



Ohio's Model Curriculum

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Financial Literacy - Elementary

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Introduction to Ohio's Learning Standards for Financial Literacy

Ohio Revised Code (3301.079 (A)(2)) requires Ohio to have financial literacy standards and model curriculum for students in kindergarten through grade 12. Financial literacy is a requirement for high school graduation; however, each district determines how best to meet the needs of its students to fulfill this graduation requirement. Some districts add a separate course as a local graduation requirement, while others integrate financial literacy content into a course that already exists.

The content covered in the financial literacy standards and model curriculum has immediate implications for high school students as they begin to make large financial decisions such as purchasing cars, signing contracts for places to live or taking out loans to continue their education. The goal of financial literacy instruction is to provide students with the knowledge they need to make a lifetime of informed financial decisions.

Financial Literacy or Economics?

The terms *economics* and *financial literacy* often are used interchangeably, but these areas of study are dissimilar. Economics is defined as an area of study in the social sciences concerned chiefly with description and analysis of the production, distribution and consumption of goods. Conversely, financial literacy focuses on individuals or families making the best financial decisions in the present and planning for a strong financial future.

Currently, Ohio law allows for teachers with any licensure to teach financial literacy. According to EMIS data, the most common areas of licensure for educators teaching this course are social studies, family and consumer science, and business education. However, it is up to the district to determine who will teach this content and whether it is integrated into another course or is offered as a stand-alone course.

Guiding Assumptions

Statistics such as the ones below show the need for students to have a strong basic understanding of financial literacy:

- About 40% of adults under age 30 have student loan debt.¹
- A quarter-million federal direct student loan borrowers see their loans go into default for the first time every quarter, and an additional 20,000 to 30,000 borrowers default on their rehabilitated loans.²
- Payday lenders misrepresent the true cost of borrowing to their customers. Even the industry-funded CRC (Georgetown Credit Research Center) study found that over 40% of borrowers believed their payday loan rates were less than 30% APR, not much more than a credit card rate. In fact, payday loan rates are on average 13 times higher, or roughly 400%.³

These statistics highlight a lack of understanding by consumers regarding their financial options or in navigating their options to create the best financial future for themselves.

The financial literacy standards and model curriculum were created by Ohio educators who currently teach financial literacy and include topics that the average consumer will need to know and make decisions about during their lifetime. While topics such as investing are covered, this is not designed to be a course on investing and there is no assumption that all students will, at some point in their lives, become active investors. However, it is important for students to be aware of investing as they may decide later to participate in a pension plan or retirement savings program. Students are introduced to savings and investing in addition to debt and credit issues. Additionally, topics such as consumer fraud and identity theft are covered to help students remain vigilant about new and different methods used in crimes to access consumers' personal information.

¹ [FactTank – 5 Facts About Student Loans](#)

² [Underwater on Student Debt – Kristen Blagg](#)

³ [Center for Responsible Lending - Fact v. Fiction: The Truth about Payday Lending Industry Claims](#)

Overview of Ohio's Model Curriculum: Financial Literacy

The K-6 financial literacy standards and model curriculum combine content from both social studies and mathematics. Standards that deal with topics such as counting money, creating a budget and understanding the importance of saving have been adopted by the State Board of Education. The model curriculum makes intentional connections between social studies and mathematics which create a foundation for the Middle Grades Financial Literacy Standards.

The middle grades (grades 7-8) model curriculum introduces students to new concepts such as different sources of income, the connections between training or continuing education and income potential. It will also allow students to develop a deeper understanding of budgeting, savings, insurance and investing concepts.

The High School Model Curriculum can be used by districts to inform instruction in a stand-alone course or as possible content to include in their own financial literacy instruction. The high school course prepares students to understand financial literacy concepts and helps them to become savvy consumers who can avoid scams, prepares students to make sound financial decisions, provides an overview of different types of insurance and how they protect individuals, explains how to create budgets and plan for unexpected expenses and provides an introduction to investing.

Financial Literacy Model Curriculum: Kindergarten - Grade 3

TOPIC: FINANCIAL RESPONSIBILITY AND DECISION MAKING

Content Statement

- 1. Choices can be made with your money. Choices include spending, saving and donating. Money can also be saved in financial institutions.**

CONTENT ELABORATION

There are three main choices for what an individual can do with money. Goods and services can be purchased using money. Money also can be saved safely in a financial institution, such as a credit union or bank, for future use. The third main choice is donating, where money can be donated to various organizations or causes, such as charities, religious organizations and disaster relief.

EXPECTATIONS FOR LEARNING

Identify the three main choices for using money: spending, saving and donating.

Describe ways in which a given amount of money can or will be used.

Content Statement

- 2. Competencies (knowledge and skills), commitment (motivation and enthusiasm), competition (globalization and automation), training, work ethic, abilities and attitude are all factors impacting one's earning potential and employability.**

CONTENT ELABORATION

Twenty-first century skills, including critical thinking, media and communication skills, collaboration and creativity, are important in every job and not specific to any particular field. Being prompt, hard-working and honest, as well as having a good attitude also are important.

Competencies can be defined as the knowledge, abilities and skills necessary for an employee to be successful in a specific job. Employees who are lifelong learners seek additional training and typically are more desirable to their employers.

EXPECTATIONS FOR LEARNING

Identify an occupation and the skill set needed for the occupation.

Acknowledge that knowledge, interest and skills are a basis for future employment opportunities that are open and endless.

Content Statement

- 3. People may receive money as gifts, allowance or income. People earn income by working.**

CONTENT ELABORATION

There are various ways people receive money, including gifts from others, allowances, or income for performing services or providing goods.

Income varies between individuals and households. Money that you have access to is limited and dependent on what is received or earned.

EXPECTATIONS FOR LEARNING

Identify the ways people can receive money.

Identify options for earning money in the local school or community.

TOPIC: PLANNING AND MONEY MANAGEMENT**Content Statement**

4. Financial responsibility includes the development of a spending and savings plan (personal budget).

CONTENT ELABORATION

A budget is a tool for tracking money earned (income) and money spent (expenses) over a period of time. A budget starts with the amount of money an individual has and the amount an individual expects to earn. Once determined, the individual subtracts the amount of money spent.

A budget includes needs and wants. An example of a need is being responsible for buying one's own lunch at school. An example of a want could be a game or toy.

EXPECTATIONS FOR LEARNING

Create a simple budget.

TOPIC: INFORMED CONSUMER**Content Statement**

5. An informed consumer makes decisions on purchases that may include a decision-making strategy to determine if purchases are within their budget.

CONTENT ELABORATION

Many factors are considered when making decisions on future purchases, such as being careful to not overspend or create unnecessary debt. These factors include:

- How much money do I have now?
- How much am I earning?
- What am I paying for the item?
- What are expected expenses?
- What is my personal budget?
- What are the consequences of making this purchase?
- What are the benefits of making this purchase?

EXPECTATIONS FOR LEARNING

Describe decisions made when planning purchases.

TOPIC: CREDIT AND DEBT**Content Statement****6. Recognize that money is needed to purchase goods and services.****CONTENT ELABORATION**

There are multiple ways to purchase goods and services, such as cash, check, debit and credit cards, and mobile applications. Some methods are more convenient or accepted than others, depending on circumstance.

Money is a limited resource.

EXPECTATIONS FOR LEARNING

Identify different methods of payment and when they are most appropriate to use.

Content Statement**7. Borrowing includes at least two people who agree to a transaction. There are responsibilities with borrowing.****CONTENT ELABORATION**

There is a difference between buying and borrowing. When buying an item, you become the owner. When borrowing an item or money, it must be returned. There are expectations for the borrower that include returning the item in the same condition it was received.

EXPECTATIONS FOR LEARNING

Explain the difference between buying and borrowing.

Explain the expectations around borrowing.

TOPIC: RISK MANAGEMENT AND INSURANCE**Content Statement****8. Individuals must protect their identity, money and property.****CONTENT ELABORATION**

Each person has information that is personal, including phone number, birthday, address, lunch account number and passwords. Some of this information can be shared, and some should remain private depending on relationships, appropriateness and situation. Individuals should be careful with whom and where they share their personal information.

Money should be stored in a safe location. People should use caution when sharing where money is stored and when giving access to it.

Personal property should be respected and kept in good order. It has value to the owner and possibly others. Personal discretion should be used when allowing others to borrow or use one's personal property.

EXPECTATIONS FOR LEARNING

Identify what personal information is appropriate to share.

Describe situations in which it is appropriate and not appropriate to share information, money or personal property.

Financial Literacy Model Curriculum: Grades 4 - 6

TOPIC: FINANCIAL RESPONSIBILITY AND DECISION MAKING

Content Statement

1. **People have limited resources and must prioritize their needs and wants. Saving and/or investing a percentage of income contributes to an individual's financial well-being. Professionals can help individuals determine financial goals.**

CONTENT ELABORATION

Money is a limited commodity, and people must determine priorities based on their available resources. Saving a percentage of income can add up over time and help meet long-term goals. There are professionals and resources available at financial institutions and other businesses who can assist with setting up budgets, money plans and short- and long-term planning.

EXPECTATION FOR LEARNING

Identify resources available to assist with financial planning, such as financial planners.

Identify personal priorities when making financial decisions or purchases.

Content Statement

2. **Competencies (knowledge and skills), commitment (motivation and enthusiasm), competition (globalization and automation), training, work ethic, abilities and attitude are all factors impacting one's earning potential and employability.**

CONTENT ELABORATION

Twenty-first century skills, including critical thinking, media and communication skills, collaboration and creativity, are important in every job and not specific to any particular field. Being prompt, hard-working and honest, as well as having a good attitude also are important.

Competencies can be defined as the knowledge, abilities and skills necessary for an employee to be successful in a specific job. Employees who are lifelong learners seek additional training and typically are more desirable to their employers.

EXPECTATION FOR LEARNING

Explain how an individual's interest, knowledge and ability can affect job and career choices.

Compare the knowledge, skills and experience needed for various occupations.

Explain how education and training can impact lifetime income.

TOPIC: FINANCIAL RESPONSIBILITY AND DECISION MAKING**Content Statement**

3. People may receive money as gifts, allowance or income. Incomes can vary based on knowledge, skills and experiences.

CONTENT ELABORATION

There are various ways people receive money, including gifts from others, an allowance or income for performing services or providing goods.

Income is based upon one's work ethic, knowledge, skills and experience and will vary between individuals and households. Income is limited and dependent upon what is received or earned.

EXPECTATION FOR LEARNING

Identify factors that can determine income.

Content Statement

4. Recognize that people pay taxes on the money they earn. Money collected from taxes is used to provide local, state and national government services.

CONTENT ELABORATION

Taxes pay for services that benefit the community at the local, state and national levels. Local and state services include law enforcement, fire, road building and maintenance. Federal taxes may be used to support the military, protect national borders, screen travelers at airports and print money.

EXPECTATION FOR LEARNING

Describe ways government uses tax revenue.

TOPIC: PLANNING AND MONEY MANAGEMENT**Content Statement**

5. Financial responsibility includes the development of a spending and savings plan (personal budget).

CONTENT ELABORATION

Individuals must make decisions about how to use money today while considering future goals and needs.

A budget is a tool for tracking money earned (income) and money spent (expenses) over a period of time. A budget starts with the amount of money an individual has and the amount an individual expects to earn. Once determined, an individual subtracts the amount of money spent. At the end of each budget period, any leftover money can be placed into savings to be used later. An individual may save money to buy something that is not typically part of his or her budget, such as an electronic game. Savings also can grow if not spent.

EXPECTATION FOR LEARNING

Create a personal budget.

Describe the relationship between spending and saving money.

TOPIC: INFORMED CONSUMER**Content Statement**

- 6. An informed consumer makes decisions on purchases that may include a decision-making strategy to determine if purchases are within their budget.**

CONTENT ELABORATION

Financial choices that people make have benefits, costs and future consequences. These choices are based on many factors, including an individual's known and expected income, advantages and disadvantages, and research. Comparable goods and services can vary in cost. Before making a purchase, consumers should research buying options using reliable sources, such as *Consumer Reports*, reputable online reviews or brand information.

EXPECTATION FOR LEARNING

Explain why it is important to research buying options when making a purchase.

Explain why comparable goods and services vary in cost.

TOPIC: CREDIT AND DEBT**Content Statement**

- 7. Examine the different ways that people pay for goods and services.**

CONTENT ELABORATION

There are multiple ways to purchase goods and services, such as cash, check, debit or credit cards, and mobile applications. Some methods are more convenient or accepted than others, depending on the circumstance. Some methods of payment, including credit cards and loans, may have additional fees or costs that result in paying more for goods or services than the original price.

EXPECTATION FOR LEARNING

Explain the characteristics, benefits and disadvantages of the various payment methods.

TOPIC: CREDIT AND DEBT**Content statement**

8. People may have to borrow money for large purchases. There are financial responsibilities with borrowing.

CONTENT ELABORATION

People may have to borrow money for large purchases such as a home, car, continuing education or unplanned medical expense.

When borrowing money, it must be repaid in a timely fashion. There are expectations for the borrower that could include repaying an additional amount of money (interest) in a predetermined amount of time. Interest rates can vary within the term of a loan and from lender to lender. It is important to research interest rates and loan terms before borrowing.

EXPECTATION FOR LEARNING

Identify situations in which borrowing may be necessary for planned or unplanned expenses.

Explain why using credit cards or loans can result in paying more than the original price.

Content statement

9. Saving today can help meet future goals, including education.

CONTENT ELABORATION

Future goals, including education and training, have additional costs. It is important to make a savings plan to help meet these goals. These savings can help avoid incurring debt to pay for future expenses including purchasing large items, such as a car or a house.

EXPECTATION FOR LEARNING

Describe the relationship between saving and future goals.

TOPIC: RISK MANAGEMENT AND INSURANCE**Content Statement**

10. Individuals must protect their identity, money and property.

CONTENT ELABORATION

Each person has information that is personal, including phone number, birthday, address, lunch account number and account passwords. Some of this information can be shared, and some should remain private depending on relationships, appropriateness and the individual situation. Individuals need to be careful with whom and where they share personal information.

Money and personal information should be stored in a safe location. People should use caution when sharing where money and personal information is stored and when giving access to it. These steps will help decrease the risk of identity theft or financial fraud.

Personal property should be respected and kept in good order. It has value to the owner and possibly others. Individuals need to use discretion when allowing others to borrow or use personal property.

EXPECTATION FOR LEARNING

Describe consequences when one is a victim of financial fraud and/or identity theft.