what the literate person ought to know

Two national organizations — the Jump\$tart Coalition and the National Business Education Association — have developed curriculum standards for personal finance. The standards represent each organization's view of what a financially literate person ought to know.

Here's what Jump\$tart says about its curriculum standards:

"Jump\$tart developed this set of educator standards that received input from a panel of elementary and secondary school teachers, as well as numerous other educators throughout the country. The standards cover four key areas: income; money management; spending and credit; and saving and investing. Within each area are specified skills and concepts that the coalition believes students should be taught before their graduation from high school."

Also, there is a completed set of benchmarks that correlate with the standards to indicate the knowledge and skills that students should possess at different grade levels. These benchmarks can be used for structuring personal finance curricula.

We list here only the basic standards, but those of you who are interested in the benchmarks can view them online: http://www.jumpstart.org/quide.html

Jump\$tart Coalition's Personal Finance Standards

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.

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.



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.

Saving and Investing

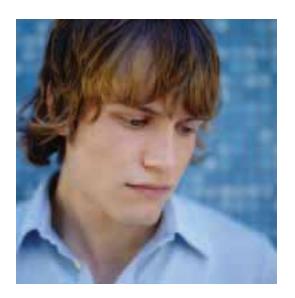
Students will be able to:

- 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 on investments.
- 6. Evaluate sources of investment information.
- 7. Explain how agencies that regulate financial markets protect investors.

NBEA Achievement Standards for Personal Finance

The curriculum standards of the National Business Education Association (NBEA) cover a range of concepts intended to provide students with "the necessary analytical tools for addressing economic issues, both personal and societal."

We list here only the achievement standards related to personal finance, but if you would like to view the others, or if you'd like more detail on the personal finance standards, here's a link to the NBEA web site: http://www.nbea.org/curfbes.html





Personal Decision-Making

Use a rational decision-making process as it applies to the roles of citizens, workers, and consumers.

Earning a Living

Identify various forms of income and analyze factors that affect income as a part of the career decision-making process.

Managing Finances and Budgeting

Develop and evaluate a spending/savings plan.

Saving and Investing

Evaluate savings and investment options to meet short- and long-term goals.

Buying Goods and Services

Apply a decision-making model to maximize consumer satisfaction when buying goods and services.

Banking

Evaluate services provided by financial deposit institutions to transfer funds

Using Credit

Analyze factors that affect the choice of credit, the cost of credit, and the legal aspects of using credit.

Protecting Against Risk

Analyze choices available to consumers fortection against risk and financial loss.