

Syllabus

Course Overview

Course Overview

In this course, you will investigate key concepts of economics and personal finance. You will gain the knowledge and skills necessary to leverage analysis tools, as well as economic reasoning and planning skills. Additionally, you will practice core employability skills like problem solving, productivity, technology, and agility through the completion of the assignments.

Essential Undergraduate Learning Outcomes

This course will help you build toward the following learning outcomes that are essential for undergraduate learners:

- **Critical thinking:** Capella learners will develop the thinking skills necessary to critically evaluate information, integrate differing points of view, and develop a process of reasoning.
- **Scientific and evidence-based inquiry:** Capella learners will use research and empirical evidence to further develop questions and propose explanations to problems or scenarios.

General Education Information Research Skills Library Guide

A Capella University library guide has been created for your use in General Education courses. The [General Education Information Research Skills Library Guide](#) contains tips on how to use the Capella University Library to find resources for your General Education courses. You are encouraged to refer to the resources in this library guide to direct your research in this course.

Assignments

Week 3: Explain the economic forces that caused a family to change their budget. – 15% of grade. **Scoring Guide**

Week 5: Research housing options to help make decisions about a financial plan for the course of an year using both Excel and Word. – 20% of grade. **Scoring Guide**

Week 7: Create a financial analysis for three months worth of budgets, as well as graphs to communicate your analysis more effectively. – 20% of grade. **Scoring Guide**

Week 9: Create a budget proposal for a city department and then pitch the proposal in a video presentation using appropriate graphs and visuals. – 20% of grade. **Scoring Guide**

Discussions

Participation in discussions will count for 25% of your final grade.

Week 1: Examine the value of investing in yourself.

Week 2: Consider an investment decision and discuss it in the context of this week's learning and your critical thinking skills.

Week 3: Discuss a plan that you create based on the given scenario and using your problem-solving skill.

Week 4: Think critically and discuss the benefits and drawback of both buying and renting housing.

Week 5: Reflect on productivity strategies and how they apply to your life.

Week 6: Explore potential plans that could help you save on a more regular basis.

Week 7: Examine the pros and cons of a variety of financial accounts and consider how planning and productivity can help you best use these accounts.

Week 8: Research a real-life financial report from an actual city and create an appropriate data visualization using your technology skill.

Week 10: Reflect on the employability skills from this course and their potential positive application to aspects of your life.

Course Competencies

(Read Only)

To successfully complete this course, you will be expected to:

- 1 Explain how economic principles impact aspects of personal and professional life.
- 2 Develop financial plans to manage budgets and economic goals, while considering economic drivers, necessary resources, and uncertainty.
- 3 Explain the findings of a personal financial analysis with regard to progress toward a financial goal.
- 4 Create spreadsheets, charts, graphs, or other data visualizations to organize and present financial information.
- 5 Develop professional written communication in a well-organized text, incorporating appropriate evidence and tone in grammatically sound sentences.

Course Prerequisites

There are no prerequisites for this course.

Syllabus >> Course Materials**Required**

The materials listed below are required to complete the learning activities in this course.

Integrated Materials

Many of your required books are available via the VitalSource Bookshelf link in the courseroom, located in your Course Tools. Registered learners in a Resource Kit program can access these materials using the courseroom link on the Friday before the course start date. Some materials are available only in hard-copy format or by using an access code. For these materials, you will receive an email with further instructions for access. Visit the [Course Materials](#) page on Campus for more information.

Grable, J. E., & Palmer, L. (2019). *Introduction to personal finance: Beginning your personal journey*. Hoboken, NJ: Wiley. ISBN: 9781119547396.

Library

The following required readings are provided in the Capella University Library or linked directly in this course. To find specific readings by journal or book title, use [Journal and Book Locator](#). Refer to the [Journal and Book Locator library guide](#) to learn how to use this tool.

- Arya, S., Eckel, C., & Wichman, C. (2013). [Anatomy of the credit score](#). *Journal of Economic Behavior and Organization*, 95, 175–185.
- Chilton, K., Silverman, R. M., Chaudhrey, R., & Wang, C. (2018). [The impact of single-family rental REITs on regional housing markets: A case study of Nashville, TN](#). *Societies*, 8(4), 93–103.
- Fixier, D. (1993). [The Consumer Price Index: Underlying concepts and caveats](#). *Monthly Labor Review*, 116(12), 3–12.
- Galperti, S. (2019). [A theory of personal budgeting](#). *Theoretical Economics*, 14(1), 173–210.
- Gerrans, P., Speelman, C., & Campitelli, G. (2014). [The relationship between personal financial wellness and financial wellbeing: A structural equation modelling approach \[PDF\]](#). *Journal of Family and Economic Issues*, 35(2), 145–160.
- Schulz, A. K-D., & Cheng, M. M. (2002). [Persistence in capital budgeting reinvestment decisions – Personal responsibility antecedent and information asymmetry moderator: A note](#). *Accounting and Finance*, 42(1), 73–86.
- Weber, J., & Linder, S. (2005). [Budgeting, better budgeting, or beyond budgeting](#). *Cost Management*, 19(2), 20–28.

External Resource

Please note that URLs change frequently. While the URLs were current when this course was designed, some may no longer be valid. If you cannot access a specific link, contact your instructor for an alternative URL. Permissions for the following links have been either granted or deemed appropriate for educational use at the time of course publication.

- Agarwal, P. (2018). [Supply and demand](#). Retrieved from <https://www.intelligenteconomist.com/supply-and-demand/>
- Agarwal, P. (2019). [Budget constraint](#). Retrieved from <https://www.intelligenteconomist.com/budget-constraint/>
- Agarwal, P. (2020). [Opportunity cost](#). Retrieved from <https://www.intelligenteconomist.com/opportunity-cost/>
- [Careeronestop](#). (n.d.). Retrieved from <https://www.careeronestop.org/>
- Chang, J. (2019, January 14). [How to build a successful budget plan that works \[Blog post\]](#). Retrieved from <https://blog.procurify.com/2019/01/14/how-to-build-a-successful-budget-plan-that-works/>
- City of Tacoma. (n.d.). [Financial reports](#). Retrieved from <https://www.cityoftacoma.org/cms/one.aspx?pagelid=7559>
- Debt.org. (n.d.). [How to create and manage a budget](#). Retrieved from <https://www.debt.org/advice/budget/>
- Federal Trade Commission: Consumer Information. (2014). [It's never too early – Or too late – to save](#). Retrieved from <https://www.consumer.ftc.gov/articles/0498-its-never-too-early-or-too-late-save>
- George, J. (2014). [Forget right or wrong: Decision-making is about trade-offs](#). Retrieved from <https://www.forbes.com/sites/sungardas/2014/05/15/forget-right-or-wrong-decision-making-is-about-trade-offs/#2b7f3de81cf2>
- Hao, D. (2018, February 27). [A new leader's guide to efficient budget management \[Blog post\]](#). Retrieved from <https://blog.procurify.com/2018/02/27/create-manage-budget-implement-better-cost-saving-process/>
- Ibrahim, M. (2019). [Designing zero-based budgeting for public organizations \[PDF\]](#). *Problems and Perspectives in Management*, 17(2), 323–333.
- Johnson, M. (n.d.). [Economic basics: Supply and demand](#). Retrieved from <https://www.sophia.org/tutorials/economic-basics-supply-and-demand>
- McCarthy, D. (2019). [Budget management tips for new managers](#). Retrieved from <https://www.thebalancecareers.com/budgeting-essentials-for-new-managers-2275920>
- [O*NET online](#). (n.d.). Retrieved from <http://www.onetonline.org/>
- Shin, L. (2015). [The 1-page financial plan: 10 tips for getting what you want from life](#). Retrieved from <https://www.forbes.com/sites/laurashin/2015/03/31/the-1-page-financial-plan-10-tips-for-getting-what-you-want-from-life/#5cef1cf872de>
- St. Laurent, S. (n.d.). [5 steps to presenting an exceptional departmental budget](#). Retrieved from <https://dryrun.com/5-steps-to-presenting-an-exceptional-departmental-budget-2/>
- Tressler, C. (2016). [Why your credit score matters](#). Retrieved from <https://www.consumer.ftc.gov/blog/2016/09/why-your-credit-score-matters>

Suggested

The following materials are recommended to provide you with a better understanding of the topics in this course. These materials are not required to complete the course, but they are aligned to course activities and assessments and are highly recommended for your use.

Optional

The following optional materials are offered to provide you with a better understanding of the topics in this course. These materials are not required to complete the course.

Unit 1 >> Economics Are Everywhere

Introduction

Economics Are Everywhere

Consider Ava, a single working parent who is trying to juggle the cost of going back to school with her necessary living expenses. It can be a real challenge. However, she unexpectedly inherited 10,000 dollars from a relative. This provides Ava with a number of options such as use the money to pay for school, put it aside in a *rainy day fund*, or use it to purchase a new vehicle.

Whatever she decides she will be making a tradeoff decision. For example, if her decision is to put the money into a *rainy day fund*, her tradeoff is not using the money to pay for school or purchase a new vehicle. In economics, when one decision is made, it often means a different decision cannot be made. It comes down to what an individual believes is more valuable to them. For Ava, that was creating herself a *rainy day fund*. However, you will need to weigh the value of these types of decisions for yourself based on what you value.

What Is Economics?

What does the price of bread have to do with international relations? How do you know if it's the right time to buy a new computer or look for a new job? Should you save your holiday bonus or spend it?

The study of economics helps you answer these questions and more by examining how society produces, consumes, and exchanges wealth and resources every day. In fact, everything we do—from the choices we make about our careers to the cost of living and how much we're able to spend and save—is influenced by the economy. And understanding the science of economics can give us the confidence to navigate our personal financial future.

In this course, we will introduce you to the basic concepts of economics and explore the essential skills that will help you to improve your personal, professional, and financial well-being. We'll also discuss what it means for you to invest in your most valuable resource—you.

To-Do List:

- **Discussion:** Examine the value of investing in yourself.
- **What You Need to Know:** Learn about the basics of economics and personal finance, which will form the foundation of much of the learning and activities in this course.
- **Interactive Learning Module:** See how worldwide economic trends can impact your personal finances.

Learning Activities

u01s1 - Activity Overviews

Discussion Overview

In this week's discussion, you will consider human capital and how it relates to your investment in yourself.

u01s2 - What You Need to Know

Economics, Personal Finance, and Essential Employability Skills

Ultimately, there's one investment that supersedes all others: Invest in yourself.

When we think of economics, it's easy to imagine investors trading stocks on Wall Street or international companies battling over supply and demand. But, in the modern world, economics affects every aspect of our daily lives. Simply put, economics is the study of how humankind uses its limited resources (such as time, money, goods, and services). And understanding these resources is not only the key to business success, it's critical to your personal financial success as well.

Every day, you make decisions that affect your personal financial future. You decide how to spend your time and money, which career to pursue, and how to grow the skills and experience you need to be professionally successful. In other words, you're deciding how to allocate your personal resources to best support yourself and your family. When we think of our personal resources, it's easy to forget that your most valuable resource is actually yourself. The more skills and knowledge you have, the more valuable you become to future employers. You've already started investing in yourself by committing to your education here at Capella. And, over the next 11 weeks, you'll not only gain a better understanding of economics and personal finance, you'll practice four of the essential employability skills that will help you invest in yourself and your future. They are:

- **Problem solving** to find creative, effective, ethical, and evidence-based solutions to economic and financial challenges.
- **Productivity** to plan and organize your finances as new priorities and needs emerge.
- **Technology** to complete tasks and goals, communicate complex financial data effectively, and stay competitive.
- **Agility** to embrace change and adapt so you can achieve the results you desire.

Introducing Economics and Personal Finance

Economics is all about how societies produce, consume, and exchange health and resources. Every decision you make in a day about using or conserving resources has a tie to economics. As such, understanding the basics of economics helps to put you in a better position to make wise choices regarding your personal finances. Personal finance is all about how you as an individual, or a family, make decisions around budgeting. This includes what you choose to buy, what you choose to save, and really anything that has to do with how you allocate your resources and wealth. By understanding personal finance, you can equip yourself to make wise, future-looking choices about how you are using your wealth and resources. The following resources will help you to build a basic foundational understanding of economics and personal finance to prepare you to complete this assessment and make wiser decisions related to your personal finances.

- Grable, J. E., & Palmer, L. (2019). *Introduction to personal finance: Beginning your personal journey*. Hoboken, NJ: Wiley.
 - Chapter 1, "Beginning Your Financial Journey: The Interior Finance Point of View."
- [What Is Economics?](#)
- Johnson, M. (n.d.). [Economic basics: Supply and demand](https://www.sophia.org/tutorials/economic-basics-supply-and-demand). Retrieved from <https://www.sophia.org/tutorials/economic-basics-supply-and-demand>
- [Understanding Indicators](#).
- Fixier, D. (1993). [The Consumer Price Index: Underlying concepts and caveats](#). *Monthly Labor Review*, 116(12), 3–12.

u01v1 - Interactive Learning Module: Capella Talks: Smart Money Decisions: The Economy and You

In this week's Capella Talks, Nicole Lapin, *The New York Times* best-selling author, journalist, and personal finance guru, will reveal how worldwide economic trends can impact your personal finances. And you'll discover how you can apply what you're learning in this course to strengthen your problem-solving skill so you can make the best financial decisions for your future.

Course Resources

[Capella Talks: Smart Money Decisions: The Economy and You](#) | Transcript

u01d1 - Write Your Discussion Post

Economics and Human Capital

In economics, we usually think of capital as physical assets used to produce goods or services (for example, machinery or factories).

But humans also earn capital when they pursue education or training that increases their employability and makes them more valuable to employers.

For this discussion, address the following:

- What is the connection between human capital and financial wealth?
- How is pursuing higher education an investment in your personal human capital?
- How do you think the employability skills in this course (problem solving, productivity, technology, and agility) can help increase your human capital?

Response Guidelines

Once you've completed your initial post, respond to one of your classmate's posts, sharing any commonalities between your classmate's perspective on human capital and your own.

Course Resources

Undergraduate Discussion Participation Scoring Guide

Unit 2 >> Think Critically About Economics

Introduction

Thinking Critically About Economics

Xinia has been learning about basic economic principles and is starting to use the learning to make decisions and plans about their personal finances in daily life. For example, understanding what supply and demand is the basis for critically thinking about what the report they read on a national shortage of limes. Namely, that lime prices will likely go up.

By applying this learning, Xinia gives themselves an opportunity to better plan their future meal plans and shopping list, which can help them save money.

Putting a Price on Success

Money won't make you happy on its own, but having the knowledge you need to take control of your personal finances will make your life a whole lot more enjoyable. Whether it's affording your own education or saving to pay for your children's, empowering yourself to achieve your personal and professional goals means thinking critically about your economic resources and making smart decisions for the future.

You can use your problem-solving skill to apply critical thinking strategies to make informed decisions about your personal finances. Also, you can apply the agility skill to adapt to changing economic trends. So even if money can't buy happiness, you'll have a solid plan in place to reach your own budgetary bliss.

To-Do List:

- **Discussion:** Consider an investment decision and discuss it in the context of this week's learning and your critical thinking skills.
- **What You Need to Know:** Learn about the time value of money and how it relates to financial decision making and well-being.

Learning Activities

u02s1 - Activity Overviews

Discussion Overview

In this week's discussion, you will consider the time value of money as it relates to an investment decision you or someone else has made.

u02s2 - What You Need to Know

Critical Thinking Strategies

No matter where you want to go in your life and career, there are five general strategies that you can use to improve your critical thinking. They are:

1. **Ask questions.** Think about what you already know and how you know it. Think about different possibilities and outcomes. The more questions you're able to come up with about the decision you're trying to make, the better informed you'll be in your choice.
2. **Question basic assumptions.** We all have assumptions that affect the ways we think and behave in our personal and professional lives. By keeping an open mind and building our knowledge, we can ensure these assumptions are based on factual knowledge rather than just our opinion.
3. **Examine different points of view.** One of the best ways to think critically is to read or listen to experts and other people with direct experience on a topic, task, or project. By adding more views to our own, we build a deeper understanding in our thinking and sharpen our critical perspective.
4. **Examine the existing evidence.** By backing up your ideas with evidence, you'll gain confidence in your decision making.
5. **Analyze everything.** Every choice in life has both potential risks and rewards. By assessing them, you'll have a better idea of the steps you need to take or tasks you need to complete to reach your goal. Solutions are created by taking the time to weigh your options carefully until the best one becomes clear.

Personal Finance and the Time Value of Money

During your lifetime financial journey, you will want your money working for you. And to make sure this is happening, you need to understand calculations that you'll use to plan and track your financial progress. The principle of compound growth, which is a powerful concept you can use to reach your financial goals, is a key starting point to putting your money to work for you. Additionally, by understanding how to calculate interest, you can better understand both the benefit of saving and investing, as well as the cost of borrowing money.

Understanding these concepts can equip you to understand and answer questions like:

- Was a purchase worth it?
- Will it give you what you want?
- Is it the best way to spend your money?
- What other factors should you be considering?

The following resources will help build a basic understanding of these concepts, as well as help prepare you to complete the discussion for the week and the Week 3 assignment.

- Grable, J. E., & Palmer, L. (2019). *Introduction to personal finance: Beginning your personal journey*. Hoboken, NJ: Wiley.
 - Chapter 2, "Tools for Your Financial Journey."
 - Section 2.1, "The Power of Compound Growth."
 - Section 2.2, "Overview of Time Value of Money."
 - Section 2.3, "Time Value of Money Calculations."
- Federal Trade Commission: Consumer Information. (2014). [It's never too early – Or too late – to save](https://www.consumer.ftc.gov/articles/0498-its-never-too-early-or-too-late-to-save). Retrieved from <https://www.consumer.ftc.gov/articles/0498-its-never-too-early-or-too-late-to-save>

u02d1 - Write Your Discussion Post

Time Value of Money and Critical Thinking

A key concept in economics and finance is the time value of money.

Most investment decisions, like buying a house, paying for your education, or starting a business, involve making a payment up front to earn a return later. (You pay money out at one or more points in time and later receive your benefits based on the investment's agreement.)

Additionally, economic factors such as supply and demand can play an important role in your investment process. If there is a huge supply of houses available in a neighborhood you like, housing prices in that neighborhood may go down due to a lack of current demands. Therefore, you as the buyer have more power and may be able to make an offer that is lower than the initial asking price. Alternatively, in a neighborhood that is very much in demand and low in available housing, the housing prices may be higher, and you may need to offer to pay more to compete with other offers for a house there.

Decisions in investments can end in a variety of ways. Applying your problem-solving skill and critical thinking strategies can help you successfully analyze opportunities to bring the best benefits for your efforts. Adjusting for the time value of money lets you calculate if the rewards are worth the wait so that you can arrive at an informed decision before you commit your money.

For this discussion, complete the following:

- Briefly describe an investment decision that you or someone else has made. (This should be for goods or services for which one or more payments were made to receive increased benefits from those goods or services at a later time.)
 - How do you think the concept of supply and demand impacted the investment decision?
 - How would you use the critical thinking strategies from this week to rethink a similar decision in the future now that you understand the time value of money?

Response Guidelines

Once you've completed your initial post, respond to one of your classmate's posts, sharing any commonalities between your classmate's perspective investment decisions (especially with regard to supply and demand or critical thinking) and your own.

Course Resources

Undergraduate Discussion Participation Scoring Guide

Unit 3 >> Adapting to Economic Impacts on Daily Living

Introduction

Adapting to Economic Impacts on Daily Living

Samuel has a side business painting large-scale portraits of people's pets. Recently, inflation has caused the cost of his art supplies such as paint and canvas. This has put him in a position of raising his prices, which could make the price of his pieces out of range for his usual customers. However, if he doesn't, the amount of money he will make per painting might not be worth his time.

By practicing his critical thinking and agility to solve problems, Samuel decides to change his business model in the short term. He is going to raise the prices on his normal large-format paintings to keep them worth his time. However, he is going to start offering small, inexpensive pet portraits that he can make more quickly, and perhaps, reach a new customer base.

This can help Samuel keep his income similar.

Earning Your Future

There are many things in our financial lives we can't control. We can't control the prices of goods such as groceries or the rising cost of housing. We can't control how much a company can afford to pay us to perform our job duties. But there are ways we can take control of our personal finances to earn the future we deserve. One of the best ways to do this is by understanding and navigating our income. Additionally, by learning how to understand and think critically about economic trends, you can better predict where certain areas of your expenses are likely to increase. Even if you cannot control the trends, by having an idea of what is coming, you can better prepare yourself for changes in costs.

You can apply both the problem-solving and agility skills when planning and managing your income. This will help you to look ahead and stay flexible so you can make the best financial decisions for your future.

To-Do List:

- **Discussion:** Discuss a plan that you create based on the given scenario and using your problem-solving skill.
- **Assignment:** Submit your Impact of Economics on Daily Living assignment.
- **What You Need to Know:** Learn the basics of creating a budget and why one is important in personal finance.
- **Interactive Learning Module:** See how Jeff Badu, an immigrant from Ghana, used critical thinking to strengthen his problem-solving skill and launch a global corporation and reach millionaire status by the age of 25.

Learning Activities

u03s1 - Activity Overviews

Discussion Overview

In this week's discussion, you will use your agility to help create a plan for a changing economic situation presented in a scenario.

Assignment Overview

In this week's assignment, you will review the scenario in which your child is about to start a culinary program at community college and you need to alter your family budget. You will discuss the trends that led to some of the changes in the budget and explain to your family why certain budget decisions were made.

u03s2 - What You Need to Know

Budgeting Basics

The foundation of most personal finance planning is the budget. By making a budget, you can help see where you are allocating your resources, which is the first step to making changes to improve your financial well-being. Additionally, budgets can help equip to be agile and respond to changes in the economy that change our financial situation. The following resources will introduce you to some budgeting basics and ideas about the agility skill. This will help prepare you to complete this week's discussion and assignment.

- Grable, J. E., & Palmer, L. (2019). *Introduction to personal finance: Beginning your personal journey*. Hoboken, NJ: Wiley.
 - Chapter 2, "Tools for Your Financial Journey."
 - Section 2.4, "Your Starting Point: The Balance Sheet."
 - Section 2.5, "The Personal Budget."
 - Section 2.6, "Your Financial Plan."
- Debt.org. (n.d.). [How to create and manage a budget](https://www.debt.org/advice/budget/). Retrieved from <https://www.debt.org/advice/budget/>
- Galperti, S. (2019). [A theory of personal budgeting](#). *Theoretical Economics*, 14(1), 173–210.
 - Skim as needed to help you complete this week's assignment.
- [Resource Allocation for Consumers](#).
- [Putting Agility to Work \[PDF\]](#).

u03v1 - Interactive Learning Module: Capella Stories: Problem Solving: A Better Path Forward

In this week's Capella Stories, meet Jeff Badu, an immigrant from Ghana, whose troubled teen years on the streets of Chicago promised little hope for the future until one trip changed his life forever. You'll discover how critical thinking not only allowed Jeff to strengthen his problem-solving skill but also helped him launch a global corporation and become a millionaire by the age of 25. Jeff is proof that the skills and strategies you're learning in this course can pay off in a big way.

Course Resources

[Capella Stories: Problem Solving: A Better Path Forward](#) | Transcript

u03d1 - Write Your Discussion Post

Economic Changes and Agility

Throughout your professional career, you will often need to adjust your working habits to convert economic challenges like inflation into financial opportunities. Remember, agility isn't just moving quickly. It's the ability to be flexible—to respond to change. To be able to proactively choose the best scenario in a situation is important, not just reactively make a quick choice to keep things moving along.

For example, assume you are considering which specific degree to pursue after you finish your general education requirements. It might be wisest to research not only what the job trends are currently, but what they are projected to be over the next 5–10 years. This is showing proactive agility, as you are setting yourself up to choose the best scenario in a situation.

For this discussion, consider the following scenario:

You have been notified that your housing costs are going to be increasing by 250 dollars a month, in three months time from now. Luckily, you have a number of options open to you in the near term:

- A friend of yours needs help running their web store and has offered to pay you 20 dollars per hour for 8 hours of work a week.
- Your financial aid renewal window is approaching and you currently have the ability to increase the amount of student loans you are taking out to cover the costs.
- A relative recently gifted you their old vehicle, which has a market value of 3500 dollars, and could be sold. You would also be saving money on fuel, upkeep, and insurance for that vehicle.

Complete the following:

- Describe the plan you would create to respond to the increased housing costs based on the options provided in the scenario.
 - What are the benefits of the plan to your finances, time, and well-being?
 - What are the drawbacks of the plan to your finances, time, and well-being?
 - How could you use your agility skill to make your plan more flexible?

Response Guidelines

Once you've completed your initial post, respond to one of your classmate's posts, sharing any commonalities between your classmate's plan and rationale, and your own.

Course Resources

Undergraduate Discussion Participation Scoring Guide

u03a1 - Impact of Economics on Daily Living

Overview

Economic trends and events in the world have real impacts on your daily life. This could take the form of a new technology that increases the demand for workers in a certain field, the amount of economic growth for a country affecting the ability (or willingness) of employers to increase wages, or even trade decisions between two countries that cause price of some everyday goods to fluctuate.

Economic impacts require you to make decisions on how to allocate resources and effectively budget, and use critical thinking strategies to help you navigate the world of finance and economics. Throughout the previous weeks of this course, you have learned foundational economic concepts, basic personal finance considerations, and problem-solving strategies. In this assignment, you will apply all of these to a hypothetical budgeting scenario.

Your goal for this assignment is to build your problem-solving skill by articulating how economics have real impacts on families and their budgets. You will apply decision-making and critical thinking strategies to explain how economics impacts hypothetical personal budget decisions.

Preparation

Read the scenario below to understand the context for this assignment. Review the [Week 3 Assignment Template \[DOCX\]](#). This completed template will be your deliverable for this assignment. Make sure you are providing at least one paragraph (4–7 sentences) per section.

Scenario

Your child is starting a two-year culinary program at the community college this year and was awarded a small grant to cover some of the cost. You need to adjust your budget for this additional expense, as well as consider and project future economic trends. At the beginning of this year, the cost of

housing, for example, rose as there were more renters than rental units. Additionally, certain trade decisions have made some imported items more expensive than the previous year. The family's income changed slightly, but because of these economic changes, you will need to make changes to the yearly budget. You will need to analyze spending in the prior year and the current budget for this year. Your family might not be happy with some of your decisions about where to spend less or where to spend more. So, you also need to be prepared to explain the reasoning for your decisions to them.

Instructions

For this assignment, complete the following steps:

- **Step 1:** Review the scenario for at least one economic concept and describe how it applies to the scenario.
 - **Scoring guide criteria:** Describe how a relevant economic concept applies to a scenario.
- **Step 2:** Review the two budgets in the [Week 3 Assignment Template \[DOCX\]](#). Prepare a summary of what did and did not change between the two budgets.
 - **Scoring guide criteria:** Summarize the change in expenditures between budgets.
- **Step 3:** Think about the economic trends that created the need for you to make the budget decisions that you did. Make connections to the economic concepts you have learned.
 - **Scoring guide criteria:** Describe the economic trends that created the need for a change in expenditures.
- **Step 4:** Explain the rationale for the budget decisions to the family. Address all changes (or non-changes) in expenditures and discuss long-term effects.
 - **Scoring guide criteria:** Explain the rationale for budget decisions made in response to economic changes.
- **Step 5:** Think about how changes in the economy has previously impacted, or currently is impacting, your personal life and finances.
 - **Scoring guide criteria:** Reflect on how changes in economic variables may impact your personal life and finances.
- **Step 6:** Review your assignment to ensure your written responses are addressing all aspects of the template prompts and are well and clearly written.
 - **Scoring guide criteria:** Address all components of prompt and use the assignment description to structure text.

Submit the completed template to the assignment area.

Additional Requirements

Your assignment should also meet the following requirements:

- **Written Communication:** Communicate in a manner that is scholarly, professional, respectful, and consistent with expectations for professional practice in education. Original work and critical thinking are required regarding your assignment and scholarly writing. Your writing must be free of errors that detract from the overall message.
- **Font and font size:** Times New Roman, 12 point.
- **Sources:** Two sources are required. One of these sources can be one of the course readings or videos. The second source must be obtained from the Capella library databases.

Review the Impact of Economics on Daily Living Scoring Guide before submitting the assignment.

Competencies Measured

By successfully completing this assignment, you will demonstrate your proficiency in the following course competencies and assignment criteria:

- Competency 1: Explain how economic principles impact aspects of personal and professional life.
 - Describe how a relevant economic concept applies to a scenario.
 - Describe the economic trends that created the need for a change in expenditures.
 - Reflect on how changes in economic variables may impact your personal life and finances.
- Competency 2: Develop financial plans to manage budgets and economic goals, while considering economic drivers, necessary resources, and uncertainty.
 - Summarize the change in expenditures between budgets.
 - Explain the rationale for budget decisions made in response to economic changes.
- Competency 5: Develop professional written communication in a well-organized text, incorporating appropriate evidence and tone in grammatically sound sentences.
 - Address all components of prompt and use the assignment description to structure text.

Introduction

Financial Planning Starts With Housing

After renting an apartment for five years, Ella and Jay bought their first home together last year and were so excited. However, like many of today's recent homeowners, the couple didn't plan for the hidden costs of owning a house—such as property taxes, maintenance fees, and insurance. Now they're wondering how they're going to make all of their monthly payments and are wishing they'd picked out something more affordable (Elkins, 2019).

Planning for Peace of Mind

When #WithMyNextPaycheckIWill first began trending on Twitter, instead of the usual witty responses, most retweets lamented about the daily financial struggle of living paycheck to paycheck in the United States. The vicious cycle of working just to pay bills, while never getting ahead, is an effect of both our economy and the rising cost of living. Yet, there are financial planning measures you can use in your own life to help you take control of your finances and your future.

By learning how to build a financial plan, you will equip with yourself with a tool and an approach to help build your financial well-being. Understanding how to create a financial plan based on both economic trends and your personal goals will not only make you more productive toward reaching those goals, it can also help free you from the trap of endless financial stress. It isn't possible to plan for all of life's challenges and surprises, though, so you'll need to use your agility skill to weather the uncertainties and adapt your plan so you can feel confident that you're prepared for your future.

The Week 5 assignment will help you practice your productivity skill (by using planning and templates to help you be more efficient) and your agility skill (as you practice responding to a sudden life change in the scenario).

To-Do List:

- **Discussion:** Think critically and discuss the benefits and drawback of both buying and renting a house.
- **What You Need to Know:** Learn about housing decisions within the context of the economy and personal finance, as well as real estate as an investment.
- **Interactive Learning Module:** See how tackling the most unappetizing tasks first has benefits that will increase your productivity.
- **Interactive Learning Module:** See how friends achieve financial freedom when they team up to strengthen their productivity by purchasing an investment property.

Reference

Elkins, K. (2019). Wealth manager: Buying a home is "usually a terrible investment"—Here's why. Retrieved from <https://www.cnbc.com/2019/04/18/wealth-manager-buying-a-home-is-usually-a-terrible-investment.html>

Learning Activities

u04s1 - Activity Overviews

Discussion Overview

In this week's discussion, you will explore the advantages and disadvantages of buying and renting housing. You will also look ahead to the Week 5 assignment and consider how this information can help you create a starting point for working on your assignment.

u04s2 - What You Need to Know

Pivot With Purpose

Purchasing a home is one of the single biggest financial decisions people make in their lives. So it's important to understand how economic concepts such as mortgage loans and housing costs can impact your short-term or long-term financial goals. And, no matter how much you plan ahead, surprises

—both exciting and challenging—are going to create obstacles in your life. To continue to perform your best and meet your goals, you'll need effective strategies that can help you reassess your priorities and make adjustments as needed.

Part of the importance behind having a financial plan in the first place is so that when things do change, you can see how to pivot with purpose. Pivoting with purpose means changing your plans to ones better suited to your situation. Your ability to purposefully develop plans in the face of challenges will help you remain productive no matter what comes your way. It will also minimize the time you would waste not responding to a situation. As you refine your abilities to assess, adjust, and reflect on your planning and reprioritize as new information arises, you'll continue to strengthen your productivity skill. To pivot, though, you'll also need to practice your agility skill. By adopting an agile mindset, you'll allow yourself to adapt and remain open to the greatest opportunities your life has to offer.

Personal Finance, Housing, and Real Estate

For many, our personal finances are closely tied to our housing situation. Understanding housing options and how the choices related to housing options are tied to our finances is key for making any financial plans. The following resources will help to build your understanding of these topics and prepare you to complete this week's discussion and the Week 5 assignment.

- Grable, J. E., & Palmer, L. (2019). *Introduction to personal finance: Beginning your personal journey*. Hoboken, NJ: Wiley.
 - Chapter 6, "Loans and Housing Decisions."
 - Chapter 8, "Investments."
 - Section 8.9, "Investing in Real Estate."
- Chilton, K., Silverman, R. M., Chaudhrey, R., & Wang, C. (2018). [The impact of single-family rental REITs on regional housing markets: A case study of Nashville, TN](#). *Societies*, 8(4), 93–103.

u04v1 - Interactive Learning Module: Real Talk: Eat the Frog!

Mark Twain once said, "If your job is to eat a frog, it's best to do it first thing in the morning." This means if you have something hard to do, it's best to tackle it first. In this week's Real Talk, Nicole Lapin breaks down Mark Twain's classic advice and demonstrates how *eating the frog* or tackling the most unappetizing tasks first—for example, doing your taxes—has real benefits that will increase your productivity.

Course Resources

[Real Talk: Eat the Frog!](#) | Transcript

u04v2 - Interactive Learning Module: Capella Talks: 50 Dollars a Week: Saving for Your Dream Investment

In this video, friends from Philadelphia take the road to financial freedom when they team up to strengthen their productivity by purchasing an investment property.

Course Resources

[Capella Stories: 50 Dollars a Week: Saving for Your Dream Investment](#) | Transcript

u04d1 - Write Your Discussion Post

Housing Choices and Financial Planning

For many Americans, buying a house is a goal. But it is also expensive compared to renting. Renting and buying offer unique benefits and drawbacks. Although you may ultimately want to buy a house at some point, you'll most likely start off in your financial journey by looking for a place to rent.

For this discussion, address the following:

- Explain some of the advantages and disadvantages of buying a home compared to renting.
 - Consider how home value adds to your personal wealth, cost (fees), repairs or maintenance, and taxes that might be paid if you buy versus rent.
- Look ahead to the scenario given in the Week 5 assignment and briefly describe which housing goal you think you want to research.
 - What types of financial information might you need to be able to create a starting point for reaching this goal?

Response Guidelines

Once you've completed your initial post, respond to one of your classmate's posts, sharing any commonalities between your classmate's explanation of buying versus renting or their potential approach to the Week 5 assignment and your own.

Course Resources

Undergraduate Discussion Participation Scoring Guide

Unit 5 >> Planning for Peace of Mind

Introduction

Planning for Peace of Mind

Shia is incredibly busy this term. She's not only enrolled in three courses, but she also works part-time as a nanny, takes care of her young son, and is trying hard to stick to her New Year's resolution of working out more.

A couple of weeks into her courses, Shia realizes she needs to spend more time studying to perform her best, so she reduces her hours at work. She also ends up spending a lot of money on takeout because she can't find as much time to grocery shop or cook. After a month of earning less and spending more, Shia realizes she doesn't have enough money to make her rent this month and is already worried about next month too. She isn't sure what she should do and spends a lot of time stressing about the future.

If Shia had already completed this course, she would be able to rely on her personal financial plan to help overcome these obstacles. A financial plan is a personal document that details all the financial information you have—such as your cash flow, savings, debt, investments, and insurance. A financial plan should also include your personal goals (like buying a house), help you prioritize those goals, and allow you to strategize on how you're ultimately going to reach them. A financial plan can help you stay agile in the face of challenges (like changes in your income) by giving you the information you need to pivot and still stay on track.

Shia is lucky—she will be able to borrow enough money from her family to make rent this time. Hopefully, she has learned that if she wants to achieve real financial security and be prepared for life's what-ifs, she'll need to create a financial plan for her future

Financial uncertainty is the single greatest stressor in Americans' lives. When you're stressed, it's difficult to stay productive toward your personal and professional goals because your mind is busy focusing on that stress. A financial plan can help you improve your overall well-being and eliminate stressors that get in the way of productivity. This week, you will learn about planning for peace of mind.

To-Do List:

- **Discussion:** Reflect on productivity strategies and how they apply to your life.
- **Assignment:** Submit your Developing a Personal Financial Plan assignment.
- **What You Need to Know:** Learn about how budgets and financial plans are related, as well as tips for creating one.
- **Interactive Learning Module:** Learn how to create a spending plan that fits your life, stays within your budget, and still allows for extras.

Learning Activities

u05s1 - Activity Overviews

Discussion Overview

In this week's discussion, you will reflect on the productivity strategies you have learned and how they can help you maintain balance.

Assignment Overview

In this week's assignment, you will review the scenario in which you have been offered a promotion in another city and must decide what to do with your current house, as well as your housing options in the new city. You will complete a budget based on your decisions and projected new income, as well as explain your rationale for the choices that you made.

u05s2 - What You Need to Know

Getting Started With a Financial Plan

As you begin assembling your financial plan in this course, here are some simple techniques you can use to improve your productivity and reach your financial goals:

- **Track expenses and income.**
 - If you want to see where your money is going rather than merely guessing, you can keep a daily record of all your financial transactions, including paychecks and bills. Here are some common third-party applications that professionals use to track their expenses. (**Note:** These are only recommended tools and do not represent tools that are specifically endorsed by Capella. Use of any of these tools is entirely at the user's risk and may involve the transmission of personal information. If you are not comfortable transmitting your personal information, do not use the tool.)
 - **Mint:** A budget management tool that syncs with your accounts to track spending.
 - **PocketGuard:** Gives you a snapshot of how much you can spend at any moment.
 - **Clarity Money:** Tracks your spending and online subscriptions.
 - **Excel:** Allows you to build, track, assess, and visualize budgets from the ground up.
- **Reduce your expenses.**
 - Could you cut back on takeout lunches or negotiate a better data plan with your cell phone company? Once you start looking at how you're spending, there are bound to be ways to save. For instance, you may be able to receive a lower interest rate on your credit card simply by asking.
- **Consider your values.**
 - To keep a balanced budget, you will need to make decisions around regular spending versus achieving your goals. One person may be fine cutting out the fancy latte to add more to their weekly savings, but another person may really need that daily reward to keep them motivated. Once you have a sense of how the items in your financial plan rank in relation to each other, you can more effectively plan for your future.
- **Set financial goals.**
 - Maybe, you want to pay for an extra degree, a night out at a cool new restaurant, or a vacation to Mexico. Everyone has goals. The more specific yours are in your plan, the more focused and motivated you'll be to make it happen by saving, paying off debt, and growing your funds.
- **Try the 50/20/30 rule.**
 - This easy-to-follow budget organizes your income like this:
 - 50 percent for fixed expenses.
 - 20 percent for financial goals.
 - 30 percent for variable expenses (Hayes, 2019).

These simple techniques will not only bolster your personal financial plan; they will help you stay on track to achieving the future you want to earn

Financial Planning for Peace of Mind

Financial uncertainty is the single greatest stressor in Americans' lives. When you're stressed, it's difficult to stay productive toward your personal and professional goals because your mind is busy focusing on that stress. A financial plan can help you improve your overall well-being and eliminate stressors that get in the way of productivity. And there are a number of daily practices you can also use to take control of the stressors in your life (Hill, 2018).

- **Exercise.**
 - Getting your blood pumping at least 30 minutes each day will help your mental clarity and focus during work. It doesn't have to be all at once, or even athletic; you can walk the dog or play with your kids.
- **Reward yourself.**
 - We are motivated by rewards, even small ones. Find little ways to push yourself to stay productive, like treating yourself to a morning muffin.
- **Limit your online distractions.**
 - It's challenging not to get sucked into the latest posts or headlines when you're trying to get work done. You can limit your Internet distractions by reducing how often you check your e-mail or social media posts.
- **Take short, strategic breaks.**
 - Taking breaks every 90 minutes has been proven to keep your brain more relaxed and refreshed. Don't break for too long, though, or you may lose sight of what you were working on. A 10–15-minute break will keep you sharp.
- **Tap into your body's rhythm.**
 - Learning to ride your natural wave of energy throughout the day can help you stay productive. For many people, working on bigger tasks early in the morning is best because they are more alert and focused.
- **Don't ignore burnout.**
 - Balancing your work and life is sometimes difficult to manage, but being honest with yourself and paying attention to your body can keep you from feeling stuck or getting sick. Here are some tips to avoid burnout:
 - Make sure you're getting enough sleep.
 - Avoid foods that make you feel too tired or full.
 - Go outdoors at least once every day, even for 5 minutes.
 - Focus on what you're passionate about.
 - Modify what you can to feel fulfilled, but don't get hung up on things you can't control.
- **Adopt an agile mindset.**
 - All of the stresses and worries in our life can spin out of control, crowd our mind, and stifle our success. Protect your mental agility by worrying less about what others think or things you can't control, asking questions when you need help, trying new things that push you outside of your comfort zone, and reducing negative self-talk. By staying mentally flexible, you'll find it easier to adapt your mind to new scenarios and to come up with unique solutions to problems.

By taking control of your personal well-being, you're setting yourself up to stay productive at home, work, and school.

Budgeting, Financial Plans, and Well-Being

A key tool in your financial well-being toolbox is a financial plan. A financial plan is similar to a budget as it looks at your income and expenditures. However, financial plans also take into account forward-looking goals, as well as projecting a known variables such as the value of assets or planned large expenditures. Also, knowing your budget is often a needed starting point for creating a financial plan. Having a budget and a plan can help you manage your time and productivity, which can help improve your well-being. The following resources will help you build an understanding of these items, as well as help you to complete this week's discussion and assignment.

- Shin, L. (2015). [The 1-page financial plan: 10 tips for getting what you want from life](https://www.forbes.com/sites/laurashin/2015/03/31/the-1-page-financial-plan-10-tips-for-getting-what-you-want-from-life/#5cef1cf872de). Retrieved from <https://www.forbes.com/sites/laurashin/2015/03/31/the-1-page-financial-plan-10-tips-for-getting-what-you-want-from-life/#5cef1cf872de>
- Schulz, A. K-D., & Cheng, M. M. (2002). [Persistence in capital budgeting reinvestment decisions – Personal responsibility antecedent and information asymmetry moderator: A note](#). *Accounting and Finance*, 42(1), 73–86.
- George, J. (2014). [Forget right or wrong: Decision-making is about trade-offs](https://www.forbes.com/sites/sungardas/2014/05/15/forget-right-or-wrong-decision-making-is-about-trade-offs/#2b7f3de81cf2). Retrieved from <https://www.forbes.com/sites/sungardas/2014/05/15/forget-right-or-wrong-decision-making-is-about-trade-offs/#2b7f3de81cf2>
- [Careeronestop](https://www.careeronestop.org/). (n.d.). Retrieved from <https://www.careeronestop.org/>
- [O*NET online](http://www.onetonline.org/). (n.d.). Retrieved from <http://www.onetonline.org/>
- [The 80/20 Rule \[PDF\]](#).
 - This will help you explore a powerful strategy for budgeting your time, which can be a key consideration in managing your well-being.
- [Your Productivity Toolbox \[PDF\]](#).
 - This is designed to remind you what being productive looks like, and will show you ways to apply productivity in your everyday life.

References

Hayes, M. (2019). 5 types of budgets and how to make one that actually works for you. Retrieved from <https://www.marketwatch.com/story/5-types-of-budgets-and-how-to-make-one-that-actually-works-for-you-2019-01-03>

Hill, C. (2018). This is the no. 1 reason Americans are so stressed out. Retrieved from <https://www.marketwatch.com/story/one-big-reason-americans-are-so-stressed-and-unhealthy-2018-10-11>

u05v1 - Interactive Learning Module: Capella Talks: Be Productive: Your Spending Plan Is Your Friend

In this video, Nicole Lapin shares the strategies that made her more productive with her own spending. And, you'll learn one way to create a spending plan that fits your life, stays within your budget, and still allows for extras. By putting a plan in place to manage your money, you'll be on the most productive path to reaching your financial goals.

Course Resources

[Capella Talks: Be Productive: Your Spending Plan Is Your Friend](#) | Transcript

u05d1 - Write Your Discussion Post

Productivity, Planning, and Well-Being

Many people think of productivity in terms of accomplishing tasks in a timely and efficient way. However, another important aspect of building your productivity skill includes effectively planning the tasks you have to do and prioritizing the order in which you have to do them. When you are productive and have a plan, you can reduce the stress you feel about certain tasks or areas of uncertainty in your life. This can help you stay focused toward our personal and professional goals. So, when you use your productivity to effectively plan, it can help improve your overall well-being and eliminate stressors that get in the way of productivity.

For this discussion, complete the following:

- Think about how productivity and your own well-being are related. How are you currently maintaining a balance in your life and helping to contribute to your well-being?
- Describe briefly how you could, or have, used productivity strategies to help you plan and complete your coursework.

Response Guidelines

Once you've completed your initial post, respond to one of your classmate's posts, sharing any commonalities between your classmate's application of productivity strategies and your own.

Course Resources

[Undergraduate Discussion Participation Scoring Guide](#)

u05a1 - Developing a Personal Financial Plan

Overview

We all have financial goals and it can be challenging to figure out how exactly to save toward these goals, given the numerous expenses of daily living. A financial plan helps you identify how you can reach your short- and long-term goals, and leverage planning and organization strategies to make

meaningful, incremental progress toward realizing these goals. This assignment gives you the opportunity to apply what you've learned about personal financial planning, productivity strategies, and the use of Excel to develop a personal financial plan aligned to your financial goals.

Build your productivity skill by creating a plan for reaching a specific financial goal within an identified time frame. You will use productivity strategies to break financial planning into manageable, organized steps, and use Excel to develop a realistic plan that is aligned to your financial goal and considers economic drivers, requirements, and resources.

Preparation

Read the scenario below to understand the context for this assignment. Review the [Week 5 Assignment Excel Template \[XLSX\]](#) and [Week 5 Assignment Word Template \[DOCX\]](#). These completed templates will be your deliverables for this assignment. Make sure you have completed all sections of the Excel template and are providing at least one paragraph (4–7 sentences) per section in the Word template.

Scenario

You were offered a promotion in another city. You need to consider whether to turn your home into an investment (rental) property or sell it. In both scenarios, consider what this will do to your ability to purchase a new home in a new city. Do you need to rent first in your new city? Or can you make the purchase of a new home?

Congratulations on your promotion.

Instructions

Using what you have learned about budgeting, financial planning, and Excel, complete the [Week 5 Assignment Excel Template \[XLSX\]](#). Pay attention to the cells that are marked for you to fill in versus those that you should not modify. Then, complete the [Week 5 Assignment Word Template \[DOCX\]](#) to explain and reflect on your rationale for the choices you made in your financial plan, as well as reflect on the productivity strategies you used during the process. Remember to turn in both completed templates once you are finished.

Take the following steps to complete this assignment:

- **Step 1:** Use the [Week 5 Assignment Excel Template \[XLSX\]](#) to create your financial plan. **Important:** Pay attention to cells with *red triangles* on upper right corner. These indicate that there are comments (notes) that could help you in your budgeting or data entry.
 - **Scoring guide criteria:** Create a personal financial plan that estimates new salary and housing options: value of home, profit for sale of home, or profit from rental revenue.
 - **1a:** Identify an annual income as a starting point for your financial plan. Use an annual income value that you feel comfortable using for this assignment.
 - You can find the average or median income of career fields at [Careeronestop](#) and [O*Net Online](#). Consider what career field you would want your promotion to be in and then research it and its salary information
 - **1b:** Consider the value of your home. This includes a fair market value estimate and potential profit from sale of your home or revenue from rent that you could expect.
 - If you do not currently own a house, use the median home value for your area.
 - Use the Internet to research median home values in your area.
 - If you do not currently own a home, assume you still owe 65 percent of the home value on your mortgage.
 - For finding out the amount of rent you could expect to collect on your home, use the Internet to research rental prices of similar houses in your area.
 - If you do not own a home, research potential rental income based on properties for rent that are similar to the average home in your area.
 - **1c:** Select one of the following goals:
 - Option 1: Buy a home in your new city.
 - Use the Internet to find a home that you like and would fit your family's needs.
 - Deduct the profit (from sale of home or rental property revenue). Enter that cost in expenditures.
 - See comments (notes) in the cells about making this calculation.
 - Option 2: Rent a home in your new city.
 - Use the Internet to find a home that you like and would fit your family's needs.
 - Estimate what this cost is by deducting your profit (from sale of home or rental property revenue). Enter that cost in expenditures.
 - See comments (notes) in the cells about making this calculation.
 - Option 3: Rent, then buy a home in your new city.
 - Use the Internet to identify a rental property as well as a property to purchase that would both fit your family's needs.
 - Estimate how long you will be paying expense of your original home plus the expense of your home or rent in the new city. Enter that cost in expenditures.
 - Consider how many months you would be renting before purchasing a home.

- See comments (notes) in the cells about making this calculation.
 - **1d:** Complete your annual budget in the Excel template. Remember to only edit the cells that have been marked for you to edit.
- **Step 2:** Use the [Week 5 Assignment Word Template \[DOCX\]](#) to complete this and next steps. Consider the housing goal from your financial plan. Report a realistic time frame for reaching this goal.
 - **Scoring guide criteria:** Identify a realistic time frame for reaching new housing goal.
 - What is your time frame for reaching your new housing goal?
 - How did you arrive at this? Think about how long you expect it to sell or rent your current home, the price of purchasing or renting in your new city, et cetera.
 - Use research from the course readings or outside sources to support your time frame.
- **Step 3:** Look at your goal, decision about what to do with your original home, and the other expenditures you chose in your financial plan. Write about why you chose the housing option you did (both in terms how what you did with your original home and you housing goal in your new city). Also, discuss how your other expenditure decisions help support achieving your housing goal in your new city.
 - **Scoring guide criteria:** Explain choice of housing option and how it supports achieving the selected financial goal based solely on expense consideration (both housing and non-housing related expenses).
- **Step 4:** Think about the productivity resources that were presented in the course. Then, think about the process you used for completing your financial plan. Write about how you used one or more of the productivity strategies or resources to help you create a more effective and/or organized process for researching and completing your financial plan.
 - **Scoring guide criteria:** Reflect on the productivity strategies one used to break down the financial plan into smaller steps to help stay organized and productive.
- **Step 5:** Review your assignment to ensure your written responses are relevant and clear and that you are thoroughly addressing the prompts in the template.
 - **Scoring guide criteria:** Convey purpose in an appropriate tone and style, incorporating supporting evidence and adhering to organizational, professional, and scholarly writing standards.

Submit your deliverables to the assignment area. Remember, you need to submit both completed Week 5 Assignment Excel Template and Week 5 Assignment Word Template for this assignment.

Additional Requirements

Your assignment should also meet the following requirements:

- **Written Communication:** Communicate in a manner that is scholarly, professional, respectful, and consistent with expectations for professional practice in education. Original work and critical thinking are required regarding your assignment and scholarly writing. Your writing must be free of errors that detract from the overall message.
- **Font and font size:** Times New Roman, 12 point.
- **Sources:** Two sources are required. One of these sources can be one of the course readings or videos. The second source must be obtained from the Capella library databases.

Review the [Conducting a Personal Financial Analysis Scoring Guide](#) before submitting the assignment.

Competencies Measured

By successfully completing this assignment, you will demonstrate your proficiency in the following course competencies and assignment criteria:

- Competency 2: Develop financial plans to manage budgets and economic goals, while considering economic drivers, necessary resources, and uncertainty.
 - Create a personal financial plan that estimates new salary and housing options: value of home, profit for sale of home, or profit from rental revenue.
 - Identify a realistic time frame for reaching new housing goal.
 - Explain choice of housing option and how it supports achieving the selected financial goal based solely on expense consideration (both housing and non-housing related expenses).
 - Reflect on the productivity strategies one used to break down the financial plan into smaller steps to help stay organized and productive.
- Competency 5: Develop professional written communications in a well-organized text, incorporating appropriate evidence and tone in grammatically sound sentences.
 - Convey purpose in an appropriate tone and style, incorporating supporting evidence and adhering to organizational, professional, and scholarly writing standards.

Introduction

Earning for Your Future

When Laurie first began knitting onesies for her friends' new babies, she thought she was just making nice gifts. A few posts by her friends and 200,000 social media likes later, Laurie realized she had an opportunity to start a real business that could help her afford to begin a family of her own someday.

For Laurie to transition from knitting as a hobby into a thriving source of income, she'll need to adapt her working habits and think critically. She'll need a better understanding of her skills, and she'll need to examine economic trends that might cause financial challenges in the future. Additionally, Laurie will need a plan for how to balance her earnings, expenses, and time so that she can ensure her earnings are helping to build her future.

Time Is Money

Even though he lived over 200 years ago, odds are Benjamin Franklin would be fascinated by how today's financial habits have created an economy that supports the value of time. For example, instead of spending time shopping at the store, you can order pretty much anything on Amazon and have it delivered to your door in just a few days. Franklin might also agree that not all time is created equal. The time you spend with your family, for example, may be more valuable to you than the time you spend doing laundry. And because time (unlike money) is finite, it is, perhaps, the most valuable resource to use wisely throughout your life.

Understanding the value of your time can help you build your productivity skill. For example, creating an appropriate savings and investment plan can help you manage your time and reach your goals. When you apply the correct strategies to the right plan, you save yourself time and resources, which makes you more productive.

To-Do List:

- **Discussion:** Explore potential plans that could help you save on a more regular basis.
- **What You Need to Know:** Learn about income and how it is a building block for your personal finances and long-term well-being.
- **Interactive Learning Module:** View a step-by-step guide to calculating the cost of your time so that you can make informed decisions to balance your life and be more productive.

Learning Activities

u06s1 - Activity Overviews

Discussion Overview

In this week's discussion, you will describe a potential savings plan that could help you save on a more regular basis.

u06s2 - What You Need to Know

Understanding Income, Budget Constraints, and Savings

There are many things in our financial lives we can't control. We can't control the prices of goods such as groceries or the rising cost of housing. We can't control how much a company can afford to pay us to perform our job duties. But there are ways we can take control of our personal finances to earn the future we deserve. One of the best ways to do this is by understanding and navigating our income. If we can understand where our income comes from, what we are doing with it, and how to best plan to leverage our income to grow our financial wealth, it is possible we can set ourselves up for long-term financial well-being. The following resources will help you to better understand these concepts, as well as prepare to complete this week's discussion and the Week 7 assignment.

- Grable, J. E., & Palmer, L. (2019). *Introduction to personal finance: Beginning your personal journey*. Hoboken, NJ: Wiley.
 - Chapter 3, "Earnings and Income: The Building Blocks of Your Financial Journey."
 - Chapter 4, "Personal Taxation."
- Gerrans, P., Speelman, C., & Campitelli, G. (2014). [The relationship between personal financial wellness and financial wellbeing: A structural equation modelling approach \[PDF\]](#). *Journal of Family and Economic Issues*, 35(2), 145–160.
- Agarwal, P. (2019). [Budget constraint](#). Retrieved from <https://www.intelligenteconomist.com/budget-constraint/>
- [Budget Constraints: Change in Income](#).

u06v1 - Interactive Learning Module: Capella Talks: Your Time Is Money

In this video, Nicole Lapin offers you a step-by-step guide to calculate the cost of your time so that you can make informed decisions to balance your life and be more productive.

Course Resources

[Capella Talks: Your Time Is Money](#) | Transcript

u06d1 - Write Your Discussion Post

Creating a Savings Plan

One important consideration of a financial analysis is your plan for savings. To grow your wealth, you need to create a surplus. Simply put, a surplus is money you have left after covering your necessary expenses (that is, living expenses, debt payments, et cetera). So, if you want to save and grow your wealth, your goal should be to always have extra money left over after you have paid for your necessities. If you are continuously at a deficit, it will lead to financial stress, and is ultimately unsustainable. Typically, these deficits occur because your budget for items such as entertainment and transportation are exceeding your income. In this type of situation, you should consider taking action and look for how you could increase your income and/or reduce spending to cover the deficit. It is understandable that sometimes these situations will happen because of unexpected developments. If possible, it would be ideal to have emergency saving in place for this type of situation. If not possible, leverage your planning skills and personal finance knowledge to create a potential solution.

For this discussion, describe saving strategies that might help you save money on a regular basis.

- What type of plan (an aggressive plan or one with smaller calculated steps) is the best fit for you, based on your situation and goals?
- How could you leverage the economic and personal finance knowledge you have, as well as your employability skills, to help you create a plan?

Response Guidelines

Once you've completed your initial post, respond to one of your classmate's posts, sharing any commonalities between your classmate's perspective on saving and using knowledge and skills and your own.

Course Resources

Undergraduate Discussion Participation Scoring Guide

Unit 7 >> Analyzing Finances to Guide Planning and Decisions

Introduction

Analyzing Finances to Guide Planning and Decisions

Tahli's partner recently received a bonus at work. As the person who is typically in charge of the household's finances, she has been thinking about the best way to use the bonus for the benefit of the household.

Should she roll it into bonds or stocks to meet their future financial goal of moving to a larger home?

How much should she put into a retirement account to ensure a more comfortable future?

Could some of it be put toward a family vacation?

Tahli decides to undertake an analysis of the household's finances to help her make an informed decision. By completing a personal financial analysis, she can begin to make decisions that will help her understand how to assess and set financial goals to earn both the short- and long-term financial life she wants.

A financial analysis is an activity that can help anyone better understand what resources they have, where they are expending those resources, and make adjustments to create a plan to achieve the life they want. In the end, to make your financial analysis work for you, you must think critically about the purpose you're trying to achieve.

It's never too early to work toward the future you want to create. And that means not only planning for your professional future but also planning for what comes after. The sooner you become familiar with the best ways to save for retirement and start putting funds aside, the easier it will be to take control of when you stop working and ensure you have the means to live comfortably. A financial analysis can help you to track and plan your current and future investments.

By completing your assignment this week, you will leverage your technology and problem-solving skills to visualize data and convey solutions from your personal financial analysis. You can also use these same skills to help others visualize and understand data at home, work, and school. You may be surprised to discover just how much of your future depends on the decisions you make today.

To-Do List:

- **Discussion:** Examine the pros and cons of a variety of financial accounts and consider how planning and productivity can help you best use these accounts.
- **Assignment:** Submit your Conducting a Personal Financial Analysis assignment.
- **What You Need to Know:** Learn about the importance of various financial accounts and how they can impact a personal financial analysis. Also, learn about how to use Excel to create basic data visualizations such as graphs and charts.
- **Interactive Learning Module:** Explore tools that will help you reach your retirement goals.

Learning Activities

u07s1 - Activity Overviews

Discussion Overview

In this week's discussion, you will review the advantages and disadvantages of a variety of financial accounts, as well as reflect on how planning can help you be better positioned to meet your financial priorities.

Assignment Overview

In this week's assignment, you will review the scenario in which you are checking on your progress toward the financial goal you set for yourself in the Week 5 assignment. You will complete a financial analysis for which you will create three monthly budgets, track your progress toward your financial goal, and create graphs to illustrate your budgets and savings progress. You will also explain why you chose the visualizations you did and the findings of your financial analysis.

u07s2 - What You Need to Know

Financial Analysis of Personal Finances

By analyzing your past and current financial state, it can help you understand changes that you could make to improve your financial well-being, as well as make informed decisions about future financial decisions. The following resources will help you to build your understanding of forces and concepts that influence our finances and prepare to complete this week's discussion and assignment.

- Grable, J. E., & Palmer, L. (2019). *Introduction to personal finance: Beginning your personal journey*. Hoboken, NJ: Wiley.
 - Chapter 5, "Checking Accounts, Credit Scores and Credit Cards."
- Arya, S., Eckel, C., & Wichman, C. (2013). [Anatomy of the credit score](#). *Journal of Economic Behavior and Organization*, 95, 175–185.
- Tressler, C. (2016). [Why your credit score matters](https://www.consumer.ftc.gov/blog/2016/09/why-your-credit-score-matters). Retrieved from <https://www.consumer.ftc.gov/blog/2016/09/why-your-credit-score-matters>
- [Decision-Making Relationships: Rational Consumer](#).

Data Visualization

Have you ever heard the saying "a picture is worth a thousand words"?

In the case of data, it's true. Raw data are abstract and often difficult to interpret. By using charts and graphs to represent large amounts of financial information, you will give your data a structure that's easier to understand and work with. And using a visual representation for data makes scientific sense as well. The way human beings process information is mostly visual. Charts and graphs allow us to visualize data and act on it more effectively than simply viewing it in spreadsheet form alone (Martineau & Cochin, 2003).

For example, maybe, you need to show your partner or children how you plan to increase your retirement contributions over time, demonstrate to your boss how one of your team members has improved their performance in sales, or show how many cookies your daughter's Girl Scout troop has sold each year. No matter the situation, it's more effective to present this information in visual form rather than handing people pages of numbers in a spreadsheet. By honing your problem-solving skill to analyze and represent your financial data, you'll help yourself and others quickly grasp the most important takeaway from any dataset.

Data visualizations, such as charts or graphs, can also help you use the power of images to simplify your financial story for yourself by giving you a clearer picture of where you want to go. Graphs can quickly show you trends in spending on a month-to-month or year-to-year basis. Meanwhile, charts are great if you want to look at how different pieces of information fit together, like which candidates are most popular among voters.

To make your financial analysis work for you, you must think critically and leverage your problem-solving skill to determine the purpose you're trying to achieve. Then you can utilize your technology skill to select the best way to visualize that information.

Whether you're looking for answers about how to save for your future or just making sure you're staying on track at work, using your problem-solving skill to visualize your data and convey the right information will help you ensure your decisions add up to the life you want to create.

Data Visualizations Using Excel

Often, communicating financial data is easier using visualizations (graphs, charts, et cetera). If you need guidance on how to use Excel to create these items, consult the Microsoft Excel information on Capella's [Microsoft Office Software](#) page.

Reference

Martineau, J., & Cochin, S. (2003). Visual perception in children: Human, animal, and virtual movement activates different cortical areas. *International Journal of Psychology*, 51(1), 37–44.

u07v1 - Interactive Learning Module: Saving Made Easy: Problem Solving for Retirement

Explore tools that will help you reach your retirement goals. Browse the virtual desktop and discover how you can use these tools to practice problem solving in your own life.

Course Resources

[Saving Made Easy: Problem Solving for Retirement](#) | Transcript

u07d1 - Write Your Discussion Post

Consumer Accounts and Your Finances

Although it is not everyone's goal, for many people it is important to try and maximize wealth over their financial journey. Understanding how various types of accounts contribute to your financial well-being and growth can be an important aspect to this puzzle. By understanding how types of accounts impact your finances, you can equip yourself to plan for your well-being in the near term and your retirement in the long term.

In your post, address the following:

- What are some advantages and disadvantages of common consumer accounts (checking, savings, credit cards, et cetera)?
- What are some advantages and disadvantages of common accounts that you might use for planning for your retirement or investments (401k, capital gains, et cetera)?
 - How can planning to manage your accounts lead you to be more productive and better equipped to reflect on your financial priorities?

Response Guidelines

Once you've completed your initial post, respond to one of your classmate's posts, sharing any commonalities between your classmate's perspective the advantages and disadvantage of various accounts and planning and your own.

Course Resources

Undergraduate Discussion Participation Scoring Guide

u07a1 - Conducting a Personal Financial Analysis

Overview

One way to check your progress toward your financial goals is to conduct a personal financial analysis. This will help you see how well you have stayed on track with your finances over a period of time. Using technology can help you stay organized throughout your analysis, as well as help you visualize financial data. Displaying the data visually will allow you to observe general trends in your personal finances and to communicate about them effectively.

For this assignment, you will be using Excel as your technology tool to analyze personal financial data and display that data visually. There are many other technologies available for personal or professional use that can be used for this type of analysis. The approach to learning and working with Excel software in this course is one you can apply to other technology tools in your life and career.

Build your confidence and practice in the technology skill by conducting a personal financial analysis using a technology tool. You will use Excel to organize three monthly budgets and to visualize this financial data using graphs or charts. You will discuss the results of your financial analysis in the provided Word template, including progress toward your selected financial goal from your Week 5 Assignment.

Preparation

Read the scenario below to understand the context for this assignment. Review the [Week 7 Assignment Excel Template \[XLSX\]](#) and [Week 7 Assignment Word Template \[DOCX\]](#). These completed templates will be your deliverables for this assignment. Make sure you have completed all sections of the Excel template and are providing at least one paragraph (4–7 sentences) per section in the Word template.

Scenario

Three months have passed since you created your initial financial plan (for the Week 5 Assignment). A friend who is studying to become a financial advisor recommends that you check in on your progress toward your savings goal. She volunteers to help you conduct a financial analysis of your personal budget over three months. You meet with your friend each month to go over your analysis. In her studies, she is learning that people understand budget concepts better when they are represented as visuals, so she asks you to create some.

In this assignment, you will make three monthly budgets. Your income increases each month, the formulas for these increases are already in cells H7 and M7 of the [Week 7 Assignment Excel Template \[XLSX\]](#). Additionally, in the Month 2 Budget and the Month 3 Budget, some cells (H16 and M12) have been filled in with a formula to represent an unexpected expense in that expenditure category for the month. Do not change these cells.

For months 2 and 3, you will need to reallocate your budget around your increased income and unplanned expenses.

Instructions

Using what you have learned about budgeting, Excel, and creating data visualizations, complete the [Week 7 Assignment Excel Template \[XLSX\]](#). Then, complete the [Week 7 Assignment Word Template \[DOCX\]](#) to explain and reflect on the process and results of your personal financial analysis. Remember to turn in both completed templates once you are finished.

For this assignment, complete the following steps:

- **Step 1:** Use the [Week 7 Assignment Excel Template \[XLSX\]](#) to complete this and next step. Consider the income and expenditures from the Week 5 Assignment to use as your starting point for your Month 1 Budget. Then complete the budgets and the savings goal progress table in the template.
 - **Scoring guide criteria:** Create a personal financial analysis with three monthly budgets and progress toward a savings goal.
 - Remember, since this is a monthly budget, you will need to divide all of the values from your Week 5 assignment annual plan by 12. After you have done this, you will notice that embedded formulas show that your income increases in Months 2 and 3 because you received additional unexpected income from other sources.
 - You will also notice an increase of 400 dollars in your "Health Care" expenditure in Month 2 as the result of an unexpected medical emergency, as well as a 325-dollar increase in your "Transportation" expenditures in Month 3 because of an unplanned repair expense.
- **Step 2:** Create three appropriate graphs or charts (one for each month) in Excel to show the findings of your personal financial analysis. Each should show how you have allocated your income among the various categories. Additionally, create a graph that shows your progress toward your savings goal based on the information you input into the Financial Goal Savings Progress table. Select the type of graph that you think would best illustrate your progress.
 - **Scoring guide criteria:** Create appropriate graphs to illustrate the findings of a personal financial analysis.
- **Step 3:** In the [Week 7 Assignment Word Template \[DOCX\]](#), explain why you chose these particular graphs or charts. How do the graphs or charts you created help someone understand the financial data?
 - **Scoring guide criteria:** Explain how selected graphs are the best choice to communicate financial information.
- **Step 4:** Look at the results of your financial analysis and explain your key findings. These should include overall progress toward savings goals, potential changes in your budget that can be made in the future, and possible economic or life impacts that may affect your budget in the coming year.
 - **Scoring guide criteria:** Explain the results of a personal financial analysis, including overall progress toward savings goals, potential changes in the budget that can be made in the future, and possible economic or life impacts that may affect the budget in the coming year.
- **Step 5:** Think about a year from now (that is, your Month 3 Budget) and predict what your financial state might reasonably look like in the future. Make sure you take into account economic concepts such as potential income growth and inflation of consumer prices.
 - **Scoring guide criteria:** Project how the financial analysis will look in one year.
- **Step 6:** Review your assignment to ensure your written responses are relevant and clear and that you are thoroughly addressing the prompts in the template.
 - **Scoring guide criteria:** Articulate meaning relevant to the main topic, scope, and purpose of the prompt.

Submit your deliverables to the assignment area. Remember, you need to submit both the completed Week 7 Assignment Excel Template and Week 7 Assignment Word Template for this assignment.

Additional Requirements

Your assignment should also meet the following requirements:

- **Written Communication:** Communicate in a manner that is scholarly, professional, respectful, and consistent with expectations for professional practice in education. Original work and critical thinking are required regarding your assignment and scholarly writing. Your writing must be free of errors that detract from the overall message.
- **Font and font size:** Times New Roman, 12 point.
- **Sources:** Two sources are required. One of these sources can be one of the course readings or videos. The second source must be obtained from the Capella library databases. Remember to cite your sources using an appropriate scholarly style.

Review the Conducting a Personal Financial Analysis Scoring Guide before submitting the assignment.

Competencies Measured

By successfully completing this assignment, you will demonstrate your proficiency in the following course competencies and assignment criteria:

- Competency 1: Explain how economic principles impact aspects of personal and professional life.
 - Project how the financial analysis will look in one year.
- Competency 3: Explain the findings of a personal financial analysis with regard to progress toward a financial goal.

- Create a personal financial analysis with three monthly budgets and progress toward a savings goal.
- Explain the results of a personal financial analysis, including overall progress toward savings goals, potential changes in the budget that can be made in the future, and possible economic or life impacts that may affect the budget in the coming year.
- Competency 4: Create spreadsheets, charts, graphs, or other data visualizations to organize and present financial information.
 - Create appropriate graphs to illustrate the findings of a personal financial analysis.
 - Explain how selected graphs are the best choice to communicate financial information.
- Competency 5: Develop professional written communication in a well-organized text, incorporating appropriate evidence and tone in grammatically sound sentences.
 - Articulate meaning relevant to the main topic, scope, and purpose of the prompt.

Unit 8 >> Budgets and Data Visualization in the Office

Introduction

Budgets and Data Visualization in the Office

Tyrell has been asked by his boss to report on his department's financial health at the next monthly meeting. In addition to his boss and colleagues from the department, he has also been told that the general and regional managers will both be in attendance. Tyrell understands about how to create budgets and graphs to represent those budgets because he does this for his personal finances. However, he is concerned that this approach will not best illustrate the point that, while the department's finances are below projections, they made a remarkable recovery over the past two quarters after a bad start to the fiscal year.

Tyrell thinks more about who in the audience most needs to understand the message, and decides it is the general and regional managers, since the department as a whole generally understands what has been going on. So, Tyrell focuses on creating data visualizations that will be easy for the two managers to understand and highlight the successes from the past two quarters.

Data Visualization – Revisited

You're already familiar with data visualizations that inform your decision making. On your phone or laptop, you might look at a pie graph to check how much cloud storage you're using versus how much is still available. Or you might look at line graphs online to see how the weather is forecast to change temperature over the next week. These visualizations are built on data that your computer or the weather service compiles into a specific dataset and then analyzes and organizes into the graph or chart you see so that it's easy to understand.

Visualizing data is all about making it easier to communicate the most important information. If you're trying to find out the weather for your weekend plans, you need the right data, presented in an intelligent way to know if you should go out or stay home. When working with datasets, it's imperative to keep in mind who the audience is, what information they might value the most, and what you want their takeaway to be.

For example, your office might be upgrading a software program and the chief financial officer (CFO) may ask for a cost-benefit analysis of upgrading all at once versus a gradual rollout of the upgrade over a number of months. What is the most critical information the CFO likely want? How would be the best way to communicate this to them?

When it comes to thinking critically about the data you analyze and using it to make decisions, your problem-solving skill can help you examine how a particular set of data relates in the most meaningful way for you and your audience. By using data to identify and frame the problems that concern a group, you can help them verify what matches and what contrasts in the dataset, identify clear trends, draw conclusions about basic relationships, and make predictions about patterns.

Just like with your personal finances, if you are dealing with financial considerations in your work, you can use the same process to make visualizations about potential budget plans or even to recognize how much certain areas, resources, or even lack of investment could end up costing the company.

To-Do List:

- **Discussion:** Research a real-life financial report from an actual city and create an appropriate data visualization using your technology skill.
- **What You Need to Know:** Learn about budgets in professional settings, how they differ from personal budgets, and tips for creating one.

Learning Activities

u08s1 - Activity Overviews

Discussion Overview

In this week's discussion, you will review an actual financial report from a city. From this information, you will create a graph to communicate financial information and explain why you think the graph you made is an effective communication tool.

u08s2 - What You Need to Know

Professional Budgets

Professional budgeting can involve a similar process to personal budgeting. Income and expenditures need to be accounted for in budgets for departments and businesses. Current and projected economic trends should be taken into account when making decisions about resources. The main difference is that budgets in professional settings involve larger sums of money and can impact many for individuals (whose jobs depend on good budgeting). The more you progress upward in your careers, the more likely you will have some involvement with a budget in your professional setting. The following resources will help you build your understanding of the different considerations that are needed for budgets in professional settings, as well as prepare you for this week's discussion and the Week 9 assignment.

- Hao, D. (2018, February 27). [A new leader's guide to efficient budget management \[Blog post\]](https://blog.procurify.com/2018/02/27/create-manage-budget-implement-better-cost-saving-process/). Retrieved from <https://blog.procurify.com/2018/02/27/create-manage-budget-implement-better-cost-saving-process/>
- McCarthy, D. (2019). [Budget management tips for new managers](https://www.thebalancecareers.com/budgeting-essentials-for-new-managers-2275920). Retrieved from <https://www.thebalancecareers.com/budgeting-essentials-for-new-managers-2275920>
- Chang, J. (2019, January 14). [How to build a successful budget plan that works \[Blog post\]](https://blog.procurify.com/2019/01/14/how-to-build-a-successful-budget-plan-that-works/). Retrieved from <https://blog.procurify.com/2019/01/14/how-to-build-a-successful-budget-plan-that-works/>
- St. Laurent, S. (n.d.). [5 steps to presenting an exceptional departmental budget](https://dryrun.com/5-steps-to-presenting-an-exceptional-departmental-budget-2/). Retrieved from <https://dryrun.com/5-steps-to-presenting-an-exceptional-departmental-budget-2/>
- Ibrahim, M. (2019). *Designing zero-based budgeting for public organizations* [PDF]. *Problems and Perspectives in Management*, 17(2), 323–333.
- Weber, J., & Linder, S. (2005). [Budgeting, better budgeting, or beyond budgeting](#). *Cost Management*, 19(2), 20–28.

u08d1 - Write Your Discussion Post

Data Visualizations for Professional Audiences

Using technology to present financial information to professional audiences is a key employability skill that you will likely use many times throughout the course of your career. When creating visualizations, it is critical to ask yourself questions like:

- Who will I be presenting the information to?
- What do they need to understand from the visualizations?
- How can I best communicate the needed information to my audience?

For this discussion, research one of the monthly financial reports from the City of Tacoma.

- City of Tacoma. (n.d.). [Financial reports](https://www.cityoftacoma.org/cms/one.aspx?pagelid=7559). Retrieved from <https://www.cityoftacoma.org/cms/one.aspx?pagelid=7559>

Such reports are often found on city government websites. You should see items such as Yearly Budget, YTD Projection, YTD Actual, and YTD Variance for both Revenues and Expenditures at the top of the report. You should also see Revenues over Expenditures Variance (Fund Balance) for these categories.

For this discussion, complete the following:

- Use Excel (or another tool) to create a graph that shows YTD Projection, YTD Actual, and YTD Variance for one of Revenues, Expenditures, or Revenues over Expenditures Variance (Fund Balance).
 - Attach this to your discussion post.
- Explain the key financial information that your graph communicates and why the graph you made is effective in communicating this information.

Response Guidelines

Once you've completed your initial post, respond to one of your classmate's posts, sharing any commonalities between your classmate's graph and explanation, and your own.

Course Resources

Undergraduate Discussion Participation Scoring Guide

Unit 9 >> Presenting a Department Budget Analysis Professionally

Introduction

Presenting Professionally

Marcelo has been asked to present his proposal for streamlining a process at his work. Both he and his manager believe that the streamlined process will save the company money and make things easier for Marcelo's coworkers in the long run. However, the company's finance department wants to see a presentation on exactly how the new process would save money. Additionally, since there will be the need for training and getting accustomed to the new process, Marcelo's coworker's jobs will not become easier immediately after implementation. So, he feels the need to help convince them that it will be worth it to switch to the new process.

While planning for his presentation, Marcelo carefully identifies his two main audiences are the finance department and his coworkers. He understands that just one message can be used to speak to both groups. So, he considers the most important information for each, polishes his speaking points, and ensures his visuals are appropriate and clear before his presentation. Once prepared, all he can do is his best to deliver what he has prepared and practiced.

Throughout your career, you are most likely going to be called upon to present on some topic relevant to your work. This could be a project, a department, or a proposal for something new at your workplace. No matter what the specifics are, it will be critical that you present yourself and your material professionally. This means making sure you are using appropriate language and terminology for the topic and the audience (it is important to speak to your audience at their level). It also means that the information and visuals you present should be well polished, well researched, well cited, and well organized. Haphazard visuals, incomplete data, plagiarized research, or disorganized presentations not only make it difficult for the audience to understand you, it also makes you appear unprofessional.

So when presenting:

- Consider your audience.
- Consider the right information.
- Polish your words.
- Polish your visuals.
- Cite your sources.
- Stay organized.

These are basic points, but if followed, they can help you act professionally and deliver a quality presentation.

For this week's assignment, you will be drawing upon your problem-solving, agility, and technology skills to design a budget that works and communicate in an effective way.

To-Do List:

- **Discussion:** This week's discussion is an optional activity. You may use it to practice with your video recording technology if you wish.
- **Assignment:** Submit your Department Budget Analysis assignment.
- **What You Need to Know:** Learn about foundational economic concepts in more detail and how they relate to business and organizations. Also, review how to use Kaltura.
- **Interactive Learning Module:** Meet fashion designer Deidre Jefferies and discover how her technology skill helped her fashion business thrive.

Learning Activities

u09s1 - Activity Overviews

Discussion Overview

This week's discussion is an optional activity where you can practice using Kaltura, or a tool of your choice, to create short videos.

Assignment Overview

In this week's assignment, you will review the scenario in which you are the associate administrator of a large department in the City of Acme, and create a video using Kaltura (or another software) in which you will present a proposed financial plan for the upcoming year, along with supporting data visualizations and discussions of economic principles and drivers behind the financial plan.

u09s2 - What You Need to Know

Economic Concepts – Revisited

The following resources present a somewhat more in-depth look at two economic concepts that can have a big impact on budgeting decisions and organizations. These considerations will be valuable as you work to complete this week's assignment.

- [Opportunity Cost](#).
- Agarwal, P. (2020). [Opportunity cost](https://www.intelligenteconomist.com/opportunity-cost/). Retrieved from <https://www.intelligenteconomist.com/opportunity-cost/>
- Agarwal, P. (2018). [Supply and demand](https://www.intelligenteconomist.com/supply-and-demand/). Retrieved from <https://www.intelligenteconomist.com/supply-and-demand/>

Kaltura

As part of your submission for this week's assignment, you will be asked to create a short video presentation. You can use any appropriate recording tool. If you choose to use Kaltura, the following resource could be helpful to understand how to use the tool.

- [Using Kaltura](#).

You may also review the information under Audio and Video in this Course in the Tools and Resources page.

u09v1 - Interactive Learning Module: Capella Stories: Fashion by the Numbers

When you think about the skills needed to stand out in the world of fashion, technology might not come to the front of your mind. But, in this week's Capella Stories, you'll meet fashion designer Deidre Jefferies and discover how her technology skill helped her fashion business thrive.

u09d1 - Write Your Discussion Post

Optional – Practicing Making a Presentation

This is an optional discussion. If you have limited experience using Kaltura or another software for recording video, you may wish you take the time to practice using the tool before creating the video portion of this week's assignment.

If you want more information about how to use Kaltura, you may want to refer to [Using Kaltura](#) Campus resource. Also, refer to Audio and Video in this Course in the Tools and Resources page.

If you choose to post to this optional discussion, you may consider posting the following:

- A short (1–3 minutes) video using Kaltura (or your chosen program) in which you recorded audio and presented some type of information from your computer screen.
- A portion (1–3 minutes) of your video presentation for this week's assignment. Please, do not post the whole thing.

This will give you practice creating video presentations, as well as uploading your videos to the courseroom.

Response Guidelines

There are no required responses for this discussion. If you choose to respond to a classmate, keep your comments constructive.

u09a1 - Department Budget Analysis

Overview

In our careers, as our responsibilities grow and we take leadership of a department, a natural request is for a budget proposal each fiscal year. Budgets provide parameters for us to achieve our goals. Spend too much and you will find yourself in a deficit. Spend too little and you could have a surplus, which may not be a good sign if an organization's goals have not been met. Using technology can help you stay organized throughout your analysis, as well as help visualize financial data. Displaying the data visually will allow you to observe general trends in your department finances and to communicate about them effectively to appropriate stakeholders.

For this assignment, you will use Excel as your technology tool to analyze department data and display that data visually. There are many other technologies available for professional use that can be used for this type of analysis. The approach to learning and working with Excel software in this course is one you can apply to other technology tools in your life and career.

Your goal for this assignment is to build your confidence and practice in the technology skill by conducting a department financial analysis using a technology tool. You will use Excel to organize a quarterly and an annual budget, visualize this financial data using charts and graphs, and discuss the results of your financial analysis, including progress toward your selected department financial goal.

Preparation

Read the scenario below to understand the context for this assignment. Review the [Week 9 Assignment Template \[XLSX\]](#). This completed template will be one of your deliverables for this assignment.

Review the information under Audio and Video in this Course in the Tools and Resources page as needed for help with creating the video portion of the assignment. (Instead of Kaltura, you may choose to use another video recording software with which you are familiar.)

Scenario

You are the associate administrator of a large department in the City of Acme with an operating budget of 1.8 million dollars. Your boss, the administrator, has asked you to create a presentation with graphs that demonstrate how you should allocate next fiscal year's budget.

Instructions

Using what you have learned about budgeting, Excel, and creating data visualizations complete the [Week 9 Assignment Template \[XLSX\]](#). Then create a 5–10-minute video in which you present your proposed budget to the department and leadership.

For this assignment, complete the following:

- **Step 1:** Use the [Week 9 Assignment Template \[XLSX\]](#) to review the current annual budget. After your review the current budget, create a new Proposed Budget.
 - **Scoring guide criteria:** Create a Proposed Budget based on a professional financial analysis of a Year-to-Date Budget.
 - You have the original budget, the 9-month budget (or Year-to-Date at 9 months) and the empty budget spreadsheet for the next year.
 - Please read the comments (notes) in the cells (indicated by *red triangles* in the upper right corner of the cells).
 - Based on this data, how will you propose the budget be updated in the following fiscal year? Consider the following before filling in the cells for the next fiscal year:
 - It is rumored there will be a 3-percent increase in cost of living. Consider budgeting this increase for personnel cost.
 - There were many outdated computers that completely crashed in the current budget. This is why there is an increase at the 9-month mark. It is up to you if you plan for more issues next year as only two-third of the computers were replaced in the current year.
 - You will not need as many vehicles in the next year. If each vehicle is valued at about 36,475 dollars, consider a conservative amount to budget for next year. If you do not add more vehicles, consider a substantial increase to Vehicle Maintenance in the new year for repairs.
- **Step 2:** Create graphs of the Current Year Budget, the Year-to-Date Budget, and the Proposed Budget.
 - **Scoring guide criteria:** Create appropriate graphs to illustrate the findings of a professional financial analysis.
 - You should use Excel to create these graphs in the [Week 9 Assignment Template \[XLSX\]](#).
 - Remember, you may wish to display these graphs during your video. So, it is worth considering the audience for your video and how the graphs will appear during the presentation.
- **Step 3:** Make a video presentation using Kaltura (or another video recording method you are familiar with) in which you review your analysis and Proposed budget. At the end, briefly explain why you chose the graphs you did.
 - **Scoring guide criteria:** Explain the results of a professional financial analysis, including overall progress and why the Proposed budget is the best possible forecast for the new year.
 - Make your recommendation for the Proposed budget with your logic for the proposed increase or decrease in the new budget.
 - Discuss whether your final budget is conservative (meaning in the worst possible scenario it would still work) or aggressive (meaning that all budget metrics needs to be hit for you not to be in a deficit next year).
 - **Scoring guide criteria:** Explain how selected graphs are the best choice to communicate financial information.
 - Discuss the graphs that you chose to present the data from the three budgets in the Week 9 Assignment Template.
 - How do they help the audience better understand the presented financial data?
 - How are they better than other types of graphs you considered?
 - **Scoring guide criteria:** Address the appropriate audience, using familiar, discipline-specific language and terminology.
 - Are you speaking to the audience in the scenario (that is, department members and leadership) in your presentation?
 - Is the language you are using appropriate for the scenario and your role as an assistant administrator?
 - Are you using appropriate economic and finance terminology?

Submit your deliverables to the assignment area. Remember, you need to submit the completed Week 9 Assignment Template as well as the 5–10-minute video presentation for this assignment.

Additional Requirements

Your assignment should also meet the following requirements:

- **Communication:** Communicate in a manner that is scholarly, professional, respectful, and consistent with expectations for professional practice in education. Original work and critical thinking are required regarding your assignment and scholarly writing. Your writing must be free of errors that detract from the overall message.
- **Video presentation:** 5–10 minutes.

Review the Department Budget Analysis Scoring Guide before submitting the assignment.

Competencies Measured

By successfully completing this assignment, you will demonstrate your proficiency in the following course competencies and assignment criteria:

- Competency 3: Explain the findings of a personal financial analysis with regard to progress toward a financial goal.
 - Create a Proposed Budget based on a professional financial analysis of a Year-to-Date budget.

- Explain the results of a professional financial analysis, including overall progress and why the Proposed budget is the best possible forecast for the new year.
- Competency 4: Create spreadsheets, charts, graphs, or other data visualizations to organize and present financial information.
 - Create appropriate graphs to illustrate the findings of a professional financial analysis.
 - Explain how selected graphs are the best choice to communicate financial information.
- Competency 5: Develop professional written communication in a well-organized text, incorporating appropriate evidence and tone in grammatically sound sentences.
 - Address the appropriate audience, using familiar, discipline-specific language and terminology.

Unit 10 >> Economics and You

Introduction

Economics and You

Over the last 9 weeks, you've not only gained a better understanding of economics and personal finance, you've also practiced powerful skills that will help you succeed throughout your life and career.

Throughout this course, you've explored the science of economics and learned how the production and consumption of global resources can affect your personal financial well-being. Understanding how to leverage this knowledge will help you not only reach your personal financial goals but also stand out professionally.

By developing these skills, you're choosing to invest in yourself—to work hard and commit your time, effort, and money to create a more robust future for you. That's because you recognize that the more skills and knowledge you have, the more valuable a resource you'll be to future employers.

Throughout this course, you've worked hard to hone four essential employability skills that will help you prepare for your future, both personally and professionally. You've practiced:

- **Problem solving** to find creative, effective, ethical, and evidence-based solutions to economic and financial challenges.
- **Productivity** to plan and organize your finances as new priorities and needs emerge.
- **Technology** to complete tasks and goals, communicate complex financial data effectively, and stay competitive.
- **Agility** to embrace change and adapt so you can achieve the results you desire.

As you continue to hone these skills, you will keep strengthening your plans for a healthy financial future. You'll also continue building your understanding of how to identify and respond to economic trends in both your personal and professional life. But, just like anything else, you'll need to keep practicing the skills you've learned to help you perform your best. And the more you practice, the easier they will be. So, no matter how the future unfolds, you'll have skills you can bank on.

To-Do List:

- **Discussion:** Reflect on the employability skills from this course and their potential positive application to aspects of your life.
- **What You Need to Know:** There are no readings this week.

Learning Activities

u10s1 - Activity Overviews

Discussion Overview

In this week's discussion, you will reflect on the employability skills that you learned about and applied throughout this course and how they could be useful in various aspects of your life.

u10s2 - What You Need to Know

There are no readings this week.

u10d1 - Write Your Discussion Post

Employability Skills and Your Life

Throughout this course, you have engaged with materials and activities related to the following employability skills:

- **Problem Solving** to find creative, effective, ethical, and evidence-based solutions to economic and financial challenges.
- **Productivity** to plan and organize your finances as new priorities and needs emerge.
- **Technology** to complete tasks and goals, communicate complex financial data effectively, and stay competitive.
- **Agility** to embrace change and adapt so you can achieve the results you desire.

Think about what you have learned about these skills and how you have applied them. Then think about three main areas of your life—academics, personal, and professional.

For this discussion, address the following:

- What skill from this course do you think will be most useful in your academic life?
 - What is one action you could take using that skill to make a positive change?
- What skill from this course do you think will be most useful in your personal life?
 - What is one action you could take using that skill to make a positive change?
- What skill from this course do you think will be most useful in your professional life?
 - What is one action you could take using that skill to make a positive change?

Response Guidelines

Once you've completed your initial post, respond to one of your classmate's posts, sharing any commonalities between your classmate's reflection on the skills from the course and your own.

Course Resources

Undergraduate Discussion Participation Scoring Guide