Maryland Personal Financial Literacy

# Grades 6, 7, 8

Adopted 2010

**Make Informed, Financially Responsible Decisions - Students will apply financial literacy reasoning in order to make informed, financially responsible decisions.**

**A. Analyze the financial choices that people make based on available resources, needs, and wants for goods and services.** 1.8.A

1. Predict the consequences of making financial decisions. 1.8.A.1
2. Describe opportunity cost of financial decisions made by individuals. 1.8.A.2
3. Predict the financial outcomes in an applied decision-making process. 1.8.A.3
4. Explain the concept of financial obligations, such as promissory notes and contracts. 1.8.A.4
5. Describe the legal and ethical factors involved in making personal financial decisions. 1.8.A.5

**B. Analyze attitudes, assumptions, and patterns of behavior regarding money, saving, investing, and work including the impact on relationships.** 1.8.B

1. Compare factors that affect personal financial decisions and actions. 1.8.B.1
2. Connect the role of philanthropy, volunteer service, and charities to community development and quality of life. 1.8.B.2
3. Examine individual differences in decisions made as a consumer. 1.8.B.3

**C. Integrate and apply financial knowledge, attitudes, and skills.** 1.8.C

1. Develop and apply financial literacy vocabulary. 1.8.C.1
2. Develop an informed and responsible action to resolve personal financial literacy questions and issues. 1.8.C.2
3. Describe methods to achieve personal financial goals. 1.8.C.3
4. Differentiate between responsible and irresponsible financial decisions. 1.8.C.4

**D. Compare different types of markets** 1.8.D

1. Compare at least three markets that sell similar goods and services and explain how factors, such as cost, material quality and durability affect consumer decisions. 1.8.D.1
2. Identify fees associated with markets that are not face-to-face such as shipping and handling. 1.8.D.2

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**Analyze the economic impacts of government, business, and consumer financial decisions.** 1.8.E

1. Form hypotheses regarding the impact of the global economy on personal financial planning. 1.8.E.1
2. Predict the consequences of personal consumer decisions and actions on the global economy and the environment. 1.8.E.2
3. Describe the impacts of business, government, and consumer financial decisions on the individual, family, and community. 1.8.E.3

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**Relate Careers, Education, and Income - Students will relate choices regarding their education and career paths to earning potential.**

**A. Examine the relationships among education, skills, career choices, economic conditions, and income.** 2.8.A

1. Describe how interests, skills, career choices, and economic conditions affect education choices. 2.8.A.1
2. Describe how education choices affect income and the return on investment. 2.8.A.2
3. Describe the unique characteristics of both a job and a career, including entrepreneurship. 2.8.A.3
4. Compare the benefits and trade-offs of a variety of careers including personal satisfaction. 2.8.A.4
5. Describe the relationship of personal characteristics to a career choice. 2.8.A.5

**B. Explain sources of income.** 2.8.B

1. Identify potential sources of income. 2.8.B.1
2. Describe factors affecting income. 2.8.B.2

**C. Analyze the relationship among income, spending decisions, and lifestyle.** 2.8.C

1. Examine how income affects choices and spending decisions. 2.8.C.1
2. Examine how spending decisions may impact career choices, such as saving for college or getting a job. 2.8.C.2

**D. Explain how taxes and employee benefits relate to disposable income.** 2.8.D

1. Describe concepts associated with taxes, employee benefits, and income. 2.8.D.1
2. Identify taxable income and employee benefits. 2.8.D.2
3. Relate employee benefits to income. 2.8.D.3
4. Identify college financing options such as federal student aid. 2.8.D.4

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**Plan and Manage Money - Students will develop skills to plan and manage money effectively by identifying financial go sp**

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**A. Demonstrate the ability to use money management skills and strategies.** 3.8.A

1. Determine the feasibility of a spending plan based on a set of criteria. 3.8.A.1
2. Prepare a spending plan for various applications, such as personal, family, business, and entrepreneurship. 3.8.A.2
3. Formulate and compare money management choices that enable individuals to progress toward stated financial goals. 3.8.A.3

**B. Describe the services of financial institutions.** 3.8.B

1. Explain and select appropriate financial institutions to assist with meeting various personal financial needs and goals. 3.8.B.1
2. Describe various financial products or services and an appropriate use of each. 3.8.B.2

**C. Develop financial goals based on personal values.** 3.8.C

1. Analyze and discuss the long-range impact of setting personal financial goals. 3.8.C.1
2. Develop a plan to secure funding for a future event. 3.8.C.2

**D. Explain the purposes and responsibilities related to taxation.** 3.8.D

1. Explain the purpose of existing forms of taxation at the federal, state, and local levels. 3.8.D.1
2. Describe how government's tax policies affect individuals, families, and communities. 3.8.D.2
3. Identify reasons to comply with personal tax obligations and the consequences of not doing so. 3.8.D.3
4. Describe ways consumers can influence the use of public funds. 3.8.D.4

**E. Explain that contracts are binding agreements.** 3.8.E

1. Explain why contracts are used. 3.8.E.1
2. Identify conditions that must be met when entering into contracts. 3.8.E.2
3. Identify factors to consider when entering into a contract, such as interest rates, credit score, reputation, and/or references of involved parties. 3.8.E.3

**Manage Credit and Debt - Students will develop skills to make informed decisions about incurring debt and maintaining creditworthiness.**

**A. Explain how to use debt beneficially.** 4.8.A

1. List the purposes of debt. 4.8.A.1
2. Examine how debt can be used to establish credit. 4.8.A.2

**B. Compare the advantages and disadvantages of credit products and services.** 4.8.B

1. Analyze information about credit products and services. 4.8.B.1
2. Explain the difference between short- and long-term loans with regards to interest. 4.8.B.2
3. Describe predatory lending practices. 4.8.B.3

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**C. Identify and compare sources of credit.** 4.8.C

1. Explain credit terminology. 4.8.C.1
2. List sources of consumer credit. 4.8.C.2
3. Explain strategies used to manage credit and debt. 4.8.C.3

**D. Use numeracy skills to calculate the cost of borrowing.** 4.8.D

1. Compare and compute application of interest and compound interest. 4.8.D.1
2. Compute the amount of interest paid over time when using credit. 4.8.D.2
3. Calculate the cost of borrowing for various amounts and types of purchases. 4.8.D.3

**E. Identify and evaluate interest rates, fees, and other charges.** 4.8.E

1. Differentiate between a credit and debit card. 4.8.E.1
2. Compare advantages and disadvantages of various payment methods and options, including the Automated Clearing House. 4.8.E.2
3. Describe the purpose of a mortgage. 4.8.E.3

**F. Compare credit scores and reports.** 4.8.F

1. Link character, capacity, and capital with creditworthiness. 4.8.F.1
2. Explain the factors that impact a credit report. 4.8.F.2
3. Describe a credit report; explain what a credit score is and the factors affecting a credit score. 4.8.F.3
4. Identify ways to prevent or manage credit problems. 4.8.F.4

**G. Explain the consequences of not meeting credit obligations.** 4.8.G

1. Identify the consequences of not meeting credit obligations, such as late fees, acquiring loans, paying higher interest rates, and bankruptcy. 4.8.G.1

**Create and Build Wealth - Students will develop skills to plan and achieve long-term goals related to saving and investing in order to build financial security and wealth.**

**A. Align appropriate financial services and products to specified goals.** 5.8.A

1. Determine an investment strategy's time horizon based on a specified goal. 5.8.A.1
2. Differentiate between various investment options, such as certificates of deposit, stocks, mutual funds, and bonds, and compare their current returns. 5.8.A.2
3. Determine the fees of various financial accounts and products. 5.8.A.3

**B. Apply strategies for creating wealth and building assets.** 5.8.B

1. Distinguish between financial practices of the banked and unbanked. 5.8.B.1
2. Explain how financial institutions protect consumers' money. 5.8.B.2
3. Apply the "Rule of 72" to a financial decision. 5.8.B.3
4. Apply the principle of "Pay Yourself First" to realistic scenarios. 5.8.B.4

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5. Distinguish between income and wealth. 5.8.B.5

**C. Describe the relationships between saving and investing.** 5.8.C

1. Differentiate between income and investment growth. 5.8.C.1
2. Compare reasons for saving and reasons for investing. 5.8.C.2
3. Identify sources of investment products, such as banks, investment companies, financial planners. 5.8.C.3
4. Calculate returns on investments as it relates to time horizons. 5.8.C.4

**D. Analyze how supply and demand affect stock market price changes.** 5.8.D

1. Explain the concept of supply and demand. 5.8.D.1
2. Explain the economic principle of supply and demand as it relates to the stock market. 5.8.D.2

**E. Apply the decision-making process to financial decisions related to planning, saving, and investing.** 5.8.E

1. Examine how spending plans are used to realize financial goals. 5.8.E.1
2. Examine how saving strategies differ between a spending plan and an investment plan. 5.8.E.2

**Manage Risks and Preserve Wealth - Students will develop financial planning skills to minimize financial setbacks.**

**A. Examine strategies that protect income and wealth.** 6.8.A

1. Identify circumstances that impact income and wealth. 6.8.A.1
2. Describe forms of financial risk and risk tolerance. 6.8.A.2
3. Recognize forms of protection against financial loss. 6.8.A.3

**B. Examine the need for and value of various types of insurance (such as health, property, life, disability, and liability) within the life cycle.** 6.8.B

1. Describe the need for and value of different types of insurance. 6.8.B.1
2. Identify factors to consider when determining the amount of protection needed. 6.8.B.2
3. Identify strategies to lower insurance costs. 6.8.B.3
4. Describe ways for protecting current and future personal assets against financial loss. 6.8.B.4

**C. Investigate the purposes, strategies, and effects of various business practices, including sales techniques.** 6.8.C

1. Compare and contrast advertising for opinion versus fact. 6.8.C.1
2. Examine business practices that affect the consumer. 6.8.C.2
3. Explain the characteristics of an informed consumer. 6.8.C.3

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**Differentiate sources of consumer protection and assistance, including public institutions and private organizations (professionals, publications, and**

**internet).** 6.8.D

1. Examine how consumers fall victim to fraud and methods for protection against fraudulent activities. 6.8.D.1
2. Identify situations that put consumers in financial risk, such as sharing account information, identify theft, and co-signing on loans. 6.8.D.2
3. Explain the need to keep certain types of information secure and private. 6.8.D.3
4. Distinguish between the rights and responsibilities of buyers and sellers under consumer protection laws. 6.8.D.4
5. List actions to take to dispute a claim. 6.8.D.5