STRANDS AND STANDARDS
GENERAL FINANCIAL LITERACY

Course Description
The General Financial Literacy (GFL) course covers essential standards for developing basic financial and economic reasoning. Resource management and decision-making skills will be emphasized as students explore strategies for managing and protecting the money they earn, keep, and spend. The goal of GFL is to help students become financially responsible and conscientious members of society as they contribute to their own financial well-being. Students should feel empowered to achieve financial success. This course is for juniors and seniors, is required for graduation, and can be taken for concurrent enrollment credit.

Intended Grade Level	11-12
Units of Credit	0.5
Core Code	01.00.00.00.100
Concurrent Enrollment Core Code	01.00.00.13.100
Prerequisite	N/A
Skill Certification Test Number	**N/A**
Test Weight	**N/A**
License Type	Secondary Education 6-12
Required Endorsement(s)	
Endorsement 1	General Financial Literacy

STRAND 1
Students will understand the factors that influence personal financial priorities and learn how to make rational decisions.

Standard 1
Behavioral finance is the study of how emotions, habits, biases, and social influences affect the way people make financial decisions.
- Discuss the principles of financial management that promote individual financial stability, such as minimizing debt.
- Evaluate the role of emotions, attitudes, and habits in making financial decisions.
- Understand how family, culture, and values influence financial decisions and goals.
- Discuss examples as well as the pros and cons of charitable giving, such as:
  - assistance to those in need
  - tax benefits
  - religious worship and
  - excess production.
- Give examples of how marketing strategies, social media, and social pressure can influence purchasing

decisions.
- Emphasize the importance of
  - **comparison shopping**
  - buying strategies
  - and negotiation in purchasing.

Standard 2
Define a rational decision-making process.
- Recognize that individuals are responsible for their own financial decisions and for subsequent positive and negative consequences.
- Describe **cost-benefit analysis** as a rational decision-making process.
- Understand the differences and consequences of:
  - Saving
  - Investing
  - Speculation
  - Cryptocurrency
  - and gambling.
- Recognize the addictive nature of gambling and how it can affect relationships.
- Compare instant satisfaction with **delayed gratification**, such as impulse buying versus planned expenditures.
- Understand how different biases affect your decision-making process.
  - **Present Bias**
  - **Confirmation Bias**
  - **Overconfidence Bias**
  - **Status Quo Bias**

Standard 3
Students will understand the "Success Sequence" and the importance of building lifelong financial relationships.
- The "Success Sequence" is the three-pronged framework for youth and young adults that encompasses the values of:
  i. completing at least a high school education;
  ii. obtaining full-time work;
  iii. and marrying before having children.
- Students will understand how intentional decision-making, healthy relationships, family formation, goal setting, and planning can influence personal financial stability, economic self-sufficiency, and long-term financial outcomes.

STRAND 2
Students will understand basic economic concepts and develop economic thinking critically to make personal financial choices.

Standard 1
Understand how basic economic principles affect personal financial choices.
- Describe the role different participants play in the economy, such as
  - households
  - businesses
  - government.

- Explain causes of **inflation** and the impact inflation has on economic and financial choices.
- Compare and contrast:
  - **expansion**
  - **recession**
  - **depression.**
- Discuss the role of the federal government in **fiscal policy** and the role of the **Federal Reserve** in **monetary policy**.
- Analyze how the larger economy develops from individual participants' rational economic choices.
- Explain the **law of supply and demand** and discuss how factors of production, resources, and **scarcity** affect rational economic choices.
- Apply **economic reasoning skills** to make informed personal financial decisions, including **opportunity cost** (tradeoffs) and their role in decision-making.

Standard 2

Analyze different **economic systems** and how they impact personal financial choice, wealth generation, and economic freedom.

- Understand the different ideologies behind economic systems, including:
  - Capitalism
  - Laissez-Faire
  - Social Market
  - Neo-Capitalism
  - Socialism
  - Fascism
  - Communism.
- Discuss historic and current examples of economic systems and their effects on economic growth.
  - Traditional
  - **Market**
  - **Command**
  - **Mixed**
- Discuss how free market systems and property rights correlate with economic prosperity.

STRAND 3

Students will understand sources of income and the relationship between career preparation and **lifetime earning power.**

Standard 1

Identify sources of income and individual tax responsibilities.

- Identify sources of income, such as:
  - Salary
  - Wages
  - Commissions
  - and tips.
- Compare the **risks and rewards** of **entrepreneurship**/self-employment.
- Understand the effects of **deductions** on wages and income:
  - **FICA (Social Security and Medicare)**
  - **state taxes**
  - local taxes

    - **federal taxes**
    - and **voluntary deductions**.
- Understand the similarities and differences between wages and income.
- Contrast the differences between
    - **gross income**
    - **net income**
    - and taxable income.
- Understand the effects of state **(Form TC-40)** and federal **(Form 1040)** taxes and the requirement to file, including:
    - income
    - filing status
    - dependency tax law
    - and adjustments.
- Understand basic employment forms and processes, including:
    - **W-2**
    - **W-4**
    - and **I-9.**

Standard 2

Understand and begin preparation for post-secondary training and a career.

- Recognize and explore the correlation between education, training, and potential lifetime income.
- Understand how types of education and training, and their costs, can vary between
    - Public
    - private
    - nonprofit and for-profit colleges
    - universities
    - trade schools
    - and professional training programs.
- Calculate the costs of post-secondary training options and analyze the **return on investment (ROI)** based on career choices.
- Compare income to the **cost-of-living** in various geographical areas and the impact it has on **purchasing power.**

- Identify sources of funding to assist in post-high school education opportunities and the cost of repayment, including:
    - **scholarships**
    - **grants**
    - **529 plans**
    - loans
    - savings
    - tuition reimbursement
    - **work study**
    - and gifts.
- Understand the financial benefits of pursuing higher education opportunities while in high school.
- Understand the process for and benefits of **FAFSA** completion. [Seek guidance from school counselors/ college awareness counselors.]

Standard 3

Identify specific durable skills necessary to enhance **employability** and earning power.

- Identify components to be included on a **resume** and/or electronic professional profile, such as:
  - appropriate contact information
  - experience [educational, work, and volunteer]
  - skills
  - certificates obtained
  - accomplishments
  - **interests**
  - and references
- Identify sources and strategies for finding employment, as well as the benefits of networking.
- Identify **Durable Skills** that increase employability, retention, and **earning power**.
  - adaptability
  - collaboration
  - communication
  - innovation
  - leadership
  - professionalism

STRAND 4

Students will understand the principles of personal **money management**, including budgeting and managing accounts, as well as the role and impact of credit on personal finance.

Standard 1

Identify and explain the process of budgeting based on projected income and expenses.

- Define the elements of a financial plan and describe the benefits of financial planning. Include:
  - Identify short- and long-term financial goals and the impact they have on one's financial plan.
  - Develop a **budget** that includes the following categories:
    - spending/debt
    - savings
    - investing
    - charitable contributions.
  - Define budget categories:
    - **fixed**
    - **variable**
    - and periodic.
  - Emphasize the importance of a goals-based budget, including priorities, such as:
    - **Pay Yourself First (PYF)**
    - **emergency/opportunity fund**
    - insurance
    - and charitable or other voluntary contributions.

Standard 2

Determine the validity and safety of financial technology, financial institutions, and individuals providing financial services.

- Compare tools for tracking a budget, income, expenditures, savings, and investments.
  - Consider the pros and cons of paper and digital tracking.
  - Assess the safety and privacy features of digital tools, including:
    - multi-factor authentication

- data tracking
- location tracking
- and the collection of personal habits.

- This is a statement from the USBE Board on Artificial Intelligence.
  Students will develop the knowledge and skills to use Artificial Intelligence responsibly and effectively in **the General Financial Literacy course**.

  - **Responsible use of AI**, which includes recognizing when to use AI, using appropriate prompts to produce desired output, determining the accuracy of information, how AI has contributed to a product, and communicating that clearly.
  - **The importance of transparency and documentation**, both in their own use of AI tools and in verifying the authenticity of others' work.
  - **How AI influences all work**, including the evolving boundaries and tightening restrictions around intellectual property and copyright.

Standard 3

Describe and discuss the impact of credit and debt on personal money management.

- Discuss the purpose and role of credit. Explain the value of building and maintaining a healthy credit rating, including elements of **creditworthiness**:
  - **character**
  - **capacity**
  - **capital**
  - **collateral**
  - and **conditions.**
- Explore and discuss the pros and cons of basic types of **credit**, including:
  - **unsecured** vs. **secured credit**
  - credit cards
  - **installment loans**
  - **revolving credit**
  - **student loans**
  - **mortgage**
  - and **payday/predatory lenders.**

  Evaluate the costs and risks of each type.
- Define and understand the terms associated with credit, including:
  - **APR**
  - **grace period**
  - **late fees**
  - **finance charges**
  - **default rates**
  - interest
  - and **closing costs**.
- Explain the purpose of **co-signers** and collateral when applying for a loan.
- Understand and demonstrate **simple interest** calculations.
- Calculate how long it takes to repay debt by making minimum payments on installment loans or revolving accounts.
- Describe the personal and societal effects of **bankruptcy** and identify circumstances that lead to bankruptcy, such as:
  - uninsured medical costs

    - family break-up
    - divorce
    - or loss of job.

Standard 4

Explain and understand **credit reports** and the significance of **credit scores**.

- Identify the three major **credit bureaus**.
- Understand the legal right to a free, weekly credit report (AnnualCreditReport.com).
- 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 or payments.
- Evaluate the impact a credit score has on **personal finance**.

Standard 5

Understand the importance and complications of the three big loan types: housing, cars, and credit cards.

- Identify the process, rights, and responsibilities related to **renting**, **leasing**, and purchasing a home.
- Understand the primary homeownership qualification factors, such as:
    - debt-to-income and loan-to-value ratios, and
    - the roles of the professionals involved in the home-buying process.
- Understand the similarities and differences between **principal** and **interest** on an amortization schedule.
- Compare the pros and cons of buying or leasing a new or used vehicle, and identify the costs associated with each option.

Standard 6

Define the rights and responsibilities of buyers and sellers under consumer protection laws.

- Understand financial contracts tied to consumer purchases, such as:
    - cell phone,
    - subscription fees, and
    - membership fees.
- Discuss the negative impacts of predatory lending practices and explore:
    - title loans
    - payday loans
    - and pawn loans.
- Identify ways to avoid **identity theft** and **fraud,** including:
    - securing sensitive financial data,
    - using care when participating in online commerce,
    - avoiding **phishing** and **pharming**, and
    - properly disposing of sensitive documents.
- Understand the challenges and responsibilities of those who are victims of fraud or identity theft.
- Discuss common financial scams and **schemes** and ways to avoid them.
- Identify the pros and cons of online commerce, including how to conduct transactions safely, such as using credit cards versus debit cards for online purchases.
- Understand the role of the government in protecting the consumer and explain the features of consumer protection laws.

Identify federal and state entities that protect consumers from fraud and financial abuse, including appropriate resources or agencies to verify valid licensing before investing, borrowing, or banking.

STRAND 5

Students will evaluate saving methods and investment strategies.

Standard 1

Describe and discuss financial institutions and demonstrate how to manage personal financial accounts.

- Explain the role of the
  - **Federal Deposit Insurance Corporation (FDIC)**
  - **Securities Investor Protection Corporation (SIPC)**
  - **and the National Credit Union Association (NCUA).**
- Compare the roles of financial institutions and their services, such as **banks** and **credit unions**, and the difference between being banked and **unbanked**.
- Demonstrate how to regularly monitor and manage **checking/debit** and **savings** accounts.
- Describe available consumer banking technologies, such as
  - online deposits
  - **bill pay**
  - and **peer-to-peer transfers**.
- Explain the potential consequences of checking account mismanagement, such as **non-sufficient funds (NSF)** handling and overdraft processing.

Standard 2

Discuss various savings strategies.

- Explain how **paying yourself first (PYF)** early and often influences positive progress toward long-term financial goals.
- Identify and understand basic saving options, such as:
  - savings accounts
  - **Certificates of Deposit**
  - verified online savings
  - and money market accounts.
- Discuss how over-savings can be eroded by inflation.
- Understand that savings are designed to preserve principal.

Standard 3

Discuss the risks and returns of investing.

- Identify and understand investment options, including:
  - **retirement planning**
  - long and short-term investments
  - and **dividend reinvestment plans**.
- Identify types of long-term retirement accounts, such as:
  - **Traditional IRA**
  - **Roth IRA**
  - **401(k)**
  - and **Roth 401(k).**
- Compare and contrast the basic types of investment products including:
  - **stocks**
  - **mutual funds**

  - **index funds**
  - digital assets such as **cryptocurrency**
  - **real estate**
  - **commodities**
  - **collectibles**
  - and **bonds**
- Discuss the reasons to invest, the fees associated with investing, and strategies to reduce fees.
- Discuss the relationship between risk and return.
- Demonstrate the t**ime value of money** using a **compound interest** calculator.

Standard 4

Understand the role of **risk management** in asset protection.

- Discuss risk management strategies, including:
  - **acceptance**
  - **transfer**
  - and **reduction**
- Discuss the purposes of insurance/risk management.
- Define common insurance products and their purposes, such as
  - **automobile**
  - **health**
  - **homeowner/renter**
  - **whole/term life**
  - and **disability**
- Define terms of a basic insurance policy, such as:
  - **contract**
  - **limits of coverage**
  - **premium**
  - **deductible**
  - **grace period**
  - and **lifetime limit**
- Discuss insurance needs at different stages of life.
- Understand the identification and designation of beneficiaries.

Vocabulary

401(k): A qualified plan established by employers to which eligible employees may make salary deferral (salary reduction) contributions on a post-tax and/or pretax basis. Employers offering a 401(k) plan may make matching or non-elective contributions to the plan on behalf of eligible employees and may also add a profit-sharing feature to the plan. Earnings accrue on a tax-deferred basis.

APR: Annual Percentage Rate: The interest rate that shows what a borrower is actually paying, including interest and loan costs on an annual basis.

Automobile Insurance: Car insurance is designed to protect you against financial losses if you're involved in an accident or the vehicle is damaged in some way.

Bankruptcy: A legal process in which a court takes over the finances of a person who can no longer make the minimum payments due on the credit they have taken.

Banks: A financial institution licensed as a receiver of deposits. There are two types of banks: commercial/ retail banks and investment banks. In most countries, banks are regulated by the national government or central bank.

Beneficiaries: A beneficiary is a person (or entity) who is designated to receive the benefits of property owned by someone else.
Bill Pay: Online bill payment is a secure electronic service that lets customers pay bills without writing checks or mailing them. Online bill payment is usually tied to a checking account, from which funds are electronically withdrawn to pay one-time or recurring bills.
Bonds: A bond is a fixed-income instrument that represents a loan made by an investor to a borrower (typically a corporation or government).
Bounced Check: When the writer of a check has insufficient funds in their checking account to cover the check written.
Budget: A financial plan of income and expenses over a defined period of time.
Budgeting: The process of forecasting future expenses and income
Certificate of Deposit: A savings certificate entitling the bearer to receive interest. A CD bears a maturity date, a specified fixed interest rate, and can be issued in any denomination. CDs are generally issued by commercial banks and are insured by the FDIC. The term of a CD generally ranges from one month to five years.
Checking Account: A checking account is a deposit account held at a financial institution that allows both deposits and withdrawals.
Closing Costs: Fees associated with taking a loan in excess of the principal amount, separate from the interest charged, due at the time of closing, and typically assessed on a mortgage loan.
Collectibles as an investment: Collectible investments are physical objects — tangible assets that have the potential to appreciate in value and diversify your investment portfolio.
Command (Economic System): An Economic system whereby the factors of production are generally controlled through a central government. The government determines what to produce, how to produce it, and for whom it will be produced.
Commodities: Commodities are basic goods and materials that are widely used and are not meaningfully differentiated from one another.
Comparison Shopping: The process of comparing various factors for a product or service before making a purchasing decision
Confirmation Bias: The tendency to search for, interpret, favor, and recall information in a way that confirms or supports one's prior beliefs or values.
Overconfidence Bias: A cognitive bias where an individual overestimates their own knowledge, abilities, or the accuracy of their predictions.
Co-sign: When a person, other than the principal borrower, signs on a loan as a means to help the principal borrower get the loan, but who also takes on equal liability for it
Cost-benefit analysis: The process of measuring the benefits of a decision or action against the costs associated with it.
Cost-of-Living: Includes housing costs, transportation expenses, food, utilities (not education)
Credit: Money that a lender makes available to a borrower with the understanding that the principal will be repaid along with interest in return for the use of the lender's money
Credit Abuse: Risky personal financial behavior whereby a borrower takes on more debt than they are able to, or plan to repay.
Credit Bureaus: Organizations that collect and charge for credit information about borrowers
Credit Report: Summary of an individual's existing and past credit lines.
Credit Score: A number established by a data analytics company to predict the "character" element of creditworthiness. Most commonly expressed as a FICO number, which ranges between 300 and 850
Credit Unions: Member-owned financial cooperative. These institutions are created and operated by their members, and profits are shared amongst the owners.

Creditworthiness: A lender's determination of how eligible you are to receive a loan based upon factors that help them to predict how much risk you represent as a borrower, including your: credit history, personal savings, retained assets, and current income.
Cryptocurrency: a digital currency using cryptography to secure transactions.
Deductible: A health insurance deductible is the amount of money that an insured person must pay out of pocket every year for eligible healthcare services before the insurance plan begins to cover the costs.
Default Rates: Also called a penalty rate, it refers to an increase in the interest rate charged to borrowers who have missed a regular periodic loan payment.
Delayed gratification: Refers to the ability to put off something mildly fun or pleasurable now in order to wait for something that is greatly fun, pleasurable, or rewarding later. For example, you could watch TV the night before an exam, or you could exhibit delayed gratification and study for the exam.
Dependents: Individuals who rely on a taxpayer for financial support, often including children or other relatives, allowing the taxpayer to claim certain tax benefits.
Depression: An extreme recession lasting two or more years
Disability Insurance: Disability insurance is a type of insurance protecting against loss of income due to disability.
Dividend Reinvestment Plans: A dividend reinvestment program (DRIP) is an equity investment option offered directly by the underlying company. The investor does not receive dividends in cash; instead, they are reinvested directly in the underlying equity.
Durable Skills: A set of essential skills necessary for personal, academic, and professional success. These skills last a lifetime and power entire careers. They remain relevant over time and apply across industries, roles, and situations.
Earning Power: The ability to generate earnings in return for goods and services.
Economic Reasoning Skills:
Economic System: A system deployed by a society that addresses what products to produce, how to produce them, and for whom they are produced
Emergency Fund: Money set aside for unanticipated expenses or loss of income
Employability: A set of skills, education, and attributes that makes individuals more likely to be employed in their occupations.
Entrepreneur: Be your own boss, take advantage of business opportunities, introduce new products or services, better use of skills and knowledge, more creativity, and control. A person who creates a new business and bears the risks as well as the rewards.
Expansion: Growth in the economy as measured by an increase in the GDP over two consecutive quarters.
FAFSA (Free Application for Federal Student Aid) is used to calculate the Expected Family Contribution (EFC).
FCIC: The Federal Deposit Insurance Corporation (FDIC) is a United States government corporation operating as an independent agency created by the Banking Act of 1933. As of August 2014, it provides deposit insurance guaranteeing the safety of a depositor's accounts in member banks, up to $250,000 per deposit ownership category per insured bank. As of August 27, 2014, the FDIC insured deposits at 6,638 institutions.
Federal Reserve (the Fed): the central bank of the United States
Federal Taxes: A source of income for the federal government for the development of the economy, infrastructure, and improving other sectors such as education and health care.
FICA: Federal Insurance Contribution Act. Includes social security and Medicare.
Finance Charges: Any fee charged in association with the cost of credit, such as interest and financial transaction fees
Fiscal Policy: Changes that the government makes in spending, or taxation, to achieve economic objectives
Fixed Expenses: A cost that can be expected at regular intervals and that remains the same amount (e.g.,

monthly rent payment)
Form 1040: The federal income tax form U.S. taxpayers use each year to report income, claim deductions and credits, and determine whether they owe taxes or will receive a refund.
Fraud: Occurs whenever someone attempts to deceive a consumer with a promise of goods, services, money, or other benefits that really do not exist, were never intended to be provided, or were misrepresented.
Grace Period: Refers to the period of time that the lender will allow to pass before they assess penalties and fees onto the borrower
Grants: Money given by a government, college, organization, or other group to help pay for education or a specific purpose; grants usually do not have to be repaid if the requirements are met.
Gross: Income before Taxes or other deductions.
Health Insurance: Health insurance pays most medical and surgical expenses and preventive care costs incurred by the insured person in return for a monthly premium.
Homeowner Insurance: Homeowners' insurance is a form of property insurance that covers losses and damage to an individual's home and personal property.
I-9: Verification form for legal work (social security card, driver's license).
Identity Theft: The fraudulent obtaining of one's private identity, used for financial gain as a result of the robbery.
Index Funds: An index fund is a type of mutual fund or exchange-traded fund (ETF) whose portfolio is constructed to match or track the components of a financial market index, such as the Standard & Poor's 500 Index (S&P 500). An index mutual fund is said to provide broad market exposure, low operating expenses, and low portfolio turnover. These funds track their benchmark index regardless of market conditions.
Inflation: An increase in the price average of products, which leads directly to a loss in buying power of a given currency.
Installment Loans: The type of credit loan with regularly scheduled principal and interest payments, so that the original debt is scheduled to be repaid at the end of the loan. A car loan is an example of an installment loan.
Insurance Policy: A written contract between the policyholder (the person or company who purchases the policy) and the insurer (the insurance company).
Interest: One of two credit variables, along with principal, which refers to the amount the lender charges for the use of their money, typically represented as a percentage added to the principal.
Late Fees: Refers to the penalty a lender charges a borrower for not making a payment on time, beyond the loan's grace period.
Leasing: Paying to use someone's property, such as a car or home, for a long period.
Lifetime Earnings: The amount of money that you can expect to earn during a career at a particular job.
Lifetime Limit: A cap on the total lifetime benefits you may get from your insurance company. After a lifetime limit is reached, the insurance plan will no longer pay for covered services.
Limits of Coverage: The largest total amount the insurance company will pay for covered losses. Many policies have multiple limits - a certain amount per person, another amount per accident, and sometimes an aggregate limit on all losses paid during the policy term.
Market (Economic System): An Economic system whereby the factors of production are generally controlled by private citizens and private firms who are in competition for resources and act in accordance with the laws of supply and demand
Mixed (Economic System): An Economic system that blends elements of the market and command systems. In such a system, private property is common, but the government inserts its authority over certain markets or limits access to certain markets
Monetary Policy: Changes that the Fed makes to the supply of money in order to stabilize the economy.

Money Management: Making decisions about how much to allocate of one's liquid assets proportionately to saving and investing categories
Mortgage: The type of amortized installment loan taken for the purpose of purchasing housing
Mutual Funds: A mutual fund is a financial vehicle that pools assets from shareholders to invest in securities like stocks, bonds, money market instruments, and other assets.
My529 Plan: A tax-advantaged plan that is designed to be used for the beneficiary's education expenses.
NCUA: The National Credit Union Administration (NCUA) is the independent federal agency that regulates, charters, and supervises federal credit unions. With the backing of the full faith and credit of the U.S. Government, NCUA operates and manages the National Credit Union Share Insurance Fund (NCUSIF), insuring the deposits of more than 98 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.
Net: Income after Taxes and deductions (Take-home pay).
Non-sufficient funds (NSF): NSF is an acronym used in the banking industry to signify that there are "non-sufficient funds" in an account in order to honor a check drawn on that account. Colloquially, this is known as a "bounced check" or "bad check". Also, the fees associated with NSF.
Opportunity cost: To properly evaluate opportunity costs, the costs and benefits of each available option must be weighed against those of the others.
Pay Yourself First (PYF): A phrase commonly used in personal finance and retirement planning literature that means to automatically route your specified savings contribution from each paycheck at the time it is received. Pay yourself before paying your monthly living expenses and making discretionary purchases.
Payday Loans: a short-term, unsecured loan characterized by high interest rates made against future income. **Peer-to-peer transfers**: Peer-to-peer payment services let you use a bank account or a credit or debit card to pay friends or family from your phone.
Pell Grant: Money from the government that doesn't have to be repaid.
Personal Finance: A branch of Microeconomics that is concerned with the income, assets, and debts of the individual
Phishing: Pretexting or tricking someone online to give up sensitive information in order to commit identity theft.
Pharming: An identity theft technique that uses email viruses to redirect someone from a legitimate website to an official-looking website, designed to commit identity theft
Ponzi Scheme: A form of fraud that lures investors and pays profits to earlier investors with funds from recent investors.
Predatory Leander: Lenders who take advantage of desperate or uneducated borrowers by employing unethical, unfair, deceptive, or fraudulent tactics in credit
Premium: The amount an individual or business must pay for an insurance policy.
Present Bias: The tendency to value immediate rewards more highly than future rewards, often leading to decisions that favor short-term gratification over long-term goals.
Principal: One of two credit variables, along with interest, which refers to the amount outstanding on a loan
Purchasing power: The value of money in terms of the real goods and services it can purchase.
Pyramid Scheme: An illicit business model where profits are based on the investor's ability to recruit other individuals who are enrolled to make payments to their recruiters. Generally, neither a product nor a service is delivered.
Real Estate as an Investment: Investment in real estate is real estate that generates income or is otherwise intended for investment purposes rather than as a primary residence.
Recession: A slowdown in the economy as measured by a falling GDP for two consecutive quarters.
Renting: Paying for the short-term use of someone's property, such as a car or home.

Renter Insurance: The policy protects against losses to the tenant's personal property within the rented property.
Resume: A brief written account of personal, educational, and professional qualifications and experience, as prepared by an applicant for a job.
Retirement Planning: the process of determining retirement income goals and the actions and decisions necessary to achieve those goals. Retirement planning includes identifying sources of income, estimating expenses, implementing a savings program, and managing assets.
Return on Investment: A measurement of an investment's worth (ROI).
Risk Management: Risk management is the ongoing process of identifying, analyzing, evaluating, and treating loss exposures, and monitoring risk controls and financial resources to mitigate the adverse effects of loss.
Risk vs Reward: A ratio used by many investors to compare the expected returns of an investment to the amount of risk undertaken to capture these returns. This ratio is calculated mathematically by dividing the amount he or she stands to lose if the price moves in the unexpected direction (i.e. the risk) by the amount of profit the trader expects to have made when the position is closed (i.e. the reward).
Roth 401(k): A Roth 401(k) is an employer-sponsored retirement savings account that is funded using after-tax dollars.
Roth IRA: An individual retirement plan that bears many similarities to the traditional IRA, but contributions are not tax-deductible, and qualified distributions are tax-free. Similar to other retirement plan accounts, non-qualified distributions from a Roth IRA may be subject to a penalty upon withdrawal.
Savings Account: A savings account is a type of account offered by banks or credit unions that provides a safe place to store your money and often earns compound interest.
Scarcity: The human condition in which wants are limitless, and the reality that the resources used to satisfy wants are limited
Scholarships: Money from a school or a company that doesn't have to be repaid to be used for educational purposes.
Secured Credit: A loan whereby collateral has been pledged to secure the loan, guaranteeing that the lender will receive at least some form of recompense in the event of default
Simple Interest: Interest earned only on the principal (the original loan amount).
SIPC: SIPC protection helps address your risk of losing your securities and cash held by the firm if it fails or goes out of business. If a SIPC member brokerage firm fails, SIPC protects its customers against the loss of securities and cash deposited with the SIPC member firm for the purchase of securities. SIPC protection advances funds of up to $500,000 per customer (including a $250,000 limit for cash claims) to cover a shortfall in customer property.
State Taxes: In Utah, the source of income for the government to fund public education.
Status-Quo Bias: An emotional preference for the current state of affairs, leading individuals to resist change even when better alternatives exist.
Stocks: Stocks are a type of security that gives stockholders a share of ownership in a corporation.
Student Loan: The type of installment loan taken for the purpose of post-secondary education, such as college or vocational training.
Tax credits: Amount that is deducted directly from the tax burden.
Tax deductions: A taxpayer's child, stepchild, foster child, sibling, or relative to the taxpayer. The taxpayer provides more than 50% support. Other factors, such as age, US citizenship, and divorce decrees, also play a role.
TC-40: State income tax form filed by individuals in the state of Utah.
Term Life Insurance: Term life insurance guarantees payment of a stated death benefit to the insured's beneficiaries if the insured person dies during a specified term.
The Law of Demand: In a market economy, when the price of a good or service increases, less of it will be

consumed. Conversely, when the price of a good or service decreases, consumption increases.
The Law of Supply: In a market economy, when the price of a good or service increases, more of it will be produced by the supplier. Conversely, when prices fall, producers will produce less.
Time Value of Money- Compound Interest: The idea that money available at the present time is worth more than the same amount in the future due to its potential earning capacity. This core principle of finance holds that, provided money can earn interest, any amount of money is worth more the sooner it is received.
Title Loans: a short-term loan characterized by high interest secured by the collateral of a car title
Traditional IRA: A traditional IRA is a retirement savings account that offers tax advantages.
Unbanked: Individuals who do not have access to or use traditional banking services, such as checking or savings accounts, often rely on alternative financial services.
Unsecured Credit: A loan whereby no collateral has been pledged
Variable Expenses: A cost that appears irregularly or that changes in amount (e.g., utility bills)
Voluntary deductions: Amounts withheld for things such as retirement, healthcare, charitable contributions, or savings.
W-2: Tax form you receive from your employer that lists your earnings for the previous year and all withholdings. You need this form to file your taxes.
W-4: Tax form you fill out for your employer to determine the amount of taxes taken out of your paycheck.
Whole Life Insurance: Whole life insurance guarantees payment of a death benefit to beneficiaries in exchange for level, regularly due premium payments.
Work-Study: Money given by an organization for a specific purpose.