

PERSONAL FINANCIAL RESPONSIBILITY

Personal Financial Responsibility addresses the identification and management of personal financial resources to meet the financial needs and wants of individuals and families, considering a broad range of economic, social, cultural, technological, environmental, and maintenance factors. This course helps students build skills in financial responsibility and decision making; analyze personal standards, needs, wants, and goals; identify sources of income, saving and investing; understand banking, budgeting, record-keeping and managing risk, insurance and credit card debt. A project based approach and applications through authentic settings such as work based observations and service learning experiences are appropriate. Direct, concrete applications of mathematics proficiencies in projects are encouraged.

- DOE Code: 4540
- Recommended Grade Level: 10, 11, 12
- Recommended Prerequisite: None
- Credits: 1 credit course, 1 credit per semester, maximum of 1 credit
- Counts as a Directed Elective or Elective for all diplomas
- Qualifies as a quantitative reasoning course

Career and Technical Student Organizations (CTSOs)

Career and Technical Student Organizations are considered a powerful instructional tool when integrated into Career and Technical Education programs. They enhance the knowledge and skills students learn in a course by allowing a student to participate in a unique program of career and leadership development. Students should be encouraged to participate in Indiana's Career and Technical Student Organizations.

Please Note: Bold items are essential for students to master.

Content Standards

Domain – Financial Responsibility and Decision Making

Core Standard 1 Students demonstrate management of individual and family finances by applying reliable information and systematic decision making.

Standards

- PFR-1.1 Demonstrate taking responsibility for personal financial decisions
- a. Explain how individuals demonstrate responsibility for financial well-being over a lifetime.**
 - b. Analyze ways financial responsibility is different for individuals with and without dependents.
- PFR-1.2 Analyze financial information from a variety of reliable and questionable sources
- a. Analyze financial information for objectivity, accuracy, relevancy to given needs, and currency**
 - b. Investigate current types of consumer fraud, including online scams**
- PFR-1.3 Utilize consumer protection laws and resources
- a. Describe services of Indiana's consumer protection agency and its benefits to consumers

- b. Analyze consumer protection laws for the issues they address and the safeguards they provide**
 - c. Demonstrate steps for resolving a consumer complaint
- PFR-1.4 Make financial decisions by systematically considering alternatives and consequences
 - a. Set measurable short-term, medium-term, and long-term financial goals.**
 - b. Evaluate the results of financial decisions.**
 - c. Apply systematic decision making to long-term goals.**
- PFR-1.5 Demonstrate communication strategies for discussing financial issues
 - a. Compare and contrast the benefits of sharing financial goals and personal finance information with a potential partner before forming a partnership
 - b. Describe essential elements of a contract between individuals and between individuals and businesses
- PFR-1.6 Demonstrate strategies to control personal information.
 - a. Describe the actions a victim of identity theft can take to restore personal security**

Domain – Relating Income and Careers

Core Standard 2 Students analyze how education, income, career and life choices relate to achieving financial goals.

Standards

- PFR-2.1 Describe how personal factors, career choices, and economic conditions affect income
 - a. Analyze ways economic, social, cultural, education and political conditions can affect income and career potential**
 - b. Analyze the financial risks and benefits of entrepreneurship as a career choice
- PFR-2.2 Identify sources of personal income
 - a. Compare and contrast wage, gift, rent, interest, dividend, capital gain, tip, commission, and business profit as sources of personal income**
 - b. Analyze the advantages and disadvantages of participation in government assistance programs
- PFR-2.3 Explain how taxes and employee benefits relate to disposable income
 - a. Analyze typical employee benefits and explain why they are a form of compensation**
 - b. Describe benefits of employer sponsored savings plans and other personal options for shifting current income to the future

Domain – Planning and Managing Money

Core Standard 3 Students manage money effectively by developing financial goals and budgets.

Standards

- PFR-3.1 Develop a personal financial plan to demonstrate the ability to use money management skills and strategies
 - a. Create a basic budget with categories for income, taxes, planned savings, and fixed and variable expenses**
 - b. Analyze and adjust budget categories to manage spending and achieve financial goals**

- c. **Develop a personal financial plan that shows allocation of income, spending, saving, investing and sharing/giving over a year-long time span**
 - d. **Analyze a plan to secure funding for a financial goal (such as college, major consumer purchases, etc.)**
- PFR-3.2 Develop a system for keeping and using financial records
 - a. **Utilize a system to record income and spending for categories such as purchases, services, and taxes**
 - b. **Demonstrate recordkeeping that utilizes digital financial management systems**
- PFR-3.3 Analyze services of financial institutions
 - a. **Evaluate different payment methods, including cash, checks, stored-value cards, debit cards, credit cards, and electronic or online payment systems**
 - b. **Demonstrate skill in basic financial tasks (such as bill payments, check writing, reconciling checking and debit account statements, and monitoring printed and online account statements for accuracy)**
 - c. **Investigate and demonstrate ability to apply for financial assistance (such as FAFSA, 21st Century Scholars, scholarships, grants, and aid from colleges and universities) for post-secondary education**
- PFR-3.4 Apply consumer skills to purchase decisions
 - a. **Evaluate impact of external factors (such as marketing, advertising and the economy) on spending decisions**
 - b. **Justify consumer buying decisions by evaluating external factors**
 - c. Evaluate opportunity costs (such as owning versus renting a house, purchasing or leasing an auto)
 - d. **Recognize potential threats (such as identity fraud, scams, theft, phishing, spam, unethical internet practices) to sound financial decisions**
- PFR-3.5 Connect the role of charitable giving, volunteer service, and philanthropy to community development and quality of life
 - a. **Demonstrate budgeting financial and other resources to make contributions to a charitable organization**
- PFR-3.6 Examine the purpose and value of estate planning
 - a. Contrast wills, "living wills," trusts and other ways estates can be transferred
 - b. Evaluate estate planning tools (such as pensions, retirements, social security, trusts, and annuities)

Domain – Managing Credit and Debt

Core Standard 4 Students manage credit and debt to remain both creditworthy and financially secure.

Standards

- PFR-4.1 Analyze the costs and benefits of using various types of credit such as student loans, home and automotive loans, and credit cards
 - a. **Evaluate the cost of borrowing a set amount of money using various types of credit**
 - b. **Explain how grace periods, methods of calculating interest, and fees affect borrowing costs.**

c. Apply systematic decision making to identify the most cost-effective option for making a purchase

- PFR-4.2 Analyze factors that influence establishing and maintaining a good credit rating
- a. Analyze the effect of positive and negative credit reports on credit worthiness
 - b. Illustrate steps to overcome a negative credit report and improve a personal financial future**
- PFR-4.3 Analyze methods and benefits of avoiding or correcting credit and debt problems
- a. Evaluate the effect of living beyond one's financial resources**
 - b. Analyze actions that a consumer can take to reduce or better manage excessive debt**
- PFR-4.4 Analyze major consumer credit laws and the changing nature of these laws.
- a. Analyze online and printed resources for up-to-date information about consumer credit rights
 - b. Describe debtors' and creditors' rights related to debt that is not paid

Domain – Risk Management and Insurance

Core Standard 5 Students analyze the features of insurance, its role in balancing risk and benefit in financial planning.

Standards

- PFR-5.1 Examine various types of financial risk and risk management strategies
- a. Describe ways people can manage risk through avoidance, reduction, retention, assumption, and transfer of risk
- PFR-5.2 Examine the purposes, types, and costs associated with insurance
- a. Analyze the types and amounts of coverage, and features needed, for various stages of life for health, property, life, disability, and liability insurance**
 - b. Analyze factors that can reduce or increase the amount and type of insurance coverage needed.
 - c. Analyze factors that affect cost of insurance for various types of insurance

Domain – Saving and Investing

Core Standard 6 Students analyze saving and investing to build long-term financial security and wealth.

Standards

- PFR-6.1 Evaluate how saving contributes to financial wellbeing
- a. Analyze effect of saving strategies, including "pay yourself first," payroll deduction, automatic savings options, and reflective spending practices on financial well being**
 - b. Compare the interest generated by simple and compound interest at various rates**
- PFR-6.2 Apply strategies for creating wealth and building assets
- a. Compare various investing strategies for their potential to build wealth
 - b. Analyze investment possibilities utilizing the principles of time value of money and opportunity costs
 - c. Calculate the end value of lump sum and periodic investments**
- PFR-6.3 Compare saving and investment alternatives

- a. Analyze the characteristics (such as earnings, risks, liquidity) and benefits of various saving and investment options in the current economy**
 - b. Analyze investment alternatives utilizing principles of inflation and other economic factors
- PFR-6.4 Describe how to buy and sell investments
 - a. Compare advantages and disadvantages of buying and selling investments through various channels, including financial advisors, investment clubs, and online brokers
 - b. Compare the investment objectives and historical rates of return of various Investment options**
- PFR-6.5 Analyze factors that affect the rate of return on investments
 - a. Analyze the rate of return on investments using time value of money and economic conditions as factors**
 - b. Calculate the amount of taxes on investments and income tax-free earnings
- PFR-6.6 Analyze how agencies that regulate financial markets protect investors
 - a. Explain how federal and state financial regulatory agencies decrease savings and investing risks
 - b. Identify additional services and benefits of the Indiana Securities Division and other federal and state regulators