

Academic Standards for Personal Finance

Grades K-12



Pennsylvania Department of Education

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Overview

Personal Finance focuses on the fundamentals of personal finance, income, spending, saving and investing, risk and insurance, and credit, with a goal to develop individuals who can manage their personal finances. Personal finance is also known as personal financial literacy and financial literacy. The standards are written as grade-banded standards built around the areas below and topics that make up the areas of study.

Number	Areas
17.1	Personal Finance Fundamentals
17.2	Income
17.3	Spending
17.4	Saving & Investing
17.5	Risk & Insurance
17.6	Credit

Appendix F. Academic Standards for Personal Finance

Substrand	Kindergarten to Grade 2	Grades 3 to 5	Grades 6 to 8	Grades 9 to 12
1. Personal Finance Fundamentals				
Financial goal setting and decision making	17.1.K-2.A Identify short-term financial goals and steps people can take to achieve them.	17.1.3-5.A Describe reasons people set financial goals.	17.1.6-8.A Compare short-, intermediate-, and long-term financial goals.	17.1.9-12.A Determine the financial impact of various long-term goals (e.g., lifestyle, family, education).
	17.1.K-2.B Explain how limited personal financial resources affect the choices people make.	17.1.3-5.B Identify the opportunity cost of various financial decisions, including ones related to earning, spending, and saving.	17.1.6-8.B Explain why the opportunity cost of a decision might differ from one person or situation to another.	17.1.9-12.B Apply a systematic decision-making process, including opportunity costs, to setting and achieving financial goals.
Financial mindset and behaviors	17.1.K-2.C Describe how friends and family can impact a person's attitudes toward money.	17.1.3-5.C Explain how life circumstances and experiences can alter attitudes toward money.	17.1.6-8.C Analyze how people differ in their attitudes toward money.	17.1.9-12.C Analyze the impact of various factors on a person's financial mindset and decisions.
	Intentionally blank	17.1.3-5.D Identify financial decisions people make that may not be in their best interest.	17.1.6-8.D Describe behavioral biases (E.G., MENTAL ACCOUNTING, ANCHORING, CONFIRMATION BIAS) that can affect financial decisions.	17.1.9-12.D Evaluate strategies for dealing with behavioral biases (E.G., LOSS AVERSION, EXPERIENTIAL BIAS, MENTAL ACCOUNTING) and other obstacles to managing personal finances.
	Intentionally blank	17.1.3-5.E Describe conversations people have about money.	17.1.6-8.E Describe important financial conversations people have and with whom they have them.	17.1.9-12.E Assess the value of sharing financial goals and information with others.

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Financial services	17.1.K-2.F Describe ways people use financial institutions (e.g., depositing money, obtaining cash).	17.1.3-5.F Identify products and services provided by financial institutions.	17.1.6-8.F Identify personal information needed to establish a financial account.	17.1.9-12.F Compare various financial service providers (e.g., banks, credit unions, check cashers, brokerage firms) and the types of accounts and services each provides.
	Intentionally blank	Intentionally blank	Intentionally blank	17.1.9-12.G Communicate the process of opening financial accounts and the factors to consider when selecting financial institutions and professionals.
	Intentionally blank	Intentionally blank	Intentionally blank	17.1.9-12.H Evaluate the use of financial technology to access financial services and make financial decisions.
Financial record keeping	Intentionally blank	Intentionally blank	17.1.6-8.I Describe information people document and track for their personal finances.	17.1.9-12.I Develop a system for documenting and organizing personal financial records, both paper and electronic.
	Intentionally blank	Intentionally blank	Intentionally blank	17.1.9-12.J Explain the financial implications of wills, powers of attorney, and naming beneficiaries for various accounts.

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Consumer protection	Intentionally blank	Intentionally blank	Intentionally blank	17.1.9-12.K Explain the role of various state and federal financial regulators and consumer protection agencies.
	Intentionally blank	Intentionally blank	Intentionally blank	17.1.9-12.L Describe the issues addressed by various laws and regulations that impact or safeguard a person's finances.
2. Income				
Sources of income	17.2.K-2.A Identify reasons people and households require income.	17.2.3-5.A Describe how people receive income (e.g., work, gifts, renting property to others).	17.2.6-8.A Compare compensation methods, including hourly wage, salary, commission, tips, and piecework.	17.2.9-12.A Explain various types of income (e.g., earned, unearned, passive, active) and their sources (e.g., work, rentals, investments, government programs).
	Intentionally blank	Intentionally blank	Intentionally blank	17.2.9-12.B Describe sources of retirement income and how they relate to individual investment choices, employer-sponsored retirement plans, and government programs.
Factors influencing income	17.2.K-2.C Predict the knowledge and skills needed for various jobs.	17.2.3-5.C Explain ways people improve their ability to earn income through education, training, and experience.	17.2.6-8.C Analyze connections between the amount individuals might earn in various careers and the education or training that is required.	17.2.9-12.C Use data to support an individual's decision to obtain or forgo post-secondary education based on the associated costs and anticipated future income.

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	Intentionally blank	Intentionally blank	17.2.6-8.D Compare ways people pay for education and training, including scholarships, grants, savings, military service, apprenticeships, and loans.	17.2.9-12.D Research options to pay for education and training, ways to reduce the total cost, and steps needed to obtain financial aid.
	Intentionally blank	Intentionally blank	17.2.6-8.E Explain factors that may impact a person's future income and employment status, including changes in technology, demand for workers, and the cost of post-secondary education.	17.2.9-12.E Evaluate the impacts of technology, labor markets, and economic conditions and trends on a person's employment potential.
	Intentionally blank	Intentionally blank	Intentionally blank	17.2.9-12.F Explain the impact of employee benefits (e.g., health insurance, retirement savings plans, education reimbursement programs) on an individual's finances.
Self-employment and supplemental income	17.2.K-2.G Identify ways people earn income through entrepreneurship.	17.2.3-5.G Describe how people earn income through entrepreneurship and supplemental employment.	17.2.6-8.G Compare various forms of self-employment.	17.2.9-12.G Analyze the financial impact of a person's decision to own a business, work as an independent contractor, or be employed.
Income and payroll taxes	Intentionally blank	Intentionally blank	17.2.6-8.H Interpret a pay statement and explain the relationship between gross pay, net pay, and payroll deductions.	17.2.9-12.H Calculate the impact of taxes and payroll deductions on income.
	Intentionally blank	Intentionally blank	Intentionally blank	17.2.9-12.I Complete various federal, state, and local tax forms.

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3. Spending				
Spending decisions	17.3.K-2.A Describe spending choices people make in everyday life and factors that influence them.	17.3.3-5.A Explain factors that influence a person's spending decisions and the impact these has on how they prioritize their wants.	17.3.6-8.A Demonstrate making an informed purchase decision by evaluating price, product claims, and information from a variety of sources.	17.3.9-12.A Develop a process for making informed spending decisions, including factors to consider (e.g., product features, price, durability, environmental or societal impact, reliability of information).
	Intentionally blank	Intentionally blank	17.3.6-8.B Apply mathematical skills to assess the impact of various ways retailers express prices (e.g., coupons, discounts, unit price).	17.3.9-12.B Compare ways people can lower the price they pay for goods and services (e.g., online tools, discount retailers, negotiating, secondhand items).
Developing a budget	17.3.K-2.C Differentiate between money that is received and money that is spent.	17.3.3-5.C Provide examples of household spending and sources of income.	17.3.6-8.C Compare ways people organize and track their spending and income.	17.3.9-12.C Develop a personal approach to keeping track of income and spending.
	17.3.K-2.D Describe how people use money for different purposes, including spending, saving, and sharing with others.	17.3.3-5.D Construct a simple budget (e.g., for a family, individual, or school event).	17.3.6-8.D Explain the components of a personal budget (e.g., income, expenses, planned savings) and how budgeting can help people achieve their financial goals.	17.3.9-12.D Evaluate various budgeting approaches (e.g., 50-30-20, zero-based) and methods (e.g., envelope system, spreadsheets, online tools).
	Intentionally blank	Intentionally blank	Intentionally blank	17.3.9-12.E Create a personal budget to allocate current or future income, including estimates for fixed and variable expenses.

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	Intentionally blank	Intentionally blank	Intentionally blank	17.3.9-12.F Identify methods for adjusting a budget for unexpected expenses or loss of income.
Payment methods	Intentionally blank	17.3.3-5.G Explain various payment methods (e.g., cash, checks, gift cards, debit cards, credit cards).	17.3.6-8.G Describe the advantages and disadvantages of using various payment methods (e.g., cash, checks, gift cards, debit cards, credit cards, mobile payments).	17.3.9-12.G Compare the effects of using various payment methods when making purchases.
	Intentionally blank	Intentionally blank	Intentionally blank	17.3.9-12.H Compare various approaches to paying bills, including making automated payments and ensuring bills are paid on time.
	Intentionally blank	Intentionally blank	Intentionally blank	17.3.9-12.I Describe the impact of technology on payment methods and how it influences spending.
Major life purchases	Intentionally blank	Intentionally blank	Intentionally blank	17.3.9-12.J Analyze a housing decision, including comparing renting and buying, upfront and ongoing costs, and the process of obtaining a mortgage or a lease.

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	Intentionally blank	Intentionally blank	Intentionally blank	17.3.9-12.K Justify the purchase or lease of a vehicle and the alternatives considered (e.g., new versus used, total cost of ownership or use).
Sales and Property Taxes	Intentionally blank	17.3.3-5.L Identify taxes applied to certain purchases.	17.3.6-8.L Calculate the sales tax for various types of purchases.	17.3.9-12.L Analyze the impact of paying sales, excise, and property taxes on financial decisions.
Charitable Giving	17.3.K-2.M Identify items people might give to someone else or donate to charity.	17.3.3-5.M Identify reasons people participate in fundraising efforts and the causes they support.	17.3.6-8.M Describe ways people support charitable organizations by donating money, items, and time.	17.3.9-12.M Justify a decision to participate in or forgo a fundraising effort based on the organization and cause.
4. Saving and Investing				
Asset building	17.4.K-2.A Describe things people own (e.g., toys, home, money).	17.4.3-5.A Identify items that might increase or decrease in value over time.	17.4.6-8.A Explain the change in value over time of various assets.	17.4.9-12.A Calculate a person's net worth given their assets and liabilities.
Saving	17.4.K-2.B Describe reasons people save money for the future rather than spend it now.	17.4.3-5.B Describe a variety of savings goals and the factors that influence them.	17.4.6-8.B Describe the process of creating, implementing, and adapting a personal savings plan.	17.4.9-12.B Develop a savings plan for accomplishing personal short- and long-term financial goals.
	17.4.K-2.C Identify ways children can keep their money safe and avoid losing it.	17.4.3-5.C Identify reasons people deposit money to be saved in accounts at financial institutions and factors they might consider when selecting a financial institution.	17.4.6-8.C Use different methods and tools to calculate the growth in savings given various scenarios (e.g., simple versus compound interest, starting age, years to save, and interest rates).	17.4.9-12.C Compare the features of various savings vehicles (e.g., savings accounts, certificates of deposit, money market accounts) and the interest rates offered by several institutions.

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Investing	Intentionally blank	Intentionally blank	17.4.6-8.D Describe similarities and differences between saving and investing.	17.4.9-12.D Explain factors that contribute to rates of return for various investments, including risk, inflation, and taxes.
	Intentionally blank	Intentionally blank	17.4.6-8.E Identify publicly traded companies, the goods and services they produce, and their current stock prices.	17.4.9-12.E Explain the similarities and differences between stocks, bonds, mutual funds, and exchange-traded funds, and the factors that influence price fluctuations for each.
	Intentionally blank	Intentionally blank	17.4.6-8.F Identify factors influencing investment planning (e.g., age, income, debt, assets, goals, family size, risk tolerance).	17.4.9-12.F Describe factors to consider when selecting sources of investment advice and trading methods (e.g., online trading platforms, financial advisors, robo-advisors).
	Intentionally blank	Intentionally blank	17.4.6-8.G Describe how people make money through investing (e.g., buying low and selling high, earning dividends, buy and hold).	17.4.9-12.G Explain how popular benchmark indices are used.
	Intentionally blank	Intentionally blank	Intentionally blank	17.4.9-12.H Recommend an investment portfolio diversified to meet specific goals, including purpose, starting age, time horizon, and tolerance for risk.

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	Intentionally blank	Intentionally blank	Intentionally blank	17.4.9-12.I Compare retirement-specific investment options, including employer-sponsored plans, Roth and traditional individual retirement accounts, and accounts available to people who are self-employed.
Investing risk tolerance	Intentionally blank	Intentionally blank	17.4.6-8.J Assess the impact of values and attitudes, including tolerance for risk, on saving and investing decisions.	17.4.9-12.J Analyze personal attitudes towards risk and how these might impact future investment decisions and outcomes.
	Intentionally blank	Intentionally blank	Intentionally blank	17.4.9-12.K Describe methods to avoid or counteract the potentially negative impacts of behavioral biases (E.G., LOSS AVERSION, HERDING, CHOICE OVERLOAD) on investment decisions.
5. Risk and Insurance				
Risk identification and management	17.5.K-2.A Identify risks in everyday situations.	17.5.3-5.A Describe how unexpected events could impact a person's finances (e.g., floods, automobile accidents, illness).	17.5.6-8.A Provide examples of financial risks people face (e.g., losing a job, needing to replace damaged property, paying medical expenses).	17.5.9-12.A Evaluate a person's potential for financial risk (e.g., loss of personal property, reduction in income, liability).
	17.5.K-2.B Explain ways to avoid or reduce risks.	17.5.3-5.B Explain how emergency savings can be used to offset losses from unexpected events.	17.5.6-8.B Describe how people manage the risk of financial loss through risk avoidance, reduction, retention, and transfer.	17.5.9-12.B Critique approaches to avoiding, reducing, retaining, and transferring risk given a particular scenario.

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Insurance	Intentionally blank	17.5.3-5.C Provide examples of insurance people buy in order to transfer financial risk (e.g., health, auto, flood).	17.5.6-8.C Compare various types of insurance and what is typically covered by each.	17.5.9-12.C Formulate insurance recommendations based on individual needs, situations, and preferences, including but not limited to automotive, homeowners, renters, health, life, and disability, as justified.
	Intentionally blank	Intentionally blank	17.5.6-8.D Describe factors that impact the amount an individual can expect to pay for insurance (e.g., coverage types and amounts, age, location, driving record).	17.5.9-12.D Use information from various sources to compare insurance providers, plans, and prices.
	Intentionally blank	Intentionally blank	17.5.6-8.E Defend decisions to purchase or forgo insurance, extended warranties, and service contracts.	17.5.9-12.E Formulate a process of comparing insurance products, determining out-of-pocket costs, and filing claims.
	Intentionally blank	Intentionally blank	17.5.6-8.F Describe how insurance works by pooling the premiums of many policyholders in order to pay for claims.	17.5.9-12.F Describe circumstances in which a person may be required to show proof of insurance or obtain a minimum amount of coverage.
	Intentionally blank	Intentionally blank	Intentionally blank	17.5.9-12.G Evaluate the impact of public insurance programs for individuals facing financial hardship (e.g., Medicare, Medicaid, and unemployment).

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Financial fraud and identity theft	17.5.K-2.H Give examples of personal information that should be kept private.	17.5.3-5.H Predict the financial consequences of sharing personal information.	17.5.6-8.H Describe strategies people can use to protect their personally identifiable information.	17.5.9-12.H Analyze trends in financial fraud and strategies to avoid becoming a victim.
	Intentionally blank	Intentionally blank	Intentionally blank	17.5.9-12.I Research the agencies individuals can contact and steps they can take to address financial fraud and scams, including identity theft.
6. Credit				
Credit use and benefits	17.6.K-2.A Describe the process of borrowing items or money from someone else.	17.6.3-5.A Identify traits that could impact a person's ability to borrow items or money.	17.6.6-8.A Explain how credit is established and tracked over time for an individual.	17.6.9-12.A Evaluate pathways to obtaining credit and what lenders look for in a borrower (e.g., character, capacity, capital, collateral).
	Intentionally blank	Intentionally blank	Intentionally blank	17.6.9-12.B Describe how credit reports and scores are determined, used, and improved.
Types of credit	Intentionally blank	17.6.3-5.C Identify goods and services people often pay for over time using credit.	17.6.6-8.C Discuss various forms of credit and their uses (e.g., credit cards, home loans, auto loans, student loans).	17.6.9-12.C Compare various forms of credit and how each is used (e.g., secured and unsecured loans, installment and revolving credit, service credit).

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	Intentionally blank	17.6.3-5.D Describe how using a credit card is a form of borrowing.	17.6.6-8.D Summarize the differences between credit cards and debit cards.	17.6.9-12.D Analyze the use of loans to finance higher education and home purchases, how they are obtained, and options for paying them back.
Costs of credit	17.6.K-2.E Identify potential advantages and disadvantages of borrowing from others.	17.6.3-5.E Explain why borrowers might be asked to repay more than they initially borrowed (e.g., interest, fees).	17.6.6-8.E Analyze factors that influence the total cost of paying with credit, including interest rates, fees, repayment period, and source of credit.	17.6.9-12.E Calculate the total cost of credit given a variety of situations (e.g., making minimum payments, paying fees, using alternative financial service providers).
	Intentionally blank	Intentionally blank	17.6.6-8.F Explain why potential borrowers could reach different conclusions about the use of credit, including how much debt constitutes overborrowing.	17.6.9-12.F Describe the consequences of failing to repay debts and sources of debt management assistance.
Credit rights and responsibilities	Intentionally blank	Intentionally blank	17.6.6-8.G Explain why lenders must provide borrowers with certain information (e.g., interest rates, annual percentage rates, fees, terms, conditions).	17.6.9-12.G Evaluate various rights and laws related to credit and their impact on consumers.