

## Personal Financial Literacy Standards by Unit

### Unit 1

#### PERSONAL FINANCIAL LITERACY

##### Topic 1: Earning and Spending Income

1. Explain that people choose jobs for which they are qualified based on a variety of factors, such as job satisfaction, independence, salary, opportunities to learn and grow, benefits such as health insurance coverage, retirement plans, and location.

#### ECONOMICS

##### Topic 1: Scarcity and Economic Reasoning

Students understand that productive resources are limited, therefore, people cannot have all the goods and services they want. As a result, they must choose some things and give up others.

6. Recognize that voluntary exchange occurs when all participating parties expect to gain.

##### Topic 2: Supply and Demand

Students understand the role that supply and demand, prices, and profits play in determining production and distribution in a market economy.

10. Define supply and demand.

30. Describe how the earnings of workers are determined by the market value of the product produced and workers' productivity.

##### Topic 4: The Role of Government

Students understand the roles of government in a market economy are the provision of public goods and services, redistribution of income, protection of property rights, and resolution of market failures.

40. Analyze how the government uses taxing and spending decisions (fiscal policy) to promote price stability, full employment, and economic growth.

41. Analyze how the Federal Reserve uses monetary tools to promote price stability, full employment, and economic growth.

##### Topic 7: Trade

Students understand why individuals, businesses, and governments trade goods and services and how trade affects the economies of the world.

54. Explain the benefits of trade among individuals, regions, and countries.

61. Evaluate the arguments for and against free trade.

#### United States History II

Building on knowledge from previous years, students should be able to:

Topic 1. The role of economics in modern United States history

2. Explain that the goals of economic policy may be to promote freedom, efficiency, equity, security, growth, price stability, and full employment and that different economic systems place greater emphasis on some goals over others.

##### National Economic Performance

8. Explain how a country's overall level of income, employment, and prices are determined by the individual spending and production decisions of households and firms, and that government measures such as Gross Domestic Product (GDP) describe these factors at the national level.

##### The Role of Government

11. Analyze how the government uses taxing and spending decisions (fiscal policy) and monetary policy to promote price stability, full employment, and economic growth.

#### 2017 MA Literacy Framework

*MACCSS R.1 Cite specific textual evidence to support analysis of primary and secondary sources, connecting insights gained from specific details to an understanding of the text as a whole. MACCSS W.1 Write arguments focused on discipline-specific content. MACCSS S&L.1 1.*

*Initiate and participate effectively in a range of collaborative discussions (one-on-one, in groups, and teacher-led) with diverse partners on discipline-specific topics, texts, and issues, building on others' ideas and expressing their own clearly and persuasively.*

#### Career Technical Education

Applicable standards under CTE Strand 4.

## UNIT 2

### PERSONAL FINANCIAL LITERACY

#### Topic 1: Earning and Spending Income

Supporting Question:

- 1.Explain that people choose jobs for which they are qualified based on a variety of factors, such as job satisfaction, independence, salary, opportunities to learn and grow, benefits such as health insurance coverage, retirement plans, and location.
- 2.Explain why wages and salaries are determined by the labor market, and how changes in economic conditions (such as a recession) or the labor market (such as business shift from coal to oil or natural gas) can affect changes in a worker's income or may cause unemployment.

### ECONOMICS

#### Topic 2: Supply and Demand

Supporting Question: What factors affect the prices of goods and services?

Students understand the role that supply and demand, prices, and profits play in determining production and distribution in a market economy.

- 21.Explain how financial markets, such as the stock market, channel funds from savers to investors.

#### Topic 6: Money and the Role of Financial Institutions

Supporting Question: Why are banks and stock markets regulated by the government?

Students will understand the role of money and financial institutions in a market economy.

- 52.Compare and contrast credit, savings, and investment services available to the consumer from financial institutions.

## United States History II

Building on knowledge from previous years, students should be able to:

Topic 1. The role of economics in modern United States history

[USII.T1]

2. Explain that the goals of economic policy may be to promote freedom, efficiency, equity, security, growth, price stability, and full employment and that different economic systems place greater emphasis on some goals over others.

#### Money and the Role of Financial Institutions

Supporting Question: Why are banks and stock markets regulated by the government?

6. Explain the role of banks and other financial institutions in the market economy of the United States, and analyze the reasons for banking crises.

7. Describe the organization and functions of the Federal Reserve System; explain the reason the government established it in 1913 and analyze how it uses monetary tools to promote price stability, full employment, and economic growth.

#### National Economic Performance

Supporting Question: What factors affect the success of the economy of the United States?

8. Explain how a country's overall level of income, employment, and prices are determined by the individual spending and production decisions of households and firms, and that government measures such as Gross Domestic Product (GDP) describe these factors at the national level.

#### The Role of Government

Supporting Questions: How large a role should government have in regulating the economy?

10. Explain and give examples of the roles that government may play in a market economy, including the provision of public goods and

services, redistribution of income, protection of property rights, and resolution of market failures.

11. Analyze how the government uses taxing and spending decisions (fiscal policy) and monetary policy to promote price stability, full employment, and economic growth.

### **2017 MA Literacy Framework**

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### **CAREER TECHNICAL EDUCATION**

Applicable standards under [CTE Strand 4](#).

### **Unit 3**

#### **PERSONAL FINANCIAL LITERACY**

Topic 1: Earning and Spending Income

1. Analyze the impact of federal income tax rates on people of different income levels in the United States from 1950 to the present.

#### **ECONOMICS.**

Topic 4: The Role of Government

Supporting Question: What is government's responsibility in providing for social needs?

Students understand the roles of government in a market economy are the provision of

public goods and services, redistribution of income, protection of property rights, and resolution of market failures.

32. Explain how government responds to perceived social needs by providing public goods and services.

33. Describe major revenue and expenditure categories and their respective proportions of local, state, and federal budgets.

36. Define progressive, proportional, and regressive taxation.

38. Predict how changes in federal spending and taxation would affect budget deficits and surpluses and the national debt.

40. Analyze how the government uses taxing and spending decisions (fiscal policy) to promote price stability, full employment, and economic growth.

### **2017 MA Literacy Framework**

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### **Career Technical Education**

Applicable standards under [CTE Strand 4](#).

### **Unit 4**

#### **PERSONAL FINANCIAL LITERACY**

Topic 1: Earning and Spending Income

Supporting Question: What is the most important thing to look for in a job?

1. Explain that people choose jobs for which they are qualified based on a variety of factors, such as job satisfaction, independence, salary, opportunities to learn and grow, benefits such as health insurance coverage, retirement plans, and location.

5. Give examples of ways people can pay for goods, services, or charitable donations (e.g., cash, credit or debit card, check, mobile phone payment, layaway plan, rent-to-own) and analyze the costs and benefits of each method of payment.

6. Explain the state and federal governments' roles in consumer protection.

### Topic 2: Saving Money

Supporting Question: What can banks do for consumers?

12. Formulate a savings or financial investment plan for a future goal (e.g., college or retirement).

### Topic 3: Using Credit and Making Investments

Supporting Question: What are the benefits and risks of using credit and investing?

15. Explain what a credit bureau does, what a credit rating is and the factors from an individual's credit history that may lead to denial of credit; explain the potential uses of credit reports and scores (e.g., in hiring or renting decisions or the setting of insurance premium rates).

16. Research and report on the long-term consequences for borrowers of failure to repay loans, such as negative entries in a credit report, repossession of property, garnishment of wages, the inability to obtain loans in the future, and bankruptcy.

18. Formulate a credit plan for purchasing a major item such as a car or home, comparing different interest rates.

### Financial Investing

19. Explain what a financial asset is (e.g., bank deposit, stocks, bonds, mutual funds, real estate) is and explain why the worth of assets can go up or down over time.

21. Analyze the role of diversification – having an investment portfolio with different kinds of assets – in lowering risk for the individual investor.

### Topic 4: Protecting and Insuring Assets

Supporting Question: How does an individual decide if insurance is worth its costs?

23. Explain the purpose of various types of insurance (e.g., health, disability, life, property and casualty); research the costs and coverage of a particular type of insurance from several different companies and analyze which company provides the best option for a particular type of consumer (e.g., a young family, a retiree).

## ECONOMICS

### Topic 1: Scarcity and Economic Reasoning

Supporting Question: How do individuals and corporations make choices about saving or spending?

Students understand that productive resources are limited, therefore, people cannot have all the goods and services they want. As a result, they must choose some things and give up others.

2. Explain how consumers and producers confront the condition of scarcity, by making choices that involve opportunity costs and tradeoffs.

### Topic 6: Money and the Role of Financial Institutions

Supporting Question: Why are banks and stock markets regulated by the government?

Students will understand the role of money and financial institutions in a market economy.

50. Explain the role of banks and other financial institutions in the economy of the United States.

52. Compare and contrast credit, savings, and investment services available to the consumer from financial institutions.

53. Research and monitor financial investments such as stocks, bonds, and mutual funds.

### **2017 MA Literacy Framework**

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### **Career Technical Education**

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## **Unit 5**

### **PERSONAL FINANCIAL LITERACY**

#### Topic 1: Earning and Spending Income

6. Explain the state and federal governments' roles in consumer protection.

#### Topic 2: Saving Money

11. Analyze the effectiveness of government agencies such as the Federal Reserve System, the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation and state banking departments in protecting the safety of the nation's banking system and consumer interests.

#### Topic 3: Using Credit and Making Investments

17. Explain a consumer's rights for full disclosure of credit terms for a loan and for a free copy of his or her own credit report so that the consumer can verify it.

20. Explain how buyers and sellers in financial markets determine the prices of financial assets and therefore influence the rate of return on those assets.

### **ECONOMICS**

#### Topic 1: Scarcity and Economic Reasoning

Supporting Question: How do individuals and corporations make choices about saving or spending?

Students understand that productive resources are limited, therefore, people cannot have all the goods and services they want. As a result, they must choose some things and give up others.

2. Explain how consumers and producers confront the condition of scarcity, by making choices that involve opportunity costs and tradeoffs.

6. Recognize that voluntary exchange occurs when all participating parties expect to gain.

7. Compare and contrast how the various economic systems (traditional, market, command, mixed) try to answer the questions: What to produce? How to produce it? And for whom to produce?

8. Describe how clearly defined and enforced property rights are essential to a market economy.

9. Use a production possibilities curve to explain the concepts of choice, scarcity, opportunity cost, tradeoffs, unemployment, productivity, and growth.

#### Topic 2: Supply and Demand

Supporting Question: What factors affect the prices of goods and services?

Students understand the role that supply and demand, prices, and profits play in determining production and distribution in a market economy.

11. Describe the role of buyers and sellers in determining the equilibrium price.

12. Describe how prices send signals to buyers and sellers.

13. Recognize that consumers ultimately determine what is produced in a market economy (consumer sovereignty).

15. Explain the function of profit in a market economy as an incentive for entrepreneurs to accept the risks of business failure.

16. Demonstrate how supply and demand determine equilibrium price and quantity in the product, resource, and financial markets.

17. Identify factors that cause changes in market supply and demand.

18. Demonstrate how changes in supply and demand influence equilibrium price and quantity in the product, resource, and financial markets.

Topic 5: National Economic Performance

Supporting Question: What factors affect patterns of income distribution in the United States?

Students understand the means by which economic performance is measured.

42. Define aggregate supply and demand, Gross Domestic Product (GDP), economic growth, unemployment, and inflation.

### **2017 MA Literacy Framework**

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### **CAREER TECHNICAL EDUCATION**

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## **UNIT 6**

### **PERSONAL FINANCIAL LITERACY**

Topic 1: Earning and Spending Income

6. Explain the state and federal governments' roles in consumer protection.

Topic 2: Saving Money

Supporting Question: What can banks do for consumers?

7. Recognize that banks and other financial institutions are businesses that loan funds received from depositors to borrowers.

8. Explain the relationship between principal (the initial amount of money deposited in a bank by a person), interest (the amount earned from a bank, usually annually), and compound interest (interest earned on the principal and the interest already earned).

9. Using websites such as the Federal Reserve Bank of San Francisco ([www.frbsf.org](http://www.frbsf.org)) for reference, explain the difference between the real interest rate of return on savings (adjusted for inflation) and the nominal interest rate.

10. Research and report on government policies such as individual retirement accounts and educational savings plans, analyzing their effectiveness as incentives for saving.

11. Analyze the effectiveness of government agencies such as the Federal Reserve System, the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation and state banking departments in protecting the safety of the nation's banking system and consumer interests.

12. Formulate a savings or financial investment plan for a future goal (e.g., college or retirement).

### **ECONOMICS**

## Topic 6: Money and the Role of Financial Institutions

Supporting Question: Why are banks and stock markets regulated by the government?

Students will understand the role of money and financial institutions in a market economy.

48. Explain the basic functions of money (e.g., medium of exchange, store of value, unit of account).
49. Identify the composition of the money supply of the United States.
50. Explain the role of banks and other financial institutions in the economy of the United States.
51. Describe the organization and functions of the Federal Reserve System.
52. Compare and contrast credit, savings, and investment services available to the consumer from financial institutions.
53. Research and monitor financial investments such as stocks, bonds, and mutual funds.

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### CAREER TECHNICAL EDUCATION

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## UNIT 7 and UNIT 8

## PERSONAL FINANCIAL LITERACY

### Topic 1: Earning and Spending Income

Supporting Question: What is the most important thing to look for in a job?

1. Explain that people choose jobs for which they are qualified based on a variety of factors, such as job satisfaction, independence, salary, opportunities to learn and grow, benefits such as health insurance coverage, retirement plans, and location.

### Topic 2: Saving Money

Supporting Question: What can banks do for consumers?

8. Explain the relationship between principal (the initial amount of money deposited in a bank by a person), interest (the amount earned from a bank, usually annually), and compound interest (interest earned on the principal and the interest already earned).
10. Research and report on government policies such as individual retirement accounts and educational savings plans, analyzing their effectiveness as incentives for saving.
11. Analyze the effectiveness of government agencies such as the Federal Reserve System, the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation and state banking departments in protecting the safety of the nation's banking system and consumer interests.
12. Formulate a savings or financial investment plan for a future goal (e.g., college or retirement).

### Topic 3: Using Credit and Making Investments

Supporting Question: What are the benefits and risks of using credit and investing?

#### Financial Investing

19. Explain what a financial asset is (e.g., bank deposit, stocks, bonds, mutual funds, real estate) is and explain why the worth of assets can go up or down over time.

20. Explain how buyers and sellers in financial markets determine the prices of financial assets and therefore influence the rate of return on those assets.

21. Analyze the role of diversification – having an investment portfolio with different kinds of assets – in lowering risk for the individual investor.

22. Analyze the role of the Securities and Exchange Commission in regulating financial markets.

## **ECONOMICS**

### Topic 1: Scarcity and Economic Reasoning

Supporting Question: How do individuals and corporations make choices about saving or spending?

Students understand that productive resources are limited, therefore, people cannot have all the goods and services they want. As a result, they must choose some things and give up others.

2. Explain how consumers and producers confront the condition of scarcity, by making choices that involve opportunity costs and tradeoffs.

5. Predict how interest rates act as an incentive for savers and borrowers.

6. Recognize that voluntary exchange occurs when all participating parties expect to gain.

### Topic 2: Supply and Demand

Supporting Question: What factors affect the prices of goods and services?

Students understand the role that supply and demand, prices, and profits play in determining production and distribution in a market economy.

21. Explain how financial markets, such as the stock market, channel funds from savers to investors.

### Topic 3: Market Structures

Supporting Question: What impact does competition have on businesses?

Students understand the organization and role of business firms and analyze the various types of market structures in the United States economy.

23. Identify the three basic ways that firms finance operations (retained earnings, stock issues, and borrowing), and explain the advantages and disadvantages of each.

### Topic 5: National Economic Performance

Supporting Question: What factors affect patterns of income distribution in the United States?

Students understand the means by which economic performance is measured.

42. Define aggregate supply and demand, Gross Domestic Product (GDP), economic growth, unemployment, and inflation.

43. Explain how Gross Domestic Product (GDP), economic growth, unemployment, and inflation are calculated.

45. Identify the different causes of inflation, and explain who gains and loses because of inflation.

### Topic 6: Money and the Role of Financial Institutions

Supporting Question: Why are banks and stock markets regulated by the government?

Students will understand the role of money and financial institutions in a market economy.

48. Explain the basic functions of money (e.g., medium of exchange, store of value, unit of account).

49. Identify the composition of the money supply of the United States.

50. Explain the role of banks and other financial institutions in the economy of the United States.



51. Describe the organization and functions of the Federal Reserve System.
52. Compare and contrast credit, savings, and investment services available to the consumer from financial institutions.
53. Research and monitor financial investments such as stocks, bonds, and mutual funds.

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## CAREER TECHNICAL EDUCATION

Applicable standards under [CTE Strand 4](#).

Unit

### UNIT 9

#### PERSONAL FINANCIAL LITERACY

Topic 1: Earning and Spending Income

Supporting Question: What is the most important thing to look for in a job?

1. Explain that people choose jobs for which they are qualified based on a variety of factors, such as job satisfaction, independence, salary, opportunities to learn and grow, benefits such as health insurance coverage, retirement plans, and location.
2. Explain why wages and salaries are determined by the labor market, and how changes in economic conditions (such as a recession) or the labor market (such as business shift from coal to oil or natural gas) can affect changes in a worker's income or may cause unemployment.

3. Analyze the impact of federal income tax rates on people of different income levels in the United States from 1950 to the present.
5. Give examples of ways people can pay for goods, services, or charitable donations (e.g., cash, credit or debit card, check, mobile phone payment, layaway plan, rent-to-own) and analyze the costs and benefits of each method of payment.

Topic 3: Using Credit and Making Investments

Supporting Question: What are the benefits and risks of using credit and investing?

16. Research and report on the long-term consequences for borrowers of failure to repay loans, such as negative entries in a credit report, repossession of property, garnishment of wages, the inability to obtain loans in the future, and bankruptcy.

Financial Investing

19. Explain what a financial asset is (e.g., bank deposit, stocks, bonds, mutual funds, real estate) is and explain why the worth of assets can go up or down over time.
20. Explain how buyers and sellers in financial markets determine the prices of financial assets and therefore influence the rate of return on those assets.

## ECONOMICS

Topic 1: Scarcity and Economic Reasoning

Supporting Question: How do individuals and corporations make choices about saving or spending?

Students understand that productive resources are limited, therefore, people cannot have all the goods and services they want. As a result, they must choose some things and give up others.

1. Define each of the productive resources (natural, human, capital) and explain why they are necessary for the production of goods and services.
2. Explain how consumers and producers confront the condition of scarcity, by making choices that involve opportunity costs and tradeoffs.
4. Describe how people respond predictably to positive and negative incentives.

6. Recognize that voluntary exchange occurs when all participating parties expect to gain.

7. Compare and contrast how the various economic systems (traditional, market, command, mixed) try to answer the questions: What to produce? How to produce it? And for whom to produce?

### Topic 2: Supply and Demand

Supporting Question: What factors affect the prices of goods and services?

Students understand the role that supply and demand, prices, and profits play in determining

production and distribution in a market economy.

10. Define supply and demand.

11. Describe the role of buyers and sellers in determining the equilibrium price.

12. Describe how prices send signals to buyers and sellers.

13. Recognize that consumers ultimately determine what is produced in a market economy

(consumer sovereignty).

15. Explain the function of profit in a market economy as an incentive for entrepreneurs to accept the risks of business failure.

16. Demonstrate how supply and demand determine equilibrium price and quantity in the product, resource, and financial markets.

17. Identify factors that cause changes in market supply and demand.

18. Demonstrate how changes in supply and demand influence equilibrium price and quantity in the product, resource, and financial markets.

21. Explain how financial markets, such as the stock market, channel funds from savers to investors.

### Topic 3: Market Structures

Supporting Question: What impact does competition have on businesses?

Students understand the organization and role of business firms and analyze the various types

of market structures in the United States economy.

29. Illustrate how investment in research and development, equipment and technology, and training of workers increases productivity.

30. Describe how the earnings of workers are determined by the market value of the product produced and workers' productivity.

### Topic 4: The Role of Government

Supporting Question: What is government's responsibility in providing for social needs?

Students understand the roles of government in a market economy are the provision of

public goods and services, redistribution of income, protection of property rights, and resolution of market failures.

32. Explain how government responds to perceived social needs by providing public goods and services.

### Topic 6: Money and the Role of Financial Institutions

Supporting Question: Why are banks and stock markets regulated by the government?

Students will understand the role of money and financial institutions in a market economy.

52. Compare and contrast credit, savings, and investment services available to the consumer from financial institutions.

### Topic 7: Trade

Supporting Question: Why are the costs and benefits of trade agreements among nations?

Students understand why individuals, businesses, and governments trade goods and services and how trade affects the economies of the world.

54. Explain the benefits of trade among individuals, regions, and countries.

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## **CAREER TECHNICAL EDUCATION**

Applicable standards under [CTE Strand 4](#).

### **UNIT 10**

#### **PERSONAL FINANCIAL LITERACY**

Topic 1: Earning and Spending Income

Supporting Question: What is the most important thing to look for in a job?

5. Give examples of ways people can pay for goods, services, or charitable donations (e.g., cash, credit or debit card, check, mobile phone payment, layaway plan, rent-to-own) and analyze the costs and benefits of each method of payment.

6. Explain the state and federal governments' roles in consumer protection.

Topic 2: Saving Money

Supporting Question: What can banks do for consumers?

7. Recognize that banks and other financial institutions are businesses that loan funds received from depositors to borrowers.

12. Formulate a savings or financial investment plan for a future goal (e.g., college or retirement).

Topic 3: Using Credit and Making Investments

Supporting Question: What are the benefits and risks of using credit and investing?

13. Recognize that a credit card purchase is a type of loan from the financial institution that issued the credit card, that financial institutions may charge a fee for credit card use, and that credit card interest rates tend to be higher than those for other types of loans.

14. Explain why some banks offer credit at low introductory rates that increase when a consumer makes a late payment or misses a payment.

15. Explain what a credit bureau does, what a credit rating is and the factors from an individual's credit history that may lead to denial of credit; explain the potential uses of credit reports and scores (e.g., in hiring or renting decisions or the setting of insurance premium rates).

16. Research and report on the long-term consequences for borrowers of failure to repay loans, such as negative entries in a credit report, repossession of property, garnishment of wages, the inability to obtain loans in the future, and bankruptcy.

17. Explain a consumer's rights for full disclosure of credit terms for a loan and for a free copy of his or her own credit report so that the consumer can verify it.

18. Formulate a credit plan for purchasing a major item such as a car or home, comparing different interest rates.

#### **ECONOMICS**

Topic 1: Scarcity and Economic Reasoning

Supporting Question: How do individuals and corporations make choices about saving or spending?

Students understand that productive resources are limited, therefore, people cannot have all the goods and services they want. As a result, they must choose some things and give up others.

5. Predict how interest rates act as an incentive for savers and borrowers.

Topic 6: Money and the Role of Financial Institutions

Supporting Question: Why are banks and stock markets regulated by the government?

Students will understand the role of money and financial institutions in a market economy.

50. Explain the role of banks and other financial institutions in the economy of the United States.

51. Describe the organization and functions of the Federal Reserve System.

52. Compare and contrast credit, savings, and investment services available to the consumer from financial institutions.

## Topic 7: Trade

Supporting Question: Why are the costs and benefits of trade agreements among nations?

Students understand why individuals, businesses, and governments trade goods and services and how trade affects the economies of the world.

54. Explain the benefits of trade among individuals, regions, and countries.

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### CAREER TECHNICAL EDUCATION

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## UNIT 11

### PERSONAL FINANCIAL LITERACY

#### Topic 1: Earning and Spending Income

Supporting Question: What is the most important thing to look for in a job?

4. Describe the impact of advertising and social media on purchasing decisions; use data to research the effects of media sources on purchases of durable goods (such as cars or appliances) or more temporary goods and services (such as shoes, clothes, cosmetics, or transportation).

6. Explain the state and federal governments' roles in consumer protection.

#### Topic 2: Saving Money

Supporting Question: What can banks do for consumers?

12. Formulate a savings or financial investment plan for a future goal (e.g., college or retirement).

#### Topic 3: Using Credit and Making Investments

Supporting Question: What are the benefits and risks of using credit and investing?

15. Explain what a credit bureau does, what a credit rating is and the factors from an individual's credit history that may lead to denial of credit; explain the potential uses of credit reports and scores (e.g., in hiring or renting decisions or the setting of insurance premium rates).

16. Research and report on the long-term consequences for borrowers of failure to repay loans, such as negative entries in a credit report, repossession of property, garnishment of wages, the inability to obtain loans in the future, and bankruptcy.

17. Explain a consumer's rights for full disclosure of credit terms for a loan and for a free copy of his or her own credit report so that the consumer can verify it.

18. Formulate a credit plan for purchasing a major item such as a car or home, comparing different interest rates.

#### Topic 4: Protecting and Insuring Assets

Supporting Question: How does an individual decide if insurance is worth its costs?

23. Explain the purpose of various types of insurance (e.g., health, disability, life, property and casualty); research the costs and coverage of a particular type of insurance from several different companies and analyze which company provides the best option for a particular type of consumer (e.g., a young family, a retiree).

### ECONOMICS

#### Topic 1: Scarcity and Economic Reasoning

Supporting Question: How do individuals and corporations make choices about saving or spending?

Students understand that productive resources are limited, therefore, people cannot have all the goods and

services they want. As a result, they must choose some things and give up others.

2. Explain how consumers and producers confront the condition of scarcity, by making choices that involve opportunity costs and tradeoffs.

5. Predict how interest rates act as an incentive for savers and borrowers.

## Topic 2: Supply and Demand

Supporting Question: What factors affect the prices of goods and services?

Students understand the role that supply and demand, prices, and profits play in determining production and distribution in a market economy.

10. Define supply and demand.

11. Describe the role of buyers and sellers in determining the equilibrium price.

12. Describe how prices send signals to buyers and sellers.

## Topic 3: Market Structures

Supporting Question: What impact does competition have on businesses?

Students understand the organization and role of business firms and analyze the various types

of market structures in the United States economy.

29. Illustrate how investment in research and development, equipment and technology, and training of workers increases productivity.

30. Describe how the earnings of workers are determined by the market value of the product produced and workers' productivity.

## Topic 5: National Economic Performance

Supporting Question: What factors affect patterns of income distribution in the United States?

Students understand the means by which economic performance is measured.

44. Analyze the impact of events in United States history, such as wars and technological developments, on business cycles.

## Topic 6: Money and the Role of Financial Institutions

Supporting Question: Why are banks and stock markets regulated by the government?

Students will understand the role of money and financial institutions in a market economy.

50. Explain the role of banks and other financial institutions in the economy of the United States.

52. Compare and contrast credit, savings, and investment services available to the consumer from financial institutions.

## Topic 7: Trade

Supporting Question: Why are the costs and benefits of trade agreements among nations?

Students understand why individuals, businesses, and governments trade goods and services and how trade affects the economies of the world.

54. Explain the benefits of trade among individuals, regions, and countries.

56. Define trade barriers, such as quotas and tariffs.

57. Explain why countries sometimes erect barriers to trade.

61. Evaluate the arguments for and against free trade.

## 2017 MA Literacy Framework

*MACCSS R.1 Cite specific textual evidence to support analysis of primary and secondary sources, connecting insights gained from specific details to an understanding of the text as a whole. MACCSS W.1 Write arguments focused on discipline-specific content. MACCSS S&L.1 1. Initiate and participate effectively in a range of collaborative discussions (one-on-one, in groups, and teacher-led) with diverse partners on discipline-specific topics, texts, and issues, building on others' ideas and expressing their own clearly and persuasively.*

## CAREER TECHNICAL EDUCATION

Applicable standards under [CTE Strand 4](#).

## UNIT 12

### PERSONAL FINANCIAL LITERACY

#### Topic 1: Earning and Spending Income

Supporting Question: What is the most important thing to look for in a job?

1. Explain that people choose jobs for which they are qualified based on a variety of factors, such as job satisfaction, independence, salary, opportunities to learn and grow, benefits such as health insurance coverage, retirement plans, and location.
2. Explain why wages and salaries are determined by the labor market, and how changes in economic conditions (such as a recession) or the labor market (such as business shift from coal to oil or natural gas) can affect changes in a worker's income or may cause unemployment.
3. Analyze the impact of federal income tax rates on people of different income levels in the United States from 1950 to the present.
4. Describe the impact of advertising and social media on purchasing decisions; use data to research the effects of media sources on purchases of durable goods (such as cars or appliances) or more temporary goods and services (such as shoes, clothes, cosmetics, or transportation).
5. Give examples of ways people can pay for goods, services, or charitable donations (e.g., cash, credit or debit card, check, mobile phone payment, layaway plan, rent-to-own) and analyze the costs and benefits of each method of payment.
6. Explain the state and federal governments' roles in consumer protection.

#### Topic 2: Saving Money

Supporting Question: What can banks do for consumers?

7. Recognize that banks and other financial institutions are businesses that loan funds received from depositors to borrowers.
8. Explain the relationship between principal (the initial amount of money deposited in a bank by a person), interest (the amount earned from a bank, usually annually), and compound interest (interest

earned on the principal and the interest already earned).

9. Using websites such as the Federal Reserve Bank of San Francisco ([www.frbsf.org](http://www.frbsf.org)) for reference, explain the difference between the real interest rate of return on savings (adjusted for inflation) and the nominal interest rate.
10. Research and report on government policies such as individual retirement accounts and educational savings plans, analyzing their effectiveness as incentives for saving.
11. Analyze the effectiveness of government agencies such as the Federal Reserve System, the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation and state banking departments in protecting the safety of the nation's banking system and consumer interests.
12. Formulate a savings or financial investment plan for a future goal (e.g., college or retirement).

#### Topic 3: Using Credit and Making Investments

Supporting Question: What are the benefits and risks of using credit and investing?

13. Recognize that a credit card purchase is a type of loan from the financial institution that issued the credit card, that financial institutions may charge a fee for credit card use, and that credit card interest rates tend to be higher than those for other types of loans.
14. Explain why some banks offer credit at low introductory rates that increase when a consumer makes a late payment or misses a payment.
15. Explain what a credit bureau does, what a credit rating is and the factors from an individual's credit history that may lead to denial of credit; explain the potential uses of credit reports and scores (e.g., in hiring or renting decisions or the setting of insurance premium rates).
16. Research and report on the long-term consequences for borrowers of failure to repay loans, such as negative entries in a credit report, repossession of property, garnishment of wages, the inability to obtain loans in the future, and bankruptcy.

17. Explain a consumer's rights for full disclosure of credit terms for a loan and for a free copy of his or her own credit report so that the consumer can verify it.
18. Formulate a credit plan for purchasing a major item such as a car or home, comparing different interest rates.

#### Financial Investing

19. Explain what a financial asset is (e.g., bank deposit, stocks, bonds, mutual funds, real estate) is and explain why the worth of assets can go up or down over time.
20. Explain how buyers and sellers in financial markets determine the prices of financial assets and therefore influence the rate of return on those assets.
21. Analyze the role of diversification – having an investment portfolio with different kinds of assets – in lowering risk for the individual investor.
22. Analyze the role of the Securities and Exchange Commission in regulating financial markets.

#### Topic 4: Protecting and Insuring Assets

Supporting Question: How does an individual decide if insurance is worth its costs?

23. Explain the purpose of various types of insurance (e.g., health, disability, life, property and casualty); research the costs and coverage of a particular type of insurance from several different companies and analyze which company provides the best option for a particular type of consumer (e.g., a young family, a retiree).
24. Explain the problems associated with identity theft and ways to protect sensitive personal information, particularly in online transactions, email scams, and telemarketing.

### ECONOMICS

#### Topic 1: Scarcity and Economic Reasoning

Supporting Question: How do individuals and corporations make choices about saving or spending?

Students understand that productive resources are limited, therefore, people cannot have all the goods and services they want. As a result, they must choose some things and give up others.

1. Define each of the productive resources (natural, human, capital) and explain why they are necessary for the production of goods and services.
2. Explain how consumers and producers confront the condition of scarcity, by making choices that involve opportunity costs and tradeoffs.
3. Identify and explain the broad goals of economic policy such as freedom, efficiency, equity, security, growth, price stability, and full employment.
4. Describe how people respond predictably to positive and negative incentives.
5. Predict how interest rates act as an incentive for savers and borrowers.
6. Recognize that voluntary exchange occurs when all participating parties expect to gain.
7. Compare and contrast how the various economic systems (traditional, market, command, mixed) try to answer the questions: What to produce? How to produce it? And for whom to produce?
8. Describe how clearly defined and enforced property rights are essential to a market economy.
9. Use a production possibilities curve to explain the concepts of choice, scarcity, opportunity cost, tradeoffs, unemployment, productivity, and growth.

#### Topic 2: Supply and Demand

Supporting Question: What factors affect the prices of goods and services?

Students understand the role that supply and demand, prices, and profits play in determining production and distribution in a market economy.

10. Define supply and demand.
11. Describe the role of buyers and sellers in determining the equilibrium price.
12. Describe how prices send signals to buyers and sellers.
17. Identify factors that cause changes in market supply and demand.
19. Demonstrate how government wage and price controls, such as rent controls and minimum wage laws, create shortages and surpluses.

21. Explain how financial markets, such as the stock market, channel funds from savers to investors.

### Topic 3: Market Structures

Supporting Question: What impact does competition have on businesses?

Students understand the organization and role of business firms and analyze the various types of market structures in the United States economy.

24. Recognize the role of economic institutions, such as labor unions and nonprofit organizations in market economies.

29. Illustrate how investment in research and development, equipment and technology, and training of workers increases productivity.

30. Describe how the earnings of workers are determined by the market value of the product produced and workers' productivity.

### Topic 4: The Role of Government

Supporting Question: What is government's responsibility in providing for social needs?

Students understand the roles of government in a market economy are the provision of public goods and services, redistribution of income, protection of property rights, and resolution of market failures.

32. Explain how government responds to perceived social needs by providing public goods and services.

38. Predict how changes in federal spending and taxation would affect budget deficits and surpluses and the national debt.

40. Analyze how the government uses taxing and spending decisions (fiscal policy) to promote price stability, full employment, and economic growth.

41. Analyze how the Federal Reserve uses monetary tools to promote price stability, full employment, and economic growth.

### Topic 5: National Economic Performance

Supporting Question: What factors affect patterns of income distribution in the United States?

Students understand the means by which economic performance is measured.

45. Identify the different causes of inflation, and explain who gains and loses because of inflation.

46. Recognize that a country's overall level of income, employment, and prices are determined by the individual spending and production decisions of households, firms, and government.

### Topic 6: Money and the Role of Financial Institutions

Supporting Question: Why are banks and stock markets regulated by the government?

Students will understand the role of money and financial institutions in a market economy.

50. Explain the role of banks and other financial institutions in the economy of the United States.

52. Compare and contrast credit, savings, and investment services available to the consumer from financial institutions.

53. Research and monitor financial investments such as stocks, bonds, and mutual funds.

### Topic 7: Trade

Supporting Question: Why are the costs and benefits of trade agreements among nations?

Students understand why individuals, businesses, and governments trade goods and services and how trade affects the economies of the world.

54. Explain the benefits of trade among individuals, regions, and countries.

## 2017 MA Literacy Framework

*MACCSS R.1 Cite specific textual evidence to support analysis of primary and secondary sources, connecting insights gained from specific details to an understanding of the text as a whole. MACCSS W.1 Write arguments focused on discipline-specific content. MACCSS S&L.1 1. Initiate and participate effectively in a range of collaborative discussions (one-on-one, in groups, and teacher-led) with diverse partners on discipline-specific topics, texts, and issues, building on others' ideas and expressing their own clearly and persuasively.*



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