

6-8 JumpStart Coalition Financial Literacy Standards

Spending and Saving

Standard 1. Develop a plan for spending and saving.

- a. Assess how spending priorities reflect goals and values.
- b. Analyze how spending and saving behavior can affect overall well-being.
- c. Discuss the components of a personal spending plan, including income, planned saving and expenses.
- d. Compare saving strategies, including “Pay Yourself First” and comparison shopping.
- e. Compare the advantages and disadvantages of saving for financial goals.
- g. Justify the value of an emergency fund.

Standard 3. Describe how to use different payment methods.

- a. Compare and contrast different types of local financial institutions and the services they provide.
- b. Summarize the advantages and disadvantages of checks, stored value cards, debit cards, gift cards and online and mobile payment systems.

Credit and Debt

Standard 1. Analyze the costs and benefits of various types of credit.

- b. Explain how debit cards differ from credit cards.
- c. Explain how interest rate, compounding frequency and loan length affect the cost of using credit.
- d. Calculate the total cost of repaying a loan under various rates of interest and over different periods.
- e. Discuss potential consequences of using “easy access” credit.

Employment and Income

Standard 2. Compare sources of personal income and compensation.

- a. Explain the difference between earned and unearned income and give an example of each.

c. Explore how local government services assist people, such as those who are unemployed, elderly, disabled or low-income.

Standard 3. Analyze factors that affect net income.

c. Identify common types of payroll deductions.

d. Calculate how payroll deductions affect take-home pay.

e. Summarize Social Security, Medicare and Affordable Care Act benefits.

Investing

Standard 1. Explain how investing may build wealth and help meet financial goals.

a. Explain how rate of return, frequency of compounding, taxes and inflation can affect changes in investment returns.

d. Define the time value of money and explain how money invested regularly over time may grow exponentially.

Standard 2. Evaluate investment alternatives.

a. Explain the difference between stocks and bonds.

c. Compare investing in individual stocks and bonds with investing in mutual funds and exchange traded funds.

e. Discuss the potential benefits of a long-term investing strategy.

f. Suggest types of investments appropriate for people who have a low risk tolerance for investment volatility.

Financial Decision Making

Standard 4. Make criterion-based financial decisions by systematically considering alternatives and consequences.

a. Apply systematic decision making to setting and achieving financial goals.

b. Prioritize personal financial goals.

c. Determine the cost of achieving a financial goal.

d. Evaluate the results of a financial decision.

e. Give examples of how decisions made today can affect future opportunities.