

The program:

All of the Erie Times-Newspapers in Education "Invest in your future" curriculum can be used to meet Pennsylvania and national academic standards. Below are some of them.

1.1A, B, C, D, E, F, G and 1.2A in Reading, Writing, Speaking and Listening

In addition, the curriculum can be used to meet the following standards:

Career Education and Work -- 13.1A

Career Education and Work -- 13.2C

Career Education and Work -- 13.3D

NIE activities -

1-Reading, Writing, Speaking and Listening -- 1.6A, C, D, E; 1.8B 2-Reading, Writing, Speaking and Listening -- 1.2A) 3-Reading, Writing, Speaking and Listening -- 1.6A, C, D, E

Mathematics -- 2.2A

Mathematics -- 2.4A, 2.4C

National Standards in Personal Finance with benchmarks and applications for K-12

The **National Standards in Personal Finance** identify what K-12 students should know and be able to do in personal finance so that all young people graduating from high school will have sufficient knowledge and skills to enable each student to take individual responsibility for personal economic well-being.

The K-12 standards are aligned in such a way that student learning progresses from basic to more complex and abstract. Benchmarks for student achievement are provided at three grade levels — grades 4, 8 and 12 but remember that students learn at different rates and with a variety of learning styles and interests.

The following educational organizations have reviewed and are in support of the National Standards in Personal Finance. They encourage use of the Standards to strengthen personal finance education in the nation's schools.

- American Association of Family and Consumer Sciences
- Council of Chief State School Officers
- Junior Achievement, Inc.
- National Association of Elementary School Principals
- National Association of Secondary School Principals
- National Business Education Association
- National Council on Economic Education
- National Council for the Social Studies

The application column gives examples of how the desired learning can be applied to everyday financial decisions and actions. You and your students can suggest additional examples of knowledge and skills needed on the path toward competence in personal finance.

You can use the standards and benchmarks to integrate concepts into your existing courses. The standards are grouped into four major categories of personal finance - **Income, Money Management, Spending and Credit**, and **Saving and Investing**.

INCOME

Students will be able to:

1. Identify sources of income.
2. Analyze how career choice, education, skills, and economic conditions affect income.
3. Explain how taxes, government transfer payments, and employee benefits relate to disposable income.

GRADE 4 BENCHMARKS

KNOWLEDGE <i>(Students will know that):</i>	APPLICATION EXAMPLES <i>(Students could use this knowledge to)</i>
<ol style="list-style-type: none"> 1. People can get <i>income</i> by earning <i>wages</i> and <i>salaries</i> or by receiving money gifts. 2. Income can be earned or unearned. 3. Workers can improve their ability to earn income by gaining new knowledge, skills, and experiences. 4. Many workers receive <i>employee benefits</i> in addition to their pay. 5. <i>Entrepreneurs</i>, who work for themselves by starting new businesses, hope to earn a <i>profit</i>, but accept the <i>risk of a loss</i>. 6. People are required to pay <i>taxes</i>, for which they receive government services 	<ol style="list-style-type: none"> 1. Identify jobs that children can do to earn income. 2. Give two examples each of earned and unearned income. 3. Explain why learning new skills, such as technology and communication skills, can increase a person's ability to earn income. 4. Explain how health insurance and paid vacation are forms of compensation. 5. Identify entrepreneurs in the community, and describe the risks and rewards of starting a new business. 6. Describe taxes that they and their families pay and identify government services they receive.

GRADE 8 BENCHMARKS

KNOWLEDGE <i>(Students will know the grade 4 benchmarks and also that):</i>	APPLICATION EXAMPLES <i>(Students could use this knowledge to)</i>
<ol style="list-style-type: none"> 1. People can earn income from <i>rent</i> and <i>interest</i>. 2. <i>Wages/salaries</i> minus <i>payroll deductions</i> equal <i>take-home pay</i>. 3. <i>Inflation</i> reduces the <i>purchasing power</i> of income. 4. Government <i>transfer payments</i> provide unearned income to some households. 5. Generally, people earn higher incomes with higher levels of education. 	<ol style="list-style-type: none"> 1. Give examples of ways to earn rent and interest income. 2. Give examples of required and voluntary payroll deductions. 3. Define inflation and how it affects the purchase of goods and services. 4. Give examples of government transfer payments, such as reduced-price school lunches and social security survivor's benefits. 5. Compare the income and education

requirements of different occupations

GRADE 12 BENCHMARKS

KNOWLEDGE <i>(Students will know grade 4 & 8 benchmarks and also that):</i>	APPLICATION EXAMPLES <i>(Students could use this knowledge to):</i>
<ol style="list-style-type: none"> 1. People's income reflects choices they have made about jobs and careers, education, and skill development. 2. The wages/salaries paid for a given job depend on a worker's skills and education, plus the importance of the work to society and the supply of and demand for qualified workers. 3. <i>Social Security</i> and <i>Medicare</i> are government programs that provide insurance against some loss of income and benefits to eligible recipients. 4. Social Security and Medicare are funded by a compulsory payroll tax. 5. People pay taxes on many types of income, such as wages or salaries, <i>interest</i>, <i>dividends</i>, <i>capital gains</i>, <i>tips</i>, <i>commissions</i> and <i>profit</i> from a self-owned business. 6. <i>Deductions</i>, <i>exemptions</i>, and <i>credits</i> reduce <i>taxable income</i>. 7. <i>Employer-sponsored savings plans</i> enable workers to shift some current income to the future, often with tax advantages. 	<ol style="list-style-type: none"> 1. Develop a realistic career plan that includes educational requirements and skill development. 2 Compare different jobs and analyze why wage/salary differences exist. 3. Describe the purposes of Social Security and Medicare. 4. Determine how much Social Security and Medicare deductions are necessary for a given income by a worker and by a self employed individual. 5. Identify taxable income included when calculating gross income for an individual on the federal income tax forms. 6. Give examples of tax deductions, tax credits, and personal exemptions. 7. Analyze the effect of an employer-sponsored, tax-deferred, retirement savings program on a worker's current and future income.

MONEY MANAGEMENT

Students will be able to:

1. Explain how limited personal financial resources affect the choices people make.
2. Identify the opportunity cost of financial decisions.
3. Discuss the importance of taking responsibility for personal financial decisions.
4. Apply a decision-making process to personal financial choices.
5. Explain how inflation affects spending and investing decisions.
6. Describe how insurance and other risk-management strategies protect against financial loss.
7. Design a plan for earning, spending, saving, and investing.
8. Explain how to use money-management tools available from financial institutions.

GRADE 4 BENCHMARKS

KNOWLEDGE <i>(Students will know that):</i>	APPLICATION EXAMPLES <i>(Students could use this knowledge to)</i>
<ol style="list-style-type: none"> 1. People make choices because they have limited <i>financial resources</i> and cannot have everything they want. 2. A first step toward reaching financial goals is to identify <i>needs</i> and <i>wants</i> and rank them in order of importance. 3. A decision-making process can help people make money decisions. 4. A budget is a plan for spending and 	<ol style="list-style-type: none"> 1. Give examples of situations in which they wanted to buy something but didn't have enough money. 2. List personal financial goals and indicate which goals are needs and which are wants. 3. Make a financial decision, such as choosing between going to a movie or saving money to buy a video game, using the following steps: . Identify the problem or issue.

saving income.	<ul style="list-style-type: none"> . Gather and evaluate information . Consider the costs and benefits of various alternatives . Make a decision and take action . Modify the decision and action as conditions change <p>4. Plan how to allocate a weekly allowance between spending and saving.</p>
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GRADE 8 BENCHMARKS

KNOWLEDGE <i>(Students will know the grade 4 benchmarks and also that):</i>	APPLICATION EXAMPLES <i>(Students could use this knowledge to)</i>
<ol style="list-style-type: none"> 1. Financial choices that people make have benefits, costs, and future consequences. 2. A key to financial well-being is to spend less than you earn and save the difference. 3. People perform basic financial tasks to manage money. 4. A <i>budget</i> identifies expected income and expenses, including saving, and serves as a guide to help people live within their income. 5. <i>Risk management</i> strategies include risk avoidance, risk control, and risk transfer through insurance. 	<ol style="list-style-type: none"> 1. Describe the advantages and disadvantages of spending now rather than saving for a future goal. 2. Give examples of how saving money can improve financial well-being. 3. Demonstrate skill in basic financial tasks such as paying bills on time, balancing a checkbook, keeping financial records, and checking a credit card statement for accuracy. 4. Develop a balanced personal budget showing expected income and expenses, including saving. 5. Give examples of various ways to manage risk, such as avoiding daredevil tricks on a skateboard and locking car doors and school lockers to deter theft.

GRADE 12 BENCHMARKS

KNOWLEDGE <i>(Students will know grade 4 & 8 benchmarks and also that):</i>	APPLICATION EXAMPLES <i>(Students could use this knowledge to):</i>
<ol style="list-style-type: none"> 1. Financially responsible individuals accept the fact that they are accountable for their financial future. 2. Attitudes and values affect financial decisions. 3. People purchase insurance to transfer the risk of financial loss. 4. Financial advice can be obtained from a variety of sources such as professional financial advisors, books, and the Internet. 5. A personal <i>financial plan</i> should include the following components: financial goals, a net worth statement, an income and expense record, an insurance plan, a saving and investing plan, and a budget. 6. Legal documents, such as wills, can be an important part of financial planning. 	<ol style="list-style-type: none"> 1. List specific ways that young people can demonstrate that they are financially responsible. 2. Explain the emotional appeal behind a current advertising slogan or campaign. 3. Describe types of insurance, including life, health, disability, and property insurance, and gather information on an auto insurance plan to meet the needs of a teenage driver. 4. Compare two sources of online financial advice. 5. Design a personal financial plan for a young person living away from home. 6. Identify the important components of a will.

SPENDING AND CREDIT

Students will be able to:

1. Compare the benefits and costs of spending decisions.
2. Evaluate information about products and services.
3. Compare the advantages and disadvantages of different payment methods.
4. Analyze the benefits and costs of consumer credit.
5. Compare sources of consumer credit.
6. Explain factors that affect creditworthiness and the purpose of credit records.
7. Identify ways to avoid or correct credit problems.
8. Describe the rights and responsibilities of buyers and sellers under consumer protection laws.

GRADE 4 BENCHMARKS

KNOWLEDGE <i>(Students will know that):</i>	APPLICATION EXAMPLES <i>(Students could use this knowledge to)</i>
<ol style="list-style-type: none"> 1. To make a decision, careful consumers compare the <i>benefits</i> and <i>costs</i> of spending alternatives. 2. Information about goods and services comes from many sources. 3. Every spending decision has an <i>opportunity cost</i>. 4. People pay for goods and services in different ways. 5. <i>Credit</i> is a basic financial tool. 6. Borrowing money to buy something usually costs more than paying cash because there is a <i>fee</i> for credit. 7. Responsible borrowers repay as promised, showing that they are worthy of getting credit in the future. 	<ol style="list-style-type: none"> 1. Identify the benefits and costs of buying a specific product, such as a video game. 2. Identify whether print, television, and online advertising statements are fact or opinion. 3. Identify the opportunity cost of a recent purchase. 4. Compare the advantages and disadvantages of paying with cash, <i>checks</i>, <i>debit cards</i>, <i>credit cards</i>, or <i>money orders</i>. 5. Explain the advantages and disadvantages of using credit. 6. Explain the difference in cost between cash and credit purchases. 7. Explain why lenders would be willing to make loans to some people and not to others.

GRADE 8 BENCHMARKS

KNOWLEDGE <i>(Students will know the grade 4 benchmarks and also that):</i>	APPLICATION EXAMPLES <i>(Students could use this knowledge to)</i>
<ol style="list-style-type: none"> 1. A <i>consumer</i> should not rely on advertising claims as the sole source of information about goods and services. 2. <i>Comparison</i> shopping helps consumers get the best <i>value</i> for their money. 3. Some payment methods are more expensive than others. 4. <i>Online transactions</i> can make consumers vulnerable to <i>privacy infringement</i> and <i>identity theft</i>. 5. Comparing the costs and benefits of buying on credit is key to making a good purchase decision. 6. For any given loan amount and <i>interest rate</i>, the longer the loan period, the smaller the monthly payment and the larger the total <i>cost of credit</i>. 7. Consumers can choose from a variety of credit sources. 8. <i>Credit bureaus</i> maintain <i>credit reports</i>, which record borrowers' histories of repaying loans. 9. Sometimes people borrow more money than 	<ol style="list-style-type: none"> 1. Describe ways to verify advertising claims for a variety of consumer products. 2. Compare the value of a good or service from three different sellers. 3. Calculate and compare the total cost of paying for a purchase with cash versus paying by check, debit card, and credit card. 4. Analyze the <i>privacy policies</i> of online shopping sites. 5. Calculate the costs and benefits of borrowing to buy, given a scenario including purchase price and credit terms. 6. Describe the consumer advantages and disadvantages of a short-period loan versus a long-period loan. 7. Compare <i>annual percentage rates</i> and total credit costs for a given loan amount and time from three different types of lenders. 8. Explain the value of credit reports to borrowers and lenders.

<p>they can repay.</p> <p>10. Laws and regulations exist to protect consumers from a variety of seller and lender abuses. (See glossary.)</p>	<p>9. Describe indicators and consequences of <i>excessive debt</i>, such as skipping payments, juggling bills and <i>wage garnishment</i>.</p> <p>10. Give examples of abuses, such as fraud and the sale of faulty products, that consumer protection laws and regulations address.</p>
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GRADE 12 BENCHMARKS

KNOWLEDGE (Students will know grade 4 & 8 benchmarks and also that):	APPLICATION EXAMPLES (Students could use this knowledge to):
<ol style="list-style-type: none"> 1. Many factors affect spending patterns. 2. <i>Formal complaints</i> and government/community agencies can help consumers resolve problems with goods and services. 3. <i>Leasing</i>, borrowing to buy, and <i>rent-to-own</i> options have different <i>contract terms</i> and costs. 4. Making <i>minimum payments</i> on <i>credit card balances</i> increases the total cost and repayment time. 5. Understanding <i>credit card disclosure information</i> is key to controlling borrowing costs. 6. Consumers with excessive debt have a number of options. 7. <i>Bankruptcy</i> provides debt relief, but has serious negative consequences. 8. Laws and regulations offer specific consumer protections. (See glossary.) 9. Negative information in credit reports can affect your financial future. 	<ol style="list-style-type: none"> 1. Explain how factors such as peer pressure and living arrangements affect spending patterns. 2. Write a <i>complaint letter</i> that states the problem, asks for specific action, includes copies of related documents, and provides contact information. 3. Compare the total costs of leasing, borrowing to buy, and rent-to-own options. 4. Calculate how long it takes to repay debt and the total cost when a borrower makes minimum payments. 5. Explain how credit card disclosure information, such as <i>grace periods</i> and methods of interest calculation, affect borrowing costs. 6. List possible actions a consumer could take in response to excessive debt, such as renegotiating a repayment schedule or selling assets, and their consequences. 7. Describe the negative consequences of bankruptcy, such as the increased difficulty of getting credit in the future. 8. Explain the purposes and features of consumer protection laws and regulations, including those in the list of key terms above. 9. Identify ways that negative credit report information can affect a consumer's financial future.

SAVING AND INVESTING

Students will be able to:

1. Explain the relationship between saving and investing.
2. Describe reasons for saving and reasons for investing.
3. Compare the risk, return, and liquidity of investment alternatives.
4. Describe how to buy and sell investments.
5. Explain how different factors affect the rate of return of investments.
6. Evaluate sources of investment information.
7. Explain how agencies that regulate financial markets protect investors.

GRADE 4 BENCHMARKS

KNOWLEDGE	APPLICATION EXAMPLES
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(Students will know that):	(Students could use this knowledge to)
<ol style="list-style-type: none"> 1. People save for future <i>financial goals</i>. 2. Every saving decision has an opportunity cost. 3. <i>Banks, savings and loan associations, and credit unions</i> are places people can save money and earn <i>interest</i>. 4. Piggy banks, <i>savings accounts</i>, and <i>savings bonds</i> are alternatives for <i>savings</i>. 	<ol style="list-style-type: none"> 1. Identify a financial goal and develop a saving plan to reach it. 2. Give an example of how saving means giving up the purchase of something today for the purchase of some thing in the future. 3. Identify financial institutions in their community and the interest paid on accounts at each place. 4. Compare the advantages and disadvantages of savings alternatives.

GRADE 8 BENCHMARKS

KNOWLEDGE (Students will know the grade 4 benchmarks and also that):	APPLICATION EXAMPLES (Students could use this knowledge to)
<ol style="list-style-type: none"> 1. Saving is for emergencies and short-term goals, and <i>investing</i> is for long-term goals. Funds for investing often come from savings. 2. Savings and <i>investing</i> products differ in their potential <i>rate of return, liquidity</i>, and level of <i>risk</i>. 3. There is usually a positive relationship between the <i>average annual return</i> on an investment and its risk. 4. <i>Compound interest</i> is earned on both <i>principal</i> and previously earned interest. 5. <i>Inflation</i> reduces the return on an investment. 6. The <i>Rule of 72</i> is a tool for estimating the time or rate of return required to double a sum of money. 7. <i>Investors</i> can get information from many sources. 8. People can buy and sell investments in different ways. 	<ol style="list-style-type: none"> 1. Explain reasons to save and invest. 2. Describe appropriate financial products for different financial goals, such as bank accounts for savings and stocks for investments. 3. Identify the amount of investment risk associated with different investments. 4. Calculate and compare simple interest and compound interest earnings and explain the benefits of compound interest. 5. Explain how inflation affects investment returns. 6. Use the Rule of 72 to estimate the time or interest rate it would take to double an amount of money. 7. Describe the investment information different sources provide, such as a <i>prospectus, Wall Street Week</i>, and financial publications. 8. Compare the advantages and disadvantages of different ways to buy and sell investments, such as financial advisors, investment clubs, and online brokers.

GRADE 12 BENCHMARKS

KNOWLEDGE (Students will know grade 4 & 8 benchmarks and also that):	APPLICATION EXAMPLES (Students could use this knowledge to):
<ol style="list-style-type: none"> 1. Generally the more uncertain the future value of an asset, the higher the return. 2. <i>Tax-exempt</i> and <i>tax-deferred</i> investments significantly increase an investor's total return over time. 3. <i>Wealth</i> increases with regular saving, time, and frequent compounding. 4. <i>Diversification</i> reduces risk by spreading assets among several types of investments 	<ol style="list-style-type: none"> 1. Compare the risks and returns of various saving and investment products. 2. Compare the returns of taxable investments with those that are tax-exempt or tax-deferred. 3. Compare amounts accumulated, given different times, rates of return, and frequencies of compounding. 4. Compare the risk and return of different types of investments and combination of

<p>and industry sectors.</p> <p>5. <i>Dollar-cost averaging</i> lowers investment costs over time and promotes regular investing.</p> <p>6. <i>Mutual funds</i> pool investors' deposits to purchase securities.</p> <p>7. <i>Employer-sponsored retirement savings programs</i> provide many advantages to workers.</p> <p>8. Government agencies, such as the U.S. Securities & Exchange Commission, Federal Deposit Insurance Corporation, and state regulators, oversee the securities and banking industries and combat fraud.</p>	<p>investments over time.</p> <p>5. Describe the benefits of dollar-cost averaging and calculate the average cost per share of investments using this strategy.</p> <p>6. Read a prospectus to gain information to make mutual fund decisions.</p> <p>7. Describe the advantages provided by employer sponsored retirement savings programs, such as 401k and 403b.</p> <p>8. Explain how government agencies protect savers and investors.</p>
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