



K-12 Instructional Framework for Personal Finance

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Introduction

Overview

The Instructional Framework establishes a unified vision for K–12 personal finance education by articulating the long-term transfer goals, big ideas and essential questions. It clarifies how core concepts unfold across grade bands and how they collectively prepare students for responsible financial decision-making beyond high school. Designed to support vertically aligned curricula, the Instructional Framework serves as a foundational resource for planning, reviewing, and strengthening personal finance learning experiences.

Purpose

This K-12 instructional framework for personal finance is intended to assist Pennsylvania teachers and curriculum leaders in implementing the [Pennsylvania Academic Standards for Personal Finance](#). This includes those developing standards-aligned instruction for the mandatory personal finance course required by [Act 35 of 2023](#), which amended [Section 1551](#) of the [Public School Code of 1949](#) (Act 35). It is part of a [Personal Finance Toolkit](#) available on the Pennsylvania Department of Education's [Standards Aligned System](#).

Using the Instructional Framework

The instructional framework serves as a guide for educators and administrators as they review, revise, and develop their curricula. It begins with [Long-Term Transfer Goals, Big Ideas, and Essential Questions](#) to frame the K-12 personal finance standards. This is followed by information about the personal finance standards. The [Content Overview and Knowledge Progression](#) provides an overview of each content area and how student knowledge progresses throughout the grade bands. Finally, [Grade Band Summaries](#) offer a high-level overview of the standards in each grade band ([K-2](#), [3-5](#), [6-8](#), and [9-12](#)).

When developing or reviewing a personal finance curriculum, it is often helpful to conduct a broad curriculum review. Such an assessment can determine what personal finance topics are already being addressed in existing courses or units of study. These reviews should be conducted with involvement from every department with personal finance instruction. At the elementary grades, this typically includes math and social studies. At the secondary level, consider content in business, family and consumer sciences, math, social studies, and agriculture courses. Additionally, there is often overlap with efforts schools and/or districts make to meet the Academic Standards for Career Education and work. The instructional framework can be used to conduct a review by asking representatives from each grade and/or department to note which, if any, components are currently being addressed.

While the framework is comprehensive — spanning Kindergarten to grade 12, it is not intended to be all-inclusive. Rather, it serves as an example of personal finance content and topics aligned with the [Pennsylvania Academic Standards for Personal Finance](#), as well as ways to structure and pace content at several grade levels.

The framework was developed based upon [Understanding by Design](#), the “backward-design” process developed by Grant Wiggins and Jay McTighe and



published by the Association for Supervision and Curriculum Development (ASCD). It includes:

- **Long-Term Transfer Goals:** Transfer goals highlight the effective uses of understanding, knowledge, and skill that we seek in the long run; i.e., what we want students to be able to do when they confront new challenges – both in and outside of school.
- **Big Ideas:** These principles are central to the study of personal finance. They anchor or connect a wide array of concepts. In this instructional framework, each big idea aligns with a content area from the standards.
- **Essential Questions:** Core questions allow students to probe for deeper meaning. They are the questions students should be asking as they explore the main ideas in the topic. In this instructional framework, there are overarching K-12 essential questions for each substrand. The curriculum frameworks in the [Personal Finance Toolkit](#) include topical essential questions for each standard that complement these overarching K-12 essential questions.
- **Grade Band Summaries:** The grade band summaries provide an overview of the standards addressed within each of the four grade bands: PK-2, 3-5, 6-8, and 9-12.

For additional resources and information about the standards and mandatory high school course, visit the [Personal Finance Toolkit](#) on PDE's Standards Aligned System.



Long-Term Transfer Goals, Big Ideas, and Overarching Essential Questions

Long-Term Transfer Goals

Students will be able to independently use their learning to:

- Make thoughtful financial decisions that align with their personal goals, values, and changing life circumstances.
- Proactively manage financial risks and responsibilities to safeguard their financial well-being.
- Engage responsibly with financial systems while planning for long-term stability and growth.

Big Ideas

Personal finance fundamentals lay the foundation for making sound financial decisions and achieving financial well-being.

A person's **income** is influenced by education and career path decisions.

From routine purchases and budgeting practices to handling taxes and supporting community causes, **spending** choices shape both current financial well-being and future financial security.

When **saving and investing**, people weigh the opportunity to increase the value of their assets against their personal tolerance for risk.

Insurance and other **risk** management strategies can help people protect their finances.

Using **credit** can help people reach their goals, but it also carries costs and responsibilities.

Overarching Essential Questions

- How do individuals establish **financial goals** and make **decisions** to support achieving them?
- In what ways do life experiences and social influences shape **financial mindset and behaviors**?
- What criteria should be considered when selecting **financial services**?
- Why are accuracy and organization important in **keeping financial records**?
- In what ways do **consumer protection** rules protect people and communities?

- How might various **sources of income** affect a person's earning potential?
- How do people weigh **factors influencing income** when making education and career decisions?
- What are the benefits and challenges of **self-employment and supplemental income**?
- How is take-home pay impacted by **income and payroll taxes**?

- What should be taken into consideration before making a **spending decision**?
- How does **developing a budget** help people spend less than they earn?
- In what ways might the **payment method** someone uses influence spending?
- What should people understand before making **major life purchases** like housing and transportation?
- What is the impact of **sales and property taxes** on individuals?
- Why do some people include **charitable giving** in their spending plans?

- How do people **build assets** and increase their value over time?
- What is the benefit of **saving** money for future use?
- How do people make (and lose) money when **investing**?
- What role does **risk tolerance** play when selecting and diversifying investments?

- How can **risk identification and management** prevent financial losses?
- How does **insurance** provide financial protection?
- What can be done to prevent becoming a victim of **financial fraud and identity theft**?

- Why might **credit use and benefits** vary from one person to another?
- What are some **types of credit** more appropriate for certain uses than others?
- How can the **costs of credits** be lowered and misuse of credit be avoided?
- How might **consumer rights and responsibilities** help people access credit and borrow effectively?



Academic Standards for Personal Finance

Content Overview and Knowledge Progression

The [Pennsylvania Academic Standards for Personal Finance](#) address content in six areas with standards in four grade bands: K-2, 3-5, 6-8, and 9-12. Below is an overview of each content area and how student knowledge progresses throughout the grade bands. This is intended to demonstrate how standards addressed in earlier grade levels serve as the basis for future content and how student knowledge and application will continue as they progress in school. When reading the standards, note that each area is further divided into substrands, which are also shown here for reference.

Area	Content Overview and Knowledge Progression	Substrands
17.1 Personal Finance Fundamentals	This content area focuses on foundational knowledge for managing personal finances, emphasizing the importance of setting financial goals, understanding the impacts of financial decisions, and developing a mindset for effective money management. In early grades, students learn about short-term goals, decision-making, and the role of friends and family in shaping attitudes toward money. As students progress, they analyze long-term financial goals, opportunity costs, and behavioral biases like mental accounting and loss aversion. By high school, students are expected to apply systematic decision-making processes, understand financial services and institutions, and evaluate the use of financial technology. They also explore advanced topics, including the role of regulatory agencies in consumer protection, the importance of maintaining financial records, and the financial implications of legal tools like wills and powers of attorney. Financial conversations are introduced early and developed further as students learn to assess the value of sharing financial goals and information with others.	<ul style="list-style-type: none">• Financial goal setting and decision making• Financial mindset and behaviors• Financial services• Financial record keeping• Consumer protection
17.2 Income	The income content area focuses on how individuals earn money and factors that influence earning potential. Early grades introduce the basic concept of why people need income and how they receive it, including work, gifts, and rental income. As students progress, they learn to compare different compensation methods (e.g., hourly wages, salaries, commission) and explore the various types of income, such as earned, unearned, passive, and active income, as well as sources like investments, government programs, and retirement income. By middle school, students analyze the connection between education, training, and potential earnings, while high school students use data to decide on post-secondary education based on anticipated future income. They also research options to pay for education, including scholarships, grants, and loans. Additionally, students explore self-employment and entrepreneurship, comparing various forms of self-employment and understanding their financial impact. As students move into high school, they learn to interpret pay statements, calculate taxes, and complete tax forms, while also examining the role of employee benefits (e.g., health insurance, retirement savings) in personal finances.	<ul style="list-style-type: none">• Sources of income• Factors influencing income• Self-employment and supplemental income• Income and payroll taxes



Area	Content Overview and Knowledge Progression	Substrands
17.3 Spending	This content area teaches students how to make informed spending decisions and develop budgeting skills. Younger students begin by exploring basic spending choices and the factors influencing them, while older students learn to compare prices, product claims, and the reliability of information. They progress from simple personal budgets to exploring various approaches and using technology to facilitate the budgeting approaches, such as the 50-30-20 rule. The standards also cover various payment methods, including cash, checks, debit cards, credit cards, and mobile payments, and highlight the advantages and disadvantages of each. Later stages introduce complex financial decisions, including purchasing housing or vehicles and understanding the impact of sales and property taxes. The final focus is on charitable giving, helping students justify decisions to support causes through donations of money, items, or time.	<ul style="list-style-type: none">• Spending decisions• Developing a budget• Payment methods• Major life purchases• Sales and property taxes• Charitable giving
17.4 Saving and Investing	This content area focuses on building wealth through understanding assets, saving, and investing. Younger students are introduced to the concept of ownership, including items like toys, money, and homes, while older students learn to identify items that increase or decrease in value over time and understand how to calculate net worth. The saving section addresses the importance of saving for the future and developing specific savings goals. Students progress from simple strategies, such as keeping money safe, to creating and adapting detailed personal savings plans. They explore various savings vehicles, interest rates, and how different savings tools grow over time. Investing is introduced as a way to build wealth beyond saving. Middle school students learn the basic differences between saving and investing, while high school students explore various types of investments, such as stocks, bonds, and mutual funds, and learn how to analyze factors like risk and inflation that influence rates of return. They also investigate investment planning based on personal circumstances and risk tolerance. The content further addresses retirement planning options, including employer-sponsored plans and individual retirement accounts.	<ul style="list-style-type: none">• Asset building• Saving• Investing• Investing risk tolerance
17.5. Risk and Insurance	The risk and insurance area addresses how to identify and manage financial risks. Younger students begin by recognizing everyday risks (e.g., losing toys, illness) and understanding how unexpected events can impact finances. As students advance, they explore how various risks—such as floods, accidents, or medical expenses—can significantly affect financial well-being. They learn to manage risk through strategies like avoidance, reduction, retention, and transfer, with older students critiquing these strategies in specific scenarios. Insurance plays a central role in managing financial risks, and students explore different types of insurance (health, auto, flood) and the factors that influence insurance premiums. By the time they reach high school, students formulate insurance recommendations based on individual needs, comparing various providers, plans, and prices. The content also addresses financial fraud and identity theft, teaching students how to protect their personal information, avoid common scams, and seek assistance if victimized. Students in higher grades analyze trends in fraud and learn how to report it through agencies and proper channels.	<ul style="list-style-type: none">• Risk identification and management• Insurance• Financial fraud and identity theft



Area	Content Overview and Knowledge Progression	Substrands
17.6 Credit	<p>The credit area explores the use, benefits, types, costs, and rights and responsibilities associated with credit. Younger students begin by learning the basics of borrowing, including the traits that influence a person's ability to borrow. As students progress, they explore different forms of credit, such as secured and unsecured loans, credit cards, and installment and revolving credit. They learn about the costs of credit, including interest rates, fees, and repayment terms. As students advance, they examine factors that affect the total cost of credit and learn how to evaluate creditworthiness by understanding credit reports and scores. Older students analyze the different forms of credit and the various factors that influence borrowing decisions, including character, capacity, capital, and collateral. They also explore the rights and responsibilities related to credit, including laws that protect consumers, and evaluate various credit rights and protections. High school students delve into the consequences of failing to repay debts, explore options for debt management, and analyze the importance of making informed borrowing decisions.</p>	<ul style="list-style-type: none">• Credit use and benefits• Types of credit• Costs of credit• Credit rights and responsibilities



Grade Band Summaries

Kindergarten to Grade 2 Grade Band Summary

The personal finance standards for Kindergarten to Grade 2 are designed to teach young students basic financial concepts, helping them understand how to manage money. At this level, students will learn about setting financial goals, earning, spending, saving, and managing risks. The goal is to help children make simple, everyday financial decisions and introduce them to key terms and ideas that will be expanded on in later grades. Below is a summary of what students will learn in each content area.

17.1 Personal Finance Fundamentals: Students in Kindergarten to Grade 2 will begin learning basic financial concepts, focusing on setting short-term financial goals and understanding the steps needed to achieve them. They will explore how limited personal financial resources impact decision-making and discuss how their attitudes toward money can be influenced by family and friends. This foundation will help them understand how financial behaviors affect everyday decisions.

17.2 Income: Students will be introduced to the concept of income, learning why people need it to meet basic needs and achieve goals. They will explore various ways to earn money, such as through jobs or gifts, helping them understand the role of income in daily life. This section also introduces the idea that people earn money to support their spending, saving, and sharing.

17.3 Spending: Students will explore spending decisions and the factors that influence them, learning about basic budgeting concepts like distinguishing between income and expenses. They will be introduced to how money can be used for different purposes, such as spending, saving, and sharing. This area helps students understand how people prioritize their financial choices.

17.4 Saving & Investing: Students will learn why people save money for the future, as opposed to spending it all in the present. They will explore ways to keep money safe and the value of saving for future goals. This section introduces delayed gratification and emphasizes the importance of planning for the future, providing a basic understanding of saving as a financial tool.

17.5 Risk & Insurance: Students will start learning about risk by recognizing risks in everyday situations. They will discuss ways to avoid or reduce risks, like keeping things safe or wearing a helmet while riding a bike. They will also explore which personal information should be kept private to avoid becoming a victim of identity theft.

17.6 Credit: Students will explore what it means to borrow and the responsibility of returning items or money lent by someone else. They will discuss the potential benefits and responsibilities of borrowing, laying the groundwork for more complex credit concepts in future grades.



Grades 3 to 5 Grade Band Summary

The personal finance standards for Grades 3 to 5 help students expand their understanding of financial concepts by focusing on practical applications and decision-making skills. These standards build on foundational knowledge from earlier grades and guide students through key areas such as goal setting, income, spending, saving, credit, and risk management. Below is a summary of what students will learn in each content area.

17.1 Personal Finance Fundamentals: Students learn the importance of setting financial goals, understanding opportunity cost, and recognizing how life circumstances influence attitudes toward money. They are introduced to the basic products and services offered by financial institutions and explore how conversations about money can shape financial decisions. This area helps students develop critical thinking about financial choices and the trade-offs involved in earning, spending, and saving.

17.2 Income: Students explore how people receive income from various sources, including work, gifts, and renting property. They learn how education, training, and experience can improve earning potential, and are introduced to entrepreneurship as a way to earn income. This area emphasizes the link between income and achieving financial goals, helping students understand how income supports both current needs and future aspirations.

17.3 Spending: Students focus on the factors that influence spending decisions, such as personal priorities and financial limitations. Students learn to distinguish between needs and wants, construct simple budgets, and explore payment methods such as cash, debit cards, and credit cards. They also discuss the impact of taxes on purchases and the role of charitable giving, helping them understand how spending decisions affect their financial well-being and contribute to broader societal needs.

17.4 Saving & Investing: Students are introduced to the concept of savings and how setting goals can help them accumulate money for future needs. They learn about factors that influence savings goals and why people choose to deposit money in financial institutions. Students also explore how investments can increase or decrease in value over time, providing a foundation for understanding the importance of saving for both short-term and long-term financial security.

17.5 Risk & Insurance: In this content area, students learn how unexpected events, such as accidents or illness, can affect personal finances and how emergency savings can help manage such risks. They explore the role of insurance in transferring financial risk and learn about types such as health, auto, and flood insurance. Students also discuss the financial consequences of sharing personal information, emphasizing the importance of protecting against identity theft.

17.6 Credit: Students are introduced to the concept of borrowing and the responsibilities associated with credit. They learn about traits that influence a person's ability to borrow money, the role of credit cards in borrowing, and how borrowing may involve paying back more than the initial amount due to interest and fees. This area lays the groundwork for understanding credit as a financial tool and the importance of using it responsibly.



Grades 6 to 8 Grade Band Summary

The personal finance standards for Grades 6 to 8 build upon foundational financial concepts, helping students understand more advanced topics. At this stage, students expand their knowledge of income, spending, saving, investing, risk management, and credit. They will develop skills to make informed financial decisions and understand how these decisions impact their future. Below is a summary of the key topics students will learn in each content area.

17.1 Personal Finance Fundamentals: Students will expand their understanding of financial goal setting by comparing short-, intermediate-, and long-term goals. They will apply their understanding of opportunity cost, learning how decisions affect people differently based on their circumstances. Students will also examine how individual attitudes toward money vary, shaped by personal values and experiences. Additionally, they will study common behavioral biases, like confirmation bias and mental accounting, that influence financial decisions. This section also covers financial services, focusing on personal information needed to establish financial accounts, and the importance of keeping track of personal finances.

17.2 Income: Students will learn about different ways people earn money, including hourly wages, salaries, commissions, tips, and piecework. They will examine how education, training, and skills affect earning potential, as well as how people finance their education through methods like scholarships, loans, and apprenticeships. This area introduces students to self-employment, allowing them to compare different types of freelance and entrepreneurial work. Students will also gain practical knowledge of interpreting pay statements, understanding the difference between gross pay and net pay, and how payroll deductions impact income.

17.3 Spending: Students will develop the ability to make informed spending decisions by evaluating prices, product claims, and information from different sources. They will apply math skills to assess the impact of pricing strategies, such as discounts or unit pricing. Students will also learn about different methods for tracking spending, emphasizing the importance of budgeting to achieve financial goals. This section introduces various payment methods, including cash, debit cards, and credit cards, with a focus on their pros and cons. Students will calculate sales tax for various purchases and explore charitable giving, discussing the ways people can donate money, goods, or time to causes they care about.

17.4 Saving & Investing: Students will learn the difference between saving and investing, exploring how each contributes to financial growth. They will use tools to calculate savings growth in scenarios comparing simple and compound interest. This section introduces investment basics, such as identifying publicly traded companies and understanding stock market terms. Students will also explore factors that influence investment decisions, including age, income, debt, and risk tolerance, helping them align their financial goals with investment strategies.

17.5 Risk & Insurance: In this area, students will examine financial risks people face, such as job loss or unexpected expenses. They will explore strategies for managing these risks, including risk avoidance, reduction, retention, and transfer. Students will compare different types of insurance, like health, auto, and renters' insurance, and learn what factors affect insurance premiums, such as age or driving record. They will also learn how to make decisions about purchasing insurance, extended warranties, and service contracts based on individual needs. The section also covers protecting personal information to prevent fraud and identity theft.

17.6 Credit: Students will dive deeper into credit as they discover how credit is established and tracked over time and explore different types of credit, including credit cards, home loans, and student loans. Students will analyze factors that influence the cost of credit, including interest rates, fees, and repayment terms. They will also explore the legal rights and responsibilities of borrowers, including the importance of lenders providing key information, such as interest rates and fees. This section lays the foundation for students to make informed decisions about using credit responsibly in the future.



Grades 9 to 12 Grade Band Summary

The personal finance standards for Grades 9 to 12 aim to equip students with the knowledge and skills necessary to make informed financial decisions in adulthood. At this stage, students develop a deeper understanding of financial concepts and apply them to real-life scenarios, preparing them to navigate complex financial choices related to income, spending, saving, investing, risk management, and credit. The standards encourage students to evaluate financial products, understand the impact of economic and social factors, and apply critical thinking to manage personal finances effectively. Below is a comparison of the content areas and the skills students will acquire.

17.1 Personal Finance Fundamentals: In Grades 9 to 12, students are expected to assess the financial impact of long-term goals such as lifestyle choices, education, and family planning. By applying systematic decision-making processes and considering opportunity costs, students learn how to set and achieve financial goals. They will also analyze how factors such as life experiences, behavioral biases, and societal pressures influence financial decisions, and learn strategies to overcome these biases. The standards emphasize the importance of sharing financial goals and information with others and encourage students to compare various financial service providers, such as banks, credit unions, and brokerage firms. Students will also learn how to open financial accounts, select appropriate financial institutions, and use financial technology to make decisions. Furthermore, the standards highlight the importance of organizing personal financial records, understanding the implications of legal tools such as wills and powers of attorney, and recognizing the roles of financial regulators and consumer protection laws.

17.2 Income: Students will explore different types of income, including earned, unearned, passive, and active income, and understand their sources, such as employment, rentals, investments, and government programs. They will assess how various retirement income sources, including employer-sponsored plans and government programs, relate to individual investment choices. The standards also guide students to use data to make informed decisions about post-secondary education, considering costs and potential income gains. Additionally, students will research financing options for education and training, evaluate the effects of economic conditions on employment opportunities, and understand the role of employee benefits in personal finances. They will also analyze the financial impact of entrepreneurship and self-employment, calculate the effect of taxes and payroll deductions on income, and learn how to complete tax forms at the federal, state, and local levels.

17.3 Spending: In this content area, students will develop a comprehensive approach to making informed spending decisions by evaluating factors such as product features, price, durability, and societal impact. They will explore ways to reduce costs, including negotiating prices, using discount retailers, and buying secondhand. The standards stress the importance of budgeting, and students will evaluate different budgeting approaches, such as the 50-30-20 rule and zero-based budgeting, as well as methods like the envelope system and online tools. They will create and manage personal budgets, adjusting for unexpected expenses or changes in income. Students will also compare the effects of different payment methods, analyze the impact of technology on spending, and examine major financial decisions, such as renting versus buying a home or vehicle. The standards encourage students to justify their purchase choices and explain the impact of taxes on their spending decisions. Furthermore, students will analyze the role of charitable giving in their financial decisions.

17.4 Saving & Investing: Students will learn to calculate net worth by assessing assets and liabilities and will develop savings plans for both short- and long-term financial goals. They will compare various savings vehicles, such as savings accounts, certificates of deposit, and money market accounts, and evaluate their interest rates and features. The standards also explore investments, where students will compare stocks, bonds, mutual funds, and exchange-traded funds, analyzing factors like risk, inflation, and taxes that influence investment returns. Students will develop diversified investment portfolios tailored to specific goals, risk tolerance, and time horizons, and explore retirement-specific investment options, including employer-sponsored plans and IRAs. Additionally, students will



analyze how their personal attitudes toward risk impact investment decisions and identify methods to counteract behavioral biases, such as loss aversion and choice overload, that can negatively affect investment outcomes.

17.5 Risk & Insurance: In this content area, students will evaluate their potential financial risks, such as the loss of income or property, and critique strategies to manage those risks, including insurance options. They will develop personalized insurance recommendations based on individual needs, evaluating products like health, auto, homeowners, and life insurance. Students will also learn how to compare insurance providers and plans, considering factors such as premiums, coverage, and out-of-pocket costs, as well as how to file insurance claims. The standards also include an analysis of public insurance programs, such as Medicare and Medicaid, and their impact on individuals facing financial hardship. Students will examine trends in financial fraud, explore ways to protect themselves, and research the steps to take when dealing with fraud, including contacting the appropriate agencies for support.

17.6 Credit: The study of credit in Grades 9 to 12 focuses on evaluating the pathways to obtaining credit and the criteria lenders use to assess creditworthiness, such as character, capacity, capital, and collateral. Students will learn how credit reports and scores are generated and how to improve them. The standards encourage students to compare various forms of credit, including secured versus unsecured loans and installment versus revolving credit, helping them understand when each type is appropriate. Students will also analyze how loans are used to finance major life expenses, such as higher education and home purchases, and how to calculate the total cost of borrowing, including interest rates and fees. They will learn about the consequences of failing to repay debts and explore available resources for debt management assistance. The standards also cover credit laws and consumer protections, helping students evaluate how these regulations affect their financial decisions.