



## **Personal Financial Responsibility Instruction Guidelines for Implementation**

### **Digest**

This policy establishes guidelines for school corporations to meet the legislated requirements for including instruction in personal financial responsibility beginning in 2009 school year.

### **Effective Date and Duration**

This policy takes effect beginning with the 2009-2010 school year.

### **Purpose**

These guidelines provide direction for the Personal Financial Responsibility Instruction required by [Indiana Code 20-30-5-19](#), as added by Public Law 154-2009 (House Enrolled Act 1581), effective July 1, 2009:

#### **IC 20-30-5-19**

##### **Personal financial responsibility instruction**

Sec. 19. (a) Each school corporation, charter school, and accredited nonpublic school shall include in its curriculum for all students in grades 6 through 12 instruction concerning personal financial responsibility.

(b) A school corporation, a charter school, and an accredited nonpublic school may meet the requirements of subsection (a) by:

- (1) integrating, within its curriculum, instruction; or
- (2) conducting a seminar;

that is designed to foster overall personal financial responsibility.

(c) The state board shall adopt a curriculum that ensures personal financial responsibility is taught:

- (1) in a manner appropriate for each grade level; and
- (2) as a separate subject or as units incorporated into appropriate subjects;

as determined by the state board. *As added by P.L.154-2009, SEC.2.*

### **Guidelines for Instruction in Personal Financial Responsibility**

1. Definitions are provided to clarify terms in the legislation.
  - (a) “All students in grades 6 through 12” means that all students in Indiana's state-accredited schools will participate in financial literacy education via an instructional unit at least once by the end of eighth grade and at least once by the end of twelfth grade.
  - (b) “Instruction concerning personal financial responsibility” refers to curriculum and instruction based on Indiana Financial Literacy Education standards and indicators for middle school and high school (see attached).

- (c) “Integrating, within its curriculum, instruction” means that the standards are covered in a stand-alone course or via an instructional unit or units within a subject (middle school) or course (high school).
- (d) “Conducting a seminar” means that students participate in a series of instructional sessions devoted to student learning of the financial literacy education standards and indicators. Middle school seminars shall include at least fifteen (15) class sessions and high school seminars shall include at least thirty (30) class sessions.
- (e) “In a manner appropriate for each grade level” means that each school corporation shall determine the schedule for instruction as appropriate to student needs and school resources. Methods of scheduling and instruction such as distance learning, online courses, individualized or self-paced instruction, and "test out" options are allowed. School corporations are responsible for determining their own assessment and "test out" procedures.
- (f) “As a separate subject or as units incorporated into appropriate subjects” refers to the following subjects and courses
  - a. Middle school subjects
    - i. Business education unit – *Personal Finance/Economics*
    - ii. Family and consumer sciences unit – *Financial Literacy and Resources*
    - iii. *Get Ready to Take Charge of Your Finances* teaching/learning unit – see the Financial Literacy Education website
    - iv. Other subjects with a unit of instruction that has been determined by the school corporation to cover the Indiana Financial Literacy Education standards and middle school indicators
  - b. High school courses such as
    - i. *Adult Roles and Responsibilities*
    - ii. *Personal Finance*
    - iii. *Personal and Family Finance* (formerly Personal Resource Management and Family Finance)
    - iv. Other courses determined by the school corporation to include an instructional unit that covers the Indiana Financial Literacy Education standards and high school indicators

## 2. Resources and options

- (a) Financial Literacy Education academic standards and indicators for students in middle school (end of eighth grade) and high school (end of twelfth grade)
- (b) An Indiana Department of Education DOE Financial Literacy Education website at <http://doe.in.gov/octe/facs/IndianaFinLitEd-FrontPage.html> that provides
  - a. Financial Literacy Education academic standards and indicators
  - b. Instructional units
  - c. Indexes of resources from not-for-profit and commercial vendors
  - d. Information on student and program assessment

- (c) Three state-approved instructional units for middle school
  - a. Business education unit – *Personal Finance/Economics*
  - b. Family and consumer sciences unit – *Financial Literacy and Resources*
  - c. *Get Ready to Take Charge of Your Finances* teaching/learning unit – see the Financial Literacy Education website
  
- (d) State-approved high school courses that meet the basic requirements of the law
  - a. *Adult Roles and Responsibilities*
  - b. *Personal Finance*
  - c. *Personal and Family Finance* (formerly Personal Resource Management and Family Finance)
  
- (e) Free curriculum, lesson plans and learning resources through national and state organizations including (but not limited to) the Indiana Council on Economic Education (ICEE), Indiana and National Jump\$Start Coalitions, Family Economics Financial Education (FEFE), the National Endowment for Financial Education (NEFE), Federal Deposit Insurance Corporation (FDIC), Federal Reserve Bank, President's Advisory Council, and the Indiana Cooperative Extension Service
  
- (f) Professional development opportunities provided by groups such as
  - a. Indiana Association of Family and Consumer Sciences
  - b. Indiana Business Education Association
  - c. Indiana Cooperative Extension Service
  - d. Indiana Council on Economic Education (ICEE)
  - e. Indiana Department of Education – Business and Family and Consumer Sciences Program Specialists
  - f. Family Economics Financial Education (FEFE)
  - g. Federal Reserve Bank
  - h. Jump\$Start Coalition, Indiana
  - i. Jump\$Start Coalition, National
  - j. National Endowment for Financial Education (NEFE)
  - k. President's Advisory Council

3. This policy takes effect immediately.

Adopted September 2, 2009:

Dr. Tony Bennett  
Superintendent of Public Instruction  
Chairman, Indiana State Board of Education

# Indiana Financial Literacy Education Academic Standards

1. Financial Responsibility & Decision Making
2. Relating Income & Careers
3. Planning, Managing Money
4. Managing Credit & Debt
5. Risk Management & Insurance
6. Saving & Investing

## Standard 1. Financial Responsibility and Decision Making

Demonstrate management of individual and family finances by applying reliable information and systematic decision making.

Content Standards		Middle School Indicators		High School Indicators	
1.1	Demonstrate taking responsibility for personal financial decisions.	8-1.1.1	<b>Describe the benefits of financial responsibility and the costs of financial irresponsibility.</b>	12-1.1.1	<b>Explain how individuals demonstrate responsibility for financial well-being over a lifetime.</b>
				12-1.1.2	Analyze ways financial responsibility is different for individuals with and without dependents.
1.2	Analyze financial information from a variety of reliable sources.	8-1.2.1	Analyze online and printed sources of financial information by describing strengths and weaknesses of each.	12-1.2.1	<b>Analyze financial information for objectivity, accuracy, relevancy to given needs, and currency.</b>
				12-1.2.2	Investigate current types of consumer fraud, including online scams.
				12-1.2.3	Summarize factors to consider when selecting a financial planning professional or tax adviser.
1.3	Utilize consumer protection laws and resources.	8-1.3.1	Identify the primary consumer protection agency in Indiana.	12-1.3.1	Describe benefits of Indiana's consumer protection agency.
		8-1.3.2	Describe unfair or deceptive business practices that are forbidden by consumer protection laws.	12-1.3.2	<b>Analyze consumer protection laws for the issues they address and the safeguards they provide.</b>
		8-1.3.3	Explain steps for resolving a consumer complaint.	12-1.3.3	Demonstrate steps for resolving a consumer complaint.
1.4	Make financial decisions by systematically considering alternatives and consequences.	8-1.4.1	<b>Set measurable short-term and medium-term financial goals.</b>	12-1.4.1	<b>Set measurable short-term, medium-term, and long-term financial goals.</b>
		8-1.4.2	<b>Describe the results of financial decisions.</b>	12-1.4.2	<b>Evaluate the results of financial decisions.</b>
		8-1.4.3	Apply systematic decision making to short-term and medium-term goals.		<b>Apply systematic decision making to long-term goals.</b>

**Indicators in bold** are the most essential for Indiana's middle and high school students to master

1.5	Demonstrate communication strategies for discussing financial issues.	8-1.5.1	Explain benefits of discussing important financial matters with household members and/or financial personnel.	12-1.5.1	Compare and contrast the benefits of sharing financial goals and personal finance information with a potential partner before forming a partnership.
		8-1.5.2	Identify factors that explain differing values and attitudes about money.	12-1.5.2	Describe essential elements of a contract between individuals and between individuals and businesses.
1.6	Demonstrate strategies to control personal information.	8-1.6.1	Describe the possible consequences of disclosing particular types of personal information to others.	12-1.6.1	Describe the actions a victim of identity theft needs to take to restore personal security.

### Standard 2. Relating Income & Careers

Analyze how education, income, career, and life choices relate to achieving financial goals.

Content Standards		Middle School Indicators		High School Indicators	
2.1	Describe how career choice, education, skills, entrepreneurship, and economic conditions affect income.	8-2.1.1	<b>Explain how an individual's interests, knowledge, abilities, and career and job choices affect income.</b>	12-2.1.1	<b>Analyze ways economic, social, cultural, and political conditions can affect income and career potential.</b>
		8-2.1.2	Summarize the financial risks and benefits of entrepreneurship as a career choice.	12-2.1.2	Analyze the financial risks and benefits of entrepreneurship as a career choice.
2.2	Identify sources of personal income.	8-2.2.1	<b>Identify jobs children and youth can do to earn money.</b>	12-2.2.1	<b>Define wage, gift, rent, interest, dividend, capital gain, tip, commission, and business profit income.</b>
		8-2.2.2	<b>Give examples of sources of income other than wages or salary.</b>	12-2.2.2	Describe ways people in the community can benefit from local government assistance programs.
2.3	Explain how taxes and employee benefits relate to disposable income.	8-2.3.1	Describe taxable income and employee benefits.	12-2.3.1	<b>Analyze typical employee benefits and explain why they are a form of compensation.</b>
		8-2.3.2	Describe the items commonly included in payroll deductions.	12-2.3.2	Describe benefits of employer sponsored savings plans and other options for shifting current income to the future.

### Standard 3. Planning, Managing Money

Manage money effectively by developing financial goals and budgets.

Content Standards		Middle School Indicators		High School Indicators	
3.1	Demonstrate ability to use money management skills and strategies.	8-3.1.1	<b>Explain basic budget categories, including income, taxes, planned savings, and fixed and variable expenses.</b>	12-3.1.1	<b>Create a budget a basic budget with categories for income, taxes, planned savings, and fixed and variable expenses.</b>

		<b>8-3.1.2</b>	<b>Explain the relationship between spending practices and achieving financial goals.</b>	12-3.1.2	<b>Demonstrate budgeting to manage spending and achieve financial goals.</b>
3.2	Develop a system for keeping and using financial records.	<b>8-3.2.1</b>	<b>Create a system to record income and spending for purchases, services, and taxes.</b>	12-3.2.1	<b>Demonstrate use of a system to record income and spending for purchases, services, and taxes.</b>
		8-3.2.2	Create a system for organizing product information and warranties and financial documents such as receipts and account statements.	12-3.2.2	Demonstrate recordkeeping that utilizes a financial institutions online account management system.
3.3	Analyze services of financial institutions.	<b>8-3.3.1</b>	<b>Compare the advantages and disadvantages of different payment methods, including cash, checks, stored-value cards, debit cards, credit cards, and electronic or online payment systems.</b>	12-3.3.1	<b>Demonstrate skill in executing different payment methods, including cash, checks, stored-value cards, debit cards, credit cards, and electronic or online payment systems.</b>
		<b>8-3.3.2</b>	<b>Demonstrate steps in establishing and maintaining financial accounts including checking and savings accounts, on-line banking, investments, and other financial services.</b>	12-3.3.2	<b>Demonstrate skill in basic financial tasks, including bill payments, check writing, reconciling checking and debit account statements, and monitoring printed and online account statements for accuracy.</b>
3.4	Apply consumer skills to purchase decisions.	<b>8-3.4.1</b>	<b>Analyze how external factors, such as marketing and advertising techniques, influence spending decisions for different individuals.</b>	12-3.4.1	<b>Evaluate impact of external factors on spending decisions.</b>
		<b>8-3.4.2</b>	<b>Use reliable consumer resources and practices to make buying decisions.</b>	12-3.4.2	<b>Apply knowledge of external factors to justify a consumer buying decision.</b>
		<b>8-3.4.3</b>	<b>Apply systematic decision making to choose among courses of action that include a range of spending, delayed spending, and non-spending alternatives.</b>	12-3.4.3	Compare the benefits and costs of owning a house versus renting a house.
3.5	Connect the role of charitable giving, volunteer service, and philanthropy to community development and quality of life.	<b>8-3.5.1</b>	<b>Determine how charitable giving can fit into a personal budget and appropriate percentages for giving.</b>	12-3.5.1	<b>Demonstrate budgeting financial and other resources to make contributions to a charitable organization.</b>

3.6	Develop a personal financial plan.	<b>8-3.6.1</b>	<b>Explain the relationship between spending practices and achieving financial goals.</b>	12-3.6.1	<b>Analyze ways to modify spending practices to achieve financial goals.</b>
		<b>8-3.6.2</b>	<b>Illustrate allocation of a weekly allowance among the financial goals of spending, saving, investing, and sharing/giving.</b>	12-3.6.2	<b>Develop a personal financial plan that shows allocation of income, spending, saving/ investing, and sharing/giving over a year-long time span.</b>
		<b>8-3.6.3</b>	<b>Create a plan to secure funding for a financial goal.</b>		<b>Analyze a plan to secure funding for a financial goal.</b>
3.7	Examine the purpose and value of estate planning.	8-3.7.1	Define the components of a simple will.	12-3.7.1	Contrast a will, a "living will" and other ways an estate can be transferred.

#### Standard 4. Managing Credit & Debt

Manage credit and debt to remain both creditworthy and financially secure.

Content Standards		Middle School Indicators		High School Indicators	
4.1	Analyze the costs and benefits of using various types of credit.	8-4.1.1	Compare advantages and disadvantages of various types of credit.	12-4.1.1	<b>Calculate the cost of borrowing a set amount of money using various types of credit.</b>
		<b>8-4.1.2</b>	<b>Explain factors to consider when using credit or obtaining a loan.</b>	12-4.1.2	<b>Explain how grace periods, methods of calculating interest, and fees affect borrowing costs.</b>
		<b>8-4.1.3</b>	<b>Determine the total cost of repaying credit and loans under various rates of interest and over different periods.</b>	12-4.1.3	<b>Apply systematic decision making to identify the most cost-effective option for making a major purchase.</b>
4.2	Analyze factors that influence establishing and maintaining a good credit rating.	8-4.2.1	Describe the information in a credit report and how long it is retained.	12-4.2.1	<b>Explain how a credit report affects creditworthiness and the cost of credit.</b>
		8-4.2.2	Explain the value of a positive credit history and credit reports to consumers, borrowers and lenders.	12-4.2.2	Describe ways a negative credit report affect a consumer's financial future and steps to take to improve it.
4.3	Analyze methods and benefits of avoiding or correcting credit and debt problems.	<b>8-4.3.1</b>	<b>Identify possible credit and debt problems and ways to avoid them.</b>	12-4.3.1	Describe debtors' and creditors' rights related to wage garnishing and repossession when an overdue debt is not paid.
		<b>8-4.3.2</b>	<b>Describe actions that a consumer can take to reduce or better manage excessive debt.</b>	12-4.3.2	<b>Describe possible consequences of excessive debt.</b>
4.4	Analyze major consumer credit laws	8-4.4.1	.Explain the rights, responsibilities, and protections of buyers and sellers under consumer credit laws.	12-4.4.1	Analyze online and printed resources for up-to-date information about consumer credit rights.

### Standard 5. Risk Management & Insurance

Analyze the features of insurance, its role in balancing risk and benefits in financial planning.

Content Standards		Middle School Indicators		High School Indicators	
5.1	Analyze the nature of personal financial risk and the importance of protecting against financial loss.	8-5.1.1	Explain the relationship between risk and insurance.	12-5.1.1	Describe ways people can manage risk through avoidance, reduction, retention, and transfer.
		8-5.1.2	Explain how insurance deductibles work.	12-5.1.2	Analyze various insurance policies according to their deductibles.
5.2	Analyze the need for and value of various types of insurance across stages of the life cycle.	<b>8-5.2.1</b>	<b>Describe the need for and value of health, property, life, disability, and liability insurance.</b>	12-5.2.1	<b>Analyze the amount of coverage a person needs for health, property, life, disability, and liability insurance.</b>
		8-5.2.2	Identify factors to consider when determining the amount of protection needed.	12-5.2.2	Compare the costs of auto insurance for the same vehicle, given two different deductibles and two different liability coverage limits.
		8-5.2.3	Identify factors that can influence insurance costs.	12-5.2.3	<b>Analyze factors that can reduce or increase insurance costs.</b>
5.3	Apply concepts related to financial risk, protection from loss, and financial planning.	8-5.3.1	Apply opportunity-cost analysis to potential situations that can threaten personal and family income and assets.	12-5.3.1	Compare various programs that provide financial assistance for income loss due to illness, disability, or premature death.
		8-5.3.2	Analyze importance of developing plans for protecting current and future personal and family assets against financial loss.	12-5.3.2	<b>Recommend insurance that protects one from the risks a young adult might face.</b>

### Standard 6. Saving & Investing

Analyze saving and investing to build long-term financial security and wealth.

Content Standards		Middle School Indicators		High School Indicators	
6.1	Explain how saving contributes to financial wellbeing.	<b>8-6.1.1</b>	<b>Describe the advantages and disadvantages of saving for short-term and medium-term financial goals.</b>	12-6.1.1	<b>Compare saving strategies, including "pay yourself first," payroll deduction, and comparison shopping to spend less.</b>
		<b>8-6.1.2</b>	<b>Explain simple interest, compound interest, and the benefits of a compound rate of return.</b>	12.6.1.2	<b>Compare the interest generated by simple and compound interest at various rates.</b>
6.2	Apply strategies for creating wealth and building assets.	8-6.2.1	Compare reasons and risk/return trade-offs for saving and for investing.	12-6.2.1	Compare various investing strategies for their potential to build wealth.



		8-6.2.2	Define the time value of money and explain how small amounts of money invested regularly over time grow exponentially.	12-6.2.2	<b>Analyze an investment utilizing the principles of time value of money and opportunity costs.</b>
		<b>8-6.2.3</b>	<b>Devise a periodic investment plan for accumulating the money for a major life goal.</b>	12-6.2.3	Calculate the end value of lump sum and periodic investments.
6.3	Compare investment alternatives.	8-6.3.1	Compare the investment potential of investment options such as stocks, bonds, certificates of deposit, and savings accounts.	12-6.3.1	Analyze the benefits of various investments options in the current economy.
		8-6.3.2	Explain how inflation affects investment returns.	12-6.3.2	Analyze an investment utilizing principles of inflation.
6.4	Describe how to buy and sell investments.	8-6.4.1	Describe various sources of investment information, including prospectuses, online resources, and financial publications.	12-6.4.1	Compare advantages and disadvantages of buying and selling investments through various channels, including financial advisors, investment clubs, and online brokers.
		8-6.4.2	Research and track publicly traded stock and record daily market values and gains or losses between two specified dates.	12-6.4.2	Compare the investment objectives and historical rates of return of various stocks and mutual funds.
6.5	Analyze factors that affect the rate of return on investments.	8-6.5.1	Explain how the time value of money and economic conditions affect the rate of return on investments.	12-6.5.1	Analyze the rate of return on investments using time value of money and economic conditions as factors.
		8-6.5.2	Identify taxes on investments and income tax-free earnings limit for an investor under the age of 18.	12-6.5.2	Calculate the amount of taxes on investments and income tax-free earnings.
6.6	Analyze how agencies that regulate financial markets protect investors.	8-6.6.1	Describe benefits and limits of deposit insurance.	12-6.6.1	Analyze risk to various deposits base on deposit insurance.
		8-6.6.2	Utilize the Indiana Securities Commission to investigate legitimacy of one or more investment opportunities.	12-6.6.2	Identify additional services and benefits of the Indiana Securities Commission and other federal and state regulators.