

# Pennsylvania's Instructional Framework for Personal Finance



Big Idea 1: Money Management



Big Idea 2: Earning Income



Big Idea 3: Borrowing Money



Big Idea 4: Financial Institutions



Big Idea 5: Risk Management



Big Idea 6: Saving and Investing

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# Introduction

## Purpose

In accordance with Act 104 of 2010, the Pennsylvania Department of Education has developed an instructional framework for personal finance based on the Pennsylvania academic standards in economics; family and consumer science; business, computer, and information technology; and career education and work.

## Using the Model Personal Finance Course

The instructional framework should be used as a guide by educators and administrators as they review, revise, and create their curricula. When developing or reviewing a personal finance curriculum, it is often helpful to conduct a broad curriculum review. Such an assessment can determine what personal finance topics are already being addressed in existing courses. These reviews should be conducted with involvement from every department with personal finance instruction. At the elementary grades, this typically includes math and social studies. At the secondary level, consider content in business, family and consumer sciences, math, and social studies courses. Additionally, there is often overlap with efforts schools and/or districts make to meet the career education and work standards. The instructional framework can be used to conduct a review by asking representatives from each grade and/or department to note which, if any, components of are currently being addressed.

While the framework is comprehensive — spanning pre-kindergarten to grade 12, it is not intended to be all-inclusive. Rather, it serves as an example of personal finance content and topics that are aligned to the PA Standards.

The framework was developed based upon [Understanding by Design](#), the “backward-design” process developed by Grant Wiggins and Jay McTighe and published by the Association for Supervision and Curriculum Development (ASCD). It includes:

- **Long-Term Transfer Goals:** Transfer goals highlight the effective uses of understanding, knowledge, and skill that we seek in the long run; i.e., what we want students to be able to do when they confront new challenges – both in and outside of school.
- **Big Ideas:** These principles are central to the study of personal finance. They anchor or connect a wide array of concepts.
- **Essential Questions:** Essential questions are the core questions that allow students to probe for deeper meaning. They are the questions students should be asking as they explore the main ideas in the topic.
- **Concepts and Competencies:** The instructional framework includes concepts and competencies for grades PK-2, 3-5, 6-8, and 9-12. Each is aligned to Pennsylvania Academic Standards.
- **Grade Band Summaries:** The grade band summaries provide an overview of the concepts and competencies addressed within each of the four grade bands: PK-2, 3-5, 6-8, and 9-12.
- **Grade Level Summaries:** The grade level summaries offer an example of how

content could be divided between grade levels within a band to ensure adequate coverage. These are offered for grades PK to 8. At the high school level, it is expected that the content included in the 9-12 grade band summary would be the core content for a standalone course in personal finance or addressed in a series of courses.

For additional resources for teaching personal finance, visit [www.MakingCentsPA.org](http://www.MakingCentsPA.org) or PDE's Standards Aligned System at [www.pdesas.org](http://www.pdesas.org).

## Long-Term Transfer Goals

Students will be able to independently use their learning to:

- Make decisions related to managing personal financial resources, building earning capability, protecting assets, and adapting to unexpected events.
- Apply sound financial decision making principles through the many stages of life.
- Exhibit mindful money management behaviors that benefit themselves and their families.

### Big Ideas

**Money management** includes setting goals and developing a plan for how to spend, save, and share financial resources.

**Earning** capabilities over a lifetime are maximized by career planning, education, and job choices.

**Borrowing money** has costs and benefits.

**Financial institutions** offer services for people to secure, access, and transfer their money.

**Risk management** strategies are used to protect against potential loss.

**Saving and investing** habits influence lifelong opportunities for financial independence.

### Essential Questions

How do financial goals vary across a person's lifetime?  
 In what ways does money management impact reaching financial goals?  
 What constitutes sound financial decision making?  
 How does organized record keeping impact finances?  
 What factors impact a person's spending plan?

What impacts a person's earning potential over a lifetime?  
 How do people develop a career plan?  
 What factors do people consider when accepting a job?

How do people decide when and how to use credit?  
 What rights and responsibilities do people have when borrowing money?  
 What impacts a person's creditworthiness?

How do people choose and use financial services?  
 In what ways do people safeguard their financial assets and information?

Why do people choose to limit their risk?  
 How do people protect themselves from financial loss throughout their life?  
 How does insurance work?

Why do people choose to save and invest money?  
 In what ways do people save and invest their money?  
 Why do some investments have the potential for greater return and risk than others?

## Grade Band Summaries

### Grades PK-2

In the initial years of elementary school, children acquire a basic understanding of how people earn and use their money. They understand that people in their community perform jobs to earn money and provide a service in the community including those performed by financial institutions. Students can describe ways in which people spend, share, give, and protect their money and provide reasons why people do each. They learn to set goals and develop a plan for achieving them. They learn that there is a difference between things they want and things they need. They learn that choices have consequences and can identify the characteristics of a good borrower. Students can identify items of value to them and determine ways to keep those things safe. Students can identify basic risks and how to reduce them such as wearing a helmet to be safe while riding a bike.

### Grades 3-5

In grades 3-5, children develop an understanding of the choices people make regarding the use of their money. They can differentiate between short- and long-term goals and develop plans to reach each. They know that people have to make decisions about spending their money and this can be influenced by scarcity and advertising. Students develop an appreciation for careers and jobs performed in their community including those by charitable organizations. Students begin to develop a basic understanding of credit including factors that influence a person's ability to borrow money, paying interest on money borrowed, and the responsibilities of borrowers. Students learn that taxes are paid to the government and can identify ways taxes are used. Students develop a basic understanding of financial institutions and can explain the differences between a checking and saving account. Students learn about saving and investing and can identify reasons people do each. Students learn that it can be costly and dangerous to share personal information online and elsewhere. Students can identify basic risk management strategies.

### Grades 6-8

In grades 6-8, students deepen their understanding of money and its application to them as consumers. They develop their ability to set personal financial goals and can explain how to apply decision-making skills to financial decisions. Students can identify a variety of ways to earn money including wages, gifts, rent, interest, commissions, and tips. They identify deductions from a person's gross pay. They can compare various payment options for

purchases including the use of credit. They develop an understanding of simple and compound interest and that each can be paid or earned. Students can explain how their actions can influence their credit report as well as their chances of being the victim of identity theft. They explore the concept of entrepreneurship. Students deepen their understanding of risk management by defining different types of insurance and developing logical arguments for having insurance. Students gain further knowledge of investing by exploring the benefits of a well-diversified investment portfolio

### **Grades 9-12**

In high school, students become prepared to live independent financial lives. They set goals and make plans for how to earn, save, spend, and share their financial resources. They hypothesize the income they will require in the future in order to maintain a desired standard of living. They analyze a career goal and investigate the steps necessary in achieving it. They understand the differences between gross and net pay and the factors that influence each. They can explain the purposes of basic tax forms and can complete a simple tax form. They can explain different ways to pay for goods and services and develop a logical argument for using a specific payment method including various forms of credit. Students understand the impact of their credit score and know what information impacts it. Students are able to complete basic financial applications such as those for a loan or credit card. They know the risks associated with identity theft and how to prevent it. Students understand ways to manage risk including through the use of various types of insurance. Students analyze savings goals and critique investment plans in terms of their ability to achieve goals of liquidity, income, growth, and tax benefit. Students understand the risks and returns of various investments. Students understand that laws enforced by federal and state agencies can protect consumers.



## Grade Level Summaries

The instructional framework places an emphasis on integrated instruction for Pre-Kindergarten through eighth grade and standalone coursework combined with integrated strategies at the high school level. The following provides an example of how personal finance content from each of the grade bands can be allotted to specific grade levels.

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### Pre-Kindergarten

In Pre-Kindergarten, students are introduced to the concept of money through creative play and literature. Instructional time should focus on two critical areas: (1) developing an understanding that people earn money by working and then use the money they earn to buy things and (2) developing an understanding that sometimes people have to wait before they can buy something they want.

### Kindergarten

In Kindergarten, students develop an understanding of personal finance through language arts, math, and classroom procedures. Instructional time should focus on four critical areas: (1) understanding that the choices people make have consequences; (2) setting short and long-term goals (first academically and then making connections to saving money); (3) developing an understanding of the characteristics of good borrowers; and (4) making connections between how community helpers provide services and earn money in return.

### Grade 1

In Grade 1, students further develop their understanding of personal finance through language arts, math, and classroom procedures. Instructional time should focus on three critical areas: (1) developing an understanding of ways people spend, share, give and protect their money; (2) differentiating between things people want and need; and (3) describing things of value to them and determining ways to keep those things safe.

### Grade 2

In Grade 2, students further develop their understanding of personal finance through language arts, math, social studies, and classroom procedures. Instructional time should focus on four critical areas: (1) describing the reasons people spend, save, share, give and protect their money; (2) developing plans to reach short and long term goals; (3) describing basic risks and how to reduce them such as wearing a helmet to stay safe while riding a

bike; and (4) developing an understanding of how people make informed decisions including the identification of opportunity costs.

### **Grade 3**

In Grade 3, students further develop their understanding of personal finance through language arts, math, social studies, and classroom procedures. Instructional time should focus on four critical areas: (1) developing an understanding of financial institutions and explaining the differences between a checking and saving account; (2) developing an appreciation for different types of jobs as well as the different forms of income earned and received; (3) developing an understanding of credit as an obligation to repay what is borrowed plus interest on the amount borrowed; and (4) analyzing how scarcity, advertising, and peer pressure influence people's decisions about spending money.

### **Grade 4**

In Grade 4, students further develop their understanding of personal finance through language arts, math, social studies, and classroom procedures. Instructional time should focus on four critical areas: (1) developing an understanding of saving and investing and how people set short and long-term goals and make plans to reach them; (2) describing ways that it can be costly and dangerous to share personal information online and elsewhere; (3) recognizing that a reputation for repaying loans contributes to a person's ability to obtain loans in the future; and (4) develop an awareness of financial risk and learn that individuals can reduce that risk by altering their behavior to reduce the likelihood and size of a loss.

### **Grade 5**

In Grade 5, students further develop their understanding of personal finance through language arts, math, social studies, and classroom procedures. Instructional time should focus on four critical areas: (1) preparing a basic budget; (2) developing a basic understanding of credit including factors that influence a person's ability to borrow money, paying interest on money borrowed, and the responsibilities of borrowers; (2) understanding that taxes are paid to the government and identifying ways taxes are used; (3) developing fluency with informed decision making.

### **Grade 6**

In Grade 6, students further develop their understanding of personal finance through

language arts, family and consumer science, math, social studies, and classroom procedures. Instructional time should focus on three critical areas: (1) developing their ability to set personal financial goals and explaining how to apply decision-making skills to financial decisions; (2) exploring the concept of entrepreneurship; and (3) describing how people's actions can influence their chances of being the victim of identity theft.

### **Grade 7**

In Grade 7, students further develop their understanding of personal finance through language arts, family and consumer science, math, social studies, and classroom procedures. Instructional time should focus on three critical areas: (1) calculating ways people earn money including wages (including gross and net pay), gifts, rent, interest, commissions and tips; (2) gaining further knowledge of investing by exploring the benefits of a well-diversified investment portfolio; and (3) comparing various payment options for purchases including the costs and benefits of using credit.

### **Grade 8**

In Grade 8, students further develop their understanding of personal finance through language arts, math, social studies, and classroom procedures. Instructional time should focus on four critical areas: (1) identifying the costs and benefits of increasing income through the acquisition of education and skills; (2) developing an understanding of simple and compound interest and that each can be paid or earned; (3) explaining how a person's actions can influence their credit; and (4) deepening their understanding of risk management by exploring the costs and benefits of the different ways to manage risk (assume it, reduce it, insure it).

### **High School Personal Finance Course(s)**

In high school, students become prepared to live independent financial lives through a standalone course in personal finance and through the integration of personal finance into business, family and consumer sciences, language arts, math, and social studies courses. Instructional time should focus on six critical areas: (1) developing sound money management skills including goal setting and developing a plan for how to spend, save, and share financial resources; (2) developing an understanding of one's earning capabilities and how they are maximized by career planning, education, and job choices; (3) developing an appreciation for the costs and benefits of borrowing money; (4) analyzing the services financial institutions offer people to secure, access, and transfer their money; (5)

developing risk management strategies to protect against future loss; and (6) understanding how saving and investing influence lifelong opportunities for financial independence.

# Concepts and Competencies

## Money Management

### Big Idea

Money management includes setting goals and developing a plan for how to spend, save, and share financial resources.

### Essential Questions

How do financial goals vary across a person's lifetime?  
 In what ways does money management impact reaching financial goals?  
 What constitutes sound financial decision making?  
 How does organized record keeping impact finances?  
 What factors impact a person's spending plan?

Concepts	Grades	Competencies	Standards
Financial Goals	9-12	Identify strategies for personal financial management.	15.6.12.G
Financial Goals	6-8	Discuss the importance of developing short, medium-, and long-term personal financial goals.	15.1.8.F 15.6.8.B
Financial Goals	3-5	Classify financial goals as short and long term and develop plans to reach goals.	11.2.3.B
Financial Goals	PK-2	Identify goals and determine steps to achieve them.	11.2.3.B
Decision Making	9-12	Analyze types of consumer behavior and characteristics including but not limited to spending habits, emotional buying, rational buying, and buying power.	6.1.(9,12).B 6.1.12.B 6.1.9.C 6.1.(9,12).D 15.6.12.B 15.9.8.E 15.6.12.F 15.9.12.B
Decision Making	6-8	Explain how people apply decision-making skills to make financial decisions.	6.1.(6,7,8).A 6.1.(6,7,8).B 6.1.(6,7,8).C 6.1.(6,7,8).D 11.2.6.A 15.6.5.B 15.9.5.E
Decision Making	3-5	Analyze how unlimited wants and limited resources affect decision-making.	6.1.(3,4,5).A 6.1.(3,4,5).B 6.1.(3,4,5).C 6.1.(3,4,5).D 6.2.(3,4,5).C 6.4.3.D 6.5.3.C 15.6.2.A 15.6.2.B
Decision Making	PK-2	Differentiate between needs and wants and choices people make.	6.1.(K,1,2).A 6.1.(K,1,2).B 6.1.(K,1,2).C 6.1.(PK,1,2).D 6.2.(K,1,2).C 6.4.(K,1,2).D
Spending Plan	9-12	Demonstrate the relationship of the components of a simple spending plan and how that relationship allows for managing income, expenses and savings.	11.1.12.B 13.3.11.D
Spending Plan	6-8	Discuss earning, spending, and saving for financial stability.	11.1.6.B 13.3.5.D

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			13.3.8.D 15.6.5.G 15.1.5.L 15.6.8.G 15.1.8.L
Spending Plan	3-5	Describe the ability to meet basic human needs through different types of purchases.	6.2.3.A 6.2.3.D 6.3.3.A 11.1.6.C 15.9.5.H
Spending Plan	PK-2	Identify goods and services people buy and how people use money to make purchases.	6.2.(K,1,2).A 6.3.(1,2).A 6.4.1.D 13.3.3.D 15.9.2.G
Purchasing	9-12	Evaluate the impact of internal and external influences on purchasing decisions.	6.2.9.B 6.2.9.C 6.2.9.D 11.1.12.C 11.1.12.F 15.6.12.A 15.6.12.H
Purchasing	6-8	Compare various payment options for purchases.	15.6.8.H
Purchasing	3-5	Identify types of advertising designed to influence personal choice.	6.2.(3,4,5).C 11.1.3.A 15.9.2.E 15.9.2.G 15.9.8.B 15.9.5.I 15.9.2.I
Purchasing	PK-2	Define price and how prices vary for products.	6.2.(PK,1,2).D 15.9.2.B 15.9.2.H
Giving	9-12	Evaluate how charitable organizations use contributions.	15.6.12.F 15.1.12.Y
Giving	6-8	Compare the missions of charitable organizations.	11.1.6.G
Giving	3-5	Identify charitable organizations and the services they provide.	11.1.3.G 11.1.3.C
Giving	PK-2	Describe ways children can share with others.	6.5.K.A 13.3.3.D 15.6.2.B

## Earning Income

### Big Idea

Earning capabilities over a lifetime are maximized by career planning, education, and job choices.

### Essential Questions

What impacts a person's earning potential over a lifetime?

How do people develop a career plan?

What factors do people consider when accepting a job?

Concepts	Grades	Competencies	Standards
Career Plan	9-12	Analyze a career goal and develop a plan and timetable for achieving it.	13.1.11.A 13.1.11.G 13.2.11.C 13.2.11.D 13.3.11.A 13.3.11.F 15.2.12.F 15.2.12.G 15.6.12.D
Career Plan	9-12	Investigate and present the educational/training requirements, lifetime income potential, and primary duties of at least two jobs of interest.	6.5.12.A 13.1.11.B 13.1.11.E 13.1.11.F 13.3.11.G 13.4.11.A 15.2.5.F 15.2.8.F 15.8.8.Q 15.6.12.D
Career Plan	6-8	Describe the risks, costs, and rewards of starting a business.	6.5.5.F
Career Plan	3-5	Explain the difference between a career and a job and why people work.	6.5.(3,5).A 11.1.3.E 13.1.3.D 15.2.2.B 15.2.2.D
Career Plan	PK-2	Differentiate between work and play and identify jobs in the community.	6.5.(PK,K).A
Earning Income	9-12	Hypothesize the future income needed to maintain a desired standard of living.	11.1.12.E 13.3.11.D
Earning Income	6-8	Describe various sources of personal income, including wages, gifts, rent, interest, commissions, tips, etc.	11.1.9.E 15.1.5.M 15.6.8.D
Earning Income	3-5	Explain the differences in earning by those in different jobs and with different skills and education.	6.5.(3,4,5).B 6.5.3.F 15.1.2.M 15.6.5.D
Earning Income	PK-2	Identify ways children and adults acquire money.	6.4.(K,1,2).A 6.5.(1,2).A 6.5.2.B 6.5.1.D
Net Pay	9-12	Analyze and calculate net pay.	6.5.(9,12).A 11.1.12.E 15.1.12.M 15.1.12.Y 15.6.12.E

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Taxes	9-12	Explain the purposes of tax-related forms and complete samples.	11.1.12.E
Taxes	6-8	Describe taxes and deductions subtracted from gross pay.	6.3.6.C 15.1.8.M 15.1.8.Y 15.6.8.E
Taxes	3-5	Give an example of how governments use taxes we pay.	6.3.(3,4,5).C
Taxes	K-2	Explain why the price of an item can be different from the actual amount paid.	6.3.2.C 15.1.12.Y



## Borrowing Money

### Big Idea

Borrowing money has costs and benefits.

### Essential Questions

How do people decide when and how to use credit?  
 What rights and responsibilities do people have when borrowing money?  
 What impacts a person's creditworthiness?

Concepts	Grades	Competencies	Standards
Creditworthiness	9-12	Analyze the impact of a positive or negative credit history.	15.6.12.K 15.6.8.K
Creditworthiness	6-8	Explain the components of a credit report.	15.6.8 L
Creditworthiness	3-5	Identify factors that impact a person's ability to borrow money.	15.6.5.K
Creditworthiness	PK-2	Explain what makes someone a good borrower.	15.6.2 J 15.1.2.G
Credit	9-12	Analyze the total cost of a major purchase loan agreement using fixed and variable interest rates, calculated over time.	15.2.12.G 15.6.12.H 15.6.12.J
Credit	9-12	Develop a logical argument for using a specific credit product to make a purchase.	11.1.9.B 15.6.8.H 15.6.12.H
Credit	6-8	Explain the difference between simple and compound interest.	6.5.(6,7,8).H 15.6.8 J
Credit	3-5	Discuss problems associated with not having enough cash and the costs and benefits of borrowing.	6.5.5.H 15.1.5.W
Credit Rights and Responsibilities	9-12	Investigate major consumer credit laws and their impact on individuals in debt.	11.1.9.B 11.1.9.D 11.1.12.D 15.6.12.L 15.6.12.M
Credit Rights and Responsibilities	6-8	Compare the rights and responsibilities of borrowers and lenders.	11.1.9.B 11.1.9.D
Credit Rights and Responsibilities	PK-5	Explain the responsibilities of borrowing.	11.1.3.D 15.1.5.W

## Financial Institutions

### Big Idea

Financial institutions offer services for people to secure, access, and transfer their money.

### Essential Questions

How do people choose and use financial services?  
In what ways do people safeguard their financial assets and information?

Concepts	Grades	Competencies	Standards
Financial Institutions	9-12	Analyze the functions of the Federal Reserve and other financial institutions.	15.6.12.I
Financial Institutions	6-8	Compare advantages and disadvantages of different financial institutions relating to saving, investing, and borrowing.	6.5.8.H 15.6.8.I.
Financial Institutions	PK-5	Describe financial institutions in the community.	6.2.3.F 6.4.3.C 6.5.(2,3,4).H 15.6.5.I.
Financial Services	9-12	Analyze and complete a financial application.	11.1.9.B 11.1.12.B 15.2.12.G
Financial Services	6-8	Compare financial services considering costs and benefits of each.	6.5.9.G 15.6.8.I
Financial Services	3-5	Explain the differences between a checking and savings account.	6.5.(3,4).H 15.6.5.H
Financial Services	PK-2	Identify places children and adults put their money to keep it safe.	6.2.2.F 6.5.2.H
Identity Theft	9-12	Assess the impact of identity theft.	15.6.12.M
Identity Theft	6-8	Examine steps to minimize exposure to identity theft.	15.6.8.M
Identity Theft	3-5	Discuss potential consequences of disclosing personal information.	15.4.5.B 15.6.5.M
Identity Theft	PK-2	Identify information that is personal and ways to keep it secure.	15.4.5.B

## Risk Management

### Big Idea

Risk management strategies are used to protect against potential loss.

### Essential Questions

Why do people choose to limit their risk?  
 How do people protect themselves from financial loss throughout their life?  
 How does insurance work?

Concepts	Grades	Competencies	Standards
Risk	9-12	Compare how people manage risk through avoidance, reduction, retention, and transfer.	14.1.G 15.6.12.O
Risk	9-12	Explain how and why people make end-of-life plans.	11.1.12.B
Risk	6-8	Compare common types of risk and basic risk management methods.	
Risk	3-5	Summarize risks that individuals and households face.	
Risk	PK-2	Using an age-appropriate activity such as riding a bicycle, predict risks and give examples of how to reduce.	
Insurance	9-12	Compare and contrast various suppliers of insurance products and develop criteria to evaluate individual insurance needs.	15.6.12.N
Insurance	9-12	Describe types of insurance including health, disability, auto, homeowners, renters, life, and long-term care.	14.1.B 15.6.12.N
Insurance	6-8	Develop a logical argument for having various types of insurance.	11.1.9.B 15.6.8.N
Insurance	3-5	Discuss methods to protect valuable items against damage or loss.	15.6.5.N
Insurance	PK-2	Discuss how valuable items might be damaged or lost and ways to protect them.	15.6.2.N

## Saving and Investing

### Big Idea

Saving and investing habits influence lifelong opportunities for financial independence.

### Essential Questions

Why do people choose to save and invest money?  
 In what ways do people save and invest their money?  
 Why do some investments have the potential for greater return and risk than others?

Concepts	Grades	Competencies	Standards
Saving	9-12	Analyze savings goals and options people have at various life stages.	6.5.9.G 11.1.9.B
Saving	6-8	Compare and contrast the various financial tools available to savers.	6.5.(6,7,8).G 11.1.9.B 15.6.8.I
Saving	3-5	Identify the costs and benefits of saving.	6.5.3.D 6.5.(3,4,5).G 15.6.5.G
Saving	PK-2	Define saving and explain why people save.	6.5.2.D 6.5.(1,2).G
Interest	9-12	Evaluate benefits and costs of changes in interest rates for individuals and society.	6.5.(9,12).H
Interest	6-8	Compare simple and compound interest.	6.5.6.H 15.6.8.J
Interest	3-5	Explain interest charged versus interest earned.	15.6.5.J
Assets	9-12	Develop a definition of wealth considering personal values, priorities, and goals.	6.5.9.E 15.6.8.F
Assets	6-8	Estimate the extent to which assets may increase or decrease in value and describe how people accumulate assets.	6.5.(6,7).E 15.1.8.H 15.6.8.F
Assets	3-5	Describe how people accumulate tangible and intangible assets.	6.5.3.E 15.1.2.F 15.1.5.F
Investing	9-12	Critique investment plans in terms of their ability to achieve goals of liquidity, income, growth, and tax benefit.	15.6.12.P 15.6.12.R 15.6.8.I 15.6.12.S
Investing	9-12	Analyze the risks and returns of various investments.	6.5.12.G 11.1.9.B 15.6.8.Q 15.1.8.I 15.6.8.I 15.6.12.Q 15.1.12.I
Investing	6-8	Evaluate the benefits of a diversified investment portfolio.	15.6.8.R
Investing	3-5	Discuss the purpose and function of investments.	15.6.5.G 15.6.5.Q 15.6.5.R
Fraud	9-12	Analyze the role of federal and state regulators in protecting savers and investors.	15.6.12.S

## Standards Correlation

Personal finance aligns with numerous Pennsylvania Core and Academic Standards. These include English Language Arts; Mathematics; Economics; Family and Consumers Sciences; Career, Education, and Work; Driver Education; and Business, Computer, and Information Technology.

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### English Language Arts

(Access the [standards](#).)

Numerous English Language Arts standards can be taught and/or assessed in a personal finance context. This includes the use of literary fiction and information texts that feature financial topics; writing informational/explanatory, opinion/argumentative, or narrative texts with personal finance themes; and researching and presenting financial information.

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### Mathematics

(Download the [standards](#). Note: Additional math standards may apply when math concepts are presented in a personal finance context. Examples include determining unit rates when comparing prices, calculating simple or compound interest for loans or savings, and analyzing data on stocks or other financial products.)

- CC.2.1.7.D.1 Analyze proportional relationships and use them to model and solve real-world and mathematical problems.
- CC.2.1.HS.F.2 Apply properties of rational and irrational numbers to solve real-world or mathematical problems.
- CC.2.1.HS.F.4 Use units as a way to understand problems and to guide the solution of multi-step problems.
- CC.2.2.6.B.2 Understand the process of solving a one-variable equation or inequality and apply it to real-world and mathematical problems.
- CC.2.2.7.B.3 Model and solve real-world and mathematical problems by using and connecting numerical, algebraic, and/or graphical representations.
- CC.2.2.HS.C.6 Interpret functions in terms of the situations they model.
- CC.2.4.2.A.3 Solve problems and make change using coins and paper currency with appropriate symbols.
- CC.2.4.3.A.3 Solve problems and make change involving money using a combination of

coins and bills.

- CC.2.2.6.B.2 Understand the process of solving a one-variable equation or inequality and apply it to real-world and mathematical problems.
- CC.2.2.7.B.3 Model and solve real-world and mathematical problems by using and connecting numerical, algebraic, and/or graphical representations.

## Economics

(Download the standards: [Primary](#), [Elementary](#), [Secondary](#))

- 6.1.3.A. Define scarcity and identify examples of resources, wants, and needs.
- 6.1.9.B. Identify the origin of resources and analyze the impact on the production of goods and services. Analyze how unlimited wants and limited resources affect decision-making.
- 6.2.3.C. Identify types of advertising designed to influence personal choice.
- 6.2.3.D. Define price and how prices vary for products.
- 6.2.6.E. Explain the causes and effects of expansion and contraction of businesses.
- 6.2.9.E. Analyze the characteristics of economic expansion, recession, and depression.
- 6.3.12.C. Evaluate the social, political, and economic costs/benefits of potential changes to taxation policies.
- 6.3.3.C. Define tax and explain the relationship between taxation and government services.
- 6.3.6.C. Explain the cost and benefits of taxation.
- 6.3.9.B. Examine how and why the government acts to regulate and stabilize the state and national economy.
- 6.5.12.G. Analyze the risks and returns of various investments.
- 6.5.3.A. Explain why people work.
- 6.5.3.B. Identify different occupations.
- 6.5.3.E. Identify tangible and intangible assets.
- 6.5.3.G. Define saving and explain why people save.
- 6.5.3.H. Explain the basic operation of the banking system.
- 6.5.5.F. Define entrepreneurship and its role in the local community.
- 6.5.6.E. Describe how people accumulate tangible and intangible assets.
- 6.5.6.G. Identify the costs and benefits of saving.
- 6.5.6.H. Explain the differences between interest rates for saving and borrowing.

- 6.5.9. A. Define wages and explain how wages are determined by the supply of and demand for workers.
- 6.5.9. C. Identify and explain the characteristics of sole proprietorship, partnership, and corporation.
- 6.5.9. E. Define wealth and describe its distribution within and among the political divisions of the United States.
- 6.5.9. G. Compare and contrast the various financial tools available to savers.
- 6.5.9.H. Explain the impact of higher or lower interest rates for savers, borrowers, consumers and producers.
- 6.5.12.A Analyze the factors influencing wages.
- 6.5.12.G Analyze the risks and returns of various investments.
- 6.5.12.H Evaluate benefits and costs of changes in interest rates for individuals and society.

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## Family and Consumer Sciences

(Download the [standards](#).)

- 11.1.3.A. Identify money denominations, services, and material resources available as trade-offs within the home, school, and community.
- 11.1.3.B. Define the components of a spending plan (e.g., income, expenses, savings).
- 11.1.3.D. Explain consumer rights and responsibilities.
- 11.1.3.E. Explain the relationship between work and income.
- 11.1.6.B. Know the relationship of the components of a simple spending plan and how that relationship allows for managing income, expenses, and savings.
- 11.1.6.C. Describe the adaptability to meet basic human needs of the different types of housing available (e.g., single home, apartment, mobile home, shelter, recreational vehicle, public housing).
- 11.1.9.B. Explain the responsibilities associated with managing personal finances (e.g., savings, checking, credit, non-cash systems, investments, insurance).
- 11.1.9.D. Explain how consumer rights and responsibilities are protected (e.g., government agencies, consumer protection agencies, consumer action groups).
- 11.1.9.E. Compare the influence of income and fringe benefits to make decisions about work.

- 11.1.12.B. Analyze the management of financial resources across the lifespan.
- 11.1.12.C. Analyze the relationship among factors affecting consumer housing decisions (e.g., human needs, financial resources, location, legal agreements, maintenance responsibilities).
- 11.1.12.D. Evaluate the role of consumer rights and responsibilities in the resolution of a consumer problem through the practical reasoning process.
- 11.1.12.E. Compare and contrast factors affecting annual gross and taxable income and reporting requirements (e.g., W-2 form, Income tax form).
- 11.1.12.F. Compare and contrast the selection of goods and services by applying effective consumer strategies.

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### Career, Education, and Work

(Download the [standards](#).)

- 13.1.3.D. Identify the range of jobs available in the community.
- 13.1.11.A. Relate careers to individual interests, abilities, and aptitudes.
- 13.1.11.B. Analyze career options based on personal interests, abilities, aptitudes, achievement, and goals.
- 13.1.11.E. Justify the selection of a career.
- 13.1.11.F. Analyze the relationship between career choices and career preparation opportunities, such as, but not limited to: associate degree, baccalaureate degree, certificate/licensure, entrepreneurship, immediate part/full time employment, industry training, military training, professional degree, registered apprenticeship, tech prep, vocational rehabilitation centers.
- 13.1.11.G. Assess the implementation of the individualized career plan through the ongoing development of the career portfolio.
- 13.2.11.C. Develop and assemble, for career portfolio placement, career acquisition documents, such as, but not limited to: job application, letter of appreciation following an interview; letter of introduction, postsecondary education/training applications, request for letter of recommendation, resume.
- 13.2.11.D. Analyze, revise, and apply an individualized career portfolio to chosen career path.
- 13.3.3.D. Explain how money is used.



- 13.3.5.D. Explain budgeting: charitable contributions, expenses, gross pay, net pay, other income, savings, taxes
  - 13.3.11.A Evaluate personal attitudes and work habits that support career retention and advancement.
  - 13.3.11.D Develop a personal budget based on career choice, such as, but not limited to: charitable contributions, fixed/variable expenses, gross pay, net pay, other income, savings, taxes.
  - 13.3.11.F Evaluate strategies for career retention and advancement in response to the changing global workplace.
  - 13.3.11.G Evaluate the impact of lifelong learning on career retention and advancement.
  - 13.4.11.A Analyze entrepreneurship as it relates to personal career goals and corporate opportunities.
  - 13.4.11.B Analyze entrepreneurship as it relates to personal character traits.
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### Driver Education

(Download the [standards](#).)

- 14.1.B Identify and explain laws that relate to responsible use of a vehicle, including: vehicle registration, insurance regulations, vehicle/emissions inspection, seat belts, child safety seats, passengers in pickup trucks.
  - 14.4.G Analyze the consequences of high-risk driver actions and human error, including vehicular crashes, injury or death, civil liability, property damage, financial loss, Pennsylvania Point System, fines, loss of license.
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### Business, Computer, and Information Technology

(Download the [standards](#).)

- 15.1.2.F Ask and answer questions about items you or your family own.
- 15.1.2.G Ask and answer questions about money you or your family owes.
- 15.1.2.M Ask and answer questions about being compensated for completing a task.
- 15.1.2.Y Discuss the price of an item and the actual amount paid.
- 15.1.5.F Identify family and business assets.
- 15.1.5.G Identify family and business liabilities.
- 15.1.5.I Ask and answer questions about ownership in a business.
- 15.1.5.K Recognize and give examples of revenue.

- 15.1.5.L Recognize and give examples of expenses.
- 15.1.5.M Describe the different methods of how people are compensated.
- 15.1.5.W Discuss problems associated with not having enough cash.
- 15.1.8.F Identify, recognize, and classify short- and long-term assets.
- 15.1.8.G Identify, recognize, and classify short- and long-term liabilities.
- 15.1.8.H Discuss the value of family and business assets over time.
- 15.1.8.I Identify and classify the classes and rights of types of stock.
- 15.1.8.K Identify and classify revenue.
- 15.1.8.L Identify and classify expenses.
- 15.1.8.M Identify and give examples of net pay and gross pay.
- 15.1.8.Y Identify and list examples of taxes.
- 15.1.12.F Analyze and journalize transactions for short- and long-term assets.*
- 15.1.12.G Analyze and journalize transactions involving short- and long-term liabilities.*
- 15.1.12.I Differentiate between and journalize entries for issuance or repurchase of stock and the declaration and payment of dividends.*
- 15.1.12.K Describe, calculate, and journalize the sales and cost of sales including purchases, transportation costs, sales taxes, and trade discounts.*
- 15.1.12.L Describe and explain the criteria used to determine expenses and journalize the expense transactions.*
- 15.1.12.M Analyze and calculate gross pay and net pay, including regular and overtime wages, commission, and piece rate.
- 15.1.12.Y Determine and calculate taxable income and tax liability for both personal and business taxes.
- 15.2.2.B Identify occupations of familiar adults.
- 15.2.2.D Ask and answer questions about different types of work.
- 15.2.5.F Discuss the costs associated with post- secondary education.
- 15.2.8.F Analyze financial options and costs associated with post-secondary education.
- 15.2.12.F Evaluate various methods for financing a post-secondary education.
- 15.2.12.G Analyze and complete an application (e.g., job, scholarship, financial aid, post-secondary) in a focused and effective manner.
- 15.4.5.B Identify and demonstrate understanding of ethical, safe, and social online behavior and potential consequences of unethical, unsafe, and inappropriate behavior.
- 15.4.8.B Interpret and apply appropriate social, legal, ethical, and safe behaviors of digital citizenship.

- 15.4.12.B Evaluate the impact of social, legal, ethical, and safe behaviors on digital citizenship.
- 15.6.2.A With prompting and support, discuss the difference between a need and a want.
- 15.6.2.B Ask and answer questions about a monetary decision.
- 15.6.2.J With prompting and support, ask and answer questions about borrowing and paying back money.
- 15.6.2.N With prompting and support, ask and answer questions about items of value that could be lost or damaged.
- 15.6.5.B Identify the steps taken when making a rational decision about money.
- 15.6.5.D Identify sources of income.
- 15.6.5.G Discuss earnings, spending, and savings for financial stability.
- 15.6.5.H Explain various payment methods.
- 15.6.5.I Describe different types of financial institutions in your community.
- 15.6.5.J Explain interest charged versus interest earned.
- 15.6.5.K Discuss factors that impact one's ability to borrow money.
- 15.6.5.M Discuss potential consequences of disclosing personal information.
- 15.6.5.N Discuss methods to protect valuable items against damage or loss.
- 15.6.5.Q Discuss the purpose and function of investments.
- 15.6.5.R Discuss investments and how they can grow in value.
- 15.6.8.B Discuss the importance of developing short-, medium-, and long-term personal financial goals.
- 15.6.8.D Identify employee benefits and their impact on income.
- 15.6.8.E Explain the difference between sales and income tax.
- 15.6.8.F Evaluate assets as related to personal wealth and spending.
- 15.6.8.G Discuss the need for money management.
- 15.6.8.H Compare and contrast advantages and disadvantages of various options of paying for short- and long-term purchases.
- 15.6.8.I Compare advantages and disadvantages of different financial institutions relating to saving, investing, and borrowing.
- 15.6.8.J Explain the difference between simple and compound interest.
- 15.6.8.K Investigate factors that contribute to a positive or negative credit history.
- 15.6.8.L Analyze the components and value of credit reports for consumers, borrowers and lenders.
- 15.6.8.M Examine steps to minimize exposure to identity theft.

- 15.6.8.N Examine the purpose and importance of various types of insurances.
- 15.6.8.Q Calculate investment growth using varying rates of return.
- 15.6.8.R Evaluate the benefits of a diversified investment portfolio.
- 15.6.12.A Evaluate the impact of internal and external influences on financial decisions.
- 15.6.12.B Analyze financial decisions for major purchasing events occurring at different stages in life, systematically considering alternatives and consequences.
- 15.6.12.D Develop criteria to evaluate employment options.
- 15.6.12.E Assess the purpose, source, and impact of various taxes.
- 15.6.12.F Evaluate criteria for personal spending in relation to the economic climate.
- 15.6.12.G Identify strategies for personal financial management.
- 15.6.12.H Evaluate payment methods for major purchases.
- 15.6.12.I Analyze the functions of the Federal Reserve and other financial institutions.
- 15.6.12.J Analyze the total cost of a major purchase loan agreement using fixed and variable interest rates, calculated over time.
- 15.6.12.K Analyze the impact of a positive or negative credit history.
- 15.6.12.L Research major consumer credit laws and their impact on individuals in debt.
- 15.6.12.M Assess the impact of identity theft; develop a plan for correcting a negative credit report.
- 15.6.12.N Compare and contrast various suppliers of insurance products and develop criteria to evaluate individual insurance needs.
- 15.6.12.O Develop criteria for a disaster management plan that includes provisions for secure storage of digital and paper documents, inventory of household items, cash reserves, and medical records.
- 15.6.12.P Develop financial investment plans to accommodate various economic and personal scenarios.
- 15.6.12.Q Apply the "Rule of 72" to estimate the number of periods required to double an investment.
- 15.6.12.R Compare and contrast various investment plans to achieve goals of liquidity, income, and growth.
- 15.6.12.S Analyze the role of government in investment planning and retirement planning.
- 15.8.8.Q Discuss employee compensation plans for various careers.
- 15.9.2.B Ask and answer questions about items you and your family purchased.
- 15.9.2.E Ask and answer questions about reasons you or your family buys an item.
- 15.9.2.G Give examples of where consumers purchase products and services.

- 15.9.2.H Ask and answer questions about costs of products and services.
- 15.9.2.I Provide examples of promotional items and advertisements.
- 15.9.5.B Ask and answer questions about reasons you and your family made specific purchases.
- 15.9.5.E Give examples of various consumer behaviors and characteristics.
- 15.9.5.H Discuss elements affecting a product's price.
- 15.9.5.I Distinguish types of promotions and their goal: education, awareness building, persuasion, and loyalty.
- 15.9.8.B Describe how businesses influence purchasing decisions.
- 15.9.8.E Differentiate types of consumer behavior and characteristics including but not limited to spending habits, emotional buying, rational buying, and buying power.
- 15.9.8.H Analyze pricing strategies and practices used by local, domestic, and global industries.
- 15.9.12.B Analyze how marketing influences today's households, businesses, and society; including but not limited to business-to-consumer, business-to-business, and consumer-to-consumer.
- 15.9.12.E Research and analyze consumer behavior patterns and the effect of those patterns on business and the economy.
- 15.9.12.H Evaluate the impacts of various pricing strategies on the consumer and businesses at the local, domestic, and global level; including penetration, skimming, supply/demand, and exchange rates.