

# Summary of National Standards for Personal Financial Education

- Collaborative effort of Council for Economic Education and Jump\$tart.
- Replaces previous separate standards from both organizations.
  - [NEW NATIONAL STANDARDS FOR PERSONAL FINANCIAL EDUCATION](#)
- Standard completion by grade bands - 4th, 8th and 12th grade.
- Standards are now numbered to reflect the top of the grade band (K-4 are numbered with 4, 5-8 are numbered with 8, 9-12 are numbered with 12).
- National Standards for Personal Financial Education grade bands differ from KSDE standard grade bands.
  - National Standards - K-4; 5-8; 9-12
  - KSDE - K-2; 3-5; 6-8; 9-12
- Grade band indicators do not assume that all learning will occur in 4th, 8th & 12th grade. Content is spread over the grade bands.
- The National Standards include six topics:
  - **Earning Income** - This topic focuses on income earned or received by people and the various taxes that are assessed on income. The emphasis is on making career decisions by better understanding career paths, wage and salary compensation versus employee benefits, factors to consider in deciding whether to invest in additional education/training, and the effect of market conditions and technological advances on labor market opportunities.
  - **Spending** - This topic concerns choices that people make to allocate their scarce resources to necessary and desired goods and services.
  - **Saving** - The Saving standards focus on how people save money, where they save money, and why they save money.
  - **Investing** - The Investing standards focus on funds set aside for future long-term goals, invested in riskier financial assets with the expectation of increasing future wealth or income.
  - **Managing Credit** - This topic covers why and how people borrow money, the cost of credit, and the potential effect on a person's finances.
  - **Managing Risk** - The standards under this topic cover the variety of ways that wealth, property, and income are vulnerable to loss from unexpected events and the methods available to individuals for managing these risks. The standards address the costs and benefits of common types of insurance, including health, auto, homeowners/renters, disability, and life insurance products.
- Financial decision making has been incorporated into all six topics.
- Recognition of overlap between topics.
- Updated content includes: behavioral finance, higher education financial planning, identity theft, financial technology, mobile payments, cryptocurrency, and alternative financial services that were not prevalent when earlier standards were published.

- National Standards for Personal Financial Education are presented in terms of knowledge and decision-making skills rather than specific activities.
- National Standards for Personal Financial Education focus on concepts and principles over specific products, laws, and regulations, which are subject to continual change.
- Financial education is for all students and language used throughout the National Standards for Personal Financial Education is purposefully equitable and inclusive. Situations presented in these standards are intentionally free from bias.
- All of the standards are streamlined and organized by grade band with concept progression explained.
- The listing of student outcomes are outlined with each standard and include sample indicators.
- Learning Outcomes were written with each objective making them easier to assess.
- The standards progress through the grade bands in complexity allowing the younger grades to easily adapt and implement their standards into their already existing curriculum topics and the older grade to go into a more in depth focus.

#### Example of Managing Credit Standard Progression

	<b>Standards</b> Students will know that...	<b>Learning Outcomes</b> Students will use this knowledge to...
Managing Credit 4-1	Interest is the price a borrower pays for using someone else's money, and the income earned by the lender.	4-1a. Explain why a person who borrows \$100 to buy something, often must pay back more than \$100 at a future date.  4-1b. Describe the reasons why businesses and individuals sometimes lend money to others.
Managing Credit 8-1	Interest rates and fees vary by type of lender, type of credit, and market conditions.	8-1a. Identify financial institutions and businesses that offer consumer credit.  8-1b. Compare lenders based on type of credit offered, interest rates, and fees.  8-1c. Explain how market conditions impact interest rates.
Managing Credit 12-1	Borrowers can compare the cost of credit using the Annual Percentage Rate (APR) and other terms in the loan or credit card contract.	12-1a. Describe how credit card grace periods, methods of interest calculation, and fees affect borrowing costs.  12-1b. Compare the cost of borrowing \$1,000 using consumer credit options that differ in rates and fees.