

Academic Standards for Personal Finance

Grades K-12



Pennsylvania Department of Education

January 2024

Overview

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

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Financial services	17.1.K-2.F Describe ways people use financial institutions (e.g., depositing money, obtaining cash).	17.1.3-5.F Identify products and services provided by financial institutions.	17.1.6-8.F Identify personal information needed to establish a financial account.	17.1.9-12.F 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	17.1.9-12.G Communicate the process of opening financial accounts and the factors to consider when selecting financial institutions and professionals.
	Intentionally blank	Intentionally blank	Intentionally blank	17.1.9-12.H Evaluate the use of financial technology to access financial services and make financial decisions.
Financial record keeping	Intentionally blank	Intentionally blank	17.1.6-8.I Describe information people document and track for their personal finances.	17.1.9-12.I Develop a system for documenting and organizing personal financial records, both paper and electronic.
	Intentionally blank	Intentionally blank	Intentionally blank	17.1.9-12.J Explain the financial implications of wills, powers of attorney, and naming beneficiaries for various accounts.

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Consumer protection	Intentionally blank	Intentionally blank	Intentionally blank	17.1.9-12.K Explain the role of various state and federal financial regulators and consumer protection agencies.
	Intentionally blank	Intentionally blank	Intentionally blank	17.1.9-12.L Describe the issues addressed by various laws and regulations that impact or safeguard a person's finances.
2. Income				
Sources of income	17.2.K-2.A Identify reasons people and households require income.	17.2.3-5.A Describe how people receive income (e.g., work, gifts, renting property to others).	17.2.6-8.A Compare compensation methods, including hourly wage, salary, commission, tips, and piecework.	17.2.9-12.A 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	17.2.9-12.B Describe sources of retirement income and how they relate to individual investment choices, employer-sponsored retirement plans, and government programs.
Factors influencing income	17.2.K-2.C Predict the knowledge and skills needed for various jobs.	17.2.3-5.C Explain ways people improve their ability to earn income through education, training, and experience.	17.2.6-8.C Analyze connections between the amount individuals might earn in various careers and the education or training that is required.	17.2.9-12.C 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	17.2.6-8.D Compare ways people pay for education and training, including scholarships, grants, savings, military service, apprenticeships, and loans.	17.2.9-12.D 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	17.2.6-8.E 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.	17.2.9-12.E Evaluate the impacts of technology, labor markets, and economic conditions and trends on a person's employment potential.
	Intentionally blank	Intentionally blank	Intentionally blank	17.2.9-12.F Explain the impact of employee benefits (e.g., health insurance, retirement savings plans, education reimbursement programs) on an individual's finances.
Self-employment and supplemental income	17.2.K-2.G Identify ways people earn income through entrepreneurship.	17.2.3-5.G Describe how people earn income through entrepreneurship and supplemental employment.	17.2.6-8.G Compare various forms of self-employment.	17.2.9-12.G Analyze the financial impact of a person's decision to own a business, work as an independent contractor, or be employed.
Income and payroll taxes	Intentionally blank	Intentionally blank	17.2.6-8.H Interpret a pay statement and explain the relationship between gross pay, net pay, and payroll deductions.	17.2.9-12.H Calculate the impact of taxes and payroll deductions on income.
	Intentionally blank	Intentionally blank	Intentionally blank	17.2.9-12.I Complete various federal, state, and local tax forms.

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3. Spending				
Spending decisions	17.3.K-2.A Describe spending choices people make in everyday life and factors that influence them.	17.3.3-5.A Explain factors that influence a person's spending decisions and the impact these has on how they prioritize their wants.	17.3.6-8.A Demonstrate making an informed purchase decision by evaluating price, product claims, and information from a variety of sources.	17.3.9-12.A 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	17.3.6-8.B Apply mathematical skills to assess the impact of various ways retailers express prices (e.g., coupons, discounts, unit price).	17.3.9-12.B Compare ways people can lower the price they pay for goods and services (e.g., online tools, discount retailers, negotiating, secondhand items).
Developing a budget	17.3.K-2.C Differentiate between money that is received and money that is spent.	17.3.3-5.C Provide examples of household spending and sources of income.	17.3.6-8.C Compare ways people organize and track their spending and income.	17.3.9-12.C Develop a personal approach to keeping track of income and spending.
	17.3.K-2.D Describe how people use money for different purposes, including spending, saving, and sharing with others.	17.3.3-5.D Construct a simple budget (e.g., for a family, individual, or school event).	17.3.6-8.D Explain the components of a personal budget (e.g., income, expenses, planned savings) and how budgeting can help people achieve their financial goals.	17.3.9-12.D 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	17.3.9-12.E 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	17.3.9-12.F Identify methods for adjusting a budget for unexpected expenses or loss of income.
Payment methods	Intentionally blank	17.3.3-5.G Explain various payment methods (e.g., cash, checks, gift cards, debit cards, credit cards).	17.3.6-8.G Describe the advantages and disadvantages of using various payment methods (e.g., cash, checks, gift cards, debit cards, credit cards, mobile payments).	17.3.9-12.G Compare the effects of using various payment methods when making purchases.
	Intentionally blank	Intentionally blank	Intentionally blank	17.3.9-12.H Compare various approaches to paying bills, including making automated payments and ensuring bills are paid on time.
	Intentionally blank	Intentionally blank	Intentionally blank	17.3.9-12.I Describe the impact of technology on payment methods and how it influences spending.
Major life purchases	Intentionally blank	Intentionally blank	Intentionally blank	17.3.9-12.J 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	17.3.9-12.K Justify the purchase or lease of a vehicle and the alternatives considered (e.g., new versus used, total cost of ownership or use).
Sales and Property Taxes	Intentionally blank	17.3.3-5.L Identify taxes applied to certain purchases.	17.3.6-8.L Calculate the sales tax for various types of purchases.	17.3.9-12.L Analyze the impact of paying sales, excise, and property taxes on financial decisions.
Charitable Giving	17.3.K-2.M Identify items people might give to someone else or donate to charity.	17.3.3-5.M Identify reasons people participate in fundraising efforts and the causes they support.	17.3.6-8.M Describe ways people support charitable organizations by donating money, items, and time.	17.3.9-12.M Justify a decision to participate in or forgo a fundraising effort based on the organization and cause.
4. Saving and Investing				
Asset building	17.4.K-2.A Describe things people own (e.g., toys, home, money).	17.4.3-5.A Identify items that might increase or decrease in value over time.	17.4.6-8.A Explain the change in value over time of various assets.	17.4.9-12.A Calculate a person's net worth given their assets and liabilities.
Saving	17.4.K-2.B Describe reasons people save money for the future rather than spend it now.	17.4.3-5.B Describe a variety of savings goals and the factors that influence them.	17.4.6-8.B Describe the process of creating, implementing, and adapting a personal savings plan.	17.4.9-12.B Develop a savings plan for accomplishing personal short- and long-term financial goals.
	17.4.K-2.C Identify ways children can keep their money safe and avoid losing it.	17.4.3-5.C Identify reasons people deposit money to be saved in accounts at financial institutions and factors they might consider when selecting a financial institution.	17.4.6-8.C 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).	17.4.9-12.C 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	17.4.6-8.D Describe similarities and differences between saving and investing.	17.4.9-12.D Explain factors that contribute to rates of return for various investments, including risk, inflation, and taxes.
	Intentionally blank	Intentionally blank	17.4.6-8.E Identify publicly traded companies, the goods and services they produce, and their current stock prices.	17.4.9-12.E 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	17.4.6-8.F Identify factors influencing investment planning (e.g., age, income, debt, assets, goals, family size, risk tolerance).	17.4.9-12.F 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	17.4.6-8.G Describe how people make money through investing (e.g., buying low and selling high, earning dividends, buy and hold).	17.4.9-12.G Explain how popular benchmark indices are used.
	Intentionally blank	Intentionally blank	Intentionally blank	17.4.9-12.H 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	17.4.9-12.I Compare retirement-specific investment options, including employer-sponsored plans, Roth and traditional individual retirement accounts, and accounts available to people who are self-employed.
Investing risk tolerance	Intentionally blank	Intentionally blank	17.4.6-8.J Assess the impact of values and attitudes, including tolerance for risk, on saving and investing decisions.	17.4.9-12.J Analyze personal attitudes towards risk and how these might impact future investment decisions and outcomes.
	Intentionally blank	Intentionally blank	Intentionally blank	17.4.9-12.K Describe methods to avoid or counteract the potentially negative impacts of behavioral biases on investment decisions.
5. Risk and Insurance				
Risk identification and management	17.5.K-2.A Identify risks in everyday situations.	17.5.3-5.A Describe how unexpected events could impact a person's finances (e.g., floods, automobile accidents, illness).	17.5.6-8.A Provide examples of financial risks people face (e.g., losing a job, needing to replace damaged property, paying medical expenses).	17.5.9-12.A Evaluate a person's potential for financial risk (e.g., loss of personal property, reduction in income, liability).
	17.5.K-2.B Explain ways to avoid or reduce risks.	17.5.3-5.B Explain how emergency savings can be used to offset losses from unexpected events.	17.5.6-8.B Describe how people manage the risk of financial loss through risk avoidance, reduction, retention, and transfer.	17.5.9-12.B Critique approaches to avoiding, reducing, retaining, and transferring risk given a particular scenario.

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Insurance	Intentionally blank	17.5.3-5.C Provide examples of insurance people buy in order to transfer financial risk (e.g., health, auto, flood).	17.5.6-8.C Compare various types of insurance and what is typically covered by each.	17.5.9-12.C 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	17.5.6-8.D Describe factors that impact the amount an individual can expect to pay for insurance (e.g., coverage types and amounts, age, location, driving record).	17.5.9-12.D Use information from various sources to compare insurance providers, plans, and prices.
	Intentionally blank	Intentionally blank	17.5.6-8.E Defend decisions to purchase or forgo insurance, extended warranties, and service contracts.	17.5.9-12.E Formulate a process of comparing insurance products, determining out-of-pocket costs, and filing claims.
	Intentionally blank	Intentionally blank	17.5.6-8.F Describe how insurance works by pooling the premiums of many policyholders in order to pay for claims.	17.5.9-12.F 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	17.5.9-12.G Evaluate the impact of public insurance programs for individuals facing financial hardship (e.g., Medicare, Medicaid, and unemployment).

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

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