

**UMBC UGC New Course Request: FINC 150/150H: Financial Literacy**

Date Submitted: 8/28/2019

Proposed Effective Date: 11/1/2019

	Name	Email	Phone	Dept
Dept Chair or UPD	David Mitch	mitch@umbc.edu	X52160	ECON
Other Contact	Morgan Rose	mrose@umbc.edu	X52160	ECON

**COURSE INFORMATION:**

Course Number(s)	FINC 150, 150H
Formal Title	Financial Literacy
Transcript Title (≤30c)	Financial Literacy
Recommended Course Preparation	NA
Prerequisite <small>NOTE: Unless otherwise indicated, a prerequisite is assumed to be passed with a "D" or better.</small>	A 3, 4, or 5 on the LRC/PLC MATH placement exam or MATH 104 or 106 with a grade of "C" or better.
# of Credits <small>Must adhere to the UMBC Credit Hour Policy</small>	3
Repeatable for additional credit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Max. Total Credits	<sup>3</sup> This should be equal to the number of credits for courses that cannot be repeated for credit. For courses that may be repeated for credit, enter the maximum total number of credits a student can receive from this course. E.g., enter 6 credits for a 3 credit course that may be taken a second time for credit, but not for a third time. Please note that this does NOT refer to how many times a class may be retaken for a higher grade.
Grading Method(s)	<input checked="" type="checkbox"/> Reg (A-F) <input type="checkbox"/> Audit <input checked="" type="checkbox"/> Pass-Fail

**PROPOSED CATALOG DESCRIPTION** (Approximately 75 words in length. Please use full sentences.):

This course examines financial decisions encountered over the life cycle. This knowledge can improve financial decisions and is useful to those who may become self-employed entrepreneurs. Topics covered include time value of money, consumption and savings, financial planning and budgeting, investing in human capital and career choices, taxes, credit and borrowing, insurance, investing in assets such as stocks and bonds, and retirement. Public policy questions and insights from behavioral economics may be examined.

**RATIONALE FOR NEW COURSE:**

a.) Research has shown that most Americans, and those in other countries, have limited financial knowledge and limited capability to make well-informed financial decisions. This includes many with undergraduate or more advanced degrees. With increasing complexity of financial decisions, this is a growing problem. The rationale for the course is to assist students in becoming more financially literate as they face financial decisions across their life cycle. More broadly, the course can help provide knowledge and context about public policy questions concerning debt and credit, insurance, taxes, and retirement, among others.

The limited prerequisite barriers make the course available to a wide range of UMBC students. Vivian Armor has approved making this an elective for the ENTR minor as it covers important knowledge and skills for those who pursue entrepreneurial ventures.

Perhaps in the future the course can receive Social Science general education status.

This type of course is commonly offered at four-year colleges and universities. About one-half have it in their catalog. Ones in our region that currently offer this course (it is in a recent Schedule of Classes) are: UM-College Park, Virginia Commonwealth University, Drexel, George Mason, American, Frostburg, Salisbury. Examples of universities that enroll hundreds students in this type of course each academic year include: University of Georgia, West Virginia University, Arizona State University, Michigan State University, and Ohio University.

b)

The course is planned to be offered at least once per academic year, with expansion (in sections or section size) as demand warrants.

c)

This is meant to be primarily a service course for the university. It may serve as an introduction to finance and economics that would pique the interest of undeclared students in the Economics Department's majors and minors, but that is secondary.

d)

There is no primary student population as all students with an interest can enroll.

The Honors College supports an H section of the course.

The course has received approval as an elective in the Entrepreneurship minor once it is approved by the Undergraduate Council.

e)

The 100 level is chosen to reflect the limited prerequisite barriers.

f)

The course will require basic facility in quantitative skills (algebra, exponents, computer use) to understand and apply some of the material. It is expected that the prerequisites (the same as for STAT 121) will be sufficient preparation. It is possible that a 3 on the placement test does not reflect sufficient quantitative facility (MATH 155 requires 4 or 5 or MATH 106). If this proves to be the case after teaching the course a few times, we may seek a tightening of this criterion.

g)

Regular or P/F is offered. The former will dominate enrollment, but the latter can allow students to take the course without a letter.

h)

N/A

**ATTACH COURSE SYLLABUS (mandatory):**

## **FINC 150/FINC 150H: Financial Literacy**

Instructor: XXXXX

Office hours and contact information: XXXXX

### *Course description*

This course examines the various financial decisions encountered over the life cycle. This knowledge should lead to improved financial capability and decisions and is useful to those who may become small business owners or entrepreneurs. Topics include: time value of money calculations, consumption and savings decisions, financial planning and budgeting, investing in human capital (education) and career choices, taxes, the use of credit and borrowing, insurance, investing in assets such as stocks and bonds, and retirement. The role of public policy, and insights from behavioral economics and economic psychology may also be explored.

### *Prerequisites*

Understanding the course material requires basic quantitative ability. The course prerequisite is you must have scored a 3, 4 or 5 on the LRC/PLC MATH placement exam or passed MATH 104 or 106 with a grade of 'C' or better to enroll in this course. No background in economics, accounting or finance is assumed, but ECON 101 and/or ECON 121 would provide useful background.

The main course objectives are that students will understand:

- The current state of their financial knowledge
- Career choices and income expectations
- Basic financial calculations and spreadsheet use
- Taxes (income, business, Social Security/Medicare)
- Credit and credit scores
- Types of loans (personal and business)
- Insurance (health, property, liability)
- Investments
- Retirement issues and planning
- Policy and regulation related to financial topics
- Insights from behavioral economics and economic psychology
- Where to find data and research related to financial topics

### *Required book*

*Personal Finance: Turning Money into Wealth*, 7<sup>th</sup> ed. Arthur J. Keown, 2016, Pearson.

Videos and additional readings will be assigned as well.

*Supplemental book*

*The Index Card: Why Personal Finance Doesn't Have to be Complicated*, Helaine Olen and Harold Pollack, 2016, Penguin Group.

Some websites that will be referred to are listed below:

U.S. Securities and Exchange Commission

<https://www.sec.gov/page/investor-section-landing>

U.S. Internal Revenue Service

<https://www.irs.gov/statistics>

U.S. Small Business Administration

<https://www.sba.gov/>

Investopedia

<https://www.investopedia.com/>

Financial Industry Regulatory Authority

<http://www.finra.org/>

U.S. Social Security Administration

<https://www.ssa.gov/>

Investment Company Institute

<https://www.ici.org/>

*Course Schedule Outline*

Meeting, Topics, Reading

Week 1: Introduction

- Course goals and structure
- The financial planning process and measuring financial health

Assignment: Career choices and income prospects (career paths, self-employment/entrepreneurship)

Reading: Keown Chapters 1, 2

Week 2: Understanding and Appreciating the Time Value of Money

- What is it?
- Various calculations
- Applications and illustrations

Assignment: Calculating the rate of return on education and the rate of return on a new business venture

Reading: Keown Chapter 3

Week 3: Taxes

- What are the various taxes we pay?

Assignment: Calculating your income taxes and taxes on business income

Reading: Keown Chapter 4

Week 4: Cash Management and Credit Cards

- Managing liquid assets and using credit cards

Reading: Keown Chapters 5, 6

Week 5: Loans

- Students loans
- Consumer loans
- Business loans

Assignment: How individuals and entrepreneurs borrow and use financial institutions (banks, credit unions, savings and loans)

Reading: Keown Chapter 7

Week 6: Homes and Automobiles

- The purchase and financing of automobiles
- The purchase and financing of homes

Reading: Keown Chapter 8

Week 7: EXAM 1

Week 8: The Role of Insurance

- Life and Health Insurance
- Property and Liability Insurance

Assignment: The importance of insurance for individuals and the self-employed

Reading: Keown Chapters 9, 10

Week 9: Investments

- Investment Basics

Assignment: Types of financial assets and their risk and return characteristics

Reading: Keown Chapter 11

Week 10: Stocks

- Understanding the stock market

Assignment: The special case of initial public offerings (IPOs)

Reading: Keown Chapter 12

Week 11: Bonds and other Investments

- Bonds
- Mutual Funds

Reading: Keown Chapters 13, 14

Week 12: Life Cycle Issues

- Retirement Planning
- Estate Planning

Assignment: Retirement plans for workers and the self-employed

Week 13: Financial Literacy/Capability, Public Policy, Financial Innovations

- Developing ongoing financial knowledge and capability
- The major regulators in the financial world
- Financial frauds

Assignment: Fintech and the financial future

Week 14: EXAM 2

*Course grading*

Quizzes and Assignments: 12 worth 35% of grade

Exams: 2 worth 65% of grade

Note: Students enrolled in FINC 150H will write a research paper on a topic agreed to with the instructor. This will be worth 20% of the course grade. The quizzes and assignments will be worth 20% and the exams worth 60% for FINC 150 H students.

Students will be expected to attend two events on campus (or off campus) related to financial decisions, entrepreneurship, or career planning. These will count as two of the assignments.

The course grade will be based on the percentage ranges:

A: 90%+      B: 80%-89%      C: 70%-79%      D: 60%-69%      F: 59% points

Students taking the course Pass/No Pass must have 60% or higher for a Pass.

#### UMBC Statement on Academic Integrity:

“By enrolling in this course, each student assumes the responsibilities of an active participant in UMBC’s scholarly community in which everyone’s work and behavior are held to the highest standards of honesty. Cheating, fabrication, plagiarism, and helping others to commit these acts are all forms of academic dishonesty, and they are wrong. Academic misconduct could result in disciplinary action that may include, but is not limited to, suspension or dismissal. To read the full Student Academic Conduct Policy, consult the UMBC Student Handbook, the Faculty Handbook, or the UMBC Policies section of the UMBC Directory.”

More information is available at: <http://oue.umbc.edu/home/academic-integrity/resources-for-students/>

#### UMBC Student Disability Services Statement:

UMBC is committed to eliminating discriminatory obstacles that may disadvantage students based on disability. UMBC complies with federal legislation for individuals with disabilities (Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, and the ADA of 2009) that offers reasonable accommodations to qualified students with disabilities. Student Disability Services (SDS), formerly Student Support Services, is the UMBC department designated to:

- receive and maintain **confidential** files of disability-related documentation,
- certify eligibility for services,
- determine reasonable accommodations,
- develop with each student plans for the provision of such accommodations, and
- serve as a liaison between faculty members and students regarding disability-related concerns.

If you have a documented disability and need to request academic accommodations, please refer to the SDS website at [sss.umbc.edu](http://sss.umbc.edu) or contact the office by phone at 410-455-2459, via email at [sss@umbc.edu](mailto:sss@umbc.edu), or in person in Math/Psychology Room 213. If you require accommodations for this class, make an appointment to meet with me to discuss your SDS-approved accommodations.

More information is available at: <http://sds.umbc.edu/>



Gmail

Search jodlk@umbc.edu

X

# Support for H-section of new Financial Literacy course inbox x

11:546

**Jodi Kelber-kaye** <jodlk@umbc.edu>  
to Simon, me  
Hi Simon--

Can you send an email (or just "reply all" saying you support this) to Doug in support of his UGC proposal to add an H-section to a new course he is proposing in ECON on financial literacy?

Thanks much,  
Jodi

**Simon Stacey** <spstacey@umbc.edu>  
to Jodi, me  
Hi all:

I enthusiastically support this proposal!

Regards,  
Simon