

Financial Education



Financial Education Standards

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Financial Education K—12 Learning Standards Adoption Statement

The 2016 Financial Education K—12 Learning Standards were developed collaboratively with teachers, administrators, subject matter experts, state and national associations, and stakeholders in financial education. A team of Washington state educators, in cooperation with the Financial Education Public-Private Partnership, considered existing national standard sets with the aim to advance comprehensive learning standards and relevant grade-level benchmarks specific to our state. The foundation of these standards were taken from two sets of national standards: Jump\$tart and the National Council for Economic Education.

Since the first draft was made available in January 2016, the Financial Education K—12 Learning Standards have been reviewed by Washington educators, administrators, professionals, and parents. As part of the development process, the standards underwent analyses from professionals, specialists, and stakeholders to include a Bias and Sensitivity Review and an extensive public comment period. The overall vetting process allowed those with an interest in financial education an opportunity to inform the development and implementation of the standards and supporting documentation.

Pursuant to RCW 28A.300.460 (2)(d) and .462, which reference district adoptions of voluntary Financial Education Standards (Jumpstart), RCW 28A.655.070 (14) which adds Financial Education as integrated into Washington Learning Standards and based on widespread support and recommendations from students, educators, the state's Curriculum Advisory and Review Committee (CARC), and financial education stakeholders, I support the adoption of the 2016 Financial Education K—12 Learning Standards.

Effective on this 27th day of September, 2016.

A handwritten signature in black ink, appearing to read "Randy I. Dorn". The signature is written over a horizontal line.

Randy I. Dorn
State Superintendent
of Public Instruction

TABLE OF CONTENTS

WASHINGTON STATE K–12 LEARNING STANDARDS FOR FINANCIAL EDUCATION

INTRODUCTION TO THE FINANCIAL EDUCATION K–12 LEARNING STANDARDS.....	1
KINDERGARTEN	9
GRADE 1	12
GRADE 2	15
GRADE 3	18
GRADE 4	22
GRADE 5	26
GRADE 6	30
GRADE 7	35
GRADE 8	40
GRADE 9	46
GRADE 10	50
GRADE 11	54
GRADE 12	60
FINANCIAL EDUCATION GLOSSARY	66
ACKNOWLEDGEMENTS	75

Washington State Financial Education K–12 Learning Standards

Learning standards are for all of us: principals, administrators, decision-makers, teachers, and families. They help define what is important for students to know and be able to do as they progress through school. Standards help ensure that students acquire the skills and knowledge they need to achieve personal and academic success. Standards also provide an avenue for promoting consistency in what is taught to students across our state—from district to district, school to school, classroom to classroom.

Financial Education Is an Essential Academic Subject

The mission of the Office of Superintendent of Public Instruction (OSPI) is to prepare students for college, career, and life. Financial education comprises an extensive content area that includes, but is not limited to, developing knowledge and skills to plan for spending and saving, managing credit and debt, using a career plan to understand income potential, setting and working toward personal financial goals, and applying decision making to matters of personal finance. These skills are mastered in learning environments that span kindergarten through 12th grade.

Financial education attends to the development of short-term and long-term skills and competencies for academic and personal growth. Financial education supports students' academic performance in several subject areas and plays a major role in preparing students for college, career, and a life of financial stability and well-being. The state of Washington is committed to implementing high-quality financial education instruction to:

- Lay the foundational knowledge for students to be informed and productive members of society.
- Support the development of financially competent and fiscally responsible individuals.
- Prioritize the needs of each student by using inclusive language.
- Emphasize instructional understanding and application of a whole child approach.

The Washington State K–12 Learning Standards will increase teacher understanding and expectations for preparation and delivery of instruction—that is, where and when grade-level benchmarks should be taught.

Washington State Learning Goals, Standards, and Benchmarks

These **four learning goals** are the foundation of all academic learning standards in Washington state:

- **Read** with comprehension, **write** effectively, and **communicate** successfully in a variety of ways and settings and with a variety of audiences.

- **Know and apply the core concepts and principles** of mathematics; social, physical, and life sciences; civics and history, including different cultures and participation in representative government; geography; arts; and health and fitness [now named physical education].
- **Think** analytically, logically, and creatively, and integrate technology literacy and fluency as well as different experiences and knowledge to form reasoned judgments and solve problems.
- **Understand** the importance of work and finance and how performance, effort, and decisions directly affect **future career and educational opportunities**.

The **Washington state learning standards** are the required elements of instruction and are worded broadly enough to allow for local decision-making. **Benchmarks** provide the specificity to support school districts in meeting each standard in each grade level. Depending on school resources and community norms, instructional activities may vary.

The 2016 financial education standards and benchmarks provide the guidance to teach, reinforce, and apply all of the state’s learning goals. They are aligned vertically to strengthen application of learning and depth of knowledge (see Appendix A). If implemented effectively, these standards and benchmarks will lead students to understand and apply the knowledge and skills necessary for a safe and financially secure life and, in turn, for successful learning across all academic disciplines.

The 2016 Financial Education K–12 Learning Standards reflect OSPI’s continuous commitment to supporting rigorous, inclusive, age-appropriate, accurate instruction to ensure that students are prepared to live productive and successful lives in a global society. Learning standards are designed to help educators increase student access to comprehensive, high-quality instruction across the state. Classrooms that support equity tend to engage students as problem solvers and critical thinkers. In these classrooms, teaching and learning are connected to each student’s world, thus providing students with the skills and tools to be safe, secure, and successful in the lives they lead outside and beyond the classroom. In financial education this means providing instruction from the perspective of the student, keeping in mind that students and families throughout the state have different access to financial resources.

Washington State K–12 Learning Standards and Instructional Goals

The Washington State K–12 Learning Standards provide the foundation for curriculum development. The Financial Education K–12 Learning Standards support instruction in several specific subject areas and provide the following benefits:

Benefits to teachers:

- Provide a guide for what should be taught at each grade level.
- Support development of student assessments.
- Promote consistent instruction throughout the state of Washington.
- Inform administrators on best practices.
- Enhance the teaching profession through statewide professional development and professional learning.

Benefits to students:

- Prepare students to be able to make financially informed choices.
- Ensure equity and access to financial education information through consistent instruction across the state.
- Empower students to become knowledgeable and literate 21st century learners.
- Provide quality instruction for each student with relevant progression of learning.
- Speak to the diversity of cultures and experiences represented in the student population across the state.

Financial Education K–12 Learning Standards

The Financial Education K–12 Learning Standards were developed to establish, promote, and support financially informed choices and effective behavior for students in all grade levels—from kindergarten through 12th grade. They are based on two sets of national standards:

- Jump\$tart National Standards in K–12 Personal Finance Education
- Council for Economic Education National Standards for Financial Literacy

The Jump\$tart standards form the primary basis of our state standards. They were converted from grade-band standards to grade-level standards. During the conversion process, we sought to remain true to the Jump\$tart language. Because the majority of financial curriculums are aligned to the Jump\$tart standards, we have attempted to make the transition from the Jump\$tart standards to our state standards as seamless as possible.

The standards provide a framework for teachers, administrators, and policymakers to design or select curricula, allocate instructional resources, and assess student achievement and progress. Importantly, the standards provide students, families, and communities with concrete expectations for financial education. For efficacy and comprehensiveness, the following standards have been adopted as the Washington State Financial Education K–12 Learning Standards:

Competency 1: Spending and Saving

Students will apply strategies to monitor income and expenses, plan for spending, and save for future goals.

Competency 2: Credit and Debt

Students will develop strategies to control and manage credit and debt.

Competency 3: Employment and Income

Students will use a career plan to develop personal income potential.

Competency 4: Investing

Students will implement a diversified investment strategy that is compatible with personal financial goals.

Competency 5: Risk Management and Insurance

Students will apply appropriate and cost-effective risk management strategies.

Competency 6: Financial Decision-Making

Students will apply reliable information and systematic decision-making to personal financial decisions.

How to Read the Grade-Level Standards and Benchmarks

Competencies are clusters of several related learning standards. For example **Competency 1: Spending and Saving** is a cluster of four standards, each with several specific grade-level benchmarks.

Standards define what students at all grade levels will be learning. For example students in 1st grade and 6th grade alike will learn to **develop a plan for spending and saving**.

Benchmarks define what students at a particular grade level should understand and be able to do. For example, students in 6th grade who are learning to develop a plan for spending and saving will meet five benchmarks, such as **show how spending priorities reflect goals and values** and **compare the advantages and disadvantages of saving for financial goals**.

In the Washington State Financial Education K–12 Learning Standards, standards and grade-level benchmarks are displayed as follows:

Spending and Saving 6.SS

Develop a plan for spending and saving.

1. Show how spending priorities reflect goals and values.
2. Classify the components of a personal spending plan, including income, planned saving, and expenses.
3. Distinguish between saving strategies, including (a) pay yourself first and (b) comparison shopping.

4. Compare the advantages and disadvantages of saving for financial goals.
5. Identify the value of an emergency fund.

Develop a system for keeping and using financial records.

6. Prepare a sample personal property inventory, including descriptions, locations, and estimates of value.

Describe how to use different payment methods.

7. Summarize the advantages and disadvantages of checks, prepaid cards, debit cards, gift cards, and online and mobile payment systems.

Apply consumer skills to spending and saving decisions.

8. Analyze how external factors, such as marketing and advertising techniques, might influence spending decisions for different individuals.

Implementation of Grade-Level Benchmarks

All curriculum in Washington state is decided locally, within each district. Each district should incorporate the learning standards for financial education into all grades from kindergarten to 8th grade and integrate them into relevant high school courses leading to graduation. The 2016 learning standards and benchmarks are meant to focus on what students will need to know and be able to do throughout their life to make financially informed choices.

Learning standards are the foundation for *what* students should know and be able to do. *How* this learning occurs is up to teachers every day in every classroom.

The grade-level benchmarks associated with each learning standard are intended to provide teachers with the confidence to provide age-appropriate and accurate information and instruction that progresses in complexity from grade level to grade level. Competency at the benchmarks for one grade level serves as a foundation for attaining competency of the benchmarks for the next grade level. Teachers can use the grade-level benchmarks as starting points for instruction and as checkpoints to ensure that the learning standards are taught and applied.

Teachers can use grade-level benchmarks to:

- Develop lesson plans.
- Establish specific and intentional learning objectives to guide teaching and learning.
- Conduct ongoing formative and summative assessments to check student understanding and efficacy of instruction.

- Ensure that students achieve financial literacy.

Implementing Effective Financial Education Curricula

In an ideal educational environment, the learning standards and benchmarks for financial education would be implemented by a teacher certified in financial education. In addition, messages about and skill-building for financial education would be embedded within science, social studies, English language arts, the arts, and other content areas. In many circumstances, school districts choose to teach financial education with a teacher certified in social studies or mathematics as the lead and with additional educational supports from family and consumer science educators, counselors, and community partners.

To effectively implement standards-based financial education, schools will need:

- Engaging, youth-focused, active teaching strategies.
- Policies and procedures that align with the standards.
- Endorsed, certified staff to provide instruction.
- Sufficient instructional time.
- A planned scope and sequence or curriculum map for kindergarten through 12th grade.
- Regional and local professional development and professional learning that includes all teachers, counselors, and other instructional staff.
- Easily accessible examples, ideas, and rubrics.
- Data assessments developed by OSPI or other professional assessment development organizations to promote the work.
- Partnerships with organizations to develop, promote, and fund professional development and professional learning.
- Ongoing student assessment (formative and summative).
- Collaboration with and connections to other academic content areas.
- Access to adequate and safe facilities.
- Accountability to best practices.

How to Use This Document

The following pages are divided into the following sections:

1. Financial Education
 - a. Introduction to Financial Education
 - b. Financial Education Standards and Benchmarks
The standards and benchmarks for the Financial Education K–12 Learning Standards are organized by six core competencies (ideas) in financial education:

spending and saving, credit and debt, employment and income, investing, risk management and insurance, and financial decision-making. The goal is to support typical lesson plan and unit development. For each core competency, the standards and benchmarks are presented by grade level:

- i. Grades K–5
- ii. Grades 6–8
- iii. Grades 9–12

c. Financial Education Glossary

A list of terms and definitions to increase teacher understanding and decrease biased language.

2. Appendix A: Depth of Knowledge Chart

A chart that helps develop the progression of student learning for each outcome.

3. Appendix B: Laws and Policies

Washington state laws and policies that support and guide implementation of instruction in financial education.

4. Acknowledgments

Credit to those who contributed to the creation of this document.

Financial Education K-12 Learning Standards

Kindergarten

Spending and Saving K.SS

Develop a plan for spending and saving.

1. Decide uses for personal funds.
2. Give examples of alternatives to activities that charge fees.
3. Differentiate between private and public property.

Develop a system for keeping and using financial records.

4. Use a method to keep track of money saved for future spending.

Describe how to use different payment methods.

5. Sort coins and paper money by appearance and name.
6. Count items up to 10.

Apply consumer skills to spending and saving decisions.

7. Explain how charitable giving differs from sharing toys with a friend.
8. Identify possessions that are suitable for donation to a charity.

Credit and Debt K.CD

Analyze the costs and benefits of various types of credit.

1. Explain why something borrowed must be returned.
2. Explain the difference between buying and borrowing.
3. Explain how to take care of something borrowed.

Summarize a borrower's rights and responsibilities related to credit reports.

Not applicable at this grade level.

Apply strategies to avoid or correct debt management problems.

Not applicable at this grade level.

Summarize major consumer credit laws.

Not applicable at this grade level.

Financial education teachers should provide a variety of grade-level opportunities for students to demonstrate skill development and competency. They should not, however, use the standards or benchmarks to compare students. The standards and benchmarks consider differences in cultural norms and access to resources outside of school and include alternative activities to engage students. Financial education teachers may modify terminology when implementing the standards to ensure that students understand the concepts. The Financial Education Glossary contains definitions for many of the terms used in the standards and benchmarks.

Employment and Income K.EI

Explore job and career options.

1. List tasks that an adult does at a job.

Compare sources of personal income and compensation.

2. List occasions when people might receive money gifts.

Analyze factors that affect net income.

Not applicable at this grade level.

Investing K.I

Explain how investing may build wealth and help meet financial goals.

Not applicable at this grade level.

Evaluate investment alternatives.

Not applicable at this grade level.

Demonstrate how to buy and sell investments.

Not applicable at this grade level.

Investigate how agencies protect investors and regulate financial markets and products.

Not applicable at this grade level.

Risk Management and Insurance K.RM

Identify common types of risks and basic risk management methods.

1. Discuss a system to keep track of personal items and small amounts of money at home.
2. Identify safe ways to carry small amounts of money and personal items.
3. Given an activity, tell ways to reduce and avoid potential risks.

Justify reasons to use property and liability insurance.

Not applicable at this grade level.

Justify reasons to use health, disability, long-term care, and life insurance.

4. List ways that children can protect themselves from injury.

Financial Decision-Making K.FD

Recognize the responsibilities associated with personal financial decisions.

1. Demonstrate spending by trading money for something else.

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2. Share an experience about deciding not to spend money.

Use reliable resources when making financial decisions.

Not applicable at this grade level.

Summarize major consumer protection laws.

Not applicable at this grade level.

Make criterion-based financial decisions by systematically considering alternatives and consequences.

3. Give an example of something that could be a need for one person but not for another.

4. Discuss how wants might differ, depending on individual circumstances such as age, where one lives, and time of year.

Apply communication strategies when discussing financial issues.

Not applicable at this grade level.

Analyze the requirements of contractual obligations.

5. Give reasons for keeping promises between friends or family members.

Control personal information.

6. Explain the reasons for not sharing personal information with strangers.

Use a personal financial plan or budget.

7. Differentiate between possessions that belong to a specific family member and those that are available for everyone in the family to use.

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Grade 1

Spending and Saving 1.SS

Develop a plan for spending and saving.

1. Explain how saving money can improve financial well-being.

Develop a system for keeping and using financial records.

Not applicable at this grade level.

Describe how to use different payment methods.

2. Calculate the amount of change to be returned when the payment amount is greater than the purchase price, using whole dollar amounts.

Apply consumer skills to spending and saving decisions.

3. Explain a spending decision based on predetermined criteria for an acceptable outcome and available options.
4. Explain how spending choices are influenced by price, advertising, the spending choices of others, and peer pressure.

Credit and Debt 1.CD

Analyze the costs and benefits of various types of credit.

1. Describe the qualities that would be desirable in a person who borrows a favorite personal possession.
2. Give examples of reasonable conditions to set for the use of borrowed personal property.

Summarize a borrower's rights and responsibilities related to credit reports.

Not applicable at this grade level.

Apply strategies to avoid or correct debt management problems.

Not applicable at this grade level.

Summarize major consumer credit laws.

Not applicable at this grade level.

Employment and Income 1.EI

Explore job and career options.

1. Identify the different skills, training, and tools required by different jobs.

Compare sources of personal income and compensation.

2. Identify jobs children can do to earn money.
3. Give examples of sources of income other than a wage or salary.

Financial education teachers should provide a variety grade-level opportunities for students to demonstrate skill development and competency. They should not, however, use the standards or benchmarks to compare students. The standards and benchmarks consider differences in cultural norms and access to resources outside of school and include alternative activities to engage students. Financial education teachers may modify terminology when implementing the standards to ensure that students understand the concepts. The Financial Education Glossary contains definitions for many of the terms used in the standards and benchmarks.

Analyze factors that affect net income.

Not applicable at this grade level.

Investing 1.I

Explain how investing may build wealth and help meet financial goals.

Not applicable at this grade level.

Evaluate investment alternatives.

Not applicable at this grade level.

Demonstrate how to buy and sell investments.

Not applicable at this grade level.

Investigate how agencies protect investors and regulate financial markets and products.

Not applicable at this grade level.

Risk Management and Insurance 1.RM

Identify common types of risks and basic risk management methods.

1. Understand that risk occurs when there is a chance of harm, either financially or personally.
2. Understand that different saving vehicles (e.g., pockets, piggy banks, banks, and credit unions) have different risks.

Justify reasons to use property and liability insurance.

Not applicable at this grade level.

Justify reasons to use health, disability, long-term care, and life insurance.

Not applicable at this grade level.

Financial Decision-Making 1.FD

Recognize the responsibilities associated with personal financial decisions.

1. State the consequences of spending decisions.

Use reliable resources when making financial decisions.

Not applicable at this grade level.

Summarize major consumer protection laws.

Not applicable at this grade level.

Make criterion-based financial decisions by systematically considering alternatives and consequences.

2. Differentiate between needs and wants.

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3. Rank personal wants in order of importance.
4. Identify the opportunity cost of a decision.
5. List the costs and benefits when making a decision.

Apply communication strategies when discussing financial issues.

Not applicable at this grade level.

Analyze the requirements of contractual obligations.

Not applicable at this grade level.

Control personal information.

6. State strategies to protect personal information.

Use a personal financial plan or budget.

Not applicable at this grade level.

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Grade 2

Spending and Saving 2.SS

Develop a plan for spending and saving.

1. Explain how saving money can improve financial well-being.
2. Create a way to keep track of money spent.
3. Describe ways that people can decrease expenses to save more of their income.
4. Demonstrate how to allocate income for spending, saving, and sharing goals.
5. Give an example of how local government uses tax revenues.

Develop a system for keeping and using financial records.

Not applicable at this grade level.

Describe how to use different payment methods.

6. Explain why people keep money in banks and credit unions.

Apply consumer skills to spending and saving decisions.

7. Explain a spending decision based on predetermined criteria for an acceptable outcome and available options.
8. Predict how spending choices are influenced by price, advertising, the spending choices of others, and peer pressure.

Credit and Debt 2.CD

Analyze the costs and benefits of various types of credit.

1. Identify the qualities that would be desirable in a person who borrows a favorite personal possession.
2. Construct a list of feasible conditions to set for the use of borrowed personal property.

Summarize a borrower's rights and responsibilities related to credit reports.

Not applicable at this grade level.

Apply strategies to avoid or correct debt management problems.

Not applicable at this grade level.

Summarize major consumer credit laws.

Not applicable at this grade level.

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Employment and Income 2.EI

Explore job and career options.

1. Recognize that different jobs require different skills, training, and tools.
2. Give examples of careers related to a personal interest.
3. Recognize that people form businesses to meet customers' needs while generating income for themselves.

Compare sources of personal income and compensation.

4. Identify jobs children can do to earn money.
5. Give examples of sources of income other than a wage or salary.

Analyze factors that affect net income.

Not applicable at this grade level.

Investing 2.I

Explain how investing may build wealth and help meet financial goals.

Not applicable at this grade level.

Evaluate investment alternatives.

Not applicable at this grade level.

Demonstrate how to buy and sell investments.

Not applicable at this grade level.

Investigate how agencies protect investors and regulate financial markets and products.

Not applicable at this grade level.

Risk Management and Insurance 2.RM

Identify common types of risks and basic risk management methods.

1. Recognize that risk occurs when there is a chance of harm, either financially or personally.
2. Recognize that risk can be avoided or minimized.
3. Compare different saving vehicles (e.g., pockets, piggy banks, banks, and credit unions) based on risk of loss.

Justify reasons to use property and liability insurance.

Not applicable at this grade level.

Justify reasons to use health, disability, long-term care, and life insurance.

Not applicable at this grade level.

Financial education teachers should provide a variety of grade-level opportunities for students to demonstrate skill development and competency. They should not, however, use the standards or benchmarks to compare students. The standards and benchmarks consider differences in cultural norms and access to resources outside of school and include alternative activities to engage students. Financial education teachers may modify terminology when implementing the standards to ensure that students understand the concepts. The Financial Education Glossary contains definitions for many of the terms used in the standards and benchmarks.

Financial Decision-Making 2.FD

Recognize the responsibilities associated with personal financial decisions.

1. Predict the consequences of spending decisions.
2. Analyze money-handling decisions that youth commonly face.

Use reliable resources when making financial decisions.

3. List ways to verify a claim expressed in advertising for a product.

Summarize major consumer protection laws.

Not applicable at this grade level.

Make criterion-based financial decisions by systematically considering alternatives and consequences.

4. Differentiate between needs and wants.
5. Rank personal wants in order of importance.
6. Show the opportunity cost of a decision.
7. Compare the costs and benefits when making a decision.

Apply communication strategies when discussing financial issues.

Not applicable at this grade level.

Analyze the requirements of contractual obligations.

Not applicable at this grade level.

Control personal information.

8. List types of personal information that should not be disclosed to others in person or online.
9. Apply strategies to protect personal information.

Use a personal financial plan or budget.

Not applicable at this grade level.

Financial education teachers should provide a variety of grade-level opportunities for students to demonstrate skill development and competency. They should not, however, use the standards or benchmarks to compare students. The standards and benchmarks consider differences in cultural norms and access to resources outside of school and include alternative activities to engage students. Financial education teachers may modify terminology when implementing the standards to ensure that students understand the concepts. The Financial Education Glossary contains definitions for many of the terms used in the standards and benchmarks.

Grade 3

Spending and Saving 3.SS

Develop a plan for spending and saving.

1. Show how saving money can improve financial well-being.
2. Categorize types of household expenses and sources of income.
3. Describe ways that people can decrease expenses to save more of their income.
4. Give an example of how the state government uses tax revenues.

Develop a system for keeping and using financial records.

Not applicable at this grade level.

Describe how to use different payment methods.

5. List reasons why people keep money in banks and credit unions.
6. Calculate the total cost of a purchase that includes multiple items priced in whole dollar amounts.

Apply consumer skills to spending and saving decisions.

7. Explain a spending decision based on predetermined criteria for an acceptable outcome and available options.
8. Assess how spending choices are influenced by price, advertising, the spending choices of others, and peer pressure.

Credit and Debt 3.CD

Analyze the costs and benefits of various types of credit.

1. List the potential advantages and disadvantages of using credit.
2. Explain why financial institutions lend money.
3. Give examples of reasonable conditions to set for the use of borrowed personal property.

Summarize a borrower's rights and responsibilities related to credit reports.

Not applicable at this grade level.

Apply strategies to avoid or correct debt management problems.

Not applicable at this grade level.

Summarize major consumer credit laws.

Not applicable at this grade level.

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Employment and Income 3.EI

Explore job and career options.

1. Explain the difference between a career and a job.
2. Identify various jobs within a specific career.
3. Distinguish how different jobs require different skills, training, and tools.
4. Give an example of how an individual's interests, knowledge, and abilities can affect job and career choice.
5. Give examples of careers related to a personal interest.
6. Examine jobs related to a career of interest.
7. Give examples of local businesses.
8. Describe how people form businesses to meet customers' needs while generating income for themselves.

Compare sources of personal income and compensation.

9. Identify jobs children can do to earn money.
10. Give examples of sources of income other than a wage or salary.

Analyze factors that affect net income.

Not applicable at this grade level.

Investing 3.I

Explain how investing may build wealth and help meet financial goals.

1. Explain the difference between stocks and bonds.

Evaluate investment alternatives.

Not applicable at this grade level.

Demonstrate how to buy and sell investments.

Not applicable at this grade level.

Investigate how agencies protect investors and regulate financial markets and products.

Not applicable at this grade level.

Risk Management and Insurance 3.RM

Identify common types of risks and basic risk management methods.

1. Understand that risk occurs when there is a chance of harm, either financial harm or physical harm.

Financial education teachers should provide a variety of grade-level opportunities for students to demonstrate skill development and competency. They should not, however, use the standards or benchmarks to compare students. The standards and benchmarks consider differences in cultural norms and access to resources outside of school and include alternative activities to engage students. Financial education teachers may modify terminology when implementing the standards to ensure that students understand the concepts. The Financial Education Glossary contains definitions for many of the terms used in the standards and benchmarks.

2. State reasons for keeping money in a depository institution.

Justify reasons to use property and liability insurance.

3. List responsibilities that homeowners and renters have for the safety of other people.

Justify reasons to use health, disability, long-term care, and life insurance.

Not applicable at this grade level.

Financial Decision-Making 3.FD

Recognize the responsibilities associated with personal financial decisions.

1. Predict the consequences of spending decisions.
2. Analyze money-handling decisions that youth commonly face.

Use reliable resources when making financial decisions.

3. Identify reliable sources of information when comparing products such as a bike.
4. Discuss ways to verify a claim expressed in advertising for a product.

Summarize major consumer protection laws.

Not applicable at this grade level.

Make criterion-based financial decisions by systematically considering alternatives and consequences.

5. Explain how limited personal financial resources affect the choices people make.
6. Compare needs and wants.
7. Identify the opportunity cost of a decision.
8. Categorize the costs and benefits when making a decision.
9. Identify a plan to achieve a specific, measurable goal.

Apply communication strategies when discussing financial issues.

Not applicable at this grade level.

Analyze the requirements of contractual obligations.

10. Devise an agreement between friends, listing expectations for each person and consequences of breaking the agreement.

Control personal information.

11. List types of personal information that should not be disclosed to others in person or online.
12. Explain strategies to protect personal information.

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Use a personal financial plan or budget.

13. Explain what it means to inherit something.

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Grade 4

Spending and Saving 4.SS

Develop a plan for spending and saving.

1. Create a way to keep track of money spent.
2. Categorize types of household expenses and sources of income.
3. Calculate the sales tax for a given purchase.
4. Compare ways that people can decrease expenses to save more of their income.
5. Give an example of how the government uses tax revenues.

Develop a system for keeping and using financial records.

6. Monitor financial statements for a personal savings account.

Describe how to use different payment methods.

7. Explain why people keep money in banks and credit unions.
8. Describe how checks and debit cards, gift cards, and credit cards are used as payment methods.
9. Verify the total cost of a purchase that includes multiple items.
10. Calculate the amount of change to be returned when the payment amount is greater than the purchase price.

Apply consumer skills to spending and saving decisions.

11. Compare prices for the same item from two different sources.
12. Justify a spending decision based on predetermined criteria for an acceptable outcome and available options.
13. Analyze how spending choices are influenced by price, advertising, the spending choices of others, and peer pressure.

Credit and Debt 4.CD

Analyze the costs and benefits of various types of credit.

1. Identify situations when people might pay for certain items in small amounts over time.
2. Summarize the advantages and disadvantages of using credit.
3. Explain why using a credit card is a form of borrowing.
4. Recognize how overspending can lead to borrowing problems.

Summarize a borrower's rights and responsibilities related to credit reports.

Not applicable at this grade level.

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Apply strategies to avoid or correct debt management problems.

Not applicable at this grade level.

Summarize major consumer credit laws.

Not applicable at this grade level.

Employment and Income 4.EI

Explore job and career options.

1. Analyze how different jobs require different skills, training, and tools.
2. Explain how an individual's interests, knowledge, and abilities can affect job and career choice.
3. Research jobs related to a career of interest.
4. Classify the types of businesses run by local entrepreneurs.
5. Describe how people form businesses to meet customers' needs while generating income for themselves.
6. List ways that owning a business involves risk that the business will not be able to earn enough revenue to pay its costs.

Compare sources of personal income and compensation.

7. Identify jobs children can do to earn money.
8. Explain the difference between a wage and a salary.

Analyze factors that affect net income.

Not applicable at this grade level.

Investing 4.I

Explain how investing may build wealth and help meet financial goals.

1. Describe reasons for investing.

Evaluate investment alternatives.

2. Compare the main features and rates of return on basic deposit accounts at local financial institutions.

Demonstrate how to buy and sell investments.

3. Investigate requirements for purchasing a certificate of deposit.

Investigate how agencies protect investors and regulate financial markets and products.

Not applicable at this grade level.

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Risk Management and Insurance 4.RM

Identify common types of risks and basic risk management methods.

1. Identify that risk occurs when there is a chance of harm, either financially or personally.
2. Estimate the losses and costs associated with certain physical and financial risks.

Justify reasons to use property and liability insurance.

3. List responsibilities that homeowners and renters have for the safety of other people.
4. List actions that homeowners and renters can take to reduce physical risks to themselves and others.

Justify reasons to use health, disability, long-term care, and life insurance.

5. Identify reasons to use health insurance, disability, long-term care, and life insurance.

Financial Decision-Making 4.FD

Recognize the responsibilities associated with personal financial decisions.

1. Predict the consequences of spending decisions.
2. Analyze money-handling decisions that youth could face.

Use reliable resources when making financial decisions.

3. Analyze how pre-purchase research affects satisfaction when making a spending decision.
4. Identify reliable sources of information when comparing products such as a bike.
5. Investigate ways to verify a claim expressed in advertising for a product.

Summarize major consumer protection laws.

Not applicable at this grade level.

Make criterion-based financial decisions by systematically considering alternatives and consequences.

6. Explain how limited personal financial resources affect the choices people make.
7. Make a decision based on the description of an acceptable outcome.
8. Construct a plan to achieve a specific, measurable goal.

Apply communication strategies when discussing financial issues.

Not applicable at this grade level.

Analyze the requirements of contractual obligations.

Not applicable at this grade level.

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Control personal information.

9. List types of personal information that should not be disclosed to others in person or online.
10. Apply strategies to protect personal information.

Use a personal financial plan or budget.

11. Categorize types of household assets.

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Grade 5

Spending and Saving 5.SS

Develop a plan for spending and saving.

1. Recognize how spending priorities reflect goals and personal values.
2. List the components of a personal spending plan, including income, planned saving, and expenses.
3. Name saving strategies, including pay yourself first and comparison shopping.
4. State the advantages and disadvantages of saving for financial goals.

Develop a system for keeping and using financial records.

Not applicable at this grade level.

Describe how to use different payment methods.

Not applicable at this grade level.

Apply consumer skills to spending and saving decisions.

5. Analyze how external factors, such as marketing and advertising techniques, might influence spending decisions for different individuals.

Credit and Debt 5.CD

Analyze the costs and benefits of various types of credit.

Not applicable at this grade level.

Summarize a borrower's rights and responsibilities related to credit reports.

Not applicable at this grade level.

Apply strategies to avoid or correct debt management problems.

Not applicable at this grade level.

Summarize major consumer credit laws.

Not applicable at this grade level.

Employment and Income 5.EI

Explore job and career options.

1. Identify individuals who could provide positive job references.
2. Complete a part-time job application.

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Compare sources of personal income and compensation.

3. Explain the difference between earned and unearned income and give an example of each.

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4. Give an example of a situation that qualifies for a government transfer payment.
5. Explore how local government services assist people.

Analyze factors that affect net income.

6. Identify common types of payroll deductions.
7. Calculate how payroll deductions affect take-home pay.

Investing 5.I

Explain how investing may build wealth and help meet financial goals.

Not applicable at this grade level.

Evaluate investment alternatives.

1. Describe what a company is and what it does.

Demonstrate how to buy and sell investments.

2. Demonstrate how to open a basic deposit account at a financial institution.

Investigate how agencies protect investors and regulate financial markets and products.

Not applicable at this grade level.

Risk Management and Insurance 5.RM

Identify common types of risks and basic risk management methods.

Not applicable at this grade level.

Justify reasons to use property and liability insurance.

Not applicable at this grade level.

Justify reasons to use health, disability, long-term care, and life insurance.

Not applicable at this grade level.

Financial Decision-Making 5.FD

Recognize the responsibilities associated with personal financial decisions.

1. Analyze money-handling decisions that youth commonly face.
2. Compare the benefits of financial responsibility with the consequences of financial irresponsibility.
3. Predict how influences such as current fashion trends, peer pressure, and procrastination can affect financial decisions.

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Use reliable resources when making financial decisions.

4. Analyze the strengths and weaknesses of various online and printed sources of product information.
5. Examine the data used in an advertising claim.
6. Determine whether information sources are accurate and reliable when comparing products and services.
7. Investigate types of consumer fraud, including online scams and phone solicitations.

Summarize major consumer protection laws.

Not applicable at this grade level.

Make criterion-based financial decisions by systematically considering alternatives and consequences.

8. Apply systematic decision-making to setting and achieving financial goals.
9. Prioritize personal financial goals.
10. Determine the cost of achieving a financial goal.
11. Evaluate the results of a financial decision.
12. Give examples of how decisions made today can affect future opportunities.

Apply communication strategies when discussing financial issues.

13. Analyze how discussing financial matters with household members could help reduce conflict.
14. Assess differences in peers' personal values and attitudes about money.
15. Demonstrate how to negotiate a fee for services such as babysitting or lawn care.

Analyze the requirements of contractual obligations.

16. Categorize the types of rights and responsibilities typically found in employee handbooks.
17. Devise a hypothetical family agreement that establishes the terms of use of a personal item.

Control personal information.

18. Apply strategies for creating and maintaining strong online passwords.
19. List ways to use social media safely.

Use a personal financial plan or budget.

Not applicable at this grade level.

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Grade 6

Spending and Saving 6.SS

Develop a plan for spending and saving.

1. Show how spending priorities reflect goals and personal values.
2. Classify the components of a personal spending plan, including income, planned saving, and expenses.
3. Distinguish between saving strategies, including pay yourself first and comparison shopping.
4. Compare the advantages and disadvantages of saving for financial goals.
5. Identify the importance of an emergency fund.

Develop a system for keeping and using financial records.

6. Prepare a sample personal property inventory, including descriptions, locations, and estimates of value.

Describe how to use different payment methods.

7. Summarize the advantages and disadvantages of checks, prepaid cards, debit cards, gift cards, and online and mobile payment systems.

Apply consumer skills to spending and saving decisions.

8. Analyze how external factors, such as marketing and advertising techniques, might influence spending decisions for different individuals.

Credit and Debt 6.CD

Analyze the costs and benefits of various types of credit.

1. Explain how debit cards differ from credit cards.
2. Calculate the total cost of repaying a loan under various rates of interest and over different periods.

Summarize a borrower's rights and responsibilities related to credit reports.

Not applicable at this grade level.

Apply strategies to avoid or correct debt management problems.

Not applicable at this grade level.

Summarize major consumer credit laws.

Not applicable at this grade level.

Employment and Income 6.EI

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Explore job and career options.

1. Give an example of how education and training can affect lifetime income.

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2. List the education and training requirements, income potential, and primary duties of at least two jobs of interest.
3. Identify individuals who could provide positive job references.
4. Label basic components of a part-time job application.

Compare sources of personal income and compensation.

5. Identify the difference between earned and unearned income and give an example of each.
6. Give an example of a situation that qualifies for a government transfer payment.
7. Identify how local government services assist people.

Analyze factors that affect net income.

8. List Social Security, Medicare, and Affordable Care Act benefits structure.

Investing 6.I

Explain how investing may build wealth and help meet financial goals.

Not applicable at this grade level.

Evaluate investment alternatives.

1. Explain the difference between stocks and bonds.

Demonstrate how to buy and sell investments.

2. Explain how to open a basic deposit account at a financial institution or brokerage firm.

Investigate how agencies protect investors and regulate financial markets and products.

Not applicable at this grade level.

Risk Management and Insurance 6.RM

Identify common types of risks and basic risk management methods.

1. Give examples of how people manage the risk of financial loss through avoidance, acceptance, control and reduction, and transfer through insurance.
2. Identify the consequences of accepting risk with insufficient or no insurance.
3. Investigate a specific product safety recall.

Justify reasons to use property and liability insurance.

Not applicable at this grade level.

Justify reasons to use health, disability, long-term care, and life insurance.

4. List the kinds of expenses that health insurance can cover.

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Financial Decision-Making 6.FD

Recognize the responsibilities associated with personal financial decisions.

1. Analyze examples of money-handling decisions that youth could face.
2. List the benefits of making sound financial decisions and the costs of making unsound financial decisions.
3. Illustrate how influences such as current fashion trends, peer pressure, and procrastination can affect financial decisions.

Use reliable resources when making financial decisions.

4. Analyze the strengths and weaknesses of various online and printed sources of product information.
5. List methods used to test advertising claims.
6. Determine whether information sources are accurate and reliable when comparing products and services.
7. Describe a process for making a consumer decision by combining pre-purchase information with point-of-purchase information, such as unit price data and discounts.
8. List types of consumer fraud, including online scams and phone solicitations.

Summarize major consumer protection laws.

9. Give examples of behaviors that make consumers vulnerable to fraud.
10. Describe the consumer protection agencies and their responsibilities in one's state and community.
11. Give examples of unfair or deceptive business practices that consumer protection laws prohibit.
12. List the types of information needed to resolve a specific consumer complaint.

Make criterion-based financial decisions by systematically considering alternatives and consequences.

13. Apply systematic decision-making to setting and achieving financial goals.
14. Prioritize personal financial goals.
15. Determine the cost of achieving a financial goal.
16. Evaluate the results of a financial decision.
17. Give examples of how decisions made today can affect future opportunities.

Apply communication strategies when discussing financial issues.

18. Recognize how discussing financial matters with household members could help reduce conflict.
19. Identify differences in peers' personal values and attitudes about money.
20. Illustrate how to negotiate a fee for services such as babysitting or lawn care.

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Analyze the requirements of contractual obligations.

21. Devise a sample family agreement that establishes the terms of use of a personal item.

Control personal information.

22. Identify ways that thieves fraudulently obtain personal information.
23. List problems that might occur to a victim of identity theft.
24. List strategies for creating and maintaining strong online passwords.
25. Recommend ways to use social media safely.

Use a personal financial plan or budget.

26. List assets and liabilities.
27. Construct a hypothetical student's net worth statement.

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Grade 7

Spending and Saving 7.SS

Develop a plan for spending and saving.

1. Assess how spending priorities reflect goals and personal values.
2. Illustrate how spending and saving behavior can affect overall well-being.
3. Understand the components of a personal spending plan, including income, planned saving, and expenses.
4. Compare saving strategies, including pay yourself first and comparison shopping.
5. Compare the advantages and disadvantages of saving for financial goals.
6. Illustrate how inflation can affect spending power over time.
7. Predict the usefulness of an emergency fund.
8. Explain why saving is a prerequisite to investing.

Develop a system for keeping and using financial records.

9. Prepare a personal property inventory, including descriptions, locations, and estimates of value.
10. Describe a system for organizing personal financial records, both paper and electronic.

Describe how to use different payment methods.

11. Identify different types of local financial institutions and the services they provide.
12. Verify sales receipts for accuracy, including calculations, sales tax, and any fees.

Apply consumer skills to spending and saving decisions.

13. Identify the relationship between spending practices and achieving financial goals.
14. Investigate a private charitable organization and its purpose.

Credit and Debt 7.CD

Analyze the costs and benefits of various types of credit.

1. Compare debit cards and credit cards.
2. Explain how the interest rate, compounding frequency, and loan length affect the cost of using credit.
3. Compare the total cost of repaying a loan under various rates of interest and over different periods.

Summarize a borrower's rights and responsibilities related to credit reports.

Not applicable at this grade level.

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Apply strategies to avoid or correct debt management problems.

Not applicable at this grade level.

Summarize major consumer credit laws.

Not applicable at this grade level.

Employment and Income 7.EI

Explore job and career options.

1. Predict how education and training can affect lifetime income.
2. Match personal skills and interests to various career options.
3. Compare the education and training requirements, income potential, and primary duties of at least two jobs of interest.
4. Determine the costs of postsecondary education and the potential increase in income from a career of choice.
5. Identify a strategy to minimize the costs of postsecondary education.
6. Identify individuals who could provide positive job references.
7. Complete a part-time job application.

Compare sources of personal income and compensation.

8. Explain the difference between earned and unearned income and give an example of each.
9. Give two examples of situations that qualify for a government transfer payment.
10. Explore how local government services assist people, such as those who are unemployed, elderly, disabled, or low-income.

Analyze factors that affect net income.

11. List common types of payroll deductions.
12. Calculate how payroll deductions affect take-home pay.
13. Compare Social Security, Medicare, and Affordable Care Act benefits.

Investing 7.I

Explain how investing may build wealth and help meet financial goals.

1. Devise an investment plan for accumulating money for a major expense.

Evaluate investment alternatives.

2. Compare stocks and bonds.
3. List the potential benefits of a long-term investing strategy.

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4. Categorize types of investments appropriate for people who have a low risk tolerance for investment volatility.
5. List appropriate investments for accumulating money for a major financial goal.

Demonstrate how to buy and sell investments.

6. Explain how stock markets facilitate the buying and selling of securities.
7. Explain the financial market price quotations of stocks, mutual funds, and an exchange-traded funds.
8. Describe how to buy and sell individual stocks, mutual fund shares, and exchange-traded fund shares.
9. Discuss why some investors sell stocks when the stock market is falling (panic selling) and buy when prices are rising (exuberant buying).

Investigate how agencies protect investors and regulate financial markets and products.

10. Research federal government depository insurance coverage and limits related to consumer bank and credit union accounts.
11. Identify which federal and state regulatory agencies help protect investors.

Risk Management and Insurance 7.RM

Identify common types of risks and basic risk management methods.

1. Give examples of how people manage the risk of financial loss through avoidance, acceptance, control and reduction, and transfer through insurance.
2. Give examples of the consequences of accepting risk with insufficient or no insurance.
3. Identify which organizations issue product safety recalls.

Justify reasons to use property and liability insurance.

4. Determine the types of expenses paid by liability insurance that covers accidental bodily harm or damage to another person's property.
5. Determine the kinds of expenses that typical auto insurance policies cover.
6. Determine the kinds of expenses that typical renters' policies and homeowners' policies cover.

Justify reasons to use health, disability, long-term care, and life insurance.

7. Determine the kinds of expenses that health insurance can cover.

Financial Decision-Making 7.FD

Recognize the responsibilities associated with personal financial decisions.

1. Analyze money-handling decisions that young adults commonly face.
2. Categorize the benefits of making sound financial decisions and the costs of making unsound financial decisions.

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3. Predict how influences such as current fashion trends, peer pressure, and procrastination can affect financial decisions.

Use reliable resources when making financial decisions.

4. Analyze the strengths and weaknesses of various online and printed sources of product information.
5. Compare methods used to test advertising claims.
6. Determine whether information sources are accurate and reliable when comparing products and services.
7. Describe a process for making a consumer decision by combining pre-purchase information with point-of-purchase information, such as unit price data and discounts.
8. Compare types of consumer fraud, including online scams and phone solicitations.

Summarize major consumer protection laws.

9. Categorize behaviors that make consumers vulnerable to fraud.
10. Describe the consumer protection agencies and their responsibilities in one's state and community.
11. Collect examples of unfair or deceptive business practices that consumer protection laws prohibit.
12. Compare the information needed to resolve different types of consumer complaints.

Make criterion-based financial decisions by systematically considering alternatives and consequences.

13. Apply systematic decision-making to setting and achieving financial goals.
14. Prioritize personal financial goals.
15. Determine the cost of achieving a financial goal.
16. Evaluate the results of a financial decision.
17. Give examples of how decisions made today can affect future opportunities.

Apply communication strategies when discussing financial issues.

18. Show how discussing financial matters with household members could help reduce conflict.
19. Summarize differences in peers' personal values and attitudes about money.
20. Demonstrate how to negotiate a fee for services such as babysitting or lawn care.

Analyze the requirements of contractual obligations.

21. List the types of rights and responsibilities typically found in employee handbooks.
22. Devise a sample family agreement that establishes the terms of use of a family resource.

Control personal information.

23. Give examples of ways that thieves fraudulently obtain personal information.
24. Identify problems that might occur to a victim of identity theft.

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25. Apply strategies for creating and maintaining strong online passwords.

26. Recommend ways to use social media safely.

Use a personal financial plan or budget.

27. Classify assets and liabilities.

28. Construct a hypothetical student's net worth statement.

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Grade 8

Spending and Saving 8.SS

Develop a plan for spending and saving.

1. Analyze how spending and saving behavior can affect overall well-being.
2. Discuss the components of a personal spending plan, including income, planned saving, and expenses.
3. Compare saving strategies, including pay yourself first and comparison shopping.
4. Predict how inflation can affect spending power over time.
5. Analyze the usefulness of an emergency fund.
6. Explain why saving is a prerequisite to investing.

Develop a system for keeping and using financial records.

7. Assess a personal property inventory, including descriptions, locations, and estimates of value.
8. Develop a system for organizing personal financial records, both paper and electronic.
9. Investigate ways to secure vital personal financial data and records.

Describe how to use different payment methods.

10. Compare and contrast different types of local financial institutions and the services they provide.
11. Compare the advantages and disadvantages of checks, prepaid cards, debit cards, gift cards, and online and mobile payment systems.

Apply consumer skills to spending and saving decisions.

12. Evaluate the relationship between spending practices and achieving financial goals.
13. Analyze how external factors, such as marketing and advertising techniques, might influence spending decisions for different individuals.
14. When making a consumer decision, consider a range of spending and non-spending alternatives.
15. Predict the effect of inflation on buying power.
16. Compare private charitable organizations and their purposes.

Credit and Debt 8.CD

Analyze the costs and benefits of various types of credit.

1. Assess whether a specific purchase justifies the use of credit.

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2. Summarize how the interest rate, compounding frequency, and loan length affect the cost of using credit.
3. Calculate the total cost of repaying a loan under various rates of interest and over different periods.

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4. Discuss potential consequences of using “easy access” credit.
5. Explain how individuals use debt as an investment.

Summarize a borrower’s rights and responsibilities related to credit reports.

Not applicable at this grade level.

Apply strategies to avoid or correct debt management problems.

6. Identify indicators of excessive debt.
7. Predict possible consequences of excessive debt.
8. Recommend actions that a borrower could take to reduce or better manage excessive debt.

Summarize major consumer credit laws.

Not applicable at this grade level.

Employment and Income 8.EI

Explore job and career options.

1. Assess the relationship between education and training and lifetime income.
2. Match personal skills and interests to various career options.
3. Compare the costs of postsecondary education with the potential increase in income from a career of choice.
4. Devise a strategy to minimize the costs of postsecondary education.
5. Identify individuals who could provide positive job references.
6. Complete a part-time job application.

Compare sources of personal income and compensation.

7. Explain the difference between earned and unearned income and give an example of each.
8. Give an example of a situation that qualifies for a government transfer payment.
9. List local government services that are available to assist people.

Analyze factors that affect net income.

10. Compare common types of payroll deductions.
11. Calculate how payroll deductions affect take-home pay.
12. Summarize Social Security, Medicare, and Affordable Care Act benefit structures.

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Investing 8.I

Explain how investing may build wealth and help meet financial goals.

1. Explain how rate of return, frequency of compounding, taxes, and inflation can affect changes in investment returns.
2. Devise an investment plan for accumulating money for a major expense, such as a college education or the down payment on a car.
3. Compare gambling and other games of chance with investments as a means of building wealth.

Evaluate investment alternatives.

4. Explain the difference between stocks and bonds.
5. Give examples of investments for current income and investments for future growth.
6. Compare investing in individual stocks and bonds with investing in mutual funds and exchange-traded funds.
7. Use online data to compare investment performance of selected mutual funds and exchange-traded funds over different time periods.
8. Analyze the potential benefits of a long-term investing strategy.
9. Suggest types of investments appropriate for people who have a low risk tolerance for investment volatility.
10. Illustrate the benefits of tax-advantaged investments for young people.
11. Select appropriate investments for accumulating money for a major financial goal.

Demonstrate how to buy and sell investments.

12. Demonstrate how to open a basic deposit account at a financial institution or brokerage firm.
13. Explain how stock markets facilitate the buying and selling of securities.
14. Interpret the financial market price quotations of stocks, mutual funds, and exchange-traded funds.
15. Describe how to buy and sell individual stocks, mutual fund shares, and exchange-traded fund shares.
16. Analyze the impact on the value of their holdings when investors sell stocks when the stock market is falling (panic selling) and buy when prices are rising (exuberant buying).
17. Calculate the average cost per share of an investment using a dollar cost averaging strategy.

Investigate how agencies protect investors and regulate financial markets and products.

18. Research federal government depository insurance coverage and limits related to consumer bank and credit union accounts.
19. Explain how federal and state regulators help protect investors.

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Risk Management and Insurance 8.RM

Identify common types of risks and basic risk management methods.

1. Summarize how people manage the risk of financial loss through avoidance, acceptance, control and reduction, and transfer through insurance.
2. Summarize the consequences of accepting risk with insufficient or no insurance.
3. Illustrate how to use insurance to share the risk of financial loss.
4. Discuss factors that affect insurance premiums.
5. Investigate a specific product safety recall.

Justify reasons to use property and liability insurance.

6. Explain the use of liability insurance to cover accidental bodily harm or damage to another person's property.
7. Categorize the kinds of expenses that typical auto insurance policies cover.
8. Categorize the kinds of expenses that typical renters' policies and homeowners' policies cover.

Justify reasons to use health, disability, long-term care, and life insurance.

9. Categorize the kinds of expenses that health insurance can cover.

Financial Decision-Making 8.FD

Recognize the responsibilities associated with personal financial decisions.

1. Analyze money-handling decisions that young adults commonly face.
2. Compare the benefits of financial responsibility with the consequences of financial irresponsibility.
3. Analyze how influences such as current fashion trends, peer pressure, and procrastination can affect financial decisions.

Use reliable resources when making financial decisions.

4. Analyze the strengths and weaknesses of various online and printed sources of product information.
5. Devise a way to test an advertising claim.
6. Determine whether information sources are accurate and reliable when comparing products and services.
7. Describe a process for making a consumer decision by combining pre-purchase information with point-of-purchase information, such as unit price data and discounts.
8. Investigate types of consumer fraud, including online scams and phone solicitations.

Summarize major consumer protection laws.

9. Summarize the types of behaviors that make consumers vulnerable to fraud.

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10. Compare the consumer protection agencies and their responsibilities in one's state and community.
11. Investigate examples of unfair or deceptive business practices that consumer protection laws prohibit.
12. Summarize the information needed to resolve a specific consumer complaint.

Make criterion-based financial decisions by systematically considering alternatives and consequences.

13. Apply systematic decision-making to setting and achieving financial goals.
14. Prioritize personal financial goals.
15. Determine the cost of achieving a financial goal.
16. Evaluate the results of a financial decision.
17. Give examples of how decisions made today can affect future opportunities.

Apply communication strategies when discussing financial issues.

18. Analyze how discussing financial matters with household members could help reduce conflict.
19. Assess differences in peers' personal values and attitudes about money.
20. Demonstrate how to negotiate a fee for services such as babysitting or lawn care.

Analyze the requirements of contractual obligations.

21. Categorize the types of rights and responsibilities typically found in employee handbooks.
22. Devise a family agreement that establishes the terms of use of a family resource.

Control personal information.

23. Compare ways that thieves fraudulently obtain personal information.
24. Predict problems that might occur to a victim of identity theft.
25. Apply strategies for creating and maintaining strong online passwords.
26. Recommend ways to use social media safely.

Use a personal financial plan or budget.

27. Differentiate between assets and liabilities.
28. Assess a net worth statement.

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Grade 9

Spending and Saving 9.SS

Develop a plan for spending and saving.

1. Use a plan to manage spending and achieve financial goals.
2. Identify how charitable giving fits into a spending plan.

Develop a system for keeping and using financial records.

3. Investigate checking, savings, and credit card accounts that financial institutions provide.

Describe how to use different payment methods.

4. List the risks and protections of checks, prepaid cards, debit cards, gift cards, and online or mobile payment systems.
5. List the features and costs of personal checking accounts offered by different financial institutions.
6. Identify the costs of cashing a check with various third parties, such as banks and credit unions, check-cashing services, and retail outlets.

Apply consumer skills to spending and saving decisions.

7. Demonstrate how to use comparison shopping skills to buy or finance a major purchase.
8. Research the cost of expenses associated with postsecondary education.
9. Evaluate specific charities based on purpose, management, outcomes or results, and reputation.

Credit and Debt 9.CD

Analyze the costs and benefits of various types of credit.

1. Identify various types of student loans (public and private) as a means of paying for postsecondary education.
2. Identify alternatives to loans as a means of paying for postsecondary education.

Summarize a borrower's rights and responsibilities related to credit reports.

Not applicable at this grade level.

Apply strategies to avoid or correct debt management problems.

Not applicable at this grade level.

Summarize major consumer credit laws.

Not applicable at this grade level.

Employment and Income 9.EI

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Explore job and career options.

1. Explore a career plan that aligns with personal interests, financial goals, and desired lifestyle.

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2. Create a template for a résumé and cover letter.
3. Compare how employment opportunities vary across educational levels.
4. Explore how productivity among workers relates to workers' wages and job retention.
5. Explore the risks, costs, and rewards of starting a business.
6. Analyze the costs, benefits, and impact of investment in postsecondary education by career option.

Compare sources of personal income and compensation.

Not applicable at this grade level.

Analyze factors that affect net income.

7. Differentiate between a progressive and regressive tax.
8. Illustrate the relationship between income level and income tax liability.

Investing 9.I

Explain how investing may build wealth and help meet financial goals.

1. Examine strategies for investing as part of a comprehensive financial plan.
2. Compare the impact of delaying investment for retirement to beginning investing early.

Evaluate investment alternatives.

3. Identify types of investments appropriate for different objectives such as liquidity, income, and growth.

Demonstrate how to buy and sell investments.

4. Give examples of how economic conditions and business factors affect the market value of a stock.
5. List the advantages and disadvantages of buying and selling investments through various channels, including employer-sponsored retirement plans, investment advisors, brokerage firms, and direct purchase.

Investigate how agencies protect investors and regulate financial markets and products.

Not applicable at this grade level.

Risk Management and Insurance 9.RM

Identify common types of risks and basic risk management methods.

1. Evaluate the costs and benefits of an extended warranty.
2. Recommend insurance for various types of risk.

Justify reasons to use property and liability insurance.

3. List the main types of auto insurance coverage.

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4. Determine the legal minimum amounts of auto insurance coverage required in one's state of residence and the recommended optimal amounts.

Justify reasons to use health, disability, long-term care, and life insurance.

Not applicable at this grade level.

Financial Decision-Making 9.FD

Recognize the responsibilities associated with personal financial decisions.

1. Identify how individual responsibility for financial well-being will change over a lifetime with changing life circumstances.
2. Identify ways that financial responsibility is different for individuals with and without dependents.
3. Consider how personal financial decisions might affect an individual.

Use reliable resources when making financial decisions.

4. List sources of financial information that are objective, accurate, and current.

Summarize major consumer protection laws.

Not applicable at this grade level.

Make criterion-based financial decisions by systematically considering alternatives and consequences.

5. Identify elements of a contingency plan to handle events (e.g., car breakdown or phone loss) that might affect personal finances on short notice.

Apply communication strategies when discussing financial issues.

Not applicable at this grade level.

Analyze the requirements of contractual obligations.

Not applicable at this grade level.

Control personal information.

6. Understand identity theft prevention strategies.

Use a personal financial plan or budget.

7. List the main components of a simple will.
8. Explain the purpose of a durable power of attorney for health care (living will).

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Grade 10

Spending and Saving 10.SS

Develop a plan for spending and saving.

1. Create a plan to manage spending and achieve financial goals.
2. Determine if and how charitable giving fits into a spending plan.

Develop a system for keeping and using financial records.

3. Compare checking, savings, and credit card accounts that financial institutions provide.

Describe how to use different payment methods.

4. Summarize the risks and protections of checks, prepaid cards, debit cards, gift cards, and online or mobile payment systems.
5. Compare the features and costs of personal checking accounts offered by different financial institutions.
6. Identify the costs of cashing a check with various third parties, such as banks and credit unions, check-cashing services, and retail outlets.

Apply consumer skills to spending and saving decisions.

7. Demonstrate how to use comparison shopping skills to buy or finance a major purchase.
8. Research the cost of expenses associated with postsecondary education and the financial impact of dual-credit or technical training opportunities in high school.
9. Research the costs and benefits of a new versus used car (e.g., maintenance, safety, financing, and gas mileage) versus alternative forms of transportation.
10. Evaluate specific charities based on purpose, management, outcomes or results, and reputation.

Credit and Debt 10.CD

Analyze the costs and benefits of various types of credit.

1. Compare the cost of borrowing \$1,000 by means of different consumer credit options.
2. Compare various types of student loans (public and private) as a means of paying for postsecondary education.
3. Explore alternatives to loans such as educational laddering opportunities (i.e., acquiring skills incrementally as a person moves along [their](#) career path) as a means of paying for postsecondary education.

Summarize a borrower's rights and responsibilities related to credit reports.

Not applicable at this grade level.

Apply strategies to avoid or correct debt management problems.

Not applicable at this grade level.

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Summarize major consumer credit laws.

Not applicable at this grade level.

Employment and Income 10.EI

Explore job and career options.

1. Identify how non-income factors such as child-care options, cost of living, and work conditions can influence job choice.
2. Outline a career plan that aligns with personal interests, financial goals, and desired lifestyle.
3. Develop a résumé and cover letter for a specific job of interest.

Compare sources of personal income and compensation.

4. Give examples of employee benefits and explain why they are forms of compensation.

Analyze factors that affect net income.

5. Complete IRS form W-4 (Employee's Withholding Allowance Certificate) to determine the optimal amount to withhold for personal income tax.
6. Differentiate between gross, net, and taxable income.
7. Complete IRS Form 1040EZ, Form 1040, and applicable state income tax forms.

Investing 10.I

Explain how investing may build wealth and help meet financial goals.

1. Define the time value of money and explain how money invested regularly over time may grow exponentially.
2. Calculate and compare the time value of money in the following situations:
 - (a) Given a rate of return and number of years, calculate the future value of a lump sum investment.
 - (b) Given a rate of return and number of years, calculate the lump sum amount an investor must invest today to reach a specific financial goal at a future date.
 - (c) Given a rate of return, number of years, and frequency of periodic payments, calculate the end (future) value of an investment.
 - (d) Given a rate of return, number of years, and frequency of payments, calculate the periodic payment amount needed to reach a specific investment goal.
3. Compare strategies for investing as part of a comprehensive financial plan.
4. Illustrate how the time value of money applies to retirement planning.

Evaluate investment alternatives.

5. Compare types of investments appropriate for different objectives such as liquidity, income, and growth.

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Demonstrate how to buy and sell investments.

6. Give examples of how economic conditions and business factors affect the market value of a stock.
7. List various sources of information, including prospectuses, online resources, and financial publications to gather data about specific investments.
8. Compare the advantages and disadvantages of buying and selling investments through various channels, including employer-sponsored retirement plans, investment advisors, brokerage firms, and direct purchase.

Investigate how agencies protect investors and regulate financial markets and products.

Not applicable at this grade level.

Risk Management and Insurance 10.RM

Identify common types of risks and basic risk management methods.

1. Identify circumstances in which self-insurance is appropriate.
2. Give examples of insurance for the types of risks that young adults might face.

Justify reasons to use property and liability insurance.

3. Differentiate among the main types of auto insurance coverage.
4. List factors that determine auto insurance premiums and the factors that cause them to change.
5. Compare the legal minimum amounts of auto insurance coverage required in Washington state and the recommended optimal amounts.

Justify reasons to use health, disability, long-term care, and life insurance.

Not applicable at this grade level.

Financial Decision-Making 10.FD

Recognize the responsibilities associated with personal financial decisions.

1. Predict how individual responsibility for financial well-being will change over a lifetime with changing life circumstances.
2. Compare how financial responsibility is different for individuals with and without dependents.
3. Consider how personal financial decisions might affect family members.
4. Consider different definitions of wealth based on personal values, priorities, and goals.

Use reliable resources when making financial decisions.

5. Evaluate whether financial information is objective, accurate, and current.
6. List factors to consider when selecting a financial professional.

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Summarize major consumer protection laws.

Not applicable at this grade level.

Make criterion-based financial decisions by systematically considering alternatives and consequences.

7. Develop a contingency plan to handle events (e.g., car breakdown or phone loss) that might affect personal finances on short notice.

Apply communication strategies when discussing financial issues.

Not applicable at this grade level.

Analyze the requirements of contractual obligations.

Not applicable at this grade level.

Control personal information.

8. Understand identity theft prevention strategies.

Use a personal financial plan or budget.

9. List the main components of a simple will.

10. Explain the purpose of a durable power of attorney for health care (living will).

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Grade 11

Spending and Saving 11.SS

Develop a plan for spending and saving.

1. Specify how monetary and non-monetary assets can contribute to net worth.
2. Analyze how changes in life circumstances can affect a personal spending plan.
3. Investigate changes in personal spending behavior that contribute to wealth building.

Develop a system for keeping and using financial records.

4. Identify expenses that are tax deductible and those that are not.
5. Use a system to retain evidence of tax-deductible expenditures.
6. Identify the records required to claim possible tax deductions and credits.

Describe how to use different payment methods.

7. Compare the costs of cashing a check with various third parties such as banks and credit unions, check-cashing services, and retail outlets.

Apply consumer skills to spending and saving decisions.

8. Demonstrate how to use comparison shopping skills to buy or finance a major purchase.
9. Compare the cost of expenses associated with a postsecondary education at three institutions.
10. Compare the costs and benefits of a new versus used car (e.g., maintenance, safety, financing, and gas mileage) with public transportation.
11. Evaluate specific charities based on purpose, management, outcomes or results, and reputation.

Credit and Debt 11.CD

Analyze the costs and benefits of various types of credit.

1. Identify how credit card grace periods, methods of interest calculation (e.g., annual percentage rate), and fees affect borrowing costs.
2. List the types of information needed when applying for a credit card.
3. Compare the total cost of reducing a credit card balance to zero with minimum payments versus above-minimum payments, all other terms being equal and no further purchases being made.
4. Identify loan options for paying for a major purchase.
5. Investigate alternatives to loans as a means of paying for postsecondary education, including scholarships and grants.

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6. Analyze the costs, benefits, and impact of investment in post-high school education by career option.
7. Explain the effect of debt on net worth.

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Summarize a borrower’s rights and responsibilities related to credit reports.

8. Identify online information about the Fair Credit Reporting Act.
9. Explain the importance of credit reports to borrowers and to lenders.
10. Give examples of permissible uses of a credit report other than granting credit.
11. Identify the primary organizations that maintain and provide consumer credit records.
12. List the information in a credit report and how long it is retained.
13. Explain the rights that people have to examine their credit reports (e.g., free annual credit report).
14. Identify ways that a negative credit report can affect a consumer’s options.
15. List the process of disputing inaccurate credit report data.
16. Identify factors that affect a particular credit scoring system.
17. Report how a credit score affects creditworthiness and the cost of credit.
18. Investigate how student loan obligations differ from other kinds of debt.

Apply strategies to avoid or correct debt management problems.

Not applicable at this grade level.

Summarize major consumer credit laws.

Not applicable at this grade level.

Employment and Income 11.EI

Explore job and career options.

1. Analyze how economic and other conditions can affect income and career opportunities and the need for lifelong training and education.
2. Discuss how non-income factors such as child-care options, cost of living, and work conditions can influence job choice.
3. Modify a career plan that aligns with personal interests, financial goals, and desired lifestyle.
4. Develop a résumé and cover letter for a specific job of interest.

Compare sources of personal income and compensation.

5. Summarize employee benefits and explain why they are forms of compensation.
6. List required employer contributions and additional benefits that an employer might offer.
7. Identify the monetary and non-monetary value of employee benefits in addition to wages and salaries.

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Analyze factors that affect net income.

8. Complete IRS form W-4 (Employee's Withholding Allowance Certificate) to determine the optimal amount to withhold for personal income tax.
9. List circumstances that would call for the adjustment of the income tax withholding allowance.
10. Examine the benefits of participating in employer-sponsored retirement savings plans and health care savings plans.
11. Complete IRS Form 1040EZ, Form 1040, and applicable state income tax forms.

Investing 11.I

Explain how investing may build wealth and help meet financial goals.

1. Compare strategies for investing as part of a comprehensive financial plan.
2. Give examples of how employer matching contributions to employer-sponsored retirement savings plans and vesting schedules affect participating employees.

Evaluate investment alternatives.

3. Identify fees for buying, owning, and selling stocks, bonds, and mutual funds.
4. List the advantages of taxable, tax-deferred, and tax-advantaged investments for new savers, including Roth IRAs (individual retirement accounts) and employer-sponsored retirement plans.

Demonstrate how to buy and sell investments.

5. Assess how economic conditions and business factors affect the market value of a stock.
6. Compare various sources of information, including prospectuses, online resources, and financial publications to gather data about specific investments.
7. Explore evaluation strategies, including risk tolerance, for selecting investments that meet the objectives of a personal financial plan.
8. Discuss the advantages and disadvantages of buying and selling investments through various channels, including employer-sponsored retirement plans, investment advisors, brokerage firms, and direct purchase.

Investigate how agencies protect investors and regulate financial markets and products.

Not applicable at this grade level.

Risk Management and Insurance 11.RM

Identify common types of risks and basic risk management methods.

1. Give examples of circumstances in which self-insurance is appropriate.
2. Evaluate the costs and benefits of an extended warranty.
3. Recommend insurance for various types of risk.

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Justify reasons to use property and liability insurance.

4. Differentiate among the main types of auto insurance coverage.
5. Analyze factors that determine auto insurance premiums and the factors that cause them to change.
6. Calculate payment expected on an auto insurance claim after applying exclusions and deductibles.

Justify reasons to use health, disability, long-term care, and life insurance.

Not applicable at this grade level.

Financial Decision-Making 11.FD

Recognize the responsibilities associated with personal financial decisions.

1. Discuss how individual responsibility for financial well-being will change over a lifetime with changing life circumstances.
2. Develop a definition of wealth based on personal values, priorities, and goals.

Use reliable resources when making financial decisions.

3. Evaluate whether financial information is objective, accurate, and current.
4. Summarize factors to consider when selecting a finance professional.

Summarize major consumer protection laws.

Not applicable at this grade level.

Make criterion-based financial decisions by systematically considering alternatives and consequences.

5. Develop a backup plan for a specific financial goal when circumstances change (e.g., job loss, illness, major gift, or inheritance).
6. Analyze expenses and risks of alternative financing or predatory lending options such as payday loans and credit card cash advances.

Apply communication strategies when discussing financial issues.

7. Assess the value of sharing financial goals and personal financial information with a partner before combining households.
8. Demonstrate how to negotiate the sales price of a major purchase, such as a car or a motorcycle.

Analyze the requirements of contractual obligations.

9. Identify the factors that make a contract legal and binding.
10. Summarize the terms of a credit card or other loan agreement.
11. Demonstrate how to find information on employment law to resolve an employee issue with an employer.

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Control personal information.

12. Identify where to find the steps to resolve identity theft problems as recommended by the Federal Trade Commission and relevant financial institutions.
13. Understand identity theft prevention strategies.
14. List entities that have a right to request certain personal financial data.
15. Investigate consumer safeguards for mobile and online banking.

Use a personal financial plan or budget.

16. Develop a personal financial plan or budget, including goals, spending and saving plan, investing plan, insurance plan, a net worth statement, and an estate plan.
17. List the main components of a simple will.
18. Explain the purpose of a durable power of attorney for health care (living will).

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Grade 12

Spending and Saving 12.SS

Develop a plan for spending and saving.

1. Specify how monetary and non-monetary assets can contribute to net worth.
2. Investigate changes in personal spending behavior that contribute to wealth building.

Develop a system for keeping and using financial records.

3. Differentiate between an expense that is tax deductible and one that is not.
4. Devise a system to retain evidence of tax-deductible expenditures.
5. Investigate the records required to claim possible tax deductions or credits.

Describe how to use different payment methods.

6. Compare the features and costs of online and mobile bill payment services offered by different institutions.
7. Compare the costs of cashing a check with various third parties, such as banks and credit unions, check-cashing services, and retail outlets.
8. Demonstrate how to schedule and manage bill payments.
9. Write a check.
10. Reconcile the balance of a checking account and verify the balance of a debit account.
11. Explain how to verify printed and online account statements for accuracy.

Apply consumer skills to spending and saving decisions.

12. Demonstrate how to use comparison shopping skills to buy or finance a major purchase.
13. Compare the advantages and disadvantages of owning a house versus renting a house.
14. Evaluate specific charities based on purpose, management, outcomes or results, and reputation.

Credit and Debt 12.CD

Analyze the costs and benefits of various types of credit.

1. Explain how credit card grace periods, methods of interest calculation (e.g., annual percentage rate) and fees affect borrowing costs.
2. Categorize the types of information needed when applying for credit.
3. Illustrate the total cost of reducing a credit card balance to zero with minimum payments versus above-minimum payments, all other terms being equal and no further purchases being made.

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4. Decide the most cost-effective loan option for paying for a car.
5. Compare alternatives to loans as a means of paying for postsecondary education.
6. Predict the potential consequences of deferred payment of student loans.
7. Differentiate between adjustable- and fixed-rate mortgages.
8. Explain the effect of debt on a person's net worth.

Summarize a borrower's rights and responsibilities related to credit reports.

9. Summarize online information about the Fair Credit Reporting Act.
10. Explain the usefulness of credit reports to borrowers and to lenders.
11. Give examples of permissible uses of a credit report other than granting credit.
12. Identify the primary organizations that maintain and provide consumer credit records.
13. Categorize the information in a credit report and how long it is retained.
14. Investigate ways that a negative credit report can affect a consumer's options.
15. Outline the process of disputing inaccurate credit report data.
16. Summarize factors that affect a particular credit scoring system.
17. Predict how a credit score affects creditworthiness and the cost of credit.

Apply strategies to avoid or correct debt management problems.

18. Develop a personal financial plan to manage debt, including working directly with lenders.
19. Examine or research the types of services that financial institutions or consumer credit counseling agencies offer for debt restructuring.
20. Investigate the purpose of bankruptcy and its possible negative effects on assets, employability, and credit cost and availability.
21. Investigate how student loan obligations differ from other kinds of debt.

Summarize major consumer credit laws.

22. Summarize online information about the Equal Credit Opportunity Act.
23. Research online information about consumer credit rights available from the Federal Trade Commission.
24. Give examples of how the Consumer Financial Protection Bureau protects borrowers and provides information about credit issues.
25. Research state agencies with responsibility for consumer protection.
26. Describe debtors' and creditors' rights related to wage garnishment and repossession when an overdue debt is not paid.
27. Give examples of legal, illegal, and fraudulent debt collection practices covered by the Fair Debt Collection Practices Act.

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Employment and Income 12.EI

Explore job and career options.

1. Revise a career plan that aligns with personal interests, financial goals, and desired lifestyle.
2. Develop a résumé and cover letter for a specific job of interest.

Compare sources of personal income and compensation.

3. Analyze employee benefits and explain why they are forms of compensation.
4. Differentiate between required employer contributions and additional benefits that an employer might offer.
5. Analyze the monetary and non-monetary value of employee benefits in addition to wages and salaries.
6. Calculate the future income needed to maintain a current standard of living.
7. Identify typical sources of income in retirement.

Analyze factors that affect net income.

8. Revise IRS form W-4 (Employee's Withholding Allowance Certificate) to determine the optimal amount to withhold for personal income tax.
9. Analyze circumstances that would call for the adjustment of the income tax withholding allowance.
10. Examine the benefits of participating in employer-sponsored retirement savings plans and health care savings plans.

Investing 12.I

Explain how investing may build wealth and help meet financial goals.

1. Compare strategies for investing as part of a comprehensive financial plan.
2. Describe the importance of various sources of income in retirement, including Social Security, employer-sponsored retirement savings plans, and personal investments.

Evaluate investment alternatives.

3. Differentiate between diversification and asset allocation.
4. Compare fees for buying, owning, and selling stocks, bonds, and mutual funds.
5. Investigate reasons to use retirement savings plans and health savings accounts.
6. Compare the advantages of taxable, tax-deferred, and tax-advantaged investments for new savers, including Roth IRAs (individual retirement accounts) and employer-sponsored savings plans.

Demonstrate how to buy and sell investments.

7. Give examples of how economic conditions and business factors affect the market value of a stock.

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8. Use various sources of information, including prospectuses, online resources, and financial publications to gather data about specific investments.
9. Devise evaluation strategies, including risk tolerance, for selecting investments that meet the objectives of a personal financial plan.
10. Analyze the advantages and disadvantages of buying and selling investments through various channels including employer-sponsored retirement plans, investment advisors, brokerage firms, and direct purchase.

Investigate how agencies protect investors and regulate financial markets and products.

11. Identify warning signs of investment fraud.
12. Identify steps and resources a consumer can take to prevent investment fraud.
13. Identify the roles of the Securities and Exchange Commission, Washington Department of Financial Institutions, and Consumer Financial Protection Bureau in addressing investment fraud.

Risk Management and Insurance 12.RM

Identify common types of risks and basic risk management methods.

1. Research insurance for the types of risks that young adults might face after graduation.
2. Investigate consequences of insurance fraud.
3. Describe the functions of the agency or agencies that regulate insurance in one's state of residence.

Justify reasons to use property and liability insurance.

4. Calculate payment expected on an auto insurance claim after applying exclusions and deductibles.
5. Identify the factors that influence the cost of homeowners' insurance.
6. Analyze the factors that influence the cost of renters' insurance.

Justify reasons to use health, disability, long-term care, and life insurance.

7. Analyze the conditions under which it is appropriate for young adults to have health, disability, or life insurance.
8. Investigate health, dental, and vision insurance coverage options.
9. Identify government programs that provide financial assistance for income loss due to illness, disability, or premature death.
10. Compare sources of health and disability insurance coverage, including employee benefit plans.
11. Explain the purpose of long-term care insurance.

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Financial Decision-Making 12.FD

Recognize the responsibilities associated with personal financial decisions.

1. Consider how personal financial decisions might affect society.
2. Revise your definition of wealth based on personal values, priorities, and goals.

Use reliable resources when making financial decisions.

3. Explain why an individual or household may want to consult with an attorney, financial planner, or tax advisor for financial advice or representation.

Summarize major consumer protection laws.

4. Research where to find credible sources of up-to-date information about consumer rights and responsibilities.
5. Investigate sources of assistance in resolving consumer disputes.

Make criterion-based financial decisions by systematically considering alternatives and consequences.

6. Predict how inflation will affect the outcomes of financial decisions, as well as the price of goods and services.
7. Analyze how sales and property taxes affect financial decisions, such as buying a car or a house.
8. Develop a backup plan for a specific financial goal when circumstances change (e.g., job loss, illness, major gift, or inheritance).
9. Analyze expenses and risks of alternative financing options (e.g., payday loans and credit card cash advances).
10. Develop a contingency plan to handle events (e.g., car breakdown or a phone loss) that might affect personal finances on short notice.

Apply communication strategies when discussing financial issues.

11. Assess the importance of sharing financial goals and personal financial information with a partner before combining households.
12. Demonstrate how to negotiate the sales price of a major purchase, such as a car or a motorcycle.

Analyze the requirements of contractual obligations.

13. Summarize the factors that make a contract legal and binding.
14. Compare the terms of a credit card or other loan agreement.
15. Summarize the terms of a homeowners' or renters' insurance policy.
16. Summarize the terms of a health insurance plan.
17. Summarize local and state tenant and landlord rights and responsibilities that are covered in the terms of a standard rental lease agreement.
18. Research the use of small claims court for the redress of a consumer dispute.

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Control personal information.

19. Outline steps to resolve identity theft problems as recommended by the Federal Trade Commission and relevant financial institutions.
20. Apply identity theft prevention strategies.
21. List entities that have a right to request certain personal financial data.
22. Investigate consumer safeguards for mobile and online banking.

Use a personal financial plan or budget.

23. Develop a personal financial plan or budget, including goals, spending and saving plan, investing plan, insurance plan, a net worth statement, and an estate plan.
24. Devise a strategy to monitor the personal financial plan or budget and make modifications as needed for changing circumstances.
25. List the main components of a simple will.
26. Identify how money and property will be distributed in one's state of residence when a person dies without a valid will.
27. Explain the purpose of a durable power of attorney for health care (living will).

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Financial Education Glossary

This glossary is the work of the Council for Economic Education (www.councilforeconed.org)
The Council gave OSPI permission to use its glossary in its entirety.

Advertising: Using advertisements (public notices, displays, or presentations often based on celebrity endorsements, appeals to authority, bandwagon effects, and attractive imagery) to promote the sale of goods or services.

Allowance: A sum of money paid regularly to a person, often by a parent to a child; sometimes paid in compensation for services rendered.

Alternative: One of many choices or courses of action that might be taken in a given situation.

Annual Percentage Rate (APR): The percentage of the principal of a loan to be paid as interest in one year. Differs from an add-on rate in that an APR is calculated on the declining balance of the loan. The Truth in Lending Act requires lenders to disclose APRs to prospective borrowers.

Asset: Something of monetary value owned by an individual or an organization.

Bank: A financial institution that provides various products and services to its customers, including checking and savings accounts, loans, and currency exchange.

Banking: The industry involved with conducting financial transactions. Also, conducting business with a bank, e.g., maintaining a checking or savings account or obtaining a loan.

Benefit: Monetary or non-monetary gain received because of an action taken or a decision made.

Bond: A certificate of indebtedness issued by a government or a publicly held corporation, promising to repay borrowed money to the lender at a fixed rate of interest and at a specified time.

Borrow: To receive and use something belonging to somebody else, with the intention of returning or repaying it—often with interest in the case of borrowed money.

Borrower: An individual who has received and used something belonging to somebody else, with the intention of returning or repaying it—often with interest in the case of borrowed money.

Budget: A spending-and-savings plan, based on estimated income and expenses for an individual or an organization, covering a specific time period.

Business: Any activity or organization that produces or exchanges goods or services for a profit.

Cash: Money in the form of paper currency or coins (as distinct from checks, money orders, or credit).

Cash Advance: In a credit arrangement, the amount charged to a borrower's account for cash received; an instant loan.

Certificate of Deposit (CD): A certificate issued by a bank to a person depositing money in an account for a specified period of time (often six months, one year, or two years). A penalty is charged for early withdrawal from CD accounts.

Charitable Donation: Something given to others, which can take a number of forms, such as money, property, goods, and time.

Check: A written order to a financial institution directing the financial institution to pay a stated amount of money, as instructed, from the customer's account.

Checking Account: A bank or credit union deposit account, or an account at a deposit-taking financial intermediary, from which funds can be accessed either electronically or via check. Sometimes called a transaction account.

Choice: Decision made or course of action taken when faced with a set of alternatives.

Coins: Government-issued pieces of metal that have value and are used as money.

Comparison Shopping: Examining different brands or models of a product (to learn about variations in quality, size, etc.), or the prices charged by different sellers (to learn about possible cost-savings), before deciding what to buy.

Compounding: Paying interest on the principal and on interest already earned. For example, if someone deposits \$2,000 in an account that pays interest at 8 percent, he or she will earn \$160 in interest after one year, for a balance of \$2,160. If the depositor leaves this sum in the account for another year, however, he or she will earn \$172.80 in interest because the 8 percent rate will apply to the new balance of \$2,160, not the original \$2,000 deposit. The longer the money is left in the account, the more dramatic the compounding effect.

Consequence: A result or effect of an action or decision; may be positive or negative.

Consumers: People who use goods and services to satisfy their personal needs and not for resale or in the production of other goods and services.

Costs: An amount that must be paid or spent to buy or obtain something. The effort, loss, or sacrifice necessary to achieve or obtain something.

Credit: The opportunity to borrow money or to receive goods or services in return for a promise to pay later.

Credit Card: A small, specially coded plastic card issued by a bank, business, etc., authorizing the cardholder to purchase goods or services on credit.

Credit Record: A report about a person's credit history, including his or her ability and willingness to repay debts, based on how reliably he or she has repaid debts in the past. Also known as a credit report.

Credit Report: A report about a person's credit history, including his or her ability and willingness to repay debts, based on how reliably he or she has repaid debts in the past. Also known as a credit record.

Credit Union: A nonprofit financial institution owned by its members; offers various financial services including accounts and loans; regulated by the National Credit Union Association (NCUA).

Creditor: A person or company to whom money is owed.

Creditworthiness: The extent to which a person is deemed suitable to receive credit, especially as shown by reliability in repaying loans in the past.

Debit Card: A small, specially coded plastic card issued by a bank; allows the cardholder to transfer funds electronically and immediately from his or her checking account, as if the cardholder were writing a check to pay for a purchase.

Debt: Money owed to someone else. Also the state or condition of owing money. Can be individual, corporate, or government debt.

Deceptive Business Practices: Misleading methods used by businesses to sell goods or services. Examples include misleading prices, bait-and-switch tactics, and false advertising.

Decision: A conclusion reached after considering alternatives and their results.

Decision-Making: Reaching a conclusion after considering alternatives and their results.

Demand: The quantity of a good or service that buyers are willing and able to buy at all possible prices during a period of time.

Deposit: Money put into a financial account. Also, to place money in a financial account.

Earned Income: Money received for work performed; may include salary, wages, tips, professional fees, commissions, etc.

Entrepreneur: One who draws upon his or her skills and initiative to launch a new business venture with the aim of making a profit. Often a risk-taker, inclined to see opportunity when others do not.

Equal Credit Opportunity Act: A federal law that prevents lenders from denying credit on the basis of an applicant's sex, marital status, race, national origin, religion, or age, or because an applicant receives public assistance.

Expenses: Payments for goods and services.

Fair Credit Reporting Act: A federal law governing the activities of credit bureaus and creditors. It requires creditors to furnish accurate and complete information to borrowers; it also establishes a process consumers may use to correct inaccuracies in credit reports.

Financial Risk: The chance that an individual, business, or government will not be able to return money invested.

Firms: Economic units that demand productive resources from households and supply goods and services to households and government agencies.

Fraud: Wrongful or criminal deception intended to manipulate a person for the purpose of gain, usually financial.

Goal: Something a person or organization plans to achieve in the future; an aim or desired result.

Goods: Tangible objects that satisfy economic wants.

Grace Period: A period of time allowed for payment of money owed; after the grace period has elapsed, interest may be charged.

Households: Individuals and family units that buy goods and services (as consumers) and sell or rent productive resources (as resource owners).

Identity Theft: Unauthorized, illegal use of a person's legal and financial identification (e.g., his or her Social Security number or PIN).

Income: Payments earned by households for selling or renting their productive resources. May include salaries, wages, interest, and dividends.

Income Tax: Payments made by individuals and corporations to the federal government (and to some state and local governments) based on income received (both earned and unearned).

Inflation: A rise in the general or average price level of all the goods and services produced in an economy. Can be caused by pressure from the demand side of the market (demand-pull inflation) or pressure from the supply side of the market (cost-push inflation).

Insurance: A practice or arrangement whereby a company provides a guarantee of compensation for specified forms of loss, damage, injury, or death. People obtain such guarantees by buying insurance policies, for which they pay premiums. The process allows for the spreading out of risk over a pool of insurance policyholders, with the expectation that only a few policyholders will actually experience losses for which claims must be made. Types of insurance include automobile, health, renter's, homeowner's, disability, and life.

Interest: Money paid regularly, at a particular rate, for the use of borrowed money.

Interest Rate: The price paid for using someone else's money, expressed as a percentage of the amount borrowed.

Inventory: An itemized list of goods held by a person or business. Also a quantity of goods held in stock.

Investing: The process of putting money someplace with the intention of making a financial gain. Investment possibilities include stocks, bonds, mutual funds, real estate, and other financial instruments or ventures.

Investment: The purchase of capital goods (including machinery, technology, or new buildings) that are used to produce goods and services. In personal finance, the amount of money invested in stocks, bonds, mutual funds, and other investment instruments.

Investment Return: The additional income earned from saving or investing money, often expressed as an annual percentage of the amount invested.

IRS W-4 Form: A federal income tax document that instructs an employer about how much money to withhold from an employee's paycheck for tax purposes.

Job: A piece of work usually done on order at an agreed-upon rate. Also a paid position of regular employment.

Lend: To grant someone the use of something, on condition that the object borrowed or its equivalent will be returned (often with interest, in the case of money).

Lender: One who lends; may be an individual or a business.

Liability: Legal responsibility to pay for damages or losses one has caused.

Liability Insurance: Automobile insurance that pays for costs of bodily injury and property damage when the insured person damages someone or something with his or her car.

Liquidity: The ease with which savings or investments can be turned into cash.

Markets: Places, institutions, or technological arrangements where or by means of which goods or services are exchanged. Also, the set of all sale and purchase transactions that affect the price of some good or service.

Medicare: A federal health-care program that pays for certain medical and hospital costs for people aged 65 and older (and for some people who are under the age of 65 and disabled). Part of Social Security.

Money: Anything that is generally accepted as final payment for goods and services; serves as a medium of exchange, a store of value and a standard of value. Characteristics of money are portability, stability in value, uniformity, durability, and acceptance.

Mortgage: A special type of loan for the purchase of a house or other real estate.

Mutual Fund: A pool of money used by a company to purchase a variety of stocks, bonds, or money market instruments. Provides diversification and professional management for investors.

Net Worth: The current value of a person's assets minus liabilities.

Opportunity Cost: The second-best alternative (or the value of that alternative) that must be given up when scarce resources are used for one purpose instead of another.

Paper Money: Certificates of various denominations generally recognized and accepted as a medium of exchange within a nation and elsewhere. Paper money is issued and backed by national governments or, in the case of the euro, by a group of governments.

Payday Loan: A loan issued to a borrower who writes a post-dated check made out to a lender (usually a company specializing in payday loans and other financial services targeted to low-income customers) for the amount he or she wishes to borrow plus a fee. The lender then gives the borrower cash in the amount stated on the check, minus the fee, and holds the check until the borrower's next payday, when the lender cashes it. No credit background check is required. The cost (in fees and interest) to those who use payday loans is often high, however, when calculated as an APR.

Payroll Deduction: An amount of money automatically subtracted from an employee's gross pay for taxes, insurance, retirement benefits, etc.

Premium: The fee paid for insurance protection.

Previous Balance: In a credit arrangement, last month's balance.

Price: The amount of money that people pay when they buy a good or service; the amount they receive when they sell a good or service.

Product: A good or service that can be used to satisfy a want.

Productivity: The amount of output (goods and services) produced per unit of input (productive resources) used.

Progressive Tax: A tax that takes a larger percentage of income from people in higher-income groups than from people in lower-income ones; the U.S. federal income tax is an example.

Property Tax: A tax on land and structures built on it. Payments go to state and/or local governments to pay for police protection, public schools, libraries, etc.

Rate of Return: Earnings from an investment, stated as a percentage of the amount invested; usually calculated on an annual basis.

Regressive Tax: A tax that takes a larger percentage of income from people in lower-income groups than from higher-income ones. Sales taxes and excise taxes are examples.

Return: Earnings from an investment, usually expressed as an annual percentage.

Revenue: The money a business receives from customers who buy its goods and services. Not to be confused with profit.

Risk: The chance of losing money.

Risk of Financial Loss: The chance that the value of an investment (the principal) will decrease.

Salaries: Payments for labor resources; unlike wages, not explicitly based on the number of hours worked.

Salary: A regular payment, often at monthly or biweekly intervals, made by an employer to an employee, especially in the case of professional or white-collar employees. Salaries are paid for services rendered and are not based on hours worked.

Sales Tax: Tax in the form of a percent of the cost of a good or service; paid to local and state governments when goods and services are purchased.

Save: To keep money for future use; to divert money from current spending to a savings account or another form of investment.

Savers: Persons who desire to conserve their monetary funds to the best of their ability.

Saving: Disposable income (income after taxes) minus consumption spending.

Savings: Money set aside for a future use that is held in easily accessed accounts, such as savings accounts and certificates of deposit (CDs).

Savings Account: An interest-bearing account (passbook or statement) at a financial institution.

Savings Plan: A plan for setting aside money for future use.

Services: Activities performed by people, firms, or government agencies to satisfy economic wants.

Social Security: A federal system of old-age, survivors', disability, and hospital care (Medicare) insurance which requires employers to withhold (or transfer) wages from employees' paychecks and deposit that money in designated accounts.

Spend: Use money now to buy goods and services.

State Income Tax: A percentage of income paid by individuals and businesses to a state government to fund services such as roads, safety, and health. Not all states levy an income tax.

Stock: An ownership share or shares of ownership in a corporation.

Stock Market: A market in which the public trades stock that someone already owns; the buying and selling of stock.

Take-Home Pay: The amount of money a person receives within a pay period after taxes and other deductions are taken out of his or her paycheck.

Taxes: Compulsory payments to governments by households and businesses.

Transfer Payments: Money collected by the government from one group and given to others. Examples include Social Security benefits, unemployment insurance payments, and agricultural subsidies.

Value of Money: The ability of money to buy goods and services. A wide variety of items has been used as money. Money need not have any intrinsic value. It is people's willingness to accept it that gives it value.

Wage: Payments for labor services that are directly tied to time worked, or to the number of units of output produced.

Wants: Desires that can be satisfied by consuming or using a good or service. Economists do not differentiate between wants and needs.

Wealth: Typically defined in finance as the difference between someone's financial assets (what they own) and their liabilities (what they owe). Outside of finance, some cultures define wealth more broadly to include a wider range of assets, including intangible assets such as health, knowledge, and spiritual assets.

Withholding: Money taken out of an employee's paycheck and sent to the government and credited to the employee's tax bill.

Work: Effort applied to achieve a purpose or result, often for pay; skills and knowledge put to use to get something done; employment at a job or in a position; occupation, profession, business, trade, craft, etc.

Workers: People employed to do work, producing goods and services.

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