



Correlation to the
National Standards for Financial Literacy
from the Council for Economic Education

The Council for Economic Education published these standards in 2013. There are six standard topics and an overarching statement. Each standard has benchmarks for what students will know by grades 4, 8, and 12. Only the benchmarks for grades 4 and 8 are listed here as our programs are intended for use in the 3rd - 8th grade classroom.

The benchmarks listed in this document are the ones which BizWorld.org programs address. For a complete listing of the National Financial Literacy Standards, click [here](#).





Standard I: Earning Income

Income for most people is determined by the market value of their labor, paid as wages and salaries. People can increase their income and job opportunities by choosing to acquire more education, work experience, and job skills. The decision to undertake an activity that increases income or job opportunities is affected by the expected benefits and costs of such an activity. Income also is obtained from other sources such as interest, rents, capital gains, dividends, and profits.

Grade	Benchmarks (students will know that:)	BizMovie	BizWorld	BizWiz	In BizWorld.org programs, students:
4	People have many different types of jobs from which to choose. Different jobs require people to have different skills.	✓	✓	✓	<ul style="list-style-type: none"> Learn about different types of jobs Complete job applications Take on leadership roles within a team
	People earn an income when they are hired by an employer to work at a job.	✓	✓	✓	<ul style="list-style-type: none"> Learn that employees earn a salary Pay employees of their company throughout the program
	Workers are paid for their labor in different ways such as wages, salaries, or commissions.	✓	✓		<ul style="list-style-type: none"> Learn that employees earn a salary
	People who own a business can earn a profit, which is a source of income.	✓	✓		<ul style="list-style-type: none"> Start and run their own companies Track finances throughout the program Complete an income statement to determine their profit (loss)
	Entrepreneurs are people who start new businesses. Starting a business is risky for entrepreneurs because they do not know if their new businesses will be successful and earn a profit.	✓	✓		<ul style="list-style-type: none"> Learn what an entrepreneur is Act as entrepreneurs when they start and run their own companies
8	Entrepreneurs take the risk of starting a business because they expect to earn profits as their reward, despite the fact that many new businesses can and do fail. Some entrepreneurs gain satisfaction from working for themselves.	✓	✓		<ul style="list-style-type: none"> Learn what an entrepreneur is Act as entrepreneurs when they start and run their own companies
	Interest, dividends, and capital appreciation (gains) are forms of income earned from financial investments.			✓	<ul style="list-style-type: none"> Learn about different investment vehicles and the ways they earn money





Standard 2: Buying Goods and Services

People cannot buy or make all the goods and services they want; as a result, people choose to buy some goods and services and not buy others. People can improve their economic wellbeing by making informed spending decisions, which entails collecting information, planning, and budgeting.

Grade*	Benchmark (students will know that)	BizMovie	BizWorld	BizWiz	In BizWorld.org programs, students:
4	Economic wants are desires that can be satisfied by consuming a good, a service, or a leisure activity.			✓	<ul style="list-style-type: none"> Learn about disposable income and only purchasing what you can afford
	People make choices about what goods and services they buy because they can't have everything they want. This requires individuals to prioritize their wants.			✓	<ul style="list-style-type: none"> Learn about disposable income and only purchasing what you can afford
	People spend a portion of their income on goods and services in order to increase their personal satisfaction or happiness.	✓	✓		<ul style="list-style-type: none"> Understand why people purchase items (to fill a need of some kind)
	Informed decision making requires comparing the costs and benefits of spending alternatives. Costs are things that a decision maker gives up; benefits are things that a decision maker gains.	✓	✓	✓	<ul style="list-style-type: none"> Purchase supplies for their company, determining how much to buy and how much is appropriate to spend Price products for customers, making sure to take into account the costs associated with the product
	People's spending choices are influenced by prices as well as many other factors, including advertising, the spending choices of others, and peer pressure.	✓	✓		<ul style="list-style-type: none"> Develop a business plan that explains how company will attract shoppers Create a unique logo and slogan Build a marketing campaign and print/live advertisement that attracts buyers to their products
	Planning for spending can help people make informed choices. A budget is a plan for spending, saving, and managing income.	✓	✓		<ul style="list-style-type: none"> Track finances throughout the program, including all expenses and income

*Currently, BizWorld.org programs do not address benchmarks for Grade 8. New resources are always being developed, so please check back.





Standard III: Saving

Saving is the part of income that people choose to set aside for future uses. People save for different reasons during the course of their lives. People make different choices about how they save and how much they save. Time, interest rates, and inflation affect the value of savings.

Grade	Benchmarks (students will know that)	BizMovie	BizWorld	BizWiz	In BizWorld.org programs, students:
4	When people deposit money into a bank (or other financial institution), the bank may pay them interest. Banks attract savings by paying interest. People also deposit money into banks because banks are safe places to keep their savings.	✓	✓		<ul style="list-style-type: none"> Learn about banks and bank loans Understand how banks pay interest to those who save, and earn interest from those who borrow money
8	Banks and other financial institutions loan funds received from depositors to borrowers. Part of the interest received from these loans is used to pay interest to depositors for the use of their money.	✓	✓		<ul style="list-style-type: none"> Learn about banks and bank loans Understand how banks pay interest to those who save, and earn interest from those who borrow money Take out bank loans to fund companies Pay interest on the bank loan Re-pay the bank loan (the principal)
	Principal is the initial amount of money upon which interest is paid.	✓	✓		<ul style="list-style-type: none"> Take out bank loans to fund companies and pay both interest and the principal





Standard IV: Using Credit

Credit allows people to purchase goods and services that they can use today and pay for those goods and services in the future with interest. People choose among different credit options that have different costs. Lenders approve or deny applications for loans based on an evaluation of the borrower’s past credit history and expected ability to pay in the future. Higher-risk borrowers are charged higher interest rates; lower-risk borrowers are charged lower interest rates.

Grade	Benchmarks (students will know that)	BizMovie	BizWorld	BizWiz	In BizWorld.org programs, students:
4	Interest is the price the borrower pays for using someone else’s money.	✓	✓	✓	<ul style="list-style-type: none"> Take out bank loans to fund companies Pay interest on the bank loan
	When people use credit, they receive something of value now and agree to repay the lender over time, or at some date in the future, with interest.	✓	✓	✓	<ul style="list-style-type: none"> Take out bank loans to fund their companies for necessary supplies Sign an agreement to re-pay the loan with interest
8	People who apply for loans are told what the interest rate on the loan will be. An interest rate is the price of using someone else’s money expressed as an annual percentage of the loan principal.	✓	✓		<ul style="list-style-type: none"> Learn about banks and bank loans Take out bank loans to fund companies Pay interest on the bank loan
	The longer the repayment period on a loan and the higher the interest rate on the loan, the larger is the total amount of interest charged on a loan.	✓	✓		<ul style="list-style-type: none"> Learn about banks and bank loans Pay interest multiple times on the loan
	Various financial institutions and businesses make consumer loans and may charge different rates of interest.	✓	✓		<ul style="list-style-type: none"> Learn about banks and bank loans Take out bank loans to fund companies





Standard V: Financial Investing

Financial investment is the purchase of financial assets to increase income or wealth in the future. Investors must choose among investments that have different risks and expected rates of return. Investments with higher expected rates of return tend to have greater risk. Diversification of investment among a number of choices can lower investment risk.

Grade	Benchmarks (students will learn that)	BizMovie	BizWorld	BizWiz	In BizWorld.org programs, students:
4	After people have saved some of their income, they must decide how to invest their savings so that it can grow over time.			✓	<ul style="list-style-type: none"> • Create an investment portfolio using various financial vehicles • Determine which combination of financial vehicles will allow their savings to grow the most over time
	A financial investment is the purchase of a financial asset such as a stock with the expectation of an increase in the value of the asset and/or increase in future income.	✓	✓	✓	<ul style="list-style-type: none"> • Learn about shares of stock and the stock market • Understand that people purchase stock in the hopes of making more money in the future • Learn what a venture capitalist is • Develop a business plan and pitch to the venture capitalist • Sell shares of stock in their company to venture capitalists (in exchange for start-up funding)
8	Financial assets include a wide variety of financial instruments including bank deposits, stocks, bonds, and mutual funds. Real estate and commodities are also often viewed as financial assets.			✓	<ul style="list-style-type: none"> • Identify and analyze the difference between different investment vehicles such as stocks, bonds, CDs, real estate, venture capital, and collectibles
	Interest is received from money deposited in bank accounts. It is also received by owning a corporate or government bond or making a loan.			✓	<ul style="list-style-type: none"> • Learn about bonds which earn interest





Standard V: Financial Investing

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Grade	Benchmarks (students will learn that)	BizMovie	BizWorld	BizWiz	In BizWorld.org programs, students:
8	When people buy corporate stock, they are purchasing ownership shares in a business. If the business is profitable, they will expect to receive income in the form of dividends and/or from the increase in the stock's value. The increase in the value of an asset (like a stock) is called a capital gain. If the business is not profitable, investors could lose the money they have invested.	✓	✓	✓	<ul style="list-style-type: none"> Learn about shares of stock and the stock market Understand why people purchase stock Learn what a venture capitalist is Develop a business plan and pitch to the venture capitalist Sell shares of stock in their company to venture capitalists (for cash) Trade commodities in a simulated stock market (including venture capital)*
	The price of a financial asset is determined by the interaction of buyers and sellers in a financial market.	✓	✓	✓	<ul style="list-style-type: none"> Decide when to sell shares of stock in their company; price they receive is dependent on the stock market Buy/sell financial assets for various prices during a stock market simulation*
	The rate of return on financial investments consists of interest payments, dividends, and capital appreciation expressed as a percentage of the amount invested.			✓	<ul style="list-style-type: none"> Analyze different investment vehicles, invest in them, and calculate the %ROI
	Financial risk means that a financial investment has a range of possible returns, including possibilities of actual losses. Higher-risk investments have a wider range of possible returns.			✓	<ul style="list-style-type: none"> Discern which investment vehicles are more risky and more safe Create an investment portfolio that maximizes investment potential while taking into account potential risk
	The rate of return earned from investments will vary according to the amount of risk. In general, a trade-off exists between the security of an investment and its expected rate of return.			✓	<ul style="list-style-type: none"> Learn about different investment vehicles and their benefits/risk

*This activity pertains to the BizWiz program only.





Standard VI: Protecting and Insuring

People make choices to protect themselves from the financial risk of lost income, assets, health, or identity. They can choose to accept risk, reduce risk, or transfer the risk to others. Insurance allows people to transfer risk by paying a fee now to avoid the possibility of a larger loss later. The price of insurance is influenced by an individual's behavior.

Grade	Benchmarks (students will know that)	BizMovie	BizWorld	BizWiz	In BizWorld.org programs, students:
4	Risk is the chance of loss or harm.			✓	<ul style="list-style-type: none"> Understand the risks associated with different financial vehicles Choose investments for an investment portfolio based on their comfort level with risk and the potential earnings
	Risk from accidents and unexpected events is an unavoidable part of daily life.			✓	<ul style="list-style-type: none"> Understand the risks associated with different financial vehicles
	Individuals can either choose to accept risk or take steps to protect themselves by avoiding or reducing risk.			✓	<ul style="list-style-type: none"> Understand the risks associated with different financial vehicles Purchase insurance to protect some of their financial assets (i.e., real estate and collectible insurance)
8	Insurance is a product that allows people to pay a fee (called a premium) now to transfer the costs of a potential loss to a third party.			✓	<ul style="list-style-type: none"> Understand the value of purchasing insurance versus the cost Purchase insurance to protect some of their financial assets (i.e., real estate and collectible insurance)
	Individuals can choose to accept some risk, to take steps to avoid or reduce risk, or to transfer risk to others through the purchase of insurance. Each option has different costs and benefits.			✓	<ul style="list-style-type: none"> Understand the risks associated with different financial vehicles Choose investments for an investment portfolio based on their comfort level with risk and the potential earnings Purchase insurance to protect their financial assets

