



**Alignment with the Missouri Personal
Finance Course Level Expectations
Grades 9-12**

January 2023

Personal Finance – Financial Decision Making

<p>I. Financial Decision Making: Choice is the central principle of financial decision making for individuals, businesses and government. People make many choices every day in markets where buyers and sellers interact. This interaction determines market prices and allocates scarce goods and services based on supply and demand. Every decision incurs an opportunity cost. Opportunity cost is the next-best alternative when a decision is made; it is what is given up.</p>		<p>Budget Challenge Alignment</p>
<p>Concept 1</p>	<p>Unlimited Wants and Limited Resources</p>	
	<p>A. Evaluate the role of choice in decision making.</p>	<p>Simulation: vendor selections, all payment, saving, 410(k) contribution, and trophy decisions. All textbook chapters with emphasis on Chapter 1 Keys to Financial Success, Chapter 5 Loans and Credit Cards, Chapter 6 Saving and Investing, Chapter 8 Purchasing and Consumer Protection, Chapter 9 Buying or Leasing a Vehicle, Chapter 10 Housing, Chapter 16 The Next Steps, Chapter 17 Paying for College, All Real World Activities</p>
	<p>B. Apply a rational decision making process to satisfy wants.</p>	<p>Simulation: vendor selection, trophy decisions. Chapter 1 Keys to Financial Success, Chapter 3, Chapter 5 Loans and Credit Cards, Chapter 6 Saving and Investing, Chapter 8 Purchasing and Consumer Protection, Chapter 9 Buying or Leasing a Vehicle, Chapter 10 Housing, Chapter 16 The Next Steps, Chapter 17 Paying for College</p>
<p>Concept 2</p>	<p>Choice and Decision Making</p>	
	<p>A. Explain how today’s choices have future consequences.</p>	<p>Simulation: managing payments, 401(k) contribution, trophy decisions, Chapter 1 Keys to Financial Success, Chapter 5 Loans and Credit Cards, Chapter 6 Saving and Investing, Chapter 7 Investing for Retirement, Chapter 8 Purchasing and Consumer Protection, Chapter 9 Buying or Leasing a Vehicle, Chapter 10 Housing, Chapter 11 Insurance and Managing Risk: Motor Vehicle and Property, Chapter 12 Insurance and Managing Risk: Health, Life and Disability, Chapter 13 Building and Managing Credit, Chapter 16 The Next Steps</p>

	<p>B. Explain the causal relationship between choice and opportunity cost.</p>	<p>Simulation: managing payments, 401(k) contribution, trophy decisions, Chapter 1 Keys to Financial Success, Chapter 5 Loans and Credit Cards, Chapter 6 Saving and Investing, Chapter 8 Purchasing and Consumer Protection, Chapter 9 Buying or Leasing a Vehicle, Chapter 10 Housing, Chapter 13 Building and Managing Credit, Chapter 16 The Next Steps. Chapter 6 Real World Activity Evaluating Investment Strategies, Chapter 16 Real World Activity: Evaluating Career Options</p>
	<p>C. Analyze how choices can result in unintended consequences.</p>	<p>Simulation: managing payments, 401(k) contribution, trophy decisions, Chapter 1 Keys to Financial Success, Chapter 5 Loans and Credit Cards, Chapter 6 Saving and Investing, Chapter 8 Purchasing and Consumer Protection, Chapter 9 Buying or Leasing a Vehicle, Chapter 10 Housing, Chapter 13 Building and Managing Credit, Chapter 16 The Next Steps, Chapter 17 Paying for College</p>

Personal Finance – Income

<p>II. Earning Income: For most people, income is determined by their work ethic, their education and the market value of their labor paid as wages and salaries. People can increase their income and job opportunities by performing well and choosing to acquire more education, skill building and work experience. The decision to undertake an activity that increases income or job opportunities is affected by the expected benefits and costs of such an activity. Income is also obtained from other sources such as interest, rents, capital gains, dividends and profits.</p>		<p align="center">Budget Challenge Alignment</p>
<p>Concept 1</p>	<p>Career Choices and Consequences</p>	

	<p>A. Evaluate how career choices impact income and quality of life.</p>	<p>Chapter 1 Keys to Financial Success, Chapter 3 Employment, Chapter 16 The Next Steps, Chapter 16 Real World Activity: Evaluating Career Options</p>
	<p>B. Analyze the relationship between education, skill development and earning potential.</p>	<p>Chapter 16 The Next Steps, Chapter 16 Real World Activity: Evaluating Career Options</p>
	<p>C. Describe how wages and salaries are determined in labor markets.</p>	<p>Chapter 3 Employment, Chapter 16 The Next Steps, Chapter 16 Real World Activity: Evaluating Career Options</p>
	<p>D. Analyze how changes in economic conditions and/or in labor markets can cause changes in a person’s income or employment status.</p>	<p>Chapter 3 Employment, Chapter 16 The Next Steps, Chapter 16 Real World Activity: Evaluating Career Options</p>
	<p>E. Describe how entrepreneurs see problems as opportunities for creating new or innovative goods or services.</p>	<p>Chapter 3 Reading: Entrepreneurship, Gigs, and Side Hustles</p>
<p>Concept 2</p>	<p>Forms of Compensation</p>	
	<p>A. Examine how workers are paid through wages, salaries and commissions.</p>	<p>Chapter 3 Employment</p>
	<p>B. Analyze why benefits such as health insurance, paid vacation, retirement plan, family leave, tuition reimbursement and flexible scheduling are considered forms of compensation.</p>	<p>Simulation: payroll, Chapter 3 Employment, Chapter 12 Insurance and Managing Risk: Health Life Disability</p>

Concept 3	Taxes and Other Deductions	
	A. Compare gross and net income.	Simulation: payroll, Chapter 3 Employment
	B. Explain the purpose of standard deductions such as income taxes, social security (FICA), Medicare, deductions for health care and retirement savings plans.	Simulation: payroll, health insurance deduction, 401(k) decision. Chapter 3 Employment, Chapter 7 Investing for Retirement, Chapter 12 Insurance and Managing Risk: Health, Life and Disability, Chapter 15 Taxes
	C. Explain how taxes provide public goods and services.	Chapter 15 Taxes

Personal Finance – Buying Goods and Services

III. Buying Goods and Services: People cannot buy or make all the goods and services they want; as a result, people choose to buy some goods and services and not buy others. People can improve their economic well-being by making informed spending decisions, which entails collecting information, planning and budgeting.		Budget Challenge Alignment
Concept 1	Creating a Budget	
	A. Differentiate between income and expenses.	Simulation: financial management, Chapter 1 Keys to Financial Success.
	B. Analyze spending habits to recognize current spending and saving trends.	Simulation: financial management, Chapter 1 Keys to Financial Success
	C. Create a budget that includes savings goals, emergency funds, fixed expenses and variable expenses.	Simulation: Cash Flow Budget Tool management, Emergency Fund Trophy Goal, Perfect Pay Trophy Goal, Retirement Savings Trophy Goal
	D. Explain how budgeting for charitable giving may have tax benefits.	Chapter 1 Keys to Financial Success, Chapter 15 Taxes
	E. Prioritize expenses and payment due dates.	Simulation: paying bills, Perfect Pay Trophy Goal
Concept 2	Purchasing Items of High Value	
	A. Conduct research on product options to plan future purchases such as phone, car, home or vacation.	Simulation: vendor selections, Chapter 8 Purchasing and Consumer Protection, Chapter 9 Buying or Leasing a Vehicle, Chapter 10 Housing
	B. Evaluate product information for price, quality, service and features.	Simulation: vendor selections, Chapter 8 Purchasing and Consumer Protection
	C. Describe effective responses to deceptive or fraudulent sales practices.	Chapter 8 Purchasing and Consumer Protection
	D. Identify payment methods.	Simulation: bill payment, Chapter 4 Banking, Chapter 5 Loans and Credit Cards, Chapter 8 Purchasing and Consumer Protection, Chapter 9 Buying or Leasing a Vehicle, Chapter 10 Housing, Chapter 17 Paying for College
	E. Analyze the costs and benefits of different payment options.	Simulation: bill payment, Chapter 4 Banking, Chapter 5 Loans and Credit Cards, Chapter 8 Purchasing and consumer Protection, Chapter 9 Buying or Leasing a Vehicle, Chapter 10 Housing, Chapter 17 Paying for College

Personal Finance - Buying Goods and Services

Concept 3	Considering Alternative Goods and Services	
	A. Evaluate substitutes when the price of goods or services exceeds your budget.	Simulation: vendor selections, Chapter 8 Purchasing and Consumer Protection.
	B. Compare the features, durability, and maintenance costs of goods.	Chapter 8 Purchasing and Consumer Protection
Concept 4	Selecting Financial Institutions	
	A. Compare the services, service fees and requirements of various financial institutions such as banks, savings and loans, credit unions and virtual banks.	Simulation credit card and checking account vendor selections, Chapter 4 Banking, Chapter 5 Loans and Credit Cards, Chapter 5 Real World Activity: Comparing Lenders
	B. Calculate an account balance by recording deposits, withdrawals and debit transactions.	Simulation checking account management and Cash Flow Budget tool. Chapter 4 Real World Activity: Checking Account Reconciliation
	C. Analyze the costs and benefits of using or not using financial institutions and virtual exchanges.	Chapter 4 Banking, Chapter 5 Loans and Credit Cards
	D. Explain the importance of FDIC, NCUA and other security regulations to protect one's wealth in financial institutions.	Chapter 4 Banking, Chapter 6 Saving and Investing

Personal Finance – Saving

IV. Saving: Saving is the part of income that people choose to set aside for future uses. People save for different reasons during the course of their lives. People make different choices about how they save and how much they save. Time, interest rates and inflation affect the value of savings.		Budget Challenge Alignment
Concept 1	Reasons for Saving	
	A. Identify short, medium and long-term savings goals including saving for high value purchases, postsecondary education/training and retirement.	Simulation: Trophy Goals, Chapter 6 Savings and Investing, Chapter 8 Purchasing and Consumer Protection, Chapter 9 Buying or Leasing a Vehicle, Chapter 10 Housing, Chapter 17 Paying for College
	B. Develop a savings plan.	Simulation: Trophy Goals, Chapter 6 Saving and Investing
	C. Explain the importance of a rainy day fund for unexpected expenses.	Simulation: Emergency Fund Trophy Goal. Chapter 1 Keys to Financial Success, Chapter 2 Playing Budget Challenge
	D. Compare retirement savings options.	Simulation: 401(k) investing, Chapter 7 Investing for Retirement
Concept 2	Interest on Savings	
	A. Compare simple and compound interest.	Chapter 6 Saving and Investing, Chapter 7 Investing for Retirement
	B. Use the Rule of 72 to calculate how long it takes money to double.	Chapter 6 Saving and Investing, Chapter 7 Investing for Retirement
	C. Explain how the time value of money, i.e. money in hand today, is worth more than money promised in the future, influences financial decision-making.	Chapter 1 Keys to Financial Success, Chapter 7 Investing for Retirement
Concept 3	Saving Instruments	
	A. Identify saving instruments such as certificates of deposit and savings accounts.	Chapter 4 Banking
	B. Compare the liquidity, interest payment or penalty of various savings instruments.	Chapter 4 Banking

Personal Finance – Using Credit

V. Using Credit: Credit allows people to purchase goods and services they can use today and pay for those in the future. People choose among different credit options that have different costs. Lenders approve or deny applications for loans based on an evaluation of the borrower’s past credit history and expected ability to pay in the future. Higher-risk borrowers are charged higher interest rates; lower-risk borrowers are charged lower interest rates. The responsibility for debt belongs to the borrower.		Budget Challenge Alignment
Concept 1	Facets of Credit	
	A. Analyze the difference between a credit and a debit account	Chapter 4 Banking, Chapter 5 Loans and Credit Cards
	B. Compare sources of consumer credit such as credit cards, consumer loans, rent-to own, title and payday loans.	Chapter 5 Loans and Credit Cards
	C. Evaluate the options for financing higher education.	Chapter 17 Paying for College
	D. Analyze various terms and conditions of credit cards and consumer loans.	Simulation: credit card vendor election, Chapter 5 Loans and Credit Cards, Chapter 5 Real World Activity: Comparing Lenders
	E. Explain the purpose, functions and costs of a mortgage.	Chapter 5 Loans and Credit Cards, Chapter 10 Housing
Concept 2	Interest on Credit	
	A. Compare the cost of credit between financial institutions based on the Annual Percentage Rate (APR), initial fees charged and fees for late or missed payment.	Simulation: auto loan vendor selection, Chapter 5 Loans and Credit Cards, Chapter 5 Real World Activity: Comparing Lenders
	B. Calculate the total purchase price of a good or service including interest paid.	Chapter 8 Purchasing and Consumer Protection, Chapter 10 Housing
	C. Explain the relationship between risk and interest including credit worthiness and down payment.	Chapter 13 Building and Managing Credit
	D. Differentiate between secured and unsecured loans.	Chapter 5 Loans and Credit Cards

Personal Finance – Using Credit

Concept 3	Credit Worthiness	
	A. Evaluate factors that affect creditworthiness including paying on time and payment history.	Chapter 13 Building and Managing Credit, Chapter 13 Reading: Evaluating a Loan Application
	B. Explain the purpose and components of credit records and credit history as provided by credit bureaus.	Chapter 13 Building and Managing Credit
	C. Identify ways to avoid and/or correct credit problems.	Chapter 13 Building and Managing Credit
	D. Analyze why credit scores may be used by entities such as employers, landlords and insurance companies.	Chapter 13 Building and Managing Credit
	E. Evaluate a credit report to verify accuracy.	Chapter 13 Building and Managing Credit
	F. Explain the importance of annually verifying one’s credit report.	Chapter 13 Building and Managing Credit
	G. Explain the value of consumer credit protection laws.	Chapter 8 Purchasing and Consumer Protection, Chapter 13 Building and Managing Credit
	H. Explain responsibilities associated with the use of credit.	Chapter 13 Building and Managing Credit

Personal Finance – Protecting and Insuring

VI. Protecting and Insuring: People make choices to protect themselves from the financial risk such as lost income, assets, health or identity. They can choose to accept risk, reduce risk or share the risk with others. Insurance allows people to transfer risk by paying a fee now to avoid the possibility of a larger loss later. The price of insurance is influenced by an individual’s circumstances and behavior.		Budget Challenge Alignment
Concept 1	Protecting Against Financial Risk by Insuring	
	A. Analyze the personal financial risks that can occur when unexpected events damage health, home, property, wealth or future opportunities.	Simulation: Unexpected event, Chapter 1 Keys to Financial Success, Chapter 11 Insurance and Managing Risk: Motor Vehicle and Property, Chapter 12 Insurance and Managing Risk: Health, Life, and Disability
	B. Explain how and why insurance companies create policies and determine premiums.	Chapter 11 Insurance and Managing Risk: Motor Vehicle and Property,
	C. Analyze factors people use to choose insurance coverage.	Simulation: unexpected event, Chapter 1 Keys to Financial Success, Chapter 11 Insurance and Managing Risk: Motor Vehicle and Property, Chapter 12 Insurance and Managing Risk: Health, Life, and Disability
	D. Explain how personal behavior and risk impact insurance premiums.	Chapter 11 Insurance and Managing Risk: Motor Vehicle and Property, Chapter 12 Insurance and Managing Risk: Health, Life, and Disability
	E. Analyze health insurance options to provide funds in the event of illness and/or to pay for the cost of preventive care.	Chapter 12 Insurance and Managing Risk: Health, Life and Disability
Concept 2	Protecting Personal Identity	
	A. Analyze federal and state regulations which provide some remedies and assistance for identity theft.	Chapter 8 Purchasing and Consumer Protection. Chapter 14 Data Security
	B. Analyze how individuals can protect themselves from others misusing personal information and from identity theft while online.	Chapter 14 Data Security
	C. Discuss current ways to counter cyber-attacks and protect personal information.	Chapter 14 Data Security

Personal Finance – Financial Investing

VII. Financial Investing: Financial investment is the purchase of financial assets to increase income or wealth in the future. Investors choose among investments that have different risks and expected rates of return. Investments with higher expected rates of return tend to have greater risk. Diversification of investment among a number of choices can lower investment risk.		Budget Challenge Alignment
Concept 1	Investment Instruments	
	A. Compare various financial assets for their risk and rewards such as stocks, bonds, mutual funds, real estate and commodities.	Chapter 6 Savings and Investing, Chapter 7 Investing for Retirement
	B. Explain the impact of capital gains, dividends, risk and stock value on corporate stock ownership.	Chapter 6 Saving and Investing, Chapter 7 Investing for Retirement, Chapter 15 Taxes
	C. Explain how the price of a financial asset is determined by the interaction of buyers and sellers in a financial market.	Chapter 6 Saving and Investing, Chapter 6 Reading: Bubbles and Crashes Four Case Studies, Chapter 7 Investing for Retirement
Concept 2	The Relationship between Risk and Reward	
	A. Explain how the rate of return earned from investments will vary according to the amount of risk.	Chapter 6 Saving and Investing, Chapter 7 Investing for Retirement, Chapter 6 Real World Activity: Evaluating Investing Strategies
	B. Explain how the rates of return on financial assets are influenced by buyers and sellers in financial markets.	Chapter 6 Saving and Investing, Chapter 6 Reading: Bubbles and Crashes Four Case Studies, Chapter 7 Investing for Retirement
	C. Explain why an investment with greater risk, such as a penny stock, will commonly have a lower market price, but an uncertain rate of return.	Chapter 6 Saving and Investing, Chapter 6 Reading: Bubbles and Crashes Four Case Studies, Chapter 7 Investing for Retirement
	D. Explain the risks and rewards of short term and long-term investments.	Chapter 6 Saving and Investing, Chapter 7 Investing for Retirement, Chapter 6 Real World Activity: Evaluating Investing Strategies
	E. Describe how diversification can lower investment risk.	Chapter 6 Saving and Investing, Chapter 7 Investing for Retirement, Chapter 6 Real World Activity: Evaluating Investing Strategies