



# Semester Course

## 1.0: Behavioral Economics

Unit Plan for Teachers

All lessons are approximately 45 minutes long.

- To access lesson guides and answer keys, please visit the [Behavioral Economics Unit Page](#) while logged into your NGPF teacher account.
- Vocabulary and Unit Review for this unit can be found on the [Unit Review Page](#)

### 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