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CURRICULUM

Module 2: Money management for seniors

- Personal budgets and individual financial decisions
- Time value of money
- Investment evaluation

GENERAL DESCRIPTION OF THE MODULE

This second module is a continuation of module one on basic terminology of digital financial services. It is a basic approach to financial decision-making for individuals in a context of certainty and provides the basis for understanding financial transactions in more complex environments. Therefore, this module is essential in the process of financial literacy for seniors. The understanding of the different financial decisions an individual faces as well as the understanding of their temporal dimension is essential in everyday activities, for instance when managing their accounts, saving and investing money, buying properties, applying for a pension plan, applying for loans, using alternative means of payment, etc.

LEARNING OBJECTIVES AND DESIRED COMPETENCES OF THE MODULE

Seniors will acquire basic knowledge to monitor the evolution of their income and expenses from a time dimension, using digital tools. In particular, they will become aware of how they should address their savings, what is their risk profile is, what their attitude towards debt should be and what role the interest rate plays. All of this, bearing in mind that these acquired skills are valid regardless of their size or whether they are adopted in face-to-face or online contexts.



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LENGTH OF THE MODULE

8 hours

TEACHING AND LEARNING CONCEPT OF THE MODULE

Face-to-face learning including learning games for managing personal finance will be prepared.



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DETAILED INFORMATION ON THE TOPICS

TOPIC	LENGTH OF THE TOPIC	LEARNING CONTENTS	AIM	LEARNING TASKS/ACTIVITIES	OUTCOME	TEACHING METHODS
Personal budgets and individual financial decisions	3 ½ hours	<ul style="list-style-type: none"> - Keys to preparing a personal budget - Specific characteristics of financial decisions - Individuals' financial decisions, "how to calculate my capital" - The role of the financial markets 	<p>To teach seniors:</p> <ul style="list-style-type: none"> - Planning income and expenses - How to prepare a budget, the most important tool for the control of seniors' personal finances. - Identify and understand the financial decisions seniors face - Understanding the role of financial markets 	<ul style="list-style-type: none"> - Seniors set their financial goals (controlling expenses, savings, debts...) - Senior identify income and expenses and prepare a personal budget using an on-line tool and offline tool - Seniors adjust a personal budget according to their financial goals - Seniors identify the financial decisions to take according to the budget 	<ul style="list-style-type: none"> - Seniors understand the importance of preparing, monitoring and adjusting a personal budget as a tool for controlling their personal finances - Seniors understand the importance of making rational financial decisions throughout their lives - Seniors prepare their online spending diary 	<p>Face-to-face PPT presentation On-line tool</p>



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TOPIC	LENGTH OF THE TOPIC	LEARNING CONTENTS	AIM	LEARNING TASKS/ACTIVITIES	OUTCOME	TEACHING METHODS
Time value of money	2 ½ hours	<ul style="list-style-type: none"> - Current and future value of a cash-flow: discounting and capitalization - Differences between nominal and effective interest rates - Current and future value of a cash-flow sequence 	To teach seniors to: <ul style="list-style-type: none"> - Distinguish cash flows according to the moment in time when they occur - Present any daily financial activity as a cash flow succession (loans, pension plans, rents..) - Optimise seniors spending policy 	Seniors compare different alternatives (consumption, savings, debts, investing) via practical examples and learning games	<ul style="list-style-type: none"> - Seniors understand the importance of planning and managing financial affairs throughout life - Seniors understand the role of time in financial decision process 	Face-to-face PPT presentation Learning game



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TOPIC	LENGTH OF THE TOPIC	LEARNING CONTENTS	AIM	LEARNING TASKS/ACTIVITIES	OUTCOME	TEACHING METHODS
Investment evaluation	2 hours	<ul style="list-style-type: none">- Net present value- Internal rate of return- Risk	To teach seniors to: <ul style="list-style-type: none">- Understand how buying and selling decisions are made- Identify the best investment and financing opportunities- Visualise the effect of risk	Seniors compare different investment and financing opportunities via practical examples and learning games	Seniors understand the importance of maximizing their money according to their profile risk, by making the right investment and financing choices	Face-to-face PPT presentation Learning game

FURTHER METHODOLOGICAL RECOMMENDATIONS

The module includes face-to-face sessions, using power point presentations, practical examples and learning games. At the end of each topic a self-assessment questionnaire will be conducted to assess the knowledge acquired. Furthermore, seniors will be encouraged to revise the contents delivered within each topic and use the on-line tools and learning games at home in order reinforce the learning outcomes and ask any queries they might have in the following session.

The approach is flexible as the module could be delivered on-line due to the accessibility of the materials via an e-learning platform.



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REFERENCE LIST FOR THE WHOLE MODULE

- Brealey, R., Myers, S., "Principles of Corporate Finance", McGraw Hill
- Grinblatt, M., Titman, S., "Financial Markets and Corporate Strategy", McGraw Hill
- Dayananda, D., Irons, R., Harrison, S., Herbohn, J., Rowland, P., "Capital budgeting: Financial appraisal of investment projects", Cambridge University Press
- Personal budget:
<https://www.finanzasparatodos.es/es/comollegarfindemes/presupuestopersonal/paso1.html?numHerramienta=0&accesible=/comun/herramientas/presupuesto/presupuesto.jsp>
- Annual family budget by month: https://www.finanzasparamortales.es/herramientas/fxm/presupuesto_anual/esp/

REFERENCE LIST FOR FURTHER READING

- Finanzas para todos: <https://www.finanzasparatodos.es/>
- Finanzas para mortales: <https://www.finanzasparamortales.es/>
- Tus finanzas personales: <https://www.aebanca.es/category/tus-finanzas-personales/>
- Portal de educacion financiera: <https://www.edufinet.com/edufiemp/>
- Finance for all? Policies and Pitfalls in Expanding Access: <https://openknowledge.worldbank.org/handle/10986/6905>
- EDUFINET Project: <https://www.unicajabanco.com/en/sala-de-comunicacion/buscador-noticias/2018/10/el-proyecto-edufinet-de-unicaja--que-impulsa-la-educacion-financ>
- Strong support for the Financial Education School Program: <https://bladex.com/en/fundacrece/noticias/strong-support-financial-education-school-program>

Project **DEFINE**

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