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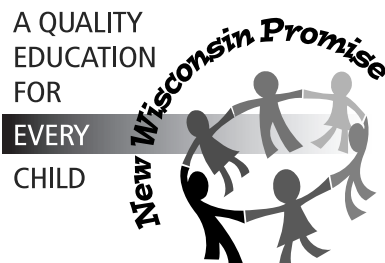
Wisconsin's Model Academic Standards for Personal Financial Literacy

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A Letter from the State Superintendent

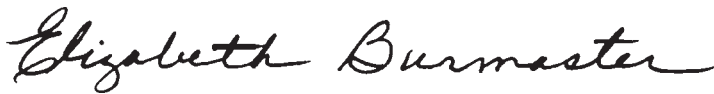
To the Citizens of Wisconsin:

Wisconsin is a vibrant state—educationally, socially, and economically. Our state and its citizens hold an ever growing place in the world community because our knowledge and skills, work ethic, and financial transactions are special to markets and workforces worldwide. Within our global economy, the interface between education and financial awareness is growing in importance. Because of that interface and the necessity to ensure our economic vitality as a nation, Wisconsin students at all grade levels need to learn to plan and make wise decisions about personal finance.

In the modern marketplace, students face more financial choices than any previous generation. These choices require a foundation in personal finance so our young people can plan and live a meaningful future—a future where they can accomplish their dreams.

One of the steps our state can take to ensure this future is development and implementation of the *Wisconsin Model Academic Standards for Personal Financial Literacy*. These standards help to build a foundation for learning to assist teachers in developing and implementing curricula that will impact students for life. The standards reflect a broad definition of personal finance and include application of knowledge and skills that address a variety of life and work issues.

This critical initiative is a true reflection of collaboration and cooperation. I thank each member of the Personal Financial Literacy Task Force who gave freely of their time and expertise to develop the standards. The efforts of the task force were also graciously supported by Secretary Lorrie Keating Heinemann of the Department of Financial Institutions and Mr. William Wilcox, President of CBM Credit Education Foundation, Inc. Making these standards become a reality for our children would not have happened without their devotion to this effort.



Elizabeth Burmaster
State Superintendent



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The Process for Developing Personal Financial Literacy Standards

The Personal Financial Literacy Task Force identified, refined, reviewed, and agreed on content standards and performance standards for personal financial literacy in four meetings between May 2005 and January 2006. Between each meeting, an eight-person DPI staff team researched and further refined the material developed by the task force.

Phase I

The aims of the first meeting in May 2005 were to:

1. Acquaint participants with the task.
2. Identify draft content standards.

Key questions for task force members:

- a. What do you wish you had learned in school for your own financial literacy?
- b. What, if anything, is distinctive about Wisconsin's economy and/or consumer behavior that might make our financial literacy standards different from another state's?

To begin identifying draft content standards, participants were asked to brainstorm silently using worksheets for their answers to this question, "What should a financially literate young person know, understand, and be able to do, on graduating from high school in Wisconsin?"

In small groups, participants identified seven ideas in response to the question on which they all agreed. All the responses were discussed and grouped into categories of likeness. The titles assigned to the clusters became the seven draft content standards. The DPI staff team was assigned the task of formatting the seven content standard statements and writing a rationale for each.

Phase II

In July 2005 the task force:

1. Reviewed and confirmed content standard statements from the first meeting.
2. Drafted performance standards derived from each of the seven content standards.

Participants were asked:

- a. What do you like about the draft content standards and would not want to see lost, if anything?
- b. What causes you concern, if anything?
- c. What have we missed, if anything?
- d. What questions do you have, if any?

"What have we missed, if anything?" was a particularly valuable question. The discussion confirmed the fact that families and students from various cultural and ethnic backgrounds often hold differing views about money, banks, debt, and other financial issues. It became clear that this variation needed to be reflected in

the content and/or performance standards. Disagreements about words and phrases were lively and sincere. The handful of contested words and phrases were referred to the DPI staff team for review and resolution.

To create benchmark performance standards at three grade levels—4, 8, and 12—all committee members considered each of the seven content standards. The DPI staff team was assigned the task of separating the performance standards into appropriate grade levels.

“As our youth continue to receive greater financial independence, and as they begin work and enter an economy that requires skills and knowledge far greater than what we faced 10, 20, or 30 years ago, it is imperative that our schools offer students a solid foundation in personal financial literacy.”

William E. Wilcox, Task Force Member
CBM Credit Education Foundation

Phase III

The goals of the third meeting in September 2005 were to:

1. Review draft performance standards to ensure that all were comprehensive, clear, and appropriate.
2. Plan for expanded input, dissemination, and implementation.

Seven work groups, one for each of the seven content standards, were established. Committee members selected the content and performance standard on which they wished to work. Recommendations for changes, deletions, and additions categorized as “high level” were reported out of each work group. The DPI staff team accepted the responsibility for assigning the performance standards to grade levels and adjusting the level of application accordingly.

Task Force Co-Chairs Annette O’Hern and Jim Morgan led the work of planning for student, educator, and public input. It was agreed that the draft content standards would be placed on the web for public review and comment. In addition, various committee members agreed to take the draft content standards to interested stakeholder groups.

Questions posed on the web survey included these:

- a. Do the content standards reflect comprehensive concepts, knowledge, and skills for personal financial literacy?
- b. Are all of the content standards (A–G) stated clearly?
- c. A recurring theme throughout the content standards is the impact of personal financial decisions on the family and community. As you read the standards, is this theme evident?
- d. In your view is this an important theme in personal financial literacy standards?
- e. Will the scope and content of the standards enable integration across the curriculum in elementary and secondary education?
- f. Please describe an existing promising practice in personal financial instruction delivered by an educator, community group, or industry group.
- g. Please indicate your preference for standards “publication” (e.g., print, web-based, CD Rom, other).
- h. Please indicate the primary target audience for distribution of the standards and the most effective format for distribution to the audiences.

“Most individuals’ choices have financial implications. In aggregate, these individuals’ decisions are at the heart of what makes up our economy. This is why financial literacy is not only vital to individuals, financial literacy is vital to our entire society.”

David Mancl, Task Force Member
Department of Financial Institutions

Phase IV

The goals of the fourth meeting of the Task Force, held on January 4, 2006, were to:

1. Review survey feedback on proposed content and performance standards and refine as needed.
2. Plan for dissemination.

Task force members discussed feedback from 250 people who responded to the on-line survey:

- a. 96% of the respondents indicated that the standards reflect comprehensive concepts, knowledge, and skills for personal financial literacy.
- b. The standards were judged to be stated clearly. Responses about clarity ranged from a 99% clarity rating for Standard D to 93% for Standard F. The average was 97% “stated clearly.”
- c. 91% confirmed that the theme of the impact on personal financial decisions on the family and community was evident.
- d. The majority of the responders—98%—believed that it is an important theme.
- e. 92% said that the scope and content of the standards enable integration across the curriculum in elementary and secondary education.
- f. Half of the responders preferred to receive the final standards via the web, 39% preferred print, and 12% preferred CD-Rom or other digital format.

A wide variety of resources, both in terms of individuals, groups, and printed material appropriate for curriculum support, were identified by those who responded to the web survey. The suggestions added substantially to the list of resources that had been compiled at the beginning of the project.

Overall response to the proposed standards was positive. Comments included:

- These are wonderful!—I’ve been waiting for such a document.
- Excellent standards and a very necessary part of education.
- The standards . . . address critical financial issues that youth need to learn in order to be financially stable and secure.
- These standards look excellent. I am very pleased to see concrete standards being developed for personal finance. Great work!

“In 2005, more people filed for bankruptcy than graduated from college.”

William E. Wilcox, Task Force Member
CBM Credit Education Foundation

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Introduction

Defining the Academic Standards

What are academic standards? Academic standards specify what students should know and be able to do, what they might be asked to do to give evidence of standards, and how well they must perform. They include content, performance, and proficiency standards.

- Content standards refer to *what* students should know and be able to do.
- Performance standards tell *how* students will show that they are meeting a standard.
- Proficiency standards indicate *how well* students must perform (a local decision).

Why are academic standards necessary? Standards serve as rigorous goals for teaching and learning. Setting high standards enables students, parents, educators, and citizens to know what students should have learned at a given point in time. The absence of standards has consequences similar to a lack of goals in any pursuit. Without clear goals, students may be unmotivated and confused.

Contemporary society is placing immense academic demands on students. Clear statements about what students must know and be able to do are essential to ensure that our schools offer students the opportunity to acquire the knowledge and skills necessary for success.

Why are state-level academic standards important? Public education is a state responsibility. The state superintendent and legislature must ensure that all children have equal access to high quality educational programs. At a minimum, this requires clear statements of what all children in the state should know and be able to do as well as evidence that students are meeting these expectations. Furthermore, academic standards form a sound basis on which to establish the content of a statewide assessment system.

Why does Wisconsin need its own academic standards? Historically, the citizens of Wisconsin are very serious and thoughtful about education. They expect and receive very high performance from their schools. While education needs may be similar among states, values differ. Standards should reflect the collective values of the citizens and be tailored to prepare young people for economic opportunities that exist in Wisconsin, the nation, and the world.

“Financial education provides the tools people need to realize their dreams for themselves, family and friends. These standards are the result of a great public/private partnership that will give teachers the tools they need to incorporate this very important curriculum into their classrooms.”

Secretary Lorrie Keating Heinemann, Task Force Member
Department of Financial Institutions

Using the Academic Standards

How will local districts use the academic standards? Adopting these standards is voluntary, not mandatory. Districts may use the academic standards as guides for developing local grade-by-grade level curriculum. Implementing standards may require some school districts to upgrade school and district curriculums. In some cases, this may result in changes in instructional methods and materials, local assessments, and professional development opportunities for the teaching and administrative staff.

Relating the Academic Standards to All Students

Academic standards may serve as the foundation for individualized programming decisions for students with EEN, LEP, and accelerated needs. While the vast majority of students with EEN and LEP should be expected to work toward and achieve these standards, accommodations and modifications to help these students reach the achievement goals will need to be individually identified and implemented. For students with EEN, these decisions are made as part of their individualized education program (IEP) plans. Accelerated students may achieve well beyond the academic standards and move into advanced grade levels or into advanced coursework.

Applying the Academic Standards Across the Curriculum

Community members need these skills to function as responsible citizens. Employers prize those employees who demonstrate these skills because they are people who can continue learning and connect what they have learned to the requirements of a job. College and university faculty recognize the need for these skills as the means of developing the level of understanding that separates the expert from the beginner.

Teachers in every class should expect and encourage the development of these shared applications, both to promote the learning of the subject content and to extend learning across the curriculum. These applications fall into five general categories:

1) Application of the Basics

2) Ability to Think

- Problem solving
- Informed decision making
- Systems thinking
- Critical, creative, and analytical thinking
- Imagining places, times, and situations different from one's own
- Developing and testing a hypothesis
- Transferring learning to new situations

3) Skill in Communication

- Constructing and defending an argument
- Working effectively in groups
- Communicating plans and processes for reaching goals
- Receiving and acting on instructions, plans, and models
- Communicating with a variety of tools and skills



4) Production of Quality Work

- Acquiring and using information
- Creating quality products and performances
- Revising products and performances
- Developing and pursuing positive goals

5) Connections with Community

- Recognizing and acting on responsibilities as a citizen

- Preparing for work and lifelong learning
- Contributing to the aesthetic and cultural life of the community
- Seeing oneself and one's community within the state, nation, and world
- Contributing and adapting to scientific and technological change

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Overview of Personal Financial Literacy

“No matter who you are, making informed decisions about what to do with your money will help build a more stable financial future for you and your family.”

Alan Greenspan

Building the Foundation—A Focus on Personal Financial Literacy

Today’s students need a strong foundation in personal finance. An estimated 80% of Wisconsin students work during their high school careers, and nearly one-third have personal checking accounts and credit cards in their own names. Among adults, the last decade has brought with it a major increase in the use of nontraditional credit products that can have annualized interest rates of 300% to 1,000%. Additionally, personal bankruptcies have increased 105% over the past 15 years. These facts contribute to the need for a more focused approach to personal finance instruction for our students, both while they are in school and in the future. These standards lay the foundation for competent, confident, and financially literate citizens.

Developing Knowledge and Skills—An Interdisciplinary Approach

The knowledge and skills set forth in the personal financial literacy standards cross all grade levels and disciplines. A comprehensive, developmentally appropriate pre-kindergarten through grade 12 program can promote personal financial literacy throughout numerous curricular areas. Educators from all grade levels can use the financial literacy standards to align instruction and create curriculum and activities designed to instill within students a desire to be financially literate. The standards are intended to help schools develop programs that provide the knowledge and skills to establish sound financial habits.

Making Connections

The *Wisconsin Model Academic Standards for Personal Financial Literacy* are similar to previously established model academic standards that set forth the knowledge, skills, and attitudes students need in order to be successful. The personal financial literacy standards add a rigor and relevance framework in order to illustrate how knowledge grows/spirals with experience and practice.

The rigor and relevance framework is a tool developed at the International Center for Leadership in Education.¹ The framework uses a knowledge taxonomy, often referred to as Bloom’s² Taxonomy, and the application model to determine rigor and relevance.

First is the knowledge taxonomy, a continuum based on the six levels of Bloom’s Taxonomy. The first level involves acquiring knowledge and being able to recall or locate that knowledge. The higher levels identify the more complex ways in which individuals use knowledge. For example, students who use several pieces of knowledge and combine them in both logical and creative ways are exhibiting a high level of rigor in learning. The second continuum, known as the application model, is one of action. Its five levels describe

1. **International Center for Leadership in Education:** http://www.daggett.com/rig_rel_instructions.html 2005
International Center for Leadership in Education, 1587 Route 146, Rexford, NY 12148.

2. **Bloom:** Bloom, B.S., Mesia, B.B., and D.R. Krathwohl. 1964. *Taxonomy of Educational Objectives* (two vols: The Affective Domain and The Cognitive Domain). New York.

putting knowledge to use. While the beginning level is about the acquisition of knowledge for its own sake, the more sophisticated end of the continuum signifies use of that knowledge to solve complex real-world problems and to create unique projects, designs, and other works for use in real-world situations.

Knowledge Taxonomy	Application Model
1. Awareness	1. Knowledge in one discipline
2. Comprehension	2. Apply knowledge in discipline
3. Application	3. Apply knowledge across disciplines
4. Analysis	4. Apply knowledge to real-world predictable situations
5. Synthesis	5. Apply knowledge to real-world unpredictable situations
6. Evaluation	6. Authentic assessment demonstrating application to real-world tasks

When they formed the content standards, the task force identified essential ideas students need to know and be able to do. Then specific concepts were spiraled through grade levels in the performance standards using the framework. For example, one of the content standards states that *students need to understand how to apply financial knowledge, attitudes, and skills*. In order to ensure that students walk away with a deep understanding of this content standard, a real-world concept was chosen and spiraled through the grade levels using the framework. The concept is studied in an increasingly sophisticated manner using both Bloom’s Taxonomy and the application model as the grade level increases. This is what the concept looks like:

*4th Grade—**List** public policy issues of concern to citizens.*

*8th Grade—**Investigate significant** questions/public policy issues of concern to citizens.*

*12th Grade—**Present significant** questions/public policy issues of concern to citizens.*

The *Wisconsin Model Academic Standards for Personal Financial Literacy* can help teachers work together to develop and implement curricula that will support students for life. Preparing young people to understand and actively participate in their own financial well-being is a vital personal skill. The economic stability of our communities and the resulting growth of our state’s economy are influenced by personal financial literacy.

The *Wisconsin Model Academic Standards for Personal Financial Literacy* have a different structure than most DPI standard documents. There are **content standards** (which describe what students will know and be able to do). Within each content standard there are **core performance standards** (the big ideas), which are similar at grades 4, 8, and 12. Each core performance standard is followed by **grade level performance standards** (what it should “look like” at grade 4, 8, or 12). See below:



A. RELATING INCOME AND EDUCATION			
CONTENT STANDARD <i>Students in Wisconsin will understand the relationship between education, income, career, and desired lifestyle and will develop the planning skills needed to achieve desired financial goals.</i>			
	BY THE END OF GRADE 4 STUDENTS WILL:	BY THE END OF GRADE 8 STUDENTS WILL:	BY THE END OF GRADE 12 STUDENTS WILL:
Core Performance Standard	A.1 Understand how career choice, education, skills, entrepreneurship, and economic conditions affect income.	A.1 Understand how career choice, education, skills, entrepreneurship, and economic conditions affect income.	A.1 Understand how career choice, education, skills, entrepreneurship, and economic conditions affect income.
Grade Level Performance Standard	A.4.1.1 Be aware of how career choices, education choices, and skills affect income. A.4.1.2 Recognize the difference between a job and a career.	A.8.1.1 Relate how career choices, education choices, skills, entrepreneurship, and economic conditions affect income. A.8.1.2 Describe the unique characteristics of both a job and a career.	A.12.1.1 Evaluate and demonstrate how career choices, education choices, skills, entrepreneurship, and economic conditions affect income. A.12.1.2 Analyze how personal and cultural values may impact financial decisions.

A. RELATING INCOME AND EDUCATION

CONTENT STANDARD

Students in Wisconsin will understand the relationship between education, income, career, and desired lifestyle and will develop the planning skills needed to achieve desired financial goals.

Rationale: Establishing short-range and long-range financial goals is an essential part of financial literacy. This process begins while a person is in school and continues throughout life. A clear understanding of the interconnectedness of educational attainment, career choice, entrepreneurial attitudes, economic conditions, and desired lifestyle will help to shape goals and increase the likelihood of reaching them.

BY THE END OF GRADE 4 STUDENTS WILL:

- A.1 Understand how career choice, education, skills, entrepreneurship, and economic conditions affect income.**
 - A.4.1.1 Be aware of how career choices, education choices, and skills affect income.
 - A.4.1.2 Recognize the difference between a job and a career.
- A.2 Understand the sources of income and alternative resources.**
 - A.4.2.1 Identify potential sources of income.
 - A.4.2.2 Identify various employee employment benefits.
- A.3 Explain how income affects lifestyle choices and spending decisions.**
 - A.4.3.1 Explain how income affects spending.
 - A.4.3.2 Determine how personal interest and talents can affect career choice.
- A.4 Explain how taxes and employee benefits relate to disposable income.**
 - A.4.4.1 Explain the meaning and purposes of taxes.



A.1 Understand how career choice, education, skills, entrepreneurship, and economic conditions affect income.

A.8.1.2 Describe the unique characteristics of both a job and a career.

A.8.2.1 Identify and understand factors affecting income.

A.8.2.2 Understand how employee benefits relate to income.

A.8.3.1 Examine how income affects choices and spending decisions.

A.8.3.2 Investigate how individual skills and abilities can be applied to a career choice.

A.8.4.1 Discuss concepts associated with taxes and income.

A.8.4.2 Identify the origin and purposes of the payroll deduction process.

A.8.4.3 Identify taxable income and employee benefits.

A.8.4.4 Research government policies and programs that are available to employees.

A.1 Understand how career choice, education, skills, entrepreneurship, and economic conditions affect income.

A.12.1.2 Analyze how personal and cultural values may impact financial decisions.

A.12.2.1 Understand and critique sources of income and resources available that may substitute for

A.12.2.2 Describe alternatives to increasing income by displaying factors related to income and benefits.

A.12.3.1 Develop a plan to designate how income affects decisions to purchase and spend.

A.12.3.2 Understand and display the relationship of career-income-lifestyle.

A.12.4.1 Demonstrate how taxes can change or affect income and lifestyle.

A.12.4.2 Analyze how payroll deductions modify an employee's disposable income.

A.12.4.3 Explain how taxable income impacts disposable income.

A.12.4.4 Research government programs and services that are available to employees and how they affect the quality of life.

B. MONEY MANAGEMENT

CONTENT STANDARD

Students in Wisconsin will manage money effectively by understanding and developing financial goals and budgets.

Rationale: Money management is the basis of being financially responsible. Learning how to plan, develop, use, and maintain a personal budget is the first step in being able to make quality financial choices and decisions. The ability to apply positive money management skills, set financial goals, and understand effective cash flow strategies are the next steps that allow students to be responsible consumers.



PERFORMANCE STANDARDS

BY THE END OF GRADE 4

STUDENTS WILL:

B.1 Demonstrate ability to use money management skills and strategies.

B.4.1.1 Identify the consequences of various financial decisions related to spending and saving.

B.4.1.2 Define a budget and its importance.

B.2 Understand the purposes and services of financial institutions.

B.4.2.1 Identify the purposes of financial institutions in the community.

B.4.2.2 Understand the difference between cash, check, credit card, and debit card.

B.3 Develop a financial vision based on an examination of personal values.

B.4.3.1 Identify ways to earn and save for a future event.

B.4.3.2 Recognize age-appropriate financial goals.

B.4 Understand the history, purposes, roles, and responsibilities related to taxation.

B.4.4.1 Identify existing forms of taxation.

B.4.4.2 Explain how taxes are collected and used.

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B.1 Demonstrate ability to use money management skills and strategies.

B.8.1.1 Formulate and compare money management choices that enable individuals to progress toward stated financial goals.

B.8.1.2 Prepare a budget for various applications (personal, family, business).

B.2 Understand the purposes and services of financial institutions.

B.8.2.1 Analyze and select appropriate financial institutions to assist with meeting various personal financial needs and goals.

B.8.2.2 Describe various financial products or services (ATM, debit cards, credit cards, checkbooks, etc.) and the most appropriate use of each.

B.3 Develop a financial vision based on an examination of personal values.

B.8.3.1 Develop a plan to secure funding for a future event.

B.8.3.2 Analyze and discuss the long-range impact of setting personal financial goals.

B.8.3.3 Compare and contrast the influence of culture, traditions, location, and experience on personal financial goals.

B.4 Understand the history, purposes, roles, and responsibilities related to taxation.

B.8.4.1 Explain the history of existing forms of taxation at the federal, state, and local levels.

B.8.4.2 Identify reasons to comply with personal tax obligations and the consequences of not doing so.

B.8.4.3 Describe the advantages and disadvantages of various sources of assistance with tax planning and filing.

• • • • •

B.1 Demonstrate ability to use money management skills and strategies.

B.12.1.1 Apply various money management strategies to authentic situations and predict results over time.

B.12.1.2 Analyze and compare income and spending plans as affected by age, needs, and resources.

B.2 Understand the purposes and services of financial institutions.

B.12.2.1 Develop a plan that uses the services of various financial institutions to meet personal and family financial goals.

B.12.2.2 Describe and calculate interest and fees applied to various forms of spending, debt, and saving.

B.3 Develop a financial vision based on an examination of personal values.

B.12.3.1 Compare various strategies for securing funding for a future event.

B.12.3.2 Correlate long-range personal goals with financial needs and resources.

B.12.3.3 Estimate the impact of economic conditions, cultural values, age, and location on strategies for reaching personal financial goals.

B.4 Understand the history, purposes, roles, and responsibilities related to taxation.

B.12.4.1 Analyze the application and impact of various forms of taxation on individuals, families, and public agencies.

B.12.4.2 Develop personal financial planning strategies that respond to and use tax deductions and shelters.

B.12.4.3 Analyze the relationship between various forms of taxation.

C. CREDIT AND DEBT MANAGEMENT

CONTENT STANDARD

Students in Wisconsin will make informed decisions about incurring debt and will manage indebtedness to remain both creditworthy and financially secure.

Rationale: Most people incur debt and seek credit for major purchases such as a home, car, education, and/or business. The ability to choose the most advantageous sources and forms for financing has long-term benefits. It is essential to make informed decisions when incurring debt, understand the true costs of credit, and develop skills for managing existing debt.



PERFORMANCE STANDARDS

BY THE END OF GRADE 4

STUDENTS WILL:

- C.1 Identify and evaluate credit products and services.**
 - C.4.1.1 Explain the difference between products and services.
 - C.4.1.2 Describe the concept of a loan.
- C.2 Identify and compare sources of credit.**
 - C.4.2.1 Describe the difference between credit and debt.
 - C.4.2.2 List sources of credit.
- C.3 Identify and evaluate interest rates, fees, and other charges.**
 - C.4.3.1 Understand the concept of a credit card and a debit card.
 - C.4.3.2 Understand the relationship between income and expenses.
 - C.4.3.3 Identify debt payment methods.
- C.4 Interpret credit sources and reports.**
 - C.4.4.1 Discuss personal responsibilities related to borrowing.
- C.5 Calculate the cost of borrowing.**
 - C.4.5.1 Define interest.
- C.6 Explain the rights and responsibilities of buyers and sellers under consumer protection laws.**
- C.7 Understand how to leverage debt.**
 - C.4.7.1 List reasons why people borrow.
- C.8 Describe the implications of bankruptcy.**
- C.9 Analyze the pros and cons of high cost alternative financial services.**

C.1 Identify and evaluate credit products and services.

C.8.1.2 Analyze information about products and services.

C.2 Identify and compare sources of credit.

C.8.2.2 Explain strategies of debt and credit management.

C.8.2.4 Analyze sources of consumer credit.

C.3 Identify and evaluate interest rates, fees, and other charges.

C.8.3.2 Differentiate between a credit card, charge card, and debit card.

C.8.3.3 Demonstrate balance sheet concepts: debit and credit.

C.8.3.4 Compare advantages and disadvantages of various debt payment methods.

C.8.3.5 Define terminology associated with mortgages.

C.4 Interpret credit sources and reports.

C.8.4.1 Explain the factors affecting a “credit score.”

C.8.4.2 Identify factors that affect creditworthiness and the purposes of credit records.

C.8.4.3 Identify ways to avoid or correct credit problems.

C.5 Calculate the cost of borrowing.

C.8.5.1 Compare and compute application of *interest*, *compound interest*, and *amortization*.

C.8.5.2 Compute the amount of interest paid over time when using credit.

C.8.5.3 Calculate the cost of borrowing for various amounts and types of purchases.

C.6 Explain the rights and responsibilities of buyers and sellers under consumer protection laws.

C.8.6.1 Explain *credit counseling* and appropriate times to utilize it.

C.8.6.2 Distinguish between the rights and responsibilities of buyers and sellers under consumer protection laws.

C.7 Understand how to leverage debt.

C.8.7.1 List the purposes of debt.

C.8.7.2 Examine ways to leverage debt beneficially.

C.8 Describe the implications of bankruptcy.

C.8.8.1 Identify different types of bankruptcy.

C.8.8.2 Examine ways to avoid bankruptcy.

C.8.8.3 Outline the implication(s) of bankruptcy.

C.9 Analyze the pros and cons of high cost alternative financial services.

C.8.9.1 Illustrate products and practices such as instant tax refunds and payday lending.

C.8.9.2 Describe predatory lending practices.

C.1 Identify and evaluate credit products and services.

- ## C.2 Identify and compare sources of credit.

- ### C.3 Identify and evaluate interest rates, fees, and other credit charges.

- #### C.4 Interpret credit sources and reports.

- C.5 Calculate the cost of borrowing.**

- C.12.5.3 Calculate and compare the total cost of borrowing for various amounts and types of purchases.

C.12.6.1 Apply *credit counseling* to various situations and assess the resources that could be used for it.

- ### C.7 Understand how to leverage debt.

- C.12.7.2 Assess and apply leveraged debt.

C.12.8.1 Compare the different types of bankruptcy and list the effects of each.

- C.12.8.3 Evaluate the implication(s) of bankruptcy to self and others.

C.12.9.1 Explain products and practices such as instant tax refunds and payday lending.



D. PLANNING, SAVING, AND INVESTING

CONTENT STANDARD

Students in Wisconsin will understand the value, features, and planning processes associated with saving and investing, and be able to apply this knowledge to long-term financial security and wealth.

Rationale: Financial institutions, investment options, avenues for financial research, the economic history and performance of investments, and the appropriate application of basic economic principles are all essential features of planning, saving, and investing. Using information from these and other sources will lead to wiser decisions for individual, family, and business financial planning.



PERFORMANCE STANDARDS

**BY THE END OF GRADE 4
STUDENTS WILL:**

- D.1 Apply strategies for creating wealth/building assets.**
 - D.4.1.1 Explain the principle of *savings*.
 - D.4.1.2 Define *opportunity cost*.
- D.2 Match appropriate financial services and products with specified goals.**
 - D.4.2.1 Identify various ways to save.
- D.3 Describe the relationships between saving and investing**
 - D.4.3.1 Define *investing*.
 - D.4.3.2 Differentiate between saving and investing.
- D.4 Apply the concepts of supply and demand to stock market price changes.**
- D.5 Demonstrate ability to use decision-making processes in making financial decisions related to planning, saving, and investing.**
 - D.4.5.1 Describe reasons to save.

D.1 Apply strategies for creating wealth/building assets.

- ## D.2 Match appropriate financial services and products with specified goals.

- ### D.3 Describe the relationships between saving and investing

- #### D.4 Apply the concepts of supply and demand to stock market price changes.

- D.5 Demonstrate ability to use decision-making processes in making financial decisions related to planning, saving, and investing.**

- ### D.1 Apply strategies for creating wealth/building assets.

- ## D.2 Match appropriate financial services and products with specified goals.

- ### D.3 Describe the relationships between saving and investing

- #### D.4 Apply the concepts of supply and demand to stock market price changes.

- D.5 Demonstrate ability to use decision-making processes in making financial decisions related to planning, saving, and investing.**

- WISCONSIN'S MODEL ACADEMIC STANDARDS 13

E. BECOMING A CRITICAL CONSUMER

CONTENT STANDARD

Students in Wisconsin will know and use available consumer resources and make responsible choices by applying economic principles in their consumer decisions.

Rationale: The increasing scope of product and service choices makes it essential that citizens know their resources, rights, and responsibilities as consumers. This includes an understanding of the role of contextual factors in decision making as well as the role of advertising, sales techniques, consumer laws, and consumer organizations. The ability to analyze opportunity costs, value, and benefits of products and services is an essential skill for consumers.



PERFORMANCE STANDARDS

BY THE END OF GRADE 4 STUDENTS WILL:

- E.1 Understand the impact of contextual factors associated with consumer decision making. (e.g., social, historical, political, family, cultural, philosophical).**
 - E.4.1.1 Identify factors to consider when making one's own consumer decisions.
- E.2 Investigate the purposes, strategies, and effects of various business practices, including sales schemes or scams.**
 - E.4.2.1 Recognize techniques and effects of deceptive advertising.
 - E.4.2.2 Identify business practices that affect the consumer.
- E.3 Understand the cost of interest rates and fees associated with financial services.**
 - E.4.3.1 Identify interest rates and fees associated with financial services.
- E.4 Understand that verbal contracts are as binding as written agreements.**
 - E.4.4.1 Define written and verbal contracts.
 - E.4.4.2 Recognize when contracts are used.
- E.5 Identify sources of consumer protection and assistance including public institutions and private organizations (professionals, publications, and internet).**
 - E.4.5.1 Describe fraud and the location of legal language regarding fraud.
 - E.4.5.2 Recognize resources that can be used to make consumer decisions.
- E.6 Examine critically the impact of socio-cultural norms and demographics related to money, saving, and spending.**
 - E.4.6.1 List the forms of money.
 - E.4.6.2 Identify the benefits and costs of buying goods.
 - E.4.6.3 Identify elements of being a responsible consumer.

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E.1 Understand the impact of contextual factors associated with consumer decision making. (e.g., social, historical, political, family, cultural, philosophical).

E.8.1.1 Examine individual differences in decisions made as a consumer.

E.2 Investigate the purposes, strategies, and effects of various business practices, including sales schemes or scams.

E.8.2.1 Compare and contrast advertising for opinion vs. fact.

E.8.2.2 Examine the impact of selected business practices.

E.3 Understand the cost of interest rates and fees associated with financial services.

E.8.3.1 Compare, contrast, and compute interest rates and fees of various financial institutions.

E.4 Understand that verbal contracts are as binding as written agreements.

E.8.4.1 Identify the components of completed written and verbal contracts.

E.8.4.2 Explain why contracts are used.

E.5 Identify sources of consumer protection and assistance including public institutions and private organizations (professionals, publications, and internet).

E.8.5.1 Analyze the elements and laws associated with fraud.

E.8.5.2 Identify resources that can be used in making consumer decisions.

E.6 Examine critically the impact of socio-cultural norms and demographics related to money, saving, spending, and so forth.

E.8.6.1 Explain the forms and functions of money.

E.8.6.2 Compare the value of goods or services from different sellers.

E.8.6.3 Demonstrate aspects of being a responsible consumer.

**BY THE END OF GRADE 12
STUDENTS WILL:**

E.1 Understand the impact of contextual factors associated with consumer decision making. (e.g., social, historical, political, family, cultural, philosophical).

E.12.1.1 Compare and contrast individual differences and influences on consumer decisions related to money.

E.2 Investigate the purposes, strategies, and effects of various business practices, including sales schemes or scams.

E.12.2.1 Evaluate the influence of advertising and the media on decision making and spending.

E.12.2.2 Evaluate selected business practices for consequences to individuals, families, and society.

E.3 Understand the cost of interest rates and fees associated with financial services.

E.12.3.1 Determine the cost of various interest rates and fees to a consumer.

E.4 Understand that verbal contracts are as binding as written agreements.

E.12.4.1 Examine sample written and verbal contracts for essential components and meaning.

E.12.4.2 Evaluate contracts for their completeness and usefulness.

E.5 Identify sources of consumer protection and assistance including public institutions and private organizations (professionals, publications, and internet).

E.12.5.1 Evaluate how fraudulent activities affect consumers and the creation of laws.

E.12.5.2 Analyze and apply multiple sources of financial information when making consumer decisions.

E.6 Examine critically the impact of socio-cultural norms and demographics related to money, saving, and spending.

E.12.6.1 Evaluate and rank the functions of money.

E.12.6.2 Evaluate the benefits and risks of various products.

E.12.6.3 Assess the power and impact of consumer movements.

F. COMMUNITY AND FINANCIAL RESPONSIBILITY

CONTENT STANDARD

Students in Wisconsin will understand the personal and social impact of their own financial decisions within the family, the local community, and the global community, as well as understand the ethical and legal issues related to income, profit, and personal wealth.

Rationale: The broader implications of personal financial decisions were never more critical than in today's expanding global economy. The reality and potential for building and using personal wealth includes the need for a sense of responsibility to the broader community. This sensibility also requires an understanding of legal rights and responsibilities, and is part of being a good citizen.



PERFORMANCE STANDARDS

BY THE END OF GRADE 4 STUDENTS WILL:

F.1 Understand factors that affect citizen financial decisions and actions.

F.4.1.1 Describe individual, social, and cultural differences in the understanding and use of money and other financial resources.

F.4.1.2 Recognize attitudes, assumptions, and patterns of behavior regarding money, saving, investing, and work.

F.2 Practice skills related to fiscal responsibility and personal decision making.

F.4.2.1 Identify processes for responsible financial planning and decision making.

F.3 Integrate and apply financial knowledge, attitudes, and skills.

F.4.3.1 List public policy issues of concern to citizens (as family members, workers, community members, and citizens).

F.4.3.2 Define *cost-benefit* and *opportunity-cost*.

F.4.3.3 List options for informed and responsible action to address significant personal financial literacy questions/issues.

F.4 Understand the interdependent role of government, business, consumer, and personal finance in the economy.

F.4.4.1 Understand the concept and forms of taxation and its role in public activities/initiatives.

F.4.4.2 Compare interrelationships between the management of personal financial resources, the economic system, and important social values.

F.4.4.3 Describe ways the economic system of production and consumption is a means to achieve other important societal goals.

F.4.4.4 Identify how citizen decisions and actions can influence the use of economic resources to achieve basic societal and individual services.

F.4.4.5 Understand the concept of financial obligations.

- F.5 Examine the impact that government, business, consumer, and financial decisions and actions have on the individual, family, community, society, and world.**
- F.4.5.1 Relate the impact of global economic events to personal financial planning.
- F.4.5.2 Summarize the consequences of consumer-citizen decisions and actions on the economy, broader society, and the environment.
- F.4.5.3 Define the importance and impact of business, government, and consumer fiscal responsibility.
- F.4.5.4 Understand the role of philanthropy, volunteer service, and charities in community development and quality of life.

**BY THE END OF GRADE 8
STUDENTS WILL:**

- F.1 Understand factors that affect citizen financial decisions and actions.**
- F.8.1.1 Classify individual, social, and cultural differences in understanding and use of money and other financial resources.
- F.8.1.2 Analyze attitudes, assumptions, and patterns of behavior regarding money, saving, investing, and work.
- F.2 Practice skills related to fiscal responsibility and personal decision making.**
- F.8.2.1 Differentiate legal and ethical bases for making personal and societal financial decisions.
- F.3 Integrate and apply financial knowledge, attitudes, and skills.**
- F.8.3.1 Investigate significant questions/public policy issues of concern to citizens as family members, workers, community members, and citizens.
- F.8.3.2 Contrast cost-benefit and opportunity-cost.
- F.8.3.3 Compare informed and responsible actions in addressing significant personal financial literacy questions/issues.
- F.4 Understand the interdependent role of government, business, the consumer, and personal finance in the economy.**
- F.8.4.1 Demonstrate the concept and forms of taxation and its role in public activities/initiatives.
- F.8.4.2 Compare interrelationships between the management of personal financial resources, the economic system, and significant social values.
- F.8.4.3 Illustrate how the economic system of production and consumption may be a means to achieve other significant societal goals.
- F.8.4.4 Analyze how citizen decisions and actions can influence the use of economic resources to achieve basic societal and individual services.
- F.8.4.5 Examine the implications of legal and ethical behavior when making personal financial decisions.
- F.5 Examine the impact that government, business, consumer, and financial decisions and actions have on the individual, family, community, society, and world.**
- F.8.5.1 Speculate about the impact of global economic events on personal financial planning.
- F.8.5.2 Demonstrate the consequences of consumer-citizen decisions and actions on the economy, broader society, and the environment.
- F.8.5.3 Compare and contrast the importance and impact of business, government, and consumer fiscal responsibility.
- F.8.5.4 Connect the role of philanthropy, volunteer service, and charities to community development and quality of life.

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G. RISK MANAGEMENT

CONTENT STANDARD

Students in Wisconsin will understand the features and role of insurance in financial planning and be able to analyze and balance risk against benefits in financial planning.

Rationale: Major unexpected financial losses or needs can affect the financial status of an individual or family for years. In addition to avoiding unreasonable risks in saving and investing, contemporary economics also requires that insurance, including life, property, health, liability, and disability, be part of personal, family, and business financial planning.



PERFORMANCE STANDARDS

BY THE END OF GRADE 4 STUDENTS WILL:

G.1 Understand the nature of personal financial risk and the importance of protecting against financial loss.

G.4.1.1 Define *financial risk*.

G.4.1.2 Identify different forms of financial risk.

G.4.1.3 Recognize the importance of protection against financial loss.

G.2 Examine the need for and value of various types of insurance within the life cycle.

G.4.2.1 Define *insurance*.

G.4.2.2 Explain the basic premise behind insurance.

G.4.2.3 List potential consequences of being over- or under-insured.

G.3 Integrate and apply concepts related to personal financial risk, protection from loss, and financial planning.

G.4.3.1 Identify the opportunity-cost associated with selected financial decisions.

G.4.3.2 Describe the importance of protecting personal assets against financial loss (e.g., as applied to a classroom financial project).

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G.1 Understand the nature of personal financial risk and the importance of protecting against financial loss.

G.8.1.1 Predict the impact of loss associated with different types of financial risk.

G.8.1.2 Explain how to reduce financial risk to self, family, and community.

G.8.1.3 Identify ways to manage the possibility of financial loss.

G.2 Examine the need for and value of various types of insurance (such as health, property, life, disability, and liability) within the life cycle.

G.8.2.1 Describe the need for and value of different types of insurance.

G.8.2.2 Identify factors to consider when determining the amount of protection needed.

G.8.2.3 Identify strategies to lower insurance costs.

G.3 Integrate and apply concepts related to personal financial risk, protection from loss, and financial planning

G.8.3.1 Apply opportunity-cost analysis to selected financial situations.

G.8.3.2 Explain why it is important to develop plans for protecting current and future personal assets against financial loss.

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G.1 Understand the nature of personal financial risk and the importance of protecting against financial loss.

G.12.1.1 Analyze risk vs. benefit in various financial situations.

G.12.1.2 Develop a personal concept of financial risk management.

G.12.1.3 Explain how risk management strategies protect against financial loss.

G.2 Examine the need for and value of various types of insurance (such as health, property, life, disability, and liability) within the life cycle.

G.12.2.1 Investigate and apply different types of insurance coverage to selected situations (such as automobile insurance).

G.12.2.2 Review and apply criteria to choose insurance coverage for selected situations (such as automobile insurance).

G.12.2.3 Compare insurance rates, premiums, and deductibles to minimize costs in selected situations.

G.3 Integrate and apply concepts related to personal financial risk, protection from loss, and financial planning.

G.12.3.1 Evaluate the results of opportunity-cost analysis to determine individual and family needs for protection.

G.12.3.2 Create an individual or family insurance plan for selected situations.

Resources and Links to Instructional and Assessment Tools

Personal Finance

- The ABCs of Credit Card Finance, Essential Facts for Students*—Trainer's Guide by Carol A. Carolan. 2006. Burlingame, CA: Center for Student Credit Card Education, Inc. P.O. Box 18, Burlingame, CA 94001-0018, 650/347-3327 or www.cscce.com
- Advertising Age*—advertising issues, www.adage.com
- Affluenza: The All-Consuming Epidemic*—DeGraef, John, David Wann, & Thomas Naylor. 2001. San Francisco: Berrell-Koehler.
- A.G. Edwards*—resources for teaching young children about money, www.agedwards.com/public/content/fcgi/bma/frontpage.fcgi
- American Bankers Association Education Foundation*—resources for teaching teens and young adults, www.aba.com/Consumer+Connection/Young_Adults_main_page.htm
- Americans for Consumer Education and Competition (ACES)*—"Personal Finance and Financial Planning" at 202/661-6102 or www.todaymoney matters.org
- AssetBuilders of America, Inc.*—promotes financial education and wealth-building strategies to enhance the quality of life of low-income youth, families, and communities, www.assetbuilders.org
- Basics of Saving and Investing: A Teaching Guide*—for designing a personal financial plan, learning how financial markets work, selecting among various savings and investment options, finding and using investment information, and recognizing and victim-proofing yourself against investment fraud by the National Association of Securities Dealers, Investor Protection Trust, the North American Securities Administrators Association, and the National Institute for Consumer Education, http://apps.nasd.com/investor_Information/tools/teachers/basics_savings.asp
- Better Business Bureau Online*—information for using Better Business Bureau, www.bbbonline.org
- Bureau of Engraving and Printing*—access to money central station on money factory; click on "BEP for kids," www.bep.treas.gov
- Bureau of Labor Statistics*—information about the consumer price index, <http://stats.bls.gov>
- Business Education/FBLA*—www.dpi.wi.gov/cte/letbuspg.html
- Capital One*—credit education resources, www.capitalone.com/creditcards/index.php
- Capitate Your Kids*—John Whitcomb. Milwaukee, WI: Popcorn Press, 2000.
- Choose to Save*—many financial calculators from American Savings Education Council and the Employee Benefit Research Institute, www.choosetosave.org/calculators/
- Circle of Simplicity: Return to the Good Life*—Cecile Andrews. New York: Harper Collins, www.cecileandrews.com/
- CNN Money Site*—resources on money issues, <http://money.cnn.com>
- Collapse: How Societies Choose to Fail or Succeed and Guns, Germs and Steel*—Jared Diamond, en.wikipedia.org/wiki/Jared_Diamond
- College Parents of America/MasterCard International*—booklet "Money Talks" provides tips for helping high school and college aged students master the financial facts of life, www.collegeparents.org

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Consumer Alert in Wisconsin—scams and rip-offs, www.legalexplorer.com/consumer/consumer.asp; reports can be made to the Wisconsin Department of Agriculture, Trade and Consumer Protection, Consumer Hotline at 800/422-7128.

Consumer Education for Teens—a resource developed by teens for teens, www.atg.wa.gov/teenconsumer/

Consumer Federation of America—consumer advocacy organization lobbying on issues such as health insurance, financial services, agriculture, food safety, housing, firearms, product safety, and product liability, www.consumerfed.org

Consumer Jungle—Young Adult Consumer Education Trust, a consumer education program for young adults with “camps” for teachers, students, and parents, www.consumerjungle.org

Consumer Law Links—consumer law information, nonprofit consumer organizations and online sites, and federal government consumer resources, <http://www.lieffcabraser.com/consumer.htm>

The Consumer Law Page—resources on consumer legal issues, www.consumerlawpage.com

Consumer Product Safety Commission—www.cpsc.gov

Consumer Reports—some free information; some information requires a fee to access, www.consumerreports.org

Consumer Rights and Protection in the “Lectric Law Library Lawclopedia’s”—contains lots of information and links on questions and problems consumers run into; general information topics; and scams, swindles, and rip-offs, <http://www.lectlaw.com/tcos.html>

Consumer Science Business Professionals—consumer business, experts, and specialists, www.consumerexpert.org

Consumer Science in the Public Interest—www.cspinet.org

Consumer World—a public service, non-commercial guide with over 2000 of the most useful consumer resources, www.consumerworld.org

CoolSavings—online shopping resources, www.coolsavings.com

Cost of Living Calculator—www.newsengin.com/neFreeTools.nsf/CPIcalc

Credit Drives America—an educational program created and sponsored by Ford Motor Credit Company to bring a basic knowledge of the use of credit to students in their final two years of high school, www.fordcredit.com/creditrivesamerica

Credit Union League—compare loan quotes, www.refinancelibrary.com/mortgage/index.php?sid=5068

Cross-border ecommerce complaints—joint consumer protection project; agencies from 20 nations. Site has several language alternatives for lodging consumer complaints, www.econsumer.gov/

Curriculum Planning in Consumer Economics—Sharon Strom. 2003. Madison: Wisconsin Department of Public Instruction. Available through the Publication Sales Office at www.dpi.wi.gov/pubsales/stw_15.html

Direct Marketing Association—information about direct marketing, www.the-dma.org

Dog & Pony Show, LLC—describes programs for young adults: “Big Money” and “Big Life,” <http://dogandponyshow.server101.com/program.htm>

Ed Wise—loan management tool from California Student Aid Commission, www.edwise.org

Equifax—one of the three major credit-reporting agencies, www.equifax.com

Experian—one of the three major credit-reporting agencies, www.experian.com

Eye on Credit—includes credit card warnings and information about categories of credit cards, www.eyeoncredit.com

Family, Career and Community Leaders of America (FCCLA)—“Financial Fitness—National Peer Education Program on Banking Basics, Cash Control, Making Money, Consumer Clout, and Financing Your Future” and “The Financial Fitness Handbook” at www.fcclainc.org

Family, Career and Community Leaders of America (FCCLA)—the STAR Event, *Entrepreneurship—Planning a Small Business*. Middle and high school student individual or team competitive event available at www.fcclainc.org

Family Economics and Financial Education, *Taking Charge of Your Finances*—education resources, life simulations, comprehensive curriculum, 18-lesson semester course, assessments, active learning tools, educational templates, enhancement tools, related multiple disciplines, and newsletters available to download at www.familyfinance.montana.edu. PO Box 173540, Bozeman, MT 59717, 406/994-7745. [Lessons on Career Development, Consumer Decisions, Consumer Protection, Credit, Decision Making, Financial Calculators, Financial Institutions, Foods, Housing, Insurance, Introduction to Personal Finance, Investing, Paychecks and Taxes, Savings, Spending Plans, 16.0 Transportation, 17.0 Values and Goal Setting, 18.0 “Life in...”].

Federal Citizen Information Center—information on many consumer issues, www.pueblo.gsa.gov

Federal Deposit Insurance Corporation (FDIC) Consumer News—“Taking Control of Your Finances: A Special Guide to Money Management for Young Adults,” www.fdic.gov/consumers/consumer/news/cnspr05/index.html

Federal Reserve—education materials related to personal finance and teaching about money available at www.federalreserveeducation.org/FRED/fedweb/

Federal Reserve Bank of Chicago—publications and teacher resources, www.chicagofed.org/consumer_information/index.cfm

Federal Reserve Bank of San Francisco—curriculum materials, publications, and other resources, www.frbsf.org

The Federal Reserve Board—publications and resources, www.federalreserve.gov/publications.htm

Federal Trade Commission—www.ftc.gov and information about government initiatives for consumer privacy, www.ftc.gov/privacy/index.html

Federal Trade Commission—Your National Resource About Identity Theft—resources for teaching how to avoid identity theft, www.consumer.gov/idtheft

Financial Crisis and Treatment Center—resources for helping consumers in excess debt, www.myvesta.org

Financial Fitness for Life—K–12 program consists of teacher resource manuals, student workbooks, parent guides, interactive activities, and a CD-ROM available to order from National Council on Economic Education at: www.ncee.net/ea/program.php?pid=8

Financial Literacy 2010—information for financial education teachers, www.fl2010.org

Financial Literacy for Teens—the teen guide to the real world of money, by Chad Foster and Misty Elliot. 2005. Order from Financial Literacy for Teens, P.O. Box 1408, Conyers, Georgia 30012 or 770/761-8794, www.chadfoster.com

FirstGov for Consumers—page for consumers, www.consumer.gov/

The Global Grocery List Project—<http://landmark-project.com/ggl/index.html>

Identity Theft—lots of resources including links for identity theft, www.identitytheft.org

Institute of Consumer Financial Education—resources for teaching children and young adults, www.financial-education-icfe.org/children_and_money/index.asp

Insurance Resources—www.insure.com

IntelliChoice Car Center—for comparison of automobile purchase, www.intellichoice.com

Internal Revenue Service—an online interactive program for understanding taxes with teacher’s tool kit, <http://www.irs.gov/app/understandingTaxes/jsp/whys/lp/IWT2L2lp.jsp>

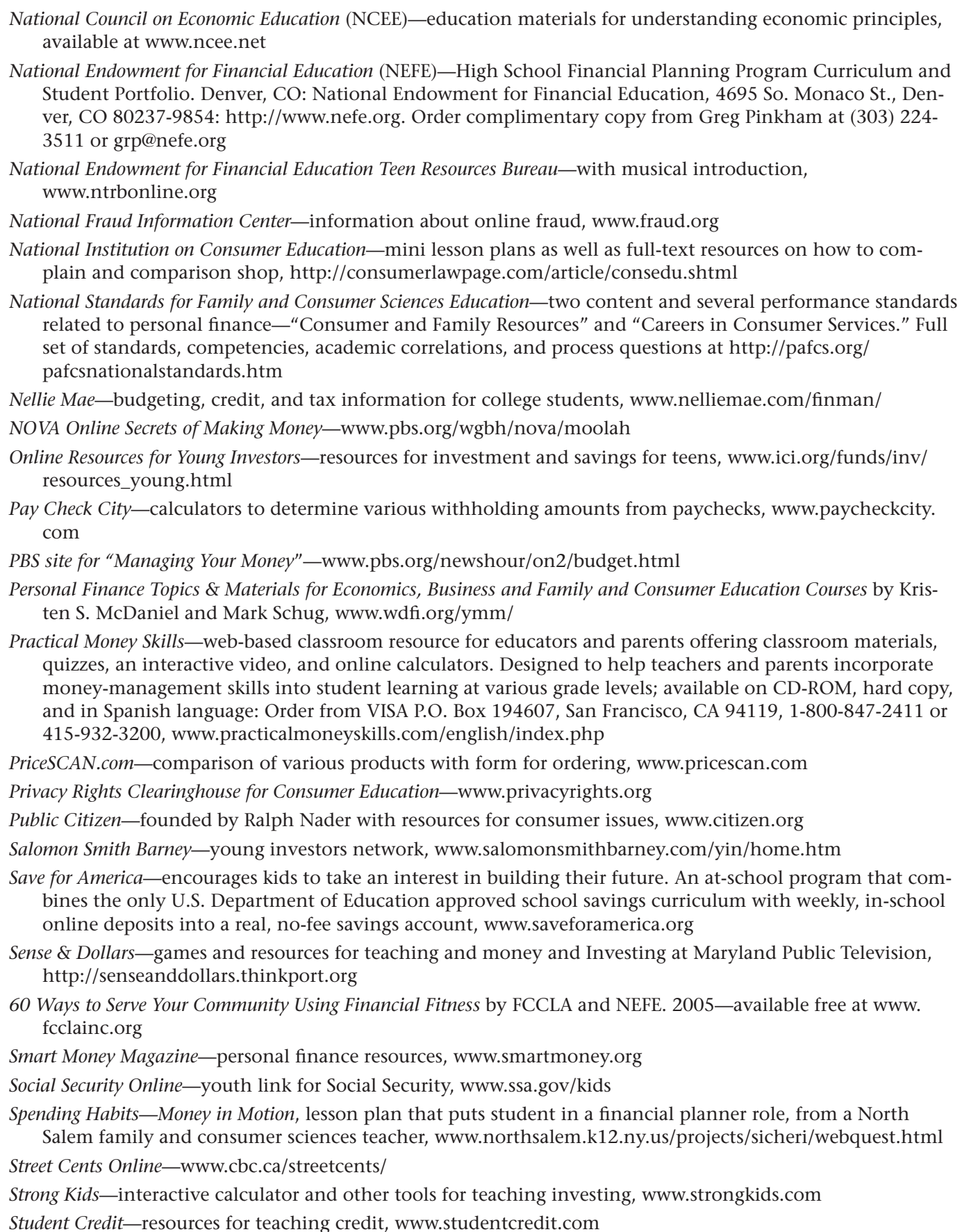
Internet Crime Complaint Center—from FBI and National White Collar Crime Center, www.ic3.gov

Internet Scam Busters—information about internet fraud, www.scambusters.com

Investing for Beginners—resources for teaching teens investing information, <http://beginnersinvest.about.com/?once=true&>

It All Adds Up—personal finance games and teacher resources, www.italladdsup.org

Jump\$tart Coalition—provides a large searchable clearinghouse of reviewed K–12 financial literacy materials organized by target group, language, interest group, type of material; topics aligned with Jump\$tart National Standards and Benchmarks, www.jumpstartcoalition.org or 1-888-45-EDUCATE.



Super Pages—searchable product guide and product reviews by Verizon, www.cg.superpages.com

Tax Foundation—answers questions about taxes, www.taxfoundation.org

There's Something About Money—from Canadian Bankers Association with resources for teaching goals, budgeting, credit, and savings, www.yourmoney.cba.ca/eng/index.cfm

Think Quest—resources for teaching investing, www.thinkquest.org/library/websitena.html?3096

Trans Union—one of the three major credit-reporting agencies, www.transunion.com/index.jsp

United States Department of Agriculture—search personal finance, www.usda.gov/wps/portal/usdahome

U.S. Consumer Gateway—resources to federal consumer information, www.consumer.gov

U.S. Consumer Product Safety Commission—provides extensive information about consumer products. Consumers can report unsafe products and view recall notices, safety reports, and injury statistics, www.cpsc.gov/cpscpub/prerel/prerel.html

U.S. Department of Agriculture—consumer resources, www.nal.usda.gov/ref/csinger1.htm

U.S. Food and Drug Administration—resources related to promoting and protecting public health, helping safe and effective products reach the market in a timely way, and monitoring products for continued safety after they are in use. Consumers can search for and report information on drugs, food, food additives, and medical devices, www.fda.gov/

The U.S. National Debt Clock—visual illustration of national debt, www.brillig.com/debt_clock/

U.S. Postal Inspectors—www.usps.com/postalinspectors

U.S. Treasury—site designed for children, www.treas.gov/kids

U.S. Treasury Securities—information about savings bonds and other U.S. treasury savings, www.publicdebt.treas.gov

Vanguard Group—resources for investing, www.vanguard.com

Virtual Stock Exchanges—stock market game and other investing resources, <http://game.marketwatch.com/Home/default.asp>

WISCareers—Wisconsin's career exploration and planning website is designed to provide career development with a Wisconsin focus, www.cew.wisc.edu/wisc_careers/

Wisconsin Department of Financial Institutions—links to financial education resources, www.wdfi.org/links/fe.htm

Wisconsin Department of Public Instruction—Career development resources at <http://dpi.wi.gov/cte/lecardev.html>

Wisconsin Economic Education Council education materials—www.economicswisconsin.org/, www.ncee.net/

Wisconsin's Governor's Council on Financial Literacy—www.wdfi.org/ymm/govcouncilfinlit/

Wise Pockets—parent, teacher, and student resources from University of Missouri-St. Louis Center for Entrepreneurship and Economic Education, www.umsl.edu/~wpockets/

Women's Institute for Financial Education—financial resources especially for women, www.wife.org

Young Americans Center for Financial Education—www.yacenter.org/

Young Investors—games and resources for kids, teens, parents, and teachers about money issues, www.younginvestor.com

Zillions—Consumer Reports for kids, www.zillions.org

Affluenza—Video/DVD. (1997). Seattle: KCTS Television. Available from Bullfrog Films, P.O. Box 149, Oley, PA 19547 or www.bullfrogfilms.com. Viewer's and teacher's guide to download at www.bullfrogfilms.com/catalog/affl.html. Also see The Affluenza Project at www.affluenza.com/links.html

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Best Practices Defined

Teaching-learning strategies are grounded in the reflective practices of teachers and embraced at the classroom level because they make sense and work. They are frequently based on evidence that they in fact work in supporting student achievement.

Examples of best practices from contemporary professional literature

- Engaged, active learning—"hands-on," "heads-on," "hearts-on"
- Real-life and work case studies, case-book method
- Problem and project-based learning (PBL): see template at www.dpi.state.wi.us/imt/colabunit.html
 - Investigate and take action to address personal or social financial issues
 - Run a business or store
 - Service-learning projects
 - Simulations and games, some of which involve local, regional, and national competition
- Integrative thinking and learning
- Authentic, performance-based teaching and assessment
- Models of teaching, major research-based teaching-learning strategies such as Suchman's Inquiry; Taba's Structured-Inductive; Glaser's Classroom Meeting; Ausabel's Advanced Organizer; Gordon's Syntectics; Kagan, Johnson & Johnson, Slavin's Cooperative Learning, Bruner's Concept Attainment, Thelen & Dewey's Group Investigation; Massialis & Con's Social Inquiry; and many other models related to the information processing, social, personal, and individual differences family of models. See *Models of Teaching*, 7th edition, by Bruce R. Joyce, Marsha Weil, and Emily Calhoun. 2004. Allyn and Bacon/Longman.
- Using children's literature to teach personal finance
- Encouraging student self-reflection
- Personalized instruction, paying attention to individual differences in learning needs in the classroom; multiple intelligences, brain-based teaching
- Contextualized learning
- Responsive classroom environments

Glossary of Terms

Selected terms were identified through careful examination of the final drafts of the content and performance standards. Dot points are used to show differences in meaning or usage specific to the field of finance. Several authoritative reference tools were used to provide the most useful definitions.

Amortization. The process by which loan payments are applied to the principal, or amount borrowed, as well as the interest on a loan according to a set schedule.

Annual Percentage Rate (APR). The finance charge or total amount it costs per year to use credit, calculated as a percentage of the amount borrowed (percentage rate), including interest, transaction fees, and service charges.

Annual Percentage Yield (APY). The actual interest rate an account pays per year with compounding included; calculated the same way by all banks/credit unions.

Appreciation. A rise in value or price.

Assets. What a person owns, such as cash, stocks, bonds, real estate, and personal possessions.

Back-end load. A sales charge paid when investments are sold.

Bait and switch. An illegal sales technique in which sellers advertise a product with the intention of persuading customers to buy a more expensive product.

Bankruptcy. Legal process for selling most of the debtor's property to help satisfy debts that can't be repaid, in exchange for (a) relieving debtors of the responsibility of paying their financial obligations or (b) protecting them while a plan is created and they try to repay debts.

Budget. A plan for managing money, dividing up expected income and expenses among spending and saving options based on personal goals during a given time period.

Capacity. Ability to repay a loan from present income; one of three factors in credit scoring.

Capital. The value of personal items that one owns, including savings, investments, and property, one of three factors used in credit scoring.

Career. Pattern of activities and positions involved in an individual's lifetime of work to which the person has made a long-term commitment.

Cash flow. A measure of the money a person receives and spends.

Character. Refers to trustworthiness; one of three factors in credit scoring (e.g., paying bills on time shows financial responsibility). Creditworthiness indicating a responsible attitude toward living up to agreements.

Check. Written order directing a bank or credit union to pay a person or business a specific sum of money.

Compounding, or compound interest, Rule of 72. Earning interest on interest. *Rule of 72*—how long it takes money to double in value. Divide 72 by the interest rate to determine the number of years it will take money to double.

Consumer. Buyers or users of goods and services for personal use.

Consumer advocates. Individuals or groups that actively promote consumer interest in areas such as health and safety, education, redress, truthful advertising, fairness in the marketplace, and environmental protection.

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service or product. A person who organizes, manages, and takes the risks involved in creating a new product/ service or developing a better way to operate a business.

Entrepreneurship. A process that involves (a) seeing an opportunity to provide a product/service, (b) taking initiative to find out about competitors and what customers want from the product/service, and (c) developing plans to market the business, analyze potential profit or losses, and produce the product/service. Imagination, innovative thinking, and management skills needed to start and operate a business.

Ethical/ethical reasoning. Applying criteria, standards, or principles for judging what to believe or how to act. For example, some widely held criteria include: it is good to pay bills, keep promises, and be healthy; it is wrong to cheat, lie, deceive, or otherwise harm others. These principles work both ways in the trust relationship between consumer and business/producer. They reflect personal or business values involving actions and attitudes that affect more than one person or affect one's character. Choice involves the consideration of regulations of conduct such as rights and obligations, and principles such as respect for others, justice, and reciprocity. In financial terms, ethical questions focus on fulfilling obligations, furthering the well-being of others, or resolving dilemmas and conflicts in a particular financial situation.

Financial plan, financial planning. Personal financial planning is the process of (a) setting goals, (b) developing a plan to achieve them, and (c) putting the plan into action. Ongoing thinking process to develop an orderly program or blueprint for handling all aspects of one's money, including spending, credit, saving, and investing.

Fraud. Intentional misrepresentation of information with the intent to deceive or mislead.

Front-end load. A sales charge paid when investments are purchased and sometimes when dividends are reinvested.

Goal. Statement about what a person wants to be, do, or have, accomplished by taking certain steps; provides direction to a plan of action.

Goal setting. The process used to determine what an individual wants to be, do, or have, i.e., what a person wants to accomplish.

Green products. Products considered environmentally safe according to objective, authoritative testing.

High-balling. An excessively high offer for a trade-in vehicle.

Implied warranty. Unwritten guarantee that a product is of sufficient quality to fulfill the purpose for which it was designed.

Impulse purchase. A purchase made on a whim, without using a decision-making process.

Income. Any money an individual receives.

Information processing. Analyzing and organizing information for decision making.

Insurance. Risk management tool that limits financial loss due to illness, injury, or damage in exchange for a premium; usually provides protection against large-scale financial loss.

Insurance premium. The payment a person makes to an insurance company in exchange for its promise of protection and help.

Interest. Payment for the use of someone else's money; usually expressed as an annual rate in terms of a percent of the principal (the amount owed).

Investment. Setting aside money for future income, benefit, or profit to meet long-term goals; using savings to earn a financial return.

Liabilities. Amount a person owes, such as unpaid bills, credit card charges, personal loans, and taxes.

Lifestyle. The way people choose to live their lives, based on values they have chosen.

Liquidity. The ease with which an asset can be converted to cash without serious loss.

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Loan sharks. Unlicensed lenders who charge illegally high interest rates.

Loss leader. Sales tactic where an item is priced at below cost to attract buyers who will then purchase other merchandise.

Low-balling—repairs, new-car deals. Advertising a service, then adding other services or repairs that are not necessary or not expected. An unrealistically low price offered by a dealer for a buyer's old car as part of a new-car deal.

Money. Anything that is generally accepted as payment for goods and services; a medium of exchange; legal tender.

Mortgage. Loan to buy real estate, such as land or a home.

Needs. Essentials or basics necessary for maintaining physical life, including food, clothing, water, and shelter, sometimes called material well-being.

Net worth. The difference between a person's assets and liabilities.

Opportunity cost. Whenever choices are made, the cost of something expressed in terms of what had to be given up to obtain it. The resources used to satisfy one goal that cannot be used for another, i.e., weighing of one alternative against another rather than merely considering the cash price or value of a specific good or service.

Payroll deductions. Amounts subtracted from gross income that are withheld by an employer for items such as taxes and employee benefits.

Pay Yourself First (PYE). Disciplined saving or setting aside money as a regular part of the budget for later spending or investing.

Philanthropy. A personal or corporate interest in helping others, especially through gifts to charities or endowments to institutions.

Points—mortgage. A one-time service charge by mortgage lenders at closing to increase the return on the loan; each point is one percent of the amount of the principal.

Predatory lending. Lending practices which promise loans that are "too good to be true" and pressure borrowers to take loans on the spot. Lending practices include a variety of financial abuses such as excessive fees, penalties for early pay-off of the loan, balloon payments, loan flipping, high interest rates, monthly payments the borrower can't afford, and unauthorized refinancing of loans. Examples of the practice include predatory mortgages, payday loans, overdraft loans, excessive credit card debt, and instant tax refund loans.

Profit. The difference between the cost required to create a product or supply a service and the money received from selling it.

Puffery. Relatively innocent exaggerations used to sell products.

Purchasing power. The value of money measured in the amount of goods and services that can be bought with it.

Reasoning. The process of making and supporting a judgment; giving reasons to defend the conclusion.

Resources. Human resources are those resources people have within themselves, such as working knowledge, skill, mental effort, motivation, energy. Non-human or external resources include money, time, and equipment.

Rate of return. How fast money in savings account or investment grows.

Reverse mortgage. An arrangement in which a homeowner borrows against the equity in his/her home and receives regular monthly tax-free payments from the lender. Also called reverse-annuity mortgage or home equity conversion mortgage.

Risk—investment, personal, insurance. The probability of making a profit or losing money on one's investment; the chance an investment will decrease in value; possible losses involving income or standard of living. The possibility of a loss from perils to people or property covered by insurance.

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Notes