

Appendices A-H



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Appendix A

Wisconsin’s Model Academic Standards for Personal Financial Literacy

This section provides a structure for lesson development and sample financial literacy lessons to teach financial literacy. This is not intended to be the only way to plan a unit or lesson or an inclusive listing of activities one could utilize. Instead, this is a starting point to introduce students to financial literacy, and establish a foundation upon which the classroom teacher could expand as familiarity with the topic increases. A great place to start would be to read Chapter 5 of the *Planning a Connected Curriculum* (DPI 2003). It outlines eight principles to consider when developing instruction that connects various curricular areas.

Connecting to the Standards

Good financial literacy instruction is based on what we know about learning. Good curriculum design is based on what is needed to guarantee good instruction, what is needed to guarantee learning. The curriculum provides a set of targets so that all assessment and instruction produces the desired results, described as the curricular goals.

Standards-based curriculum units are based on progress toward the seven content standards. Units that are thematically rich should begin with the content standards. Some units are more developmental in nature, without big projects or presentations. Some units may be more summative in nature, where skills and knowledge are pulled together from previous units. In all units, however, the emphasis should be on the targeted performance that will provide students and teachers with clear evidence of progress toward financial literacy.

Another key component in financial literacy education is its many connections to other curricular areas and model academic standards. Teachers must decide what the purpose of the course and lesson is and then see how financial literacy topics are covered within the content they are teaching. Here are the questions to ask when planning a unit:

1. What do I want all students to know and do? (Rigor)
2. Why? (Relevance)
3. What do I need to know and do to get them there?
4. How will I get them there? (Teaching Strategies)
5. How will I know when they learned it? (Formative and Summative Assessment)
6. What will I do when they don’t learn it OR if they already know it?

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PERSONAL FINANCIAL LITERACY

PERFORMANCE STANDARDS

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.



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

- A.1 Understand how career choice, education, skills, entrepreneurship, and economic conditions affect income.**
- 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.2 Understand the sources of income and alternative resources.**
- A.8.2.1 Identify and understand factors affecting income.
- A.8.2.2 Understand how employee benefits relate to income.
- A.3 Explain how income affects lifestyle choices and spending decisions.**
- 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.4 Explain how taxes and employee benefits relate to disposable income.**
- 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.

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

- A.1 Understand how career choice, education, skills, entrepreneurship, and economic conditions affect income.**
- 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.2 Understand the sources of income and alternative resources.**
- A.12.2.1 Understand and critique sources of income and resources available that may substitute for income.
- A.12.2.2 Describe alternatives to increasing income by displaying factors related to income and benefits.
- A.3 Explain how income affects lifestyle choices and spending decisions.**
- 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.4 Explain how taxes and employee benefits relate to disposable income.**
- 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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**BY THE END OF GRADE 8
STUDENTS WILL:**

- 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.

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

- 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.

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

C.1 Identify and evaluate credit products and services.

C.8.1.1 Compare the benefits and costs of spending decisions.

C.8.1.2 Analyze information about products and services.

C.8.1.3 Contrast a rapid access loan and a bank loan.

C.2 Identify and compare sources of credit.

C.8.2.1 Distinguish the financial benefits and services of different types of lending institutions.

C.8.2.2 Explain strategies of debt and credit management.

C.8.2.3 Explain credit terminology.

C.8.2.4 Analyze sources of consumer credit.

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

C.8.3.1 Explain options for payment on credit cards.

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.

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.

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.

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

- 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.

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

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

F.12.1.1 Evaluate individual, social, and cultural differences in understanding the use of money and other financial resources.

F.12.1.2 Synthesize 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.12.2.1 Create consumer-citizen action strategies to influence decisions by government, business, and other consumers.

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

F.12.3.1 Present significant questions/public policy issues of concern to citizens as family members, workers, and community members.

F.12.3.2 Apply cost-benefit and opportunity-cost analysis, information processing, and essential reasoning skills to address significant questions/issues.

F.12.3.3 Take 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.12.4.1 Appraise the concept and forms of taxation and its role in public activities and initiatives.

F.12.4.2 Critique interrelationships between the management of personal financial resources, the economic system, and significant social values.

F.12.4.3 Explain how the economic system of production and consumption is a means to achieve other significant societal goals.

F.12.4.4 Theorize how citizen decisions and actions can influence the use of economic resources to achieve basic societal and individual services.

F.12.4.5 Evaluate the impact of taking responsibility, individually and/or collectively, to change questionable business, government, and consumer practices.

F.5 Examine the impact that government, business, consumer, and financial decisions and actions have on the individual, family, community, society, and world.

F.12.5.1 Assess the impact of emerging global economic events on personal financial planning.

F.12.5.2 Examine critically the consequences of consumer-citizen decisions and actions on the economy, broader society, and the environment.

F.12.5.3 Contrast the importance and impact of business, government, and consumer fiscal responsibility.

F.12.5.4 Project and substantiate the role of philanthropy, volunteer service, and charities in community development and quality of life.

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).

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

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.

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

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.