Personal Finance and Economics

Course Code: 45.061 effective beginning the 2022-2023 school year

In addition to the fundamentals of economic decision-making, microeconomics, macroeconomics, and international economics, students will learn personal finance skills they can apply to their own futures – including managing and balancing budgets; understanding and building credit; protecting against identity theft and consumer protections; and understanding tax forms, student loan applications, and pay stubs. Economics is the study of how individuals, businesses, and governments make decisions about the allocation of scarce resources. This course provides students with a foundation in the field of economics, with a specific focus on how students can apply that knowledge to their own personal finances.

The standards and elements of this course may be taught in any order or sequence.

Fundamentals of Economic Decision-Making

SSEF1 Analyze how scarcity affects the choices of individuals, businesses, and governments.

a. Explain that scarcity is a basic, permanent condition that exists because unlimited wants exceed limited productive resources.

b. Compare and contrast strategies for allocating scarce resources such as by price, majority rule, contests, force, sharing, lottery, authority, first-come-first-served, and personal characteristics.

c. Define and give examples of productive resources (i.e. factors of production): natural resources (i.e. land), human resources (i.e. labor and human capital), physical capital and entrepreneurship.

d. Apply the concept of opportunity cost (the forgone next best alternative) to personal choices, as well as business and government decisions.

SSEF2 Give examples of how rational decision-making entails comparing the marginal benefits and the marginal costs of an action.

a. Explain that rational decisions occur when the marginal benefits of an action equal or exceed the marginal costs.

b. Explain that individuals, businesses, and governments respond to positive and negative incentives in predictable ways.

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SSEF3 Analyze how economic systems influence the choices of individuals, businesses, and governments.

a. Analyze how command, market and mixed economic systems answer the three basic economic questions (what to produce, how to produce, and for whom to produce) to prioritize various social and economic goals such as freedom, security, equity, growth, efficiency, price stability, full employment, and sustainability.

b. Compare the roles of government in different economic systems with regards to providing public goods and services, redistributing income, protecting property rights, resolving market failures, regulation and providing consumer protections.

SSEF4 Analyze factors that influence the standard of living of individuals and nations.

a. Explain how investments in human capital (e.g., education, job training, and healthcare) can lead to a higher standard of living.

b. Explain how investment in equipment and technology can lead to economic growth.

c. Explain how individuals, businesses, and governments benefit from specialization and voluntary, non-fraudulent trade.

d. Illustrate economic growth using a production possibilities curve.

Personal Finance

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).

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.

c. Identify necessary documents needed to complete forms like the FAFSA or scholarship applications.

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.

e. Describe how individual financial decisions can help create generational wealth.

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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.

b. Review and complete a sample federal individual income tax form 1040.

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).

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.

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.

f. Describe how to determine a person's net worth.

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.

b. Compare services offered by different financial institutions, including banks, credit unions, payday lenders, and title pawn lenders.

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.

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.

e. Describe the role of speculative investments (i.e. cryptocurrency and historical examples like buying on margin in the 1920's).

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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.

b. Define annual percentage rate and describe how different interest rates can affect monthly payments on loans.

c. Use an online amortization tool to show how payments on a fixed loan like a mortgage are applied to interest and principal.

d. Explain the difference between simple and compound interest and the difference between fixed and variable interest.

e. Define nominal and real returns and explain how inflation affects interest-earning savings and investment accounts.

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.

b. Describe the difference between progressive, regressive, and proportional 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.

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.

c. Analyze and evaluate a sample loan application for credit worthiness and the ability to receive favorable interest rates.

d. Explain the difference between revolving credit and installment credit.

e. Explain causes of personal bankruptcy and describe consequences of declaring bankruptcy.

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

a. Explain why people buy insurance.

b. Describe various types of insurance such as automobile, health, life (whole and term), disability, renters, flood and property.

c. Explain the costs and benefits associated with different types of insurance, including deductibles, premiums, coverage limits shared liability, and asset protection.

d. Define insurability and explain why insurance rates can vary.

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.

b. Describe the impact a person's social media footprint can have on their career and finances.

c. Evaluate job and career options and explain the significance of investment in education, training, and skill development as it relates to future earnings.

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.

b. Compare different methods for lodging consumer complaints (e.g., Better Business Bureau, online methods, and direct contact with business).

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).

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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.

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.

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.

d. Describe the basic characteristics of investment scams such as Ponzi schemes, pump and dumps, and "advance fee" scams and how to avoid them.

Microeconomics

SSEMI1 Describe how households and businesses are interdependent and interact through flows of goods, services, resources, and money.

a. Explain, using a circular flow diagram, the real flow of goods and services, resources, and money through the product market and the resource (factor) market.

SSEMI2 Explain how the law of demand, the law of supply, and prices work to determine production and distribution in a market economy.

a. Define the law of supply and the law of demand.
b. Describe various determinants (shifters) of supply and demand and illustrate on a graph how they can change equilibrium price and quantity.
c. Explain and illustrate on a graph how prices set too high (e.g., price floors) create surpluses, and prices set too low (e.g., price ceilings) create shortages.

SSEMI3 Explain the organization and role of business and analyze the four types of market structures in the U.S. economy.

a. Compare and contrast three forms of business organization—sole proprietorship, partnership, and corporation with regards to number of owners, liability, lifespan, decision-making, and taxation.
b. Identify the basic characteristics of monopoly, oligopoly, monopolistic competition, and pure (perfect) competition with regards to number of sellers, barriers to entry, price control, and product differentiation.

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Macroeconomics

SSEMA1 Explain the methods by which economic activity is measured.

a. Describe key economic outcomes and how they are measured including economic growth using Gross Domestic Product (GDP) and real GDP; price stability using the Consumer Price Index (CPI); and full employment using the unemployment rate.

b. Explain the differences between seasonal, structural, cyclical, and frictional unemployment.

c. Describe the stages of the business cycle and its relation to economic measurement, including: peak, contraction, trough, recovery/expansion as well as recession.

SSEMA2 Explain the role and functions of the Federal Reserve System.

a. Describe the organization of the Federal Reserve System (12 Districts, Federal Open Market Committee (FOMC), and Board of Governors).

b. Describe the Federal Reserve Bank's roles in payment processing, bank supervision, and monetary policy including the dual mandate of price stability and full employment.

c. Describe how the Federal Reserve uses various tools of monetary policy to target the federal funds rate and how this rate influences other interest rates in the economy.

SSEMA3 Analyze how the government uses fiscal policy and its effects on national debt.

a. Explain the effect on the economy of the government's taxing and spending decisions in promoting price stability, full employment, and economic growth.

b. Explain how government budget deficits or surpluses impact national debt.

International

SSEIN1 Explain the benefits of international trade and the role of trade barriers.

a. Explain how nations benefit when they specialize in producing goods and services in which they have a comparative advantage.

b. Explain how trade barriers create costs and benefits to consumers and producers over time.

c. Analyze Georgia's role in the international economy (i.e. the ports of Savannah and Brunswick, the Northeast inland port, the presence of multinational corporations in the state, and the impact of trade on the state's economy).

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SSEIN2 Analyze how changes in exchange rates can have an impact on groups in the United States and in other countries.

a. Describe factors that cause changes in exchange rates.

b. Explain how appreciation and depreciation of currency affects net exports and benefits some groups and hurts others.

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Map and Globe Skills

GOAL: The student will use maps to retrieve social studies information.
I: indicates when a skill is introduced in the standards and elements as part of the content
D: indicates grade levels where the teacher must develop that skill using the appropriate content
M: indicates grade level by which student should achieve mastery, the ability to use the skill in all situations
A: indicates grade levels where students will continue to apply and improve mastered skills

Map and Globe Skills	K	1	2	3	4	5	6	7	8	9-12
1. use a compass rose to identify cardinal directions	I	M	A	A	A	A	A	A	A	A
2. use intermediate directions		I	M	A	A	A	A	A	A	A
3. use a letter/number grid system to determine location			I	M	A	A	A	A	A	A
4. compare and contrast the categories of natural, cultural, and political features found on maps			I	M	A	A	A	A	A	A
5. use graphic scales to determine distances on a map					I	M	A	A	A	A
6. use map key/legend to acquire information from historical, physical, political, resource, product, and economic maps			I	D	M	A	A	A	A	A
7. use a map to explain impact of geography on historical and current events		I	D	D	M	A	A	A	A	A
8. draw conclusions and make generalizations based on information from maps				I	M	A	A	A	A	A
9. use latitude and longitude to determine location				I	D	D	D	M	A	A
10. compare maps of the same place at different points in time and from different perspectives to determine changes, identify trends, and generalize about human activities					I	M	A	A	A	A
11. compare maps with data sets (charts, tables, graphs) and /or readings to draw conclusions and make generalizations					I	M	A	A	A	A
12. use geographic technology and software to determine changes, identify trends, and generalize about human activities										I

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Information Processing Skills

GOAL: The student will be able to locate, analyze, and synthesize information related to social studies topics and apply this information to solve problems/make decisions.

I: indicates when a skill is introduced in the standards and elements as part of the content
D: indicates grade levels where the teacher must develop that skill using the appropriate content
M: indicates grade level by which student should achieve mastery, the ability to use the skill in all situations
A: indicates grade levels where students will continue to apply and improve mastered skills

Information Processing Skills	**K**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9-12**
1. compare similarities and differences	I	D	M	A	A	A	A	A	A	A
2. organize items chronologically	I	D	D	M	A	A	A	A	A	A
3. identify issues and/or problems and alternative solutions	I	D	D	D	D	M	A	A	A	A
4. distinguish between fact and opinion		I	D	M	A	A	A	A	A	A
5. identify main idea, detail, sequence of events, and cause and effect in a social studies context		I	D	D	M	A	A	A	A	A
6. identify and use primary and secondary sources		I	D	D	M	A	A	A	A	A
7. interpret timelines, charts, and tables		I	D	D	M	A	A	A	A	A
8. identify social studies reference resources to use for a specific purpose			I	M	A	A	A	A	A	A
9. construct charts and tables			I	M	A	A	A	A	A	A
10. analyze artifacts			I	D	D	M	A	A	A	A
11 draw conclusions and make generalizations				I	M	A	A	A	A	A
12. analyze graphs and diagrams				I	D	M	A	A	A	A
13. translate dates into centuries, eras, or ages				I	D	M	A	A	A	A
14. formulate appropriate research questions					I	M	A	A	A	A
15. determine adequacy and/or relevancy of information					I	M	A	A	A	A
16. check for consistency of information					I	M	A	A	A	A
17. interpret political cartoons					I	D	D	D	M	A

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Clarification for Literacy Standards in High School:

Grades 9-10 social studies courses incorporate the grades 9-10 Reading/Writing Standards for Literacy in History/Social Studies.

Grades 11-12 social studies courses incorporate the grades 11-12 Reading/Writing Standards for Literacy in History/Social Studies.

READING STANDARDS FOR LITERACY IN HISTORY/SOCIAL STUDIES (RHSS) GRADE 9-10
➢ **Key Ideas and Details**
L9-10RHSS1: Cite specific textual evidence to support analysis of primary and secondary sources, attending to such features as the date and origin of the information.
L9-10RHSS2: Determine the central ideas or information of a primary or secondary source; provide an accurate summary of how key events or ideas develop over the course of the text.
L9-10RHSS3: Analyze in detail a series of events described in a text; determine whether earlier events caused later ones or simply preceded them.
➢ **Craft and Structure**
L9-10RHSS4: Determine the meaning of words and phrases as they are used in a text, including vocabulary describing political, social, or economic aspects of history/social science.
L9-10RHSS5: Analyze how a text uses structure to emphasize key points or advance an explanation or analysis
L9-10RHSS6: Compare the point of view of two or more authors for how they treat the same or similar topics, including which details they include and emphasize in their respective accounts.
➢ **Integration of Knowledge and Ideas**
L9-10RHSS7: Integrate quantitative or technical analysis (e.g., charts, research data) with qualitative analysis in print or digital text.
L9-10RHSS8: Assess the extent to which the reasoning and evidence in a text support the author's claims.
L9-10RHSS9: Compare and contrast treatments of the same topic in several primary and secondary sources.
➢ **Range of Reading and Level of Text Complexity**
L9-10RHSS10: By the end of grade 10, read and comprehend history/social studies texts in the grades 9–10 text complexity band independently and proficiently.

*This document continues on the next page with writing standards

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WRITING STANDARDS FOR LITERACY IN HISTORY/SOCIAL STUDIES, SCIENCE, AND TECHNICAL SUBJECTS GRADES 9-10 (WHST)
➢ **Text Types and Purposes**
L9-10WHST1: Write arguments focused on *discipline-specific content.*
a. Introduce precise claim(s), distinguish the claim(s) from alternate or opposing claims, and create an organization that establishes clear relationships among the claim(s), counterclaims, reasons, and evidence.
b. Develop claim(s) and counterclaims fairly, supplying data and evidence for each while pointing out the strengths and limitations of both claim(s) and counterclaims in a discipline-appropriate form and in a manner that anticipates the audience's knowledge level and concerns.
c. Use words, phrases, and clauses to link the major sections of the text, create cohesion, and clarify the relationships between claim(s) and reasons, between reasons and evidence, and between claim(s) and counterclaims.
d. Establish and maintain a formal style and objective tone while attending to the norms and conventions of the discipline in which they are writing.
e. Provide a concluding statement or section that follows from or supports the argument presented.
L9-10WHST2: Write informative/explanatory texts, including the narration of historical events, scientific procedures/ experiments, or technical processes.
a. Introduce a topic and organize ideas, concepts, and information to make important connections and distinctions; include formatting (e.g., headings), graphics (e.g., figures, tables), and multimedia when useful to aiding comprehension.
b. Develop the topic with well-chosen, relevant, and sufficient facts, extended definitions, concrete details, quotations, or other information and examples appropriate to the audience's knowledge of the topic.
c. Use varied transitions and sentence structures to link the major sections of the text, create cohesion, and clarify the relationships among ideas and concepts.
d. Use precise language and domain-specific vocabulary to manage the complexity of the topic and convey a style appropriate to the discipline and context as well as to the expertise of likely readers.
e. Establish and maintain a formal style and objective tone while attending to the norms and conventions of the discipline in which they are writing.
f. Provide a concluding statement or section that follows from and supports the information or explanation presented (e.g., articulating implications or the significance of the topic).
L9-10WHST3: (See note; not applicable as a separate requirement)
➢ **Production and Distribution of Writing**
L9-10WHST4: Produce clear and coherent writing in which the development, organization, and style are appropriate to task, purpose, and audience.
L9-10WHST5: Develop and strengthen writing as needed by planning, revising, editing, rewriting, or trying a new approach, focusing on addressing what is most significant for a specific purpose and audience.
L9-10WHST6: Use technology, including the Internet, to produce, publish, and update individual or shared writing products, taking advantage of technology's capacity to link to other information and to display information flexibly and dynamically.
➢ **Research to Build and Present Knowledge**
L9-10WHST7: Conduct short as well as more sustained research projects to answer a question (including a self-generated question) or solve a problem; narrow or broaden the inquiry when appropriate; synthesize multiple sources on the subject, demonstrating understanding of the subject under investigation.
L9-10WHST8: Gather relevant information from multiple authoritative print and digital sources, using advanced searches effectively; assess the usefulness of each source in answering the research question; integrate information into the text selectively to maintain the flow of ideas, avoiding plagiarism and following a standard format for citation.
L9-10WHST9: Draw evidence from informational texts to support analysis, reflection, and research.
➢ **Range of Writing**
L9-10WHST10: Write routinely over extended time frames (time for reflection and revision) and shorter time frames (a single sitting or a day or two) for a range of discipline-specific tasks, purposes, and audiences.

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READING STANDARDS FOR LITERACY IN HISTORY/SOCIAL STUDIES (RHSS) GRADE 11-12
➢ **Key Ideas and Details**
L11-12RHSS1: Cite specific textual evidence to support analysis of primary and secondary sources, connecting insights gained from specific details to an understanding of the text as a whole.
L11-12RHSS2: Determine the central ideas or information of a primary or secondary source; provide an accurate summary that makes clear the relationships among the key details and ideas.
L11-12RHSS3: Evaluate various explanations for actions or events and determine which explanation best accords with textual evidence, acknowledging where the text leaves matters uncertain.
➢ **Craft and Structure**
L11-12RHSS4: Determine the meaning of words and phrases as they are used in a text, including analyzing how an author uses and refines the meaning of a key term over the course of a text (e.g., how Madison defines *faction* in *Federalist* No. 10).
L11-12RHSS5: Analyze in detail how a complex primary source is structured, including how key sentences, paragraphs, and larger portions of the text contribute to the whole.
L11-12RHSS6: Evaluate authors' differing points of view on the same historical event or issue by assessing the authors' claims, reasoning, and evidence.
➢ **Integration of Knowledge and Ideas**
L11-12RHSS7: Integrate and evaluate multiple sources of information presented in diverse formats and media (e.g., visually, quantitatively, as well as in words) in order to address a question or solve a problem.
L11-12RHSS8: Evaluate an author's premises, claims, and evidence by corroborating or challenging them with other information.
L11-12RHSS9: Integrate information from diverse sources, both primary and secondary, into a coherent understanding of an idea or event, noting discrepancies among sources.
➢ **Range of Reading and Level of Text Complexity**
L11-12RHSS10: By the end of grade 12, read and comprehend history/social studies texts in the grades 11–12 text complexity band independently and proficiently.

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WRITING STANDARDS FOR LITERACY IN HISTORY/SOCIAL STUDIES, SCIENCE, AND TECHNICAL SUBJECTS GRADES 11-12 (WHST)
➢ **Text Types and Purposes**
L11-12WHST1: Write arguments focused on *discipline-specific content.*
a. Introduce precise, knowledgeable claim(s), establish the significance of the claim(s), distinguish the claim(s) from alternate or opposing claims, and create an organization that logically sequences the claim(s), counterclaims, reasons, and evidence.
b. Develop claim(s) and counterclaims fairly and thoroughly, supplying the most relevant data and evidence for each while pointing out the strengths and limitations of both claim(s) and counterclaims in a discipline-appropriate form that anticipates the audience's knowledge level, concerns, values, and possible biases.
c. Use words, phrases, and clauses as well as varied syntax to link the major sections of the text, create cohesion, and clarify the relationships between claim(s) and reasons, between reasons and evidence, and between claim(s) and counterclaims.
d. Establish and maintain a formal style and objective tone while attending to the norms and conventions of the discipline in which they are writing.
e. Provide a concluding statement or section that follows from or supports the argument presented.
L11-12WHST2: Write informative/explanatory texts, including the narration of historical events, scientific procedures/ experiments, or technical processes.
a. Introduce a topic and organize complex ideas, concepts, and information so that each new element builds on that which precedes it to create a unified whole; include formatting (e.g., headings), graphics (e.g., figures, tables), and multimedia when useful to aiding comprehension.
b. Develop the topic thoroughly by selecting the most significant and relevant facts, extended definitions, concrete details, quotations, or other information and examples appropriate to the audience's knowledge of the topic.
c. Use varied transitions and sentence structures to link the major sections of the text, create cohesion, and clarify the relationships among complex ideas and concepts.
d. Use precise language, domain-specific vocabulary and techniques such as metaphor, simile, and analogy to manage the complexity of the topic; convey a knowledgeable stance in a style that responds to the discipline and context as well as to the expertise of likely readers.
e. Provide a concluding statement or section that follows from and supports the information or explanation provided (e.g., articulating implications or the significance of the topic).
L11-12WHST3: (See note; not applicable as a separate requirement)
➢ **Production and Distribution of Writing**
L11-12WHST4: Produce clear and coherent writing in which the development, organization, and style are appropriate to task, purpose, and audience.
L11-12WHST5: Develop and strengthen writing as needed by planning, revising, editing, rewriting, or trying a new approach, focusing on addressing what is most significant for a specific purpose and audience.
L11-12WHST6: Use technology, including the Internet, to produce, publish, and update individual or shared writing products in response to ongoing feedback, including new arguments or information.
➢ **Research to Build and Present Knowledge**
L11-12WHST7: Conduct short as well as more sustained research projects to answer a question (including a self-generated question) or solve a problem; narrow or broaden the inquiry when appropriate; synthesize multiple sources on the subject, demonstrating understanding of the subject under investigation.
L11-12WHST8: Gather relevant information from multiple authoritative print and digital sources, using advanced searches effectively; assess the strengths and limitations of each source in terms of the specific task, purpose, and audience; integrate information into the text selectively to maintain the flow of ideas, avoiding plagiarism and overreliance on any one source and following a standard format for citation.
L11-12WHST9: Draw evidence from informational texts to support analysis, reflection, and research.
➢ **Range of Writing**
L11-12WHST10: Write routinely over extended time frames (time for reflection and revision) and shorter time frames (a single sitting or a day or two) for a range of discipline-specific tasks, purposes, and audiences.

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