Personal Finance: CW Workgroup Submitted/ Amended Workgroup/ Rationale

Code	Workgroup Submitted	Amended Workgroup	Rationale/Comments
Strand I. Financial Decision-Making: Choice is the central principle of financial decision making for individuals, businesses and government. People make many choices every day in markets where buyers and sellers interact. This interaction determines market prices and allocates scarce goods and services based on supply and demand. Every decision incurs an opportunity cost. Opportunity cost is the next-best alternative when a decision is made; it is what is given up.			
Concept 1: Unlimited Wants and Limited Resources			
I.1.A	Evaluate the role of choice in decision-making.		
I.1.B	Apply a rational decision making process to satisfy ~~needs.~~	Apply a rational decision-making process to satisfy **wants.**	Editing: Accepted economic concept
Concept 2: Choice and Decision-Making			
I.2.A	~~Recognize that~~ today's choices have consequences ~~in the~~ future.	**Explain how** today's choices have future consequences.	Increased rigor Clarity Response to PC
I.2.B	~~Demonstrate that making a~~ choice ~~results in an~~ ~~O~~pportunity ~~C~~ost.	**Explain the causal relationship** between choice and opportunity cost.	Clarity Response to PC
I.2.C	~~Interpret~~ the unintended consequences that result from choices ~~made.~~	**Analyze how** choices can result **in** unintended consequences.	Clarity
Strand II. Earning Income: ~~Income for most people~~ **For most people, income is** determined by their work ethic, **their education** and the market value of their labor paid as wages and salaries. People can increase their income and job opportunities by performing well and choosing to acquire more education, skill building and work experience. The decision to undertake an activity that increases income or job opportunities is affected by the expected benefits and costs of such an activity. ~~Income also is~~ **Income is also** obtained from other sources such as interest, rents, capital gains, dividends and profits. **(Rationale: Editing)**			
Concept 1: Career Choices and Consequences **(Rationale: Added to follow the same pattern as the other strands: explanation and categorization and parallel structure.)**			
II.1.A	Evaluate how career choices impact income and quality of life.		
II.1.B	Analyze the relationship between education~~/~~skill development and earning potential.	Analyze the relationship between education**,** skill development and earning potential	Editing
II.1.C	~~Recognize that~~ wages or salaries are determined in the labor markets~~.~~	**Describe how** wages and salaries are determined in labor markets.	Increased rigor Response to PC
II.1.D	~~Recognize that~~ economic conditions or changes in labor markets can cause changes in ~~a worker's~~ income or may cause ~~un~~employment.	**Analyze how** changes in economic conditions **and/**or in labor markets can cause changes in **a person's** income or employment **status.**	Increased rigor Response to PC
II.1.E	Explain ~~that~~ entrepreneurs ~~recognize~~ problems ~~that~~ provide opportunities for creating new or innovative goods or services.	**Describe how** entrepreneurs **see** problems as opportunities for creating new or innovative goods or services.	Response to PC Clarity
Concept 2: Forms of Compensation			
II.2.A	Examine how workers are paid (wages, salaries, commissions).	Examine how workers are paid **through** wages, salaries and commissions.	Clarity

II.2.B	Analyze benefits such as health insurance, paid vacation~~, etc.~~ as a form of compensation.	Analyze **why** benefits such as health insurance, paid vacation**, retirement plan, family leave, tuition reimbursement and flexible scheduling are considered** forms of compensation.	Clarity Response to PC
II.2.C	Identify sources for deriving income outside wages and salaries (rent, interest, gifts, dividends, profits, capital gains).	Identify sources for **earning** income **in addition** to wages and salaries **such as** rent, interest, gifts, dividends, profits **and** capital gains.	Clarity
Concept 3: Taxes and Other Deductions			
II.3.A	Compare ~~the difference between~~ gross and net income.	Compare gross and net income.	Edited
II.3.B	~~Recognize~~ standard deductions – income taxes, social security (FICA), Medicare, deductions for health care, retirement savings ~~(401K, 403b).~~	**Explain the purpose of** standard deductions **such as** income taxes, social security (FICA), Medicare, deductions for health care **and** retirement savings plans.	Response to PC Clarity
II.3.C	Explain that taxes provide public goods and services.	Explain **how** taxes provide public goods and services.	Rigor Clarity
Strand III. Buying Goods and Services: People cannot buy or make all the goods and services they want; as a result, people choose to buy some goods and services and not buy others. People can improve their economic well-being by making informed spending decisions, which entails collecting information, planning and budgeting.			
Concept 1: Creating a Budget			
III.1.A	~~List~~ income and expenses.	**Differentiate between** income and expenses.	Rigor and clarity
III.1.B	Analyze spending habits to recognize current spending and saving trends.		
III.1.C	Create a budget ~~including~~ savings goals, emergency funds, fixed and variable expenses.	Create a budget **that includes** savings goals, emergency funds, fixed **expenses** and variable expenses.	Editing
III.1.D	~~Recognize~~ charitable giving as a budget ~~item which~~ may have tax benefits.	**Explain how** budgeting for charitable giving may have tax benefits.	Response to PC Rigor
III.1.E	Prioritize expenses and payment due dates.		
Concept 2: Purchasing Items of High Value			
III.2.A	Conduct research on product options to plan future purchases (phone, car, laptop, vacation).	Conduct research on product options to plan future purchases **such as** phone, car, **home** or vacation.	Added home as high value item students may acquire in their lifetime. Edited
III.2.B	Evaluate product information for price, quality, service and features.		

III.2.C	~~Recognize~~ deceptive or fraudulent sales practices.	**Describe effective responses to** deceptive or fraudulent sales practices.	Rigor Response to PC
III.2.D	Identify payment methods.		
III.2.E	Analyze the costs and benefits of different payment options.		
Concept 3: Considering Alternative Goods and Services			
III.3.A	Evaluate substitutes when the price of goods or services exceeds your budget.		
III.3.B	Compare the features, durability and maintenance costs of goods.		
Concept 4: Selecting Financial Institutions			
III.4.A	Compare the services, service fees, and requirements of various financial institutions (bank, savings and loan, credit union).	Compare the services, service fees, and requirements of various financial institutions **such as** banks, savings and loans, credit unions, and **virtual banks.**	Edited Additional example needed
III.4.B	~~Demonstrate the ability to~~ record deposits, withdrawals, debit transactions. ~~and maintain a bank balance.~~	**Calculate an account balance by** recording deposits, withdrawals and debit transactions.	Clarified task
III.4.C		**Analyze the costs and benefits of using or not using financial institutions and virtual exchanges.**	This addition reflects current financial practices.
III.4.D	~~Evaluate~~ security measures for ~~your chosen~~ institution (FDIC, NCUA).	**Explain the importance of** FDIC, NCUA **and other security regulations to protect one's wealth in financial** institutions.	Clarity
Strand IV. Saving: Saving is the part of income that people choose to set aside for future uses. People save for different reasons **during** the course of their lives. People make different choices about how they save and how much they save. Time, interest rates and inflation affect the value of savings.			
Concept 1: Reasons for Saving			
IV.1.A	Identify short, medium and long-term savings goals (saving for retirement and post-secondary education and training).	Identify short, medium and long-term savings goals **including** saving for high value purchases, postsecondary education/training and retirement.	Edited
IV.1.B	Develop a savings plan.		
IV.1.C	~~Recognize~~ the importance of a rainy day fund for unexpected expenses.	**Explain** the importance of a rainy day fund for unexpected expenses.	Rigor and clarity Response to PC
IV.1.D	I~~dentify~~ retirement saving options ~~[401(k), 403(b), Roth IRA, Roth 401(k), and my RA]~~.	**Compare** retirement savings options.	Clarified task

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Concept 2: Interest on Savings			
IV.2.A	Compare simple and compound interest.		
IV.2.B	Use the rule of 72.	Use the Rule of 72 **to calculate how long it takes money to double.**	Clarity
IV.2.C	Explain time value of money.	Explain **how** the time value of money**, i.e. money in hand today is worth more than money promised in the future, influences financial decision-making.**	Clarity and essential information
Concept 3: Saving Instruments			
IV.3.A	Identify saving instruments (certificate of deposit, savings accounts)	Identify saving instruments **such as** certificate of deposit **and** savings accounts.	Edited
IV.3.B	Compare the liquidity, interest payment or penalty of various savings instruments.		
Strand V. Using Credit: Credit allows people to purchase goods and services ~~that~~ they can use today and pay interest on for those in the future. ~~with interest.~~ People choose among different credit options that have different costs. Lenders approve or deny applications for loans based on an evaluation of the borrower's past credit history and expected ability to pay in the future. Higher-risk borrowers are charged higher interest rates; lower-risk borrowers are charged lower interest rates. The responsibility for debt belongs to the borrower.			
Concept 1: Facets of Credit			
V.1.A	~~Recognize~~ the difference between a credit and a debit account.	**Analyze** the difference between a credit and a debit account.	Rigor Response to PC
V.1.B	Compare sources of consumer credit (credit cards, consumer loans, auto loans).	Compare sources of consumer credit **such as** credit cards, consumer loans, rent-to own, title and payday loans.	Response to PC
V.1.C	Evaluate the options for financing higher education.		
V.1.D	Analyze the terms and conditions of credit cards and consumer loans.	Analyze **various** terms and conditions of credit cards and consumer loans	
V.1.E	Explain a mortgage.	Explain the purpose, functions and costs of a mortgage.	Response to PC
Concept 2: Interest on Credit			
V.2.A	Compare the cost of credit using the Annual Percentage Rate (APR), initial fees charged and fees for late or missed payment.	Compare the cost of credit **between financial institutions based on** the Annual Percentage Rate (APR), initial fees charged and fees for late or missed payment.	
V.2.B	Calculate the total purchase price including interest paid.		
V.2.C	~~Recognize~~ the relationship between risk and interest (credit worthiness,	**Explain** the relationship between risk and	Rigor

	down payment).	interest **including** credit worthiness, and down payment.	Edited Response to PC
V.2.D	Differentiate between secured and unsecured loans.		
Concept 3: Credit Worthiness			
V.3.A	Evaluate factors that affect creditworthiness (paying on time, payment history).	Evaluate factors that affect creditworthiness **including** paying on time, **and** payment history.	Edited
V.3.B	Explain the purpose and components of credit records and credit history as provided by credit bureaus.		
V.3.C	~~Propose~~ ways to avoid or correct credit problems.	**Identify** ways to avoid **and/or** correct credit problems.	Clarity
V.3.D	~~Recognize that~~ credit scores may be used by employers ~~in hiring decisions, by~~ landlords ~~when deciding to rent an apartment~~ and ~~by~~ insurance companies ~~for charging premiums.~~	**Analyze why** credit scores may be used by **entities such as** employers, landlords and insurance companies.	Rigor Clarity Response to PC
V.3.E	Evaluate a free copy of their credit report annually to verify that there are no errors that might affect their credit score.	Evaluate a credit report to verify **accuracy.**	Response to PC
V.3.F		**Explain the importance of annually verifying one's credit report.**	Added in response to PC
V.3.G	~~Recognize that there are~~ consumer credit protection laws.	**Explain the value** of consumer credit protection laws.	Rigor and purpose Response to PC
V.3.H	Explain responsibilities associated with the use of credit.		
Strand VI. Protecting and Insuring: People make choices to protect themselves from the financial risk such as lost income, assets, health or identity. They can choose to accept risk, reduce risk or share the risk with others. Insurance allows people to transfer risk by paying a fee now to avoid the possibility of a larger loss later. The price of insurance is influenced by an individual's circumstances and behavior.			
Concept 1: Protecting Against Financial Risk by Insuring			
VI.1.A	~~Recognize that~~ personal financial risk exists when unexpected events can damage health, income, property, wealth or future opportunities.	**Analyze the** personal financial risks **that can occur** when unexpected events damage health, home, property, wealth or future opportunities.	Rigor Response to PC
VI.1.B	Explain that insurance ~~companies analyze the outcomes of individuals who face similar types of risks to create insurance contracts~~ (policies) ~~and collect a relatively small amount of money~~ (a premium) ~~from each policyholder on a regular basis to create a pool of funds to compensate those individuals who experience a large loss.~~	Explain **how and why** insurance companies create policies and determine premiums.	Edited for clarity
VI.1.C	Discuss why people choose different amounts of insurance coverage based on several factors (willingness to accept risk, occupation, lifestyle,	Analyze factors people use to choose insurance coverage.	Edited for clarity

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	age, financial profile, price).		
VI.1.D	Explain how ~~people lower their~~ insurance premiums by ~~behaving in ways that show they pose a lowe~~r risk.	Explain how personal behavior and risk impact insurance premiums.	Edited for clarity
VI.1.E	Analyze health insurance options to provide ~~funds to pay for health~~ care in the event of illness and/or pay for the cost of preventive care.	Analyze health insurance options to provide funds in the event of illness and/or to pay for the cost of preventive care.	Edited for clarity
Concept 2: **Protecting Personal Identity**			
VI.2.A	~~Explain that there~~ are federal and state regulations ~~that~~ provide some remedies and assistance for identity theft.	**Analyze** federal and state regulations which provide some remedies and assistance for identity theft.	Clarity of purpose
VI.2.B	Analyze how individuals can protect themselves when using ~~social networking~~ and ~~other~~ online ~~activity~~ from misuse of personal information and identity theft.	Analyze how individuals can protect themselves from others misusing personal information and from identity theft while online.	Clarity
VI.2.C	Discuss current ways to counter cyber-attacks and protect personal information.		
Strand VII. Financial Investing: Financial investment is the purchase of financial assets to increase income or wealth in the future. Investors must choose among investments that have different risks and expected rates of return. Investments with higher expected rates of return tend to have greater risk. Diversification of investment among a number of choices can lower investment risk.			
Concept 1: **Investment Instruments**			
VII.1.A	Compare various financial assets for their risk and rewards (stocks, bonds, mutual funds, real estate, and commodities).	Compare various financial assets for their risk and rewards **such as** stocks, bonds, mutual funds, real estate **and** commodities.	Edited
VII.1.B	Explain ~~that people buy~~ corporate stock ~~ownership in a business to receive income in the form of~~ dividends ~~and/or the increase in the~~ stock's value ~~(if the business is successful). The increase in the value of an asset is called a~~ capital gain. ~~If the business is not profitable, investors could lose the money they invested.~~	Explain the impact of capital gains, dividends, risk and stock value on corporate stock ownership	Clarity Response to PC
VII.1.C	~~Recognize~~ the price of a financial asset is determined by the interaction of buyers and sellers in a financial market.	**Explain how** the price of a financial asset is determined by the interaction of buyers and sellers in a financial market.	Rigor and clarity Response to PC
Concept 2: **The Relationship between Risk and Reward**			
VII.2.A	Explain how the rate of return earned from investments will vary according to the amount of risk.		
VII.2.B	~~Recognize that~~ buyers and sellers in financial markets determine prices of financial assets and ~~therefore~~ influence the rates of return on ~~those~~ assets.	**Explain how** the rates of return on financial assets are influenced by buyers and sellers in financial markets**.**	Rigor and clarity Response to PC
VII.2.C	Explain ~~how~~ a greater risk investment will commonly have a lower	Explain **why** an investment with greater	Clarity

	market price and a higher rate of return (penny stock).	risk, **such as** a penny stock, will commonly have a lower market price, **but an uncertain** rate of return.	Response to PC
VII.2.D	~~Differentiate the~~ rate of return between shorter-term investments and longer-term investments.	**Explain the risks and rewards** of short term and long-term investments.	Clarity
VII.2.E	Describe how diversification ~~by investing in different types of financial assets~~ can lower investment risk.	Describe how diversification can lower investment risk.	Edited for clarity