

WISCONSIN STANDARDS FOR  
**Personal Financial Literacy**



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# Wisconsin Standards for Personal Financial Literacy

## What is Personal Financial Literacy Education?

Financial literacy education is the focus on teaching students the ability to understand, evaluate, and communicate information about money and financial services. This learning includes the selection of appropriate financial options, the ability to plan for the future, and the capability to respond to life events and their effect on personal finances. The *Wisconsin Standards for Personal Financial Literacy* (the standards) are divided into six strands:

- Financial Mindset
- Education and Employment
- Money Management
- Saving and Investing
- Credit and Debt
- Risk Management and Insurance

Each of these six strands is an important component to the whole of financial literacy. Topics of study could include things such as: verbal vs. written contracts, the true cost of interest, goal setting, protection from loss, insurance, spending habits, bankruptcy, sources of credit, and investment options.

## Wisconsin's Approach to Standards in Personal Financial Literacy

The *Wisconsin Standards for Personal Financial Literacy* were written by a committee of educators, professors, and business people from across the state. The writing committee was tasked with outlining what content, practices, and ways of thinking are critical for students to be responsible adults who make good financial decisions.

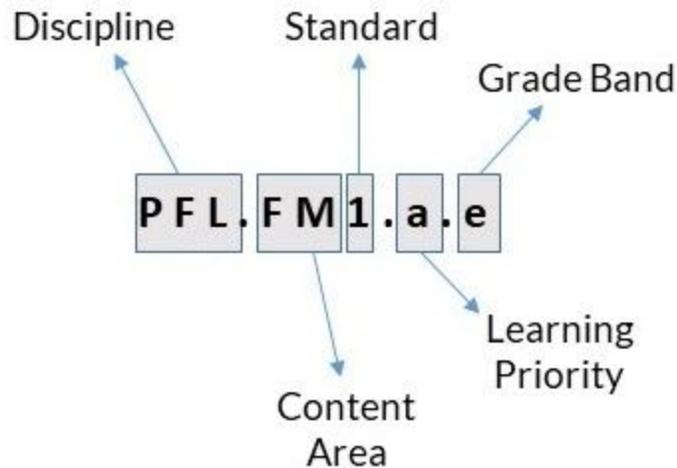
The foundational documents and supports for the writing committee include:

- *Economics and Personal Finance Standards of Learning* (Virginia Department of Education, 2009);
- *Financial Coaching Strategies* (Division of Extension – University of Wisconsin-Madison, 2017);
- *Financial Literacy Standards & Framework* (National Financial Educators Council, 2018);
- *Hands on Banking* (Wells Fargo, 1999 - 2009);
- *National Standards for Financial Literacy* (Council for Economic Education, 2013);
- *National Standards in K-12 Personal Finance Education* (JumpStart Coalition for Personal Financial Literacy, 2017);
- *Social & Emotional Learning Standards* (Illinois State Board of Education, 2003);
- *Social and Emotional Learning Competencies* (Wisconsin Department of Public Instruction, 2018);
- *Strands and Standards General Financial Literacy* (Utah State Board of Education-Career & Technical Education, 2015);
- *Take Charge Today* (The University of Arizona, 2013);
- *Wisconsin's Vision for Entrepreneurship Education* (Wisconsin Department of Public Instruction, 2009);
- *Wisconsin Standards for Business & Information Technology* (Wisconsin Department of Public Instruction, 2013);
- *Wisconsin Standards for Family & Consumer Sciences* (Wisconsin Department of Public Instruction, 2013);
- *Wisconsin Standards for Information Technology Literacy* (Wisconsin Department of Public Instruction, 2017);
- *Wisconsin's Model Academic Standards for Personal Financial Literacy* (Wisconsin Department of Public Instruction, 2006);
- *Wisconsin Standards for Social Studies* (Wisconsin Department of Public Instruction, 2018).

## Standards Structure

- **Discipline:** Personal Financial Literacy
- **Content Area (Strand):** Financial Mindset
- **Standard:** Broad statement that tells what students are expected to know or be able to do
- **Learning Priority:** Breaks down the broad statement into manageable learning pieces
- **Performance Indicator by Grade Band:** Measurable degree to which a standard has been developed and/or met

How to read the standards codes for a performance indicator:



## Financial Mindset

Discipline: Personal Financial Literacy				
Content Area: Financial Mindset (FM)				
Standard PFL.FM1: Students will develop strategies to make effective financial decisions throughout their lifespan.				
Performance Indicators (By Grade Band)				
Learning Priority	K-2 (e)	3-5 (i)	6-8 (m)	9-12 (h)
FM1.a: Critical Consumer	<p>FM1.a.e Differentiate between buyers (consumers) and sellers (producers).</p> <p>List traits of being a responsible consumer (e.g., look at the price, compare the value of items).</p> <p>Define advertising and list places advertisements can be found.</p>	<p>FM1.a.i Describe the steps in making a purchase (i.e., consumer buying process).</p> <p>Identify items that can be used in making consumer decisions (e.g., comparison shopping skills regarding price or substitutes).</p> <p>Predict the motives of a sales claim and explain how consumers would verify information delivered through a</p>	<p>FM1.a.m Analyze the roles of consumers and producers in financial markets.</p> <p>Distinguish between the rights and responsibilities of buyers and sellers under consumer protection laws.</p> <p>Evaluate the influence on demographic groups of advertising and the media on decision making and spending.</p>	<p>FM1.a.h Summarize consumer rights, responsibilities, and consumer vigilance.</p> <p>Analyze and apply multiple sources of information when making consumer decisions (e.g., advertisements, reviews, interest rates, applicable fees, consumer movements, and choice).</p> <p>Analyze the financial impact of advertising including techniques, potential for deception along with the influence of</p>

“Content areas” for Personal Financial Literacy in this code structure include:

- FM - Financial Mindset
- EE - Education and Employment
- MM - Money Management
- SI - Saving and Investing
- CD - Credit and Debt
- RMI - Risk Management and Insurance

## Grade Bands

All Wisconsin academic standards are formatted to a common template to support educators in reading and interpreting them. Most of these standards are developed around grade bands.

Grade bands of K-2, 3-5, 6-8, and 9-12 align to typical elementary (e), intermediate (i), middle (m), and high school (h) levels. Each row of learning priorities shows a progression of indicators across the grade bands.

Some performance indicator boxes are intentionally left blank where it is not developmentally appropriate to teach a particular personal financial literacy topic at that grade band level.

# Personal Financial Literacy Strands

## Financial Mindset

Financial mindset is a combination of the values, emotions, attitudes, behaviors and external influences that lead to mental habits for thinking about and responding to any financial circumstances; the financial mindset offers the “why”, where the other strands outline the “how”. An individual’s financial mindset is usually influenced by previous financial experiences; however, self-awareness of influences can play a significant role in future decisions. The increasing scope of financial choices makes it essential that students 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. The reality and potential for building a healthy financial mindset includes the need for a sense of responsibility to the broader community.

## Education and Employment

Education and employment is establishing short-range and long-range financial goals as 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, and economic conditions will help to shape goals and increase the likelihood of reaching them.

## Money Management

Money management is the foundation 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. Financial institutions and service providers play a significant role to support learning money management.

## Saving and Investing

Saving and investing is the relationship among financial institutions, investment options, avenues for financial research, the economic history, performance of investments, and the appropriate application of basic economic principles. Using information from these and other sources will lead to wiser financial planning decisions for individuals and families.

**Credit and Debt**

Credit and debt is the role and responsibility regarding how people incur debt and seek credit for major purchases such as a home, car, education, and 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.

**Risk Management and Insurance**

Risk management and insurance is how people address unexpected financial losses or needs, which 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 financial planning for individuals and families.

## **Wisconsin Standards for Personal Financial Literacy At-a-Glance**

*Students will...*

### **Financial Mindset**

1. Develop strategies to make effective financial decisions throughout their lifespan.
2. Analyze how financial psychology (i.e., values, emotions, attitude, behavior, and external influences) impacts financial well-being.
3. Establish digital awareness to enhance their financial mindset.

### **Education and Employment**

1. Compare the effect of sources of personal income on their goals.
2. Evaluate the impact of lifelong learning on one's ability to function effectively in a diverse and changing economy.

### **Money Management**

1. Demonstrate their ability to use money management skills and strategies.
2. Utilize financial institutions and service providers to support money management.

### **Saving and Investing**

1. Explore the value, features, and planning processes of saving and apply this knowledge to attain financial security.
2. Explore investing value, features, and planning processes, and apply this knowledge to attain financial security.

### **Credit and Debt**

1. Examine the benefits and costs of using credit.
2. Interpret lending options and consumer rights and responsibilities.

### **Risk Management and Insurance**

1. Contrast different types of risk and how it could affect financial decisions.
2. Assess possible choices to protect against financial risk.

## **Standards, Learning Priorities, and Indicators for Wisconsin Standards for Personal Financial Literacy**

The *Wisconsin Standards for Personal Financial Literacy* outline what students should know and be able to do upon graduation from a Wisconsin public high school to prepare for future studies, career, and community life. The standards are divided into six strands: Financial Mindset; Education and Employment; Money Management; Saving and Investing; Credit and Debt; and Risk Management and Insurance. Each strand has two or three standards statements which are divided into learning priorities and performance indicators which progress across the grade bands.

The knowledge and skills set forth in the Wisconsin personal financial literacy strands and 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, including Business and Information Technology, Family and Consumer Sciences, Mathematics, and Social Studies. Educators from all grade levels can use the financial literacy standards to align instruction and create grade specific curricula and activities designed to instill within students a desire to be financially literate. The standards are intended to help schools develop a comprehensive K-12 program that provides the knowledge and skills to establish sound financial habits.

The strands in personal financial literacy are meant to be used together; the strands were purposely condensed to avoid duplication. It will be helpful to educators and district leaders conducting a curriculum review to unpack the standards in every strand to see where they are best met in the local district. Research studies have shown that students recall and understand themes and topics better when strands are integrated and not taught in isolation.

## Definitions

The use of “i.e.” and “e.g.” in the indicators is in the manner of the original Latin. The abbreviation “i.e.”, from the Latin *id est*, means “that is”, and is used as a definition (required information). The abbreviation “e.g.” is from the Latin *exempli gratia*, and means “for example” (suggested information).

Definitions marked with “\*” are taken from *Wisconsin’s Model Academic Standards for Personal Financial Literacy* (2006).

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

**\*Cost-benefit analysis, risk-reward relationship:** Tool used to choose among alternatives that involves weighing the cost of a product or service against the benefit it will provide.

**\*Diversification:** Distributing funds among different types of investments to minimize overall risk.

**Entrepreneurship:** Creating something new or developing ideas or projects; not following prescribed paths and thinking outside the box. Visit [Wisconsin’s Vision for Entrepreneurship Education](#) for additional information.

**Fiduciary:** A person (or a business like a bank or stock brokerage) who has the power and obligation to act for another (often called the beneficiary) under circumstances which require total trust, good faith and honesty. (Legal Dictionary, dictionary.law.com, accessed 01/09/2020)

**Investment vehicle:** A product used by investors in an attempt to gain positive returns. Investment vehicles have a range of regulation, jurisdiction, and risk that may influence the likelihood of being included in an investment portfolio due to investor’s knowledge, skills, tolerance, goals, and financial capability. (Investopedia, investopedia.com, accessed 01/09/2020)

**Investment strategy:** Guides an investor's decisions based on goals, risk tolerance, and future needs for capital. Some investment strategies seek rapid growth where an investor focuses on capital appreciation, or they can follow a low-risk strategy where the focus is on wealth protection. (Investopedia, investopedia.com, accessed 01/09/2020)

**\*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).

**\*Pay yourself first:** Disciplined saving or setting aside money as a regular part of the budget for later spending or investing.

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

**\*Social Security:** The federal government’s basic program for providing income when earnings are reduced or stopped because of retirement, or disability. Income is also provided to families when the working parent(s) dies and underage children are a part of the family.

**Section**

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**Discipline: Personal Financial Literacy (PFL) Standards**

## Content Area: Financial Mindset (FM)

Standard PFL.FM1: Students will develop strategies to make effective financial decisions throughout their lifespan.

### Performance Indicators (by Grade Band)

Learning Priority	K-2 (e)	3-5 (i)	6-8 (m)	9-12 (h)
<b>FM1.a: Critical Consumer</b>	<p>FM1.a.e Differentiate between buyers (consumers) and sellers (producers).</p> <p>List traits of being a responsible consumer (e.g., look at the price, compare the value of items).</p> <p>Define advertising and list places advertisements can be found.</p>	<p>FM1.a.i Describe the steps in making a purchase (i.e., consumer buying process).</p> <p>Identify items that can be used in making consumer decisions (e.g., comparison shopping skills regarding price or substitutes).</p> <p>Predict the motives of a sales claim and explain how consumers would verify information delivered through a range of advertisements (e.g., digital, print, audio, product/service reviews).</p>	<p>FM1.a.m Analyze the roles of consumers and producers in financial markets.</p> <p>Distinguish between the rights and responsibilities of buyers and sellers under consumer protection laws.</p> <p>Evaluate the influence on demographic groups of advertising and the media on decision making and spending.</p>	<p>FM1.a.h Summarize consumer rights, responsibilities, and consumer vigilance.</p> <p>Analyze and apply multiple sources of information when making consumer decisions (e.g., advertisements, reviews, interest rates, applicable fees, consumer movements, and choice).</p> <p>Analyze the financial impact of advertising including techniques, potential for deception along with the influence of promotions, packaging, and placement.</p>
<b>FM1.b: Functions and Structure of Money</b>	<p>FM1.b.e Categorize types of money (e.g., coins, bills), and explain why money is used.</p>	<p>FM1.b.i Describe the role of money in everyday life.</p>	<p>FM1.b.m Differentiate between the function of money as a medium of exchange, store</p>	<p>FM1.b.h Evaluate the functions and value of money in the United States (e.g., how the value is based upon the</p>

			of value, and unit of account.	strength and credit of the government/issuing body).
<b>FM1.c: Opportunity Costs</b>	FM1.c.e Differentiate between a want and a need.	FM1.c.i Compare and contrast the costs and benefits of a decision.  Explain that choices may have long-term unintended consequences.	FM1.c.m Predict the opportunity costs of various decisions.  Explain why the opportunity cost might differ from person to person or in different situations. (e.g. auto, lodging)  Contrast cost-benefit and opportunity cost.	FM1.c.h Perform a cost-benefit analysis on a real-world situation.

## Content Area: Financial Mindset (FM)

Standard PFL.FM2: Students will analyze how aspects of financial psychology (i.e., values, emotions, attitude, behavior, and external influences) impact financial well-being.

### Performance Indicators (by Grade Band)

Learning Priority	K-2 (e)	3-5 (i)	6-8 (m)	9-12 (h)
<b>FM2.a: Values and Behavior</b>	FM2.a.e Identify why people decide to earn, save, spend, or give money.	FM2.a.i Examine different cultural perspectives and behaviors regarding financial values and goals across communities.	FM2.a.m Analyze different cultural perspectives and behaviors regarding financial values and goals across communities.	FM2.a.h Assess the impact of individual values and behaviors on financial decisions and goals.
<b>FM2.b: Emotional Influences</b>	FM2.b.e Identify how emotions may be the same or different from other people.	FM2.b.i Describe how emotions impact financial decisions.	FM2.b.m Describe financial situations that trigger various emotions.  Summarize how emotions may interfere with the achievement of financial goals.	FM2.b.h Evaluate strategies individuals use to manage emotions impacting financial decisions.
<b>FM2.c: External Influences</b>	FM2.c.e Identify external influences (e.g., peers, family, community) that may affect what someone wants.	FM2.c.i Explain ways financial decisions are influenced by external factors.	FM2.c.m Differentiate how positive and negative external influences (e.g., peers, marketing) impact financial decisions.	FM2.c.h Critique a financial plan and identify areas that may have been influenced by external sources.

<b>FM2.d: Financial Goals</b>	FM2.d.e Identify the importance of a financial goal (e.g., purchasing a bicycle or toy).	FM2.d.i Describe elements of a goal development strategy (e.g., SMART - specific, measurable, attainable, relevant, time-bound).	FM2.d.m Analyze long-term and short-term financial goals utilizing elements of goal development strategies.	FM2.d.h Distinguish how an investment plan that incorporates a goal development strategy reflects various life factors (e.g., age, personal values, income, liabilities, assets, goals, family size, risk tolerance, and net worth).
<b>FM2.e: Civic Engagement and Philanthropy (e.g., giving back, volunteering, donation, charity)</b>	FM2.e.e Recognize ways to give back (e.g., donating to a charity, volunteering) in our classroom, school, community, state, tribal nation, country, and in the world.	FM2.e.i Describe the benefits of charitable giving, volunteerism, and charities in our classroom, school, community, state, tribal nation, country, and in the world.	FM2.e.m Research individuals or organizations that give back and describe their impact on the local, state, tribal nation, country, or world.	FM2.e.h Describe how to incorporate philanthropic opportunities into personal financial goals.

## Content Area: Financial Mindset (FM)

Standard PFL.FM3: Students will establish digital awareness to enhance their financial mindset.

Performance Indicators (by Grade Band)

Learning Priority	K-2 (e)	3-5 (i)	6-8 (m)	9-12 (h)
FM3.a: Online and Account Security	<p>FM3.a.e Explain the importance of an online password, and identify reasons to use a password.</p>	<p>FM3.a.i Compare and contrast strong and weak online passwords, and identify criteria for a strong password.</p> <p>Identify information that we protect with a password.</p> <p>Identify what personally identifiable information (PII) is private and should not be shared with others (digitally).</p>	<p>FM3.a.m Evaluate alternatives to account passwords (e.g., facial or fingerprint recognition, sign-in through social media accounts).</p> <p>Explore methods of managing and protecting passwords for multiple accounts.</p> <p>Identify possible motives behind data breaches.</p> <p>Describe ways to determine if a person's identity has been compromised.</p>	<p>FM3.a.h Choose an effective means to manage and protect passwords for multiple online accounts.</p> <p>Develop strategies to guard against malicious threats including viruses, phishing, and identity theft, and recognize the importance of security protocols.</p> <p>Research ways online transactions, online banking, email scams, and telemarketing calls can make a person vulnerable to identity theft.</p>

<p><b>FM3.b: Digital Footprint</b></p>	<p>FM3.b.e Define sources of digital information and storage (e.g., Internet, World Wide Web, personal devices).</p>	<p>FM3.b.i Describe ways a person leaves a financial digital footprint.</p> <p>Explore under supervision information a person can obtain online about other individuals.</p>	<p>FM3.b.m Compare and contrast active and passive financial digital footprints.</p> <p>Illustrate how a financial digital footprint can be used by others.</p>	<p>FM3.b.h Assess actions and data as beneficial or detrimental to a financial digital footprint.</p> <p>Strategize ways to optimize a financial digital footprint.</p>
<p><b>FM3.c: Digital Resources</b></p>	<p>FM3.c.e List websites or mobile apps and identify what types of information people access online.</p>	<p>FM3.c.i Determine criteria to identify safe websites and apps.</p>	<p>FM3.c.m Explain restrictions on why websites and mobile apps may be legally restricted based upon age. (i.e., Family Educational Rights and Privacy Act).</p> <p>Evaluate how financial applications are utilized to support financial transactions (e.g., access financial information, direct deposit, bill pay, transfers, and balancing a checking account).</p>	<p>FM3.c.h Appraise a user agreement for common financial websites and applications.</p> <p>Evaluate benefits and costs of exclusively online banking.</p>

## **Education and Employment**

## Discipline: Personal Financial Literacy

### Content Area: Education and Employment (EE)

**Standard: PFL.EE1: Students will compare the effect of potential effect of personal income on their goals.**

	<b>Performance Indicators (By Grade Band)</b>			
<b>Learning Priority</b>	<b>K-2 (e)</b>	<b>3-5 (i)</b>	<b>6-8 (m)</b>	<b>9-12 (h)</b>
<b>EE1.a: Career Development</b>	<p>EE1.a.e Explain behaviors and decisions that reflect interests, likes, and dislikes.</p> <p>Describe why people work and how aspects of the work environment affect their life.</p>	<p>EE1.a.i Build an ongoing awareness of personal abilities, skills, interests, and motivation, and determine how these fit with a chosen career pathway.</p> <p>Compare and contrast occupations relative to personal interests, aptitudes, and potential earnings (i.e., military service, apprenticeship, skilled trades,</p>	<p>EE1.a.m Assess personal strengths (e.g., skills, knowledge, experience), aptitudes, and passions related to potential future careers.</p> <p>Create a plan to reach future career goals taking into account personal interests, aptitudes, and potential earnings.</p>	<p>EE1.a.h Prioritize potential occupations based upon the results of a career assessment or interest inventory.</p> <p>Create a career development plan relative to personal interests, aptitudes, and potential earnings.</p> <p>Explain how career development goals fit with personal skills and attributes, current activities, and postsecondary plan.</p>

		professional occupations).		
<b>EE1.b: Types of Compensation</b>	<p>EE1.b.e Identify ways people earn money.</p> <p>Identify reasons one person might make more money than someone else.</p>	<p>EE1.b.i Describe the ways people are compensated.</p>	<p>EE1.b.m Evaluate specific examples of intrinsic and extrinsic rewards for a specific career (e.g., salary, flexibility, family time, goodwill).</p> <p>Compare and contrast employment choices based on intrinsic and extrinsic factors (e.g., salary, flexibility, family time, goodwill).</p>	<p>EE1.b.h Assess ways workers are compensated in different industries and sectors (i.e., fringe benefits, wages, pension plan, hourly or salaried).</p>
<b>EE1.c: Deductions and Taxes</b>	<p>EE1.c.e Summarize goods and services that the government provides (e.g., roads, schools, police).</p>	<p>EE1.c.i List reasons a government taxes people.</p>	<p>EE1.c.m Identify payroll taxes that are deducted from a paycheck.</p>	<p>EE1.c.h Evaluate a paycheck and how payroll taxes along with other deductions (e.g. insurance, retirement account, flexible spending-parking, childcare, health) decrease net income.</p> <p>Analyze the impact of tax liability on income including potential deductions and credits that will impact state and federal income tax.</p>

				<p>Evaluate types of taxes (e.g., progressive, regressive) and earned benefits with eligibility criteria (e.g., Social Security, Medicare, Medicaid).</p> <p>Understand and follow the requirements of filing income taxes.</p>
<p><b>Standard: SS.EE2: Students will evaluate the impact of lifelong learning on one’s ability to function effectively in a diverse and changing economy.</b></p>				
<b>Learning Priority</b>	<b>K-2 (e)</b>	<b>3-5 (i)</b>	<b>6-8 (m)</b>	<b>9-12 (h)</b>

<p><b>EE2.a: Post-Secondary Education, Skills, and Training</b></p>	<p>EE2.a.e Identify skills needed for different types of jobs.</p> <p>Discover the different skills associated with various job or career fields (e.g., what does a plumber do? what does a teacher do?).</p>	<p>EE2.a.i Assess different types of jobs, based on the skills associated with each job.</p> <p>Interpret career information.</p>	<p>EE2.a.m Compare the benefits and costs of a variety of post-secondary education and training options.</p> <p>Assess data on the lifetime earnings of workers with different levels of education or training.</p> <p>Explain how factors such as earning potential, the total cost of education or training, and career opportunities within a chosen career pathway.</p>	<p>EE2.a.h Assess how people’s willingness and ability to plan for the future affects their decision to increase their education or job training in a dynamic and changing labor market.</p> <p>Compare the employment rates of workers with different skills.</p> <p>Evaluate the return on investment of the preparation requirements for different career pathways.</p>
<p><b>EE2.b: Emerging Employment and Education Trends</b></p>	<p>EE2.b.e Categorize jobs as high demand or low demand.</p> <p>Describe how specific jobs or career fields have changed over time.</p>	<p>EE2.b.i Explain how economic, social, and technological changes can impact employment trends and markets.</p> <p>Contrast jobs versus careers.</p>	<p>EE2.b.m Assess and interpret resources that can be used to evaluate emerging employment trends and markets (e.g., U.S. Bureau of Labor Statistics, state agencies, job search engines).</p>	<p>EE2.b.h Research and identify a job or field that may be high demand in the future based on emerging technologies.</p> <p>Assess employment trends and how those will impact future career paths.</p>

## Money Management

Discipline: Personal Financial Literacy

Content Area: Money Management (MM)

**Standard PFL.MM1: Students will demonstrate their ability to use money management skills and strategies.**

	<b>Performance Indicators (By Grade Band)</b>			
<b>Learning Priority</b>	<b>K-2 (e)</b>	<b>3-5 (i)</b>	<b>6-8 (m)</b>	<b>9-12 (h)</b>
<b>MM1.a: Budgeting</b>	MM1.a.e Explain the importance of a budget.	MM1.a.i Provide examples of household expenses and sources of income.	MM1.a.m Construct a basic budget, including allocating spending and savings that spans for a week or a month.	MM1.a.h Prepare a budget that depicts varying sources of income, a planned saving strategy, taxes, and other sources of fixed and variable spending.
<b>MM1.b: Financial Management</b>	MM1.b.e Identify that there are three ways you can use money - save, spend, and give.	MM1.b.i Identify age-appropriate ways to save, spend, and give money.	MM1.b.m Plan for ways to save, spend, and give money.  Compare responsible saving, spending, and charitable habits.  Identify various organizations or places that provide financial resource support to individuals or families.	MM1.b.h Compare and contrast different sources of active and passive income, savings, and investment vehicles.  Develop and critique short-term and long-term personal financial plans.  Summarize factors to consider when selecting a financial advisor.  Evaluate circumstances where an individual or

				household may want to consult with a financial advisor, attorney, tax advisor, or financial planner for financial advice or representations.
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**Standard PFL.MM2: Students will utilize financial institutions and service providers to support money management.**

<b>Learning Priority</b>	<b>K-2 (e)</b>	<b>3-5 (i)</b>	<b>6-8 (m)</b>	<b>9-12 (h)</b>
<b>MM2.a: Financial Institutions and Service Providers</b>	MM2.a.e Identify financial institutions within the community.	MM2.a.i Identify the services and resources that financial institutions provide consumers.	MM2.a.m Describe and evaluate the benefits and risks of basic financial institution services.	MM2.a.h Compare financial institutions and service providers (e.g., banks, credit unions, investment or brokerage firms, mortgage brokers, payday lenders, online financial institutions, and loan agencies.  Analyze the reasons for regulation and the roles of financial regulators [e.g., Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), Consumer Finance

				<p>Protection Bureau (CFPB), Federal Reserve, Office of the Comptroller of the Currency, Wisconsin Department of Financial Institutions (WDFI), Wisconsin Office of the Commissioner of Insurance (WOCI), Wisconsin Department of Agriculture, Trade, and Consumer Protection (WDATCP)].</p>
<p><b>MM2.b: Payment Types</b></p>	<p>MM2.b.e Recognize that items of value, including money, can be earned and exchanged for goods and services.</p>	<p>MM2.b.i Investigate multiple ways to pay for goods and services.</p> <p>Compare digital banking methods and cash payments for purchasing goods and services.</p> <p>Identify methods to prove income has been received and payment has been made.</p>	<p>MM2.b.m Compare features of digital banking in online banking, bill pay, transfers, and checking account transactions.</p> <p>Compare the use of cash, debit cards, credit cards, checks, and other modern forms of payment.</p> <p>Determine how pre-authorized payments impact account balances.</p>	<p>MM2.b.h Assess the advantages and disadvantages of digital banking (e.g., online banking, bill pay, transfers, checking account transactions).</p> <p>Summarize the tax and legal implications that require you to maintain personal records of significant financial transactions.</p>

			Recognize the importance of retaining records of financial transactions.	
<b>MM2.c: Alternative Financial Currency</b>	MM2.c.e Describe how paying for goods and services online is still using real money.	MM2.c.i Differentiate between debit- and credit-types of financial currency.	MM2.c.m Analyze online and mobile systems or applications that permit consumers to acquire items or transfer money.	MM2.c.h Compare online and mobile systems or applications used as a means of alternative currency.

## Saving and Investing

Discipline: Personal Financial Literacy

Content Area: Saving and Investing (SI)

Standard PFL.SI1: Students will explore the value, features, and planning processes of saving and apply this knowledge to attain financial security.

	Performance Indicators (By Grade Band)			
Learning Priority	K-2 (e)	3-5 (i)	6-8 (m)	9-12 (h)
SI1.a: Saving Principles	SI1.a.e Identify an experience of waiting to have enough money to buy something.	SI1.a.i Describe reasons why people save money.  Explain the phrase pay yourself first.	SI1.a.m Compare and contrast places that can be used to save money.  Describe ways to decrease expenses in order to increase savings.	SI1.a.h Demonstrate how to manage savings accounts- both manually and electronically, including reconciliation.  Determine the opportunity cost in

			<p>Compare pay yourself first to living paycheck to paycheck.</p> <p>Explain why saving is a prerequisite to investing.</p>	<p>relation to a saving plan (e.g., inflation, taxes).</p> <p>Compare and contrast the benefits of pay yourself first and living paycheck to paycheck strategies on financial outcomes.</p>
<b>SI1.b: Savings Types and Features</b>	<p>SI1.b.e Identify places where something valuable would be secure.</p>	<p>SI1.b.i Describe why a person deposits money into a financial institution.</p> <p>Describe characteristics of a secure savings account.</p>	<p>SI1.b.m Analyze the benefits of depositing money into a financial institution.</p> <p>Compare and contrast savings versus checking and debit accounts.</p>	<p>SI1.b.h Compare and contrast characteristics of basic savings options (e.g., savings accounts, money market accounts, and certificates of deposit).</p> <p>Explain the impact of electronic funds transfer (EFT) services on savings accounts.</p>
<b>SI1.c: Saving Goal Planning</b>	<p>SI1.c.e Describe strategies to save money.</p>	<p>SI1.c.i Identify steps to reach a savings goal.</p> <p>Explain how people make spending and saving choices to meet personal savings goals.</p>	<p>SI1.c.m Create a savings plan to reach short- and long-term personal saving goals.</p> <p>Analyze how life changes or changes in circumstances can affect a personal savings goal.</p>	<p>SI1.c.h Determine the best options to achieve specific short- and long-term personal saving goals.</p> <p>Compare and contrast financial services and products to achieve personal saving goals.</p>

<p><b>SI1.d: Saving Risk and Reward</b></p>	<p>SI1.d.e Explain how choices we make now affect what we get in the future.</p> <p>Explain how financial institutions help people make choices about how to save money.</p>	<p>SI1.d.i Compare types of risks and rewards when saving (e.g., no loss of principal, interest-bearing).</p>	<p>SI1.d.m Define simple and compound interest.</p> <p>Analyze the relationship between opportunity cost and reward.</p>	<p>SI1.d.h Compare and contrast the opportunity cost and reward of basic saving options (e.g., savings accounts, money market accounts, and certificates of deposit).</p> <p>Evaluate the effect of compound interest on savings options.</p>
<p><b>SI1.e: Role of Government in Saving</b></p>		<p>SI1.e.i Identify the role that law enforcement has to protect personal financial assets.</p>	<p>SI1.e.m Recognize the limit of the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) coverage of financial accounts.</p>	<p>SI1.e.h Explain the role that government agencies play in protecting deposits (e.g. Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA)).</p>
<p><b>Standard PFL.SI2: Students will explore investing value, features, and planning processes, and apply this knowledge to attain financial security.</b></p>				
<p><b>Learning Priority</b></p>	<p><b>K-2 (e)</b></p>	<p><b>3-5 (i)</b></p>	<p><b>6-8 (m)</b></p>	<p><b>9-12 (h)</b></p>
<p><b>SI2.a: Investing Principles</b></p>	<p>SI2.a.e Explain how gathering items of</p>	<p>SI2.a.i Describe the difference between saving and investing.</p>	<p>SI2.a.m Explain the difference between income and net worth.</p>	<p>SI2.a.h Explain the role of revenue generating assets in building net worth (e.g.,</p>

	value may build net worth.	Describe reasons why people invest their money.	<p>Compare and contrast methods to increase net worth.</p> <p>Examine the time value of money (TVM) and the variables that affect time value of money.</p>	<p>real estate and entrepreneurship).</p> <p>Evaluate the effect of compounding earned interest on investments.</p> <p>Compute time value of money (TVM) principles (e.g., compound interest, Rule of 72).</p> <p>Evaluate the reliability and trustworthiness of digital investment banking.</p>
<b>SI2.b: Investing Types and Features</b>	SI2.b.e Differentiate between owning something of value, keeping money in a financial institution, or giving money to someone else in return for future value.	SI2.b.i Identify different investing choices (e.g., collectibles, stocks, bonds, mutual funds).  Predict financial outcomes based on investing choices.	SI2.b.m Explore investing choices (e.g., collectibles, stocks, bonds, mutual funds) which can produce annual income or growth.  Identify the differences between banks, credit unions, and investment firms.	SI2.b.h Describe a range of investment vehicles (short-term and long-term) for buying and selling investments.  Explain the concept of asset allocation, associated fees, and their effect on the rate of return.

				Differentiate between different types of long-term retirement investments [e.g., IRA, Roth IRA, 401(k), and 403 (b)].
<b>SI2.c: Investing Goal Planning</b>	<p>SI2.c.e Identify the difference between short- and long-term (e.g., today versus Saturday versus the future, elementary versus middle school versus high school).</p>	<p>SI2.c.i Explain reasons why people invest for future personal financial goals.</p> <p>Develop short- and long-term personal investing goals.</p> <p>Explain that people make spending, saving, and investing choices to meet personal financial goals.</p>	<p>SI2.c.m Create a prioritized list of short- and long-term personal financial investment goals and suggest methods to achieve those goals.</p> <p>Compare games of chance with investing methods for financial planning.</p> <p>Examine the role of investing for retirement.</p> <p>Investigate the role of a financial planner.</p> <p>Analyze the difference between dividends and capital gains.</p> <p>Identify factors that influence financial</p>	<p>SI2.c.h Create personal criteria for investment planning.</p> <p>Analyze financial investment services according to personal criteria for investment planning.</p> <p>Assess various means of building net worth.</p> <p>Justify how paying yourself first early and often influences positive progress toward long-term financial planning goals.</p> <p>Evaluate factors that influence financial investment planning (i.e., age, income, liabilities,</p>

			investment planning (i.e., age, income, liabilities, assets, goals, family size, risk tolerance).	assets, goals, family size, risk tolerance, etc.)  Develop an investment plan to meet individual short- and long-term financial investment goals.
<b>SI2.d: Investing Risks and Rewards</b>	SI2.d.e Identify how items of value may fluctuate over time.	SI2.d.i Give examples of investing risks and rewards.  Explain why there are different types of interest (i.e., simple and compound).  Compare rewards when investing.	SI2.d.m Compare and contrast types of risk for investing.  Choose personal risk tolerance for investments.  Compare and contrast levels of investment risk and levels of investment rewards.	SI2.d.h Compare the risk, return, and liquidity of various investment alternatives contrasting a range of short-term and long-term investment strategies.  Identify financial risks, including inflation, deflation, and recession.  Assess the long-term investment potential associated with the stock market, focusing on fundamentals such as diversification, risk-reward, dollar cost averaging, and investor behavior.

<p><b>SI2.e: Role of Government in Investing</b></p>		<p><b>SI2.e.i</b> Explain how federal and state regulators help protect investors.</p> <p>Identify investment options that are tax free.</p>	<p><b>SI2.e.m</b> Investigate reliable government and industry sources to locate background information about a local person who provides investment advice.</p> <p>Examine the tax rate on short-term and long-term investments.</p> <p>Analyze the benefits of tax-advantaged investments for young people.</p>	<p><b>SI2.e.h</b> Determine information, assistance, and protection that individual investors can receive (e.g., Securities and Exchange Commission, Financial Industry Regulatory Authority, Consumer Financial Protection Bureau, State Securities Administrators).</p> <p>Compare and contrast the advantages of taxable, tax deferred and tax-advantaged investments for new savers, including Roth IRAs and employer-sponsored retirement vehicles.</p> <p>Assess fiduciary responsibilities and due diligence of financial professionals.</p>
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## Credit and Debt

Discipline: Personal Financial Literacy

Content Area: Credit and Debt (CD)

Standard PFL.CD1: Students will examine the benefits and costs of using credit.

	Performance Indicators (By Grade Band)			
Learning Priority	K-2 (e)	3-5 (i)	6-8 (m)	9-12 (h)
<b>CD1.a: Benefits of Using Credit</b>	CD1.a.e Explain why something borrowed must be returned.	CD1.a.i Identify situations when people might pay for certain items in small amounts over time.  Summarize the advantages and disadvantages of using credit.	CD1.a.m Assess whether a specific purchase justifies the use of credit.	CD1.a.e Analyze uses of credit that provide financial and personal benefits.  Predict why someone would make a purchase using credit instead of cash.
<b>CD1.b: Costs of Using Credit</b>	CD1.b.e Explain the difference between buying and borrowing.	CD1.b.i Summarize the advantages and disadvantages of using credit.	CD1.b.m Assess whether a specific purchase justifies the use of credit.	CD1.b.h Assess the total cost of incurring a loan (e.g., various rates of interest, loan origination fee, early payback, and length of term).

<b>CD1.c: Interest and Fees</b>	<p>CD1.c.e Explain how people can borrow money or an item if they promise to return it.</p>	<p>CD1.c.i Compare the differences between income and expenses.</p> <p>Calculate cost of late fees over a given time period.</p>	<p>CD1.c.m Compare options for payment on credit cards.</p> <p>Demonstrate balance sheet concepts (e.g., debit and credit).</p> <p>Compute the amount of interest paid over time when using credit.</p> <p>Compare advantages and disadvantages of various debt payment methods.</p>	<p>CD1.c.h Evaluate options for payment on credit cards and the consequences of each option.</p> <p>Compare different debt payment methods.</p> <p>Calculate the total cost of repaying a loan under various rates of interest and over different time periods.</p>
<b>CD1.d: Debt Resolution</b>	<p>CD1.d.e Identify actions a borrower can take to satisfy a lender when a borrowed item cannot be repaid, is lost, or damaged.</p> <p>Explain who can assist in solving problems (e.g., parents, teachers, counselors).</p>	<p>CD1.d.i Recognize consequences of overspending when borrowing, and reflect on what may need to be sacrificed to resolve a debt.</p> <p>Recognize appropriate people who could discuss financial issues.</p>	<p>CD1.d.m Identify indicators of excessive debt.</p> <p>Predict possible consequences of excessive debt or bankruptcy.</p> <p>Explain credit coaching and appropriate times to utilize it.</p>	<p>CD1.d.h Examine services that consumer credit counseling agencies offer.</p> <p>Examine how consumers apply financial coaching to various situations.</p> <p>Investigate the purpose and types of bankruptcy, including its possible negative effects on assets, employability, credit</p>

				<p>availability, cost of credit, and lenders.</p> <p>Explore strategies that may be used to avoid bankruptcy and what debt may not be discharged through bankruptcy.</p> <p>Investigate common life situations that lead to financial difficulty and bankruptcy.</p> <p>Evaluate the methods that debt collectors take in recovering collateral from borrowers.</p>
<b>Standard: PFL.CD2: Students will interpret lending options, consumer rights, and responsibilities.</b>				
<b>Learning Priority</b>	<b>K-2 (e)</b>	<b>3-5 (i)</b>	<b>6-8 (m)</b>	<b>9-12 (h)</b>
<b>CD2.a: Credit Products and Services</b>	<p>CD2.a.e Identify different forms of payment methods. (e.g., online, cash, debit card, credit card, loan).</p>	<p>CD2.a.i Compare and give examples of goods and services.</p> <p>Explore situations where people might</p>	<p>CD2.a.m Compare the benefits and costs of spending decisions when selecting products or services.</p>	<p>CD2.a.h Analyze the impact of using a credit card versus debit card as it relates to money management.</p> <p>Compare various types of student loans and</p>

	<p>Identify people from whom a person could borrow an item.</p>	<p>pay for certain items over time.</p> <p>Examine why financial institutions lend money.</p> <p>Explain why using a credit card is a form of borrowing.</p> <p>Identify the sources of credit.</p>	<p>Differentiate between a credit card, charge card, and debit card.</p> <p>Assess whether a specific purchase justifies the use of credit.</p> <p>Evaluate potential consequences of using easy access credit.</p> <p>Identify the financial benefits and services of different types of lending institutions.</p>	<p>alternatives of paying for post-secondary education.</p> <p>Research the potential consequences of deferred payment of student loans.</p> <p>Differentiate between adjustable- and fixed-rate debt.</p> <p>Analyze the effect of debt on a person's net worth.</p> <p>Calculate the most cost-effective option for paying for a car.</p> <p>Assess the financial benefits and services of different types of lending institutions.</p>
<p><b>CD2.b: Consumer Credit Rights and Responsibilities</b></p>	<p>CD2.b.e Identify actions a borrower can take to satisfy a lender when a borrowed item is lost or damaged.</p>	<p>CD2.b.i Evaluate the qualities that would be desirable in a person who borrows a favorite personal possession.</p>	<p>CD2.b.m Research ways that a person can regain a lender's trust after losing or damaging a borrowed personal property.</p>	<p>CD2.b.h Explain the rights and responsibilities of buyers and sellers under the Fair Debt Collection Practice Act consumer protection laws.</p>

		<p>List examples of reasonable conditions to set for the use of borrowed personal property.</p> <p>Identify penalties associated with borrowing agreements (e.g., library, bank).</p>	<p>Compare the potential payoffs of a positive borrowing reputation versus the potential consequences of a poor borrowing reputation.</p> <p>Explain why and how credit reports are developed.</p> <p>Examine the Fair Debt Collection Practice Act &amp; Fair Credit Reporting Act.</p>	<p>Explain the rights that people have to review and resolve credit score discrepancies under the Fair Credit Reporting Act.</p> <p>Compile examples of permissible uses of credit reports other than granting credit.</p> <p>Compose information on the primary organizations that maintain and provide consumer credit records.</p> <p>Analyze factors affecting a credit score and creditworthiness.</p>
<p><b>CD2.c: High-Cost Alternative Lending</b></p>		<p>CD2.c.i Provide examples of predatory lending practices.</p>	<p>CD2.c.m Explain products and practices such as refund anticipation loan, payday lending, and rent-to-own.</p>	<p>CD2.c.h Compare and contrast advantages, disadvantages, and risks of lending products and practices (e.g. refund anticipation loan, payday lending, and rent-to-own).</p> <p>Differentiate between a rapid access loan and bank</p>

				loan in both the short-term and long-term.
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## Risk Management and Insurance

Discipline: Personal Financial Literacy

Content Area: Risk Management and Insurance (RMI)

Standard PFL.RMI1: Students will contrast different types of risk and how it could affect their financial decisions.

	Performance Indicators (By Grade Band)			
Learning Priority	K-2 (e)	3-5 (i)	6-8 (m)	9-12 (h)
RMI1.a: Risk	<p>RMI1.a.e Describe the feeling of losing an object (e.g., losing money, losing a favorite toy, losing homework assignments).</p> <p>Predict some risks in everyday situations (e.g., playing on the playground, staying up too late, riding a bike) and explain ways to limit these risks.</p>	<p>RMI1.a.i Identify life situations where the outcome was unexpected.</p> <p>Determine what risks may be worth taking for a desired outcome.</p>	<p>RMI1.a.m Distinguish between personal choices that have reasonable and unreasonable risk factors.</p> <p>Identify how to reduce risk by relying upon others and other loss prevention tools.</p>	<p>RMI1.a.h Determine different perceptions of risk based on age, culture, and social status.</p> <p>Analyze the financial cost of taking a risk versus outsourcing the risk (e.g., contract for services, insurance, utilization of technology).</p>

<b>RMI1.b: Consequences of Financial Risk</b>	RMI1.b.e Explain different ways a person can lose something valuable and the consequences.	RMI1.b.i Examine how risky individual financial choices can negatively impact a family or community.	RMI1.b.m Illustrate decisions individuals make that may inhibit their ability to meet financial obligations.	RMI1.b.h Evaluate examples of personal financial decisions that prevent consumers from acquiring necessary goods and services (i.e., ability to acquire with cash or credit based upon credit score).
<b>Standard PFL.RMI2: Students will assess possible choices to protect themselves from financial risk.</b>				
<b>Learning Priority</b>	<b>K-2 (e)</b>	<b>3-5 (i)</b>	<b>6-8 (m)</b>	<b>9-12 (h)</b>
<b>RMI2.a: Purpose of Insurance</b>	RMI2.a.e Determine different types of situations where a person needs protection (e.g., staying near parents, riding a bike, crossing a busy road).	RMI2.a.i Describe ways to protect and lower risk of losing valuables. (e.g., putting things away, not bringing things to school, locking a locker, taking care of valuables).	RMI2.a.m Describe ways in which having insurance can protect a person from financial loss.	RMI2.a.h Evaluate why some types of insurance are required by law.
<b>RMI2.b: Types of Insurance</b>	RMI2.b.e Identify why someone would get insurance on valuable items (e.g.,	RMI2.b.i Describe different types of insurance.	RMI2.b.m Describe how the different types of short-term and long-term insurance coverages can protect a person.	RMI2.b.h Compare the different types of insurance and the level of protection they provide including options provided by a person, an

	cell phone or game console).			employer, and the government.  Summarize insurance and the amount of coverage mandated by various government regulations.
<b>RMI2.c: Cost Factors of Insurance</b>	RMI2.c.e Predict consequences of not having protection for various scenarios.	RMI2.c.i Compare cost of insurance versus cost of loss.  Determine what factors would increase the cost of protection.	RMI2.c.m Explain how insurance coverage is directly proportional to insurance premiums (e.g. the higher the coverage amounts, types of coverage, risk of person being insured such as teen drivers may increase costs).  Evaluate how the cost of insurance can vary based on past decisions.	RMI2.c.h Analyze insurance coverage needs that can increase or decrease insurance costs.  Compare insurance policies, rates, premiums, and deductibles to minimize costs.  Examine the conditions under which it is appropriate and necessary for young adults to have life, auto, health, and disability insurance.
<b>RMI2.d: Meaning of Insurance Contracts</b>	RMI2.d.e Illustrate what both people have to do when they enter an agreement.	RMI2.d.i Determine the benefits of insurance contracts.	RMI2.d.m Compare extended warranties, insurance, protection, and coverage.	RMI2.d.h Determine when and why insurance contracts are used.

			Identify why it is important to understand the details of an insurance plan.	Evaluate the components of insurance contracts and their common terms and conditions.  Interpret the responsibilities and rights provided by common insurance contracts.
<b>RMI2.e: Loss Prevention Plan</b>	RMI2.e.e Determine the best type(s) of protection for given scenarios regarding risk (e.g., wearing a hat and mittens in the cold, wearing a bike helmet).	RMI2.e.i Create an insurance plan that demonstrates the type of insurance coverage that people need for their items of value (e.g., insurance on a cell phone or game console).	RMI2.e. Construct a plan that shows how to use insurance effectively to protect self, family, and items of value.	RMI2.e.h Predict what happens when someone underestimates, or overestimates a protection level, and justify an appropriate level of insurance coverage.  Evaluate insurance professionals and companies to determine whether they meet different insurance needs.