



Semester Course

1.0: Behavioral Economics

Unit Plan for Teachers

Vocabulary and Unit Review for this unit can be found on the [Unit Review Page](#) and in the [NGPF Personal Finance Dictionary](#)

1.1 Your Values and Money

Students will be able to:

- Practice making financial decisions
- Reflect on their personal values and how they can influence their financial decisions
- Explore how values differ from person to person

Resources: [Lesson Guide](#)
[Student Activity Packet](#)

National Standards for Personal Financial Education:

Saving

- 9a: Explain how external influences (e.g. peers, family, or social media) can impact personal savings decisions

1.2 Your Brain and Money

Students will be able to:

- Experience cognitive biases through thought experiments
- Identify various cognitive biases
- Give examples of cognitive biases in their own lives
- Explain what cognitive bias is and how it can impact their decision making

Resources: [Lesson Guide](#)
[Student Activity Packet](#)

National Standards for Personal Financial Education Standards:

Investing

- 9a: Identify several behavioral biases that can result in poor investment decisions (e.g. loss aversion, investing in employer stock, home bias, mental accounting)

1.3 Loss Aversion

Students will be able to:

- Discuss the cognitive bias of loss aversion and how it can influence our decisions
- Make decisions that involve risk and the possibility of loss

- Analyze how loss aversion can impact us as consumers
- Learn how to overcome loss aversion

Resources: [Lesson Guide](#)
[Student Activity Packet](#)

National Standards for Personal Financial Education:

Investing

- 9a: Identify several behavioral biases that can result in poor investment decisions (e.g. loss aversion, investing in employer stock, home bias, mental accounting)
 - 9b: Brainstorm methods for avoiding negative consequences from behavioral biases
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1.4 Endowment Effect and Sunk Costs

Students will be able to:

- Identify how the endowment effect and sunk costs can affect our decision making
- Discuss how the endowment effect and sunk costs are connected to our personal finances
- Practice making decisions that are influenced by sunk costs

Resources: [Lesson Guide](#)
[Student Activity Packet](#)

National Standards for Personal Financial Education:

Investing

- 9a: Identify several behavioral biases that can result in poor investment decisions (e.g. loss aversion, investing in employer stock, home bias, mental accounting)
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1.5 Herd Mentality and FOMO

Students will be able to:

- Understand what herd mentality and FOMO are
- Explain how these two cognitive biases impact our personal finances
- Identify practical steps someone can take to combat the influence of herd mentality and FOMO

Resources: [Lesson Guide](#)
[Student Activity Packet](#)

National Standards for Personal Financial Education:

Saving

- 9a: Explain how external influences (e.g. peers, family, or social media) can impact personal savings decisions
- 9b: Identify strategies to manage psychological and emotional obstacles to saving

Investing

- 9a: Identify several behavioral biases that can result in poor investment decisions (e.g. loss aversion, investing in employer stock, home bias, mental accounting)
 - 9b: Brainstorm methods for avoiding negative consequences from behavioral biases
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1.6 Confirmation Bias and Overconfidence

Students will be able to:

- Understand what confirmation bias and overconfidence are
- Explain how these two biases can influence their decision making
- Explore strategies to avoid confirmation bias and overconfidence

Resources: [Lesson Guide](#)
[Student Activity Packet](#)

National Standards for Personal Financial Education:

Investing

- 9a: Identify several behavioral biases that can result in poor investment decisions (e.g. loss aversion, investing in employer stock, home bias, mental accounting)
 - 9b: Brainstorm methods for avoiding negative consequences from behavioral biases
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1.7 Happiness and Hedonic Adaptation

Students will be able to:

- Understand what hedonic adaptation is and how it influences our financial decisions
- Explain why we are driven to buy more stuff
- Identify steps someone can take to counteract the impact of hedonic adaptation

Resources: [Lesson Guide](#)
[Student Activity Packet](#)

National Standards for Personal Financial Education:

Saving

- 9a: Explain how external influences (e.g. peers, family, or social media) can impact personal savings decisions
- 9b: Identify strategies to manage psychological and emotional obstacles to saving
- 9c: Discuss strategies for avoiding personal triggers that result in deviating from a savings plan

Investing

- 9b: Brainstorm methods for avoiding negative consequences from behavioral biases
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1.0 Unit Assessments

Teachers, you can access unit assessments on the corresponding [Unit Page](#). You will need to be logged into your Teacher Account.

Unit Assessment Includes:

- 25 Multiple Choice
- 5 Short Answer
- 1 Essay