

# Financial Literacy: Grades 6, 7, 8

Adopted 2010

**Model the process of financial planning based on personal prioritization of wants and needs.**

**Develop short-term and long-term financial goals.**

- Define the steps in the goal-setting process.
- Explain the relationship between goal setting and achievement.
- Create goals according to a prioritization of wants and needs that are specific, realistic, and measurable.

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**Understanding needs vs. wants.**

- Identify expenditures as needs or wants.
- Describe persuasive strategies used by peers, media, and businesses to influence society (in decision making).

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**Create an effective spending plan using informed decision-making skills.**

**Develop a realistic spending plan for financial independence.**

- Describe the concept of a spending plan.
- Explain the advantage of spending less than you have.
- Explain the short- and long-term consequences of over spending.
- Recognize the impact of global issues on financial planning.

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**Understand various sources of compensation.**

- Describe potential sources of income for middle school students.
- Identify factors to consider when analyzing different methods of compensation.
- Explain how income can affect goals.

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**Understand the distribution of resources.**

- Explain factors that impact savings and spending plans.
- Describe expenses that employees might have.

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**Understand financial instruments.**

- Identify possible financial accounts.
  - Recognize that fees or charges may be attached to accounts.
  - Recognize the importance of keeping accurate records.
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**Recognize appropriate uses of credit and its impact on an individual's financial security.****Identify responsible credit management.**

- Identify the various types of credit card companies available and the features of each (interest rates, annual fees, limits, reward system).
  - Explain appropriate and inappropriate use of credit cards.
  - Explain how use of credit cards can help or hurt a budget.
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**Understand different types of debt.**

- Identify the types of purchases that generally require a loan.
  - Demonstrate the ability to calculate the cost of borrowing money.
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**Understand rights and responsibilities as borrowers.**

- Explain that a borrower needs to have assets to use as security for a loan.
  - Explain an individual's rights and responsibilities as a consumer.
  - Explain the concept of a credit rating.
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**Evaluate various risks to personal identity and create a plan for ongoing protection.****Establish strategies for protection of identity.**

- Recognize that a personal identity needs to be protected.
  - Recognize the impact of technology on personal security.
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**Recognize different types of insurance.**

- Explain why an individual needs various types insurance.
  - Identify factors to consider when deciding the type of and amount of insurance.
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**Recognize different types of non-insurance protection.**

- Identify types of documents that can serve as legal protection.
  - Explain the potential hazards of inappropriate or missing documentation.
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**Evaluate possible options for investing as a means to attain one's goals.****Recognize investment options.**

- Explain how saving is needed for investing.
- Explain the relationship between investing and potential entrepreneurship goals.
- Explain the difference between saving and investing.

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**Distinguish investment options.**

- Explain various options for investing money.
- Understand the effect of interest and percentage rates on investments.

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**Understand the relationship between investment risk and return.**

- Explain how an investment differs from a savings account in potential risks and return.
- Explain the importance of a personal budget and goals in the investing process.

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**Demonstrate ethical financial decision making skills and assess how these decisions might impact the broader community.****Recognize the local, state, national, and international impact of personal financial habits and actions.**

- Realize that financial habits and actions have broad impact beyond the local community.
  - Identify the factors that impact the production of goods and services beyond the local area.

Demonstrate responsible financial behaviors, at the personal, local, state, national, and international levels.

- Identify the importance of legal and ethical actions in financial behaviors.
- Explain how unethical behavior negatively impacts the broader community.
- Explain the importance of ethical behavior in building trust.