



JA FINANCIAL LITERACY®

Student Guide



UNIT 4: PLANNING FOR THE FUTURE & FINANCIAL INDEPENDENCE

Topic 4: Long-Term Financial Planning & Insurance Needs

NAME: _____

DATE: _____

PRE-QUIZ

Long-Term Financial Planning & Insurance Needs

What + Why: A quick, ungraded check on what you already know—your answers help shape the learning ahead. It's okay not to know—just give it your best shot.

Instructions:

1. Answer each question as best you can.
2. Circle the best answer for each question.
3. Submit it when you're done.

1. What is meant by "risk pooling"?

- ☐ a. combining different insurance policies for a discount and extra coverage
- ☐ b. investing premiums in the stock market
- ☐ c. collecting premiums from many people to pay for the losses of a few
- ☐ d. sharing medical records among insurers

2. Which person has the greatest need for life insurance?

- ☐ a. a single college student with no dependents
- ☐ b. a parent whose income supports two children
- ☐ c. a retiree with no debt and no dependents
- ☐ d. a high school student with a part-time job

3. Which choice would most likely lower a monthly insurance premium?

- ☐ a. selecting a higher deductible
- ☐ b. increasing coverage limits
- ☐ c. choosing a lower deductible
- ☐ d. adding additional riders

4. Why is it important to start saving for retirement early and contributing regularly?
- ☐ a. Early savers avoid paying any taxes on their income.
 - ☐ b. Regular contributions guarantee higher returns.
 - ☐ c. Compound interest allows savings to grow more over time.
 - ☐ d. Retirement accounts lose value if contributions are made later.
5. What is the primary purpose of a will?
- ☐ a. to legally direct how a person's property and care responsibilities should be handled after death
 - ☐ b. to transfer ownership of all property before death to avoid probate
 - ☐ c. to guarantee that all debts are canceled after death
 - ☐ d. to ensure that all family members receive equal portions of an estate

NAME: _____

DATE: _____

CASE STUDY

Amara's Final Time Jump

What + Why: Read about Amara's final time jump and think about which advice feels most realistic for someone your age to follow and why.

Supporting Materials:

Topic 4: Introduction (Case Study)

Instructions:

1. Read the **Topic 4: Introduction** in the case study materials.
2. As you read, pay close attention to the three pieces of advice Amara receives.
3. After reading, discuss with a partner:
 - Which piece of advice resonates most with you right now?
 - What would you want to know about Amara's situation before deciding which piece of advice fits her best?



NAME: _____

DATE: _____

REFLECTION

Long-Term Security: What Matters Most?

What + Why: Reflect on what people may need to stay financially secure later in life and compare your thinking with others.

People make financial decisions for decades before retirement. Some choices help build stability and protection over time, while others can create challenges later in life.

Reflect

- What does someone need to stay financially secure later in life?



- Then, take a moment to rank the factors you came up with. Prioritize them by most important to least important.

NAME: _____

DATE: _____

ACTIVITY

Insurance in Real Life

What + Why: Match different people to the type of insurance protection they may need most and discover how financial risks can change across life situations.

Instructions:

1. Review each real-life scenario and insurance type.
2. Select the one insurance type that seems most critical for each scenario.
 - Descriptions of each insurance type are provided beneath the table.
3. Provide a suggested reasoning for your match based on:
 - Life stage
 - Dependents
 - Financial exposure
4. Answer the synthesis questions.

Be ready to explain your reasoning.

Scenario	Most Critical Insurance Type	Suggested Reasoning
Scenario 1—Brielle Brielle is 22 and recently graduated college. She started her first full-time job, rents an apartment with roommates, has a used car with a car loan, and occasionally helps support a younger sibling financially.	☐ Health ☐ Auto ☐ Life ☐ Disability ☐ Property	
Scenario 2—André André recently became a parent. He works full time (with employer health and life insurance options available) while his partner stays home with their baby. They rent their home, and most of the household income depends on André's paycheck each month.	☐ Health ☐ Auto ☐ Life ☐ Disability ☐ Property	

(continued)

Scenario	Most Critical Insurance Type	Suggested Reasoning
Scenario 3—Cedric Cedric bought his first home two years ago and has a mortgage. He owns two vehicles and recently used most of his savings to replace a broken HVAC system, leaving him with a limited emergency cushion.	☐ Health ☐ Auto ☐ Life ☐ Disability ☐ Property	
Scenario 4—Nia Nia works as a freelance graphic designer. She does not receive health, disability, or life insurance benefits through an employer, and her income depends on completing projects for clients each month.	☐ Health ☐ Auto ☐ Life ☐ Disability ☐ Property	
Scenario 5—Samira Samira is 55 and helps support both of her aging parents financially while still working full time. She worries about balancing health care costs, retirement savings, and family responsibilities.	☐ Health ☐ Auto ☐ Life ☐ Disability ☐ Property	
Scenario 6—Mr. Bennett Mr. Bennett recently retired. He relies on Social Security, retirement savings, and Medicare for most of his financial needs. (Medicare covers basic health but not all out-of-pocket expenses.) He owns his home and wants to avoid large unexpected expenses.	☐ Health ☐ Auto ☐ Life ☐ Disability ☐ Property	
Scenario 7—Ethan Ethan is a college student who drives to campus every day in an older car. He works part time and shares an off-campus apartment with friends. He is covered under his family's health insurance plan until he turns 26.	☐ Health ☐ Auto ☐ Life ☐ Disability ☐ Property	
Scenario 8—Jocelyn Jocelyn rents a small apartment and works full time at a restaurant. She has no dependents, but most of her paycheck goes toward rent, bills, and basic living expenses.	☐ Health ☐ Auto ☐ Life ☐ Disability ☐ Property	

Synthesis Questions

1. Which type of insurance would likely matter most at age 18? At age 35? At age 65? Explain.
2. Liability coverage appears in both auto and property insurance. What do you think liability coverage is protecting you from, and why might it show up in more than one type of insurance?

Description of Insurance Types

Health Insurance

Helps cover medical costs like doctor visits, hospital care, prescriptions, and emergencies. Medicare is a social insurance program that extends health coverage to almost all Americans age 65 and over.

Auto Insurance

Helps pay for costs related to car accidents, injuries, or damage involving a vehicle. Most policies include liability coverage, which pays for damage or injuries you cause to others (and is required by law in most states).

(continued)

Life Insurance

Provides money to chosen family members or beneficiaries if the insured person dies.

Disability Insurance

Provides part of a person's income if they become unable to work because of illness or injury.

Property Insurance

Helps cover damage, loss, or repairs involving a home, apartment, or personal belongings. Homeowners insurance protects those who own their home, while renters insurance covers those who rent. Both can also include liability coverage in case someone is injured on your property.

NAME: _____

DATE: _____

REFLECTION

Amara's Long-Term Picture

What + Why: Examine Amara's long-term pathways and use evidence to decide which system seems most financially protected over time.

As people get older, financial protection can come from more than one source. Retirement income, insurance coverage, and legal planning can all affect how prepared someone is for unexpected financial problems later in life.

Supporting Materials

Long-Term Planning Pathways (Age 67+) (Case Study)

Instructions:

1. As you examine Amara's long-term pathways, think about:
 - Which pathway seems most financially stable long-term.
 - Which pathway seems most protected from unexpected costs.
 - Which details from the case study materials influenced your thinking the most.

Reflect

- Using evidence from the **Long-Term Planning Pathways (Age 67+)** table, which of Amara's three pathways seems most prepared to handle unexpected events and create long-term financial autonomy? What evidence from the case study materials supports your thinking so far?

NAME: _____

DATE: _____

VIDEO

Insurance Cost Components

What + Why: Understand how insurance helps reduce financial risk and how insurance costs like premiums, deductibles, co-pays, and coinsurance affect what people pay during unexpected events.

Unexpected costs can happen at any time, and insurance helps people share the financial impact of those events instead of handling every cost alone.

As you watch, think about how insurance spreads financial risk across many people and how different insurance costs affect what someone pays before and after a covered event.

- How does insurance help reduce the financial impact of unexpected events?
- What is the difference between a premium and a deductible?
- Why might different insurance plans lead to different out-of-pocket costs?

You're just going about your day... and then life throws you a surprise. Your car won't start. You get a surprise medical bill. Your refrigerator breaks at the worst time. And suddenly, you're dealing with a cost you didn't plan for.

Sometimes, those costs are too big to handle on your own. That's where insurance comes in. Insurance helps protect you from those bigger financial risks.



Think of insurance like having a backup plan when things don't go as expected. It's a way to transfer financial risk. You pay a regular amount each month or year called a premium. In return, if something happens, instead of taking the full financial hit yourself, you share that risk with an insurance company.

So how does this actually work? Insurance is built on something called risk pooling. A lot of people pay premiums into the system over time.

Let's take car insurance as an example. Many drivers sign up for car insurance from the same company. They all pay their insurance premium. Most drivers will not get into a car accident each year, but some will. The pooled money helps cover costs of those that do get into accidents, spreading the financial risk across the group. Insurance companies also look at risk when deciding how much each person pays into the pool. Drivers with recent accidents or risky behavior like speeding tickets or driving under the influence will pay higher premiums than drivers with safer records.



There is a trade-off with insurance. With insurance, you're paying a smaller, predictable amount regularly, and even if nothing goes wrong, you don't get that money back. Your money is pooled with others, so the financial risk is shared. Without insurance, if something big happens—like an accident—you could face large, unpredictable costs. You take on the financial risk, which could mean paying for repairs, medical bills, or thousands of dollars in expenses. Insurance provides help with major expenses, so you're not stuck handling all of those costs on your own. The trade-off is paying smaller costs now to help protect yourself from much larger costs later.

**small, predictable cost regularly**

- ✗ no refund if unused
- ✓ shared financial risk
- ✓ coverage for major expenses

vs

**large, unpredictable cost**

- ✗ personal financial risk
- ✗ paying for repairs, medical bills, or major expenses

One important thing to understand. Insurance doesn't stop bad things from happening. It doesn't prevent risk. What it does is help cover the financial impact when those things happen.

Question 1

You drop your phone, and the screen completely shatters. The repair is expensive. What would insurance do in this situation?

- ☐ a. Prevent the phone from breaking.
- ☐ b. Reduce the chance of damage.
- ☐ c. Help cover the cost of the repair.

Answer: c. Insurance doesn't stop things from happening; it helps cover the financial cost when they do.

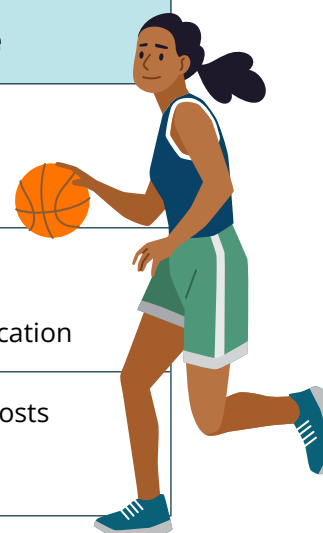
Earlier, you learned that insurance involves paying premiums over time. A premium is the regular amount you pay to keep your insurance coverage active. But premiums are not the only costs connected to insurance.

Riley visits the doctor each year for a routine checkup and pays a 10-dollar co-pay. A co-pay is a fixed amount you pay for a covered service.

Later that year, Riley lands awkwardly during a basketball game and injures a knee. This injury is a bit more expensive than a routine checkup, as it may require a specialist and extra fees like X-rays and pain medications. Before insurance begins helping cover treatment costs, Riley must first pay a deductible. A deductible is the amount you must pay out of pocket before insurance begins helping cover costs.

Insurance Costs

	Cost	What it Means	Riley's Example
	premium	regular insurance payment	paid each month
	co-pay	fixed amount paid for a covered service or medicine	\$10 doctor visit; \$15 per generic prescription medication
	deductible	amount you pay out of pocket first	injury treatment costs



Even after a deductible is met, insurance may not cover every cost completely. Many insurance plans also include coinsurance. Coinsurance means you and the insurance company share part of the remaining cost. For example, after meeting her deductible, Riley may pay twenty percent of a medical bill, while the insurance company pays the other eighty percent. Many insurance plans include both a deductible and coinsurance. In those plans, the deductible is usually met first before coinsurance applies. When a new plan year begins, many insurance costs start over again because deductibles reset.

Riley has recovered and returns to her routine checkups and may continue paying co-pays for covered services. It's important to note that co-pays are most commonly associated with health insurance, while other types of insurance may use different cost structures.

Insurance Costs

	Cost	What it Means	Riley's Example
	coinsurance	share a part of remaining costs with insurance after you pay the deductible	Riley pays 20%, insurance pays 80%



Premiums are the regular payments made to insurance companies to maintain coverage. Deductibles, co-pays, and coinsurance are all examples of out-of-pocket costs. These costs aren't just for health insurance, they apply to other types of insurance too, like auto, dental, homeowners and rental insurance, and others.

For example, if Dante is in a car accident, he may need to pay a \$500 deductible to get his bumper fixed, but after that, insurance would pay the rest.



If a hurricane damages Darlene's roof, her homeowners insurance would help cover the cost for repairing her roof and replacing any damaged personal belongings after she pays her \$2,000 deductible.



These out-of-pocket costs are the costs you pay yourself during a covered event. One of the exceptions is life insurance. Life insurance generally does not involve co-pays, deductibles, or coinsurance. People pay the premium (either all up front or in installments), and the insurance policy pays out the agreed upon amount if and when the covered event occurs.



Insurance helps reduce financial risk, but it does not eliminate every cost completely. Different insurance plans may have different premiums and different out-of-pocket costs.

Question 2

Riley goes to the hospital after an injury. Before insurance helps pay, Riley must first pay a certain amount out of pocket. What is this called?

- ☐ a. premium
- ☐ b. deductible
- ☐ c. co-pay

Answer: b. A deductible is the amount a policyholder pays before insurance begins helping cover costs.

Key Terms

- **coinsurance:** the percentage of covered costs a policyholder pays after meeting the deductible, with the insurance company paying the remaining percentage
- **co-pay:** a fixed fee an insured person must pay for a doctor's visit, an outpatient service, or a prescription
- **deductible:** the amount the policyholder must pay before the insurance company will pay any benefits
- **insurance:** a practice by which a company or government agency provides full or partial financial compensation for loss or damage caused by events beyond the control of the insured party in return for a premium
- **out-of-pocket costs:** the money a policyholder pays directly for covered services, including deductibles, copayments, and coinsurance, but not premiums
- **premium:** the money paid to an insurance company to obtain coverage of an insurance policy
- **risk pooling:** the practice of sharing risk among many individuals, where premiums collected from a large group are used to pay for the losses of the few who experience covered events
- **risk transfer:** the choice to share the risk of financial loss with another party, such as an insurance provider

NAME: _____

DATE: _____

ACTIVITY

Coverage Calculations

What + Why: Compare two insurance plans to see how premiums, deductibles, and coinsurance can change total costs and financial risk.

Carson is 28 years old and enjoys staying active. Between hiking, rock climbing, and weekend adventures, he spends a lot of time outdoors. Other than routine checkups, he has not needed much medical care in recent years.

It's a new year, and Carson was recently hired at a new job. He is in the process of choosing an insurance plan. At this point, he has not had any medical expenses applied toward a deductible.

Your job is to help Carson compare the plans and decide which one may be the better choice based on the information available.

Instructions:

1. Review Carson's insurance plan choices, taking notes as needed.
2. Complete Step 1 by calculating the yearly premium costs to help Carson choose a plan.
3. Read Carson's scenario in Step 2.
4. Calculate the out-of-pocket medical costs Carson pays and the total yearly cost for both plans.
5. Complete Step 3 by comparing the results and deciding which plan creates less financial risk for Carson.

Be ready to explain your thinking.



Insurance Plan Choices

Plan	Monthly Premium	Estimated Yearly Premium (monthly premium $\times$ 12)	Deductible	Coinsurance
Trail Plan	\$180/month		\$5,000	20% after deductible
Summit Plan	\$420/month		\$1,000	10% after deductible

Jot down any notes or first impressions on Carson's two insurance plan choices.

Step 1: Choose a Plan

1. Calculate the estimated yearly premium to help Carson choose a plan and write it in the Insurance Plan Choices table.
2. Review both insurance plans. Which plan would you advise Carson to choose?
 - ☐ Trail Plan
 - ☐ Summit Plan

Step 2: Carson's Scenario

Uh-oh! Carson tweaks his knee while rock climbing. What first seemed like a minor injury turns out to require surgery, physical therapy, and follow-up care.

Carson receives a bill in the mail for his medical care totaling \$8,000. This bill is the same regardless of which plan you helped Carson choose in Step 1. What changes is how much of that bill Carson must pay out of pocket.

- Calculate how much of the \$8,000 bill Carson must actually pay out of pocket for with each plan.

Insurance Plan Choices

Plan	Deductible Paid Out of Pocket by Carson	Coinsurance Paid Out of Pocket by Carson	Total Out-of-Pocket Medical Costs Paid by Carson
Trail Plan		(20% of Remaining Medical Costs After Deductible)	(Remaining Medical Costs After Deductible + Coinsurance)
Summit Plan		(10% of Remaining Medical Costs After Deductible)	(Remaining Medical Costs After Deductible + Coinsurance)

- Calculate the total yearly costs (estimated yearly premium cost + total medical costs paid by Carson).

- Trail Plan Total Yearly Cost = _____
- Summit Plan Total Yearly Cost = _____

Step 3: Compare the Results

5. Which plan had the lower total yearly cost, and why?

- ☐ Trail Plan
- ☐ Summit Plan

Why?

6. Which plan created less financial risk for Carson, and why?

- ☐ Trail Plan
- ☐ Summit Plan

Why?

NAME: _____

DATE: _____

INSTRUCTION

Three-Legged Stool

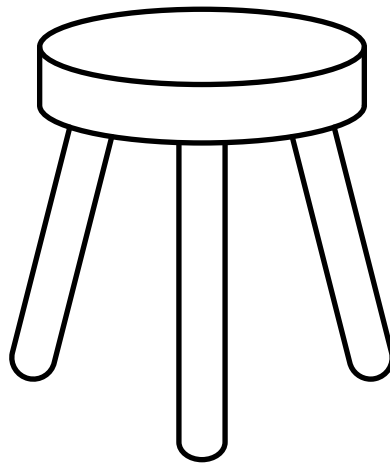
What + Why: Explore how different retirement income sources can work together to create stronger financial stability later in life.

Retirement planning can work like a three-legged stool. Each “leg” supports financial stability during retirement. A stool with one strong leg and two missing legs still falls over.

As you learn about each “leg,” think about:

- Why might relying on only one retirement income source be risky?
- Which “legs” seem strongest in Amara’s pathways?

Label each leg of the stool using the retirement income sources.



Social Security

Social Security is a government retirement program funded through payroll taxes during a person's working years. It provides monthly income to eligible recipients in two main situations: after reaching retirement age (67 for most people currently in the workforce), or if a person becomes disabled and is unable to continue working.

However, Social Security usually replaces only part of a person's previous income, so it is often not enough to fully support someone on its own when they are no longer working.

Think About It

Why might Social Security alone make life less stable long-term?

Employer-Sponsored Retirement Plans

Employer-sponsored retirement plans, such as 401(k), 403(b), or 457(b) plans, allow workers to save and invest money for retirement over time. Pre-tax contributions are often automatically deducted from paychecks, and some employers also provide matching contributions that add extra money to the account.

Withdrawals are typically intended to begin at retirement age (59½ or later without penalty), and the balance grows tax-deferred until then. Because these plans depend on consistent contributions over many working years, starting early and contributing regularly can make a significant difference in the long-term balance.

Think About It

Why might employer matching contributions be valuable?

Personal Investments

Personal investments are long-term savings managed directly by the individual. These may include IRAs, Roth IRAs, or other personal investment accounts.

People can choose how much to contribute and how to invest the money over time. Personal investments can provide additional financial support before and during retirement and help strengthen long-term financial stability.

Think About It

How could personal investments help strengthen someone's long-term planning "stool"?

Amara's Retirement

Use the **Long-Term Planning Pathways (Age 67+)** table in your case study materials.

Which pathway's three-legged stool would best support Amara at age 67? Explain your thinking.

NAME: _____

DATE: _____

ACTIVITY

Estate Planning Case Files

What + Why: Estate planning is the final layer of financial protection. It ensures your assets, decisions, and the people who matter to you are provided for when you can no longer manage financial responsibilities yourself.

Instructions:

1. Review each Estate Planning Material with your group.
2. Discuss the questions together.
 - What problem appears in the scenario?
 - What role does the document play?
 - What could happen if the document is missing or outdated?
3. Write a short response for each Estate Planning Material question.

Estate Planning Material Questions

Estate Planning Document 1—Will:

- What might happen to Hollie's money and belongings, and how long might the process take?

Estate Planning Document 2—Beneficiary Designation:

- What challenges could Schuyler's spouse and children face because they are not listed as the beneficiaries on this account?

Estate Planning Document 3—Health Care Directive:

- What might happen without this document?

Estate Planning Document 4—Power of Attorney:

- Without this document, what steps might Angus's family have to take just to manage his finances and pay bills?

Key Term

- **probate:** the legal process of validating a will and transferring property after someone dies

Will

About This Document:

A will is a legal document that explains how a person wants their money, property, and belongings distributed after death.

Without a will, assets may go through a legal process called probate, where a court helps determine how property and money are distributed.

Scenario:

Hollie has spent years building savings and investments for retirement. At age 55, she unexpectedly dies without a will. She has \$47,735 in a personal investment account, a car that is still being paid off, and several valuable personal belongings.

Some family members believe the money should go to Hollie's younger sister. Others believe it should help support her children first.

Beneficiary Designation

About This Document:

A beneficiary designation is part of a will, and it names the person who will receive money from certain accounts after someone dies. A beneficiary is a person or entity (like a charity) named to receive something, such as money from a life insurance policy or possessions.

Scenario:

At age 22, Schuyler opened a 401(k) account at his first job and named his college roommate as the beneficiary. Over the years, Schuyler changed jobs, got married, and had two children, but he never updated the beneficiary information on the account.

After Schuyler dies unexpectedly, his family assumes the money from the account will automatically go to his spouse and children.

Health Care Directive

About This Document:

A health care directive explains a person's medical wishes if they become unable to communicate decisions themselves. A health care directive typically includes two components: a living will, which outlines a person's medical wishes in advance, and a medical power of attorney, which designates someone to make health care decisions on their behalf if they are unable to do so. The specific terms and structure vary by state.

Scenario:

Lux is seriously injured in a car accident and becomes unconscious. Doctors need quick decisions about medical treatment, but Lux never completed a health care directive.

Family members disagree about what Lux would have wanted. Some want every possible medical treatment used. Others believe Lux would not have wanted certain procedures.

Power of Attorney

About This Document:

A power of attorney gives another person legal authority to manage financial, medical, or legal responsibilities on someone's behalf.

Scenario:

Angus has an unexpected surgery from an accident and is unable to manage his finances independently while he recovers. Bills still need to be paid, insurance paperwork still needs to be handled, and mortgage payments are still due each month.

However, Angus never created a power of attorney document before needing help to manage these responsibilities.

NAME: _____

DATE: _____

ACTIVITY

Time Jump: Ages 67+ Analysis

What + Why: Analyze how long-term financial choices can change retirement outcomes, financial protection, and investment growth over time.

Supporting Materials:

Long-Term Planning Pathways (Age 67+) (Case Study)

Instructions:

1. Review the **Long-Term Planning Pathways (Age 67+)** table in your case study materials.
2. Answer both analysis questions.
3. Support your responses with evidence from the case study materials.
4. Be ready to explain your thinking.

Analysis Questions

1. Pathways A, B, and C all started with the same blended investment strategy earlier in the topic. Looking at the personal investment balances at age 67, what explains the differences among them, and what does this suggest about the importance of continuing contributions over time?
2. Pathway C pays \$720 more per month in insurance premiums than Pathway A. Using evidence from the table, explain whether that trade-off makes financial sense and under what circumstances it might not.

NAME: _____

DATE: _____

ACTIVITY

Plotting Amara's Pathways

What + Why: Build your own combination of pathways across Amara's financial life and defend why it creates strong long-term financial independence.

Supporting Materials:

Case Study Resolution (Case Study)

Saving vs. Investing: Pathway Outcomes (Ages 18-22) (Case Study)

Investing Pathways: Asset Growth & Inflation Impact (Ages 23-30) (Case Study)

Risk Management Pathways (Ages 31-36) (Case Study)

Long-Term Planning Pathways (Age 67+) (Case Study)

Instructions:

1. Review the guardrails.
2. Choose one pathway from each topic to create your combination.
3. Organize evidence and reasoning in the Planning Frame, using the case study materials listed.
4. Identify at least one trade-off or cause for concern in your combination.
5. Prepare to use this planning frame during the final independent reflection.

Before You Start Writing . . . Review These Guardrails!

Your combination must:

1. Include one pathway choice from each of the four topics (Your combination must span Amara's full financial life.).
2. Use a mixture of at least two pathway letters (A, B, or C). You cannot use the same letter for all four topics.
3. Acknowledge at least one stage where your combination is not the strongest choice, and explain why the overall combination is still worth it.
4. Cite evidence from at least two different case materials by name.

My Combination

Topic 1: _____

Topic 2: _____

Topic 3: _____

Topic 4: _____

Case Study Evidence Notes

Use the Planning Frame to organize important evidence, data, and examples from the case study materials that may help support your Final Claim later.

Planning Frame

Case Study Material	Important Evidence or Data
Saving vs. Investing Pathways (Ages 18-22)	
Investing Pathways: Asset Growth & Inflation Impact (Ages 23-30)	
Risk Management Pathways (Ages 31-36)	
Long-Term Planning Pathways (Age 67+)	

Connection Notes

Use the following space to organize how different financial decisions connect across Amara's life over time. Think about how choices in one topic may affect later outcomes in another topic.

Financial Topic	Notes
Saving	
Investing & Diversification	
Risk Management & Protection	
Long-Term Planning	

Trade-Off Notes

1. What is one genuine trade-off or cause for concern in this combination?

2. Why is the combination still worth it overall?

NAME: _____

DATE: _____

REFLECTION

Final Claim Writing

What + Why: Use evidence from across Amara's financial journey to defend which combination of pathways creates the strongest long-term financial independence.

As a Financial Time-Travel Analyst, you have followed Amara through different stages of life and examined how her decisions shaped future outcomes. In real life, financial independence is not built from one decision alone. It develops over time through saving, investing, risk management, and long-term planning choices that interact across different stages of life.

Use your Planning Frame, case study materials, and evidence from across the unit to build and defend your Final Claim.

Reflect

1. Your Final Claim must:
 - Explain which combination of pathways leads to the strongest long-term financial independence for Amara.
 - Use evidence from the case study materials.
 - Explain how saving, investing, risk management, and long-term planning interact across the combination.
 - Acknowledge at least one genuine trade-off.
 - Defend why the combination is still worth it overall.
2. As you write, remember to follow the guardrails given.
3. Use the Final Claim Writing rubric to help guide your work.

Final Claim

My Combination

Topic 1: _____

Topic 2: _____

Topic 3: _____

Topic 4: _____

Your Response:

Final Claim Writing Rubric

Criteria	Strong—4	Proficient—3	Developing—2	Beginning—1
Combination Validity & Argument Clarity	Selects a fully valid combination (one pathway per topic, at least two different pathway letters). States a precise, specific claim that directly answers the overall case question, naming the combination and articulating why it leads to the strongest long-term financial independence.	Selects a valid combination and states a clear claim that answers the overall case question. The argument is present and logical, though it may lack specificity in explaining why this combination is strongest overall.	Combination meets the guardrail requirements, but the claim is vague or partially addresses the case question. The student indicates a preference without fully articulating a reasoned argument for why the combination leads to financial independence.	Combination is incomplete or violates a guardrail (e.g., all same pathway letter). No clear claim is made, or the response does not address the overall case question.
Saving, Investing, & Growth	Clearly explains how the Topic 1 and Topic 2 pathway choices interact to drive financial growth. Accurately references at least one of the following: the risk/return trade-off, the role of diversification in long-term stability, or the impact of time on compounding. Uses specific case study data to support the explanation.	Explains how Topic 1 and/or Topic 2 choices contribute to financial growth. References risk, return, or diversification in a generally accurate way. May rely on one topic more than the other, or reference case study data without fully connecting it to the growth argument.	Mentions Topic 1 or Topic 2 choices but does not clearly explain how they drive financial growth. May describe what happened (e.g., "Pathway B grew more") without explaining why, or without connecting it to risk, return, or diversification concepts.	Does not address Topic 1 or Topic 2 choices, or makes significant factual errors about saving, investing, risk, or diversification that undermine the argument.

(continued)

Criteria	Strong—4	Proficient—3	Developing—2	Beginning—1
Risk Management & Resilience	Clearly explains how the Topic 3 pathway choice affected financial stability during the 3 months without work. Accurately identifies at least one risk management strategy used (avoidance, reduction, retention, or transfer) and/ or explains how behavioral decision making during the crisis created or prevented additional financial costs. Uses specific case study data.	Explains how the Topic 3 choice affected the outcome of the 3 months without work. References protection level, debt, or behavioral response in a generally accurate way. May not name the specific risk management strategy or may describe the behavioral response without fully explaining its financial consequence.	Mentions the Topic 3 event or protection level but does not clearly connect the pathway choice to the financial outcome. May note that one pathway “did better” without explaining the mechanism, or may omit the behavioral dimension entirely.	Does not address Topic 3 or makes significant factual errors about the 3 months without work, risk management strategies, or behavioral decision making that undermine the argument.
Long-Term Planning & Security	Clearly explains how the Topic 4 pathway choice shapes Amara’s financial picture at age 67. Addresses at least two of the following: retirement income sources and adequacy, the role of insurance in transferring financial risk, or the purpose of estate planning documents in protecting assets and wishes. Uses specific case study data.	Explains how the Topic 4 choice affects financial independence at age 67. Addresses at least one of the three dimensions (retirement income, insurance, estate planning) accurately. May not connect the Topic 4 choice back to earlier decisions or may omit case study specific data.	Mentions Topic 4 outcomes (e.g., retirement income or insurance) but does not explain how the pathway choice produced those outcomes or does not connect the outcome to the concept of financial independence. Estate planning may be omitted entirely.	Does not address Topic 4 or makes significant factual errors about retirement income, insurance, or estate planning that undermine the argument.

(continued)

Criteria	Strong—4	Proficient—3	Developing—2	Beginning—1
Evidence Use & Trade-Off Acknowledgment	Cites specific, accurate data from at least two different case study materials by name. Clearly identifies at least one stage, where the chosen combination is not the strongest choice, and provides a reasoned explanation for why the overall combination is still worth it despite that weakness. The trade-off acknowledgment strengthens rather than undermines the argument.	References at least two case study materials and includes some specific data. Acknowledges at least one weakness in the chosen combination. The trade-off acknowledgment is present but may be brief, or the defense of the overall combination may lack full development.	References case study data but may not name specific materials, cite specific figures, or cite data from two different materials. Attempts to acknowledge a trade-off but may do so superficially ("It's not perfect, but it's still good") without explaining why the weakness is acceptable.	Does not cite case study data or cites only one material without specific figures. Does not acknowledge any weakness in the chosen combination or claims the chosen combination is strongest in every dimension without qualification.

Scoring Note: Each criterion should be evaluated holistically at the level that best describes the overall quality of the student's response. Students are not penalized for choosing a "weaker" combination; the quality of reasoning and use of evidence determine the score, not the combination selected.

Guardrail Compliance Note: If a student's combination violates a guardrail (e.g., all same pathway letter), this is reflected in Criteria 1 and 5. It does not automatically lower scores on other criteria; evaluate the quality of reasoning on its own merits.

NAME: _____

DATE: _____

ACTIVITY

Financially Me: Financial Independence Checklist

What + Why: Create a personal checklist of future money decisions so you can think ahead about income, protection, trade-offs, and planning.

Financial independence and long-term financial stability are not built from one decision. They grow from choices that work together over time.

Instructions:

1. Complete each section of the checklist.
2. Fill in each prompt with a specific answer.
3. Connect your responses to your future goals, priorities, and plans.

Section 1—My Long-Term Income Plan

- The three sources of retirement income I expect to draw from:
 -
 -
 -
- The one retirement income source I'm most at risk of relying on too heavily, and why:
 -
- One action I can take before age 30 to strengthen my retirement income:
 -
- One investing habit or strategy I would want to continue consistently over time:
 -
- One reason diversification may help support long-term financial stability:
 -

Section 2—My Insurance Priorities

- The two insurance types most essential at my current life stage and why:
 - _____
because _____.
 - _____
because _____.
- One insurance type I don't need yet but will likely need within 10 years and what life change will trigger needing the coverage:
 - _____
- One financial risk I would want to protect myself from most:
 - _____

Section 3—My Cost Trade-Off Thinking About Insurance

- Between a high-premium/low-deductible plan and a low-premium/high-deductible plan, I would choose _____
because _____
_____.
- The factor that would most change my answer:
 - _____
- One situation where paying more now could protect me financially later:
 - _____

Section 4—My Estate Planning Awareness

- The most important estate planning step I could take right now, even as a teenager:
 -
- One thing that could go wrong for my family if I never create any estate planning documents:
 -
- One financial or personal decision I would want others to respect if I could not communicate it myself:
 -

Section 5—My Financial Habits & Independence

- One financial habit or behavior that could help me stay on track long-term:
 -
- One financial decision that may become more important as I get older:
 -
- One sign that I would feel financially independent in adulthood:
 -
- One financial problem I would want to protect myself from in adulthood:
 -
- One goal financial independence could help me achieve:
 -

Submission:

Turn in your completed work to your teacher.

NAME: _____

DATE: _____

POST-QUIZ

Long-Term Financial Planning & Insurance Needs

What + Why: You made it to the end of the topic! This quick, ungraded quiz shows how your thinking has grown since the pre-quiz.

Instructions:

1. Answer each question as best you can.
2. Circle the best answer for each question.
3. Submit it when you're done.

1. What is meant by "risk pooling"?

- ☐ a. combining different insurance policies for a discount and extra coverage
- ☐ b. investing premiums in the stock market
- ☐ c. collecting premiums from many people to pay for the losses of a few
- ☐ d. sharing medical records among insurers

2. Which person has the greatest need for life insurance?

- ☐ a. a single college student with no dependents
- ☐ b. a parent whose income supports two children
- ☐ c. a retiree with no debt and no dependents
- ☐ d. a high school student with a part-time job

3. Which choice would most likely lower a monthly insurance premium?

- ☐ a. selecting a higher deductible
- ☐ b. increasing coverage limits
- ☐ c. choosing a lower deductible
- ☐ d. adding additional riders

4. Why is it important to start saving for retirement early and contributing regularly?
- ☐ a. Early savers avoid paying any taxes on their income.
 - ☐ b. Regular contributions guarantee higher returns.
 - ☐ c. Compound interest allows savings to grow more over time.
 - ☐ d. Retirement accounts lose value if contributions are made later.
5. What is the primary purpose of a will?
- ☐ a. to legally direct how a person's property and care responsibilities should be handled after death
 - ☐ b. to transfer ownership of all property before death to avoid probate
 - ☐ c. to guarantee that all debts are canceled after death
 - ☐ d. to ensure that all family members receive equal portions of an estate

