

# Readington Township Public Schools

## Financial Literacy Grades 6-8

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## I. OVERVIEW

Financial Literacy is a cycle course for 6th through 8th-grade students. It is designed to expose students to financial decisions and concepts they will encounter over the course of their lives. These concepts will be explored through a project-based model as well as independent research. Students will be encouraged to make informed choices and should be prepared to evaluate the benefits and consequences of the paths they have chosen. This information will be conveyed through simulated real-world decision making.

## II. RATIONALE

These Financial Literacy cycle courses serve to provide early exposure to some of the important financial concepts our students will encounter over the course of their lives. Many adolescents are unaware of the costs incurred for essential services and need to create a baseline understanding of how to budget, save, and utilize credit responsibly to plan for these expenses. In the interest of enhancing the capabilities of our students to prepare them for success in today's global economy, the courses also provide an experience in investments, entrepreneurship, and ethical judgment. Early understanding of these concepts and ideas will provide both opportunity and set the expectation that morality and integrity should be applied in future endeavors.

## III. STUDENT OUTCOMES

### [NJSLs: Career Readiness, Life Literacies, and Key Skills](#)

#### **Standard 9.1 Personal Financial Literacy:**

This standard outlines the important fiscal knowledge, habits, and skills that must be mastered in order for students to make informed decisions about personal finance. Financial literacy is an integral component of a student's college and career readiness, enabling students to achieve fulfilling, financially-secure, and successful careers.

#### **Civic Financial Responsibility**

- 9.1.8.CR.1: Compare and contrast the role of philanthropy, volunteer service, and charities in community development and the quality of life in a variety of cultures.
- 9.1.8.CR.2: Compare various ways to give back through strengths, passions, goals, and other personal factors.
- 9.1.8.CR.3: Relate the importance of consumer, business, and government responsibility to the economy and personal finance.
- 9.1.8.CR.4: Examine the implications of legal and ethical behaviors when making financial decisions.

#### **Credit and Debt Management**

- 9.1.8.CDM.1: Compare and contrast the use of credit cards and debit cards for specific purchases and the advantages and disadvantages of using each.
- 9.1.8.CDM.2: Demonstrate an understanding of the terminology associated with different types of credit (e.g., credit cards, installment loans, mortgages, lines of credit) and compare and calculate the interest rates associated with each.
- 9.1.8.CDM.3: Compare and contrast loan management strategies, including interest charges and total principal repayment costs.
- 9.1.8.CDM.4: Evaluate the application process for different types of loans (e.g., credit card, mortgage, student loans).

#### **Credit Profile**

- 9.1.8.CP.1: Compare prices for the same goods or services.
- 9.1.8.CP.2: Analyze how spending habits affect one's ability to save.
- 9.1.8.CP.3: Explain the purpose of a credit score and credit record, the factors and impact of credit scores.

- 9.1.8.CP.4: Summarize borrower's credit report rights.
- 9.1.8.CP.5: Compare the financial products and services available to borrowers relative to their credit worthiness.

### **Economic and Government Influences**

- 9.1.8.EG.1: Explain how taxes affect disposable income and the difference between net and gross income
- 9.1.8.EG.2: Explain why various sources of income are taxed differently.
- 9.1.8.EG.3: Explain the concept and forms of taxation and evaluate how local, state and federal governments use taxes to fund public activities and initiatives.
- 9.1.8.EG.4: Identify and explain the consequences of breaking federal and/or state employment or financial laws.
- 9.1.8.EG.5: Interpret how changing economic and societal needs influence employment trends and future education.
- 9.1.8.EG.6: Explain the economic principle of the circular flow of money in different situations regarding buying products or services from a local or national business and buying imported or domestic goods.
- 9.1.8.EG.7: Explain the effect of the economy (e.g., inflation, unemployment) on personal income, individual and family security, and consumer decisions.
- 9.1.8.EG.8: Analyze the impact of currency rates over a period of time and the impact on trade, employment, and income.
- 9.1.8.EG.9: Identify types of consumer fraud, the procedures for reporting fraud, the specific consumer protection laws, and the issues they address.

### **Financial Institutions**

- 9.1.8.FI.1: Identify the factors to consider when selecting various financial service providers. 9.1.8.FI.2: Determine the most appropriate use of various financial products and services to borrow and access money for making purchases (e.g., ATM, debit cards, credit cards, check books, online/mobile banking).
- 9.1.8.FI.3: Evaluate the most appropriate financial institutions to assist with meeting various personal financial needs and goals.
- 9.1.8.FI.4: Analyze the interest rates and fees associated with financial products.

### **Financial Psychology**

- 9.1.8.FP.1: Describe the impact of personal values on various financial scenarios.
- 9.1.8.FP.2: Evaluate the role of emotions, attitudes, and behavior (rational and irrational) in making financial decisions.
- 9.1.8.FP.3: Explain how self-regulation is important to managing money (e.g., delayed gratification, impulse buying, peer pressure, etc.).
- 9.1.8.FP.4: Analyze how familial and cultural values influence savings rates, spending, and other financial decisions.
- 9.1.8.FP.5: Determine how spending, investing, and using credit wisely contributes to financial well-being.
- 9.1.8.FP.6: Compare and contrast advertising messages to understand what they are trying to accomplish.
- 9.1.8.FP.7: Identify the techniques and effects of deceptive advertising.

### **Planning and Budgeting**

- 9.1.8.PB.1: Predict future expenses or opportunities that should be included in the budget planning process.
- 9.1.8.PB.2: Explain how different circumstances can affect one's personal budget.
- 9.1.8.PB.3: Explain how to create budget that aligns with financial goals.
- 9.1.8.PB.4: Construct a simple personal savings and spending plan based on various sources of income and different stages of life (e.g. teenager, young adult, family).
- 9.1.8.PB.5: Identify factors that affect one's goals, including peers, culture, location, and past experiences.
- 9.1.8.PB.6: Construct a budget to save for short-term, long term, and charitable goals.
- 9.1.8.PB.7: Brainstorm techniques that will help decrease expenses including comparison shopping, negotiating, and day-to-day expense management.

### **Risk Management and Insurance**

- 9.1.8.RM.1: Determine criteria for deciding the amount of insurance protection needed. 9.1.8.RM.2: Analyze the need for and value of different types of insurance and the impact of deductibles in protecting assets against loss.
- 9.1.8.RM.3: Evaluate the need for different types of warranties
- 9.1.8.RM.4: Explain the purpose of insurance products and the reasons for property product and liability insurance protection.

**9.2 Career Awareness, Exploration, and Preparation** - This standard outlines the importance of being knowledgeable about one's interests and talents, and being well informed about postsecondary and career options, career planning, and career requirements.

### **Career Exploration**

- 9.2.8.B.1 Research careers within the 16 Career Clusters® and determine attributes of career success.
- 9.2.8.B.2 Develop a Personalized Student Learning Plan with the assistance of an adult mentor that includes information about career areas of interest, goals and an educational plan.
- 9.2.8.B.3 Evaluate communication, collaboration, and leadership skills that can be developed through school, home, work, and extracurricular activities for use in a career.
- 9.2.8.B.4 Evaluate how traditional and nontraditional careers have evolved regionally, nationally, and globally.
- 9.2.8.B.5 Analyze labor market trends using state and federal labor market information and other resources available online.
- 9.2.8.B.6 Demonstrate understanding of the necessary preparation and legal requirements to enter the workforce.
- 9.2.8.B.7 Evaluate the impact of online activities and social media on employer decisions

## **IV. ESSENTIAL QUESTIONS AND CONTENT**

### **A. Money Management**

1. What are some effective ways to earn and save?
2. What purpose do financial institutions serve in the community?
3. How can you construct a budget to help meet your monetary goals?

### **B. Credit and Debt Management**

1. What types of credit are available and how are they used for?
2. What factors determine creditworthiness?
3. How can the cost of credit impact financial decisions?
4. In what ways can debt be beneficial?

### **C. Becoming a Critical Consumer**

1. How do we evaluate the companies we choose to do business with?
2. How should we prioritize wants and needs when making purchases?
3. What monetary transactions are appropriate for different situations?

4. How can we compare the value of goods and services from different providers?
- D. Income and Careers
  1. How is the demand for certain skills related to earning power?
  2. What is the importance of earned income?
  3. How will earning power relate to your quality of life?
- E. Planning, Saving, and Investing
  1. How do you apply basic economic principles to better financial decision making?
  2. How does saving contribute to financial well-being?
  3. Why do we invest?
  4. What types of return should we expect on various investments?
  5. How do income and expenses relate to appropriate investment strategies?
- F. Civic Financial Responsibility
  1. What defines ethics?
  2. What role do ethics play in business decisions?
  3. How do ethics influence consumer behavior?
- G. Insurance and Protection
  1. What types of products are available?
  2. How are deductibles and the amount of coverage related?
  3. What are the limitations of protection?
- H. Career Exploration
  1. Which career clusters apply to your knowledge, skills, and experience?
  2. How can labor trends help to guide your career path?
  3. What degree of educational attainment and licensure is required?
- I. Business Management and Administration Career Cluster
  1. What skills are necessary to effectively run a business?
  2. How can information be used to make sound business decisions?
  3. How can plans be instituted to create a profitable, sustainable business?
  4. What laws and regulations will affect business operations?
  5. What types of technical skills and knowledge are necessary?
  6. How are positive long-term customer relations established?
- J. Finance Career Cluster
  1. What skills and knowledge are necessary to manage securities?
  2. How are individual investment strategies determined?
  3. How are investment portfolios monitored and adjusted?
- K. Marketing Career Cluster
  1. How do we determine if a product or service is desirable?
  2. What strategies are used to market products or services?
  3. How can market research affect business decisions?
  4. How can perceived value influence pricing?
  5. How do businesses minimize expenses to increase profit?
  6. What organizational strategies help grow businesses?
- L. Economics and World Trade
  1. How does GDP relate to the current economy?
  2. What is interdependence?
  3. How does technology impact the global workforce?
  4. What is the impact of international trade?

## **V. STRATEGIES**

- A. Teacher Presentations
- B. Whole and Small Group Discussions
- C. Simulations
- D. Student-Centered Projects

## **VI. EVALUATION**

- A. Participation

- B. Short Answer
- C. Quizzes/Tests
- D. Presentations
- E. Projects
- F. Portfolios

**VII. REQUIRED RESOURCES**

- A. Chromebooks
- B. Teacher created materials

**VIII. SCOPE AND SEQUENCE**

**6th Grade**

- A. Money Management (18 Days)
  - a. Exchanges
  - b. Value of Money
  - c. Methods of Payment
  - d. Spending Plans
  - e. Monetary Goals
  - f. Banking Basics
  - g. Cost of Living
  - h. Fixed and Variable Expenses
  - i. Balance Sheets
  - j. Record Keeping
  - k. Consumer Decisions
  - l. Safeguarding Information
- B. Credit and Debt Management (18 Days)
  - a. Purpose of Credit
  - b. Revolving Credit
  - c. Installment Credit
  - d. Mortgages
  - e. Credit Scores
  - f. Credit History
  - g. Interest
  - h. Credit Worthiness
  - i. Credit Reporting
  - j. Leveraging Debt
  - k. Credit and Debit Cards
  - l. Bankruptcy
  - m. Credit Counseling
- C. Becoming a Critical Consumer (5 Days)
  - a. Consumer Decisions
  - b. Prioritizing Wants and Needs
  - c. Value of Goods and Services

**7th Grade**

- A. College and Careers (14 Days)
  - a. Cost of College
  - b. Choices in College Selection
  - c. Income and Educational Attainment
  - d. Career Clusters
  - e. Career Evolution
  - f. Labor Market Trends
  - g. Workforce Preparation
  - h. Legal Requirements
  - i. Social Media and Employer Decisions

B. Investments and Financial Planning (20 Days)

- a. Saving and Well Being
- b. Deferred Gratification
- c. Saving Tools and Effective Usage
- d. Income vs Investment Growth
- e. Stocks
- f. Mutual Funds
- g. Bonds
- h. Risk Vs Reward
- i. Diversification
- j. Calculating Returns
- k. Supply and Demand
- l. Long-Term Strategies
- m. Market Analysis
- n. Financial Statements

C. Economics and World Trade (7 Days)

- a. Gross Domestic Product
- b. Scarcity
- c. Imports and Exports
- d. Interdependence
- e. Global Relations

**8th Grade**

A. General Management (14 Days)

- a. Mission Statements
- b. Technical Knowledge
- c. Realistic Goals
- d. Business Growth
- e. Expenses
- f. Rules and Regulations
- g. Customer Relations
- h. Codes of Conduct
- i. Ethics

B. Market Research and Entrepreneurship (20 Days)

- a. Perceived Value
- b. Competition
- c. Market Value
- d. Marketing Mix
- e. Sustainability
- f. Minimizing Expenses
- g. Revenue Streams
- h. Environmental Impact
- i. Packaging

C. Civic Responsibility and Insurance (7 Days)

- a. Legal and Ethical Behavior
- b. Moral Values and Business
- c. Insurance Protection
- d. Managing Risk
- e. Charitable Donations