



Oklahoma Academic Standards

**PERSONAL  
FINANCIAL  
LITERACY**



**OKLAHOMA**  
Education

## Oklahoma Academic Standards for Personal Financial Literacy

### **Introduction**

All of Oklahoma’s young people graduating from high school should be able to take individual responsibility for their personal economic well-being. Broadly speaking, a financially literate high school graduate should know how to:

- Find, evaluate, and apply financial information.
- Set financial goals and plan to achieve them.
- Develop income-earning potential and the ability to save.
- Use financial services effectively.
- Meet financial obligations.
- Build and protect wealth.

Personal financial literacy is crucial for individuals to properly thrive in a modern economy. Personal financial literacy is a series of competencies that enable each individual to respond effectively to ever-changing personal and economic circumstances. Because of limited experience and responsibility, a typical recent high school graduate will not exhibit the same degree of knowledge of personal finance as a financially literate older adult. Financially literate high school graduates, however, should have a general understanding of all key aspects of personal finances. These graduates will be confident in their ability to find and use the information required to meet specific personal financial challenges as they arise. To this end, the Oklahoma Academic Standards for Personal Financial Literacy, Grades 7–12, indicate the skills students must have to increase their personal financial literacy knowledge continually as their responsibilities and opportunities change.

## Oklahoma Academic Standards for Personal Financial Literacy

### Overview

Personal Financial Literacy is designed for students in Grades 7-12. These standards of learning are priority, essential, and necessary for all Oklahoma students. Learning the ideas, concepts, knowledge, and skills will enable students to implement personal financial decision-making skills; to become wise and knowledgeable consumers, savers, investors, users of credit, money managers, and participating members of a global workforce and society. The intent of personal financial literacy education is to inform students how individual choices directly influence occupational goals and future earnings potential. Effective money management is a disciplined behavior and much easier when learned earlier in life. The fourteen areas of instruction designated in the Passport to Financial Literacy Act of 2007 (70 O.S. § 11-103.6h) are designed to provide students with the basic skills and knowledge needed to effectively manage their personal finances. Basic economic concepts of scarcity, choice, opportunity cost, and cost/benefit analysis are interwoven throughout the standards and objectives. This systematic way of analyzing financial situations will provide students with a foundational understanding for making informed personal financial decisions.

Real world topics covered by these standards include the following:

1. Earning an income
2. Understanding state and federal taxes
3. Banking and financial services
4. Managing a bank account
5. Savings and investing
6. Planning for retirement
7. Understanding loans and borrowing money, including predatory lending and payday loans
8. Understanding interest, credit card debt, and online commerce
9. Identity fraud and identity theft
10. Rights and responsibilities of renting or buying a home
11. Understanding insurance
12. Understanding the financial impact and consequences of gambling
13. Bankruptcy
14. Charitable giving

The examples in parentheses (e.g., the relationship between interest rates and credit scores) are provided in various places within objectives in order to explain more clearly what is intended to be taught in regard to that objective. The examples are suggestions of what specific content should be used to teach the concept, knowledge, and/or skill. The examples are not all inclusive. Classroom instruction should include the suggested examples but should not be limited to just those specific suggestions. All Personal Financial Literacy standards and objectives must be taught and assessed by the local district.



Oklahoma Academic Standards for Personal Financial Literacy 7-12th Grades

<b>PFL.1</b> The student will describe the importance of earning an income and explain how to manage personal income through the use of a budget.	<b>PFL 1.1</b> Describe the value of work and how individuals are responsible for their own financial decisions, as well as subsequent consequences. <ul style="list-style-type: none"><li><b>A.</b> Explain how costs and benefits determine the achievement of personal financial goals.</li><li><b>B.</b> Analyze how income, career choice, and entrepreneurship impact an individual's financial plan and goals.</li><li><b>C.</b> Evaluate the relationship between a person's human capital (e.g., education, skills, training, interests, initiative) and their earning potential.</li></ul>
	<b>PFL 1.2</b> Identify the purpose of the Free Application for Federal Student Aid (FAFSA) in determining eligibility for grants, scholarships, and loans, as well as the essential information needed to apply.
	<b>PFL 1.3</b> Explain how to manage personal income and expenses to be a financially responsible citizen. <ul style="list-style-type: none"><li><b>A.</b> Identify factors that can affect income by describing the basic components of a paystub, including gross pay, net pay, and deductions (e.g., federal and state income tax, FICA, and voluntary deductions).</li><li><b>B.</b> Differentiate between needs and wants in order to develop short, medium, and long-term goals that are specific, measurable, attainable, realistic, and time-based.</li></ul>
	<b>PFL 1.4</b> Identify the components of a personal/family budget (e.g., income, savings/investments, taxes, emergency fund, expenses, and charitable giving) based on specific goals (e.g., financial, personal, educational, and career).
	<b>PFL 1.5</b> Explain how fiscally responsible individuals use various strategies and spending plans for tracking their income and expenses, both anticipated and unanticipated.
<b>PFL.2</b> The student will identify and describe the impact of local, state, and federal taxes on income and standard of living.	<b>PFL 2.1</b> Analyze the obligation of paying taxes and how individuals, as well as communities, might benefit from taxes. <ul style="list-style-type: none"><li><b>A.</b> Identify and explain various types of taxes, including income, payroll, sales, and property taxes, and when these types of taxes are due.</li><li><b>B.</b> Describe some of the uses for taxation at the local, state, and federal levels (e.g., infrastructure, public safety, and courts of law).</li></ul>
	<b>PFL.2.2</b> Describe the individual importance of meeting one's tax obligations.



## Oklahoma Academic Standards for Personal Financial Literacy

	<ul style="list-style-type: none"><li>A. Explain the requirements to file taxes and compare basic tax forms, such as W2, W4, and 1040.</li><li>B. Identify possible consequences of failing to meet tax obligations (e.g., fees, penalties, interest, garnishment of wages, and imprisonment).</li></ul>
<b>PFL.3</b> The student will describe the functions and uses of banks and other financial service providers.	<b>PFL 3.1</b> Compare common financial service providers used by consumers to responsibly manage their assets (e.g., banks, mortgage companies, credit unions, brokerage firms, and finance companies).
	<b>PFL 3.2</b> Compare financial products and services offered to consumers, including their risks and protections. <ul style="list-style-type: none"><li>A. Identify common financial products (e.g., checking, contactless payment systems, credit cards, savings, loans, investments, and insurance).</li><li>B. Describe available consumer banking technologies (e.g., Automated Teller Machines, mobile apps, digital wallets, and online banking).</li><li>C. Explain the risks and protections associated with checks, debit cards, credit cards, online and mobile payment systems.</li><li>D. Describe the role of the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA) to protect consumers' assets to a specified amount in commercial banks, savings banks, and credit unions.</li></ul> <b>PFL 3.3</b> Explain the difference between banked and unbanked individuals, including the consequences of being "unbanked" (e.g., financial insecurity and access to credit.)
<b>PFL 4.</b> The student will demonstrate the ability to manage a bank account and reconcile financial accounts.	<b>PFL 4.1</b> Analyze the purpose of maintaining accurate financial accounts. <ul style="list-style-type: none"><li>A. Identify the steps necessary for opening and maintaining a checking and savings account.</li><li>B. Explain the reasons for balancing personal records and reconciling an account statement.</li></ul>
	<b>PFL 4.2</b> Develop useful account management skills. <ul style="list-style-type: none"><li>A. Describe how funds can be added and withdrawn from financial accounts (e.g., direct deposit, mobile deposit, teller deposit, debit withdrawals, and ATMs).</li><li>B. Demonstrate the ability to perform basic account management skills, including correctly writing, endorsing, and depositing checks.</li><li>C. Explain how to manage financial accounts. (e.g., reading and reconciling statements, navigating online platforms and apps).</li></ul>



## Oklahoma Academic Standards for Personal Financial Literacy

	<p><b>D.</b> Describe the potential consequences of account mismanagement, such as non-sufficient funds, overdraft processing, and associated fees.</p>
<b>PFL.5</b> The student will analyze the costs and benefits of saving and investing.	<b>PFL 5.1</b> Explain reasons for saving and investing (e.g., major purchases, education, and emergencies) as strategies used for meeting financial goals and building wealth over the short or long term.
	<b>PFL 5.2</b> Compare various strategies used to protect income and wealth. <ul style="list-style-type: none"><li><b>A.</b> Describe the costs and benefits of various savings options, such as bank savings accounts, certificates of deposit, and money market mutual funds.</li><li><b>B.</b> Identify the risk, return, and liquidity aspects of various investment options, such as stocks, bonds, mutual funds, and precious metals, including how diversification can help manage risk.</li><li><b>C.</b> Explain how various financial investments align with financial goals, risk tolerance, and personal needs at different life stages, including how inflation affects investment growth.</li><li><b>D.</b> Compare simple and compound interest.</li><li><b>E.</b> Explain and give examples of the power of compound interest over time, including why saving and investing at an earlier age leads to far greater financial outcomes later in life, on average.</li></ul>
<b>PFL.6</b> The student will explain and evaluate the importance of planning for retirement.	<b>PFL 6.1</b> Analyze the necessity of planning and saving for retirement. <ul style="list-style-type: none"><li><b>A.</b> Identify costs of retirement such as living expenses, health care, and long-term care, based on life expectancy.</li><li><b>B.</b> Explain how beginning to save or invest at different stages of life or over different periods of time significantly impact financial preparedness for retirement.</li></ul>
	<b>PFL 6.2</b> Evaluate various sources of income for retirement. <ul style="list-style-type: none"><li><b>A.</b> Compare government and employer-sponsored retirement plans, such as Social Security and 401(k) accounts.</li><li><b>B.</b> Identify various personal investments, such as IRAs, and describe how they can provide financial resources for retirement.</li><li><b>C.</b> Explain that entrepreneurs and self-employed individuals may be responsible for generating their own retirement income, as opposed to government or employer-sponsored plans.</li></ul>
<b>PFL.7</b> The student will identify the process and	<b>PFL 7.1</b> Compare sources and products related to borrowing money. <ul style="list-style-type: none"><li><b>A.</b> Identify sources of credit (e.g., banks, credit unions, retail businesses, private lenders, and the federal government).</li></ul>



## Oklahoma Academic Standards for Personal Financial Literacy

analyze the responsibilities of borrowing money.	<p><b>B.</b> Describe various credit products (e.g., credit cards, car loans, and mortgages).</p> <p><b>C.</b> Compare sources of student loans (U.S. Department of Education versus private banks and credit unions) regarding eligibility, interest rates, and terms of repayment.</p>
	<p><b>PFL 7.2</b> Analyze how one's credit history impacts borrowing money and maintaining credit.</p> <p><b>A.</b> Explain the importance of establishing a positive credit history (e.g., favorable interest rates, employment, and financial opportunities).</p> <p><b>B.</b> Describe how credit reports compiled by credit bureaus are used to determine creditworthiness.</p> <p><b>C.</b> Identify the information contained in a credit report and how to access a free credit report.</p> <p><b>D.</b> Explain that a credit score is a numeric rating assessing an individual's credit risk based on information from their credit report.</p> <p><b>E.</b> Identify factors that affect a credit score, such as payment history, credit utilization, amount owed, length of credit history, debt owed, and types of credit used.</p>
	<p><b>PFL 7.3</b> Describe the process of borrowing money.</p> <p><b>A.</b> Identify factors involved in borrowing (e.g., credit history, credit report, debt to income ratio, loan to value ratio, and length of employment).</p> <p><b>B.</b> Explain how the terms of borrowing (e.g., interest rates, APR, fees, repayment schedules, terms, and conditions) affect the cost of borrowing.</p> <p><b>C.</b> Compare types of credit, including revolving and installment credit, and collateralized loans versus unsecured loans.</p> <p><b>D.</b> Differentiate between standard loan practices and predatory lending practices, such as rapid tax return and payday loans.</p>
	<p><b>PFL 7.4</b> Analyze the responsibilities and consequences of borrowing money.</p> <p><b>A.</b> Identify consumer responsibilities, rights, and remedies, including fair debt collection practices protected by law.</p> <p><b>B.</b> Explain why responsible borrowers monitor their credit reports and how errors can be corrected.</p> <p><b>C.</b> Describe the impact of non-repayment of debt on individuals, families, businesses, and the broader economic system.</p>





## Oklahoma Academic Standards for Personal Financial Literacy

<b>PFL.8</b> The student will describe and explain interest, credit cards, and online commerce.	<b>PFL 8.1</b> Evaluate the costs and benefits of using credit cards for purchasing goods and services. <b>A.</b> Explain how interest rates and fees impact the cost of using credit cards. <b>B.</b> Describe options for payment on credit cards, such as minimum payment, delayed payment, and payment in full.
	<b>PFL 8.2</b> Analyze the advantages and disadvantages of online commerce, including how to conduct transactions safely.
<b>PFL.9</b> The student will identify and explain consumer fraud and identity theft.	<b>PFL 9.1</b> Analyze how consumers can become victims of deceptive practices that significantly impact their financial well-being. <b>A.</b> Identify various types of consumer fraud, such as medical fraud, imposter schemes, forgery, pyramid schemes, and false billing. <b>B.</b> Describe common methods used by criminals to commit fraud (e.g., bait and switch, skimming, changing address, and phishing). <b>C.</b> Differentiate between consumer fraud and identity theft, including common methods used to steal one's identity, such as dumpster diving, hacking, and social media.
	<b>PFL 9.2</b> Describe ways to protect yourself from identity theft and fraudulent practices (e.g., monitor monthly financial statements and annual credit reports; protect personal information and passwords).
	<b>PFL 9.3</b> Explain necessary responses if victimized by fraudulent business practices or identity theft (e.g., alert appropriate law enforcement agencies and credit bureaus, freeze credit histories, and change passwords).
<b>PFL.10</b> The student will explain and compare the costs and benefits of renting versus buying a home.	<b>PFL.10.1</b> Explain the advantages and disadvantages of renting versus buying a home by comparing how various housing options meet different needs and wants.
	<b>PFL 10.2</b> Describe the elements and terms of a standard lease agreement (e.g., deposit, due date, grace period, late fees, and utilities).
	<b>PFL 10.3</b> Analyze financial considerations when purchasing a place to live. <b>A.</b> Identify types of lenders and mortgage loans, including fixed versus adjustable-rate mortgage loans. <b>B.</b> Explain the elements of a mortgage (e.g., down payment, escrow account, home insurance, property taxes, late fees, potential early payment penalties, and amortization tables).
<b>PFL.11</b> The student will describe and explain how	<b>PFL 11.1</b> Describe common risks to individuals, their property and investments, caused by situations such as illness, accidents, and natural catastrophes.





## Oklahoma Academic Standards for Personal Financial Literacy

various types of insurance can be used to manage risk.	<b>PFL 11.2</b> Explain the importance of insurance as a risk management strategy used by financially responsible individuals. <b>A.</b> Describe common types of insurance purchased by consumers, such as health, property, life, disability, automobile, and renter’s insurance. <b>B.</b> Identify different methods for obtaining health insurance, including employer-provided plans, government plans, and private purchase.
	<b>PFL 11.3</b> Evaluate appropriate amounts of insurance to meet one’s needs and budget including how insurance deductibles work.
<b>PFL.12</b> The student will explain and evaluate the financial impact and consequences of gambling.	<b>PFL 12.1</b> Identify common types of gambling available to consumers and explain the probabilities of winning at games of chance.
	<b>PFL 12.2</b> Evaluate the impact of gambling on the economic development of local, tribal, and state communities, including revenue, employment, and tourism.
	<b>PFL 12.3</b> Analyze the costs of gambling on individuals and society (e.g., financial situation, addictive behavior, and missed work).
<b>PFL.13</b> The student will evaluate the consequences of bankruptcy.	<b>PFL.13.1</b> Analyze the costs and benefits of bankruptcy as a last resort for individuals and families facing financial challenges.
	<b>PFL.13.2</b> Explain ways to avoid bankruptcy and identify alternatives to bankruptcy (e.g., budget management, debt management, refinancing, and financial counseling).
	<b>PFL.13.3</b> Describe the importance of reestablishing a positive credit history and recommended steps for improving a credit score after bankruptcy.
<b>PFL.14</b> The student will explain the costs and benefits of charitable giving.	<b>PFL 14.1</b> Explain civic responsibilities and opportunities related to charitable giving. <b>A.</b> Describe reasons why individuals engage in charitable giving, such as personal reward, community improvement, and tax deduction. <b>B.</b> Compare different ways in which individuals can donate to charity, including monetary gifts, gifts-in-kind, and volunteer service. <b>C.</b> Describe how charitable giving can fit into one’s spending plan.
	<b>PFL 14.2</b> Analyze the importance of charitable giving. <b>A.</b> Describe the impact of charitable giving on the entity receiving the gift, such as improved quality of life and emergency relief. <b>B.</b> Analyze the impact of charitable giving on the community at large, including local development and improved standard of living.
	<b>PFL 14.3</b> Describe how to evaluate the authenticity of charitable organizations by identifying recipients, allocation of resources, and activities, based on information from watchdog organizations and regulatory agencies.