K-8 Revised Financial Literacy Standards Proposal

The rationale behind the additional elements and standards center around the feedback received from internal and external stakeholders, as well as identified districts and national standards. You will notice revisions to the overarching standards and added elements for clarity on what students need to know and do. The ***Blue*** standards are the current economics and financial literacy HTLS. The ***Green*** standards and elements represent the NEW Proposed standards/elements for adoption in the HTLS.

Kindergarten Financial Literacy HTLS & Proposed New Standards/Elements				
Income	**Budget and the Management of Money**	**Credit and Debt**	**Savings and Investing**	**Rationale**
SSKE1 Describe the work that people do such as: police officer, fire fighter, soldier, mail carrier, farmer, doctor, teacher, etc. **SSKE2 Explain that people earn income by working.**	**SSKE3 Explain how money is used to purchase goods and services;** a. Distinguish goods from services. b. Identify that U.S. coins and dollar bills (paper money) are used as currency. **SSKE4 Explain that people must make choices because they cannot have everything they want.** a. Identify what a person gains or gives up when making choices	**SSKE5 Identify the differences between buying and borrowing**	**SSKE6 Identify ways to store and save money (i.e. piggy bank, caregiver, wallet/purse/bag)**	**Element "a." was added under SSKE4** to ensure students at this grade level understand the concept of "opportunity costs" in an age appropriate way, as well as to start students thinking about financial decision making. Standards **E5 and E6** were added in response to the internal and external stakeholders request to introduce these concepts in Kindergarten (i.e credit and debt are not appropriate, but understanding the concept of borrowing and returning it can help them develop the domain in later grade levels.

1st Grade Financial Literacy HTLS & Proposed New Standards/Elements				
Income	**Budget and the Management of Money**	**Credit and Debt**	**Savings and Investing**	**Rationale**
SS1E1 Identify goods that people make and services that people provide for each other. a. Identify goods and services produced in your community to earn income b. Identify goods and services in your community that do not earn income. **SS1E3 Describe how people are both producers and consumers.**	**SS1E2 Explain that scarcity is when unlimited wants are greater than limited resources.** **SS1E4 Explain that people earn income by working and that they must make choices about how much to save and spend.** a. Identify the benefits and costs of making financial decisions about spending money. b. Identify the benefits and costs of making financial decisions about savings money.	**SSKE5 Identify the differences between buying and borrowing.**	**SS1E6 Identify reasons why saving is important.** **SS1E4 Explain that people earn income by working and that they must make choices about how much to save and spend.** c. Identify the benefits and costs of making financial decisions about spending money. d. Identify the benefits and costs of making financial decisions about savings money.	**Elements were added to SS1E1, E2, E3, and E4** to provide clarity as to what students have to know and do to master the current HTLS. **E5, E6, and E7 are newly proposed standards** that reflect the feedback from internal and external stakeholders' concerning financial decision making, as well as the standards at this grade level in top performing districts.

2nd Grade Financial Literacy HTLS & Proposed New Standards/Elements				
Income	**Budget and the Management of Money**	**Credit and Debt**	**Savings and Investing**	**Rationale**
SS2E2 Identify some ways in which goods and services are allocated (such as: price, majority rule, contests, force, sharing, lottery, authority, first-come-first-served, and personal characteristics). a. Identify ways to allocate scarce goods and services. **SS2E3 Explain that people usually use money to obtain the goods and services they want.**	**SS2E1 Explain that because of scarcity, people must make choices that result in opportunity costs.**	**SS2E5 Identify the characteristics of a responsible borrower and the characteristics of a responsible lender.**	**SS2E4 Describe the costs and benefits of personal saving and spending choices.** a. Analyze a spending or saving decision based on predetermined criteria.	**Elements were added to SS2E1, E2, E3, and E4** to provide clarity as to what students have to know and do to master the current FL HTLS. **E5 is a newly proposed standard** that reflects the feedback from internal and external stakeholders' concerning grasping the concept of credit, as well as the standards at this grade level in top performing districts.

3rd Grade Financial Literacy HTLS & Proposed New Standards/Elements				
Income	**Budget and the Management of Money**	**Credit and Debt**	**Savings and Investing**	**Rationale**
SS3E1 Define and give examples of the four types of productive resources a. Natural (land) b. Human (labor) c. Capital (capital goods) d. Entrepreneurship (risk-taking and combining natural, human, and capital resources in an attempt to make a profit) e. Students will identify the positives and risks of entrepreneurship based on scenarios. **SS3E3 Give examples of interdependence and trade and explain the benefits of voluntary exchange.** a. Describe the interdependence of consumers and producers. b. Describe how goods and services are allocated by price in the marketplace. c. Explain that some goods are made locally, some elsewhere in the country, and some in other countries. d. Explain that most countries create their own currency for use as money.	**SS3E4 Explain the concept of opportunity cost as it relates to making a saving or spending choice.** a. Students will make decisions using scenarios based on wants but limited resources.	**SS3E5 Compare the three types of credit (revolving, installment, and open)** a. Identify the benefits and risks to borrowers for each type of credit (i.e.: in regards to costs, access to funds/service/credit, length of payments and terms) b. Identify the benefits and risks to lenders for each type of credit (i.e.: in regard to costs, access to funds/service/credit, length of payments and terms)	**SS3E2** Explain that governments provide certain types of goods and services in a market economy. a. Give an example of how the state government uses tax revenues (schools, libraries, roads, police/fire protection, and military).	**Elements were added to SS3E2 and E4** to provide clarity as to what students have to know and do to master the current FL HTLS. **E5 and E6 are newly proposed standards** that reflect the feedback from internal and external stakeholders' concerning grasping the concept of credit, as well as the standards at this grade level in top performing districts.

4th Grade Financial Literacy HTLS & Proposed New Standards/Elements				
Income	**Budget and the Management of Money**	**Credit and Debt**	**Savings and Investing**	**Rationale**
SS4E1 Use the basic economic concepts of trade, opportunity cost, specialization, voluntary exchange, productivity, and price incentives to illustrate historical events.	**SS4E2 Explain the concept of opportunity cost as it relates to making a saving or spending choice.** a. Explain why people prioritize what goods and services they buy. **SS4E3 Develop a budget for spending and saving.** a. Create a way to keep track of money spent. b. Categorize types of household expenditures (i.e., utilities, food, insurance, mortgage/rent, entertainment).	**SS4E4 Analyze the costs and benefits of various types of credit.** a. Identify situations when people might pay for certain items in small amounts over time b. Explain why using a credit card is a form of borrowing.	**SS4E5 Explain how saving and investing may build wealth and help meet financial goals.** a. Describe reasons for investing. b. Describe reasons for saving. c. Explain how opportunity cost can be used to decide whether to save, invest, or spend. d. Students will learn how to open a checking account and a savings account.	The current 4th grade HTLS does not include financial literacy standards. The newly proposed standards reflect the feedback from internal and external stakeholders' concerning grasping the concept of credit and financial decision making, as well as the standards at this grade level in top performing districts. It was also discussed whether to have experiential learning in 3rd or 4th grade

5th Grade Financial Literacy HTLS & Proposed New Standards/Elements

Income	Budget and the Management of Money	Credit and Debt	Savings and Investing	Rationale
SS5E1 Use the basic economic concepts of trade, opportunity cost, specialization, voluntary exchange, productivity, and price incentives to illustrate historical events a. Students will develop and present an idea for a product which solves a real world problem. **SS5E3 Describe how consumers and producers interact in the U. S. economy.** a. Describe how competition, markets, and prices influence consumer behavior. b. Describe how people earn income by selling their labor to businesses. c. Describe how entrepreneurs take risks to develop new goods and services to start a business. d. Students will research two careers/jobs of interest including: required education, job growth, potential income/salary, and general working conditions. e. Students will learn to read a paycheck statement.	**SS5E4 Identify the elements of a personal budget (income, expenditures, and saving) and explain why personal spending and saving decisions are important.** a. Categorize types of household expenses and sources of income. b. Categorize types of household assets. c. Students will create a shopping list, with anticipated costs, for a trip to the grocery store.	**SS5E5 Compare the benefits and consequences of various financial decisions concerning the use of credit and accumulation of debt** a. Compare the advantages and disadvantages of different payment methods (e.g. cash, debit card, credit card, check, mobile pay, electronic bank transfers, gift cards, etc.) b. Describe how financial decision making can lead to debt.	**SS5E2 Describe the functions of four major sectors in the U. S. economy.** a. Describe the household function in providing resources and consuming goods and services. b. Describe the private business function in producing goods and services. c. Describe the bank function in providing checking accounts, savings accounts, and loans. d. Describe the government function in taxation and providing certain public goods and public services. e. Students will participate in a simulation of buying and selling stocks/financial assets.	**Elements were added to SS5E4** to provide clarity as to what students have to know and do to master the current FL HTLS. **E5 is a newly proposed standard** that reflects the feedback from internal and external stakeholders' concerning grasping the concept of credit, as well as the standards at this grade level in top performing districts.

6th Grade Financial Literacy HTLS & Proposed New Standards/Elements

Income	Budget and the Management of Money	Credit and Debt	Savings and Investing	Rationale
SS6E13 Understand that a basic principle of effective personal money management is to live within one's income. a. Understand that income is received from work and is limited because of human capital (the ability to produce a good or service). a2. Distinguish between earned (i.e. wages, freelancing, salary, etc…) and unearned income (home equity, inheritance money, a financial prize, unemployment benefits, interest on a savings account, and stock dividends etc…) a3. Students will learn to read bank statements (checking, savings, and investments/stocks)	**SS6E13 Understand that a basic principle of effective personal money management is to live within one's income.** b. Understand that a budget is a tool to plan the spending and saving of income b2. Analyze how external factors, such as marketing and advertising techniques, might influence spending decisions for different individuals. b3. Classify the components of a personal spending plan, including income, planned saving, and expenses.	**SS6E13 Understand that a basic principle of effective personal money management is to live within one's income.** d. Understand the uses and costs of credit including the use of and differences between debit cards and credit cards. d2. Explain the components used in calculating a credit score (i.e. number of accounts, types of accounts, credit available, length of credit history, payment history). d3. Understand and describe how financial institutions use a credit score rating to determine creditworthiness. d4. Students will learn to read a credit card statement.	**SS6E13 Understand that a basic principle of effective personal money management is to live within one's income.** c. Understand the reasons and benefits of saving including the advantages of saving for financial goals and the advantage of an emergency fund. **c2.** Distinguish between saving strategies, including pay yourself first, comparison shopping, and set asides.	The rationale for the revisions to 6th grade is to begin a progression of specific standards and elements reflecting the four approved HTLS domains labeled. Students will explore the income associated with specified careers of interest, and how to manage that income. Students will also explore factors that influence spending and saving decisions, as well as understand credit, debt, and the importance of saving.

7th Grade Financial Literacy HTLS

Income	Budget and the Management of Money	Credit and Debt	Savings and Investing	Rationale
SS7E10 Understand that a basic principle of effective personal money management is to live within one's income. a. Understand that income is received from work and is limited by investigating the relationship between investing in human capital and income (relationship between education/training and potential income)	**SS7E10 Understand that a basic principle of effective personal money management is to live within one's income.** a. Understand that a budget is a tool to plan the spending and saving of income by creating a budget/spending plan based on the income of at least 3 career families. b. Students will balance a checkbook/checking account based on sample spending and saving plans. **SS7E11 Identify and describe common types of personal financial risks and risk management methods.** a. Describe the four types of risk: Income Risk, Expense Risk, Asset/Investment Risk, and Debit/Credit Risk b. Give examples of how people manage risk (i.e. avoidance, acceptance, control, and reduction). c. Identify the outcomes of accepting risk with insufficient or no insurance. d. Give examples of ways that individuals or groups fraudulently obtain personal information e. Give examples of strategies for maintaining strong security of financial information/records (i.e. passwords, securing documents, sharing of financial/personally identifying information)	**SS7E10 Understand that a basic principle of effective personal money management is to live within one's income.** d. Understand the uses and costs of credit including instances when people use credit and the calculation of interest.	**SS7E10 Understand that a basic principle of effective personal money management is to live within one's income.** c. Understand the reasons and benefits of saving and investing as a strategy to reach short and long term goals and how risk, risk management, and expectations affect the purchase of financial assets (stocks, bonds, Certificates of Deposit etc…) and insurance. d. Students will participate in a simulation of buying and selling stocks/financial assets.	The rationale for the revisions to 7th grade is to continue the progression of specific standards and elements reflecting the four approved HTLS domains labeled. Students will explore household incomes, ways youth can earn income, and the importance of investing in human capital. Students will also explore factors that influence spending and saving decisions, as well as understand credit, debt, and the importance of saving and protecting assets.

8th Grade Financial Literacy HTLS & Newly Proposed Revisions/Standards/Elements

Income	Budget and the Management of Money	Credit and Debt	Savings and Investing	Rationale
SS8E3 Explain the principles of effective personal money management. **a. Explain that income is the starting point for personal financial management** and is based on human capital by researching two jobs of interest. b. Students will select one of two researched jobs and calculate simulated income based on taxes and pre-pay expenses (insurance, benefits, etc…) **SS8E2 Evaluate the influence of Georgia-based businesses on the State's economic growth and development** a. Describe how profit is an incentive for entrepreneurs. b. Explain how entrepreneurs take risks to develop new goods and services to start a business.	**SS8E3 Explain the principles of effective personal money management.** **b. Describe the reasons for and the benefits of a household budget.** including the creation of a complete budget (income, expenditures-fixed and variable-, assets, liabilities, savings, investments, etc.) based on the income from a chosen career. c. Students will select a job, make preliminary financial decisions (housing type, location, automobile purchase etc…) and create a budget based on researched income and living expenses.	**SS8E3 Explain the principles of effective personal money management.** **d. Describe the uses of debt and associated risks** and evaluate the cost and benefits of using credit from various sources (interest rates, depreciation, ability to repay, etc.) including long term effects (credit scores, bankruptcy, etc.) d2. Describe how use of credit and debt (i.e. school loan, home loan, credit cards, car loans) affect a person's credit score. d3. Students will simulate the effects on credit scores of various credit decisions (i.e. making payments on-time, making late payments, using all of one's credit, etc…)	**SS8E3 Explain the principles of effective personal money management.** **c. Describe the reasons for and the benefits of savings.** including factors which affect the benefits of savings like inflation and interest rates. d. Students will create a savings/investing plan to achieve a long -term goal based on their simulated budget.	The rationale for the revisions to 8th grade is to continue the progression of specific standards and elements reflecting the four approved HTLS domains labeled. The elements reflect what students will need to know and do to explain the principles of money management. 8th grade Social Studies (includes personal finance standards) is a state standardized tested subject, so we did not alter existing standards, as they are tested, but added elements reflecting the achievement level descriptors for the existing standards.