Arkansas CTE

Financial Literacy: Grades 9, 10, 11, 12

Adopted 2014

Assess the role of money in financial literacy

1.1 Assess the role and functions of money in the economy

1. Research the origins of money and its role in the economy 1.1.1
2. Investigate the regulatory roles of the U.S. Treasury and the Federal Reserve in establishing monetary policy 1.1.2
3. Investigate sources of tax revenue and how monies are redistributed 1.1.3
4. Explain the concept of a "cashless society" 1.1.4

1.2 Examine the relationship between income and career choice

1. Explore career opportunities in finance and financial planning 1.2.1
2. Identify job duties, skills and abilities required for careers in finance and financial planning 1.2.2

1.3 Analyze payroll and employment forms

1. Identify the components of paychecks 1.3.1
2. Investigate the individual's responsibility in accurately reporting income 1.3.2

1.4 Assess the role of budgeting in meeting financial goals

1. Distinguish between wealth and net worth, comparing and contrasting the two 1.4.1
2. Use a goal-setting strategy to create personal financial goals 1.4.2
3. Determine the purpose of and the need for a budget, identifying factors that influence budgeting 1.4.3
4. Balance a budget, incorporating financial management strategies 1.4.4
5. Examine factors that influence consumer spending, demonstrating financially-beneficial shopping strategies 1.4.5

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1.5 Assess the impact of interest on borrowing and investing

1. Compare the effects of interest rates as applied to saving and loaning money 1.5.1
2. Examine how consumers are affected by raising and lowering interest rates 1.5.2
3. Describe concepts relating to simple and compound interest 1.5.3

Analyze the services financial institutions provide for consumers

2.1 Evaluate types of financial institutions and services they provide

1. Distinguish between types of financial institutions and accounts available 2.1.1
2. Investigate factors to consider when shopping for a financial institution 2.1.2
3. Research banking services available to consumers 2.1.3
4. Explore the process for opening different types of accounts 2.1.4

2.2 Investigate concepts of credit abuse, fraud, and protection

1. Identify types of fraud and credit abuse 2.2.1
2. Develop strategies to protect oneself from fraud and identity theft 2.2.2
3. Assess the need for banking insurance and the role it plays in achieving financial security 2.2.3

Demonstrate the ability to use credit as a financial tool

3.1 Evaluate the use of credit in effective financial management

1. Compare and contrast sources of credit, evaluating the products and services of each 3.1.1
2. Differentiate between types of credit and loans 3.1.2
3. Calculate the actual costs associated with credit 3.1.3
4. Examine the credit card and loan application process, including factors related to the credit approval 3.1.4
5. Evaluate the risks associated with overextending credit and how bankruptcy may affect future financial opportunities 3.1.5

3.2 Assess the impact of using credit cards to manage credit

1. Evaluate the use of credit cards as compared with other types of credit 3.2.1
2. Investigate the advantages and disadvantages of using credit cards to manage finances 3.2.2
3. Analyze how credit card use influences credit score 3.2.3

Evaluate the use of insurance for risk management

4.1 Understand insurance and risk management concepts

1. Assess the need for insurance in managing risk 4.1.1
2. Define the basic terminology of insurance 4.1.2

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Investigate types of insurance available in the marketplace

1. Analyze auto insurance coverage and factors affecting cost 4.2.1
2. Evaluate health insurance options 4.2.2
3. Explore and assess the need for supplemental insurance plans 4.2.3
4. Assess the need for home-owners and rental insurance 4.2.4

Determine the value and risk of investments

5.1 Explore investment services offered by a variety of institutions

1. Research institutions involved in investing, including the Securities Exchange Commission (SEC) 5.1.1
2. Examine the difference between investment providers 5.1.2

5.2 Evaluate types of investments available in the marketplace

1. Discuss various markets, major indices and types of markets 5.2.1
2. Describe different types of investments 5.2.2
3. Research the purpose of stocks and factors that affect the price 5.2.3
4. Investigate the different types of mutual funds 5.2.4
5. Explore the different types of bonds including the issuers and factors affecting price 5.2.5
6. Apply investment strategies including risk and portfolio management 5.2.6

Determine financial strategies used to meet personal goals

6.1 Determine financial strategies used to meet long-term financial goals

1. Assess how financial strategies should change with the stages of the individual life cycle 6.1.1
2. Investigate planning strategies for retirement 6.1.2
3. Research financial planning for other long term goals 6.1.3
4. Discuss the importance and purpose of wills 6.1.4

6.2 Evaluate housing options in relation to achieving financial goals

1. Compare and contrast the actual costs and benefits of renting vs. owning 6.2.1
2. Analyze factors in determining mortgage costs 6.2.2