remaining \$3,000.
- 2 B. No legitimate business or agency requires payment in gift cards.
- 3 B. Freezes are free and do not affect your score.
- 4 B. It is likely an attempt to take over one of your accounts.
- 5 B. The house edge means 50% winners still lose \$10 for every two bets.

Document pack answers

- A** Pay stub: net pay is 82.35% of gross ($\$494.10 / \$600$). Taxes withheld: federal \$42.00, Social Security \$37.20, Medicare \$8.70, state \$18.00. A gig worker setting aside 25% of \$600 saves \$150.
-
- B** Card: purchase APR 24.49%, penalty APR up to 29.99%, no annual fee, late fee up to \$40, grace period at least 21 days, cash advance APR 29.49% and fee 5% (\$10 minimum). Under 30% of a \$1,000 limit is \$300 or less.
-
- C** Aid offers: School A net price $\$28,000 - \$12,000$ grants = \$16,000. School B $\$45,000 - \$25,000 = \$20,000$. Work-study must be earned; loans must be repaid. Neither is a discount.
-

Capstone rubric

Criteria	Strong (4)	Developing (2)
Income	Realistic, sourced, correctly converted to take-home pay	Gross pay used as take-home, or unsourced
Budget	All needs, wants and saving; three or more sinking funds; balances	Missing categories or does not balance
Safety	Emergency fund goal with timeline; insurance chosen with deductible	No emergency fund or insurance
Credit and debt	Safe credit-building plan; borrowing justified by total cost	Borrowing by monthly payment only
Future	First investing step with the right account; 5-year goal	Vague or missing
Life events	Three events handled with specific numbers	General statements without numbers
Product comparison	Uses official disclosures; compares total cost and fees	Compares on one feature only
Presentation	Clear explanation of three key decisions and trade-offs	Lists choices without reasons

Life event cards

Your hours are cut by 25% for two months.	A \$900 medical bill arrives.
You get a \$1.50 an hour raise.	Your laptop dies and you need one for school or work.
A friend asks you to co-sign a car loan.	Your roommate moves out and rent rises \$400.
You receive a \$500 birthday gift.	Your car insurance renews 18% higher.
Your employer adds a 401(k) match.	You get a text that your bank account is locked.

Document pack

Sample documents for the unit activities. All names and figures are fictional.

Appendix A: Pay stub

Sample

Riverside Grocery Co.

Pay period: 2 weeks

Item	Rate	This period	Year to date
Regular hours	40.00 hrs x \$15.00	\$600.00	\$7,800.00
Gross pay		\$600.00	\$7,800.00
Federal income tax		-\$42.00	-\$546.00
Social Security	6.2%	-\$37.20	-\$483.60
Medicare	1.45%	-\$8.70	-\$113.10
State income tax		-\$18.00	-\$234.00
Net pay		\$494.10	\$6,423.30

Appendix B: Credit card disclosure

Sample

Interest rates and interest charges / Fees

Example Bank Rewards Card

Annual percentage rate (APR) for purchases	24.49% (varies with the market based on the Prime Rate)
APR for balance transfers	24.49%
APR for cash advances	29.49%
Penalty APR and when it applies	Up to 29.99%. May apply if you make a late payment.
Paying interest	Your due date is at least 21 days after the close of each billing cycle. We will not charge interest on purchases if you pay your entire balance by the due date each month.
Minimum interest charge	If you are charged interest, the charge will be no less than \$1.00.
Annual fee	None
Balance transfer fee	5% of each transfer (\$5 minimum)
Cash advance fee	5% of each advance (\$10 minimum)
Foreign transaction fee	3% of each transaction in U.S. dollars
Late payment fee	Up to \$40

Appendix C: Two financial aid offers

Sample

Financial aid offers, first year

Per year

	School A (in-state public)	School B (private)
Cost of attendance	\$28,000	\$45,000
Federal Pell Grant	\$4,000	\$4,000
School / state grant	\$8,000	\$21,000
Federal work-study	\$2,000	\$2,000
Federal Direct Subsidized Loan	\$3,500	\$3,500
Federal Direct Unsubsidized Loan	\$2,000	\$2,000
"Total aid" shown on letter	\$19,500	\$32,500

Find the net price for each school. Which items are free money, which must be earned and which must be repaid?
Why is "total aid" misleading?

Appendix D: Scam or legit?

Text: "USPS: Your package is on hold due to an incomplete address. Update within 12 hrs: usps-redelivery-help.co"

Message 1

Scam or legit? _____ Red flag: _____

Email from your school: "FAFSA opens soon. Visit studentaid.gov to create your account." (no attachments)

Message 2

Scam or legit? _____ Red flag: _____

DM: "Hey! I made \$3k last week with this crypto trading app. My mentor can set you up, just send \$200 to start."

Message 3

Scam or legit? _____ Red flag: _____

Job offer: "Remote assistant, \$35/hr, no interview. We'll mail you a check to buy equipment from our vendor."

Message 4

Scam or legit? _____ Red flag: _____

Your bank app notification: "A \$42.18 purchase at Corner Market was approved." (you made it)

Message 5

Scam or legit? _____ Red flag: _____

Call: "This is the IRS. You owe back taxes and will be arrested today unless you pay with gift cards."

Message 6

Scam or legit? _____ Red flag: _____

Marketplace buyer: "I'll overpay by \$300 with a cashier's check, just send the difference back by Zelle."

Message 7

Scam or legit? _____ Red flag: _____

Text: "Your verification code is 482913. Don't share it with anyone." (you just tried to log in)

Message 8

Scam or legit? _____ Red flag: _____

Appendix D answer key (teacher)

- | | |
|---|---|
| 1 | Scam: urgency and a fake look-alike link. USPS does not text links like this. |
| 2 | Legit: official .gov site, no request for money or passwords. |
| 3 | Scam: guaranteed returns, a stranger, payment upfront. |
| 4 | Scam: fake check pattern. |
| 5 | Legit: an alert you set up, no link to click. |
| 6 | Scam: the IRS does not call to demand gift cards or threaten arrest. |
| 7 | Scam: overpayment pattern. |
| 8 | Legit: you requested it. Never share it with anyone who asks. |

Sources and further reading

H.R. 10528, Promoting Financial Literacy in Secondary Schools Act (119th Congress). National Standards for Personal Financial Education, Jump\$tart Coalition and Council for Economic Education (2021). IRS.gov (withholding, filing, self-employment tax). FDIC.gov and NCUA.gov (deposit insurance). ConsumerFinance.gov (credit cards, credit reports, debt collection). AnnualCreditReport.com. StudentAid.gov and the College Scorecard. FTC Consumer Sentinel Network and IdentityTheft.gov. Investor.gov (fees, compound interest calculator).

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