

GFL Comparison—SB 40, New Standards, Old Standards

SB 40 Requirement	New Standards	Old Standards
	STANDARD 1: Students will understand how values, culture, and economic forces affect personal financial priorities and goals.	STANDARD 1 Students will use a rational decision-making process to set and implement financial goals.
	Objective 1.1: Analyze the role of cultural, social, and emotional influences on financial behavior	<p>Objective 1: Explain how goals, decision-making, and planning affect personal financial choices and behaviors.</p> <ul style="list-style-type: none"> a. Discuss personal values that affect financial choices (e.g., home ownership, work ethic, charity, civic virtue). b. Explain the components of a financial plan (e.g., goals, net worth statement, budget, income and expense record, an insurance plan, a saving and investing plan). c. Compare short-term and long-term financial goals. d. Design a plan to reach a specific financial goal. e. List advantages of designing and following a personal financial plan. <p>Objective 2: Analyze the role of cultural, social, and emotional influences on financial behavior.</p> <ul style="list-style-type: none"> a. Explain how limited financial resources affect the choices people make. b. Describe the influence of peer pressure as it relates to purchasing decisions (e.g., fashion, acceptance from others, and need for latest gadget). c. Explain how scarcity relates to needs and wants. d. Analyze the impact of marketing, advertising, and sales strategies/techniques on purchasing decisions (e.g., impulse buying, delayed payment). e. Evaluate the role of emotions when making financial decisions. <p>Objective 3: Relate financial decisions to personal and societal consequences.</p> <ul style="list-style-type: none"> a. Recognize that individuals are responsible for their finances.
	1.1.1 Evaluate the role of emotions, attitudes and behavior in making financial decisions.	
	1.1.2 Recognize that individuals are responsible for their own financial decisions and subsequent positive and negative consequences.	
	1.1.3 Relate instant satisfaction and delayed gratification to impulse buying and planned expenditures.	
	1.1.4 Describe the influence of social pressure as related to purchasing decisions.	
SB 40 line 100, line 101, line 105	1.1.5 Explain how scarcity of financial resources affects wants and needs.	
SB 40 line 101, line 109	1.1.6 Understand the law of supply and demand as a major economic force.	
SB 40 line 109	1.1.7 Understand that the study of economics is a social science and personal finance is a subset of that social science.	
	Objective 1.2.1: Define a rational decision-making process and the steps of financial planning.	
SB 40 line 101, line 106	1.2.1 Define <i>opportunity cost</i> (tradeoffs) and their role in decision making.	
	1.2.2 Describe a rational decision-making process.	
	1.2.3 Identify short- and long-term financial decisions and the impact they have on financial planning.	
SB 40 line 8	1.2.4 Define the elements of a financial plan.	
	Objective 1.3.1: Explain how setting goals affects personal financial planning.	
	1.3.1 Identify spending habits and their connection to personal values.	
	1.3.2 Identify and create short and long term financial goals.	

		<ul style="list-style-type: none"> b. Describe consequences of excessive debt (e.g., increased consumer costs, inflation, and family instability). c. Describe the social and economic consequences of bankruptcy.
	Standard 2: Students will understand sources of income and the relationship between career preparation and lifetime earning power.	<p>STANDARD 2 Students will understand sources of income and the relationship between income and career preparation.</p> <p>Objective 1: Identify various forms of income and analyze factors that affect income.</p> <ul style="list-style-type: none"> a. Identify sources of income (e.g., wages, investments, self-employment). b. Compare common employee benefits (e.g., insurance, leave, retirement). c. Compare income to the cost-of-living in various geographical areas. d. Analyze how economic conditions affect income. <p>Objective 2: Identify and understand required income withholdings.</p> <ul style="list-style-type: none"> a. List the reasons for taxation and uses of tax revenues. b. Describe the purposes of Social Security and Medicare. c. Calculate net income from an employee payroll record. d. Demonstrate how to complete personal state and federal income tax forms. <p>Objective 3: Analyze criteria for selecting a career and the impact of career choices on income and financial stability.</p> <ul style="list-style-type: none"> a. Describe the correlation between income and a worker’s skills, education, the value of the work to society, condition of the economy, and the supply and demand for workers.
	Objective 2.1: Identify sources of income and specific employability skills.	
	2.1.1 Identify sources of income such as wages, commissions, investments, benefits, inheritance, and gifts.	
SB 40 line 88 SB 40 line 101	2.1.2 Evaluate and compare career opportunities based on individual interests, skills, and educational requirements; value of work to society; income potential; and the supply and demand of the workforce, including unemployment.	
SB 40 line 108	2.1.3 Compare risks and rewards of entrepreneurship/self-employment.	
	2.1.4 Compare income to the cost-of-living in various geographical areas and the impact it has on purchasing power.	
SB 40 line 94	2.1.5 Understand the effects of state, local, and federal taxes and voluntary deductions on income, the difference between gross and net income, and the similarities and differences between wages and income.	
	Objective 2.2: Understand and begin preparation for career and post high school training.	
SB 40 line 88	2.2.1 Recognize and explore the correlation between education and potential lifetime income.	
SB 40 lines 71-72	2.2.2 Calculate the costs of post high school training options and analyze the return on investment (ROI) based on career choices, including understanding the cost differences between public and private, and non-profit and for profit education and training.	
SB 40 line 91	2.2.3 Identify sources of funding to assist in post high school education opportunities	
SB 40 lines 71-72	2.2.4 Understand the use and advantages of 529 plans and the benefit of planning early for paying for the cost of post-secondary education and training.	
SB 40 lines 71-72	2.2.5 Understand the process for and benefits of FAFSA completion.	
SB 40 lines 71-72	2.2.6 Utilize the FAFSA 4caster to explore the FAFSA process. Seek guidance from school counselors.	
SB 40 line 97	2.2.7 Identify components to be included on a resume and/or electronic professional profile such as appropriate contact information; educational,	

	work, and volunteer experience; skills; certificates obtained; accomplishments; interests; and references.	<ul style="list-style-type: none"> b. Develop career plan(s) that include educational requirements, skill development, and income potential. c. Analyze the costs and benefits of developing new skills for the workplace. d. Identify the risks and rewards of entrepreneurship/self-employment.
2.2.8	Identify sources and strategies for and benefits of networking for finding employment whether for summer jobs or full-time career placement.	
2.2.9	Understand basic employment forms and processes, including W-2, W-4, and I-9	
	Standard 3—Students will evaluate saving methods and investment strategies.	<p>STANDARD 4 Students will understand saving, investing, and retirement planning.</p> <p>Objective 1: Describe the value of saving in the financial planning process.</p> <ul style="list-style-type: none"> a. Identify ways to save (e.g., payroll deduction). b. Analyze reasons to save. c. Explain how government regulations protect savers. <p>Objective 2: Describe the value of investing and types of investments in the financial planning process.</p> <ul style="list-style-type: none"> a. Identify and explain types of investment vehicles (e.g., stocks, bonds, real estate, hard assets). b. Identify strategies for investing (e.g., diversification, dollar-cost averaging). c. Compare long-term and short-term investments. d. Explain how government regulations can protect investors. e. Compare various sources of investment information (e.g., prospectuses, annual reports, financial publications, online information) and ways to buy/sell investments (e.g., full service and discount brokers, investment advisors, online brokers). <p>Objective 3: Compare savings and investments.</p> <ul style="list-style-type: none"> a. Compare the risk, return, liquidity, and costs for savings and investments. b. Explain the effects of inflation on savings and investments.
	Objective 3.1: Describe and discuss financial institutions and demonstrate how to manage personal financial accounts.	
SB 40 line 102	3.1.1 Explain the role of the Federal Reserve, the Federal Deposit Insurance Corporation (FDIC) and the national Credit Union Administration (NCUA)	
SB 40 line 102	3.1.2 Compare the roles of financial institutions and their services such as banks, credit unions, investment or brokerage firms, insurance companies, loan agencies.	
SB 40 line 73, lines 86 - 87	3.1.3 Demonstrate how to manage checking/debit and saving accounts, both manually and/or electronically, including reconciliation.	
SB 40 line 73, lines 86 - 87	3.1.4 Describe available consumer banking technologies.	
	Objective 3.2: Discuss the dynamics of saving and investing.	
	3.2.1 Explain how Paying Yourself First (PYF) early and often influences positive progress towards long-term, financial goals.	
	3.2.2 Identify and understand basic saving options such as savings accounts and Certificates of Deposit. Understand that savings are designed to preserve principal.	
	3.2.3 Identify and understand investment options, including retirement planning, long and short term investments, and dividend re-investment plans. Understand that investment puts principal at risk.	
SB 40 line 90	3.2.4 Identify types of long-term retirement investments, such as IRA, Roth IRA, 401(k), and 403(b)).	
SB 40 lines 85, 90	3.2.5 Demonstrate the time value of money (TVM) principles by using the rule of 72 and by manipulating the five variables used in basic TVM calculations.	
SB 40 line 90	3.2.7 Discuss the long term investment potential associated with the stock market focusing on fundamentals such as diversification, risk/reward, and investor behavior.	

	3.2.8 Identify and define the types of financial risks, including inflation, deflation, and recession	<ul style="list-style-type: none"> c. Describe the concept of the time value of money. d. Analyze the relationship between risk and return. e. Describe appropriate financial products for different financial goals (e.g., savings accounts, stocks). <p>Objective 4: Analyze financial preparation for retirement.</p> <ul style="list-style-type: none"> a. Relate financial resources needed for specific retirement activities and lifestyles. b. Compare the characteristics of retirement plans (e.g., individual, employer-sponsored, Social Security). c. Evaluate the role of individual responsibility in planning for retirement. d. Analyze the power of compound interest and the importance of starting early in implementing a financial plan for retirement.
SB 40 line 93	Objective 3.3: Understand the role of risk management in asset protection.	<p>STANDARD 3</p> <p>Objective 5: Discuss the purposes of insurance and risk management.</p> <ul style="list-style-type: none"> a. Identify common types of insurance (e.g., automobile, health, homeowner’s, renter’s, life, long-term disability) and their terminology (e.g., term, whole life, deductible, premium, grace period). b. Describe how insurance and other risk-management strategies protect against financial loss. c. Discuss insurance needs at various life stages. d. Identify the importance of estate planning (e.g., wills, trusts). e. Discuss the consequences of being under-insured.
	3.3.1 Discuss the purposes of insurance/risk management	
	3.3.2 Define common insurance options and their purposes such as automobile, health, home owner/renters, whole/term life, long-term care and disability.	
	3.3.3 Define terms of a basic insurance policy such as contract, limits of coverage, deductible, premium, grace period, and life time limit.	
	3.3.4 Discuss insurance needs at different stages of life.	
	3.3.5 Understand identification and designation of beneficiaries	
	Standard 4: Students will understand principles of personal money management, including budgeting, managing accounts, and the role of credit and impacts on personal finance.	<p>STANDARD 3</p> <p>Students will understand principles of money management.</p>
	Objective 4.1: Identify and explain the process of budgeting based on calculated income.	

SB 40 line 84	4.1.1	Develop a budget.	<p>Objective 1: Describe the role of planning and maintaining a balanced budget.</p> <ol style="list-style-type: none"> Develop, monitor, and evaluate a personal budget. Discuss opportunity costs and trade-offs in budget implementation. Identify and discuss the social and personal consequences of not following a budget. Compare and evaluate various tools available for keeping track of budgets (e.g., envelope systems, computer programs, and paper tracking). Demonstrate knowledge of financial transactions, checking and savings accounts, and associated financial services. Demonstrate how to manage a checking account. Evaluate the impact of major purchases on budgeting (e.g., automobile, housing).
	4.1.2	Identify and prioritize fixed, variable and periodic budget categories.	
SB 40 line 90, line 95	4.1.3	Emphasize the importance of proactive budget priorities such as pay yourself first, emergency/opportunity fund, and charitable or other voluntary contributions.	
SB 40 line 95	4.1.4	Discuss the pros and cons of charitable giving	
SB 40 line 95	4.1.5	List ways and examples of charitable giving	
SB 40 line 84	4.1.6	Compare tools for tracking of a budget and expenditures such as envelope system, paper tracking, and online or software options	
	4.1.7	Emphasize the importance of comparison shopping, buying strategies, negotiation, and sales and marketing strategies in purchasing.	
SB 40 line 89	4.1.8	Identify the process, rights and responsibilities relating to renting, leasing, and purchasing a home.	
	4.1.9	Identify the process, rights and responsibilities relating to renting, leasing, and purchasing a vehicle.	
SB 40 lines 90 – 91	4.1.10	Understand the similarities and differences between “principal” and “interest” on an amortization schedule.	
	4.1.11	Explain the purpose of co-signers and collateral when applying for a loan.	
		Objective 4.2: Describe and discuss the impact of credit and debt on personal money management.	
	4.2.1	Discuss the purpose and role of credit and explain the value of building and maintaining a healthy credit rating, including elements of creditworthiness: character, capacity, capital, collateral, and conditions.	
SB 40 lines 91 – 92	4.2.2	Explore and discuss the pros and cons of basic types of credit such as secured vs. unsecured credit, credit cards, installment loans, revolving credit, student loans and predatory lenders.	
SB 40 line 91	4.2.3	Describe the risks and responsibilities associated with using credit such as late fees, finance charges, default rates, interest, and closing costs.	
	4.2.4	Understand principal and interest calculations	
SB 40 line 91	4.2.5	Calculate how long it takes to repay debt making minimum payments on installment loans and revolving accounts.	
SB 40 line 91	4.2.6	Locate and use on-line calculators to determine principal and interest aggregate monthly for long-term debt such as mortgages, vehicles, personal loans and credit cards.	
SB 40 line 91 – 92	4.2.7	Evaluate the costs and risks of payday and predatory lending.	
SB 40 line 99	4.2.8	Describe the personal and societal effects of bankruptcy and identify circumstances that lead to bankruptcy such as uninsured medical costs, family break-up, or loss of job.	

	Objective 4.3: Explain and understand credit reports and scores.	<p>Objective 3: Describe the impact of credit on money management.</p> <ol style="list-style-type: none"> Compare the advantages and disadvantages of different payment methods. Compare the services of various types of financial institution (e.g., banks, credit unions, investment brokers, loan agencies) and identify advantages of comparison shopping before selecting financial services. Describe the relationship between a credit rating, the cost of credit, and factors that affect credit worthiness. Explain the value of credit reports and scores to borrowers and lenders. <p>Objective 4: Describe the rights and responsibilities of buyers and sellers under consumer protection laws.</p> <ol style="list-style-type: none"> Explain the purposes and features of consumer protection laws, agencies, and sources of assistance. Describe ways to avoid “identity theft” and fraud (e.g., keep Social Security numbers secure, properly dispose of outdated documents). Explain the importance of understanding financial contracts (e.g., disclosure information, grace period, payment penalties, method of interest calculation). List possible actions a consumer can take in response to excessive debt and collection practices (e.g., sell assets, negotiate a repayment schedule). Describe ways to avoid financial scams and schemes designed to defraud consumers (e.g., Ponzi and pyramid schemes, affinity fraud).
	4.3.1 Identify the three major credit bureaus.	
SB 40 line 73	4.3.2 Understand the legal right to a free annual credit report (AnnualCreditReport.com).	
SB 40 line 73	4.3.3 Evaluate and identify components of a credit report; including derogatory remarks, and the warning signs of credit abuse such as late fees, missed payments, collection notices and bounced checks.	
	4.3.4 Explain the potential consequences of checking account mismanagement, such as non-sufficient funds (NSF) handling, overdraft processing and the role of ChexSystems.	
SB 40 line 102	Objective 4.4: Define rights and responsibilities of buyers and sellers under consumer protection laws	
	4.4.1 Understand financial contracts tied to consumer purchases such as cell phone, cable or satellite plans and membership fees.	
SB 40 lines 91 – 92	4.4.2 Discuss the negative impacts of predatory and pay-day lending practices.	
SB 40 line 97	4.4.3 Identify ways to avoid “identity theft” and fraud such as securing sensitive financial data, using care when participating in online commerce, avoiding phishing and pharming, and properly disposing of sensitive documents.	
	4.4.4 Understand how to recover from Fraud and Identity theft	
SB 40 line 97	4.4.5 Discuss ways to avoid financial schemes such ponzi schemes and other questionable and illegal practices.	
SB 40 line 98	4.4.6 Describe the negative consequences of gambling and playing the lottery.	
	4.4.7 Identify the pros and cons of online commerce, including how to conduct transactions safely.	
	Objective 4.5: Understand the role of government in protecting the consumer	
	4.5.1 Explain the purposes and features of consumer protection laws.	
	4.5.2 Identify federal and state entities that exist to protect consumers from forms of fraud and abuse.	