

Income Standards Students will be able to:

1. Identify sources of income.
2. Analyze how career choice, education, and job skills affect income.
3. Explain how taxes, transfer payments, and employee benefits relate to disposable income.

Grade 4 Benchmarks

Knowledge (Students will know that):	Applications (Students could use this knowledge to)
1. People can get <i>income</i> by earning <i>wages</i> and <i>salaries</i> or by receiving money gifts.	1. Identify jobs that children can do to earn income.
2. Workers can improve their ability to earn income by gaining new knowledge, skills, and experiences.	2. Explain why learning new skills, such as technology and communication skills, can increase a person's ability to earn income.
3. <i>Employee benefits</i> are a form of <i>compensation</i> for working.	3. Explain how health insurance and paid vacation are forms of compensation.
4. <i>Entrepreneurs</i> , who work for themselves by starting new businesses, hope to earn a <i>profit</i> , but accept the <i>risk</i> of a <i>loss</i> .	4. Identify entrepreneurs in the community, and describe the risks and rewards of starting a new business.
5. People are required to pay <i>taxes</i> , for which they receive government services.	5. Describe taxes that they and their families pay and identify government services they receive.

Grade 8 Benchmarks

Knowledge (Students will know the grade 4 benchmarks and also that):	Application (Students could use this knowledge to):
1. People can earn income from <i>rent</i> and <i>interest</i> .	1. Give examples of ways to earn rent and interest income.
2. Wages/salaries minus <i>payroll deductions</i> equals <i>take-home pay</i> .	2. Give examples of required and voluntary payroll deductions.
3. <i>Inflation</i> reduces the <i>purchasing power</i> of income.	3. Define inflation and how it affects the purchase of goods and services.
4. Government <i>transfer payments</i> provide unearned income to some households.	4. Give examples of government transfer payments, such as reduced-price school lunches and social security survivor's benefits.
5. Generally, people earn higher incomes with higher levels of education.	5. Compare the income and education requirements of different occupations.

Grade 12 Benchmarks

Knowledge (Students will know grade 4 & 8 benchmarks and also that):	Application (Students could use this knowledge to):
1. People's income reflects choices they have made about <i>jobs and careers</i> , <i>education</i> , and <i>skill development</i> .	1. Develop a realistic career plan that includes educational requirements and skill development.
2. The wages/salaries paid for a given job depend on a worker's skills and education, plus the importance of the work to society and the supply of and demand for qualified workers.	2. Compare different jobs and analyze why wage/salary differences exist.
3. <i>Social Security</i> and <i>Medicare</i> are government programs that provide insurance against some loss of income and benefits.	3. Describe the purposes of Social Security and Medicare.
4. Social Security and Medicare are funded by a compulsory payroll tax.	4. Determine how much Social Security and Medicare deductions are necessary for a given income by a worker and by a self-employed individual.
5. People pay taxes on many types of income, such as wages or salaries, <i>interest</i> , <i>dividends</i> , <i>capital gains</i> , <i>tips</i> , <i>commissions</i> and <i>profit</i> from a self-owned business.	5. Identify taxable income included when calculating <i>gross income</i> for an individual on the federal income tax forms.
6. <i>Deductions</i> , <i>exemptions</i> , and <i>credits</i> reduce <i>taxable income</i> .	6. Give examples of tax deductions, tax credits, and personal exemptions.
7. <i>Employer-sponsored savings plans</i> enable workers to shift some current income to the future, often with tax advantages.	7. Analyze the effect of an employer-sponsored, tax-deferred, retirement savings program on a worker's current and future income.

Money Management Standards Students will be able to:

1. Explain how limited personal financial resources affect the choices people make.
2. Identify the opportunity cost of financial decisions.

3. Discuss the importance of taking responsibility for personal financial decisions.
4. Apply a decision-making process to personal financial choices.
5. Explain how inflation affects spending and investing decisions.
6. Describe how insurance and other risk-management strategies protect against financial loss.
7. Design a plan for earning, spending, saving, and investing personal financial resources.
8. Explain how to use money-management tools available from financial institutions.

Grade 4 Benchmarks

Knowledge (Students will know that):

Applications (Students could use this knowledge to):

1. People make choices because they have limited <i>financial resources</i> and cannot have everything they want.	1. Give examples of situations in which they wanted to buy something but didn't have enough money.
2. A first step toward reaching financial goals is to identify <i>needs</i> and <i>wants</i> and rank them in order of importance.	2. List personal financial goals and indicate which goals are needs and which are wants.
3. A decision-making process can help people make money decisions.	3. Make a financial decision, such as choosing between going to a movie or saving money to buy a video game, using the following steps. <ul style="list-style-type: none"> • Identify the problem or issue • Gather and evaluate information • Consider the costs and benefits of various alternatives • Make a decision and take action • Modify the decision and action as conditions change

Grade 8 Benchmarks

Knowledge (Students will know the grade 4 benchmarks and also that): Application (Students could use this knowledge to):

1. Financial choices that people make have benefits, costs, and future consequences.	1. Describe the advantages and disadvantages of spending now rather than saving for a future goal.
2. A key to financial well-being is to spend less than you earn and save the difference.	2. Give examples of how saving money can improve financial well-being.
3. People perform basic financial tasks to manage money.	3. Demonstrate skill in basic financial tasks such as paying bills on time, balancing a checkbook, keeping financial records, and checking a credit card statement for accuracy.
4. A <i>budget</i> identifies expected income and expenses, including saving, and serves as a guide to help people live within their income.	4. Develop a balanced personal budget showing expected income and expenses, including saving.
5. <i>Risk management</i> strategies include risk avoidance, risk control, and risk transfer through insurance.	5. Give examples of various ways to manage risk, such as avoiding daredevil tricks on a skateboard and locking car doors and school lockers to deter theft.

Grade 12 Benchmarks

Knowledge (Students will know the grade 8 benchmarks and also that): Application (Students could use this knowledge to):

1. Financially responsible individuals accept the fact that they are accountable for their financial future.	1. List specific ways that young people can demonstrate that they are financially responsible.
2. People purchase insurance to transfer the risk of financial loss.	2. Describe types of insurance, including life, health, disability, and property insurance, and gather information on an auto insurance plan to meet the needs of a teenage driver.
3. Professional financial advisors assist people with money management decisions	3. Collect data on the services, fees, and employers of professional financial advisors in the local community.
4. A personal <i>financial plan</i> should include the following components: financial goals, a net worth statement, an income and expense record, an insurance plan, a saving and investing plan, and a budget.	4. Design a personal financial plan for a young person living away from home.

Spending and Credit Students will be able to:

1. Compare the benefits and costs of spending alternatives.
2. Evaluate the quality of consumer information from different sources.
3. Compare the advantages and disadvantages of different payment methods.
4. Analyze the benefits, costs, and sources of consumer credit.
5. Compare sources of consumer credit.
6. Explain factors that affect creditworthiness and ways to avoid credit problems.
7. Identify ways to avoid or correct credit problems.
8. Describe rights and responsibilities of buyers and sellers under consumer protection laws.

Grade 4 Benchmarks

Knowledge (Students will know that):

Application (Students could use this knowledge to):

1. To make a decision, careful consumers compare the <i>benefits</i> and <i>costs</i> of each spending alternative.	1. Identify the benefits and costs of buying a specific product, such as a video game.
2. Information about goods and services comes from many sources.	2. Identify whether print, television, and online <i>advertising</i> statements are fact or opinion.
3. Every spending decision has an <i>opportunity cost</i> .	3. Identify the opportunity cost of a recent purchase.
4. People pay for goods and services in different ways.	4. Compare the advantages and disadvantages of paying with cash, <i>checks</i> , <i>debit cards</i> , <i>credit cards</i> , or <i>money orders</i> .
5. <i>Credit</i> is a basic financial tool.	5. Explain the advantages and disadvantages of using credit.
6. Borrowing money to buy something usually costs more than paying cash because there is a <i>fee</i> for credit.	6. Explain the difference in cost between cash and credit purchases.
7. Responsible borrowers repay as promised, showing that they are worthy of getting credit in the future.	7. Explain why lenders would be willing to make loans to some people and not to others.

Grade 8 Benchmarks

Knowledge (Students will know the grade 4 benchmarks and also that):

Application (Students could use this knowledge to):

1. A <i>consumer</i> should not rely on advertising claims as the sole source of information about goods and services.	1. Describe ways to verify advertising claims for a variety of consumer products.
2. <i>Comparison shopping</i> helps consumers get the best <i>value</i> for their money.	2. Compare the value of a good or service from three different sellers.
3. Some payment methods are more expensive than others.	3. Calculate and compare the total cost of paying for a purchase with cash versus paying by check, debit card, and credit card.
4. <i>Online transactions</i> can make consumers vulnerable to <i>privacy infringement</i> and <i>identity theft</i> .	4. Analyze the <i>privacy policies</i> of online shopping sites.
5. Comparing the costs and benefits of buying on credit is key to making a good purchase decision.	5. Calculate the costs and benefits of borrowing to buy, given a scenario including purchase price and credit terms.
6. For any given loan amount and <i>interest rate</i> , the longer the loan period, the smaller the monthly payment and the larger the total <i>cost of credit</i> .	6. Describe the consumer advantages and disadvantages of a short-period loan versus a long-period loan.
7. Consumers can choose from a variety of credit sources.	7. Compare <i>annual percentage rates</i> and total credit costs for a given loan amount and time from three different types of lenders.
8. <i>Credit bureaus</i> maintain <i>credit reports</i> , which record borrowers' histories of repaying loans.	8. Explain the value of credit reports to borrowers and lenders.
9. Sometimes people borrow more money than they can repay.	9. Describe indicators and consequences of <i>excessive debt</i> , such as skipping payments, juggling bills and <i>wage garnishment</i> .
10. Laws and regulations exist to protect consumers from a variety of seller and lender abuses. (See glossary.)	10. Give examples of abuses, such as fraud and the sale of faulty products, that consumer protection laws and regulations address.

Grade12 Benchmarks

Knowledge (Students will know grade 4 & 8 benchmarks and also that): Application (Students could use this knowledge to):

1. Many factors affect spending patterns.	1. Explain how factors such as peer pressure and living arrangements affect spending patterns.
2. <i>Formal complaints</i> and government/community agencies can help consumers resolve problems with goods and services.	2. Write a <i>complaint letter</i> that states the problem, asks for specific action, includes copies of related documents, and provides contact information.
3. <i>Leasing</i> , borrowing to buy, and <i>rent-to-own</i> options have different <i>contract terms</i> and costs.	3. Compare the total costs of leasing, borrowing to buy, and rent-to-own options.
4. Making <i>minimum payments</i> on <i>credit card balances</i> increases the total cost and repayment time.	4. Calculate how long it takes to repay debt and the total cost when a borrower makes minimum payments.
5. Understanding <i>credit card disclosure information</i> is key to controlling borrowing costs.	5. Explain how credit card disclosure information, such as <i>grace periods</i> and methods of interest calculation, affect borrowing costs.
6. Consumers with excessive debt have a number of options.	6. List possible actions a consumer could take in response to excessive debt, such as renegotiating a repayment schedule or selling assets, and their consequences.
7. <i>Bankruptcy</i> provides debt relief, but has serious negative consequences.	7. Describe the negative consequences of bankruptcy, such as the increased difficulty of getting credit in the future.
8. Laws and regulations offer specific consumer protections. (See glossary.)	8. Explain the purposes and features of consumer protection laws and regulations, including those in the list of key terms above.
9. Negative information in credit reports can affect your financial future.	9. Identify ways that negative credit report information can affect a consumer's financial future.

Saving and Investing Standards Students will be able to:

1. Explain the relationship between saving and investing.
2. Describe reasons for saving and reasons for investing.
3. Compare the risk, return, and liquidity of investment alternatives.
4. Describe how to buy and sell investments.
5. Explain factors that affect the rate of return on investments.
6. Evaluate sources of investment information.
7. Explain how agencies that regulate financial markets protect investors.

Grade 4 Benchmarks

Knowledge (Students will know that):

Application (Students could use this knowledge to):

1. People save for future <i>financial goals</i> .	1. Identify a financial goal and develop a saving plan to reach it.
2. Every <i>saving</i> decision has an opportunity cost.	2. Give an example of how saving means giving up the purchase of something today for the purchase of something in the future.
3. <i>Banks</i> , <i>savings and loan associations</i> , and <i>credit unions</i> are places people can save money and earn <i>interest</i> .	3. Identify financial institutions in their community and the interest paid on accounts at each place.
4. Piggy banks, <i>savings accounts</i> , and <i>savings bonds</i> are alternatives for <i>savings</i> .	4. Compare the advantages and disadvantages of savings alternatives.

Grade 8 Benchmarks

Knowledge (Students will know the grade 4 benchmarks and also that):

Application (Students could use this knowledge to):

1. Saving is for emergencies and short-term goals, and <i>investing</i> is for long-term goals. Funds for investing often come from savings.	1. Explain reasons to save and invest.
2. Savings and <i>investing</i> products differ in their potential <i>rate of return</i> , <i>liquidity</i> , and level of <i>risk</i> .	2. Describe appropriate financial products for different financial goals, such as bank accounts for savings and stocks for investments.
3. There is usually a positive relationship between the <i>average annual return</i> on an investment and its risk.	3. Identify the amount of investment risk associated with different investments.
4. <i>Compound interest</i> is earned on both <i>principal</i> and previously earned interest.	4. Calculate and compare simple interest and compound interest earnings and explain the benefits of compound interest.
5. <i>Inflation</i> reduces the return on an investment.	5. Explain how inflation affects investment returns.
6. The <i>Rule of 72</i> is a tool for estimating the time or rate of return required to double a sum of money.	6. Use the Rule of 72 to estimate the time or interest rate it would take to double an amount of money.

7. <i>Investors</i> can get information from many sources.	7. Describe the investment information different sources provide, such as a <i>prospectus</i> , Wall Street Week, and financial publications.
8. People can buy and sell investments in different ways.	8. Compare the advantages and disadvantages of different ways to buy and sell investments, such as financial advisors, investment clubs, and online brokers.

Grade 12 Benchmarks

Knowledge (Students will know grade 4 & 8 benchmarks and also that): Application (Students could use this knowledge to):

1. Generally the more uncertain the future value of an <i>asset</i> , the higher the return.	1. Compare the risks and returns of various saving and investment products.
2. <i>Tax-exempt</i> and <i>tax-deferred</i> investments significantly increase an investor's total return over time.	2. Compare the returns of taxable investments with those that are tax-exempt or tax-deferred.
3. <i>Wealth</i> increases with regular saving, time, and frequent compounding.	3. Compare amounts accumulated, given different times, rates of return, and frequencies of compounding.
4. <i>Diversification</i> reduces risk by spreading assets among several types of investments and industry sectors.	4. Compare the risk and return of different types of investments and combination of investments over time.
5. <i>Dollar-cost averaging</i> lowers investment costs over time and promotes regular investing.	5. Describe the benefits of dollar-cost averaging and calculate the average cost per share of investments using this strategy.
6. <i>Mutual funds</i> pool investors' deposits to purchase securities.	6. Read a prospectus to gain information to make mutual fund decisions.
7. <i>Employer-sponsored retirement savings programs</i> provide many advantages to workers.	7. Describe the advantages provided by employer-sponsored retirement savings programs.
8. Government agencies, such as the U.S. Securities & Exchange Commission, Federal Deposit Insurance Corporation, and state regulators, oversee the securities and banking industries and combat fraud.	8. Explain how government agencies protect savers and investors.