**Personal Financial Literacy**

**in the Massachusetts Curriculum Frameworks**

**Aligned to Key Topics in Chapter 438 of the Acts of 2018,**

***An Act Relative to Financial Literacy in Schools***

Signed into law by Governor Baker on January 20, 2019, Chapter 438 of the Acts of 2018[[1]](#footnote-1), *An Act Relative to Financial Literacy in Schools*, requires the Department to assist schools in the selection of materials and curriculum on personal financial literacy, and resources for professional development activities.

This document lists standards from the Massachusetts Curriculum Frameworks associated with the following topics addressed in the law: (1) loans; (2) interest and interest accrual; (3) credit card debt; (4) online commerce; (5) rights and responsibilities of renting or buying a home; (6) saving, investing and planning for retirement; (7) the role of banking and financial services; (8) balancing a checkbook; (9) state and federal taxes; (10) charitable giving; (11) evaluating media content, including online content, that relates to personal finance matters; and (12) saving, investing and planning for higher education or professional training.

**Loans**

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| **2018 History and Social Science Curriculum Framework** | **Economics Content Standards**  **HSS.ECON.T6.** Money and the role of financial institutions  **HSS.ECON.T6.5.** Compare and contrast credit, savings, and investment services available to the consumer from financial institutions.  **High School Standards for Personal Financial Literacy**  **HSS.PFL.T2.** Saving money  **HSS.PFL.T2.1.** Recognize that banks and other financial institutions are businesses that loan funds received from depositors to borrowers.  **HSS.PFL.T3.** Using credit and making investments  **HSS.PFL.T3.1.** Recognize that a credit card purchase is a type of loan from the financial institution that issued the credit card, that financial institutions may charge a fee for credit card use, and that credit card interest rates tend to be higher than those for other types of loans.  **HSS.PFL.T3.4.** Research and report on the long-term consequences for borrowers of failure to repay loans, such as negative entries in a credit report, repossession of property, garnishment of wages, the inability to obtain loans in the future, and bankruptcy.  **HSS.PFL.T3.5.** Explain a consumer’s rights for full disclosure of credit terms for a loan and for a free copy of his or her own credit report so that the consumer can verify it. |

**Interest and Interest Accrual**

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| **2018 History and Social Science Curriculum Framework** | **Economics Content Standards**  **HSS.ECON.T1.** Scarcity and economic reasoning  **HSS.ECON.T1.5.** Predict how interest rates act as an incentive for savers and borrowers.  **High School Standards for Personal Financial Literacy**  **HSS.PFL.T2.** Saving money  **HSS.PFL.T2.2.** Explain the relationship between principal (the initial amount of money deposited in a bank by a person), interest (the amount earned from a bank, usually annually), and compound interest (interest earned on the principal and the interest already earned).  **HSS.PFL.T2.3.** Explain the difference between the real interest rate of return on savings (adjusted for inflation) and the nominal interest rate.  **HSS.PFL.T3.** Using credit and making investments  **HSS.PFL.T3.1.** Recognize that a credit card purchase is a type of loan from the financial institution that issued the credit card, that financial institutions may charge a fee for credit card use, and that credit card interest rates tend to be higher than those for other types of loans.  **HSS.PFL.T3.6.** Formulate a credit plan for purchasing a major item such as a car or home, comparing different interest rates. |

**Credit Card Debt**

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| **2018 History and Social Science Curriculum Framework** | **High School Standards for Personal Financial Literacy**  **HSS.PFL.T3.** Using credit and making investments  **HSS.PFL.T3.1.** Recognize that a credit card purchase is a type of loan from the financial institution that issued the credit card, that financial institutions may charge a fee for credit card use, and that credit card interest rates tend to be higher than those for other types of loans.  **HSS.PFL.T3.2.** Explain why some banks offer credit at low introductory rates that increase when a consumer makes a late payment or misses a payment.  **HSS.PFL.T3.3.** Explain what a credit bureau does, what a credit rating is and the factors from an individual’s credit history that may lead to denial of credit; explain the potential uses of credit reports and scores (e.g., in hiring or renting decisions or the setting of insurance premium rates).  **HSS.PFL.T3.4.** Research and report on the long-term consequences for borrowers of failure to repay loans, such as negative entries in a credit report, repossession of property, garnishment of wages, the inability to obtain loans in the future, and bankruptcy.  **HSS.PFL.T3.5.** Explain a consumer’s rights for full disclosure of credit terms for a loan and for a free copy of his or her own credit report so that the consumer can verify it.  **HSS.PFL.T3.6.** Formulate a credit plan for purchasing a major item such as a car or home, comparing different interest rates. |

**Online Commerce**

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| **2018 History and Social Science Curriculum Framework** | **High School Standards for Personal Financial Literacy**  **HSS.PFL.T1.** Earning and spending income  **HSS.PFL.T1.4.** Describe the impact of advertising and social media on purchasing decisions; use data to research the effects of media sources on purchases of durable goods (such as cars or appliances) or more temporary goods and services (such as shoes, clothes, cosmetics, or transportation).  **HSS.PFL.T1.5.** Give examples of ways people can pay for goods, services, or charitable donations (e.g., cash, credit or debit card, check, mobile phone payment, layaway plan, rent-to-own) and analyze the costs and benefits of each method of payment.  **HSS.PFL.T4.** Protecting and insuring assets  **HSS.PFL.T4.2.** Explain the problems associated with identity theft and ways to protect sensitive personal information, particularly in online transactions, email scams, and telemarketing. |
| **2016 Digital Literacy and Computer Science Curriculum Framework** | **Kindergarten-Grade 2: Computing and Society**  **K-2.CAS.a.** Safety and Security  **K-2.CAS.a.4.** Explain that a password helps protect the privacy of information.  **K-2.CAS.c.** Interpersonal and Societal Impact  **K-2.CAS.c.1.** Identify and describe how people (e.g., students, parents, police officers) use many types of technologies in their daily work and personal lives.  **Grades 3-5: Computing and Society**  **3-5.CAS.a.** Safety and Security  **3-5.CAS.a.4.** Explain the proper use and operation of security technologies (e.g., passwords, virus protection software, spam filters, popup blockers, cookies).  **3-5.CAS.a.5.** Describe ways to employ safe practices and avoid the potential risks/dangers associated with various forms of online communications, downloads, linking, Internet purchases, advertisements, and inappropriate content within constrained environments.  **3-5.CAS.c.** Interpersonal and Societal Impact  **3-5.CAS.c.1.** Explain the different forms of web advertising (e.g., search ads, pay-per-click ads, banner ads, targeted ads, in-game ads, e-mail ads).  **3-5.CAS.c.2.** Explain why websites, digital resources, and artifacts may include advertisements and collect personal information.  **Grades 9-12: Computing and Society**  **9-12.CAS.c.** Interpersonal and Societal Impact  **9-12.CAS.c.2.** Discuss the impact of computing technology on business and commerce (e.g., automated tracking of goods, automated financial transaction, e-commerce, cloud computing).  **Grades 9-12: Computing Systems**  **9-12.CS.d.** Services  **9-12.CS.d.2.** Explain the concept of quality of service (e.g., security, availability, performance) for services providers (e.g., online storefronts that must supply secure transactions for buyer and seller). |

**Rights and Responsibilities of Renting or Buying a Home**

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| **2018 History and Social Science Curriculum Framework** | **Economics Content Standards**  **HSS.ECON.T1.** Scarcity and economic reasoning  **HSS.ECON.T1.8.** Describe how clearly defined and enforced property rights are essential to a market economy.  **HSS.ECON.T2.** Supply and Demand  **HSS.ECON.T2.9.** Demonstrate how government wage and price controls, such as rent controls and minimum wage laws, create shortages and surpluses.  **High School Standards for Personal Financial Literacy**  **HSS.PFL.T3.** Using credit and making investments  **HSS.PFL.T3.6.** Formulate a credit plan for purchasing a major item such as a car or home, comparing different interest rates.  **HSS.PFL.T3.7.** Explain what a financial asset is (e.g., bank deposit, stocks, bonds, mutual funds, real estate) is and explain why the worth of assets can go up or down over time.  **HSS.PFL.T4.** Protecting and insuring assets  **HSS.PFL.T4.1.** Explain the purpose of various types of insurance (e.g., health, disability, life, property and casualty); research the costs and coverage of a particular type of insurance from several different companies and analyze which company provides the best option for a particular type of consumer (e.g., a young family, a retiree). |

**Saving, Investing and Planning for Retirement**

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| **2018 History and Social Science Curriculum Framework** | **Grades 1 and 2**  **1.T4.** Economics: resources and choices (shared with grade 2)  **1.T4.22.** Explain what it means to be employed and define the terms income, wages, and salary.  **1.T4.25.** Give examples of choices people have to make about buying goods and services (e.g., food for the family or a video game; bus fare to get to work or a movie ticket for entertainment) and why they have to make choices (e.g., because they have only enough money for one purchase, not two).  **1.T4.27.** Compare and contrast reasons why people save some of their money (e.g., deciding to put some of it aside for later for a future purchase, for a charitable donation or for an emergency). |

**Saving, Investing and Planning for Retirement (Continued)**

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| **2018 History and Social Science Curriculum Framework** | **Economics Content Standards**  **HSS.ECON.T1.** Scarcity and economic reasoning  **HSS.ECON.T1.5.** Predict how interest rates act as an incentive for savers and borrowers.  **HSS.ECON.T2.** Supply and Demand  **HSS.ECON.T2.11.** Explain how financial markets, such as the stock market, channel funds from savers to investors.  **HSS.ECON.T6.** Money and the role of financial institutions  **HSS.ECON.T6.1.** Explain the basic functions of money (e.g., medium of exchange, store of value, unit of account).  **HSS.ECON.T6.3.** Explain the role of banks and other financial institutions in the economy of the United States.  **HSS.ECON.T6.5.** Compare and contrast credit, savings, and investment services available to the consumer from financial institutions.  **HSS.ECON.T6.6.** Research and monitor financial investments such as stocks, bonds, and mutual funds.  **Instructional Example from the ELA/Literacy Framework:**  ***Grades 11–12 Writing Standards for Literacy in the Content Areas***  For example, in a fourth-year mathematics unit on financial literacy, students build on their learning from Algebra I and Algebra II. They take on the role of a financial planner to make recommendations for three hypothetical clients, each of whom has different financial goals. Students keep math journals throughout the project to record their understanding of inverse functions and their reasoning about the exponential growth of investments. Their final reports are scored on the accuracy and completeness of their graphical representations, the accuracy of the algebraic evidence they present, the strength of their reasoning, the precision of their language and their overall verbal and mathematical communications skills. (WCA.11–12.1, WCA.11–12.7) |

**Saving, Investing and Planning for Retirement (Continued)**

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| **2018 History and Social Science Curriculum Framework** | **High School Standards for Personal Financial Literacy**  **HSS.PFL.T1.** Earning and spending income  **HSS.PFL.T1.1.** Explain that people choose jobs for which they are qualified based on a variety of factors, such as job satisfaction, independence, salary, opportunities to learn and grow, benefits such as health insurance coverage, retirement plans, and location.  **HSS.PFL.T2.** Saving money  **HSS.PFL.T2.4.** Research and report on government policies such as individual retirement accounts and educational savings plans, analyzing their effectiveness as incentives for saving.  **HSS.PFL.T2.6.** Formulate a savings or financial investment plan for a future goal (e.g., college or retirement).  **HSS.PFL.T3.** Using credit and making investments  **HSS.PFL.T6.** Formulate a credit plan for purchasing a major item such as a car or home, comparing different interest rates.  **HSS.PFL.T7.** Explain what a financial asset is (e.g., bank deposit, stocks, bonds, mutual funds, real estate) is and explain why the worth of assets can go up or down over time.  **HSS.PFL.T8.** Explain how buyers and sellers in financial markets determine the prices of financial assets and therefore influence the rate of return on those assets.  **HSS.PFL.T9.** Analyze the role of diversification – having an investment portfolio with different kinds of assets – in lowering risk for the individual investor.  **HSS.PFL.T4.** Protecting and insuring assets  **HSS.PFL.T4.1.** Explain the purpose of various types of insurance (e.g., health, disability, life, property and casualty); research the costs and coverage of a particular type of insurance from several different companies and analyze which company provides the best option for a particular type of consumer (e.g., a young family, a retiree). |

**The Role of Banking and Financial Services**

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| **2018 History and Social Science Curriculum Framework** | **Economics Content Standards**  **HSS.ECON.T2.** Supply and Demand  **HSS.ECON.T2.11.** Explain how financial markets, such as the stock market, channel funds from savers to investors.  **HSS.ECON.T6.** Money and the role of financial institutions  **HSS.ECON.T6.1.** Explain the basic functions of money (e.g., medium of exchange, store of value, unit of account).  **HSS.ECON.T6.2.** Identify the composition of the money supply of the United States.  **HSS.ECON.T6.3.** Explain the role of banks and other financial institutions in the economy of the United States.  **HSS.ECON.T6.4.** Describe the organization and functions of the Federal Reserve System.  **HSS.ECON.T6.5.** Compare and contrast credit, savings, and investment services available to the consumer from financial institutions.  **HSS.ECON.T6.6.** Research and monitor financial investments such as stocks, bonds, and mutual funds.  **High School Standards for Personal Financial Literacy**  **HSS.PFL.T2.** Saving money  **HSS.PFL.T2.1.** Recognize that banks and other financial institutions are businesses that loan funds received from depositors to borrowers.  **HSS.PFL.T2.4.** Research and report on government policies such as individual retirement accounts and educational savings plans, analyzing their effectiveness as incentives for saving.  **HSS.PFL.T2.5.** Analyze the effectiveness of government agencies such as the Federal Reserve System, the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation and state banking departments in protecting the safety of the nation’s banking system and consumer interests.  **HSS.PFL.T3.** Using credit and making investments  **HSS.PFL.T3.1.** Recognize that a credit card purchase is a type of loan from the financial institution that issued the credit card, that financial institutions may charge a fee for credit card use, and that credit card interest rates tend to be higher than those for other types of loans.  **HSS.PFL.T3.2.** Explain why some banks offer credit at low introductory rates that increase when a consumer makes a late payment or misses a payment.  **HSS.PFL.T3.3.** Explain what a credit bureau does, what a credit rating is and the factors from an individual’s credit history that may lead to denial of credit; explain the potential uses of credit reports and scores (e.g., in hiring or renting decisions or the setting of insurance premium rates).  **HSS.PFL.T3.10.** Analyze the role of the Securities and Exchange Commission in regulating financial markets.  **HSS.PFL.T4.** Protecting and insuring assets  **HSS.PFL.T4.1.** Explain the purpose of various types of insurance (e.g., health, disability, life, property and casualty); research the costs and coverage of a particular type of insurance from several different companies and analyze which company provides the best option for a particular type of consumer (e.g., a young family, a retiree). |

**Balancing a Checkbook**

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| **2018 History and Social Science Curriculum Framework** | **Economics Content Standards**  **HSS.ECON.T6.** Money and the role of financial institutions  **HSS.ECON.T6.1.** Explain the basic functions of money (e.g., medium of exchange, store of value, unit of account).  **HSS.ECON.T6.3.** Explain the role of banks and other financial institutions in the economy of the United States.  **HSS.ECON.T6.5.** Compare and contrast credit, savings, and investment services available to the consumer from financial institutions.  **Instructional Example from the ELA/Literacy Framework:**  ***Grades 6–8 Speaking and Listening Standards for Literacy in the Content Areas***  For example, as they study proportional relationships in math, students learn to use data to construct linear graphs and to explain in words the meanings of these visual displays. To demonstrate what they have learned, students research the income potential of various summer job opportunities, present the visual data, and make arguments for a particular job choice justified by valid mathematical reasoning and an explanation of how the experience the job offers supports their interests and career goals. (WCA.6–8.1, SLCA.6–8.5)  **High School Standards for Personal Financial Literacy**  **HSS.PFL.T2.** Saving money  **HSS.PFL.T2.6.** Formulate a savings or financial investment plan for a future goal (e.g., college or retirement).  **HSS.PFL.T3.** Using credit and making investments  **HSS.PFL.T3.6.** Formulate a credit plan for purchasing a major item such as a car or home, comparing different interest rates. |

**State and Federal Taxes**

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| **2018 History and Social Science Curriculum Framework** | **Economics Content Standards**  **HSS.ECON.T4.** The role of government  **HSS.ECON.T4.1.** Explain how government responds to perceived social needs by providing public goods and services.  **HSS.ECON.T4.2.** Describe major revenue and expenditure categories and their respective proportions of local, state, and federal budgets.  **HSS.ECON.T4.5.** Define progressive, proportional, and regressive taxation.  **HSS.ECON.T4.6.** Describe how the costs of government policies may exceed their benefits because social or political goals other than economic efficiency are being pursued.  **HSS.ECON.T4.7.** Predict how changes in federal spending and taxation would affect budget deficits and surpluses and the national debt.  **HSS.ECON.T4.8.** Define and explain fiscal and monetary policy.  **HSS.ECON.T4.9.** Analyze how the government uses taxing and spending decisions (fiscal policy) to promote price stability, full employment, and economic growth.  **High School Standards for Personal Financial Literacy**  **HSS.PFL.T1.** Earning and spending income  **HSS.PFL.T1.3.** Analyze the impact of federal income tax rates on people of different income levels in the United States from 1950 to the present. |

**Charitable Giving**

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| **2018 History and Social Science Curriculum Framework** | **Grades 1 and 2**  **1.T4.** Economics: resources and choices (shared with grade 2)  **1.T4.27.** Compare and contrast reasons why people save some of their money (e.g., deciding to put some of it aside for later for a future purchase, for a charitable donation or for an emergency).  **High School Standards for Personal Financial Literacy**  **HSS.PFL.T1.** Earning and spending income  **HSS.PFL.T1.5.** Give examples of ways people can pay for goods, services, or charitable donations (e.g., cash, credit or debit card, check, mobile phone payment, layaway plan, rent-to-own) and analyze the costs and benefits of each method of payment. |

**Evaluating Media Content, Including Online Content, that Relates to Personal Finance Matters**

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| **2018 History and Social Science Curriculum Framework** | **High School Standards for Personal Financial Literacy**  **HSS.PFL.T1.** Earning and spending income  **HSS.PFL.T1.4.** Describe the impact of advertising and social media on purchasing decisions; use data to research the effects of media sources on purchases of durable goods (such as cars or appliances) or more temporary goods and services (such as shoes, clothes, cosmetics, or transportation).  **HSS.PFL.T1.5.** Give examples of ways people can pay for goods, services, or charitable donations (e.g., cash, credit or debit card, check, mobile phone payment, layaway plan, rent-to-own) and analyze the costs and benefits of each method of payment.  **HSS.PFL.T4.** Protecting and insuring assets  **HSS.PFL.T4.2.** Explain the problems associated with identity theft and ways to protect sensitive personal information, particularly in online transactions, email scams, and telemarketing. |
| **2016 Digital Literacy and Computer Science Curriculum Framework** | **Kindergarten-Grade 2: Computing and Society**  **K-2.CAS.a.** Safety and Security  **K-2.CAS.a.4.** Explain that a password helps protect the privacy of information.  **K-2.CAS.c.** Interpersonal and Societal Impact  **K-2.CAS.c.1.** Identify and describe how people (e.g., students, parents, police officers) use many types of technologies in their daily work and personal lives.  **Grades 3-5: Computing and Society**  **3-5.CAS.a** Safety and Security  **3-5.CAS.a.4.** Explain the proper use and operation of security technologies (e.g., passwords, virus protection software, spam filters, popup blockers, cookies).  **3-5.CAS.a.5.** Describe ways to employ safe practices and avoid the potential risks/dangers associated with various forms of online communications, downloads, linking, Internet purchases, advertisements, and inappropriate content within constrained environments.  **3-5.CAS.c.** Interpersonal and Societal Impact  **3-5.CAS.c.1.** Explain the different forms of web advertising (e.g., search ads, pay-per-click ads, banner ads, targeted ads, in-game ads, e-mail ads).  **3-5.CAS.c.2.** Explain why websites, digital resources, and artifacts may include advertisements and collect personal information.  **Grades 6-8: Computing and Society**  **6-8.CAS.c.** Interpersonal and Societal Impact  **6-8.CAS.c.5.** Evaluate the bias of digital information sources, including websites.  **Grades 9-12: Computing and Society**  **9-12.CAS.c.** Interpersonal and Societal Impact  **9-12.CAS.c.2.** Discuss the impact of computing technology on business and commerce (e.g., automated tracking of goods, automated financial transaction, e-commerce, cloud computing). |

**Saving, Investing and Planning for Higher Education or Professional Training**

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| **2018 History and Social Science Curriculum Framework** | **Grades 1 and 2**  **1.T4.** Economics: resources and choices (shared with grade 2)  **1.T4.21.** Explain that people are a resource too, and that the knowledge and skills they gain through school, college, and work make possible innovations and technological advancements that lead to an ever-growing share of goods and services.  **1.T4.27.** Compare and contrast reasons why people save some of their money (e.g., deciding to put some of it aside for later for a future purchase, for a charitable donation or for an emergency).  **Economics Content Standards**  **HSS.ECON.T1.** Scarcity and economic reasoning  **HSS.ECON.T1.5.** Predict how interest rates act as an incentive for savers and borrowers.  **HSS.ECON.T3.** Market structures  **HSS.ECON.T3.9.** Describe how the earnings of workers are determined by the market value of the product produced and workers’ productivity.  **HSS.ECON.T6.** Money and the role of financial institutions  **HSS.ECON.T6.1.** Explain the basic functions of money (e.g., medium of exchange, store of value, unit of account).  **HSS.ECON.T6.3.** Explain the role of banks and other financial institutions in the economy of the United States.  **HSS.ECON.T6.4.** Describe the organization and functions of the Federal Reserve System.  **HSS.ECON.T6.5.** Compare and contrast credit, savings, and investment services available to the consumer from financial institutions.  **HSS.ECON.T6.6.** Research and monitor financial investments such as stocks, bonds, and mutual funds. |

**Saving, Investing and Planning for Higher Education or Professional Training (Continued)**

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| **2018 History and Social Science Curriculum Framework** | **High School Standards for Personal Financial Literacy**  **HSS.PFL.T1.** Earning and spending income  **HSS.PFL.T1.1.** Explain that people choose jobs for which they are qualified based on a variety of factors, such as job satisfaction, independence, salary, opportunities to learn and grow, benefits such as health insurance coverage, retirement plans, and location.  **HSS.PFL.T1.2.** Explain why wages and salaries are determined by the labor market, and how changes in economic conditions (such as a recession) or the labor market (such as business shift from coal to oil or natural gas) can affect changes in a worker’s income or may cause unemployment.  **HSS.PFL.T2.** Saving money  **HSS.PFL.T2.4.** Research and report on government policies such as individual retirement accounts and educational savings plans, analyzing their effectiveness as incentives for saving.  **HSS.PFL.T2.6.** Formulate a savings or financial investment plan for a future goal (e.g., college or retirement).  **Instructional Example from the ELA/Literacy Framework:**  ***Grades 9–10 Writing Standards and Speaking and Listening Standards***  For example, students research contemporary issues in education, such as whether a college education is worth its costs. Students gather, evaluate, and synthesize information from a variety of sources and write a position paper on their topic that they present to the class. (W.9–10.1, W.9–10.7, W.9–10.8, W.9–10.9, SL.9–10.4) |

1. <https://malegislature.gov/Laws/SessionLaws/Acts/2018/Chapter438> [↑](#footnote-ref-1)