

# **FCHD 3350: Family Finance**

## **Summer 2005 Syllabus**

Instructor: Alena Johnson  
3 credit hours

**TEXTS:** Garman, E. T. & Forgue, R. E. (2006) *Personal Finance*

Chilton, D. (1998) *The Wealthy Barber* (3rd edition)

Johnson, A. Financial Checkup - Available through Watkins Printing;  
110 West 1200 South, Logan, Utah 84321. (435) 752-5235 - (800) 303-  
5235

### ***COURSE OBJECTIVES***

Upon completion of this course you should be able to:

1. Identify personal/family values and establish appropriate financial goals.
2. Develop financial plans that reflect your values and goals.
3. Begin implementation of your plans to meet short and long term financial goals.
4. Evaluate options for providing financial security throughout your life.
5. Recall and apply specific fact concerning various financial topics, tools, and services.

### ***ASSIGNMENTS***

#### **TRACKING**

For one month write down all income and expenses. Write down the date, amount, and a one or two word description for every income or expense. If you are married, try to do this with your spouse. If that doesn't work, try to keep as much separate as possible. Don't count money twice. If you take money out of an ATM, don't count it once when you take it out and once when you spend it. This information will be turned in with The Financial Checkup and does not need to be typed.

## TAX ASSIGNMENT

A 1040 tax form can be printed from the IRS website. Go to: <http://www.irs.gov/pub/irs-pdf/f1040.pdf>. Fill out the 1040 tax form with the following information (look in the class notes for unit 4 to find additional help on filling out the tax form). Do NOT use your own information for the tax form.

Family: Parents - Jim and Connie Sampson, Children - Ashley (age 8), Michael (age 4), their status is married filling jointly

Income: Jim - \$31,029, Connie - \$19,734, Interest - \$313

IRA: Jim had an IRA deduction of 2,500 and Connie had one for 3,000 for a total of \$5,500

Deductions: They did NOT itemize their deductions, they used the standard deduction

Tax (line 43): \$2806

Child Tax Credit (line 51): \$1,000 for EACH child for a total of \$2,000

Federal Income Tax Withheld (from W-2): Jim - \$775, Connie - \$493

## BUDGETING

**Beginning of the month** - If you tracked first, look at the information from your tracking. Using that information, fill out the column titled "budgeted" on the budget sheet from The Financial Checkup. You can use the same totals from each category that you found from your tracking, or you can adjust the amounts if you think they need to be different. Fill out the "budgeted" column for both income and expenses. You are estimating what your income and expenses will be at this time. If you didn't track first, you will just need to estimate the best you can.

**During the month** - Keep track of your income and expenses, but you don't have to "track" your expenses if you already did that. For example, if you have \$40 in cash budgeted for entertainment and you had \$5 left at the end of the month, you would know that you spent \$35. You can also use your checkbook to keep track of your spending. Fill out the "actual" column when you have the total for that income or expense.

**End of the month** - Make sure the "actual" column is completely filled out. Then write down the difference between the budgeted and actual amounts in the "difference" column. If you do not have an income, be sure to put zeros in the income columns (this will prevent you from losing points). This will be turned in with The Financial Checkup.

## THE WEALTHY BARBER

Read The Wealthy Barber. Write a 1-2 page double spaced paper. Include each of the following sections with a heading (points will be taken off for not having each heading):

**1. Description** (give enough detail so we can tell you actually read the book - don't quote the cover of the book). In this section you will need to include the following:

- a. Something from the **BEGINNING** of the book.
- b. Something from the **MIDDLE** of the book.
- c. Something from the **END** of the book.
- d. **A QUOTE** from the book and the **PAGE** number it is on.

(Items a-d should all be about financial information and included in section 1)

**2. What I learned from the book.**

**3. My feelings about the book.**

**4. What information from the book I plan to implement in my life.**

## YOU PICK

Look at each of the following assignments. Choose ONE of the following assignments that will be most helpful for you at this point in your life. Make sure you complete everything listed for that assignment. If you are married and your spouse is also taking this class, you must each do a different You Pick assignment.

**COMPARE CREDIT CARDS** - Within a table, compare the following information for at least 3 credit cards: grace period, interest rate, annual fee, over-the-limit fee, late fee, cash advance interest rate or fees and transfer interest rate. In a one page paper discuss your needs for a credit card, which card best fits your needs, and why. State which one you would choose.

**BUYING VS. LEASING** - Compare the same car (or very similar cars) when purchased or leased. Within a table, compare the cost to get into the car, monthly payments, total cost, end result (added fees, car equity, etc.). Write a one page paper discussing the leasing terms and the loan terms. Discuss which option you would choose and why.

**INSURANCE** - Choose one type of insurance (auto, home, health, disability or life insurance). Compare at least 2 different insurance companies. Within a table, compare premiums and coverage (compare several different items covered). Write a one page paper discussing what type and amount of coverage you need. Discuss which one you would choose and why.

**HOME OWNERSHIP** - Complete the "How Much House Can You Afford" form (look in section 9.3 of the lecture notes for the form). Call 2 mortgage companies and ask what the current interest rate is for a 30 year fixed mortgage (call on the same day). Use one of those rates for the worksheet. When you find the amount that you qualify for, look in the newspaper or on the Internet for homes in that price range. Cut out or print the advertisement and attach it to your assignment. Write a one page paper discussing what you learned about your situation, what interest rate was used, what homes were available, and which, if any, you might choose.

**HOME INVENTORY** - Complete a home inventory. Write down the following information for each item: date of purchase, amount, model number and any other important information. \*Do not do this assignment if you have less than 10 major items to inventory.

**STEP-DOWN-PRINCIPLE** - For one month use the SDP to reduce expenses. While keeping track of expenses, keep track of times when you consciously used the SDP. You must have at least 5 different times. Within a table, write down the following three things for each purchase: what you would have spent without using the SDP, what you did spend using it, and the difference between the two. Total the amount saved for the month. Write a one page paper discussing how much you saved. What did you learn? Will you continue using the SDP?

**MAJOR APPLIANCE** - Pick a major appliance such as washer, refrigerator, stereo, etc. Find and turn in a consumer report article about the appliance. Go to at least 3 stores and compare prices and features of comparable models. Within a table, compare the prices and several features. In a one page paper discuss what you learned from the consumer report and which appliance you would buy.

**FINANCIAL FILE** - create your own personal financial file. The following folders are required for full credit: personal information (SS card, birth certificate, immunization record, etc.), financial statements (put the worksheets from the Financial Checkup in here as well as your credit history and SS benefit statement), debt or loans, checking or savings accounts, insurance, and taxes. You may add any you would like to, but you must have at least all of the mentioned files for full credit, even if you currently have no information for any particular file. After you have completed the file, write down each file's name and a list of what is included in each file. Turn in the written paper.

## **THE FINANCIAL CHECKUP**

1. Copy all of the worksheets from The Financial Checkup booklet except the checklist from chapter 1 (8 total). They may be printed from the Family Life

Center's website: <http://www.usu.edu/fchd/hfc.cfm> click on financial worksheets.

2. Fill out each worksheet **ACCORDING TO THE TEXT PROVIDED** in the booklet. For additional information look in the lecture notes, unit 4 section 4.5. You may hand write the information on the worksheets if you write legibly.
3. Attach your tracking sheet(s).
4. Attach a 2-3 page double spaced paper analyzing each of the worksheets. State what you learned from each worksheet about your own financial situation. Include each of the following sections with a heading (points will be taken off for not having each heading):

Net Worth Statement	Retirement
Tracking	Life Insurance
Income and Expense Statement	Goals
Financial Ratios	Budget
Revolving Savings	Overall Financial Situation

The Paper should be organized as follows:

- Paper
- Tracking Sheet
- Net Worth Statement
- Income & Expense Statement
- Financial Ratios
- Revolving Savings
- Retirement
- Life Insurance
- Goals
- Budget