

## Alignment of Budget Challenge and the Georgia Personal Finance Standards of Excellence for the Required Personal Finance and Economics Class

SSEPF1 Analyze major life decisions using economics-based decision-making skills.

a. Apply a rational decision-making model to evaluate the costs and benefits of post-high school life choices (i.e., college, technical school, military enlistment, workforce participation, or other option).	Chapter 16 The Next Steps
b. Evaluate costs and benefits of various ways to pay for post-high school life including scholarships, the HOPE scholarship, employment, work-study programs, loans, grants, savings, prior investments, and other options.	Chapter 16 The Next Steps, Chapter 17 Paying for College
c. Identify necessary documents needed to complete forms like the FAFSA or scholarship applications.	Chapter 17 Paying for College
d. Apply a rational decision-making model to evaluate other major life choices like employment opportunities, renting a home vs. buying, selecting a mortgage, and buying a car.	Chapter 8 Purchasing and Consumer Protection, Chapter 9 Buying or Leasing a Vehicle, Chapter 10 Housing
e. Describe how individual financial decisions can help create generational wealth.	Chapter 1 Keys to Financial Success Reading: Building Generational Wealth

SSEPF2 Analyze income as a scarce resource that can be allocated effectively through budgeting.

a. Compare different types of income including hourly wages, salary, tips, independent contractor services (Form 1099), dividends, and capital gains.	Chapter 3 Employment, Chapter 6 Saving and Investing, Chapter 15 Taxes
b. Review and complete a sample federal individual income tax form 1040.	Chapter 15 Taxes
c. Describe the basic components of a paystub including gross pay, net pay, and common deductions (i.e. federal and state income tax, Federal Insurance Contributions Act (FICA which includes Social Security and Medicare), and elective deductions like 401K, insurance and tax-deferred savings).	Simulation: bi-weekly paystub and 401(k) contribution decision, Chapter 3 Employment

d. Analyze the basic components of a personal budget including income, expenses (fixed and variable), and the importance of short-term and long-term savings.	Simulation: Cash Flow Budgeting Tool creation and maintenance, Emergency Fund Trophy Goal, Retirement Saving Trophy Goal, Chapter 1 Keys to Financial Success, Chapter 6 Saving and Investing
e. Explain how to reconcile a checking account, either online or on paper, including how to account for transactions that have not been posted (i.e. checks, weekend debit card transactions, or monthly auto-pay transactions) and how this helps avoid overdraft fees.	Simulation: monthly checking account bank statement and reconciliation with Cash Flow Budget Tool, Chapter 4 Banking
f. Describe how to determine a person's net worth.	Chapter 1 Keys to Financial Success

SSEPF3 Explain how the financial system channels funds from savers to investors.

a. Explain the roles/functions of money as a medium of exchange, store of value, and unit of account/standard of value.	Chapter 4 Banking Reading: Is Cryptocurrency Money?
b. Compare services offered by different financial institutions, including banks, credit unions, payday lenders, and title pawn lenders.	Chapter 4 Banking
c. Compare and contrast cash, debit cards, credit cards, prepaid cards and mobile payment apps in terms of how they work, acceptability, and the costs and benefits associated with each.	Simulation: Recurring bill payment and credit card use, mobile Bill Pay App, Chapter 4 Banking, Chapter 5 Loans and Credit Cards, Chapter 8 Purchasing and Consumer Protection Real World Activity: Payment Options
d. Evaluate the risk and return of a variety of savings and investment options, including: savings accounts, certificates of deposit, retirement accounts (i.e. Roth IRA, 401K, 403b), stocks, bonds, 529 accounts, and mutual funds and explain the importance of diversification when investing.	Simulation: savings account management, 401(k) management, Chapter 6 Saving and Investing, Chapter 7 Investing for Retirement
e. Describe the role of speculative investments (i.e. cryptocurrency and historical examples like buying on margin in the 1920's).	Chapter 4 Banking Reading: Is Cryptocurrency Money? Chapter 6 Savings and Investment Reading: Bubbles, Crashes and Ponzi Schemes-Four Case Studies

SSEPF4 Explain how interest rates affect various consumer decisions.

a. Compare interest rates on loans and credit cards from different institutions including banks, credit unions, pay-day loan facilities, and title-pawn companies.	Chapter 5 Loans and Credit Cards
b. Define annual percentage rate and describe how different interest rates can affect monthly payments on loans.	Simulation: credit card and loan management, Chapter 5 Loans and Credit Cards
c. Use an online amortization tool to show how payments on a fixed loan like a mortgage are applied to interest and principal.	Simulation; auto loan and student loan amortization schedules, Chapter 10 Housing
d. Explain the difference between simple and compound interest and the difference between fixed and variable interest.	Chapter 6 Savings and Investment, Chapter 10 Housing
e. Define nominal and real returns and explain how inflation affects interest-earning savings and investment accounts.	Chapter 6 Savings and Investment, Chapter 7 Investing for Retirement

SSEPF5 Explain how changes in taxation can have an impact on an individual's spending and saving choices.

a. Describe income, sales, property, capital gains, and estate taxes in the U.S.	Simulation: paystub analysis, 401(k) contribution decision, Chapter 15 Taxes
b. Describe the difference between progressive, regressive, and proportional taxes.	Chapter 15 Taxes

SSEPF6 Evaluate the costs and benefits of using credit.

a. Differentiate between and explain how to access one's credit report and credit score.	Chapter 13 Building and Managing Credit
b. Describe the basic components of a credit score including payment history, debt to income ratio, amount owed, length of credit history, types of credit used, amount of available credit, and recent credit applications.	Chapter 13 Building and Managing Credit
c. Analyze and evaluate a sample loan application for credit worthiness and the ability to receive favorable interest rates.	Chapter 13 Building and Managing Credit Reading: Evaluating a Loan Application, Chapter 13 Building and Managing Credit
d. Explain the difference between revolving credit and installment credit.	Simulation: credit card and auto loan management, Chapter 5 Loans and Credit Cards
e. Explain causes of personal bankruptcy and describe consequences of declaring	Chapter 13 Building and Managing Credit

bankruptcy.	
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SSEPF7 Analyze how insurance and other risk-management strategies protect against financial loss.

a. Explain why people buy insurance.	Simulation: auto and renter insurance selection, Chapter 11 Insurance and Managing Risk: Motor Vehicle and Property
b. Describe various types of insurance such as automobile, health, life (whole and term), disability, renters, flood and property.	Simulation: auto and renter insurance selection, employer provided health insurance, Chapter 11 Insurance and Managing Risk: Motor Vehicle and Property, Chapter 12 Insurance and Managing Risk: Health, Life, and Disability
c. Explain the costs and benefits associated with different types of insurance, including deductibles, premiums, coverage limits shared liability, and asset protection.	Simulation: auto and renter insurance selection, employer provided health insurance, Chapter 11 Insurance and Managing Risk: Motor Vehicle and Property, Chapter 12 Insurance and Managing Risk: Health, Life, and Disability
d. Define insurability and explain why insurance rates can vary.	Chapter 11 Insurance and Managing Risk: Motor Vehicle and Property, Chapter 11 Real World Activity Rating Insurability, Chapter 12 Insurance and Managing Risk: Health, Life, and Disability

SSEPF8 Describe how the earnings of workers are determined in the marketplace.

a. Identify skills that are required to be successful in the workplace, including positive work ethic, punctuality, time management, teamwork, and communication skills.	Chapter 3 Employment Reading: Social Media and Employment
b. Describe the impact a person's social media footprint can have on their career and finances.	Chapter 3 Employment Reading: Social Media and Employment
c. Evaluate job and career options and explain the significance of investment in education, training, and skill development as it relates to future earnings.	Chapter 16 The Next Steps

SSEPF9 Explain ways consumers are protected by rules and regulations.

a. Describe how government agencies offer protection in banking, investments, borrowing, and buying goods and services.	Chapter 4 Banking, Chapter 8 Purchasing and Consumer Protection
b. Compare different methods for lodging consumer complaints (e.g., Better Business Bureau, online methods, and direct contact with business).	Chapter 8 Purchasing and Consumer Protection
c. Explain the primary purpose of important consumer legislation (i.e., the Truth in Lending Act, Fair Debt Collection Practices Act, Fair Credit Reporting Act, the Equal Housing Act, and the Dodd-Frank Act).	Chapter 8 Purchasing and Consumer Protection Reading: What Role Should the Government Play in Protecting Consumers?

SSEPF10 Explain sources of and protection against identity theft.

a. Describe common ways identity theft happens including dumpster diving, skimming, phishing, stealing, and data breaches.	Chapter 14 Data Security
b. Describe ways to protect yourself from identity theft including shredding important documents, not opening attachments to unknown emails, not revealing personal information over the phone or email, using secure networks, regularly monitoring your credit report, changing passwords on accounts, and carefully managing social media.	Chapter 14 Data Security
c. Describe steps that should be taken if a person is the victim of identity theft including getting replacement credit cards, freezing credit histories, alerting appropriate officials, and changing passwords.	Chapter 14 Data Security
d. Describe the basic characteristics of investment scams such as Ponzi schemes, pump and dumps, and “advance fee” scams and how to avoid them.	Chapter 6 Savings and Investment Reading: Bubbles, Crashes and Ponzi Schemes-Four Case Studies