Florida Social Studies

Grades 9-12: Economics

Understanding the attitudes and behaviors of personal financial decision making. SS.912.FL.1

1 **Evaluate and reflect on how values affect personal financial decision-making.** SS.912.FL.1.1

Clarification 1 Instruction includes how values may vary from person to person.

Clarification 2: Instruction includes how societal values impact personal financial decisions.

2 **Understand how cognitive biases affect personal financial decision-making.** SS.912.FL.1.2

Clarification 1 Instruction includes biases such as loss aversion, the endowment effect, herd mentality, anchoring, and present bias.

3 **Explain that loss aversion implies that losses brought about by a decision are weighed more than the gains, which may affect the final decision.** SS.912.FL.1.3

4 **Explain that people place more weight on something they already have as opposed to things they do not. This endowment effect can result in people being reluctant to part with things they possess.** SS.912.FL.1.4

5 **Evaluate how herd mentality affects personal financial decision-making.** SS.912.FL.1.5

6 **Describe how a piece of information received early, even if incorrect or irrelevant, can provide an anchor that people use when making their personal financial decisions.** SS.912.FL.1.6

Clarification 1 Instruction includes students working in collaborative groups to discuss various scenarios in which information may have been influential to financial decision-making.

Clarification 2 Instruction includes the analysis of correct and incorrect and relevant and irrelevant information to inform financial decisions.

7 **Describe how people often focus on information that confirms their original beliefs when they research information to make personal financial decisions. Example: Bill is currently in the market for a new vehicle, and he is extremely interested in a particular "dream car" to purchase. Bill has researched this vehicle and found several negative reviews that are counter to his beliefs about his "dream car." How might Bill proceed with this financial decision?** SS.912.FL.1.7

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dentify examples of how people are affected by present bias. SS.912.FL.1.8

Clarification 1 Instruction includes the effect of present bias on financial decision-making.

Explore and evaluate the benefits, and costs (including tax implications) of various paths toward earning income. SS.912.FL.2

1 **Describe how people choose jobs or careers for which they are qualified based on potential income as well as non-income factors, such as job satisfaction, independence, risk, family, or location. Example: Interview three individuals who work at different jobs to identify the nonincome factors that influenced their career or job choice.** SS.912.FL.2.1

Clarification 1 Instruction includes the identification of non-income factors and the importance of these factors as compared to potential income.

Clarification 2 Instruction includes the ways that an individual can earn income: full-time employee, part-time employee, self-employment, investment, or passive income.

2 **Explain that people vary in their willingness to obtain more education or training because these decisions involve incurring immediate costs to obtain possible future benefits. Example: Speculate how a high school student might assess the future benefits of going to college and describe how that assessment will affect the student's decision to attend college. Example: Speculate how a high school student might assess the future benefits of entering the workforce after completing a vocational training program, and the implications of that assessment on possible future benefits.** SS.912.FL.2.2

Clarification 1 Instruction includes how people's willingness to wait or plan for the future affects their decision to get more education or job training in a dynamic and changing labor market.

Clarification 2 Instruction includes how discounting the future benefits of education and training may lead some people to pass up potentially high rates of return that more education and training may offer.

Clarification 3 Instruction includes the barriers people may face when investing in education and training.

3 **Analyze the ways that people can make more informed education, job, or career decisions by evaluating the benefits and costs of different choices.** SS.912.FL.2.3

Clarification 1 Instruction includes comparing the benefits, costs, and the return on investment of a college education to those of a technical school.

Clarification 2 Instruction includes comparing the unemployment rates of workers with different levels of education.

Clarification 3 Instruction includes various career pathways including those that do not require college attendance.

4 **Analyze the reasons why the wage or salary paid to workers in jobs is usually determined by the labor market.** SS.912.FL.2.4

Clarification 1 Instruction includes the variance of wages or salaries among workers in different types of jobs and among workers in the same jobs.

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Clarification 2 Instruction includes the importance of worker productivity to businesses and why a business may decide to pay workers differently depending on their productivity.

5 **Discuss reasons why changes in economic conditions or the labor market can cause changes in a worker's income or may cause unemployment. Example: Explain how an increase in the demand for mobile applications might affect the wages paid to software developers.** SS.912.FL.2.5

Clarification 1 Instruction includes discussing how a recession may impact the unemployment rate.

Clarification 2 Instruction includes how changing and emerging technologies may impact the unemployment rate.

6 **Explain that taxes are paid to federal, state, and local governments to fund government goods and services as well as transfer payments from government to individuals.** SS.912.FL.2.6

Clarification 1 Instruction includes the identification of the governmental agency that receives tax revenue for a specific tax.

Clarification 2 Instruction includes the identification of the use of specific tax revenues.

Clarification 3 Instruction includes the major types of taxes: income, payroll, property, and sales tax.

7 **Explain how interest, dividends, and capital gains are forms of income earned from financial investments.** SS.912.FL.2.7

Clarification 1 Instruction includes understanding the differences between interest, dividends, and capital gains.

8 **Evaluate how the sources of income, amount of income, as well as the amount and type of spending affect the types and amounts of taxes paid.** SS.912.FL.2.8

Clarification 1 Instruction includes tax rates on earned income, interest, and capital gains.

Clarification 2 Instruction includes how federal tax brackets illustrate a progressive tax and a sales tax is viewed as a regressive tax as well as the differences between each type of tax.

Clarification 3 Instruction includes types of goods that are subject to sales taxes and those that are exempt.

9 **Describe why some people choose to become entrepreneurs as a career choice.** SS.912.FL.2.9

Clarification 1 Instruction includes evaluating the benefits and costs of entrepreneurship.

Clarification 2 Instruction includes identifying the roles and characteristics of an entrepreneur and understanding that taking on risk is an implicit part of being an entrepreneur.

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Clarification 3 Instruction includes understanding how owning a small business can be a person's primary career or can supplement income from other sources.

Clarification 4 Instruction includes the tax implications of being an entrepreneur such as the self-employment tax.

10 Evaluate the benefits and costs of "gig" employment. SS.912.FL.2.10

Clarification 1 Instruction includes understanding the motivating factors for being self-employed or working as an independent contractor in the "gig" economy.

11 Describe how Social Security is funded and the benefit it provides to retirees. Example: Create a promotional flyer that communicates the benefits provided by Social Security for people of different income levels at different ages of retirement. SS.912.FL.2.11

12 Identify and complete appropriate tax forms to calculate the amount of federal income tax owed. Example: Given a simple scenario, complete the appropriate tax form and identify if the filer will receive a refund or be required to make a payment to the Internal Revenue Service (IRS). SS.912.FL.2.12

Clarification 1 Instruction includes the identification of various payroll taxes and withholdings (e.g., Social Security, Medicare, federal withholding, etc.).

Clarification 2 Instruction includes formally (using tax tables) and informally (estimating) calculating taxes.

Clarification 3 Instruction includes understanding why calculating one's taxes may differ from the government's calculations.

13 Describe the types and sources of taxes at the local level. Example: Research the tax rate of the city or county in which you reside. Compare the identified tax rate with another Florida county or city. Why might they be different or the same? SS.912.FL.2.13

Clarification 1 Instruction includes understanding that states, counties, and municipalities may have different tax rates and taxes.

Clarification 2 Instruction includes understanding that local taxes are dedicated to a particular use, such as schools or local infrastructure projects.

Explore and evaluate the role, influences and legal responsibility of being a consumer of goods and services. SS.912.FL.3

1 Analyze the factors that influence a consumer's decision-making process (e.g., the price of a good or service, the price of alternatives, income level, personal preferences, advertisements, and reviews.) Example: Develop scenarios that explain the factors that influence an individual to purchase a specific brand and style of athletic shoes. SS.912.FL.3.1

Clarification 1 Instruction includes the comparison of consumer decisions to purchase a similar item.

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2 **Explain that the consumption of a good or service can have positive or negative effects on others.** SS.912.FL.3.2

Clarification 1 Instruction includes an analysis of the effects that activities such as smoking cigarettes or attending school may have on self, other individuals, or the community at large.

3 **Discuss that when buying a good, consumers may consider various aspects and features of the product. Example: Given a scenario that includes various features of automobiles, determine which automobile to purchase.** SS.912.FL.3.3

Clarification 1 Instruction includes explaining why the consumer should consider a product's durability and maintenance costs prior to the purchase of goods.

4 **Describe ways that consumers may be influenced by how the price of a good is expressed. Example: Given a product and a price, develop three advertisements for a retailer using the following information: 50% off, buy one get one free, and two items for a single price (e.g., buy 2 for $5 or 1 for $3). Example: Write an expository paragraph that explains why a store might advertise the price of a TV expressed as an amount per day or week rather than the actual full price.** SS.912.FL.3.4

Clarification 1 Instruction includes understanding the different ways retailers express the prices of their products.

5 **Discuss ways people incur costs and realize benefits when searching for information related to their purchases of goods and services. Example: Write a newspaper column, "Tips for Consumers," explaining why searching for information may be more important when purchasing expensive, durable goods and services than for inexpensive and nondurable products. Include an explanation of how impulse buying can be avoided by sleeping on a decision before making a big purchase.** SS.912.FL.3.5

Clarification 1 Instruction includes understanding the relationship between the amount of information gathered and the benefits and costs of gathering the information.

6 **Explain that people may choose to donate money to charitable organizations and other not-for-profit organizations because they gain satisfaction from donating. Example: Brainstorm a list of charitable organizations that are operating in the community. For each organization, list a possible reason that a donor might want to give to that charitable organization** SS.912.FL.3.6

7 **Explain how governments establish laws and institutions to provide consumers with information about goods or services being purchased and to protect consumers. Example: Draft a complaint letter to an appropriate firm or agency about a problem a consumer has encountered with a purchase.** SS.912.FL.3.7

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Clarification 1: Instruction includes understanding the governmental agencies whose mission is to protect consumers (e.g., Food and Drug Administration (FDA), United States Department of Agriculture (USDA), National Highway and Traffic Safety Administration, Federal Reserve, and Consumer Financial Protection Bureau (CFPB)).

8 **Evaluate how different forms of payment can result in costs or fees.** SS.912.FL.3.8

Clarification 1 Instruction includes understanding various forms of payments and associated costs: cash, checks, debit cards, credit cards, mobile payments, prepaid cards, buy now pay later, layaways, and rent to own.

Clarification 2 Instruction includes understanding that while the seller of a good being purchased may not explicitly charge the consumer, the consumer may bear a portion of the fees by paying a higher price.

9 **Develop a budget based on a given income and expenses for long-term and short-term financial goals. Example: Given a simple scenario, create a budget that includes an emergency fund.** SS.912.FL.3.9

Clarification 1 Instruction includes developing budgets with fixed and variable expenses, unexpected expenses (including emergency funds), and savings.

Clarification 2 Instruction includes understanding that budgets can be developed using paper, digital spreadsheets, websites, mobile phone applications, or using other financial applications.

10 **Understand that when individuals or business owners buy or sell goods or services, they may enter into contracts.** SS.912.FL.3.10

Clarification 1 Instruction includes common contracts such as cell phone plans, leases of apartments or homes, car leases, car purchases, and mortgages.

Clarification 2 Instruction emphasizes that contracts are legally binding and breaking a contract may have consequences.

11 **Evaluate and interpret terms and conditions within a contract.** SS.912.FL.3.11

Clarification 1 Instruction includes understanding terms and conditions may include, but are not limited to, duration, termination, payment terms, dispute resolution, privacy and sharing of personal information.

Clarification 2 Instruction emphasizes that users may be entering into a contract when agreeing to terms and conditions on webpages or applications.

12 **Understand the process of identifying and contesting an incorrect billing statement.** SS.912.FL.3.12

Clarification 1 Instruction includes identifying consumer-advocacy agencies (e.g., Consumer Financial Protection Bureau (CFPB), Better Business Bureau (BBB), Chamber of Commerce, Florida Department of Agriculture and Consumer Services, and Federal Trade Commission (FTC)).

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Identify and compare the different means and risks of saving and investing money, including the impact of inflation, and interest rates. SS.91.FL.4

1 **Describe the different types of accounts and financial products offered through banking institutions.** SS.91.FL.4.1

Clarification 1 Instruction includes the functions of each account (checking, savings, money markets, and certificates of deposit (CDs)), and the advantages and disadvantages of each.

Clarification 2 Instruction includes credit unions, commercial banks, traditional banks, and online banks.

2 **Compare and contrast the characteristics of the various accounts and services offered by depository institutions.** SS.91.FL.4.2

Clarification 1 Instruction includes online banking, minimum balance requirements, monthly fees, overdraft penalties, and interest rates.

Clarification 2 Instruction includes understanding the process for opening and managing a bank account.

Clarification 3 Instruction includes understanding the different components of an account, such as the routing number and the account number.

3 **Explain how people should regularly track and manage funds in their account to ensure enough funds are available in those accounts to cover any outstanding transactions or future automated withdrawals.** SS.91.FL.4.3

Clarification 1 Instruction includes understanding that account holders should regularly check the deposits and withdrawals to the accounts to ensure that these transactions were authorized by the account holder, in addition to checking for any fees charged and whether appropriate interest was credited to the account.

4 **Analyze the impact of spending versus saving. Example: Provide examples in people's lives where they might decide to buy something immediately and then wish they had instead saved the money for future purchases.** SS.91.FL.4.4

Clarification 1 Instruction includes the benefits and drawbacks of saving and spending in various situations.

5 **Describe how inflation reduces the value of money.** SS.91.FL.4.5

Clarification 1 Instruction includes understanding that the real interest rate is calculated as the nominal interest rate minus the rate of inflation.

Clarification 2 Instruction includes understanding why savers should expect a higher nominal interest rate when inflation is expected to be high.

6 **Compare the difference between the nominal interest rate and the real interest rate. Example: Given the nominal interest rate and the rate of inflation over one year, explain what will happen to the purchasing power of savings.** SS.91.FL.4.6

7 **Describe ways that money received (or paid) in the future can be compared to money held today by discounting the future value based on the rate of interest. Example: Use spreadsheet software to calculate the amount a 10-year-old would**

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need to save today to pay for one year of college tuition eight years from now. SS.91.FL.4.7

8 **Explain ways that government agencies supervise and regulate financial institutions to help protect the safety, soundness, and legal compliance of the United States banking and financial system.** SS.91.FL.4.8

Clarification 1 Instruction includes understanding the role that government agencies charged with regulating financial institutions play in helping to protect the safety, soundness, and legal compliance of the nation's banking system.

Clarification 2 Instruction includes the purpose and function of the following agencies: Federal Reserve, Office of the Comptroller of the Currency, Consumer Financial Protection Bureau (CFPB), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), and state banking departments.

9 **Describe government policies that create incentives and disincentives for people to save.** SS.91.FL.4.9

Clarification 1 Instruction includes understanding how traditional IRAs (individual retirement accounts), Roth IRAs, and educational savings accounts provide incentives for people to save.

Clarification 2 Instruction includes understanding the difference when taxes are paid with a traditional IRA versus a Roth IRA.

Clarification 3 Instruction includes understanding how taxes on interest reduce the incentive for people to save.

10 **Explain how employer benefit programs create incentives and disincentives to save and how an employee's decision to save can depend on how the alternatives are presented by the employer.** SS.91.FL.4.10

Clarification 1 Instruction includes understanding how matches of retirement savings by employers may change the incentives for employees to save.

Clarification 2 Instruction includes understanding why having employees "opt out" of savings programs results in a higher level of saving than having them "opt in" due to the idea of default bias.

Identify and analyze the benefits, risks, associated fees, and laws that consumers should consider when choosing to buy on credit. SS.91.FL.5

1 **Analyze the ways that consumers can compare the cost of credit by using the annual percentage rate (APR), initial fees charged, and fees charged for late payment or missed payments.** SS.91.FL.5.1

Clarification 1 Instruction includes the use of APR, initial fees, late fees, nonpayment fees, and other relevant information to compare the cost of credit from various sources for the purchase of a product.

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xplain why banks and financial institutions sometimes compete by offering redit at low introductory rates. SS.91.FL.5.2

Clarification 1 Instruction includes the motivating factors for a bank offering low-rate introductory credit offers.

Clarification 2 Instruction includes understanding the possible negative impacts of low-rate introductory credit offers on consumers.

3 **Explain that loans can be unsecured or secured with collateral.** SS.91.FL.5.3

Clarification 1 Instruction includes explaining why secured loans are viewed as having less risk and why lenders charge a lower interest rate than they charge for unsecured loans.

Clarification 2 Instruction includes understanding unsecured versus secured credit cards.

4 **Describe the factors that influence the cost of borrowing from the perspective of the buyer and the seller, such as down payments and interest rates.** SS.91.FL.5.4

Clarification 1 Instruction includes how a down payment reduces the total amount financed and why this reduces the monthly payment and/or the length of the loan.

Clarification 2 Instruction includes understanding why a borrower who has made a down payment has an incentive to repay a loan or make payments on time.

Clarification 3 Instruction includes discussing why people make a down payment and why lenders may consider loans made with a down payment to have less risk.

5 **Explain that lenders make credit decisions based in part on consumer payment history. Example: List factors from an individual's credit history or credit application that may cause a lender to deny credit.** SS.91.FL.5.5

Clarification 1 Instruction includes understanding that credit bureaus record borrowers' credit and payment histories, and provide that information to lenders in credit reports.

6 **Demonstrate an understanding of completing a loan application.** SS.91.FL.5.6

Clarification 1 Instruction includes the different aspects of a loan application, which include its basic requirements, limits, and credit check.

Clarification 2 Instruction includes understanding the typical choices made on a car loan such as amount of down payment, interest rate, term of loan, and monthly payment.

7 **Discuss that lenders can pay to receive a borrower's credit score from a credit bureau. Example: Explain why certain factors, such as having many credit cards with large lines of credit and large balances, might hurt a credit score.** SS.91.FL.5.7

Clarification 1 Instruction includes understanding a credit score and what it indicates about a borrower.

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8 **Analyze the costs and benefits associated with credit cards.** SS.91.FL.5.8

Clarification 1 Instruction includes understanding that while credit cards are useful for making purchases, interest rates on credit card loans are generally higher than other types of loans and may also have additional fees.

Clarification 2 Instruction includes understanding that credit card interest rates are higher for people considered to have a higher risk of nonpayment as determined by their credit scores.

9 **Describe that, in addition to assessing a person's credit risk, credit reports and scores may be requested and used by employers in hiring decisions, property owners in deciding whether to rent apartments, and insurance companies in charging premiums. Example: Provide two examples of how having a good credit score can benefit a person financially. Example: Explain why employers find it useful to hire someone with a higher credit score.** SS.91.FL.5.9

10 **Examine the fact that failure to repay a loan has significant consequences for borrowers such as negative entries on their credit report, repossession of property (collateral), garnishment of wages, and the inability to obtain loans in the future. Example: Author an expository essay that explains the future opportunities a person can lose by failing to repay loans as agreed.** SS.91.FL.5.10

11 **Explain that consumers who have difficulty repaying debt can seek assistance through credit counseling services and by negotiating directly with creditors.** SS.91.FL.5.11

Clarification 1 Instruction includes identifying the costs and benefits associated with using different credit counseling services.

12 **Explain how bankruptcy may be an option for consumers who are unable to repay debt. Example: Investigate the costs of filing for bankruptcy by examining the bankruptcy laws in Florida.** SS.91.FL.5.12

Clarification 1 Instruction includes understanding the impact of filing for bankruptcy on an individual's credit report.

13 **Explain that people often apply for a mortgage to purchase a home. Example: Predict what might happen should a homeowner fail to make his or her mortgage payments. Example: Given the specifications of a home and a salary for an individual, investigate the steps required to complete an application for a mortgage.** SS.91.FL.5.13

Clarification 1 Instruction includes understanding factors related to mortgage lending: down payment, fixed vs. variable rates, and insurance requirements.

14 **Discuss that consumers who use credit should be aware of laws that are in place to protect them. Example: Lenders must provide consumers with a full disclosure of credit terms. Given a scenario and sample disclosure, evaluate the information provided to decide about applying for credit.** SS.91.FL.5.14

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Clarification 1 Instruction includes understanding lending laws: provision of full disclosure of credit terms, discriminatory lending practices, abusive marketing practices, and debt collection.

15 **Explain that consumers are entitled to a free copy of their credit report annually.** SS.91.FL.5.15

Clarification 1 Instruction includes understanding why it is important to check the accuracy of the information recorded on a credit report and knowing what steps to take to correct errors on credit reports.

Clarification 2: Instruction includes understanding that credit report errors may increase the cost of credit.

16 **Analyze how postsecondary education can be financed through a combination of scholarships, grants, and other financial aid (e.g., Bright Futures, workstudy, student loans, and savings).** SS.91.FL.5.16

Clarification 1 Instruction includes understanding the process and importance of completing the Free Application for Federal Student Aid (FAFSA).

Clarification 2 Instruction includes identifying scholarships and grants for which an individual student may be eligible.

17 **Compare different types of student loans and understand how to complete a student loan application.** SS.91.FL.5.17

Clarification 1 Instruction includes understanding Parent Loan for Undergraduate Students (PLUS) loans, private student loans, direct subsidized loans, and direct unsubsidized loans.

Clarification 2 Instruction includes understanding the long-term costs of student loans such as accrued interest during periods of deferment or forbearance.

Identify and analyze the means, types and risks of financial investing including personal and societal influences and the government's role in regulating investments. SS.91.FL.6

1 **Explain the purpose of the following investments: stocks, bonds, mutual funds, index funds, and Exchange-Traded Funds (ETFs); real estate; money markets and annuities; and others (e.g., commodities).** SS.912.FL.6.1

Clarification 1 Instruction includes understanding that each investment has its own risk, and the consumer must decide whether the risk is worth the reward by examining available data.

Clarification 2 Instruction includes discussing tax implications of each type of investment.

2 **Compare the ways that tax rates vary on different types of investments. Example: Given tax rates and inflation rates, calculate the real, after-tax rates of return for groups of stocks and bonds.** SS.912.FL.6.2

Clarification 1 Instruction includes understanding the after-tax rate of return of an investment.

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3 **Explain how the expenses of buying, selling, and holding financial assets decrease the rate of return from an investment. Example: Identify and compare the administrative operating costs (expense ratios) of several mutual funds and estimate the differences in the total amount accumulated after 10 years for each mutual fund, assuming identical market performance. Example: Given several mutual funds, determine how much an investor may be paying in costs.** SS.912.FL.6.3

Clarification 1 Instruction includes discussing costs and fees associated with different types of investments. These costs and fees may include, but are not limited to, management fees, commissions, and annual expense ratios.

4 **Discuss that buyers and sellers in financial markets determine prices of financial assets and therefore influence the rates of return on those assets. Example: Predict what will happen to the price and rate of return on a bond if buyers believe that the bond has increased in risk.** SS.912.FL.6.4

5 **Discuss the trade-off between risk and return in comparing financial investments. Example: Explain why the expected rate of return on a "blue chip" stock is likely to be lower than that of an Internet start-up company.** SS.912.FL.6.5

Clarification 1 Instruction includes understanding that an investment with greater risk than another investment may have a lower market price, and therefore a higher rate of return, than the other investment.

6 **Explain that shorter-term investments will likely have lower rates of return than longer-term investments. Example: Compare how markets determine rates of return for two bonds, long-term bond, and a short-term bond, assuming each bond pays the same rate of interest.** SS.912.FL.6.6

7 **Describe how diversifying investments in different types of financial assets can lower investment risk. Example: Compare the risk faced by two investors, both of whom own two businesses on a beach. One investor owns a suntan lotion business and an umbrella business. The other investor owns two suntan lotion businesses.** SS.912.FL.6.7

Clarification 1 Instruction includes understanding why a financial advisor might encourage a client to include stocks, bonds, and real estate assets in his or her portfolio.

8 **Describe how financial markets adjust to current events and financial news, and that prices in those markets reflect what is publicly known about those financial assets.** SS.912.FL.6.8

Clarification 1 Instruction includes how prices of financial investments can adjust when given specific news about a company's or industry's future profitability.

9 **Discuss ways that prices of financial assets are affected by interest rates, changes in domestic and international economic conditions, monetary policy, and fiscal**

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policy. Example: Give an example of a change in interest rates affecting the current value of a financial asset that pays returns in the future. SS.912.FL.6.9

Clarification 1 Instruction includes understanding how a change in economic growth might change the value of a stock held by an investor.

10 **Explain that people vary in their willingness to take risks because the willingness to take risks depends on factors such as personality, income, time horizon, and family situation.** SS.912.FL.6.10

Clarification 1 Instruction includes understanding how the portfolio of a retiree might differ from that of a young, single person.

11 **Describe why an economic role for a government may exist if individuals do not have complete information about the nature of alternative investments or access to competitive financial markets.** SS.912.FL.6.11

Clarification 1 Instruction includes understanding why it is important for individuals to have accurate information about a company's sales and profits when investing in that company.

12 **Compare the Securities and Exchange Commission (SEC), the Federal Reserve, and other government agencies that regulate financial markets. Example: Conduct research to learn about the SEC or the Federal Reserve and identify their roles in regulating financial markets.** SS.912.FL.6.12

13 **Describe the purpose of the following accounts that hold investments: various retirement accounts (e.g., 401(k), 403(b), Traditional IRA, Roth IRA), education accounts (e.g., 529 savings plan, Coverdell Education Savings Account (ESA)), and taxable investment brokerage accounts.** SS.912.FL.6.13

Clarification 1 Instruction includes understanding that each account that holds an investment has its own risk, and the consumer must decide whether the risk is worth the reward.

Clarification 2 Instruction includes analyzing the advantages and disadvantages of each account that holds an investment.

Clarification 3 Instruction includes understanding various investment applications (mobile applications) that may be used to hold investment accounts.

14 **Evaluate the motives for using a digital currency.** SS.912.FL.6.14

Clarification 1 Instruction includes understanding the dollar price of a digital currency can be very volatile as it depends on the digital currency's supply and demand.

Clarification 2 Instruction includes understanding that a digital currency is a digital asset secured by cryptography and recorded on a block chain that may be used to send or receive payments on the internet.

Clarification 3 Instruction includes understanding reasons for the use of digital currency: financial privacy concerns, international payments, the ability to execute smart contracts, and speculation.

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Identify and analyze methods of protecting financial investments and personal information. SS.912.FL.7

1 **Describe how individuals vary with respect to their willingness to accept risk and why most people are willing to pay a small cost now if it means they can avoid a possible larger loss later. Example: Discuss whether a premium paid to insure against an accident that never happens is wasted.** SS.912.FL.7.1

Clarification 1 Instruction includes understanding self-insurance and the practice of having an emergency fund.

Clarification 2 Instruction includes understanding the potential effects on premium costs if in an emergency fund.

2 **Understand that insurance companies charge premiums to create a pool of money from which the company uses to pay for losses incurred by policyholders.** SS.912.FL.7.2

Clarification 1 Instruction includes understanding that insurance companies allow the risk of loss to be spread amongst all policyholders.

3 **Analyze and evaluate the cost-effectiveness of supplemental insurance. Example: Evaluate the cost-effectiveness of extended warranties on three consumer products: a new automobile, a smart phone, and a dishwasher. Consider the likelihood that the product will fail, the cost of replacing the item, and the price of the warranty.** SS.912.FL.7.3

Clarification 1 Instruction includes understanding how an extended warranty on a consumer product is a type of supplemental insurance.

4 **Describe why people choose different amounts of insurance coverage based on their willingness to accept risk, as well as their occupation, lifestyle, age, financial profile, and the price of insurance. Example: Given profiles for three individuals, consider options for appropriate insurance coverage based upon their unique level of personal financial risk.** SS.912.FL.7.4

5 **Explain how governments and contractual obligations can influence the decisions and responsibilities of individuals to obtain different forms of insurance. Example: Research and provide the laws and regulations that establish the amount of auto insurance drivers must purchase in Florida.** SS.912.FL.7.5

Clarification 1 Instruction includes understanding why homeowners' insurance is required by a lender when a homeowner takes out a mortgage.

6 **Describe how an insurance contract can increase the probability or size of a potential loss. Example: Given an accident scenario, calculate the amount that would be paid on an insurance claim after applying exclusions and deductibles.** SS.912.FL.7.6

Clarification 1 Instruction includes understanding that having insurance may result in the policyholder taking more risks.

Clarification 2 Instruction includes understanding that deductibles and copayments are cost-sharing features that encourage the policyholder to take steps to reduce the potential size of an insurance claim.

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7 **Explain that people can lower insurance premiums by behaving in ways that show they pose a lower risk.** SS.912.FL.7.7

Clarification 1 Instruction includes factors that potentially lower insurance rates such as taking a safedriving course to lower auto insurance cost or lower health insurance premiums for non-smokers.

8 **Identify the purposes of various types of insurance.** SS.912.FL.7.8

Clarification 1 Instruction includes understanding multiple types of insurance: health, disability, longterm care, travel, auto, renter, life, homeowner, and property and casualty.

Clarification 2 Instruction includes comparing the coverage and costs of hypothetical plans for a set of scenarios utilizing various types of insurance.

9 **Explain how government programs provide a social safety net that protects an individual from an economic hardship created by unexpected events. Example: Describe examples of government transfer programs that compensate for unexpected losses, including Social Security Disability benefits, Medicare, Medicaid, and unemployment insurance.** SS.912.FL.7.9

Clarification 1 Instruction includes understanding that workers' compensation is a governmentmandated program that provides benefits to workers that become injured or ill on a job or because of the job.

10 **Identify how responsible use of personal information can prevent identity theft. Example: Given a scenario in which an individual's personal information has been used fraudulently, explain the possible consequences that will follow in terms of loss of assets, wealth, and future opportunities.** SS.912.FL.7.10

Clarification 1 Instruction includes describing problems that can occur when an individual is a victim of identity theft.

Clarification 2 Instruction includes giving specific examples of how online transactions, online banking, email frauds, and telemarketing calls can make consumers vulnerable to identity theft.

Clarification 3 Instruction includes describing the conditions under which individuals should and should not disclose their Social Security number, account numbers, or other sensitive personal information.

11 **Compare federal and state regulations that provide some remedies, and assistance for victims of identity theft.** SS.912.FL.7.11

Clarification 1 Instruction includes recommending actions a victim of identity theft should take to limit losses and restore personal security.

12 **Identify the implications of social networking sites and other online activity on an individual's digital footprint.** SS.912.FL.7.12

Clarification 1: Instruction includes understanding that employers may check a prospective employee's digital footprint as part of the hiring process.

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13 **Explain that financial planning includes preparing for all contingencies, including death.** SS.912.FL.7.13

Clarification 1: Instruction includes estate planning: preparing wills and living wills, power of attorney documents and trusts, and estate tax planning for larger estates.

Clarification 2 Instruction includes discussing the difference between trusts and wills.

14 **Explain the implications of receiving an inheritance.** SS.912.FL.7.14

Clarification 1 Instruction includes understanding that an inheritance is money or assets a person has been bequeathed when someone passes.

Clarification 2 Instruction includes creating a detailed plan for an inheritance.

Clarification 3 Instruction includes understanding the impact to one's taxes from receiving an inheritance.

15 **Examine laws and regulations concerning personal finance. Example: Create a three-column graphic organizer to include in column (1) the governmental agency or law, column (2) its specific function as associated with personal finance, and column (3) a brief scenario of how the agency or law could interact with an individual. Include the following within column (1): Federal Deposit Insurance Corporation (FDIC), Community Reinvestment Act (CRA), Dodd-Frank Act, and National Credit Union Administration (NCUA). Complete the remaining columns as appropriate.** SS.912.FL.7.15

Clarification 1 Instruction includes understanding state and federal laws concerning personal finance.

Clarification 2 Instruction includes identifying state and federal agencies regulating personal finance.