

MISSOURI Personal Finance CURRICULUM



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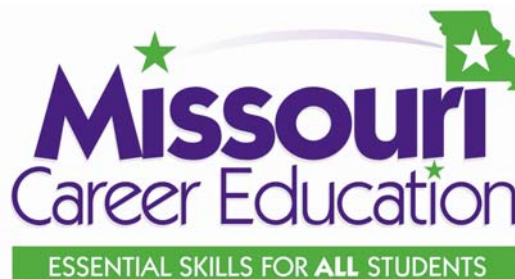
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Preface

For several years, financial literacy has been recognized as an educational need of American youth. Data compiled from numerous studies point to alarming facts that impact personal debt, life goals, standard of living, and overall economic stability. In recent times, Missouri leaders have developed and implemented a variety of measures in response to the growing concerns. Program initiatives have been designed to target statewide improvements in financial education, and follow-up activity has been both extensive and effective.

In January 2002, representatives of multiple banking groups formed the Missouri Coalition for Economic and Financial Literacy. Two primary goals of the coalition were to improve communication regarding the need for financial education and to facilitate assessments that would measure the success of future programs. A third highly important purpose of the coalition was to encourage legislation that would mandate financial education at both the elementary and secondary levels.

Later in 2002, the Missouri General Assembly passed House Bill No. 1973, which called for a study to improve economic and financial education in schools throughout the state. The study was conducted by the Missouri Council on Economic Education, and results were presented in a document entitled *Towards Economic and Financial Literacy: A Final Report*. The report, completed in February 2003, outlined recommendations intended to facilitate financial literacy of all Missouri K-12 students. The recommendations are summarized as follows:

1. Identify and recommend extensive curriculum resources to school districts.
2. Build grade-level objectives leading to a mandated high school course.
3. Incorporate questions that reflect expectations for economic and personal finance into the social studies MAP test.
4. Recommend to the General Assembly incremental funding for relevant teacher training.
5. Coordinate with Missouri teacher certification institutions to prepare teachers for the new grade-level objectives and the mandated personal finance economics course.

Following completion of the study, the Missouri Commissioner of Education appointed the Task Force on the High School in April 2004. The task force reviewed existing graduation requirements and recommended constructive measures for the benefit of students, schools and the economy. As the task force concluded its work, the General Assembly issued House Resolution No. 24 commending task force members for their efforts and encouraging them to

recommend a mandated personal finance course to the State Board of Education. In 2005, the State Board adopted new requirements, including a half-unit (one-semester) course in personal finance for all students who graduate from public high schools in Missouri.

Also in 2004, the Missouri Department of Elementary and Secondary Education, Division of Career Education, contracted with the Missouri Center for Career Education to lead the development of learner outcomes and other specific components deemed necessary for appropriate personal finance education. The two components of that effort were conducted in separate phases during Fiscal Year 2005: (1) development and validation of personal finance competencies and (2) development of a resource guide for teachers' use in addressing the validated competencies.

Following the development of these two documents, the Department of Elementary and Secondary Education identified development of a curriculum as a third essential component. The Missouri Personal Finance Curriculum represents completion of the final element to assist schools with the implementation of the personal finance course required for graduation and for the life-long financial benefit of Missourians.

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Introduction

According to Alan Greenspan, former Chairman of the Board of Governors of the Federal Reserve, “No matter who you are, making informed decisions about what to do with your money will help build a more stable financial future for you and your family.” As responsible educators, it is imperative that we equip students with the knowledge to make informed financial decisions. It is equally important that we enable students to develop good decision-making skills and to exercise competence in evaluating their decisions. Financial literacy is the basis for making sound financial decisions--decisions that help students of today better prepare for their future roles in society.

How the Curriculum Materials are Organized

This resource is designed to help Missouri educators provide quality learning experiences in personal finance. The curriculum is based on the Missouri Personal Finance Competencies, which are grouped into four major categories: (1) Income, (2) Money Management, (3) Spending and Credit, and (4) Saving and Investing. Because the categories do not necessarily present the competencies in the most logical sequence for effective learning, the contents of this curriculum are organized by themes. The seven themes, which are equivalent to instructional units, include instructional objectives identified specifically for each theme. The themes are: (1) Goals and Decision Making, (2) Careers and Planning, (3) Budgeting, (4) Banking Services, (5) Saving and Investing, (6) Credit, and (7) Consumer Skills. The instructional objectives of each theme support the Missouri Personal Finance Competencies.

Within this resource, you will find two alignments that depict the relationship between the Missouri Personal Finance Competencies and the themes’ objectives. The first alignment is based on the Missouri Personal Finance Competencies and shows their relationship to the themes and objectives. The second alignment is the reverse, showing the relationship of the themes and objectives to the Missouri Personal Finance Competencies. The two alignments are included to provide teachers with a visual representation of the relationship between the competencies and the objectives of each theme.

Components of Each Theme

Themes are equivalent to instructional units, and the components included in every theme are standard throughout the curriculum. The **Theme Introduction** identifies the relevant Missouri Personal Finance Competencies and the *Instructional Objectives* addressed. Also included in this component is a *Theme Rationale* that presents justification for the theme. The teacher can use the *Essential Questions* to keep students focused on the importance of the theme, to guide instruction, and to emphasize the importance of the learning activities.

“Essential questions” in lesson development are a key part of the “Backward Lesson Design” approach presented by Wiggins and McTighe (2005). In backward design, you start at the ending by determining what key understandings you want your students to have when they complete the lesson(s) before formulating any lessons, learning experiences or instruction. Essential Questions will focus instruction and guide student inquiry. A range of plausible responses are possible to an Essential Question, and these responses can be supported by any number of arguments, concepts and pieces of information. In contrast to leading questions used during instruction, Essential Questions will “uncover” a subject and its complexities, rather than “cover” information.

Instructional components include a *Recommended Teaching Schedule* for various implementation plans. The schedule is based on instructional components provided within the theme; it does not account for any supplemental activities. The actual teaching schedule for any theme will depend on the teacher’s use of additional resources for extra credit or enrichment activities, variation in students’ needs and abilities within each class, school calendars, and a number of other factors.

A sample *pretest* and *post-test* are provided to assist the teacher with targeting their instruction to their students’ level of knowledge and assessing the impact of their instruction. While the pretest can be used as a tool to establish anticipatory set, the pretest serves as a bench line measure of students’ knowledge and understanding of the concepts prior to instruction. Results of the pretest can later be compared to post-test scores to measure student mastery of the topics presented. A *Pretest and Post-Test Record Sheet* is included for this purpose. The sample post-tests should be supplemented with performance-based assessments or a larger sampling of questions; they are not intended as end-of-unit exams.

Also included as **Instructional Components** are activities that provide opportunities for *Technology* integration, *Reading and Writing* integration, and *Vocabulary* building.

Recommended Lesson Activities comprise a significant part of each theme's **Instructional Components**. The suggested lesson activities are presented in table format, listed alphabetically by source, and aligned to the instructional objectives. Many of the activities are available online, and web addresses have been provided for convenient download of materials including lesson plans, worksheets, group activities, etc. Additional space has been left on each chart to allow teachers to record the source and name of additional lesson activities they may have on file or identify in the future. The *Recommended Lesson Activities* are not all inclusive. Check Appendix D and E for additional activities and lesson plans.

Higher Order/Critical Thinking Instructional Strategies are presented as a Consumer Scene Investigation (CSI) and are denoted by the magnifying glass:



The CSIs of each theme are designed to present a problem-based learning experience for students as they consider the scenario, investigate the situation or problem, then apply knowledge and decision-making skills acquired through the theme's lessons to reach a solution. An answer is the correct answer when the student can defend it and show evidence of effective analysis. A *Grade Sheet* in rubric form is provided for each CSI to assist the teacher in assessing students' work. Students may need some orientation to this type of learning activity. They may need coaching and guidance to work through the investigation, and they may need reassurance that there is not necessarily one only correct answer to some problems.

Appendices of Supplemental Resources

The appendices of the curriculum point to a wealth of additional resources that may be used to supplement the learning activities outlined in each theme. A complete *Glossary, Appendix A*, of the terms introduced throughout the curriculum is provided for use with vocabulary integration or lesson planning. Teachers may wish to encourage students to add to the glossary as they encounter other new words and their meanings. The recommended *Reading List, Appendix B*, offers yet another source for class assignments, extra credit, or student enrichment.

Appendix C lists personal finance-related projects from two career and technical student organizations (CTSOs), Future Business Leaders of America (FBLA) and Family, Career, and Community Leaders of America (FCCLA). While student organizations are an integral part of career education courses and programs, these projects can easily be integrated into this curriculum and conducted by teachers of any discipline. The projects of both organizations are

aligned with the instructional theme and may be used to supplement the recommended lessons or as opportunities for enrichment.

In addition to the many resources provided with each theme, Appendices D and E direct the teacher to other materials available from other sources. Appendix D targets materials available online, and Appendix E contains a comprehensive listing of materials available in print or other formats such as video or computer software. Many are free or low-cost publications available from such entities as the Federal Reserve Board, Federal Trade Commission, Center for Student Credit Card Education, as well as various universities and publishers. The resources listed in Appendix E have been aligned to the thematic units so that with minimal time or effort teachers can see which resources support which themes. The alignment facilitates planning and makes it easy to identify supplemental materials to be ordered in advance of instruction.

Teaching Tips

Because this resource contains a mixture of lessons, individual activities, and general information to add depth to the school's curriculum, the following ideas are provided as ways to bring all of the separate pieces together.

1. Students complete the Personal Finance Profile found on Page xxv before beginning the course. The Personal Finance Profile is not a scientific instrument but instead an intentionally lighthearted one for the purpose of gaining students' attention to the topics. The questions are low level, and a high score in no way indicates that a student has mastered the Missouri Personal Finance Competencies. The profile may be used as (a) a self check for students to see what they already know about personal finance, (b) pre-organizer for the teacher to identify what misconceptions and attitudes students have about personal finance.
2. Students and teacher compile a Personal Finance Portfolio of samples of each student's work to be used as a reference and guide in the future.
3. Students and teacher create a web page for the class(es) and post personal finance tips that would benefit former and current students alike. Parents could log on and learn as well. With the teacher's/school's approval, parents might also post their own experiences and advice.
4. Students and teacher organize a school-wide Personal Finance Club to help those students who need consumer advice. The club could also provide a forum to recruit students for participation in the annual Missouri Personal Finance Challenge.
5. Teacher assigns a class Personal Finance Reporter to write a related column for the student newspaper or daily bulletin. Guest speakers, field trips, and examples of real-life financial problems provide interesting, informative materials for articles.

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*The curriculum outline for each theme includes recommendations for alignment to competencies, a rationale, essential questions, teaching calendar, pre-and post-tests, data collection tool, technology integration, reading/writing resources, higher order/critical thinking instructional strategies, student vocabulary and samples of possible lessons to be used within the thematic unit.

Course Description

Understanding and managing personal finances are key to one's future financial success. This one-semester course is based on the Missouri Personal Finance Competencies and presents essential knowledge and skills to make informed decisions about real world financial issues. Students will learn how choices influence occupational options and future earning potential. Students will also learn to apply decision-making skills to evaluate career choices and set personal goals. The course content is designed to help the learner make wise spending, saving, and credit decisions and to make effective use of income to achieve personal financial success.

Course Rationale

Financial literacy is essential in meeting the financial challenges of the 21st Century. The competencies which form the basis for this semester course enable students to analyze their personal financial decisions, evaluate the costs and benefits of their decisions, recognize their rights and responsibilities as consumers, and apply the knowledge learned in school to financial situations encountered later in life.

Missouri Personal Finance Curriculum Goals for Graduates

Graduates from this course will be able to:

- Explain financial literacy and how sound financial decisions can increase a person's standard of living and wealth.
- Develop a career path based on rational decision making, appropriate research and self-reflection.
- Apply decision making to personal financial choices (planning, maintaining and analyzing money management) throughout various stages of financial status.
- Evaluate the sources and resources of financial systems that are available throughout various stages of financial status.
- Evaluate sources of credit, as well as the rights and responsibilities of credit, and be able to apply a decision-making process to ensure appropriate purchases.
- Evaluate investments and create a plan for the future.
- Apply the rights and responsibilities of consumers to personal living and financial choices.

Missouri Personal Finance Competencies

Income (I)

1. Identify components and sources of income.
2. Analyze how career choice, education, skills, and economic conditions affect income and goal attainment.
3. Relate taxes, government transfer payments, and employee benefits to disposable income.

Money Management (MM)

1. Explain how limited personal financial resources affect the choices people make.
2. Identify the opportunity costs of financial decisions.
3. Evaluate the consequences of personal financial decisions.
4. Apply a decision-making process to personal financial choices.
5. Summarize how inflation affects spending and saving decisions.
6. Evaluate how insurance (e.g., auto, home, life, medical and long-term health) and other risk-management strategies protect against financial loss.
7. Design a financial plan (budget) for earning, spending, saving, and investing.
8. Demonstrate how to use the services available from financial institutions.
9. Analyze the role of the Federal Reserve in controlling the money supply.

Spending and Credit (SC)

1. Compare the benefits and costs of alternatives in spending decisions.
2. Evaluate information about products and services.
3. Compare the advantages and disadvantages of different payment methods.
4. Analyze the benefits and cost of consumer credit.
5. Compare sources of consumer credit (e.g., credit cards, consumer loans, auto loans, student loans).
6. Evaluate the terms and conditions of credit cards and consumer loans.
7. Evaluate factors that affect creditworthiness.
8. Explain the purpose and components of credit records.
9. Demonstrate awareness of consumer protection and information (e.g., identity theft, phishing, scams).
10. Propose ways to avoid or correct credit problems.
11. Describe the rights and responsibilities of buyers and sellers under consumer protection laws.

Saving and Investing (SI)

1. Compare consumer choices for saving and investing.
2. Explain the relationship between saving and investing.
3. Examine reasons for saving and investing, e.g., time value of money.
4. Compare the risk, return, liquidity, manageability and tax aspects of investment alternatives.
5. Demonstrate how to buy and sell investments.
6. Analyze factors affecting the rate of return on investments (e.g., Rule of 72, simple interest, compound interest).
7. Evaluate sources of investment information.
8. Examine how agencies that regulate financial markets protect investors.
9. Demonstrate how to evaluate advisors' credentials and how to select professional advisors and their services.

Instructional Objectives by Theme Aligned to Missouri Personal Finance Competencies

Theme and Objectives	Personal Finance Competencies
I. Goals and Decision Making	
a. Explain the rationale for financial literacy.	
b. Explain how sound financial decisions can increase a person's standard of living and wealth.	
c. Identify goals for the future.	I.2
d. Recognize that choices made today will affect goal attainment.	I.2
e. Apply steps in a problem-solving process/economic way of thinking.	MM.1, MM.2, MM.3, MM.4,
f. Apply the economic way of thinking to improve money-management skills and affect an individual's or family's standard of living.	SC.1, SC.2, SC.3, SC.4, SI.1
II. Careers and Planning	
a. Define resources and the income payments to resources.	I.1
b. Evaluate resources students possess.	I.2
c. Analyze the relationship between education and potential income using economic reasoning.	I.2
d. Examine personal characteristics to determine interests, skills, and knowledge related to career choices.	I.2
e. Establish career goals.	I.1, I.2
f. Outline steps required to reach career goals.	I.1, I.2
III. Budgeting	
a. Explain how scarcity affects economic decisions.	MM.1
b. Prioritize personal and financial goals.	MM.1
c. Construct a plan to achieve those goals.	MM.1
d. Examine current saving and spending behaviors and patterns.	MM.2, MM.3
e. Identify key terms such as gross pay, net pay, deductions and benefits.	I.3
f. Explain the types of benefits provided by employers.	I.3
g. Distinguish between required and optional deductions.	I.3
h. Identify key terms such as disposable income, variable, fixed and period expenses. <ul style="list-style-type: none"> • Complete a W-4 form. • Identify the various designations on a paycheck/stub. • Analyze a W-2 statement. 	I.3 I.3 I.3, MM.7
i. Develop a budget.	MM.7

Theme and Objectives	Personal Finance Competencies
IV. Banking Services	
a. Identify deposit, credit and investment services offered by commercial banks, savings and loans, credit unions and brokerage firms.	MM.8
b. Compare checking accounts from different institutions	MM.8
c. Prepare the following forms related to opening and maintaining a checking account:	MM.8
<ul style="list-style-type: none"> • Application form. • Deposit ticket. • Check. • Check register. • Monthly account statement (read and reconcile). 	
d. Differentiate among various types of electronic banking services, including smart cards.	MM.8
e. Explain the roles and responsibilities of the Federal Reserve System.	MM.9
V. Saving and Investing	
a. Identify the opportunity cost of spending and saving.	SC.1, SI.1
b. Recognize financial investments as options for savings.	SI.2
c. Explain the advantages of compounding.	SI.3, SI.6
d. Predict how much savings will be needed to achieve goals.	SI.3
e. Describe five types of financial investment risk.	SI.1, SI.4
f. Describe the relationship between financial investment risk and return.	SI.1, SI.4
g. Distinguish between real and nominal rate of return.	SI.4
h. Summarize how inflation affects spending and saving decisions.	MM.5, SI.1, SI.3, SI.4, MM.9
i. Compare the characteristics of several financial investments, including savings accounts, stocks, bonds, mutual funds, and real estate.	SI.1, SI.4, SI.6
j. Explain how interest rates are determined.	MM.9, SI.4
k. Compare the features of savings accounts among financial institutions.	SI.1, MM.9, SI.4, SI.6, SI.7
l. Identify the trade-offs related to various financial investment options.	SI.1, SI.4
m. Distinguish between primary and secondary markets.	SI.5
n. Identify the costs and benefits of trading stock.	SI.1, SI.4, SI.5
o. Explain the role of brokers.	SI.7, SI.9
p. Examine how investors are protected by agencies that regulate financial markets.	SI.8

Theme and Objectives

Personal Finance Competencies

VI. Credit

- | | |
|--|------------------------------|
| a. Differentiate between debit and credit cards and cash. | SC.3 |
| b. Analyze the costs and benefits of various methods of payment. | SC.3, SC.4, SC.6 |
| c. Define credit and interest. | SC.3, SC.4 |
| d. Compare the advantages and disadvantages of using credit. | SC.3, SC.4, SC.5 |
| e. Explain the opportunity cost of using credit. | SC.4, MM.2, MM.3 |
| f. Describe the rights and responsibilities of buyers and sellers under consumer protection laws. | SC.9, SC.11 |
| g. Identify types of credit and their common forms. | SC.5, SC.6 |
| h. Compare types of loans from different financial institutions. | SC.5, SC.6, MM.8 |
| i. Identify the qualities a lender looks for in a loan applicant. | SC.7, SC.8, SC.10 |
| j. Analyze a credit report and FICO score. | SC.8, SC.9, SC.10, MM.2 |
| k. Explain the factors that determine the cost of credit. | SC.4, SC.6, SC.7, SC.8, SC.9 |
| l. Calculate finance charges using different interest rates. | SC.4, SC.6 |
| m. Analyze the relationship among the finance charges, principal of the loan, and the loan repayment period. | SC.3, SC.4 |
| n. Compare credit cards in terms of annual fee, annual percentage rate, grace period, and credit limit. | SC.4, SC.6, MM.8 |
| o. Propose ways to avoid or correct credit problems. | SC.10, SC.11 |

VII. Consumer Skills

- | | |
|--|------------------|
| a. Evaluate consumer purchases/agreements using the Problem, Alternatives, Criteria, Evaluate, Decide (PACED) decision-making model. | SC.1, MM.6 |
| b. Analyze how advertising influences consumer decision making. | SC.2 |
| c. Analyze the rights and responsibilities of consumers in the marketplace. | SC.9, SC.11 |
| d. Evaluate the costs and benefits of buying, leasing or renting. | SC.1, SC.2, SC.3 |
| e. Analyze financing options of consumer purchases. | SC.4, SC.6 |
| f. Evaluate various forms of insurance coverage. | MM.6 |

Missouri Personal Finance Competencies Aligned with Instructional Themes and Objectives

PERSONAL FINANCE COMPETENCY:

I. Income

Themes and Objectives in the Personal Finance Curriculum

1. Identify components and sources of income.

Careers and Planning

- a. Define resources and the income payments to resources.
- e. Establish career goals.
- f. Outline steps required to reach career goals.

2. Analyze how career choice, education, skills and economic conditions affect income and goal attainment.

Goals and Decision Making

- c. Identify goals for the future.
- d. Recognize that choices made today will affect goals attainment.

Careers and Planning

- b. Evaluate resources students possess.
- c. Use economic reasoning to explain the relationship between education and potential income.
- d. Examine personal characteristics to determine interests, skills, and knowledge related to career choices.
- e. Establish career goals.
- f. Outline steps required to reach career goals.

3. Relate taxes, government transfer payments, and employee benefits to disposable income.

Budgeting

- e. Identify key terms such as gross pay, net pay, deductions and benefits.
- f. Explain the types of benefits provided by employers.
- g. Distinguish between required and optional deductions.
- h. Identify key terms such as disposable income, variable, fixed and period expenses.
 - Complete a W-4 form.
 - Identify the various designations on a paycheck/stub.
 - Analyze a W-2 statement.
 - Define and develop a budget.

PERSONAL FINANCE COMPETENCY:
II. Money Management

**Themes and Objectives
 in the Personal Finance Curriculum**

<p>1. Explain how limited personal financial resources affect the choices people make.</p>	<p>Goals and Decision Making e. Learn steps in a problem-solving process/economic way of thinking.</p> <p>Budgeting a. Define scarcity and explain how scarcity affects economic decisions. b. Identify and prioritize personal and financial goals. c. Construct a plan to achieve those goals.</p>
<p>2. Interpret the opportunity costs of financial decisions.</p>	<p>Goals and Decision Making e. Learn steps in a problem-solving process/economic way of thinking.</p> <p>Budgeting d. Examine current saving and spending behaviors and patterns.</p>
<p>3. Evaluate the consequences of personal financial decisions.</p>	<p>Goals and Decision Making e. Learn steps in a problem-solving process/economic way of thinking.</p> <p>Budgeting d. Examine current saving and spending behaviors and patterns.</p>
<p>4. Apply a decision-making process to personal financial choices.</p>	<p>Goals and Decision Making e. Learn steps in a problem-solving process/economic way of thinking.</p> <p>Budgeting d. Examine current saving and spending behaviors and patterns.</p>
<p>5. Summarize how inflation affects spending and saving decisions.</p>	<p>Saving and Investing h. Summarize how inflation affects spending and saving decisions.</p>
<p>6. Evaluate how insurance (e.g., auto, home, life, medical and long-term health) and other risk-management strategies protect against financial loss.</p>	<p>Consumer Skills a. Evaluate consumer purchases/agreements using the Problem, Alternatives, Criteria, Evaluate, Decide (PACED) decision-making model. f. Evaluate various forms of insurance coverage.</p>
<p>7. Design a financial plan (budget) for earning, spending, saving, and investing.</p>	<p>Budgeting i. Define and develop a budget.</p>

PERSONAL FINANCE COMPETENCY:
II. Money Management

**Themes and Objectives
in the Personal Finance Curriculum**

8. Demonstrate how to use the services available from financial institutions.

Banking Services

- a. Identify the main deposit, credit and investment services offered by commercial banks, savings and loans, credit unions and brokerage firms.
- b. Compare checking accounts from different institutions
- c. Identify the following forms related to opening and maintaining a checking account:
 - Application form.
 - Deposit ticket.
 - Check.
 - Check register.
 - Monthly account statement (read and reconcile).
- d. Identify the different types of electronic banking services and smart card.

9. Analyze the role of the Federal Reserve in controlling the money supply.

Saving and Investing

- k. Explain how interest rates are determined.

PERSONAL FINANCE COMPETENCY:
III. Spending and Credit

**Themes and Objectives
in the Personal Finance Curriculum**

1. Compare the benefits and costs of alternatives in spending decisions.

Goals and Decision Making

- e. Learn steps in a problem-solving process/economic way of thinking.

Saving and Investing

- a. Identify the opportunity cost of spending and saving.

2. Evaluate information about products and services.

Goals and Decision Making

- e. Learn steps in a problem-solving process/economic way of thinking.

3. Compare the advantages and disadvantages of different payment methods.

Goals and Decision Making

- e. Learn steps in a problem-solving process/economic way of thinking

Credit

- a. Differentiate between cash, debit and credit cards
- b. Analyze the cost and benefits of various methods of payment
- c. Define credit, interest, and risk

PERSONAL FINANCE COMPETENCY:
III. Spending and Credit

**Themes and Objectives
in the Personal Finance Curriculum**

<p>4. Analyze the benefits and cost of consumer credit.</p>	<p>Goals and Decision Making e. Learn steps in a problem-solving process/economic way of thinking.</p> <p>Credit c. Define credit, interest, and risk. d. Compare the advantages and disadvantages of using credit. e. Explain the opportunity cost of using credit. f. Explain consumer's rights and responsibilities regarding credit. o. Describe the difference between an add-on and an annual percentage rate. p. Calculate finance charges using different interest rates. q. Calculate APRs. r. Analyze the relationship among the finance, principal of the loan, and the loan repayment period. s. Compare credit cards in terms of annual fee, annual percentage rate, grace period, and credit limit.</p>
<p>5. Compare sources of consumer credit (e.g., credit cards, consumer loans, auto loans, student loans).</p>	<p>Credit d. Compare the advantages and disadvantages of using credit. f. Explain consumers' rights and responsibilities regarding credit. h. Identify types of credit and their common forms. i. Compare types of loans from different financial institutions.</p>
<p>6. Evaluate the terms and conditions of credit cards and consumer loans.</p>	<p>Credit f. Explain consumers' rights and responsibilities regarding credit. h. Identify the qualities a lender looks for in a loan applicant. i. Compare types of loans from different financial institutions.</p>
<p>7. Evaluate factors that affect creditworthiness.</p>	<p>Credit j. Identify the qualities a lender looks for in a loan applicant. m. Evaluate a credit report and determine whether to grant a loan.</p>
<p>8. Explain the purpose and components of credit records.</p>	<p>Credit k. Explain what a credit report is. l. Describe the type of information found on a credit report.</p>
<p>9. Demonstrate awareness of consumer protection and information (e.g. identify theft, phishing, scams).</p>	<p>Credit k. Explain what a credit report is. l. Describe the type of information found on a credit report.</p>
<p>10. Purpose ways to avoid or correct credit problems.</p>	<p>Credit t. Purpose ways to avoid or correct credit problems.</p>
<p>11. Describe the rights and responsibilities of buyers and sellers under consumer protection laws.</p>	<p>Credit g. Describe the rights and responsibilities of buyers and sellers under consumer protection laws.</p>

PERSONAL FINANCE COMPETENCY:
IV. Saving and Investing

**Themes and Objectives
in the Personal Finance Curriculum**

<p>1. Compare consumer choices for saving and investing.</p>	<p>Goals and Decision Making e. Learn steps in a problem-solving process/economic way of thinking.</p> <p>Saving and Investing c. Explain the results of compounding. i. Compare the characteristics of several financial investments, including savings accounts, stocks, bonds, mutual funds, and real estate. l. Compare savings accounts among banks.</p>
<p>2. Explain the relationship between saving and investing.</p>	<p>Saving and Investing b. Explain the relationship between saving and investing.</p>
<p>3. Examine reasons for saving and investing (e.g., time value of money).</p>	<p>Saving and Investing d. Predict how much savings will be needed to achieve goals i. Compare the characteristics of several financial investments, including savings accounts, stocks, bonds, mutual funds and real estate.</p>
<p>4. Compare the risk, return, liquidity, manageability and tax aspects of investment alternatives.</p>	<p>Saving and Investing e. Describe five types of investment risk. f. Describe the relationship between investment risk and return. g. Distinguish between real and nominal rate of return. i. Compare the characteristics of several financial investments, including savings accounts, stocks, bonds, mutual funds and real estate. m. Identify the tradeoffs related to various financial investment options.</p>
<p>5. Demonstrate how to buy and sell investments.</p>	<p>Saving and Investing j. Demonstrate how to buy and sell investments.</p>
<p>6. Analyze factors affecting the rate of return on investments (e.g., Rule of 72, simple interest, compound interest).</p>	<p>Saving and Investing n. Explain how interest rates are determined.</p>

PERSONAL FINANCE COMPETENCY:
IV. Saving and Investing

**Themes and Objectives
in the Personal Finance Curriculum**

<p>7. Evaluate sources of investment information.</p>	<p>Saving and Investing m. Distinguish between primary and secondary markets. n. Identify the costs and benefits of trading stocks. o. Explain the role of brokers.</p>
<p>8. Demonstrate how to evaluate advisors' credentials and how to select professional advisors and their services.</p>	<p>Saving and Investing m. Distinguish between primary and secondary markets. n. Identify the costs and benefits of trading stocks. o. Explain the role of brokers.</p>
<p>9. Demonstrate how to evaluate advisors' credentials and how to select professional advisors and their services.</p>	<p>Saving and Investing m. Distinguish between primary and secondary markets. n. Identify the costs and benefits of trading stocks. o. Explain the role of brokers.</p>

Crosswalk: Missouri Personal Finance Competencies with State and National Standards

In this table, the Missouri Personal Finance Competencies are crosswalked to the Missouri Show-Me Standards and the Missouri Grade Level Expectations (GLEs). The crosswalk for the Missouri Show-Me Standards provides the Performance Goals (Show-Me: Goals) and Knowledge Standards (Show-Me: Knowledge) in two separate columns. In addition, the competencies have been crosswalked to related standards from the and National Association of State Administrators for Family and Consumer Sciences (the National Standards for Family and Consumer Sciences, FCS) and National Business Education Association (the National Standards for Business Education, NSBE).

Missouri Personal Finance Competency:	Show-Me: Goals	Show-Me: Knowledge	Missouri GLE	FCS	NSBE
INCOME					
1. Identify components and sources of income.	1.1, 1.2, 1.4, 4.1	MA1, SS4, SS6	SS EC4G(7), SS EC6C(3)	1.1, 1.2, 3.1	PF II.1,3,4; PF III.2
2. Analyze how career choices, education, skills and economic conditions affect income and goal attainment.	1.4, 4.1	SS4, SS6	SS EC4D(4), SS EC4E(5), SS EC6C(3)	1.1, 1.2, 3.1, 3.3	PF II.3,4
3. Relate taxes, government transfer payments, and employee benefits to disposable income.	1.6, 1.10, 4.2, 4.3	SS4, SS6, MA 3	SS EC4D(4), SS EC4E(5), MA NO.3.E	2.5	PF I.3,4
MONEY MANAGEMENT					
1. Explain how limited personal financial resources affect the choices people make.	1.1, 1.2	MA1, SS4	SS EC4D(4), MA NO.1.B	2.1, 2.6	PF II.1, PF III.2
2. Interpret the opportunity costs of financial decisions.	1.10, 3.5	MA1, SS6	MA NO.1.B, SS ECB(2)	1.1, 2.1, 2.6, 3.3	PF II.1, PF III.2
3. Evaluate the consequences of personal financial decisions.	1.10, 3.5	MA1, SS6	MA NO.1.B, SS ECB(2)	1.1, 2.1, 2.5, 2.6, 3.3	PF II.1, PF III.2
4. Apply a decision-making process to personal financial choices.	3.2, 4.1	CA4	CA IL.2.A	1.1, 2.1, 2.6, 3.3	PF I.3,4
5. Summarize how inflation affects spending and saving decisions.	1.4, 1.10, 3.5, 4.1	SS4, SS6, MA1	SS EC4B(2), SS EC4G(7)	2.5, 2.6, 3.3	PF II.3,4; PF III.3,4

GLE Legend:

Column title (Number and Operations (N), etc.) indicates the Strand

Number (1, 2, 3, etc.) indicates the Big Idea

Letter (A, B, C, etc.) indicates the Concept

Number (9, 10, 11, etc) indicates the grade level of the GLE

Example: N.1.A.10

Missouri Personal Finance Competency:	Show-Me: Goals	Show-Me: Knowledge	Missouri GLE	FCS	NSBE
6. Evaluate how insurance (e.g., auto, home, life, medical and long-term health) and other risk management strategies protect against financial loss.	1.2, 3.8	CA3	CA IL.2.A	1.1, 2.1	PF VIII.3,4
7. Design a financial plan (budget) for earning, spending, saving, and investing.	1.2, 1.10	MA1, SS4	MA NO.1.B, SS EC4D(4)	2.1, 2.6, 3.3	CP VI.D.2, PF III.1
8. Demonstrate how to use the services available from financial institutions.	1.2, 1.4, 1.6, 3.8	CA1, CA3	CA IL.2.A	1.1, 2.1	PF VI.1,3,4
9. Analyze the role of the Federal Reserve in controlling the money supply.	1.2, 1.4	CA3	CA IL.2.A, SS EC6C(3)	2.3, 2.5, 3.2	PF VI.1,3,4
SPENDING AND CREDIT					
1. Compare the benefits and costs of alternatives in spending decisions.	3.8, 4.3	MA1, SS4	MA NO.1.B, SS EC4D(4)	1.1, 2.1	PF VII.1,3,4, BL II.C.3
2. Evaluate information about products and services.	3.8, 4.3	CA3, SS4	CA IL.2.A, SS EC 4E(5)	1.1, 2.1, 2.6, 3.5	PF VII.1,3,4, BL II.C.3
3. Compare the advantages and disadvantages of different payment methods.	1.10, 3.2	MA1	MA NO.1.B, MA NO.3.E	1.1, 2.5, 2.6	CP VI.I.4, PF VII.2
4. Analyze the benefits and cost of consumer credit.	3.8, 4.3	MA1, SS4	MA NO.1.B, SS EC4D(4)	1.1, 2.6	PF VII.1,3,4
5. Compare sources of consumer credit (e.g., credit cards, consumer loans, auto loans, student loans).	1.6, 3.8, 4.1	CA1, CA3, SS4	CA IL.2.A, SS EC4E(5)	1.1, 2.1, 2.6	PF V.3
6. Evaluate the terms and conditions of credit cards and consumer loans.	1.6, 3.8, 4.1	CA1, CA3, MA3, SS4	CA IL.2.A, MA NO.1.B, SS EC4E(5)	2.3	PF V.3
7. Evaluate factors that affect creditworthiness.	1.2, 1,10	CA1, CA3	CA IL.2.A, SS EC4D(4)	1.1, 2.6	PF VII.1
8. Explain the purpose and components of credit records.	1.5,1.10	CA1, CA3	CA IL.2.A, SS EC4E(5)	1.1, 2.5	PF VII.3,4

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Number (9, 10, 11, etc) indicates the grade level of the GLE

Example: N.1.A.10

Missouri Personal Finance Competency:	Show-Me: Goals	Show-Me: Knowledge	Missouri GLE	FCS	NSBE
9. Demonstrate awareness of consumer protection and information (e.g., identity theft, phishing, scams).	4.2, 4.4	SS6	SS EC4E(5)	1.1, 2.3	PF VII.3,4
10. Propose ways to avoid or correct credit problems.	1.5, 3.4	CA3, SS6	SS EC4D(4), CA IL.2.A	1.1, 2.1	PF VII.3,4
11. Describe the rights and responsibilities of buyers and sellers under consumer protection laws.	3.4, 4.3	SS4	SS EC4G(7)	1.1, 2.1, 2.3, 2.5, 3.3	PF VII.3,, BL II.C.3
SAVING AND INVESTING					
1. Compare consumer choices for saving and investing.	1.2, 1.4, 1.6, 3.8	CA1, CA3, SS6	CA IL.2.A, SS EC4E(5)	1.1, 2.1, 2.6, 3.3	PF IV.2,3
2. Explain the relationship between saving and investing.	1.2, 1.6	SS4	SS EC4B(2)	1.1, 2.6, 3.3	PF IV.1
3. Examine reasons for saving and investing, e.g., time value of money.	1.2, 1.6, 1.10	SS4, MA1	SS EC4D(4), MA AR3.A	2.6, 3.3	PF IV.1,2
4. Compare the risk, return, liquidity, manageability, and tax aspects of investment alternatives.	1.7, 3.8	CA3, MA1, SS4	SS EC4D(4), SS EC4G(7), MA AR3.A	2.1, 2.5, 3.3	MGT X.A.3, IT VII, 1,2,3
5. Demonstrate how to buy and sell investments.	1.4, 1.10	CA3, MA1	CA IL.2.A, SS EC4B(2)	1.1, 2.1, 2.6	IT VIII.2, PF IV.2,3
6. Analyze factors affecting the rate of return on investments (e.g., Rule of 72, simple interest, compound interest).	1.7, 3.8	CA3, MA1	CA IL.2.A, SS EC4B(2)	2.1, 2.6, 3.3	IT VIII.1,2,3, CP VI.H.4
7. Evaluate sources of investment information.	1.2, 1.4, 1.10, 3.8	CA3, MA3, SS4	CA IL.2.A, SS EC4B(2)	1.1, 2.1	PF IV.1,2,3, IT VII.2, MGT X.A.3
8. Examine how agencies that regulate financial markets protect investors.	1.2, 1.4, 3.5,3.8	SS4, CA3	SS EC4E(5), CA IL.2.A	1.1, 2.3, 2.5, 3.2	IT VIII.1,2,3, MGT X.A.3, PF VII.3,4
9. Demonstrate how to evaluate advisors' credentials and how to select professional advisors and their services.	1.7, 3.8	CA3	CA IL.2.A, SS EC4B(2)	1.1, 2.3, 3.2	IT VII.1,2,3, MGT X.A.3

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Example: N.1.A.10

Personal Finance Profile

“Your Financial Literacy Know How”

Directions: Read the following statements. Select your response by placing an “X” under Agree or Disagree. Your teacher will calculate your *Financial Literacy Score*.

Agree Disagree

- | | | |
|-------|-------|---|
| _____ | _____ | 1. When I receive income, I pay myself first. |
| _____ | _____ | 2. When I graduate from high school, I will be finished with my education. |
| _____ | _____ | 3. If I want something that I cannot pay for now, I borrow from my family or friends. |
| _____ | _____ | 4. When I figure the amount of my next paycheck, I calculate the hours worked multiplied by the rate per hour. This tells me how much my check will be. |
| _____ | _____ | 5. Planning for a gift for my best friend, I would go to their favorite store and buy what they want. |
| _____ | _____ | 6. I will start saving as soon as I have a full-time job. |
| _____ | _____ | 7. I think when an item I want is on sale that I should buy it. |
| _____ | _____ | 8. If I lost my wallet with my debit card inside, I would not be concerned because I could get another at the bank. |
| _____ | _____ | 9. At my age, I really do not need a budget. |
| _____ | _____ | 10. When I use my debit card, I always enter the amount in my check register. |
| _____ | _____ | 11. It is important that I get a credit card as soon as I can. |
| _____ | _____ | 12. My credit record is between the lender and me. |
| _____ | _____ | 13. If I needed money for an emergency, a pay day loan officer would be a good advisor for my credit needs. |

Agree

Disagree

- | | | |
|-------|-------|--|
| _____ | _____ | 14. When I consider a full-time job offer, the rate per hour or the salary is all that should influence my decision. |
| _____ | _____ | 15. An opportunity cost of saving to buy a car now could be not going on a trip with my friends. |
| _____ | _____ | 16. Sellers must legally tell a buyer if a good or service is not good quality. |
| _____ | _____ | 17. Buying stock in a company would be a good way for me to invest my weekly paycheck. |
| _____ | _____ | 18. At my bank, there are people willing to help me with my financial questions. |
| _____ | _____ | 19. As a teenager, my only possible source of income is the paycheck from my employer. |
| _____ | _____ | 20. I think that I make good financial decisions because I follow the advice of my parents. |

Your Personal Finance Profile Score

Score Indicators:

- | | |
|---------------------------------|---|
| If your score is in this range: | 18 – 20, your PF Profile is “In the Know!” |
| | 15 – 17, your PF Profile is “Almost Know!” |
| | 12 – 14, your PF Profile is “Somewhat Know!” |
| | 9 – 11, your PF Profile is “Sort of Know!” |
| | Below 9, your PF Profile is “Need to Know, More!” |

Personal Finance Profile Suggested Responses

Directions: Read the following statements. Select your response by placing an "X" under Agree or Disagree. Your teacher will calculate your *Financial Literacy Score*.

- | Agree | Disagree | |
|-------|----------|---|
| ✓ | _____ | 1. When I receive income, I pay myself first.
<i>One of the cardinal rules of personal finance.</i> |
| _____ | ✓ | 2. When I graduate from high school, I will be finished with my education.
<i>Students should understand that almost any job or profession requires training beyond high school and that being a life-long learner is becoming more and more important.</i> |
| _____ | ✓ | 3. If I want something that I cannot pay for now, I borrow from my family or friends.
<i>Good financial planning would suggest one should not make a purchase that cannot be paid for in cash or be able to pay the entire balance each month on a credit card.</i> |
| _____ | ✓ | 4. When I figure the amount of my next paycheck, I calculate the hours worked multiplied by the rate per hour. This tells me how much my check will be.
<i>Students should expect that there will be deductions from their paychecks for taxes and transfer payments unless they are working on such a part time basis as mowing a neighbors lawn or babysitting in which case there are not usually any deductions.</i> |

Agree

Disagree



5. Planning for a gift for my best friend, I would go to their favorite store and buy what they want.

Just because the friend wants a certain gift does not mean that you can afford to buy that item. Good decision making considering the alternatives and criteria will help the consumer to make good spending choices.



6. I will start saving as soon as I have a full-time job.

Another cardinal rule of saving is to save early and save often! Form the saving habit as soon as you have income to save.



7. I think when an item I want is on sale that I should buy it.

Only if you really need it and you have the available funds after taking care of your fixed expenses.



8. If I lost my wallet with my debit card inside, I would not be concerned because I could get another at the bank.

The students need to be aware of their responsibilities to contact the bank as soon as they are aware that the debit card has been lost. This will protect them against charges made by someone else and help protect identity theft. This account should be closed. The bank may charge a fee for opening a new account.



9. At my age, I really do not need a budget.

People of all ages can benefit from advanced financial planning to balance income, expenses, saving and investing and to benefit the most from their income.



10. When I use my debit card, I always enter the amount in my check register.

Students should understand the importance of good record keeping.

Agree Disagree

- _____ ✓ 11. It is important that I get a credit card as soon as I can.
Credit is a convenience for those who will be able to pay the entire balance each month to avoid costly interest charges. One should not have a credit card until they will be able to meet this standard.
- _____ ✓ 12. My credit record is between the lender and me.
Credit history is not only available to others but is not always accurate.
- _____ ✓ 13. If I needed money for an emergency, a pay day loan officer would be a good advisor for my credit needs.
They would be willing to give advice but at a very high price. There are many more options that would be far less costly and more advisable starting with your banker.
- _____ ✓ 14. When I consider a full-time job offer, the rate per hour or the salary is all that should influence my decision.
While this is important, benefits in terms of insurance, retirement, vacation and/or sick leave, additional education and training, reimbursement for out of pocket expenses, etc. should also be considered.
- ✓ _____ 15. An opportunity cost of saving to buy a car now could be not going on a trip with my friends.
Students need to recognize that the benefits of saving are received in the future. Sacrificing the trip allows one to continue to save for the specific goal on a consistent basis but takes self-discipline.



Agree Disagree

- _____ ✓ 16. Sellers must legally tell a buyer if a good or service is not good quality.
- One rule for consumers to always remember is "Buyers Beware!" Acting in your own best interest by doing research on product quality and warranty is a good rule to follow.*
- _____ ✓ 17. Buying stock in a company would be a good way for me to invest my weekly paycheck.
- Purchasing stock is an investment option once all fixed expenses are accounted for and the variable expenses have been covered to the best of one's ability. Investing in stock must be considered for a long term. Some advisors suggest that a person should have at least 6 months of income saved to be able to live on in the event of losing a job or being laid off without having to cash in stock.*
- ✓ _____ 18. At my bank, there are people willing to help me with my financial questions.
- Most definitely use your bank for financial advice and do your own homework!*
- _____ ✓ 19. As a teenager, my only possible source of income is the paycheck from my employer.
- Students should consider money gifts as income and interest received from savings accounts or investments.*
- ✓ _____ 20. I think that I make good financial decisions because I follow the advice of my parents.
- Recognizing that they should listen to the advice of others with the knowledge and experience are important. However, they need to know that for their own protection, they should be as informed as possible.*