

# Readington Township Public Schools

## Financial Literacy Grades 6-8

**Authored by:** Bruno Somma

**Reviewed by:** Sarah Pauch  
Supervisor of Math, Science, and Technology

**Approval Date:** October 16, 2018

**Members of the Board of Education:**

Laura Simon, President

Anna Shinn, Vice-President

Wayne Doran

Ray Egbert

Carol Hample

Robyn Mikaelian

Melissa Szanto

Thomas Wallace

Eric Zwerling

**Superintendent:** Dr. Jonathan Hart

**Readington Township Public Schools**

**Whitehouse Station, NJ 08889**

**[www.readington.k12.nj.us](http://www.readington.k12.nj.us)**

## 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

[Linked to 21st Century Life and Careers New Jersey Core Curriculum Content Standards](#)

**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.

### **Income and Careers**

9.1.8.A.1 Explain the meaning and purposes of taxes and tax deductions and why fees for various benefits (e.g., medical benefits) are taken out of pay.

9.1.8.A.2 Relate how career choices, education choices, skills, entrepreneurship, and economic conditions affect income.

9.1.8.A.3 Differentiate among ways that workers can improve earning power through the acquisition of new knowledge and skills.

9.1.8.A.4 Relate earning power to quality of life across cultures.

9.1.8.A.5 Relate how the demand for certain skills determines an individual's earning power.

9.1.8.A.6 Explain how income affects spending decisions.

9.1.8.A.7 Explain the purpose of the payroll deduction process, taxable income, and employee benefits.

### **Money Management**

9.1.8.B.1 Distinguish among cash, check, credit card, and debit card.

9.1.8.B.2 Construct a simple personal savings and spending plan based on various sources of income.

9.1.8.B.3 Justify the concept of "paying yourself first" as a financial savings strategy.

9.1.8.B.4 Relate the concept of deferred gratification to [investment,] meeting financial goals, and building wealth.

9.1.8.B.5 Explain the effect of the economy on personal income, individual and family security, and consumer decisions.

9.1.8.B.6 Evaluate the relationship of cultural traditions and historical influences on financial practice.

9.1.8.B.7 Construct a budget to save for long-term, short-term, and charitable goals.

9.1.8.B.8 Develop a system for keeping and using financial records.

9.1.8.B.9 Determine the most appropriate use of various financial products and services (e.g., ATM, debit cards, credit cards, check books).

9.1.8.B.10 Justify safeguarding personal information when using credit cards, banking electronically, or filing forms.

9.1.8.B.11 Evaluate the appropriate financial institutions to assist with meeting various personal financial needs and goals.

### **Credit and Debt Management**

9.1.8.C.1 Compare and contrast credit cards and debit cards and the advantages and disadvantages of using each.

9.1.8.C.2 Compare and contrast the financial products and services offered by different types of financial institutions.

9.1.8.C.3 Compare and contrast debt and credit management strategies.

9.1.8.C.4 Demonstrate an understanding of the terminology associated with different types of credit (e.g., credit cards, installment loans, mortgages) and compare the interest rates associated with each.

- 9.1.8.C.5 Calculate the cost of borrowing various amounts of money using different types of credit (e.g., credit cards, installment loans, mortgages).
- 9.1.8.C.6 Determine ways to leverage debt beneficially.
- 9.1.8.C.7 Determine potential consequences of using “easy access” credit (e.g., using a line of credit vs. obtaining a loan for a specific purpose).
- 9.1.8.C.8 Explain the purpose of a credit score and credit record, and summarize borrowers’ credit report rights.
- 9.1.8.C.9 Summarize the causes and consequences of personal bankruptcy.
- 9.1.8.C.10 Determine when there is a need to seek credit counseling and appropriate times to utilize it.

#### **Planning Saving and Investing**

- 9.1.8.D.1 Determine how saving contributes to financial well-being.
- 9.1.8.D.2 Differentiate among various savings tools and how to use them most effectively.
- 9.1.8.D.3 Differentiate among various investment options.
- 9.1.8.D.4 Distinguish between income and investment growth.
- 9.1.8.D.5 Explain the economic principle of supply and demand.

#### **Becoming a Critical Consumer**

- 9.1.8.E.1 Explain what it means to be a responsible consumer and the factors to consider when making consumer decisions.
- 9.1.8.E.2 Identify personal information that should not be disclosed to others and the possible consequences of doing or not doing so.
- 9.1.8.E.3 Compare and contrast product facts versus advertising claims.
- 9.1.8.E.4 Prioritize personal wants and needs when making purchases.
- 9.1.8.E.5 Analyze interest rates and fees associated with financial services, credit cards, debit cards, and gift cards.
- 9.1.8.E.6 Compare the value of goods or services from different sellers when purchasing large quantities and small quantities.
- 9.1.8.E.7 Evaluate how fraudulent activities impact consumers, and justify the creation of consumer protection laws.
- 9.1.8.E.8 Recognize the techniques and effects of deceptive advertising.

#### **Civic Financial Responsibility**

- 9.1.8.F.1 Explain how the economic system of production and consumption may be a means to achieve significant societal goals.
- 9.1.8.F.2 Examine the implications of legal and ethical behaviors when making financial decisions.
- 9.1.8.F.3 Relate the impact of business, government, and consumer fiscal responsibility to the economy and to personal finance.

#### **Insurance and Protection**

- 9.1.8.G.1 Explain why it is important to develop plans for protecting current and future personal assets against loss.
- 9.1.8.G.2 Determine criteria for deciding the amount of insurance protection needed.
- 9.1.8.G.3 Analyze the need for and value of different types of insurance and the impact of deductibles.
- 9.1.8.G.4 Evaluate the need for different types of extended warranties.

**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

**9.3 Career and Technical Education** - This standard outlines what students should know and be able to do upon completion of a CTE Program of Study

#### **Business Management and Administration Career Cluster**

- A. Identify, demonstrate and implement solutions in managing effective business customer relationships
- B. Access, evaluate and disseminate information for business decision making
- C. Plan, organize and manage an organization/department to achieve business goals

- D. Employ and manage techniques, strategies and systems to enhance business relationships

#### **Finance Career Cluster**

- E. Manage the use of financial resources to perform key duties in the securities and investments industry
- F. Determine client needs and wants and respond through planned, personalized communication to guide purchase decisions and enhance future securities and investments opportunities
- G. Plan, monitor and manage day-to-day securities and investments operations

#### **Marketing Career Cluster**

- H. Design and conduct research activities to facilitate marketing business decisions
- I. Implement marketing research to obtain and evaluate information for the creation of a marketing plan
- J. Obtain, develop, maintain and improve a product or service mix in response to market opportunities
- K. Determine and adjust prices to maximize return and meet customers' perceptions of value
- L. Apply sales techniques to meet client needs and wants

#### **6.1 Economics and World Trade**

6.1.12.C.9.b Explain how economic indicators (i.e., gross domestic product, the consumer price index, the national debt, and the trade deficit) are used to evaluate the health of the economy.

6.1.12.C.9.c Explain the interdependence of various parts of a market economy (i.e., private enterprise, government programs, and the Federal Reserve System).

6.1.12.C.9.d Compare and contrast the causes and outcomes of the stock market crash in 1929 with other periods of economic instability.

6.1.12.C.16.b Predict the impact of technology on the global workforce and on entrepreneurship.

6.1.12.C.16.c Assess the impact of international trade, global business organizations, and overseas competition on the United States economy and workforce.

### **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 relation 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