Indiana Financial Literacy

Grades 6, 7, 8

Adopted 2008

Demonstrate management of individual and family finances by applying reliable information and systematic decision making.

1. **Demonstrate taking responsibility for personal financial decisions.** 8-1.1
    1. Describe the benefits of financial responsibility and the costs of financial irresponsibility. 8-1.1.1

2. **Analyze financial information from a variety of reliable sources.** 8-1.2
    1. Analyze online and printed sources of financial information by describing strengths and weaknesses of each. 8-1.2.1

3. **Utilize consumer protection laws and resources.** 8-1.3
    1. Identify the primary consumer protection agency in Indiana. 8-1.3.1
    2. Describe unfair or deceptive business practices that are forbidden by consumer protection laws. 8-1.3.2
    3. Explain steps for resolving a consumer complaint. 8-1.3.3

4. **Make financial decisions by systematically considering alternatives and consequences.** 8-1.4
    1. Set measurable short-term and medium-term financial goals. 8-1.4.1
    2. Evaluate the results of financial decisions. 8-1.4.2
    3. Apply systematic decision making to short-term and medium-term goals. 8-1.4.3

5. **Demonstrate communication strategies for discussing financial issues.** 8-1.5
    1. Explain benefits of discussing important financial matters with household members and/or financial personnel. 8-1.5.1
    2. Identify factors that explain differing values and attitudes about money. 8-1.5.2

6. **Demonstrate strategies to control personal information.** 8-1.6
    1. Describe the possible consequences of disclosing particular types of personal information to others. 8-1.6.1

Analyze how education, income, career, and life choices relate to achieving financial goals.	1. **Describe how career choice, education, skills, entrepreneurship, and economic conditions affect income.** 8-2.1 1. Explain how an individual's interests, knowledge, abilities, and career and job choices affect income. 8-2.1.1 2. Summarize the financial risks and benefits of entrepreneurship as a career choice. 8-2.1.2
	2. **Identify sources of personal income.** 8-2.2 1. Identify jobs children and youth can do to earn money. 8-2.2.1 2. Give examples of sources of income other than wages or salary. 8-2.2.2
	3. **Explain how taxes and employee benefits relate to disposable income.** 8-2.3 1. Describe taxable income and employee benefits. 8-2.3.1 2. Describe the items commonly included in payroll deductions. 8-2.3.2
Manage money effectively by developing financial goals and budgets.	1. **Demonstrate ability to use money management skills and strategies.** 8-3.1 1. Explain basic budget categories, including income, taxes, planned savings, and fixed and variable expenses. 8-3.1.1 2. Explain the relationship between spending practices and achieving financial goals. 8-3.1.2
	2. **Develop a system for keeping and using financial records.** 8-3.2 1. Create a system to record income and spending for purchases, services, and taxes. 8-3.2.1 2. Create a system for organizing product information and warranties and financial documents such as receipts and account statements. 8-3.2.2
	3. **Analyze services of financial institutions.** 8-3.3 1. Compare the advantages and disadvantages of different payment methods, including cash, checks, stored-value cards, debit cards, credit cards, and electronic or online payment systems. 8-3.3.1 2. Demonstrate steps in establishing and maintaining financial accounts including checking and savings accounts, on-line banking, investments, and other financial services. 8-3.3.2
	4. **Apply consumer skills to purchase decisions.** 8-3.4 1. Analyze how external factors, such as marketing and advertising techniques, influence spending decisions for different individuals. 8-3.4.1 2. Use reliable consumer resources and practices to make buying decisions. 8-3.4.2 3. Apply systematic decision making to choose among courses of action that include a range of spending, delayed spending, and non-spending alternatives. 8-3.4.3

5. **Connect the role of charitable giving, volunteer service, and philanthropy to community development and quality of life.** 8-3.5
    1. Determine how charitable giving can fit into a personal budget and appropriate percentages for giving. 8-3.5.1
6. **Develop a personal financial plan.** 8-3.6
    1. Explain the relationship between spending practices and achieving financial goals. 8-3.6.1
    2. Illustrate allocation of a weekly allowance among the financial goals of spending, saving/investing, and sharing/giving. 8-3.6.2
    3. Create a plan to secure funding for a financial goal. 8-3.6.3
7. **Examine the purpose and value of estate planning.** 8-3.7
    1. Define the components of a simple will. 8-3.7.1

Manage credit and debt to remain both creditworthy and financially secure.

1. **Analyze the costs and benefits of using various types of credit.** 8-4.1
    1. Compare advantages and disadvantages of various types of credit. 8-4.1.1
    2. Explain factors to consider when using credit or obtaining a loan. 8-4.1.2
    3. Determine the total cost of repaying credit and loans under various rates of interest and over different periods. 8-4.1.3
2. **Analyze factors that influence establishing and maintaining a good credit rating.** 8-4.2
    1. Describe the information in a credit report and how long it is retained. 8-4.2.1
    2. Explain the value of a positive credit history and credit reports to consumers, borrowers and lenders. 8-4.2.2
3. **Analyze methods and benefits of avoiding or correcting credit and debt problems.** 8-4.3
    1. Identify possible credit and debt problems and ways to avoid them. 8-4.3.1
    2. Describe actions that a consumer can take to reduce or better manage excessive debt. 8-4.3.2
4. **Analyze major consumer credit laws.** 8-4.4
    1. Explain the rights, responsibilities, and protections of buyers and sellers under consumer credit laws. 8-4.4.1

Analyze the features of insurance, its role in balancing risk and benefits in financial planning.

1. **Analyze the nature of personal financial risk and the importance of protecting against financial loss.** 8-5.1
    1. Explain the relationship between risk and insurance. 8-5.1.1
    2. Explain how insurance deductibles work. 8-5.1.2

2. **Analyze the need for and value of various types of insurance across stages of the life cycle.** 8-5.2
    1. Describe the need for and value of health, property, life, disability, and liability insurance. 8-5.2.1
    2. Identify factors to consider when determining the amount of protection needed. 8-5.2.2
    3. Identify factors that can influence insurance costs. 8-5.2.3
3. **Apply concepts related to financial risk, protection from loss, and financial planning.** 8-5.3
    1. Apply opportunity-cost analysis to potential situations that can threaten personal and family income and assets. 8-5.3.1
    2. Analyze importance of developing plans for protecting current and future personal and family assets against financial loss. 8-5.3.2

Analyze saving and investing to build long-term financial security and wealth.

1. **Explain how saving contributes to financial well-being.** 8-6.1
    1. Describe the advantages and disadvantages of saving for short-term and medium-term financial goals. 8-6.1.1
    2. Explain simple interest, compound interest, and the benefits of a compound rate of return. 8-6.1.2
2. **Apply strategies for creating wealth and building assets.** 8-6.2
    1. Compare reasons and risk/return trade-offs for saving and for investing. 8-6.2.1
    2. Define the time value of money and explain how small amounts of money invested regularly over time grow exponentially. 8-6.2.2
    3. Devise a periodic investment plan for accumulating the money for a major life goal. 8-6.2.3
3. **Compare investment alternatives.** 8-6.3
    1. Compare the investment potential of investment options such as stocks, bonds, certificates of deposit, and savings accounts. 8-6.3.1
    2. Explain how inflation affects investment returns. 8-6.3.2
4. **Describe how to buy and sell investments.** 8-6.4
    1. Describe various sources of investment information, including prospectuses, online resources, and financial publications. 8-6.4.1
    2. Research and track publicly traded stock and record daily market values and gains or losses between two specified dates. 8-6.4.2

5. **Analyze factors that affect the rate of return on investments.** 8-6.5
    1. Explain how the time value of money and economic conditions affect the rate of return on investments. 8-6.5.1
    2. Identify taxes on investments and income tax–free earnings limit for an investor under the age of 18. 8-6.5.2
6. **Analyze how agencies that regulate financial markets protect investors.** 8-6.6
    1. Describe benefits and limits of deposit insurance. 8-6.6.1
    2. Utilize the Indiana Securities Commission to investigate legitimacy of one or more investment opportunities. 8-6.6.2