

Business and Finance Technology Education Frameworks
Personal Finance

Content Standard 1 – Personal Decision Making			
Apply reliable information and systematic decision making to personal financial decisions.			
The student will be able to:	Beginning	Intermediate	Advanced
Use a rational decision-making process as it applies to the roles of citizens, workers and consumers.	<p>Learner Expectation</p> <p>*Define and give examples of economic wants and needs.</p> <p>Recognize and assume responsibility for the consequences of economic choices.</p> <p>Apply the steps in a rational decision-making process to a situation involving an economic decision by an individual.</p> <p>Apply opportunity costs and trade-offs to personal decision making.</p>	<p>Learner Expectation</p> <p>Examine the impact of advertising, peer pressure and family history on personal financial decisions.</p> <p>*Differentiate between types of decisions and identify those for which a formal decision-making process should be used.</p>	<p>Learner Expectation</p> <p>*Analyze the effects of ethics on business and financial management decisions.</p> <p>Apply the decision-making process to various types of decisions at different stages of the life cycle.</p> <p>Analyze the effects of leading economic indicators on a personal financial plan.</p>

Business and Finance Technology Education Frameworks
Personal Finance

Content Standard 2 – Earning and Reporting Income Use a career plan to develop personal income potential.			
The student will be able to:	Beginning	Intermediate	Advanced
<p>Identify various forms of income and analyze factors that affect income as a part of the career decision-making process.</p>	<p>Learner Expectation</p> <p>Discuss how personal choices concerning human capital (experiences, technology, education/training and other factors) influence income.</p> <p>Analyze the characteristics and requirements of occupations of interest, including entrepreneurial opportunities.</p> <p>Differentiate between gross and net income.</p>	<p>Learner Expectations</p> <p>*Analyze how career choice, education and skills affect income and goal attainment.</p> <p>Explain the impact of taxes on personal financial planning.</p> <p>*Calculate net pay.</p> <p>*Identify benefits as a component of total income</p> <p>Discuss how personal choices concerning human capital (experiences, technology, education/training and other factors) influence income.</p>	<p>Learner Expectation</p> <p>Discuss how income from employment is affected by factors, such as supply and demand, geographic location, level of education, type of industry, union membership, productivity, skill level and work ethic.</p> <p>Analyze the impact of sociological, economic and technological changes on future jobs.</p> <p>Compare and contrast compensation packages that include varying levels of wages and benefits.</p>

Business and Finance Technology Education Frameworks
Personal Finance

Content Standard 3 –Managing Finances and Budgeting			
Organize personal finances and use a budget to manage cash flow.			
The student will be able to:	Beginning	Intermediate	Advanced
Develop and evaluate a budget plan.	<p>Learner Expectation</p> <p>Define fixed and variable expenses.</p> <p>*Categorize and classify expenses as fixed or variable.</p>	<p>Learner Expectations</p> <p>*Construct and use a personal budget plan and evaluate it according to short- and long-term goals.</p>	<p>Learner Expectation</p> <p>Illustrate how income and spending patterns change throughout the life cycle for the typical person and family.</p>

Business and Finance Technology Education Frameworks
Personal Finance

Content Standard 4 – Saving and Investing			
Implement a diversified investment strategy that is compatible with personal goals.			
The student will be able to:	Beginning	Intermediate	Advanced
Evaluate savings and investment options to meet short- and long-term goals.	<p>Learner Expectation</p> <p>Differentiate between saving and investing.</p> <p>Distinguish between simple and compound interest.</p> <p>Identify the risk/return trade-offs for saving and investing.</p> <p>*Analyze the power of compounding and the importance of starting early in implementing a plan of saving and investing.</p> <p>*Describe the advantages and disadvantages of various savings and investing plans.</p>	<p>Learner Expectation</p> <p>Apply criteria for choosing a savings or investment instrument (e.g., market risk, inflation risk, interest rate risk, liquidity and minimum amount needed for investment).</p> <p>*Explain how and why the stock market works.</p> <p>Differentiate between interest, dividends and capital gains.</p> <p>*Explain the role of saving and investing in creating a financial plan.</p> <p>Calculate and apply the Rule of 72.</p> <p>*Contrast the impact of simple interest vs. compound interest on savings.</p>	<p>Learner Expectation</p> <p>Examine the fundamental workings of the Social Security System and the system’s effects on retirement planning.</p> <p>Develop financial goals for the future based on one’s lifestyle expectations and career choices.</p>

Business and Finance Technology Education Frameworks
Personal Finance

Content Standard 5 – Buying Goods and Services			
Use a rational decision-making process to evaluate factors involved in buying decisions to optimize consumer satisfaction.			
The student will be able to:	Beginning	Intermediate	Advanced
Apply a decision-making model to maximize consumer satisfaction when buying goods and services.	<p>Learner Expectations</p> <p>Identify laws that protect the rights of consumers.</p> <p>Discuss various ways competition among buyers helps the consumer.</p> <p>Use reliable consumer resources to collect information for making buying decisions about durable and nondurable goods.</p> <p>*Describe consumer rights, responsibilities and remedies and give examples of each.</p>	<p>Learner Expectation</p> <p>*Identify the costs of utilities, services, maintenance and other expenses involved in independent living.</p> <p>*Explain how a consumer can identify and report fraudulent behavior and practices.</p>	<p>Learner Expectation</p> <p>Compare the costs and benefits of purchasing, leasing and renting.</p> <p>Describe consumer assistance services provided by public and private organizations (e.g., government, the Better Business Bureau and manufacturers).</p> <p>Describe the role that supply and demand and market structure play in determining the availability and prices of goods and services.</p>

Business and Finance Technology Education Frameworks
Personal Finance

Content Standard 6 – Banking and Financial Institutions			
Banking services are an integral part of managing and organizing financial transactions.			
The student will be able to:	Beginning	Intermediate	Advanced
Evaluate services provided by financial deposit institutions to transfer funds.	<p>Learner Expectations</p> <p>*Identify the rights and responsibilities associated with using a checking account.</p> <p>Describe the steps involved in opening and using a checking account.</p> <p>*Differentiate among types of electronic monetary transactions offered by various financial institutions.</p>	<p>Learner Expectation</p> <p>Identify other means of transferring funds (e.g., money orders and certified checks).</p> <p>*Evaluate products and services and related costs associated with financial institutions in terms of personal banking needs.</p> <p>*Describe and demonstrate the steps involved in the bank reconciliation process.</p> <p>Compare and contrast the various forms of endorsement.</p> <p>Analyze privacy and security issues associated with financial transactions.</p>	<p>Learner Expectation</p> <p>Explain how certain historical events have influenced the banking systems and other financial institutions.</p> <p>Examine the use of banks and other financial institutions from a global consumer perspective (e.g., immigrants to the U.S., fear of banks, cash-based systems in some countries, safety of deposits made in banks in other countries).</p> <p>Identify the functions of the Federal Reserve System.</p>

Business and Finance Technology Education Frameworks
Personal Finance

Content Standard 7 – Using Credit			
Maintain credit worthiness, borrow at favorable terms and manage debt.			
The student will be able to:	Beginning	Intermediate	Advanced
Analyze factors that affect the choice of credit, the cost of credit and the legal aspects of using credit.	<p>Learner Expectations</p> <p>Explain when and why borrowing is used for the purchase of goods and services.</p> <p>*Describe the risks and responsibilities associated with using credit.</p> <p>Identify the opportunity cost of credit decisions.</p> <p>*Identify and explain methods of establishing and maintaining a good credit rating.</p> <p>Evaluate the various methods of financing a purchase.</p> <p>Define interest as a cost of credit and explain why it is charged.</p>	<p>Learner Expectation</p> <p>Analyze credit card features and their impact on personal financial planning.</p> <p>Explain how the amount of principal, the period of the loan and the interest rate affect the amount of interest charged.</p> <p>Analyze various sources and types of credit (e.g., short- and long term) and related costs.</p> <p>*Explain credit ratings and credit reports and describe why they are important to consumers.</p> <p>Describe the relationship between credit rating and the cost of credit.</p> <p>Identify strategies for effective debt management.</p> <p>*Identify specific steps that consumers can take to minimize their exposure to identity theft.</p>	<p>Learner Expectation</p> <p>*Compare and contrast the various aspects of credit cards (e.g., APR, grace period, incentive buying, methods of calculating interest and fees).</p> <p>Research rights and responsibilities of consumers according to credit legislation (e.g., truth-in-lending, fair credit reporting, equal credit opportunity and fair debt collection).</p> <p>Compare and contrast the legal aspects of different forms of credit (e.g., title transfer, responsibility limits, collateral requirements and co-signing).</p> <p>Describe legal and illegal types of credit that carry high interest rates (e.g., payday loans, rent-to-buy agreements and loan sharking). Analyze the sources of assistance for debt management.</p>

Content Standard 7 – Using Credit
Maintain credit worthiness, borrow at favorable terms and manage debt.

The student will be able to:	Beginning	Intermediate	Advanced
		<p>Describe problems that occur when one is the victim of identity theft.</p> <p>Identify specific steps that should be taken by a victim of identity theft.</p>	<p>Identify the components listed on a credit report, explain how that information is used, and how it is received by and reported from the credit reporting agencies.</p> <p>Explain the implications of bankruptcy.</p>

Business and Finance Technology Education Frameworks
Personal Finance

Content Standard 8 – Protecting against risk			
Use appropriate and cost-effective risk management strategies.			
The student will be able to:	Beginning	Intermediate	Advanced
Analyze choices available to consumers for protection against risk and financial loss.	<p>Learner Expectations</p> <p>*Identify risk in life and how to gain protection against the consequences of risk.</p> <p>Define basic insurance terms (e.g., deductible, premium, peril and risk).</p> <p>Evaluate insurance as a risk management strategy.</p>	<p>Learner Expectation</p> <p>*Identify the type of insurance associated with different types of risk (e.g., automobile, personal and professional liability, home and apartment, health, life, long-term care and disability).</p> <p>Explain why insurance needs change throughout the life cycle.</p> <p>Develop a plan for family financial security (e.g., secure storage of documents, cash reserve, household inventory and medical records retention) in case of a disaster.</p>	<p>Learner Expectation</p> <p>Develop recommended insurance coverage for individuals/families for various risks and different income levels.</p>