

# **ACADEMIC CONTENT STANDARDS**

## **Financial Literacy (2012)**

### **OVERVIEW**

The State Board of Education approved Ohio's K-12 Financial Literacy Academic Content Standards in June 2012. This action was taken to comply in part with the requirements of Amended Substitute House Bill 1 (Am. Sub. HB 1 [2009]), which calls for the development of academic content standards in financial literacy and entrepreneurship. At the same time, the Board also approved newly developed Academic Content Standards for Entrepreneurship.

The development of the 2012 Financial Literacy Standards was the culmination of 1 ½ years of work, led by the Ohio Department of Education (ODE) with input from other educational stakeholders and content experts. Throughout this process, ODE solicited feedback from a variety of associated groups from both the business and education communities. These included a standing Financial Literacy Steering Team that included educators from the three content areas primarily responsible for providing instruction in financial literacy: business and career-technical education; family and consumer sciences; and social studies. Content consultants from ODE (from those same academic areas) also were members of the Steering Team, as were representatives from higher education, the business community and state government.

Financial literacy occurs within the context of a nation's economic system. The United States was established with capitalism as its fundamental economic philosophy. That included the private ownership of the means of production and distribution, the creation of goods or services for profit, the accumulation of wealth and competitive markets. Today, although government policies and/or programs impact many aspects of economic activity in the U. S., a free market economy remains as the underlying economic philosophy and provides the setting within which the individual can exercise choice. The opportunity to make choices requires Americans not only to be literate about the financial conditions which affect their lives, but also to be able to make decisions which will advance their material well-being.

These standards were developed to create guidance for educators at all grade levels regarding financial literacy. The goals for these newly developed standards were to communicate the most essential concepts and skills that a financially responsible person would know and be able to do in a manner that would be manageable for teachers and would allow them to elicit a greater depth of understanding on the part of students. There also was to be a clear progression of content rigor and understanding from grade level to grade level. Finally, these new standards were designed to meet the financial needs of students (and ultimately adults) in the 21<sup>st</sup> century.

The first of these goals, to identify the most essential economic and financial concepts and skills, was accomplished with input from many individuals and groups. Their advice helped to organize the content under seven topics encompassing the broad areas of financial literacy.

Content manageability was achieved by having a limited number of content statements for each grade band. Educators can focus their instruction on these key elements, supplement as local conditions demand and pursue in-depth learning.

The Steering Team helped to create a clear progression of financial literacy concepts from the primary grades through the high school syllabus. Approaching this work “beginning with the end in mind,” content statements were developed for the high school level. Content at both the primary and middle grades was then developed to support the attainment of the “exit standards.”

It has become a major responsibility of all schools to prepare students to be successful in the future. The content found within the broad topics of financial literacy helps address the call for equipping graduates with financial knowledge needed for the 21st century.

The 2012 standards are available online ([www.education.ohio.gov](http://www.education.ohio.gov)) to provide guidance and support for the instructional courses of study that are to be developed at the local level. A model curriculum is planned to help further explain and support these academic content standards

The 2012 standards address the mandates of Am. Sub. HB 1. The systematic progression of instruction in economic concepts and financial literacy through the grade levels makes this content both coherent and manageable. The focus of these standards allows for instruction with increasing rigor that is vertically articulated throughout a student’s educational journey. They point to a new direction for personal finance education in Ohio.