

# Academic Standards for Personal Finance

*Grades K-12*



**Pennsylvania Department of Education**

## Overview

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Personal Finance focuses on the fundamentals of personal finance, income, spending, saving and investing, risk and insurance, and credit, with a goal to develop individuals who can manage their personal finances. Personal finance is also known as personal financial literacy and financial literacy. The standards are written as grade-banded standards built around the areas below and topics that make up the areas of study.

Number	Areas
17.1	Personal Finance Fundamentals
17.2	Income
17.3	Spending
17.4	Saving & Investing
17.5	Risk & Insurance
17.6	Credit

# Appendix F. Academic Standards for Personal Finance

Substrand	Kindergarten to Grade 2	Grades 3 to 5	Grades 6 to 8	Grades 9 to 12
<b>1. Personal Finance Fundamentals</b>				
<b>Financial goal setting and decision making</b>	<b>17.1.K-2.A</b> Identify short-term financial goals and steps people can take to achieve them.	<b>17.1.3-5.A</b> Describe reasons people set financial goals.	<b>17.1.6-8.A</b> Compare short-, intermediate-, and long-term financial goals.	<b>17.1.9-12.A</b> Determine the financial impact of various long-term goals (e.g., lifestyle, family, education).
	<b>17.1.K-2.B</b> Explain how limited personal financial resources affect the choices people make.	<b>17.1.3-5.B</b> Identify the opportunity cost of various financial decisions, including ones related to earning, spending, and saving.	<b>17.1.6-8.B</b> Explain why the opportunity cost of a decision might differ from one person or situation to another.	<b>17.1.9-12.B</b> Apply a systematic decision-making process, including opportunity costs, to setting and achieving financial goals.
<b>Financial mindset and behaviors</b>	<b>17.1.K-2.C</b> Describe how friends and family can impact a person's attitudes toward money.	<b>17.1.3-5.C</b> Explain how life circumstances and experiences can alter attitudes toward money.	<b>17.1.6-8.C</b> Analyze how people differ in their attitudes toward money.	<b>17.1.9-12.C</b> Analyze the impact of various factors on a person's financial mindset and decisions.
	Intentionally blank	<b>17.1.3-5.D</b> Identify financial decisions people make that may not be in their best interest.	<b>17.1.6-8.D</b> Describe behavioral biases (e.g., mental accounting, anchoring, confirmation bias) that can affect financial decisions.	<b>17.1.9-12.D</b> Evaluate strategies for dealing with behavioral biases (e.g., loss aversion, experiential bias, mental accounting) and other obstacles to managing personal finances.
	Intentionally blank	<b>17.1.3-5.E</b> Describe conversations people have about money.	<b>17.1.6-8.E</b> Describe important financial conversations people have and with whom they have them.	<b>17.1.9-12.E</b> Assess the value of sharing financial goals and information with others.

Substrand	Kindergarten to Grade 2	Grades 3 to 5	Grades 6 to 8	Grades 9 to 12
<b>Financial services</b>	<b>17.1.K-2.F</b> Describe ways people use financial institutions (e.g., depositing money, obtaining cash).	<b>17.1.3-5.F</b> Identify products and services provided by financial institutions.	<b>17.1.6-8.F</b> Identify personal information needed to establish a financial account.	<b>17.1.9-12.F</b> Compare various financial service providers (e.g., banks, credit unions, check cashers, brokerage firms) and the types of accounts and services each provides.
	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.1.9-12.G</b> Communicate the process of opening financial accounts and the factors to consider when selecting financial institutions and professionals.
	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.1.9-12.H</b> Evaluate the use of financial technology to access financial services and make financial decisions.
<b>Financial record keeping</b>	Intentionally blank	Intentionally blank	<b>17.1.6-8.I</b> Describe information people document and track for their personal finances.	<b>17.1.9-12.I</b> Develop a system for documenting and organizing personal financial records, both paper and electronic.
	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.1.9-12.J</b> Explain the financial implications of wills, powers of attorney, and naming beneficiaries for various accounts.

Substrand	Kindergarten to Grade 2	Grades 3 to 5	Grades 6 to 8	Grades 9 to 12
<b>Consumer protection</b>	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.1.9-12.K</b> Explain the role of various state and federal financial regulators and consumer protection agencies.
	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.1.9-12.L</b> Describe the issues addressed by various laws and regulations that impact or safeguard a person's finances.
<b>2. Income</b>				
<b>Sources of income</b>	<b>17.2.K-2.A</b> Identify reasons people and households require income.	<b>17.2.3-5.A</b> Describe how people receive income (e.g., work, gifts, renting property to others).	<b>17.2.6-8.A</b> Compare compensation methods, including hourly wage, salary, commission, tips, and piecework.	<b>17.2.9-12.A</b> Explain various types of income (e.g., earned, unearned, passive, active) and their sources (e.g., work, rentals, investments, government programs).
	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.2.9-12.B</b> Describe sources of retirement income and how they relate to individual investment choices, employer-sponsored retirement plans, and government programs.
<b>Factors influencing income</b>	<b>17.2.K-2.C</b> Predict the knowledge and skills needed for various jobs.	<b>17.2.3-5.C</b> Explain ways people improve their ability to earn income through education, training, and experience.	<b>17.2.6-8.C</b> Analyze connections between the amount individuals might earn in various careers and the education or training that is required.	<b>17.2.9-12.C</b> Use data to support an individual's decision to obtain or forgo post-secondary education based on the associated costs and anticipated future income.

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	Intentionally blank	Intentionally blank	<b>17.2.6-8.D</b> Compare ways people pay for education and training, including scholarships, grants, savings, military service, apprenticeships, and loans.	<b>17.2.9-12.D</b> Research options to pay for education and training, ways to reduce the total cost, and steps needed to obtain financial aid.
	Intentionally blank	Intentionally blank	<b>17.2.6-8.E</b> Explain factors that may impact a person's future income and employment status, including changes in technology, demand for workers, and the cost of post-secondary education.	<b>17.2.9-12.E</b> Evaluate the impacts of technology, labor markets, and economic conditions and trends on a person's employment potential.
	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.2.9-12.F</b> Explain the impact of employee benefits (e.g., health insurance, retirement savings plans, education reimbursement programs) on an individual's finances.
<b>Self-employment and supplemental income</b>	<b>17.2.K-2.G</b> Identify ways people earn income through entrepreneurship.	<b>17.2.3-5.G</b> Describe how people earn income through entrepreneurship and supplemental employment.	<b>17.2.6-8.G</b> Compare various forms of self-employment.	<b>17.2.9-12.G</b> Analyze the financial impact of a person's decision to own a business, work as an independent contractor, or be employed.
<b>Income and payroll taxes</b>	Intentionally blank	Intentionally blank	<b>17.2.6-8.H</b> Interpret a pay statement and explain the relationship between gross pay, net pay, and payroll deductions.	<b>17.2.9-12.H</b> Calculate the impact of taxes and payroll deductions on income.
	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.2.9-12.I</b> Complete various federal, state, and local tax forms.

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<b>3. Spending</b>				
<b>Spending decisions</b>	<b>17.3.K-2.A</b> Describe spending choices people make in everyday life and factors that influence them.	<b>17.3.3-5.A</b> Explain factors that influence a person's spending decisions and the impact these has on how they prioritize their wants.	<b>17.3.6-8.A</b> Demonstrate making an informed purchase decision by evaluating price, product claims, and information from a variety of sources.	<b>17.3.9-12.A</b> Develop a process for making informed spending decisions, including factors to consider (e.g., product features, price, durability, environmental or societal impact, reliability of information).
	Intentionally blank	Intentionally blank	<b>17.3.6-8.B</b> Apply mathematical skills to assess the impact of various ways retailers express prices (e.g., coupons, discounts, unit price).	<b>17.3.9-12.B</b> Compare ways people can lower the price they pay for goods and services (e.g., online tools, discount retailers, negotiating, secondhand items).
<b>Developing a budget</b>	<b>17.3.K-2.C</b> Differentiate between money that is received and money that is spent.	<b>17.3.3-5.C</b> Provide examples of household spending and sources of income.	<b>17.3.6-8.C</b> Compare ways people organize and track their spending and income.	<b>17.3.9-12.C</b> Develop a personal approach to keeping track of income and spending.
	<b>17.3.K-2.D</b> Describe how people use money for different purposes, including spending, saving, and sharing with others.	<b>17.3.3-5.D</b> Construct a simple budget (e.g., for a family, individual, or school event).	<b>17.3.6-8.D</b> Explain the components of a personal budget (e.g., income, expenses, planned savings) and how budgeting can help people achieve their financial goals.	<b>17.3.9-12.D</b> Evaluate various budgeting approaches (e.g., 50-30-20, zero-based) and methods (e.g., envelope system, spreadsheets, online tools).
	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.3.9-12.E</b> Create a personal budget to allocate current or future income, including estimates for fixed and variable expenses.

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	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.3.9-12.F</b> Identify methods for adjusting a budget for unexpected expenses or loss of income.
<b>Payment methods</b>	Intentionally blank	<b>17.3.3-5.G</b> Explain various payment methods (e.g., cash, checks, gift cards, debit cards, credit cards).	<b>17.3.6-8.G</b> Describe the advantages and disadvantages of using various payment methods (e.g., cash, checks, gift cards, debit cards, credit cards, mobile payments).	<b>17.3.9-12.G</b> Compare the effects of using various payment methods when making purchases.
	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.3.9-12.H</b> Compare various approaches to paying bills, including making automated payments and ensuring bills are paid on time.
	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.3.9-12.I</b> Describe the impact of technology on payment methods and how it influences spending.
<b>Major life purchases</b>	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.3.9-12.J</b> Analyze a housing decision, including comparing renting and buying, upfront and ongoing costs, and the process of obtaining a mortgage or a lease.



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	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.3.9-12.K</b> Justify the purchase or lease of a vehicle and the alternatives considered (e.g., new versus used, total cost of ownership or use).
<b>Sales and Property Taxes</b>	Intentionally blank	<b>17.3.3-5.L</b> Identify taxes applied to certain purchases.	<b>17.3.6-8.L</b> Calculate the sales tax for various types of purchases.	<b>17.3.9-12.L</b> Analyze the impact of paying sales, excise, and property taxes on financial decisions.
<b>Charitable Giving</b>	<b>17.3.K-2.M</b> Identify items people might give to someone else or donate to charity.	<b>17.3.3-5.M</b> Identify reasons people participate in fundraising efforts and the causes they support.	<b>17.3.6-8.M</b> Describe ways people support charitable organizations by donating money, items, and time.	<b>17.3.9-12.M</b> Justify a decision to participate in or forgo a fundraising effort based on the organization and cause.
<b>4. Saving and Investing</b>				
<b>Asset building</b>	<b>17.4.K-2.A</b> Describe things people own (e.g., toys, home, money).	<b>17.4.3-5.A</b> Identify items that might increase or decrease in value over time.	<b>17.4.6-8.A</b> Explain the change in value over time of various assets.	<b>17.4.9-12.A</b> Calculate a person's net worth given their assets and liabilities.
<b>Saving</b>	<b>17.4.K-2.B</b> Describe reasons people save money for the future rather than spend it now.	<b>17.4.3-5.B</b> Describe a variety of savings goals and the factors that influence them.	<b>17.4.6-8.B</b> Describe the process of creating, implementing, and adapting a personal savings plan.	<b>17.4.9-12.B</b> Develop a savings plan for accomplishing personal short- and long-term financial goals.
	<b>17.4.K-2.C</b> Identify ways children can keep their money safe and avoid losing it.	<b>17.4.3-5.C</b> Identify reasons people deposit money to be saved in accounts at financial institutions and factors they might consider when selecting a financial institution.	<b>17.4.6-8.C</b> Use different methods and tools to calculate the growth in savings given various scenarios (e.g., simple versus compound interest, starting age, years to save, and interest rates).	<b>17.4.9-12.C</b> Compare the features of various savings vehicles (e.g., savings accounts, certificates of deposit, money market accounts) and the interest rates offered by several institutions.

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Investing	Intentionally blank	Intentionally blank	<b>17.4.6-8.D</b> Describe similarities and differences between saving and investing.	<b>17.4.9-12.D</b> Explain factors that contribute to rates of return for various investments, including risk, inflation, and taxes.
	Intentionally blank	Intentionally blank	<b>17.4.6-8.E</b> Identify publicly traded companies, the goods and services they produce, and their current stock prices.	<b>17.4.9-12.E</b> Explain the similarities and differences between stocks, bonds, mutual funds, and exchange-traded funds, and the factors that influence price fluctuations for each.
	Intentionally blank	Intentionally blank	<b>17.4.6-8.F</b> Identify factors influencing investment planning (e.g., age, income, debt, assets, goals, family size, risk tolerance).	<b>17.4.9-12.F</b> Describe factors to consider when selecting sources of investment advice and trading methods (e.g., online trading platforms, financial advisors, robo-advisors).
	Intentionally blank	Intentionally blank	<b>17.4.6-8.G</b> Describe how people make money through investing (e.g., buying low and selling high, earning dividends, buy and hold).	<b>17.4.9-12.G</b> Explain how popular benchmark indices are used.
	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.4.9-12.H</b> Recommend an investment portfolio diversified to meet specific goals, including purpose, starting age, time horizon, and tolerance for risk.

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	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.4.9-12.I</b> Compare retirement-specific investment options, including employer-sponsored plans, Roth and traditional individual retirement accounts, and accounts available to people who are self-employed.
<b>Investing risk tolerance</b>	Intentionally blank	Intentionally blank	<b>17.4.6-8.J</b> Assess the impact of values and attitudes, including tolerance for risk, on saving and investing decisions.	<b>17.4.9-12.J</b> Analyze personal attitudes towards risk and how these might impact future investment decisions and outcomes.
	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.4.9-12.K</b> Describe methods to avoid or counteract the potentially negative impacts of behavioral biases (e.g., loss aversion, herding, choice overload) on investment decisions.
<b>5. Risk and Insurance</b>				
<b>Risk identification and management</b>	<b>17.5.K-2.A</b> Identify risks in everyday situations.	<b>17.5.3-5.A</b> Describe how unexpected events could impact a person's finances (e.g., floods, automobile accidents, illness).	<b>17.5.6-8.A</b> Provide examples of financial risks people face (e.g., losing a job, needing to replace damaged property, paying medical expenses).	<b>17.5.9-12.A</b> Evaluate a person's potential for financial risk (e.g., loss of personal property, reduction in income, liability).
	<b>17.5.K-2.B</b> Explain ways to avoid or reduce risks.	<b>17.5.3-5.B</b> Explain how emergency savings can be used to offset losses from unexpected events.	<b>17.5.6-8.B</b> Describe how people manage the risk of financial loss through risk avoidance, reduction, retention, and transfer.	<b>17.5.9-12.B</b> Critique approaches to avoiding, reducing, retaining, and transferring risk given a particular scenario.

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Insurance	Intentionally blank	<b>17.5.3-5.C</b> Provide examples of insurance people buy in order to transfer financial risk (e.g., health, auto, flood).	<b>17.5.6-8.C</b> Compare various types of insurance and what is typically covered by each.	<b>17.5.9-12.C</b> Formulate insurance recommendations based on individual needs, situations, and preferences, including but not limited to automotive, homeowners, renters, health, life, and disability, as justified.
	Intentionally blank	Intentionally blank	<b>17.5.6-8.D</b> Describe factors that impact the amount an individual can expect to pay for insurance (e.g., coverage types and amounts, age, location, driving record).	<b>17.5.9-12.D</b> Use information from various sources to compare insurance providers, plans, and prices.
	Intentionally blank	Intentionally blank	<b>17.5.6-8.E</b> Defend decisions to purchase or forgo insurance, extended warranties, and service contracts.	<b>17.5.9-12.E</b> Formulate a process of comparing insurance products, determining out-of-pocket costs, and filing claims.
	Intentionally blank	Intentionally blank	<b>17.5.6-8.F</b> Describe how insurance works by pooling the premiums of many policyholders in order to pay for claims.	<b>17.5.9-12.F</b> Describe circumstances in which a person may be required to show proof of insurance or obtain a minimum amount of coverage.
	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.5.9-12.G</b> Evaluate the impact of public insurance programs for individuals facing financial hardship (e.g., Medicare, Medicaid, and unemployment).

Substrand	Kindergarten to Grade 2	Grades 3 to 5	Grades 6 to 8	Grades 9 to 12
<b>Financial fraud and identity theft</b>	<b>17.5.K-2.H</b> Give examples of personal information that should be kept private.	<b>17.5.3-5.H</b> Predict the financial consequences of sharing personal information.	<b>17.5.6-8.H</b> Describe strategies people can use to protect their personally identifiable information.	<b>17.5.9-12.H</b> Analyze trends in financial fraud and strategies to avoid becoming a victim.
	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.5.9-12.I</b> Research the agencies individuals can contact and steps they can take to address financial fraud and scams, including identity theft.
<b>6. Credit</b>				
<b>Credit use and benefits</b>	<b>17.6.K-2.A</b> Describe the process of borrowing items or money from someone else.	<b>17.6.3-5.A</b> Identify traits that could impact a person's ability to borrow items or money.	<b>17.6.6-8.A</b> Explain how credit is established and tracked over time for an individual.	<b>17.6.9-12.A</b> Evaluate pathways to obtaining credit and what lenders look for in a borrower (e.g., character, capacity, capital, collateral).
	Intentionally blank	Intentionally blank	Intentionally blank	<b>17.6.9-12.B</b> Describe how credit reports and scores are determined, used, and improved.
<b>Types of credit</b>	Intentionally blank	<b>17.6.3-5.C</b> Identify goods and services people often pay for over time using credit.	<b>17.6.6-8.C</b> Discuss various forms of credit and their uses (e.g., credit cards, home loans, auto loans, student loans).	<b>17.6.9-12.C</b> Compare various forms of credit and how each is used (e.g., secured and unsecured loans, installment and revolving credit, service credit).

Substrand	Kindergarten to Grade 2	Grades 3 to 5	Grades 6 to 8	Grades 9 to 12
	Intentionally blank	<b>17.6.3-5.D</b> Describe how using a credit card is a form of borrowing.	<b>17.6.6-8.D</b> Summarize the differences between credit cards and debit cards.	<b>17.6.9-12.D</b> Analyze the use of loans to finance higher education and home purchases, how they are obtained, and options for paying them back.
<b>Costs of credit</b>	<b>17.6.K-2.E</b> Identify potential advantages and disadvantages of borrowing from others.	<b>17.6.3-5.E</b> Explain why borrowers might be asked to repay more than they initially borrowed (e.g., interest, fees).	<b>17.6.6-8.E</b> Analyze factors that influence the total cost of paying with credit, including interest rates, fees, repayment period, and source of credit.	<b>17.6.9-12.E</b> Calculate the total cost of credit given a variety of situations (e.g., making minimum payments, paying fees, using alternative financial service providers).
	Intentionally blank	Intentionally blank	<b>17.6.6-8.F</b> Explain why potential borrowers could reach different conclusions about the use of credit, including how much debt constitutes overborrowing.	<b>17.6.9-12.F</b> Describe the consequences of failing to repay debts and sources of debt management assistance.
<b>Credit rights and responsibilities</b>	Intentionally blank	Intentionally blank	<b>17.6.6-8.G</b> Explain why lenders must provide borrowers with certain information (e.g., interest rates, annual percentage rates, fees, terms, conditions).	<b>17.6.9-12.G</b> Evaluate various rights and laws related to credit and their impact on consumers.