



Alabama Financial Literacy Standards Correlation

Session Descriptions	Student Objectives	Academic Standards
Theme 1: Employment and Income		
<p>Project: My Savings Plan</p> <p>In the project, students look forward 10-15 years and create a financial portfolio to help them achieve their future lifestyle and monetary goals while also learning about the importance of planning for unexpected adversities. They will create a variety of artifacts—physical and digital—and deliver presentations as they explore the steps required for a secure financial future.</p>	<p>Students will:</p> <ul style="list-style-type: none"> Examine anticipated income and costs for each SMART financial goal. Develop a savings plan for each of their SMART financial goals. 	<p>Personal Finance</p> <ol style="list-style-type: none"> Describe the nature and scope of personal finance, including how personal finance concepts fit into key life events or stages. Describe personal spending behavior that contributes to building wealth. 14. Demonstrate how to set financial goals and analyze the costs and benefits of spending decisions. <ol style="list-style-type: none"> Determine the amount of savings needed for a given household.
<p>1.1 The Basics of Earning</p> <p>Income is money that an individual earns by working, making investments, and providing goods and services. Money functions as a medium of exchange, a unit of account, and a store of value. Any item used as money takes on those three essential functions.</p>	<p>Students will:</p> <ul style="list-style-type: none"> Describe the functions of money. Evaluate personal requirements for income. Analyze how and where to earn money. Design a brochure with possibilities for earning. 	<p>Personal Finance</p> <ol style="list-style-type: none"> 15. Describe strategies for managing income to align with financial goals. <ol style="list-style-type: none"> Describe the impact of career choice, education, skills, and economic conditions on income and financial stability. <p>Career Prep</p> <ol style="list-style-type: none"> 6. Examine the employment process, including searching for a job, filling out a job application, writing a resume, developing and practicing interview skills, and completing required employment forms (e.g., W-4, I-9).
<p>1.2 Careers and Pay</p> <p>Individuals who set realistic financial goals are in more control of their money than those who do not. Although goals are set for short- and long-term periods, it is important to regularly track the progress of each goal.</p>	<p>Students will:</p> <ul style="list-style-type: none"> Analyze and prioritize personal financial goals (current, 10-year, 25-year). Explain the relationship between finances, career choices, and personal financial goals. Identify career fields or options of interest that will lead to financial goals. 	<p>Personal Finance</p> <ol style="list-style-type: none"> 3. Explain how goals, decision-making, and planning affect personal financial choices and behaviors. <ol style="list-style-type: none"> Create a plan to reach a specific financial goal. Explain personal values that affect financial choices. (15) a. Describe the impact of career choice, education, skills, and economic conditions on income and financial stability

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<p>1.3 Education and Careers</p> <p>An investment in a career requires time, money, and resources that can open doors to opportunities. Studies show that employees with more than a high school education earn significantly more money throughout their lifetime than those without. The emphasis in this session is that the more education you have, the higher quality of life you will have.</p>	<p>Students will:</p> <ul style="list-style-type: none"> • Examine the cost of college. • Evaluate the costs and/or benefits of post-secondary education (trade school, apprenticeships, etc.). • Compare and contrast the costs and benefits of various postsecondary educational options. • Evaluate personal decisions relating to career choice and education requirements and plans. • Assess personal skills, abilities, and aptitudes and personal strengths and weaknesses as they relate to career exploration and development. 	<p>Personal Finance</p> <p>15. Describe strategies for managing income to align with financial goals.</p> <p>a. Describe the impact of career choice, education, skills, and economic conditions on income and financial stability</p> <p>Career Prep</p> <p>1. Demonstrate knowledge of a systematic approach to a decision-making process (specifically, opportunity costs and trade-offs), including factors regarding academic planning and career development, financial literacy, and technology.</p> <p>3. Analyze personal skills, interests, and abilities and relate them to current career opportunities.</p> <p>4. Determine the correlation of personal preference, education, and training to the demands of the workforce.</p>
<p>1.4 Taxes and Benefits</p> <p>Taxes are collected by governments to pay for many public services such as highways, schools, police, and fire protection. The main goal of taxation is to provide revenue for a government to pay its bills. The two taxes most people pay are federal and state income taxes. Federal income tax goes to the U.S. government, and state income tax is paid to the state government. Income may also be offset by tax-free benefit packages provided by an employer.</p>	<p>Students will:</p> <ul style="list-style-type: none"> • Identify the difference between gross pay and net pay. • Define taxes and explain their purpose and impact on income. • Demonstrate an understanding of various taxes such as FICA and Medicare. • Calculate net monthly income. • Recognize employee benefits and apply knowledge to job opportunities 	<p>Personal Finance</p> <p>(16) a. Evaluate the impact of taxes, government payments, and employee benefits on budgeting decisions.</p> <p>17. Gather and share information on income, benefits, and deductions.</p> <p>a. Distinguish between gross and net income.</p> <p>b. Analyze the impact of payroll deductions and employee benefits on income.</p> <p>c. Calculate the monetary value of employee benefits when determining earnings.</p> <p>Career Prep</p> <p>6. Examine the employment process, including searching for a job, filling out a job application, writing a resume, developing and practicing interview skills, and completing required employment forms (e.g., W-4, I-9).</p>

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Theme 2: Money Management		
<p>Project: My Budgeting Habit</p> <p>Students review the critical concepts and vocabulary related to budgeting, examine the importance of SMART goals, and then create their own SMART financial goals for the future. They design a visual aid to depict their SMART financial goals.</p>	<p>Students will:</p> <ul style="list-style-type: none"> Describe a budget and explain the purpose of budgeting. Explain SMART (specific, measurable, achievable, realistic, and time-bound) goals and how the practice can be used for budgeting. Create personal SMART financial goals for the future: short term (1 year), medium term (5 years), and long term (10 years or beyond). Use graphics and multimedia—charts, videos, graphs, and so on to represent each SMART goal and the method by which it will be achieved. 	<p>Personal Finance</p> <p>14. Demonstrate how to set financial goals and analyze the costs and benefits of spending decisions.</p> <p>15. Develop a plan for managing earning, spending, saving, and giving using spreadsheets, online resources, or commercial software.</p> <p>16. Prepare a monthly budget for an individual or a family given their income, savings goals, taxes, and list of fixed and variable expenses.</p> <p>Career Prep</p> <p>2. Describe personal spending behavior that contributes to building wealth.</p>
<p>2.1 Banking</p> <p>Consumers use financial institutions to help them save and complete transactions safely, quickly, and conveniently and to hold and transfer money in different ways—all while being insured and safe from theft. It is important, therefore, to find a financial institution that meets your needs.</p>	<p>Students will:</p> <ul style="list-style-type: none"> Investigate the use of different payment methods. Compare financial institutions and the types of accounts and services they provide. 	<p>Personal Finance</p> <p>31. Investigate and report on account management services provided by financial institutions.</p> <p>Career Prep</p> <p>18. Analyze various types of financial institutions.</p>

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Theme 2: Money Management		
<p>2.2 Spending and Saving</p> <p>Many competing claims are made on a person's money that impede the ability to save. By prioritizing saving, consumers will be able to achieve short-and long-term goals and set aside money for emergencies and the future.</p>	<p>Students will:</p> <ul style="list-style-type: none"> Recognize the importance of paying yourself first. Identify the opportunity costs of savings. Compare simple and compound interest and their impact on savings, including the Rule of 72. 	<p>Personal Finance</p> <p>14. Demonstrate how to set financial goals and analyze the costs and benefits of spending decisions.</p> <ol style="list-style-type: none"> Describe a sunk cost and situations in which losses should be accepted to avoid further loss. Compose an argument supporting the concept of paying yourself first. Determine the amount of savings needed for a given household. <p>(23) c. Explain the difference between simple and compound interest and calculate interest on a given amount of savings using each method.</p> <p>Economics 12</p> <p>(1) • Explaining opportunity cost as the next best alternative to relinquish when individuals, businesses, and governments confront scarcity by making choices</p>

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<p>2.3 Think Before You Spend</p> <p>Every individual is responsible for keeping track of his or her own money. Using a transaction register and careful consumer practices and staying informed all help in maintaining a positive cash flow and increasing net worth.</p>	<p>Students will:</p> <ul style="list-style-type: none"> Record purchases in a transaction register. Determine which practices demonstrate careful consumer skills. Apply consumer skills to spending and saving decisions. 	<p>Personal Finance</p> <p>5. Gather information from several sources when planning to purchase a product.</p> <p>7. Locate and share credible sources of up-to-date information about consumer rights and responsibilities</p> <p>9. Describe factors that impact consumer purchasing decisions throughout the lifespan.</p> <p>10. Apply a decision-making model to maximize consumer satisfaction when buying goods and services.</p> <p>15. Describe strategies for managing income to align with financial goals.</p> <p>Career Prep</p> <p>15. Develop a plan for managing earning, spending, saving, and giving using spreadsheets, online resources, or commercial software.</p> <p>16. Evaluate the effect of personal preferences, advertising, marketing, peer pressure, and family history on consumer choices and decision making in the marketplace.</p>
<p>2.4 Budgeting</p> <p>Examining and monitoring cash flow is an ongoing and critical step in the budgeting process. Having and using a budget, and knowing the types of categories in a budget, helps people maintain positive cash flow.</p>	<p>Students will:</p> <ul style="list-style-type: none"> Explain cash flow. Follow a step-by-step guide for creating a budget. Identify a short-term financial goal. Arrange income, fixed expenses, and variable expenses in appropriate columns to be equal. 	<p>Personal Finance</p> <p>14. Demonstrate how to set financial goals and analyze the costs and benefits of spending decisions.</p> <p>15. Develop a plan for managing earning, spending, saving, and giving using spreadsheets, online resources, or commercial software.</p> <p>16. Prepare a monthly budget for an individual or a family given their income, savings goals, taxes, and list of fixed and variable expenses.</p> <p>Career Prep</p> <p>2. Describe personal spending behavior that contributes to building wealth.</p>

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Session Descriptions	Student Objectives	Academic Standards
Theme 3: Credit, Debt, and Keeping Your Finances Safe		
<p>Project: My Credit Score</p> <p>Students learn about the importance of a credit score and how to maintain a healthy score that will allow access to the credit they will need to make major purchases.</p>	<p>Students will:</p> <ul style="list-style-type: none"> • Examine anticipated income and costs for each SMART financial goal. • Develop a savings plan for each of their SMART financial goals. • high credit score in the short, medium, and long term. • Create an original reality show concept that demonstrates awareness of concepts related to improving credit scores. 	<p>Personal Finance</p> <p>14. Demonstrate how to set financial goals and analyze the costs and benefits of spending decisions.</p> <p> c. Determine the amount of savings needed for a given household.</p> <p>15. Describe strategies for managing income to align with financial goals.</p> <p>19. Research and share information on credit options available to consumers.</p> <p>20. Research and report on factors that affect creditworthiness and credit scores.</p> <p>Career Prep</p> <p>20. Determine advantages and disadvantages of using credit.</p> <p>21. Examine why credit ratings and credit reports are important to consumers.</p>
<p>3.1 What Is Credit?</p> <p>Credit is the amount of money a borrower receives and agrees to pay back with interest to the lender. The lender relies on a report of the borrower's credit history to determine whether to extend a loan. The report includes a record of the borrower's ability to repay debt.</p>	<p>Students will:</p> <ul style="list-style-type: none"> • Explain the concept of credit. • Distinguish the pros and cons of credit. • Develop techniques for building a strong credit history. • Summarize major consumer credit laws. 	<p>Personal Finance</p> <p>6. Outline the purposes and features of consumer protection laws, agencies, and sources of assistance, including identity protection and credit regulations.</p> <p>7. Locate and share credible sources of up-to-date information about consumer rights and responsibilities.</p> <p>20. Research and report on factors that affect creditworthiness and credit scores.</p> <p>Career Prep</p> <p>20. Determine advantages and disadvantages of using credit.</p> <p>21. Examine why credit ratings and credit reports are important to consumers.</p>

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Theme 3: Credit, Debt, and Keeping Your Finances Safe		
<p>3.2 Types of Credit</p> <p>Building a strong credit history requires using credit wisely. Credit cards, loans, and nontraditional credit options, such as rent-to-own plans and payday loans, are expensive ways to manage money. Often the results of poor credit choices will require debt management plans and credit counseling.</p>	<p>Students will:</p> <ul style="list-style-type: none"> • Explain the types and sources of credit. • Compute interest amounts on a loan. • Develop an action plan for fixing bad credit. 	<p>Personal Finance</p> <p>19. Research and share information on credit options available to consumers. Examples: revolving, installment, open</p> <ol style="list-style-type: none"> a. Explain how credit card grace periods, methods of interest calculation, and fees affect borrowing costs. b. List the types of information required on credit applications. c. Calculate the total cost of a loan. <p>20. Research and report on factors that affect creditworthiness and credit scores.</p> <ol style="list-style-type: none"> b. Describe effective methods for improving credit scores. <p>21. Apply strategies to avoid or correct debt management problems.</p>
<p>3.3 Protect Your Credit</p> <p>Lenders evaluate a person's credit worthiness based on the Five C's—capacity, capital, conditions, collateral, and character—as well as the person's credit report and credit score. Maintaining good credit is pivotal in acquiring future credit. Consumers need to monitor their credit accounts and reports and keep their personal and financial information safe to maintain their good credit.</p>	<p>Students will:</p> <ul style="list-style-type: none"> • Explain the impact credit scores and credit reports have on obtaining credit. • Evaluate the process of the Five C's of credit. • Explain what a credit score indicates and how it affects a person's financial history. • Identify strategies for protecting personal financial information and resources. 	<p>Personal Finance</p> <p>(6) a. Explain ways to avoid identity theft, fraud, financial scams, and schemes designed to defraud consumers.</p> <p>20. Research and report on factors that affect creditworthiness and credit scores.</p> <ol style="list-style-type: none"> c. Describe consequences of accumulating credit card debt and defaulting on loans, especially for young consumers. e. Investigate and report on ways that a low credit score can affect a consumer's financial options. <p>Career Prep</p> <p>20. Determine advantages and disadvantages of using credit.</p> <p>21. Examine why credit ratings and credit reports are important to consumers.</p>

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Theme 3: Credit, Debt, and Keeping Your Finances Safe		
<p>3.4 Debt Management</p> <p>Repaying debt is a legal and ethical matter. People who run into financial trouble can often improve their financial situation with some effort. When consumers are not able to manage debt on their own, they can work with a credit counselor to develop a debt management plan. Bankruptcy is a legal action used to remove the debts of businesses and individuals who are unable to pay their bills, but it has severe credit consequences.</p>	<p>Students will:</p> <ul style="list-style-type: none"> • Compare and contrast debt management plans. • Examine two types of bankruptcy: Chapter 7 and Chapter 13. • Explain why bankruptcy might not be the best choice in a given situation. • Interpret complex data and analyze the services of DMP agencies and whether to file bankruptcy in a given situation. 	<p>Personal Finance</p> <p>21. Apply strategies to avoid or correct debt management problems.</p> <p>a. Examine and report on the types of services offered by consumer credit counseling agencies.</p> <p>b. Explain the economic consequences of personal bankruptcy and the financial responsibilities associated with filing for bankruptcy under Chapters 7, 11, and 13.</p> <p>d. Research and report on a financial institution’s debt reduction services.</p>
Theme 4: Planning for the Future		
<p>Project: My Investment Plan</p> <p>Students review basic information about stocks and the stock market and then conduct research to select at least ten stocks in which to invest for a financial portfolio.</p>	<p>Students will:</p> <ul style="list-style-type: none"> • Explain stock and the stock market. • Describe low-risk, medium-risk, and high-risk investments. • Develop a diversified stock portfolio. • Predict factors that would positively or negatively affect the stock prices within the next 10 years. 	<p>Personal Finance</p> <p>24. Identify types of investments appropriate for different objectives.</p> <p>a. Describe factors that affect the rate of return on investments.</p> <p>b. Differentiate between diversification and asset allocation.</p> <p>c. Compare the advantages of taxable, tax-deferred, and tax-advantaged investments, including Roth IRAs and employer-sponsored retirement options, and determine which are most beneficial for new savers.</p> <p>d. Describe steps that will maximize long-term investment returns and explain the advantages of each.</p> <p>25. Evaluate types of investments to determine how they meet the objectives of a personal financial plan.</p> <p>b. Research and report on investment options, considering risks and returns and the reasons for diversification.</p>

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Theme 3: Credit, Debt, and Keeping Your Finances Safe		
<p>4.1 Investing Versus Saving</p> <p>People save to have money to use in the future. People invest to increase the value of their money. Because a savings account is generally insured by the financial institution, it carries less risk but has a lower rate of return. Stocks, bonds, and mutual funds are common investments which involve some risk, but investors are generally willing to accept more risk in exchange for higher returns.</p>	<p>Students will</p> <ul style="list-style-type: none"> • Differentiate between saving and investing. • Describe types of investment vehicles. • Compare the relationship of risks and rewards. • Create a pyramid of investments, placing them in a range from low risk to high risk. • Identify the risk-return tradeoffs for saving and investing. 	<p>Personal Finance</p> <p>22. Research and report on the benefits of savings.</p> <p>a. Distinguish between saving and investing, considering the characteristics of various methods of saving.</p> <p>24. Identify types of investments appropriate for different objectives.</p> <p>d. Describe steps that will maximize long-term investment returns and explain the advantages of each.</p> <p>(25) b. Research and report on investment options, considering risks and returns and the reasons for diversification.</p>
<p>4.2 Investing for the Long Term</p> <p>Various types of risk should be considered when making retirement plans and investment decisions. Many types of investment plans, such as 401(k)s and IRAs, should be considered as well. It is never too early to think about financial planning. Planning should begin as soon as a person enters the workforce.</p>	<p>Students will:</p> <ul style="list-style-type: none"> • Identify the key elements of financial planning. • Explain the risks associated with long-term financial planning. • Examine investment needs in different financial situations and explore long-term financial investments. • Apply risk criteria when choosing and developing a financial plan. 	<p>Personal Finance</p> <p>2. Describe personal spending behavior that contributes to building wealth.</p> <p>b. Describe practices that assist individuals and families to achieve and maintain financial security</p> <p>3. Explain how goals, decision-making, and planning affect personal financial choices and behaviors.</p> <p>a. Create a plan to reach a specific financial goal.</p> <p>c. Explain the advantages of designing and following a personal financial plan.</p> <p>Career Prep</p> <p>17. Distinguish differences between the purpose of saving and the objectives associated with investing.</p>

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Theme 3: Credit, Debt, and Keeping Your Finances Safe		
<p>4.3 Risks and Responsibilities</p> <p>Risk is exposure to something potentially dangerous or harmful. It is important to recognize risks and learn how to manage or mitigate them. People purchase insurance to reduce the risk of loss and receive compensation for losses or damage caused by events beyond their control.</p>	<p>Students will:</p> <ul style="list-style-type: none"> Identify risks in life and how to protect against the consequences of risk. Investigate categories of specific risks they may face. Examine ways to mitigate those risks. Calculate the probability of those risks occurring 	<p>Personal Finance</p> <p>27. Describe how insurance protects against loss and mitigates financial consequences.</p> <ol style="list-style-type: none"> Explain the various types of personal insurance and identify coverage needed at different stages of life. <p>28. Compare and contrast types of property insurance and identify situations when certain types of coverage are needed.</p>
<p>4.4 Types of Insurance</p> <p>Insurance coverage is provided in exchange for the payment of a premium. There are five common types of insurance. Some coverage, such as auto insurance, is required by law, while other coverage is optional. Consumers need to choose the right kind and amount of insurance during different stages in their lives.</p>	<p>Students will:</p> <ul style="list-style-type: none"> Define basic insurance terms. Examine five types of insurance and the purpose of each. Evaluate the coverage for each of the five types. Create a portfolio with the types of insurance they imagine themselves purchasing within the next 10 years. 	<p>Personal Finance</p> <p>27. Describe how insurance protects against loss and mitigates financial consequences.</p> <ol style="list-style-type: none"> Explain the various types of personal insurance and identify coverage needed at different stages of life. <p>28. Compare and contrast types of property insurance and identify situations when certain types of coverage are needed.</p> <p>Career Prep</p> <p>22. Determine the type of insurance associated with different types of risks, including automobile, personal and professional liability, home, apartment, property, health, life, long-term care, and disability.</p>
<p>Case Study: Solving Problems and Managing Risk</p> <p>Students examine a process for making decisions and managing risk. They consider a scenario in which a business owner must make a difficult decision. Students use a decision tree to analyze options and consequences and recommend a course of action.</p>	<p>Students will:</p> <ul style="list-style-type: none"> Explain why ethics are important to uphold when making a decision. Use a decision tree as part of the decision-making process. Explain risk management as part of decision making. Analyze a business crisis and explore options. Explore the importance of crisis management and crisis communications. 	<p>Personal Finance</p> <p>3. Explain how goals, decision-making, and planning affect personal financial choices and behaviors.</p> <p>10. Apply a decision-making model to maximize consumer satisfaction when buying goods and services.</p> <p>CTE Entrepreneurship</p> <p>17. Identify the ethical, social, and environmental responsibilities of businesses in relation to employees, customers, and the community.</p>

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