

Financial Planning for Women Curriculum



Donna Thompson

Financial Planning for Women Curriculum

Definition and Philosophy of Financial Planning for Women

Financial planning for women can be defined as the strategies and techniques women can use to manage their personal assets and plan for their economic future. This curriculum is geared specifically towards women who, perhaps for the first time in their lives, are taking control of their own finances. The goal of this curriculum is to empower a woman to look at her financial situation, understand it, plan a strategy for the future based on her needs and goals, and then implement it.

Rationale for Financial Planning for Women

According to the U.S. Census Bureau, there are some 30 million American women who are single, divorced, or widowed (Ruhling, 2000). Women typically live eight years longer than men but earn, on average, 25% less than men (U.S. Department of Labor, 1996). The average age of widowhood is 56 (Hayes & Kelly, 1998). Three out of every four women are single when they die (Nichols, 2000). Despite these statistics, most rules of thumb for managing money are based on the average man's financial experiences, not on the average American's.

Although most women will, at some point, be responsible for their own financial planning, many have no experience with their own personal finances. Even now when women are running Fortune 500 companies, it is still common for a woman to defer to the man in her life when it comes to financial planning. Women often think that financial matters are too complicated or that they are not smart enough to handle their own finances. Many times they do not want to seek professional advice because they are afraid of appearing stupid. However, the reality is that most women are going to eventually have to be able to control their own finances. It is impractical for any woman to expect someone else to be responsible for her economic future. Therefore, it is prudent that women learn how to be successful financial planners.

The students in this program will all be females who are single, divorced, or widowed. The women will be of various ages, education levels, socioeconomic status, cultural experience, and learning abilities. The one thing all students will have in common is a need for practical, instructive ways to control their own finances.

Content Source for Financial Planning for Women

When designing a financial planning curriculum aimed at women, it is necessary to identify a common body of knowledge for originating the instructional content. The content for this curriculum is derived from the subject area of personal finance. Personal finance is the body of knowledge that includes money management and the use of financial tools to achieve goals and objectives. Topics within this body of knowledge include debt, savings, budgeting, investing, insurance, taxation, retirement, and estate planning.

Content Structure for Financial Planning for Women

The content structure in Figure 1 outlines the content for this program.

Aim of Financial Planning for Women

The aim of the Financial Planning for Women curriculum is to design an adult educational curriculum that takes into consideration the learning styles of women. The curriculum is designed at a very rudimentary level, assuming that the participants have minimal experience in money management. The curriculum is based on the premise that in an all-female environment women will feel comfortable discussing what has traditionally been thought of as being the man's responsibility—taking care of the family. The aim of the curriculum is to give women the confidence to make financial decisions on their own or, when necessary, with the help of a financial advisor.

Financial Planning for Women Program Objectives

Upon completion of the Financial Planning for Women program, students will be able to:

1. Discuss how taking control of one's own personal finances can increase financial security.
2. Describe the concepts of debt, budgets, and savings.
3. Compare and contrast a variety of investment options available and the risks involved.
4. Understand the value of property and life insurance in minimizing loss.
5. Become familiar with the intricacies of taxes in order to decrease tax liability.
6. Develop a proactive plan for retirement that includes participation in employer-sponsored and individual retirement programs.

7. Explain the basics of estate planning including wills and trusts and how dying in testate negatively impacts settling an estate.
8. Use a variety of financial management tools in order to begin to develop their own personal finance strategies.

Content Structure for Financial Planning for Women

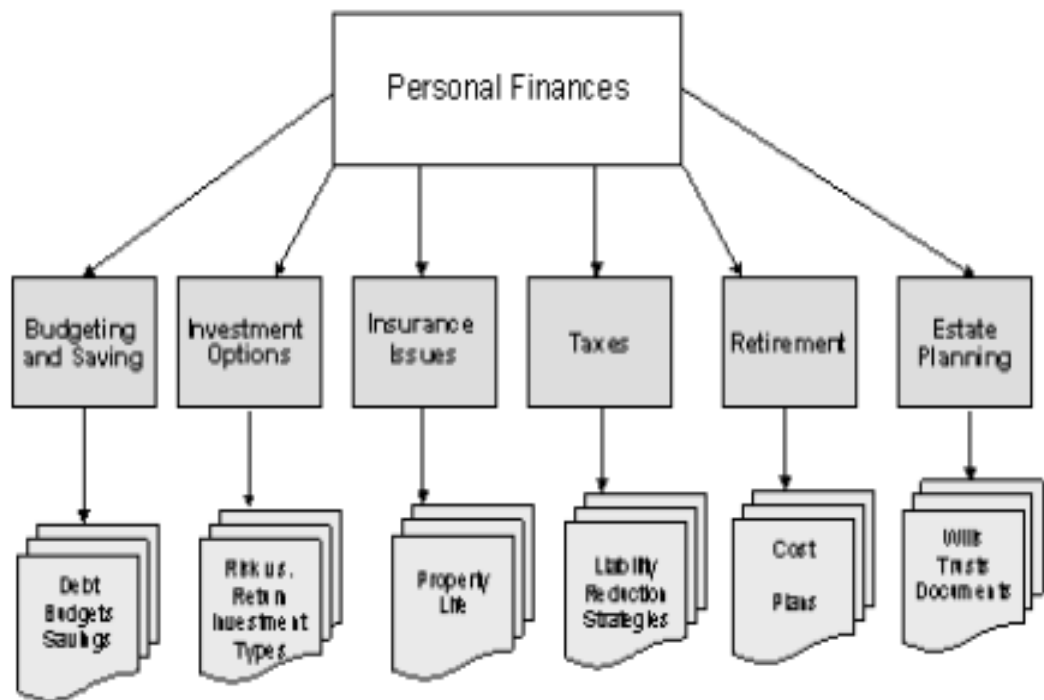


Figure 1, Content Structure

Scope and Sequence

Financial Planning for Women is an eight-week program consisting of 16 two-hour sessions divided into six topics.

Topic 1 Budgeting and Savings One Week

Two sessions, each two hours in length, covering:

- Reducing debt
- Savings plans
- Developing a budget

Topic 2 Investment Options Two Weeks

Four sessions, each two hours in length, covering:

- Risk versus return spectrum of investing
- Risk tolerance
- Certificates of deposit
- Money market accounts
- Stocks
- Bonds
- Annuities
- Mutual funds
- Diversification

Topic 3 Insurance Issues One Week

Two sessions, each two hours in length, covering:

- Protecting assets
- Property Insurance
- Home
- Auto

- Life Insurance
- Whole life
- Term life

Topic 4 Taxes One Week

Two sessions, each two hours in length, covering:

- Personal tax liability
- Tax-reduction strategies

Topic 5 Retirement Two Weeks

Four sessions, each two hours in length, covering:

- Cost of retirement
- Required income
- Impact of inflation
- Social security
- Employer-sponsored retirement plans
- 401(k)
- Employee Stock Ownership Plan
- Profit Sharing
- Pension plans
- Individual Retirement Accounts
- Roth
- Keogh

- Annuities
- Retirement plan distribution

Topic 6 Estate Planning One Week

Two sessions, each two hours in length, covering:

- Intestacy
- Probate
- Power of attorney
- Durable
- Medical
- Trusts
- Living trust
- Revocable trust.
- Estate taxes.
- Personal document file

Curriculum References

The following references were used in developing the foundations of this curriculum:

1. Hayes, C. & Kelly, K. (1998). *Money makeovers*. New York: Doubleday.

2. Klosowski, A. (1989). *Personal financial fitness*. Los Altos, CA: Crisp Publications, Inc.
3. Lewin, E.S. (1995). *Your personal financial fitness program*. New York: Facts on File, Inc.
4. Nichols, D. (2000). If you're from Venus, why get your financial advice from Mars? [Online]. Available: http://shesgotmoney.com/alone_01.shtml
5. Perry, J. & Barclay, D. (1997). *A girl needs cash*. New York: Random House.
6. Ruhling, N.A. (2000). You are not alone: the single woman's survival guide to the 21st century [Online]. Available: http://personalfinance.firstunion.com/pf/cda/fpg/guidebook_article_page/0,2485,65_39,00.html
7. U.S. Department of Labor, Bureau of Statistics, Employment and Earnings Report, 1996.

Unit One Budgeting and Saving

(One week)

Goals:

1. Students will understand the concepts of debt, budgets, and savings.
2. Students will begin to take control of their own finances.

Rationale For Unit:

According to the National Foundation of Consumer Credit, an estimated 40% of middle-class families spend more money than they make (Hurwitz, 1996). Despite a booming economy, many Americans are still swimming in debt. Debt can occur as a result of poor planning, excessive spending, or emergencies. Learning how to live within your means, known as budgeting, will solve the planning and spending problems. By building a savings account, emergency expenses can be handled without incurring debt.

Objectives For Unit:

As a result of this lesson, the student will be able to:

1. **Determine personal short and long-term financial goals.**
2. **Develop a budget to manage cash flow.**
3. **Prepare a savings plan to achieve financial goals.**

Possible Activities:

1. **Read and discuss assigned pages of credit reference.**
2. **Have students brainstorm a list of possible financial goals in order to facilitate determination of personal goals.**
3. **Using worksheets from reference, students will develop their own budgets.**
4. **Students will select one each of their short and long-term goals. Using information from their budgets, students will write an outline of a savings schedule to achieve these goals.**

References:

1. **Hurwutz, J. (1996). *High performance through effective budgeting*. New York: The Rosen Publishing group, Inc.**
2. **Jorgensen, R.H. (1991). *No-nonsense credit*. New York: Liberty Hall Press.**
3. **Klosowski, A. (1989). *Personal financial fitness*. Los Altos, CA: Crisp Publications, Inc.**
4. **Lewin, E.S. (1995). *Your personal financial fitness program*. New York: Facts on File, Inc.**
5. **Money central [Online]. (2000). Available: <http://moneycentral.msn.com/smartbuy/home.asp>**
6. **Monthly budget calculator/worksheet [Online]. (2000). Available: <http://www.salliemae.com/calculators/budget.html>**

**Unit Two
Investment Options**

(Two weeks)

Goals:

1. Students will know what types of investment options are available and the risks involved with each.
2. Students will be aware of diversification and its importance in investing.

Rationale For Unit:

When women invest, they tend to favor low-yielding certificates of deposit and money-market funds. In fact, a Yankelovich survey conducted in 1997 found that three-fourths of the women surveyed said they always favor safe investments, even if it means getting

a low return (Dixon, 1999). Because women typically earn less than men, they need to be more aggressive in their investments. Investing provides a way to close the persistent gap between the earning potential of men and women. Increasing a woman's knowledge of investment strategies helps decrease her fear of making a financial mistake and empowers her to take charge of her fiscal future.

Objectives For Unit:

As a result of this lesson, the student will be able to:

1. Discuss the risk versus return spectrum of investing and determine her own risk tolerance level.
2. Define the following terms:
 - a. Certificate of deposit
 - b. Money market account
 - c. Stocks
 - d. Bonds
 - e. Annuities
 - f. Mutual funds
3. Explain the concept of diversification.

Possible Activities:

1. Complete risk tolerance questionnaire to determine your risk tolerance. Discuss tolerance levels in class.
2. Read the reference provided on different types of investments and their risk versus return rates.
3. Working in a small group, devise a diversified investment plan using data provided by the instructor.
4. Select 2 publicly traded stocks to study. Chart the daily closing price of the stock from today through the last day of this course.
5. Imagine you have won a \$10,000 lottery prize. Given your current financial situation, write a one-page paper that details how the money would best be used. Explain what you would do with the money and why.

References:

1. Cardona, M.M. (2000). Financial services on prowl for shops. Advertising Age 71(18), 6.

2. Dixon, D. (1999). Life spans, life choices push women to invest more aggressively. Business Journal (Central New York) 45(8), 18-19.
3. Drury, T. (2000). Analysts say more women invest their money. Business First - Western New York 31(16), 32.
4. Klosowski, A. (1989). *Personal financial fitness*. Los Altos, CA: Crisp Publications, Inc.
5. Kover, A. (1999). Okay, women really could use special advice about investing. Fortune 139(6), 3.
6. Lewin, E.S. (1995). *Your personal financial fitness program*. New York: Facts on File, Inc.
7. Morris, V.B. & Morris, K.M. (1999). ***A woman's guide to investing***. New York: McGraw-Hill.

Unit Three Insurance Issues

(One week)

Goals:

1. Students will develop a basic understanding of property and life insurance.
2. Students will be able to explain the role of insurance in loss mitigation.

Rationale For Unit:

According to a 1998 Limra International survey, only 30% of single women have any type of individual life insurance (Best's Review, 2000). When a woman is the head of the household, the loss of her income could be devastating to her children. Even women with no children should carry life insurance. The average funeral costs \$5,778 (NFDA, 2000). A woman should at least have enough insurance to pay for her final expenses. Although most people do have auto and homeowner's insurance, many women are severely under-insured in these areas. Also, since single women often rent rather than own, they need to understand the importance of renter's insurance. It is a common misconception the property owner's insurance covers the renter's losses.

Objectives For Unit:

As a result of this lesson, the student will be able to:

1. Discuss how to protect assets through proper insurance coverage.
2. Compare and contrast the concepts of whole life and term insurance.

Possible Activities:

1. Develop a list of all your personal property and its estimated replacement cost.
2. Participate in discussion of why everyone needs liability insurance.
3. Complete life insurance coverage questionnaire to determine your coverage needs.
4. Using the worksheet provided, determine whether term or whole life insurance best meets your personal financial situation.

References:

1. Klosowski, A. (1989). *Personal financial fitness*. Los Altos, CA: Crisp Publications, Inc.
2. Lewin, E.S. (1995). *Your personal financial fitness program*. New York: Facts on File, Inc.
3. National Funeral Directors Association, Funeral Cost Information [Online]. (2000). Available: <http://www.nfda.org/resources/99gpl.html>
4. Trevor, T. (1999). Study: women buying more insurance online. National Underwriter/Life & Health Financial Services 103(4), 8-9.

**Unit Four
Taxes**

(One week)

Goals:

1. Students will become familiar with the intricacies of taxes in order to decrease tax liability.
2. Students will be able to complete basic tax forms.

Rationale For Unit:

Each year, 68% of American taxpayers get refunds from the federal government (Quinn, 1993). Most are excited to get the check, but what they fail to realize that what they are really getting is repayment of an interest-free loan they made to the government. The idea of dealing with taxes is intimidating to many women, no matter how smart or well educated. A handful of key strategies can help a woman lower her gross income, gain tax-free compensation from her employer and reduce taxes paid on investments. Women who file single, head of household are entitled to deductions that many do not know exist. By lowering her tax liability, a woman increases her cash available to invest.

Objectives For Unit:

As a result of this lesson, the student will be able to:

1. Determine her personal tax liability.
2. Complete a 1040A tax form.
3. Compare and contrast standard and itemized deductions.

Possible Activities:

1. Complete worksheet to determine you income tax bracket.
2. Read common tax mistakes reference material. Discuss how to avoid these mistakes on your return.
3. Using your previous year's data, complete a 1040A tax form, including all schedules required. Calculate the difference between taking the standard deduction and itemizing your deductions.

References:

1. Internal Revenue Service [Online]. (2000). Available: <http://www.irs.gov/>
2. Klosowski, A. (1989). *Personal financial fitness*. Los Altos, CA: Crisp Publications, Inc.
3. Lewin, E.S. (1995). *Your personal financial fitness program*. New York: Facts on File, Inc.
4. Perry, G.A. & Roberts, P.C. (1998). ***The complete idiot's guide to doing your income taxes***. San Francisco: Alpha Books.
5. Quinn, J.B. (1993). Money facts. Woman's Day 56(5), 27.

Unit Five Retirement

(Two weeks)

Goals:

1. Students will understand the cost of retirement and the potential sources of income.
2. Students will develop a proactive plan for retirement.

Rationale For Unit:

According to Census Bureau statistics, women constitute nearly 75% of the elderly poor (Katzman, 2000). The problem is a lack of retirement planning among women. Women still make less money than men and are more likely to work at part-time jobs or jobs that do not offer employee-sponsored retirement plans. All of these factors influence a woman's ability to save for retirement. Women's financial problems are compounded by the fact that women often live longer than men, which means they will have to spread their retirement assets over a longer period of time. Women need to save more money and start saving as soon as they get their first job in order to have a large enough nest egg to last through their retirement years.

Objectives For Unit:

As a result of this lesson, the student will be able to:

1. Determine an estimated cost of her retirement.
2. Compare and contrast employer-sponsored and personal retirement plans.
3. Describe sources of retirement income.
4. Summarize the options of retirement plan distributions.

Possible Activities:

1. Using a Cost of Retirement Calculator available on-line, determine what your annual required income will be during your retirement.
2. Visit the Social Security Administration web site (<http://www.ssa.gov/>) to determine what your estimated social security payments will be and at what age you will begin to receive full benefits.
3. Participate in class discussion of employer-sponsored and personal retirement plans.
4. As a class, use brainstorming to develop a list of potential sources of retirement income.
5. Read the reference provided on the options available for retirement plan distribution.
6. Develop a comprehensive plan that will provide you with the income you will need during your retirement as determined in the Cost of Retirement Calculator activity. Include the types of investments and the necessary monthly contributions.

References:

1. Berry, L. (2000). Women lag in retirement savings. Denver Business Journal 51(24), 25-26.
2. Katzman, C.N. (2000). Women need money of their own. Dollar Sense, Spring 2000, 11-12.
3. Klosowski, A. (1989). *Personal financial fitness*. Los Altos, CA: Crisp Publications, Inc.
4. Lewin, E.S. (1995). *Your personal financial fitness program*. New York: Facts on File, Inc.
5. Retirement Expense Calculator, MSN Money Central [Online]. (2000). Available: http://moneycentral.msn.com/investor/calcs/n_retireq/main.asp
6. Social Security Administration [Online]. (2000). Available: <http://www.ssa.gov/>

Unit Six Estate Planning

(One week)

Goals:

1. Students will begin to develop personal estate documents, including wills and trusts, necessary in estate planning.
2. Students will understand the process of settling an estate.

Rationale For Unit:

A woman's assets should be protected during her lifetime and distributed according to her instructions after her death. If a woman does not plan her estate ahead of time, she will lose control of her assets and the distribution thereof. The principles of estate planning are simple, but the emotional aspect is complicated. Many people have an irrational fear of estate planning, as if preparing for their own death will somehow cause it to occur. Many women labor under the misconception that they do not need to worry about estate planning because they have limited assets. However, estate planning covers more than who gets what. A single woman needs to plan who will be responsible for making financial and medical decisions should she become incapacitated.

Objectives For Unit:

As a result of this lesson, the student will be able to:

1. Define the following terms:
 - a. Intestacy
 - b. Probate
 - c. Durable power of attorney
 - d. Medical directive
 - e. Executor
2. Differentiate between the concepts of living trust and revocable trust.
3. Develop a personal document file.

Possible Activities:

1. Participate in class discussion of how probate courts operate, what happens when someone dies without a will, and the duties of an executor.
2. Write your own will. You will need to determine whether you should set up a trust. If so, should it be a living trust or revocable trust? Remember to name an executor.
3. Read reference provided on the need for a durable power of attorney and medical directive.
4. Using the record-keeping document provided by your instructor, develop a complete personal document file that lists all assets, debts, insurance policies, investments, and any instructions concerning funeral or burial arrangements.

References:

1. **Clifford, D. & Jordan, C. (1998). *Plan your estate: absolutely everything you need to know to protect your loved ones*. New York: Nolo Press.**
2. Deloitte & Touche LLP Record-keeping Document [Online]. (2000). Available: <http://www.dtonline.com/estate/chap5a.htm>
3. Klosowski, A. (1989). *Personal financial fitness*. Los Altos, CA: Crisp Publications, Inc.
4. Lewin, E.S. (1995). *Your personal financial fitness program*. New York: Facts on File, Inc.

Evaluations

Student Evaluations

Upon completion of each unit, students will be required to complete a cognitive examination to test their comprehension of the material presented. The exams consist of 10 questions, each worth one point. Grading will be as follows:

9. Points A

8. Points B

7. Points C

6 Points D

5 Points and below F

The sample exam on the following page is for Unit 2, Investment Options. The questions are designed to support the unit objectives.

Course Evaluation

In order to improve the Financial Planning for Women course, each student will be asked to complete a course evaluation. The students will rate the instructional content of the course, the instructor's performance, and their own satisfaction with the course. The instructor will use this information to make any necessary modifications to the course.

Investment Options

Unit 2 Exam

Provide a short answer for each question below. Questions are worth one point apiece.

1. What is the significance of diversification in investing?

2. How long must you hold a stock or stock fund to receive the lowest capital-gains tax rate?

3. As an individual, what is the most you can contribute to an IRA each year?

4. Describe the risk versus return spectrum of investing.

5. Which market benchmark or stock exchange is the best gauge of the performance of the entire U.S. stock market?

6. Explain the primary advantage of a no-load mutual fund.

7. In what type of account should emergency funds be kept?

8. If interest rates decline, what happens to the price of a bond or bond fund?

9. Define dollar-cost averaging.

10. What is the long-term historical average return on U.S. stocks?

Financial Planning for Women Course Evaluation

Please use the Course Improvement Evaluation to aid in improving the course and providing valuable feedback to the instructors. Your comments may be used to modify, add, or delete content for future courses.

Directions:

Use the scale to rate the instructional content, materials, and instructor s performance.

	Strongly Agree	Somewhat Agree	Agree	Disagree	Somewhat Disagree	Strongly Disagree
<u>Instructional Content</u>						
Objectives clearly stated						
Instructional content accomplished the objectives						
Learning activities support objectives						

Content provided comprehensive coverage of topics						
Content appropriate for students knowledge level						
<u>Instructor s Performance</u>						
Demonstrated mastery of subject material						
Used clear and accurate language						
Established rapport with students						
Exhibited energy, vitality, and enthusiasm						
Gained and kept students attention						
Provided timely feedback						
Made topics relevant						
Demonstrated preparation/practice						
Assignments clearly explained						
Began and ended on time						
<u>Student Satisfaction</u>						
Course met my expectations						
My knowledge of the subject has increased as a result of course						
I would like to take another course with this instructor						

Additional Comments:

Validation Of
Financial Planning for Women Curriculum

In order to validate the content, scope, and sequence of the Financial Planning for Women course, I would ask two professionals to review my curriculum. I would send it to Don Reeps who has been a professional instructional designer for more than 25 years. He would be able to review the document from an academic perspective to ensure that the curriculum is educationally sound. In addition, I would ask my financial advisor, Barry Iacono, to review the curriculum. Mr. Iacono is a certified financial planner who has experience in this area. His input would help confirm that the curriculum adequately covers the aspects of financial planning that are most applicable to the proposed student base—single women who want to take charge of their finances. The following pages provide samples of the letters that would accompany the curriculum and validation instrument.

July 18, 2000

Mr. Don Reeps

Project Manager

Curriculum and Training Tools

PO Box 1480
Dahlgren, VA 22448-1480

Dear Don,

As I mentioned to you when we spoke last week, I have developed a curriculum for an eight-week course on financial planning for women. This curriculum, which began as a class project for a graduate-level class, may be an appropriate course for the Virginia Beach Adult Learning Center.

Enclosed you will find a copy of the curriculum and a brief survey. I would appreciate your reviewing my curriculum and providing feedback on the scope, sequence, and content. Please use the enclosed envelop to return the survey to me no later than September 1, 2000.

If you have any questions, please feel free to phone me 757-222-0000 (days) or 757-498-0000 (evenings). You can also contact me via e-mail at dthompson@picusnet.com.

Thank you very much. I appreciate your assistance with this project. I m sure your experience and expertise will help make this a better curriculum.

Sincerely,

Donna Thompson

July 18, 2000

Mr. Barry Iacono

Barry Iacono and Associates

406 Oakmears Cres.

Virginia Beach, VA 23462

Dear Barry,

As I mentioned to you when we spoke last week, I have developed a curriculum for an eight-week course on financial planning for women. This curriculum, which

began as a class project for a graduate-level class, is being considered as a future course offered by the Virginia Beach Adult Learning Center.

Enclosed you will find a copy of the curriculum and a brief survey. I would appreciate your professional opinion of the scope, sequence, and content of this curriculum. Please use the enclosed envelop to return the survey to me no later than September 1, 2000.

If you have any questions, please feel free to phone me 757-222-0000(days) or 757-498-0000 (evenings). You can also contact me via e-mail at dthompson@picusnet.com.

Thank you very much. I appreciate your assistance with this project. I m sure your experience and expertise will help make this a better curriculum.

Sincerely,

Donna J. Thompson

Survey of Financial Planning for Women Curriculum

Please answer the following questions and provide any additional comments you feel are applicable to any area of the curriculum. Thank you.

1. Does the rationale justify the need for this program and each unit?

2. Are the curriculum objectives appropriate? Are they achievable?

3. Are the content and scope complete? Is the sequence logical?
4. Does content flow so that students will be able to build on knowledge from previous units?
5. Are the units provided appropriate and adequate to present this material?
Are any topics missing that should be included in this curriculum?
6. Do the learning activities support the goals and objectives of the curriculum?
7. Are the learning activities appropriate for the student population?
8. How do you feel this program could be improved?

Additional comments:

Additional Resources

The following resources may provide additional information of interest to both students and instructors:

9 to 5, National Association of Working Women

414-274-0925

On-line at: www.feminist.com/9to5.htm

Institute of Certified Financial Planners

303-759-4900

International Association for Financial Planning

800-945-4237

On-line at: www.iafp.org

National Child Support Enforcement Association

202-624-8180

On-line at: <http://www.ncsea.org/>

Women's Bureau, U.S. Department of Labor

800-827-5335

On-line at: www.dol.gov/dol/wb

Working Woman Magazine

800-234-9675

On-line at: <http://www.womweb.com/>

Budgeting and Savings

Experian (formerly TRW)

800-682-7654

U.S. Department of the Treasury

202-874-4000

On-line at: www.ustreas.gov

Investment Options

Moody's Investor Services

212-55-30377

On-line at: <http://www.moodys.com/>

Morningstar Mutual Funds

800-876-5005

On-line at: <http://www.morningstar.net/>

Securities and Exchange Commission

202-942-7040

On-line at: <http://www.sec.gov/>

Insurance Issues

A. M. Best Company

908-4392200

On-line at: <http://www.ambest.com/>

American Council of Life Insurance

202-624-2000

On-line at: <http://www.acli.com/>

National Insurance Consumer Help Line

800-942-4242

Taxes

Internal Revenue Service (IRA)

800-829-1040

On-line at: <http://www.irs.gov/>

Retirement

American Association of Retired Persons

202-434-2277

On-line at: www.aarp.org

Social Security Administration

800-772-1213

On-line at: <http://www.ssa.gov/>

Estate Planning

American Bar Association

312-988-5000

On-line at: <http://www.abanet.org/>

Record-keeping Document

On-line at: www.dtonline.com/estate/chap5a.htm