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| **Virginia Board of Education Agenda Item** |  |

## Agenda Item: H

**Date: October 17, 2019**

**Title: First Review of Revisions to the *Economics and Personal Finance Standards of Learning*, as required by Senate Bill 1245 (2018 General Assembly)**

## Presenters: George R. Willcox, Director of CTE, Operations and Accountability

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**Purpose of Presentation:**

Action required by state or federal law or regulation.

## Executive Summary:

Senate Bill 1245 of the 2017 Virginia General Assembly requires the Board of Education to amend the 2009 Standards of Learning for Economics and Personal Finance to include evaluating the economic value of postsecondary studies, including the net cost of attendance, potential student loan debt, and potential earnings, in the Board's objectives for the Economics and Personal Finance course.

The resulting standards address concepts and principles that are important to economics at the macro level, but also direct attention to understanding and skills that students need to be knowledgeable consumers in many areas of daily life, such as further education, career preparation, major purchases, credit and debt, and savings and investments. The proposed standards provide directions for ensuring that students are exposed to the many aspects of informed decision making they will need for future success, and to serve as a foundation for continued study of economics and finance.

A working group comprised of stakeholders including representatives from financial and relevant professional organizations, educators, and administrators was convened in the summer of 2019 to review and revise the Standards of Learning for Economics and Personal Finance and to address the requirements identified in SB 1245. Revisions also provided inclusion of the purpose of the Free Application for Federal Student Aid (FAFSA) in determining eligibility; describing the types of grants, scholarships, and loans and potential scams associated with each type of aid; maintaining eligibility after awards received; identifying repayment requirements and options; and describing the benefits, eligibility requirements, and tax implications of state- sponsored tax-advantage-qualified tuition plans as investment options for postsecondary education (e.g., Virginia 529 Plan).

Representatives from the following organizations comprised the Economics and Personal Finance Standards of Learning review team: Chesterfield County Public Schools, Danville City Public Schools, Falls Church City Public Schools, Federal Reserve Bank of Richmond, Henrico County Public Schools, Junior Achievement of Central Virginia, King George County Public Schools, Newport News City Public Schools, Norfolk City Public Schools, Richmond County Public Schools, Salem City Public Schools, Stafford County Public Schools, State Council of Higher Education for Virginia, Virginia529 Plan, Virginia Bankers Association, Virginia Beach City Public Schools, Virginia Council on Economic Education, Virginia Department of Education, Virginia JumpStart Coalition, and Virginia Tech Center for Economic Education.

This agenda item aligns with Board of Education Priority 1 (Provide high-quality, effective learning environments for all students); and Priority 3 (Ensure successful implementation of the Profile of a Virginia Graduate and the accountability system for school quality as embodied in the revisions to the Standards of Accreditation).

## Action Requested:

Action will be requested at a future meeting. Specify anticipated date below:

Date: November 14, 2019

## Superintendent’s Recommendation:

The Superintendent of Public Instruction recommends the Board of Education receive the proposed revisions of Economics and Personal Finance Standards of Learning for first review.

## Previous Review or Action:

No previous review or action.

## Background Information and Statutory Authority:

In 1999, the Board approved a personal living and finance course to meet one of the mathematics requirements for the Modified Standard Diploma, followed by developing Objectives for Personal Living and Finance on which the course was based. Following a 2008 Board of Education approval to develop Standards of Learning for a high school course in Economics and Personal Finance, the Board adopted the 2009 revised Standards of Accreditation, which included the economics and personal finance graduation requirement, effective with students entering the ninth grade in 2010-2011.

The 2005 General Assembly approved Senate Bill 950, a bill directing the Virginia Board of Education to “establish objectives for economic education and financial literacy.” As a result, the Code of Virginia §22.1-200.03 required the Board of Education to develop and approve objectives for economics education and financial literacy to be required of all students at the middle and high school levels to “further the development of knowledge, skills, and attitudes needed for responsible citizenship in a constitutional democracy.” On April 26, 2006, the Board of Education adopted the Economics and Financial Literacy objectives.

During the fall of 2008, as part of the proposed revisions to the Regulations Establishing Standards for Accrediting Public Schools in Virginia (8 VAC 20-131-5 et seq.) (Standards of Accreditation or SOA), a new statewide graduation requirement in economics and personal finance was proposed for the Standard, Standard Technical, Advanced Studies, and Advanced Technical Diplomas. With that in mind, on October 23, 2008, the Board of Education approved a proposal to develop Standards of Learning for a high school course in economics and personal finance. The Board also continued to permit the use of a course in personal finance to satisfy a graduation requirement in mathematics for the Modified Standard Diploma.

The Board’s action is to ensure the compliance with the following *Code of Virginia Sections, Regulations Establishing Standards for Accrediting Public Schools in Virginia.* [*8VAC20-131*](https://law.lis.virginia.gov/admincode/title8/agency20/chapter131/)*, and other guidance:*

* [Va. Code Ann. § 22.1-200.03. (2017).](https://law.lis.virginia.gov/vacode/title22.1/chapter13/section22.1-200.03/) *Economics education and financial literacy required in middle and high school grades; Board of Education to establish objectives for economic education and financial literacy; banking-at-school programs.*
* Va. Code Ann § 22.1-253.13:1 (2019). *Standard 1. Instructional programs supporting the Standards of Learning and other educational objectives.*
* *Regulations Establishing Standards for Accrediting Public Schools in Virginia*

[8VAC20- 131-110.](https://law.lis.virginia.gov/admincode/title8/agency20/chapter131/section110/) Standard and Verified Units of Credit

* *Regulations Establishing Standards for Accrediting Public Schools in Virginia* - [8VAC20-131-50.](https://law.lis.virginia.gov/admincode/title8/agency20/chapter131/section50/) Requirements for Graduation (Effective for the Students Entering Ninth Grade Prior to the 2018–2019 School Year)
* *Regulations Establishing Standards for Accrediting Public Schools in Virginia*

[8VAC20- 131-50.B2.](https://law.lis.virginia.gov/admincode/title8/agency20/chapter131/section50/) Requirements for a Standard Diploma -

* *Regulations Establishing Standards for Accrediting Public Schools in Virginia* - [8VAC20-131-50.C2.](https://law.lis.virginia.gov/admincode/title8/agency20/chapter131/section50/) Requirements for an Advanced Studies Diploma
* *Regulations Establishing Standards for Accrediting Public Schools in Virginia* Requirements for Graduation (Effective with the Students Who Enter the Ninth Grade in the 2018–2019 School Year) - [8VAC20-131-51.](https://law.lis.virginia.gov/admincode/title8/agency20/chapter131/section51/)
* *Regulations Establishing Standards for Accrediting Public Schools in Virginia*

Requirements for a Standard Diploma - [8VAC20-131-51.](https://law.lis.virginia.gov/admincode/title8/agency20/chapter131/section51/)

* *Regulations Establishing Standards for Accrediting Public Schools in Virginia*

Requirements for an Advanced Studies Diploma - [8VAC20-131-51.C.2](https://law.lis.virginia.gov/admincode/title8/agency20/chapter131/section51/).

* *Regulations Establishing Standards for Accrediting Public Schools in Virginia* Program of Instruction and Learning Objectives - [8VAC20-131-70.](https://law.lis.virginia.gov/admincode/title8/agency20/chapter131/section70/)
* *Licensure Regulations for School Personnel* - [8VAC20-23-70.](https://law.lis.virginia.gov/admincode/title8/agency20/chapter23/section70/) Additional Endorsements

## Timetable for Further Review/Action:

Upon Board approval, and any technical or editorial edits by Department staff, the revised Economics and Personal Finance Standards of Learning shall become effective July 1, 2020 and will be posted on the Virginia Department of Education website. A Superintendent’s memo will be sent to school divisions with an explanation of the new standards/changes.

## Impact on Fiscal and Human Resources:

Any costs associated with the development and dissemination of the report will be provided by Department of Education funds according to state procurement policies and procedures.

Attachment A

# Economics and Personal Finance Standards of Learning

## ~~Approved: November 17, 2009~~

**Working Document~~Draft~~ September 25, 2019**

Students need a strong, interdisciplinary foundation in economics and personal finance to function effectively as consumers, workers, savers, investors, entrepreneurs, and active citizens. The *Standards of Learning for Economics and Personal Finance* present economic concepts that help students interpret the daily news, understand ~~how~~ the interdependence oft the world’s economies ~~are~~, and anticipate how events will impact their lives. The understanding of how economies and markets operate and how the United States’ economy is interconnected with the global economy, prepares students to be more ~~effective~~productive participants in the workplace. On a personal level, students learn that their own human capital (knowledge and skills) is their most valuable resource and that investing in education and training improves the likelihood of their future economic success.

The *Standards of Learning for Economics and Personal Finance* also help students develop ~~thinking~~ ~~skills that include analyzing real-world situations,~~ economic reasoning~~, decision making,~~ skills needed to analyze and ~~problem solving~~solve real-world problems, entertain multiple perspectives, and make informed personal and collective decisions. The topics of economics and personal finance teach that resources are limited; thus, people must make choices that may include substitutions or alternatives.

Students practice using a set of economic reasoning tools ~~for analyzing~~to critically think about and analyze choices of all types, including those related to personal finance. ~~Students~~For example, students learn the benefits of compound interest over time and that poor money management can lead to difficulty in obtaining credit. Students practice weighing costs and benefits of options when making choices about such things as postsecondary training and education, careers, insurance, housing, investments, savings, automobiles and health care. Students practice these skills as they extend their understanding of the essential knowledge defined by the *Standards of Learning for Economics and Personal Finance*.

EPF.1 The student will demonstrate knowledge and integration of basic economic concepts and structures by

* 1. describing how consumers, businesses, and government decision makers face scarcity of resources and must make trade-offs and incur opportunity costs;
  2. explaining that choices often have long-term, unintended consequences;
  3. describing how effective decision making requires ~~comparing~~a comparison of the additional costs (marginal costs) and additional benefits (marginal benefits~~);~~), using a cost-benefit analysis chart and PACED decision-making grid (i.e., state the problem; list alternatives; identify the criteria; evaluate the alternatives based on the criteria; make a decision) for economic and personal finance decisions;
  4. ~~identifying~~describing the factors of production;
  5. comparing the characteristics and applications of market, command, ~~tradition~~traditional, and mixed economies; and
  6. identifying Adam Smith and describing the characteristics of a market economy.

EPF.2 The student will demonstrate knowledge of the role of producers and consumers in a market economy by incentives;

1. explaining how businesses respond to consumer sovereignty;
2. identifying the role of entrepreneurs;
3. comparing the costs and benefits of different forms of business organization, including sole proprietorship, partnership, corporation, franchise, and cooperative;
4. describing how costs and revenues affect profit and supply;
5. describing how increased productivity affects costs of production and ~~standard~~standards of living;
6. examining how investment in human capital, capital goods, and technology can improve productivity;
7. describing the effects of competition on producers, sellers, and consumers;
8. explaining why monopolies or collusion among sellers reduces competition and raises prices; and
9. illustrating the circular flow of economic activity.

EPF.3 The student will demonstrate knowledge of the price system by

1. ~~examining~~analyzing the laws of supply and demand and the determinants of each;
2. explaining how the interaction of supply and demand determines equilibrium price and wages;
3. describing the elasticity of supply and demand; and
4. examining the purposes and implications of price ceilings and price floors.

EPF. 4 The student will demonstrate knowledge ~~that~~of the many factors that affect income by

1. examining the market value of a worker’s education, skills ~~and~~, training, knowledge, and credentials;
2. identifying the impact of human capital on production costs;
3. explaining the relationship between a person’s own human capital and the resulting income potential; ~~and~~
4. performing an analysis of expenses and financial aid required for continuing education to expand human capital; and

~~d)~~e)describing how changes in supply and demand for goods and services affect income.

EPF.5 The student will demonstrate knowledge of a nation’s economic goals, including full employment, stable prices, and economic growth by

1. ~~describing~~distinguishing among economic indicators, ~~such as~~for example, gross domestic product (GDP), consumer price index (CPI), and unemployment rate;
2. ~~describing~~analyzing the causes and effects of unemployment, inflation, and reduced economic growth;
3. describing the fluctuations of the business cycle~~; and~~ and how economic indicators change throughout the business cycle; and
4. describing strategies for achieving national economic goals.

EPF.6 The student will demonstrate knowledge of the nation’s financial system by

1. ~~defining~~comparing the role of money; and currency;
2. explaining the ~~role~~roles and types of financial markets and financial institutions.;
3. describing the purpose, structure, and function of the Federal Reserve System, including the role of monetary policy;
4. identifying the tools of monetary policy (e.g., Fed funds rate);
5. comparing the U.S. monetary system with the international monetary system; and
6. explaining how certain historical events have influenced the banking system and other financial institutions.

EPF.7 The student will demonstrate knowledge of how ~~monetary and~~ fiscal policy ~~influence~~influences employment, output, and prices by

~~a) describing the purpose, structure, and function of the Federal Reserve System; b)~~a)describing government’s role in stabilizing the economy through congressional spending

and tax policy;

~~c)~~b)describing sources of government revenue; and ~~d)~~c)explaining balanced budget, deficit, and national debt.

EPF.8 The student will demonstrate knowledge of the role of government in a market ~~economy by~~

economy by

1. identifying goods and services provided by government to benefit society;
2. identifying the role ~~the~~ government plays in providing a legal structure to protect property rights and enforce contracts;
3. providing examples of government regulation of the market; and ~~d)~~ explaining that governments redistribute wealth~~; and~~

~~e)~~d)~~explaining that taxes and fees fund all government-provided goods and services~~.

EPF.9 The student will demonstrate knowledge of the global economy by

1. explaining that when parties trade voluntarily, all benefit;
2. distinguishing between absolute and comparative advantage;
3. distinguishing between trade deficit and trade surplus;
4. explaining exchange rates, and the impact of ~~a strong dollar and weak~~the strength of the dollar on economic decisions;
5. describing the costs and benefits of trade barriers;
6. describing the effects of international trade agreements and the World Trade Organization; and
7. explaining growing economic interdependence.

EPF.10 The student will develop consumer skills by

1. examining basic economic concepts (such as scarcity and opportunity cost) and their relation to product prices and consumer spending;
2. ~~examining the effect of supply and demand on wages and prices;~~
3. ~~describing the steps in making a purchase decision, including the roles of marginal benefit and marginal cost;~~
4. ~~determining the consequences of conspicuous consumption; e)~~b)describing common types of contracts and the implications of each; ~~f)~~c) demonstrating comparison-shopping skills;
5. d) examining the importance of maintaining a ~~filing~~ system for personal financial records;
6. e)examining the impact of advertising and marketing on consumer demand and decision making in the global marketplace;
7. f) accessing reliable financial information from a variety of sources;
8. g) explaining consumer rights, responsibilities, remedies, and the importance of consumer vigilance; and
9. h) examining precautions for protecting identity and other personal information.

EPF.11 The student will demonstrate knowledge of planning for living and leisure expenses by

1. comparing the costs and benefits of purchasing vs. leasing a vehicle; b) calculating the total costs of owning and operating a vehicle;
2. c)comparing the ~~advantages~~costs and ~~disadvantages~~benefits of renting vs. purchasing a ~~home~~residence;
3. d)describing the process of renting ~~housing~~a residence; ~~d)~~e)describing the process of purchasing a ~~home~~residence;
4. f) calculating the cost of utilities, services, maintenance, and other ~~housing~~residential expenses; and
5. g) evaluating discretionary spending decisions.

EPF.12 The student will demonstrate knowledge of banking transactions by ~~a) comparing the types of financial institutions;~~

~~b) examining how financial institutions affect personal financial planning; c)~~a)evaluating services and related costs associated with personal banking;

1. b) differentiating among types of electronic monetary transactions;
2. c)preparing all forms necessary for opening and maintaining a checking and a savings account;
3. d) reconciling bank statements;
4. e)comparing costs and benefits of online and traditional banking; and

f) examining how financial institutions affect personal financial planning.

~~h)a)explainin~~g ~~ho~~w certa~~i~~n historical eve~~nt~~s have influenced ~~th~~e banking system ~~an~~d other financ~~ia~~l institutions.

EPF.13 The student will demonstrate knowledge of credit and loan functions by

1. evaluating the various methods of financing a purchase;
2. analyzing credit card features and their impact on personal financial planning;
3. identifying qualifications needed to obtain credit and the information needed to complete a credit application;
4. ~~identifying~~examining basic provisions of credit and loan laws;
5. comparing terms and conditions of various sources of consumer credit;
6. identifying strategies for effective debt management, including sources of assistance;
7. explaining the ~~need for a~~ ways to build and maintain a good credit rating and the ramifications of an individual’s credit score;
8. comparing the costs and conditions of secured and unsecured loans; ~~and~~
9. comparing the types of voluntary and involuntary bankruptcy and the implications of each.; and
10. comparing amortization schedules for a loan based on principal, time, annual percentage rate (APR), and different credit ratings.

EPF.14 The student will demonstrate knowledge of the role of insurance in risk management by a) identifying different ways to manage risk;

1. b)evaluating insurance as a risk management strategy;
2. c)distinguishing among the types, costs, and benefits of insurance coverage, including identity theft, automobile, life, property, and health~~, and professional liability~~; and
3. ~~explaining the roles of insurance in financial planning.~~
4. examining potential ramifications of lifestyle choices on premiums, insurability, and employability.

EPF.15 The student will demonstrate knowledge of income earning, taxes, and reporting by

1. ~~examining how personal choices about education, training, skill development, and careers impact earnings;~~
2. a)differentiating among sources of income; ~~c)~~b)calculating gross and net pay;

~~d)~~c)investigating employee benefits and incentives~~; and~~ (e.g., pretax savings opportunities); ~~e) completing a standard W-4 form.~~

~~EPF.16 The student will demonstrate knowledge of taxes by~~

1. d)describing the types and purposes of local, state, and federal taxes and the way each is levied and used;
2. e)exploring how tax structures affect ~~consumers, producers, and business owners differently~~individuals of different income levels;
3. f) computing local taxes on products and services;
4. ~~examining potential tax deductions and credits on a tax return; e)~~g)explaining the content and purpose of a standard W-2 form; ~~and~~ h) ~~explaining~~completing standard employment tax forms; and

~~f)~~i) describing information relevant to the ~~similarities and differences between~~ completion of state and federal ~~taxation of inheritances~~income tax forms.

EPF.~~17~~16 The student will demonstrate knowledge of personal financial planning by

1. identifying short-term and long-term personal financial goals;
2. identifying anticipated and unanticipated income and expenses;
3. defining terminology associated with inheritance and estate planning; ~~c)~~d)examining components and purposes of a personal net worth statement; ~~d)~~e)developing a personal budget;
4. f) investigating the effects of government actions and economic conditions on personal financial planning; and
5. g) explaining how economics influences a personal financial plan.

EPF.~~18~~17 The student will demonstrate knowledge of investment and savings planning by

1. comparing the impact of simple interest vs. compound interest on savings;
2. comparing ~~and contrasting~~ various options for investment and savings ~~options; c)~~b) ~~explaining costs and income sources for investments~~;
3. c) examining the fundamental workings of Social Security and the system's effects on retirement planning;
4. d) ~~contrasting alternative~~comparing various options for long-term planning (e.g.,

Virginia529 P~~p~~lan, retirement plans;); and ~~f)~~e) describing how the stock market works.

EPF.18 The student will demonstrate knowledge of financing postsecondary education by a) identifying costs and benefits of postsecondary education;

* 1. identifying sources of postsecondary education funding;
  2. identifying the purpose of the Free Application for Federal Student Aid (FAFSA) in determining eligibility for grants, scholarships, and loans and the essential information needed to complete it;
  3. describing types of aid which do not require repayment, including federal, state, and institutional grants;
  4. describing types of scholarships and identifying scholarship scams; f) examining types of student loans, including federal and private, and

understanding the associated risks;

1. examining the requirements to remain eligible for financial aid;
2. explaining repayment requirements and options for student loans, including income-appropriate repayment plans and options for loan forgiveness, cancellation, and discharge;
3. describing the options for borrowers struggling to make payments and the consequences of failure to repay student loans;
4. describing benefits, eligibility requirements, and tax implications of state- sponsored tax-advantage-qualified tuition plans as investment options for postsecondary education (e.g., Virginia529 Plan); ~~and~~
5. identifying the multiple pathways to postsecondary education and career preparedness;
6. identifying parts of a financial award letter;
7. identifying the student loan default rates of postsecondary institutions in Virginia;

~~a)~~n) describing appropriate income levels needed to support student loan borrowing.

# Attachment B

# Economics and Personal Finance Standards of Learning

## September 25, 2019 - Report

Students need a strong, interdisciplinary foundation in economics and personal finance to function effectively as consumers, workers, savers, investors, entrepreneurs, and active citizens. The *Standards of Learning for Economics and Personal Finance* present economic concepts that help students interpret the daily news, understand the interdependence of the world’s economies, and anticipate how events will impact their lives. The understanding of how economies and markets operate and how the United States’ economy is interconnected with the global economy prepares students to be more productive participants in the workplace. On a personal level, students learn that their own human capital (knowledge and skills) is their most valuable resource and that investing in education and training improves the likelihood of their future economic success.

The *Standards of Learning for Economics and Personal Finance* also help students develop economic reasoning skills needed to analyze and solve real-world problems, entertain multiple perspectives, and make informed personal and collective decisions. The topics of economics and personal finance teach that resources are limited; thus, people must make choices that may include substitutions or alternatives. Students practice using a set of economic reasoning tools to critically think about and analyze choices of all types, including those related to personal finance. For example, students learn the benefits of compound interest over time and that poor money management can lead to difficulty in obtaining credit. Students practice weighing costs and benefits of options when making choices about such things as postsecondary training and education, careers, insurance, housing, investments, savings, automobiles and health care. Students practice these skills as they extend their understanding of the essential knowledge defined by the *Standards of Learning for Economics and Personal Finance*.

EPF.1 The student will demonstrate knowledge and integration of basic economic concepts and structures by

1. describing how consumers, businesses, and government decision makers face scarcity of resources and must make trade-offs and incur opportunity costs;
2. explaining that choices often have long-term, unintended consequences;
3. describing how effective decision making requires a comparison of the additional costs (marginal costs) and additional benefits (marginal benefits), using a cost- benefit analysis chart and PACED decision-making grid (i.e., state the problem; list alternatives; identify the criteria; evaluate the alternatives based on the criteria; make a decision) for economic and personal finance decisions;
4. describing the factors of production;
5. comparing the characteristics and applications of market, command, traditional, and mixed economies; and
6. identifying Adam Smith and describing the characteristics of a market economy.

EPF.2 The student will demonstrate knowledge of the role of producers and consumers in a market economy by

1. describing how consumers, producers, workers, savers, investors, and citizens respond to incentives;
2. explaining how businesses respond to consumer sovereignty;
3. identifying the role of entrepreneurs;
4. comparing the costs and benefits of different forms of business organization, including sole proprietorship, partnership, corporation, franchise, and cooperative;
5. describing how costs and revenues affect profit and supply;
6. describing how increased productivity affects costs of production and standards of living;
7. examining how investment in human capital, capital goods, and technology can improve productivity;
8. describing the effects of competition on producers, sellers, and consumers;
9. explaining why monopolies or collusion among sellers reduces competition and raises prices; and
10. illustrating the circular flow of economic activity.

EPF.3 The student will demonstrate knowledge of the price system by

1. analyzing the laws of supply and demand and the determinants of each;
2. explaining how the interaction of supply and demand determines equilibrium price and wages;
3. describing the elasticity of supply and demand; and
4. examining the purposes and implications of price ceilings and price floors.

EPF.4 The student will demonstrate knowledge of the many factors that affect income by

1. examining the market value of a worker’s education, skills, training, knowledge, and credentials;
2. identifying the impact of human capital on production costs;
3. explaining the relationship between a person’s own human capital and the resulting income potential;
4. performing an analysis of expenses and financial aid required for continuing education to expand human capital; and
5. describing how changes in supply and demand for goods and services affect income.

EPF.5 The student will demonstrate knowledge of a nation’s economic goals, including full employment, stable prices, and economic growth by

1. distinguishing among economic indicators, for example, gross domestic product (GDP), consumer price index (CPI), and unemployment rate;
2. analyzing the causes and effects of unemployment, inflation, and reduced economic growth;
3. describing the fluctuations of the business cycle and how economic indicators change throughout the business cycle; and
4. describing strategies for achieving national economic goals.

EPF.6 The student will demonstrate knowledge of the nation’s financial system by

1. comparing the role of money and currency;
2. explaining the roles and types of financial markets and financial institutions;
3. describing the purpose, structure, and function of the Federal Reserve System, including the role of monetary policy;
4. identifying the tools of monetary policy (e.g., Fed funds rate);
5. comparing the U.S. monetary system with the international monetary system; and
6. explaining how certain historical events have influenced the banking system and other financial institutions.

EPF.7 The student will demonstrate knowledge of how fiscal policy influences employment, output, and prices by

1. describing government’s role in stabilizing the economy through congressional spending and tax policy;
2. describing sources of government revenue; and
3. explaining balanced budget, deficit, and national debt.

EPF.8 The student will demonstrate knowledge of the role of government in a market economy by

1. identifying goods and services provided by government to benefit society;
2. identifying the role government plays in providing a legal structure to protect property rights and enforce contracts;
3. providing examples of government regulation of the market; and
4. explaining that governments redistribute wealth.

EPF.9 The student will demonstrate knowledge of the global economy by

1. explaining that when parties trade voluntarily, all benefit;
2. distinguishing between absolute and comparative advantage;
3. distinguishing between trade deficit and trade surplus;
4. explaining exchange rates and the impact of the strength of the dollar on economic decisions;
5. describing the costs and benefits of trade barriers;
6. describing the effects of international trade agreements and the World Trade Organization; and
7. explaining growing economic interdependence.

EPF.10 The student will develop consumer skills by

1. examining basic economic concepts (such as scarcity and opportunity cost) and their relation to product prices and consumer spending;
2. describing common types of contracts and the implications of each;
3. demonstrating comparison-shopping skills;
4. examining the importance of maintaining a system for personal financial records;
5. examining the impact of advertising and marketing on consumer demand and decision making in the global marketplace;
6. accessing reliable financial information from a variety of sources;
7. explaining consumer rights, responsibilities, remedies, and the importance of consumer vigilance; and
8. examining precautions for protecting identity and other personal information.

EPF.11 The student will demonstrate knowledge of planning for living and leisure expenses by

1. comparing the costs and benefits of purchasing vs. leasing a vehicle;
2. calculating the total costs of owning and operating a vehicle;
3. comparing the costs and benefits of renting vs. purchasing a residence;
4. describing the process of renting a residence;
5. describing the process of purchasing a residence;
6. calculating the cost of utilities, services, maintenance, and other residential expenses; and
7. evaluating discretionary spending decisions.

EPF.12 The student will demonstrate knowledge of banking transactions by

1. evaluating services and related costs associated with personal banking;
2. differentiating among types of electronic monetary transactions;
3. preparing all forms necessary for opening and maintaining a checking and a savings account;
4. reconciling bank statements;
5. comparing costs and benefits of online and traditional banking; and
6. examining how financial institutions affect personal financial planning.

EPF.13 The student will demonstrate knowledge of credit and loan functions by

1. evaluating the various methods of financing a purchase;
2. analyzing credit card features and their impact on personal financial planning;
3. identifying qualifications needed to obtain credit and the information needed to complete a credit application;
4. examining basic provisions of credit and loan laws;
5. comparing terms and conditions of various sources of consumer credit;
6. identifying strategies for effective debt management, including sources of assistance;
7. explaining the ways to build and maintain a good credit rating and the ramifications of an individual’s credit score;
8. comparing the costs and conditions of secured and unsecured loans;
9. comparing the types of voluntary and involuntary bankruptcy and the implications of each; and
10. comparing amortization schedules for a loan based on principal, time, annual percentage rate (APR), and different credit ratings.

EPF.14 The student will demonstrate knowledge of the role of insurance in risk management by

1. identifying different ways to manage risk;
2. evaluating insurance as a risk management strategy;
3. distinguishing among the types, costs, and benefits of insurance coverage, including identity theft, automobile, life, property, and health; and
4. examining potential ramifications of lifestyle choices on premiums,

insurability, and employability.

EPF.15 The student will demonstrate knowledge of income earning, taxes, and reporting by

1. differentiating among sources of income;
2. calculating gross and net pay;
3. investigating employee benefits and incentives (e.g., pretax savings opportunities);
4. describing the types and purposes of local, state, and federal taxes and the way each is levied and used;
5. exploring how tax structures affect individuals of different income levels;
6. computing local taxes on products and services;
7. explaining the content and purpose of a standard W-2 form;
8. completing standard employment tax forms; and
9. describing information relevant to the completion of state and federal income tax forms.

EPF.16 The student will demonstrate knowledge of personal financial planning by

1. identifying short-term and long-term personal financial goals;
2. identifying anticipated and unanticipated income and expenses;
3. defining terminology associated with inheritance and estate planning;
4. examining components and purposes of a personal net worth statement;
5. developing a personal budget;
6. investigating the effects of government actions and economic conditions on personal financial planning; and
7. explaining how economics influences a personal financial plan.

EPF.17 The student will demonstrate knowledge of investment and savings planning by

1. comparing the impact of simple interest vs. compound interest on savings;
2. comparing various options for investment and savings;
3. examining the fundamental workings of Social Security and the system's effects on retirement planning;
4. comparing various options for long-term planning (e.g., Virginia529 Plan, retirement plans); and
5. describing how the stock market works.

EPF.18 The student will demonstrate knowledge of financing postsecondary education by

1. identifying costs and benefits of postsecondary education;
2. identifying sources of postsecondary education funding;
3. identifying the purpose of the Free Application for Federal Student Aid (FAFSA) in determining eligibility for grants, scholarships, and loans and the essential information needed to complete it;
4. describing types of aid which do not require repayment, including federal, state, and institutional grants;
5. describing types of scholarships and identifying scholarship scams;
6. examining types of student loans, including federal and private, and understanding the associated risks;
7. examining the requirements to remain eligible for financial aid;
8. explaining repayment requirements and options for student loans, including income-appropriate repayment plans and options for loan forgiveness, cancellation, and discharge;
9. describing the options for borrowers struggling to make payments and the consequences of failure to repay student loans;
10. describing benefits, eligibility requirements, and tax implications of state- sponsored tax-advantage-qualified tuition plans as investment options for postsecondary education (e.g., Virginia529 Plan);
11. identifying the multiple pathways to postsecondary education and career preparedness;
12. identifying parts of a financial award letter;
13. identifying the student loan default rates of postsecondary institutions in Virginia;
14. describing appropriate income levels needed to support student loan borrowing.