

8th GRADE FINANCIAL LITERACY

The 8th Grade Financial Literacy standards support Financial Literacy Education. More information can be found at <http://www.doe.in.gov/octe/facs/IndianaFinLitEd-FrontPage.html>.

Standard 1

FINANCIAL RESPONSIBILITY AND DECISION MAKING

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

8-1.1 Demonstrate taking responsibility for personal financial decisions.

___ 8-1.1.1 Describe the benefits of financial responsibility and the costs of financial irresponsibility.

8-1.2 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.

8-1.3 Utilize consumer protection laws and resources.

___ 8-1.3.1 Identify the primary consumer protection agency in Indiana.

___ 8-1.3.2 Describe unfair or deceptive business practices that are forbidden by consumer protection laws.

___ 8-1.3.3 Explain steps for resolving a consumer complaint.

8-1.4 Make financial decisions by systematically considering alternatives and consequences.

___ 8-1.4.1 Set measurable short-term and medium-term financial goals.

___ 8-1.4.2 Evaluate the results of financial decisions.

___ 8-1.4.3 Apply systematic decision making to short-term and medium-term goals.

8-1.5 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.

___ 8-1.5.2 Identify factors that explain differing values and attitudes about money.

8-1.6 Demonstrate strategies to control personal information.

___ 8-1.6.1 Describe the possible consequences of disclosing particular types of personal information to others.

Standard 2

RELATING INCOME AND CAREERS

Analyze how education, income, career, and life choices relate to achieving financial goals.

8-2.1 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.

___ 8-2.1.2 Summarize the financial risks and benefits of entrepreneurship as a career choice.

8-2.2 Identify sources of personal income.

- ___ 8-2.2.1 Identify jobs children and youth can do to earn money.
- ___ 8-2.2.2 Give examples of sources of income other than wages or salary.

8-2.3 Explain how taxes and employee benefits relate to disposable income.

- ___ 8-2.3.1 Describe taxable income and employee benefits.
- ___ 8-2.3.2 Describe the items commonly included in payroll deductions.

Standard 3

PLANNING AND MANAGING MONEY

Manage money effectively by developing financial goals and budgets.

8-3.1 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.
- ___ 8-3.1.2 Explain the relationship between spending practices and achieving financial goals.

8-3.2 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.
- ___ 8-3.2.2 Create a system for organizing product information and warranties and financial documents such as receipts and account statements.

8-3.3 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.
- ___ 8-3.3.2 Demonstrate steps in establishing and maintaining financial accounts including checking and savings accounts, on-line banking, investments, and other financial services.

8-3.4 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.
- ___ 8-3.4.2 Use reliable consumer resources and practices to make buying decisions.
- ___ 8-3.4.3 Apply systematic decision making to choose among courses of action that include a range of spending, delayed spending, and non-spending alternatives.

8-3.5 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.

8-3.6 Develop a personal financial plan.

- ___ 8-3.6.1 Explain the relationship between spending practices and achieving financial goals.

___ 8-3.6.2 Illustrate allocation of a weekly allowance among the financial goals of spending, saving/investing, and sharing/giving.

___ 8-3.6.3 Create a plan to secure funding for a financial goal.

8-3.7 Examine the purpose and value of estate planning.

___ 8-3.7.1 Define the components of a simple will.

Standard 4

MANAGING CREDIT AND DEBT

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

8-4.1 Analyze the costs and benefits of using various types of credit.

___ 8-4.1.1 Compare advantages and disadvantages of various types of credit.

___ 8-4.1.2 Explain factors to consider when using credit or obtaining a loan.

___ 8-4.1.3 Determine the total cost of repaying credit and loans under various rates of interest and over different periods.

8-4.2 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.

___ 8-4.2.2 Explain the value of a positive credit history and credit reports to consumers, borrowers and lenders.

8-4.3 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.

___ 8-4.3.2 Describe actions that a consumer can take to reduce or better manage excessive debt.

8-4.4 Analyze major consumer credit laws.

___ 8-4.4.1 Explain the rights, responsibilities, and protections of buyers and sellers under consumer credit laws.

Standard 5

RISK MANAGEMENT AND INSURANCE

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

8-5.1 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.

___ 8-5.1.2 Explain how insurance deductibles work.

8-5.2 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.

___ 8-5.2.2 Identify factors to consider when determining the amount of protection needed.

___ 8-5.2.3 Identify factors that can influence insurance costs.

8-5.3 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.
- ___ 8-5.3.2 Analyze importance of developing plans for protecting current and future personal and family assets against financial loss.

Standard 6

SAVING AND INVESTING

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

8-6.1 Explain how saving contributes to financial wellbeing.

- ___ 8-6.1.1 Describe the advantages and disadvantages of saving for short-term and medium-term financial goals.
- ___ 8-6.1.2 Explain simple interest, compound interest, and the benefits of a compound rate of return.

8-6.2 Apply strategies for creating wealth and building assets.

- ___ 8-6.2.1 Compare reasons and risk/return trade-offs for saving and for investing.
- ___ 8-6.2.2 Define the time value of money and explain how small amounts of money invested regularly over time grow exponentially.
- ___ 8-6.2.3 Devise a periodic investment plan for accumulating the money for a major life goal.

8-6.3 Compare investment alternatives.

- ___ 8-6.3.1 Compare the investment potential of investment options such as stocks, bonds, certificates of deposit, and savings accounts.
- ___ 8-6.3.2 Explain how inflation affects investment returns.

8-6.4 Describe how to buy and sell investments.

- ___ 8-6.4.1 Describe various sources of investment information, including prospectuses, online resources, and financial publications.
- ___ 8-6.4.2 Research and track publicly traded stock and record daily market values and gains or losses between two specified dates.

8-6.5 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.
- ___ 8-6.5.2 Identify taxes on investments and income tax-free earnings limit for an investor under the age of 18.

8-6.6 Analyze how agencies that regulate financial markets protect investors.

- ___ 8-6.6.1 Describe benefits and limits of deposit insurance.
- ___ 8-6.6.2 Utilize the Indiana Securities Commission to investigate legitimacy of one or more investment opportunities.