## A Correlation: North Carolina Academic Standards

### JA Financial Literacy

<table>
<thead>
<tr>
<th>Session Descriptions</th>
<th>Student Objectives</th>
<th>FL Academic Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Theme 1: Employment and Income</strong></td>
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<tr>
<td><strong>Project: My Savings Plan</strong></td>
<td><strong>Students will:</strong></td>
<td><strong>EPF.FP.1.2</strong> Identify factors (i.e. income, budget, cost of living, experiences) that influence financial planning. <strong>EPF.MCM.1.1</strong> Explain how fiscally responsible individuals create and manage a spending plan.</td>
</tr>
<tr>
<td>In the project, students look forward 10-15 years and create a financial portfolio to help them achieve their future lifestyle and monetary goals while also learning about the importance of planning for unexpected adversities. They will create a variety of artifacts—physical and digital—and deliver presentations as they explore the steps required for a secure financial future.</td>
<td><strong>Students will:</strong></td>
<td><strong>EPF.FP.1.2</strong> Identify factors (i.e. income, budget, cost of living, experiences) that influence financial planning. <strong>EPF.MCM.1.1</strong> Explain how fiscally responsible individuals create and manage a spending plan.</td>
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<tr>
<td><strong>1.1 The Basics of Earning</strong></td>
<td><strong>Students will:</strong></td>
<td><strong>EPF.IE.1.1</strong> Explain how education, income, career, and life choices impact an individual’s financial plan and goals. <strong>EPF.IE.1.2</strong> Differentiate career and education options after high school in terms of desired lifestyle.</td>
</tr>
<tr>
<td>Income is money that an individual earns by working, making investments, and providing goods and services. Money functions as a medium of exchange, a unit of account, and a store of value. Any item used as money takes on those three essential functions.</td>
<td><strong>Students will:</strong></td>
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</tr>
<tr>
<td><strong>1.2 Careers and Pay</strong></td>
<td><strong>Students will:</strong></td>
<td><strong>EPF.IE.1.1</strong> Explain how education, income, career, and life choices impact an individual’s financial plan and goals. <strong>EPF.IE.1.2</strong> Differentiate career and education options after high school in terms of desired lifestyle.</td>
</tr>
<tr>
<td>Individuals who set realistic financial goals are in more control of their money than those who do not. Although goals are set for short- and long-term periods, it is important to regularly track the progress of each goal.</td>
<td><strong>Students will:</strong></td>
<td><strong>EPF.IE.1.1</strong> Explain how education, income, career, and life choices impact an individual’s financial plan and goals. <strong>EPF.IE.1.2</strong> Differentiate career and education options after high school in terms of desired lifestyle.</td>
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</table>
### 1.3 Education and Careers

An investment in a career requires time, money, and resources that can open doors to opportunities. Studies show that employees with more than a high school education earn significantly more money throughout their lifetime than those without. The emphasis in this session is that the more education you have, the higher quality of life you will have.

**Students will:**
- Examine the cost of college.
- Evaluate the costs and/or benefits of post-secondary education (trade school, apprenticeships, etc.).
- Compare and contrast the costs and benefits of various postsecondary educational options.
- Evaluate personal decisions relating to career choice and education requirements and plans.
- Assess personal skills, abilities, and aptitudes and personal strengths and weaknesses as they relate to career exploration and development.

**FL Academic Standards**
- EPF.IE.1.2 Differentiate career and education options after high school in terms of desired lifestyle.
- EPF.IE.1.3 Identify the costs of postsecondary education and the potential increase in income from a career of choice.
- EPF.IE.1.4 Compare strategies which can minimize the costs of postsecondary education.

### 1.4 Taxes and Benefits

Taxes are collected by governments to pay for many public services such as highways, schools, police, and fire protection. The main goal of taxation is to provide revenue for a government to pay its bills. The two taxes most people pay are federal and state income taxes. Federal income tax goes to the U.S. government, and state income tax is paid to the state government. Income may also be offset by tax-free benefit packages provided by an employer.

**Students will:**
- Identify the difference between gross pay and net pay.
- Define taxes and explain their purpose and impact on income.
- Demonstrate an understanding of various taxes such as FICA and Medicare.
- Calculate net monthly income.
- Recognize employee benefits and apply knowledge to job opportunities.

**FL Academic Standards**
- EPF.IE.2.1 Explain how payroll deductions modify an employee’s disposable income.
- EPF.IE.2.2 Identify the types and purposes of local, state, and federal taxes and the way each is levied and used.
- EPF.IE.1.5 Summarize various types of income.
### Theme 2: Money Management

#### Project: My Budgeting Habit

Students review the critical concepts and vocabulary related to budgeting, examine the importance of SMART goals, and then create their own SMART financial goals for the future. They design a visual aid to depict their SMART financial goals.

**Students will:**
- Describe a budget and explain the purpose of budgeting.
- Explain SMART (specific, measurable, achievable, realistic, and time-bound) goals and how the practice can be used for budgeting.
- Create personal SMART financial goals for the future: short term (1 year), medium term (5 years), and long term (10 years or beyond).
- Use graphics and multimedia to represent each SMART goal and the method by which it will be achieved.

#### 2.1 Banking

Consumers use financial institutions to help them save and complete transactions safely, quickly, and conveniently and to hold and transfer money in different ways—all while being insured and safe from theft. It is important, therefore, to find a financial institution that meets your needs.

**Students will:**
- Investigate the use of different payment methods.
- Compare financial institutions and the types of accounts and services they provide.

#### 2.2 Spending and Saving

Many competing claims are made on a person’s money that impede the ability to save. By prioritizing saving, consumers will be able to achieve short-and long-term goals and set aside money for emergencies and the future.

**Students will:**
- Recognize the importance of paying yourself first.
- Identify the opportunity costs of savings.
- Compare simple and compound interest and their impact on savings, including the Rule of 72.

#### FL Academic Standards

- **EPF.MCM.3** Understand the concepts and factors that enable individuals to make informed financial decisions for effective resource planning and money management.
- **EPF.MCM.2** Understand the purposes and services of financial institutions.
- **EPF.MCM.2.1** Design a plan that uses the services of various financial institutions to meet financial goals.
- **EPF.MCM.2.2** Explain how interest and fees impact spending, debt, and savings.
- **EPF.MCM.2.3** Compare costs and benefits of cash, debit, payment applications, and credit card transactions in terms of interest rates, fees, penalties, costs, and benefits.
- **EPF.MCM.1.1** Explain how fiscally responsible individuals create and manage a spending plan.
### Session Descriptions

<table>
<thead>
<tr>
<th>2.3 Think Before You Spend</th>
<th>2.4 Budgeting</th>
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</thead>
<tbody>
<tr>
<td>Every individual is responsible for keeping track of his or her own money. Using a transaction register and careful consumer practices and staying informed all help in maintaining a positive cash flow and increasing net worth.</td>
<td>Examining and monitoring cash flow is an ongoing and critical step in the budgeting process. Having and using a budget, and knowing the types of categories in a budget, helps people maintain positive cash flow.</td>
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### Student Objectives

<table>
<thead>
<tr>
<th>Students will:</th>
<th>Students will:</th>
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<tbody>
<tr>
<td>• Record purchases in a transaction register.</td>
<td>• Explain cash flow.</td>
</tr>
<tr>
<td>• Determine which practices demonstrate careful consumer skills.</td>
<td>• Follow a step-by-step guide for creating a budget.</td>
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<tr>
<td>• Apply consumer skills to spending and saving decisions.</td>
<td>• Identify a short-term financial goal.</td>
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</tbody>
</table>

### FL Academic Standards

| EPF.MCM.1.1 Explain how fiscally responsible individuals create and manage a spending plan. | EPF.CC.1.1 Explain how advertising, social media, and business practices impact consumer decisions. |
| EPF.CC.1.1 Explain how advertising, social media, and business practices impact consumer decisions. | EPF.MCM.1.3 Compare the costs and benefits of renting, leasing, or owning. |
### Theme 3 Credit, Debt, and Keeping Your Finances Safe

#### Theme 3 Project: My Credit Score
Students learn about the importance of a credit score and how to maintain a healthy score that will allow access to the credit they will need to make major purchases.

**Students will:**
- Learn how credit scores and credit reports are generated.
- Identify the reasons to work toward having a high credit score.
- Develop a strategy to build and maintain a high credit score in the short, medium, and long term.
- Create an original reality show concept that demonstrates awareness of concepts related to improving credit scores.

**FL Academic Standards**
- EPF.MCM.3 Understand the concepts and factors that enable individuals to make informed financial decisions for effective resource planning and money management.

#### 3.1 What Is Credit?
Credit is the amount of money a borrower receives and agrees to pay back with interest to the lender. The lender relies on a report of the borrower's credit history to determine whether to extend a loan. The report includes a record of the borrower's ability to repay debt.

**Students will:**
- Explain the concept of credit.
- Distinguish the pros and cons of credit.
- Develop techniques for building a strong credit history.
- Summarize major consumer credit laws.

**FL Academic Standards**
- EPF.MCM.3.3 Summarize the advantages and disadvantages of debt.

#### 3.2 Types of Credit
Building a strong credit history requires using credit wisely. Credit cards, loans, and nontraditional credit options, such as rent-to-own plans and payday loans, are expensive ways to manage money. Often the results of poor credit choices will require debt management plans and credit counseling.

**Students will:**
- Explain the types and sources of credit.
- Compute interest amounts on a loan.
- Develop an action plan for fixing bad credit.

**FL Academic Standards**
- EPF.MCM.3.1 Compare credit sources and services.
<table>
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<th>Student Objectives</th>
<th>FL Academic Standards</th>
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<tbody>
<tr>
<td>3.3 Protect Your Credit</td>
<td><strong>Students will:</strong></td>
<td>EPF.CC.2.1 Explain how consumer protection laws contribute to the empowerment of the individual.</td>
</tr>
<tr>
<td>Lenders evaluate a person’s credit</td>
<td>• Explain the impact credit scores and credit reports have on obtaining credit.</td>
<td>EPF.CC.2.2 Summarize various types of fraudulent solicitation and business practices.</td>
</tr>
<tr>
<td>worthiness based on the Five C's—</td>
<td>• Evaluate the process of the Five C's of credit.</td>
<td>EPF.CC.2.3 Summarize ways consumers can protect themselves from fraudulent and deceptive practices.</td>
</tr>
<tr>
<td>capacity, capital, conditions,</td>
<td>• Explain what a credit score indicates and how it affects a person's financial history.</td>
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<tr>
<td>collateral, and character—as well as</td>
<td>• Identify strategies for protecting personal financial information and resources.</td>
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<td>the person’s credit report and credit</td>
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<td>score. Maintaining good credit is pivotal</td>
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<td>in acquiring future credit. Consumers</td>
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<td>need to monitor their credit accounts</td>
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<td>and reports and keep their personal and</td>
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<td>financial information safe to maintain</td>
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<td>their good credit.</td>
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<td>3.4 Debt Management</td>
<td><strong>Students will:</strong></td>
<td>EPF.MCM.3.2 Explain how debt management and creditworthiness impact an individual’s ability to become a responsible consumer and borrower.</td>
</tr>
<tr>
<td>Repaying debt is a legal and ethical</td>
<td>• Compare and contrast debt management plans.</td>
<td>EPF.CC.1.3 Explain how consumer-driven decisions impact the economy.</td>
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<tr>
<td>matter. People who run into financial</td>
<td>• Examine two types of bankruptcy: Chapter 7 and Chapter 13.</td>
<td></td>
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<td>trouble can often improve their financial</td>
<td>• Explain why bankruptcy might not be the best choice in a given situation.</td>
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<td>situation with some effort. When</td>
<td>• Interpret complex data and analyze the services of DMP agencies and whether to</td>
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<tr>
<td>consumers are not able to manage debt</td>
<td>file bankruptcy in a given situation.</td>
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<td>on their own, they can work with a credit</td>
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<td>counselor to develop a debt management</td>
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<td>plan. Bankruptcy is a legal action used</td>
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<td>to remove the debts of businesses and</td>
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<td>individuals who are unable to pay their</td>
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<td>bills, but it has severe credit</td>
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<td>consequences.</td>
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# Theme 4: Planning for the Future

## Theme 4 Project: My Investment Plan
Students review basic information about stocks and the stock market and then conduct research to select at least ten stocks in which to invest for a financial portfolio.

**Students will:**
- Explain stock and the stock market.
- Describe low-risk, medium-risk, and high-risk investments.
- Develop a diversified stock portfolio.
- Predict factors that would positively or negatively affect the stock prices within the next 10 years.

**FL Academic Standards**
- EPF.FP.1 Understand the value and planning processes associated with saving and investing.

## 4.1 Investing Versus Saving
People save to have money to use in the future. People invest to increase the value of their money. Because a savings account is generally insured by the financial institution, it carries less risk but has a lower rate of return. Stocks, bonds, and mutual funds are common investments which involve some risk, but investors are generally willing to accept more risk in exchange for higher returns.

**Students will**
- Differentiate between saving and investing.
- Describe types of investment vehicles.
- Compare the relationship of risks and rewards.
- Create a pyramid of investments, placing them in a range from low risk to high risk.
- Identify the risk-return tradeoffs for saving and investing.

**FL Academic Standards**
- EPF.FP.1.1 Compare various investing strategies and tax implications for their potential to build wealth.

## 4.2 Investing for the Long Term
Various types of risk should be considered when making retirement plans and investment decisions. Many types of investment plans, such as 401(k)s and IRAs, should be considered as well. It is never too early to think about financial planning. Planning should begin as soon as a person enters the workforce.

**Students will:**
- Identify the key elements of financial planning.
- Explain the risks associated with long-term financial planning.
- Examine investment needs in different financial situations and explore long-term financial investments.
- Apply risk criteria when choosing and developing a financial plan.

**FL Academic Standards**
- EPF.FP.1.2 Identify factors (i.e. income, budget, cost of living, experiences) that influence financial planning.
# 4.3 Risks and Responsibilities

Risk is exposure to something potentially dangerous or harmful. It is important to recognize risks and learn how to manage or mitigate them. People purchase insurance to reduce the risk of loss and receive compensation for losses or damage caused by events beyond their control.

**Students will:**
- Identify risks in life and how to protect against the consequences of risk.
- Investigate categories of specific risks they may face.
- Examine ways to mitigate those risks.
- Calculate the probability of those risks occurring.

**FL Academic Standards**
EPF.MCM.3.4 Classify the various types of insurance and estate planning including the benefits and consequences.

## 4.4 Types of Insurance

Insurance coverage is provided in exchange for the payment of a premium. Five common types of insurance are homeowner’s (and renter's) insurance, disability insurance, health insurance, life insurance, and automobile insurance. Some coverage, such as auto insurance, is required by law, while other coverage is optional. Consumers need to choose the right kind and amount of insurance during different stages in their lives.

**Students will:**
- Define basic insurance terms.
- Examine five types of insurance and the purpose of each.
- Evaluate the coverage for each of the five types.
- Create a portfolio with the types of insurance they imagine themselves purchasing within the next 10 years.

**FL Academic Standards**
EPF.MCM.3.4 Classify the various types of insurance and estate planning including the benefits and consequences.

## Case Study: Solving Problems and Managing Risk

Students examine a process for making decisions and managing risk. They consider a scenario in which a business owner must make a difficult decision. Students use a decision tree to analyze options and consequences and recommend a course of action.

**Students will:**
- Explain why ethics are important to uphold when making a decision.
- Use a decision tree as part of the decision-making process.
- Explain risk management as part of decision making.
- Analyze a business crisis and explore options.
- Explore the importance of crisis management and crisis communications.

**FL Academic Standards**
EPF.MCM.1 Understand money management skills and strategies
EPF.MCM.1.2 Critique income and spending plans in terms of age, individual needs, and available resources.
## Gap Analysis and Suggested Resources

<table>
<thead>
<tr>
<th>North Carolina Personal Finance Objectives</th>
<th>JA Resource</th>
<th>Sequence</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPF.IE.2.3 Implement appropriate computations and procedures to prepare a federal or state tax form.</td>
<td>JA Connect: <em>The IRS W-4 form</em></td>
<td>Add to Employment and Income 4- Taxes and Benefits</td>
</tr>
<tr>
<td>EPF.IE.2.2 Identify the types and purposes of local, state, and federal taxes and the way each is levied and used.</td>
<td>JA Connect: <em>Sales and Property Taxes</em></td>
<td>Add to Employment and Income 4- Taxes and Benefits</td>
</tr>
<tr>
<td>EPF.FP.1.3 Summarize the role of philanthropy, volunteer services, businesses, and nonprofits in community development and quality of life.</td>
<td>JA Connect: <em>Philanthropy</em></td>
<td>Add to Money Management 4 as a budget category. Or Planning for the Future 2 as an option to investments.</td>
</tr>
<tr>
<td>EPF.MCM.1.4 Compare various types of mortgages.</td>
<td>JA Connect: <em>Mortgages; Debt and Home Ownership</em></td>
<td>Add to Money Management 3 Think Before you Spend</td>
</tr>
</tbody>
</table>