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A DEVELOPMENTAL SEQUENCE OF CONTENT ESSENTIAL  
TO PERSONAL MONEY MANAGEMENT

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NONA ROSE BERGHAUS

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1966

A DEVELOPMENTAL SEQUENCE OF CONTENT ESSENTIAL  
TO PERSONAL MONEY MANAGEMENT

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CHAPTER I

THE PROBLEM

Introduction

During the present century Americans have moved from a predominantly rural economy of scarcity to an urban economy of unprecedented abundance. The standard of living has climbed to an all-time high. Today's economy satisfies the basic material wants for almost all people and provides an actual wealth of material satisfactions for many. Individuals engage in more discretionary spending as per capita income continues to rise.

Commensurate with this change in economics is the transformation in the general patterns of living. Individuals have become specialized producers of goods and services and are, therefore, dependent upon others for almost all of the commodities and services that they consume. Increasing numbers of women are entering and remaining in the labor market. More persons marry at an early age and have larger families. Young consumers are exerting a strong influence on the present "child-oriented" society. Technology and specialization of labor now demand a better educated citizenry and provide increased leisure for the enjoyment of this education.



The complexity of the American scene necessitates for every citizen an understanding and competency for adequately dealing with the economic problems that are so important to the family and with those that are significant to the community and to the nation. The countless number of individual economic decisions that are made by millions of Americans create interactions and provide direction to the economy. Competition for the consumer dollar keeps industries striving to develop new products, to find new uses for old products, and to provide new services. To survive, a business enterprise must produce something that consumers want at the price they are willing to pay.

The economic choices that people make determine their way of life. Rational economic decisions have become increasingly difficult for most consumers as the merchandising and marketing practices of business have grown progressively more complex. However, consumers with increasing amounts of discretionary income to spend are examining their wants more closely and are becoming more selective in their buying. Each consumer decision, whether rational or irrational, that an individual makes takes him either closer to or farther away from the kind of life that he wants for himself and his family.

The values that are placed on money resources affect, in a large measure, the entire value system of the family with respect to social and political issues, as well as to economic issues. As a claim against goods and services, money helps man to secure those things that he needs and wants. Acquisition of money should not be the primary goal of man's economic efforts, but money should be the primary means for achieving personal and family security.

For some time now, effective programs for guiding youth in choosing a vocation, producing goods, and earning a living have been promulgated by the schools; and today, millions of Americans work 40 hours a week, 50 weeks a year, until they retire, trying to earn as much income as possible. Few people seem to realize, however, that wise management of money in day-to-day activities can enhance purchasing power as effectively as an increase in income.<sup>1</sup>

Young people need to learn how to use money wisely. Education should be provided for youngsters that will aid them in becoming economically competent while they are still young. Without such education, too many years of experience are necessary to establish sound money values, to learn how to make positive and satisfying choices, and to know how to obtain from income the things most worthwhile. Young people of today are bombarded with quantities of economic information from agencies outside the school. Some of this outpouring is objective and helpful, but much of it comes from sources that are narrowly self-seeking. Students should be given the opportunity to develop the ability to discern the information that is accurate and helpful.

As one of the best safeguards of the American free enterprise system, a sound program of education is advocated by concerned educators in personal economics, beginning in the elementary school and continuing through the high school. Only as young people learn the meaning of money, feel the satisfactions from achieving financial goals, and grasp the importance of the dynamic economic force of the consumer, will they

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<sup>1</sup>Education in Personal and Family Finance--Its Place in the Curriculum, Bulletin No. 21, A Handbook for Educators (New York: National Committee for Education in Family Finance, 1960), p. 4.

ably perceive their role in a free-choice, competitive economic system.<sup>1</sup>

As early as 1938, The Educational Policies Commission recognized the necessity for giving students educational opportunity in the area of economics and money management:

The citizens of a democracy . . . need to acquire the information, the experience, and the willingness to deal constructively with collective economic problems. Each needs also information, experience, and motivation to maintain his own economic contribution to a high level.<sup>2</sup>

In 1944 the National Association of Secondary School Principals listed ten "Imperative Needs of Youth," three of which deal with the problems of economic competency and intelligence:

All youth need to develop saleable skills and those understandings and attitudes that make the worker an intelligent and productive participant in economic life.

All youth need to understand the significance of the family for the individual and society and the conditions conducive to successful family life.

All youth need to know how to purchase and use goods and services intelligently, understanding both the values received by the consumer and the economic consequences of their acts.<sup>3</sup>

The Policies Commission for Business and Economic Education, in a statement issued in 1962, asserted that "It is imperative that all young people be adequately prepared to deal with business-economic issues and problems." More specifically, among the topics to be included in

<sup>1</sup>Dean W. O'Brien (ed.), Man, Money, and Meaning (Madison, Wisconsin: National Center for Education in Family Finance, 1963), p. 3.

<sup>2</sup>The Educational Policies Commission, Purposes of Education in American Democracy (Washington: National Education Association of the United States, 1938), p. 116.

<sup>3</sup>National Education Association of the United States, Planning for American Youth (Washington: National Association of Secondary-School Principals, 1944), p. 5.

this general education area would be management of personal economic affairs:

Every young person needs to be educated to deal effectively with his personal economic problems so that he will manage his personal business affairs in a manner that will produce the greatest good to him. This means education in better buymanship of all goods and services as well as financial planning for his present and future needs.<sup>1</sup>

Many curriculum planning groups in state and local school systems now recognize the need for an overall framework to systematize and to provide unity in economic education. Yet, there is limited evidence of either curriculum change or planned, sequential presentations in personal economics. Perhaps this has been due to the lack of adequate curriculum guidelines for the development of the necessary economic concepts for young people.

School personnel generally and more particularly at the elementary level have been rather slow to accept the challenge to teach personal economics. Some teachers of social studies, business, home economics, and mathematics, as well as a number of elementary teachers are emphasizing personal money management in their classes and have done so for decades. However, the basic personal economic concepts and understandings that should be taught at each grade level have not been organized and presented in a comprehensive, unified pattern. Without a basic structure as a point of reference, teachers tend to regard economic education merely as a list of topics to be taught in piecemeal fashion.<sup>2</sup>

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<sup>1</sup>United Business Education Association, A Proposal for Business-Economic Education for American Secondary Schools, A Report Prepared by the Policies Commission for Business and Economic Education, (Washington: United Business Education Association, 1962), p. 4.

<sup>2</sup>Anne McAllister, "The Need for Economic Study Is Great," Grade Teacher, LXXXII, No. 2 (October, 1964), p. 69.

In 1961 the Joint Council on Economic Education published the Task Force Report,<sup>1</sup> which carefully defined and listed some of the principal concepts of aggregate social economic theory. Thereafter, the need soon became apparent for relating these concepts to the existing curricula, so that more teachers could effectively present economic considerations to their students. In 1964 the Joint Council published Suggestions for Grade Placement and Development of Economic Ideas and Concepts,<sup>2</sup> which sought to enlarge the dimension of teaching important economic concepts through illustrative examples of classroom applications.

A similar kind of content structure is necessary for the personal elements of economics that relate to money management. In 1964 Hall conceptually defined the broad personal economic elements that are essential to sound financial management. His study was designed to organize the substantive content of personal economics that should be included in the general education of all young people as they complete twelve years of school experience. Hall states:

The conceptual statements developed in . . . this study might well be used as guidelines for curriculum planning that would facilitate the implementation and integration of personal economics instruction into existing educational patterns from kindergarten through grade twelve.<sup>3</sup>

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<sup>1</sup>National Task Force on Economic Education, Economic Education in the Schools, A Report Prepared by the National Task Force on Economic Education (New York: The Committee for Economic Development, September, 1961).

<sup>2</sup>Joint Council on Economic Education, Suggestions for Grade Placement and Development of Economic Ideas and Concepts, Part Two of Teachers Guide to Developmental Economic Education Program (New York: Joint Council on Economic Education, 1964).

<sup>3</sup>E. Carl Hall, "Selected Areas of Personal Economics Conceptually Defined" (Unpublished Ed.D. dissertation, Department of Education, University of Oklahoma, 1964), p. 107.

The Hall study was designed as the first in a series of researches aimed at establishing the focii of personal economics in educational curricula and at the improvement of instruction. This study is the second one in the planned series and is designed to establish some curriculum guidelines for the further implementation of money management education. The developmental sequence for learning about money management, based upon the understandings and concepts researched by Hall, should facilitate a more systematic approach in the presentation of money management to all young people.

#### Statement of Problem

The problem of this study was to develop a sequence of content ideas for ensuring continuity in the presentation of essential understandings and concepts in money management. The sequential pattern resulting from this study was structured for the primary, intermediate, junior-high, and senior-high grade levels.

#### Sources of Data

Data from varied sources were surveyed in the development of the sequential patterns for money management. The basic source of material utilized in establishing the scope of this research study was the Hall dissertation.<sup>1</sup>

Ideas that illustrated and amplified the concepts developed by Hall for each area of content were selected from a multiplex of information. Materials from the National Committee for Education in Family Finance, the Joint Council on Economic Education; textbooks in

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<sup>1</sup>Hall, op. cit.

consumer economics, elementary and secondary education; relevant articles in newspapers and magazines; as well as numerous other books and pamphlets were reviewed.

Source materials basic to the establishment of the sequential patterns were garnered from numerous books and periodicals dealing with the curricula of elementary and secondary education; from state curriculum guides, scope and sequence outlines in economics, unpublished dissertations; and, most importantly, from curriculum specialists and classroom teachers.

### Procedure

The first step in this research study was to establish the scope of essential learning about money management through further refinement of the concepts and understandings formulated by Hall.<sup>1</sup> The six broad areas of content that Hall isolated were: money, credit, saving, insurance, taxation, and investment. Supplementary knowledges and understandings pertinent to each of the concepts defined by Hall were developed by the writer from the sources of data for content.

The second step was to ascertain the appropriate educational levels for the introduction of money management knowledges and understandings, which would facilitate continuity in the personal economic learning experiences of students in grades K-12. Curriculum reference materials were utilized for guidance in the selection of suitable content for the structured grade levels.

The third step was to finalize the sequential pattern developed in this study with a constructive evaluation of the articulation by

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<sup>1</sup>Hall, op. cit.

classroom teachers who were familiar with the concept approach to teaching-learning in the area of money management. Teachers were selected at each of the primary, intermediate, and junior-high levels to assess the sequential pattern.

The fourth step involved the formulation for utilization by teachers, of scope and sequence guides to personal money management for each of the content areas.

The final step consisted of the formal preparation and presentation of this research report.



## CHAPTER II

### BACKGROUND FOR STUDY

How a person spends his money is related directly to his appreciation of the fundamental elements in human life. Careful consideration of what an individual does with money will often reveal a pattern of money management that basically reflects the individual's personality paradigm. Instruction in sound money management procedures can be instrumental in setting values and goals for the individual and in creating a wholesome philosophy of life.<sup>1</sup>

The emotional structure attached to, and the values placed upon, money influence an individual's financial decisions. As young people have control of sizeable sums of money, they should understand and learn to govern their feelings relative to money in order that they may utilize their dollars more efficiently.

A basic understanding of the learner's money management situation is imperative for the effective teaching of money management. If the teacher perceives the student's money world as the student himself views it, learning experiences can be planned to catch the interest of the student and to help him practice good money management with his present, as

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<sup>1</sup>Clifford Bebell, "A Non-Materialistic View of Education in Family Finance," Address delivered before the banquet group of the workshop on Education in Family Finance, University of Oklahoma, Norman, Oklahoma, June 28, 1965.

well as future, income. These learning experiences need also to be built around basic concepts in personal money management so that a student may develop relationships among concepts and organize his learning in a manner that is applicable to a number of situations. What the student has learned in the classroom must affect his daily behavior and continue to influence his adult conduct if he is to meet his responsibilities and to take advantage of his opportunities.

### Meanings of Money

In the American culture, either the presence or the absence of money has great significance for individuals. Money is a medium of exchange, a tool to be used in distributing the vast outpouring of goods and services of the economic system. Money is a symbol of status and of achievement and often the measure of human values and dignity. To some persons money represents both love and protection, as well as the satisfaction of normal needs and wants. Human worth is often equated with financial achievement; success is measured in terms of material possessions. The psychological attitudes toward spending money are as real as the money itself.<sup>1</sup>

Money affects all members of the family. Money influences the relationships among members of the family, the family's relations to the community, and the role that the family plays in society. In the home, money determines the level of living, and often each person's outlook on life. The first essential for a family is to acquire financial attitudes that harmonize with the family's long-range goals,

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<sup>1</sup>Frances Lomas Feldman, The Family in a Money World (New York: Family Service Association of America, 1957), pp. iii, 32.

because the meanings that they attach to money correspondingly influence their money management practices.<sup>1</sup>

The economic stratum of the parents is evidenced in the family's evaluation of money. In the working-class group, the child is likely to be more directly aware of the lack of money; and though he may have feelings of insecurity, he is fairly certain about the fact that the insecurity is associated with money and not with his relationship to his parents. The sometimes free spending of his parents when money is available, however, tends to distort the child's values about necessities as opposed to luxuries. In the middle-income group, parents tend to conceal money difficulties from their children. As these parents often use money to show love and approval, or to handle child-training problems, the young child translates money and material things into symbols of love. In families of greater wealth, pressure is placed upon the child for achievement in keeping with the social norms and economic ambitions of his parents. Overemphasis upon money and social position, as well as the feeling that money is evidence of superiority, is conveyed to the child and may hinder the development of a sound and realistic scale of values.<sup>2</sup>

Regardless of where the family income falls, the family plays a major role in determining the attitudes acquired by its junior members about money and its uses. The youngster tends to reflect the philosophies of his parents. Parents who are able to meet their child's needs for

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<sup>1</sup>Arch W. Troelstrup, Consumer Problems and Personal Finance (New York: McGraw-Hill Book Company, 1965), pp. 111, 130.

<sup>2</sup>Feldman, op. cit., pp. 42-43.

love and affection, for recognition, and for freedom to grow up, will foster an adult who understands the role of money as the medium of exchange and as a standard of value. A child's confusion about the relationship between love and money is the most common consequence of the irrational use of money by parents, but this confusion is closely followed by an overevaluation of material possessions, feelings of inadequacy often masked by undue competitiveness, and overcompensation expressed in undue striving for money. Indulgent parents often deprive their children of knowledge and experience that will help them to have proper attitudes toward money throughout their lives.<sup>1</sup>

Money permeates the lives of all people; and at different periods of the life cycle, money has varying degrees of significance. Children generally become conscious of money very early in life; however, as a rule they are not exposed to the conditions that make money all too real for the average adult. Children are spared the necessity of earning money in order to live; furthermore, being without money is more of an annoyance than a disaster to children. To the very young child, money is merely something to play with, but after he reaches the age of five, it becomes the means of purchasing things that he wants. By the time a child reaches the age of ten, he really begins to use money. Then the amount of money that he can allocate for his wants should be in line not only with the family finances but also with neighborhood and peer standards.<sup>2</sup>

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<sup>1</sup>Thelma C. Purtell, The Intelligent Parents' Guide to Teen-Agers (New York: P. S. Eriksson, 1961), pp. 129-130.

<sup>2</sup>Troelstrup, op. cit., pp. 130-131.

The age of adolescence presents some special problems in relation to money. The young person has sharply increased expenses for social and personal obligations, and either the availability or unavailability of money plays a strategic role in his struggle to attain independence. He often uses money either as a method of measuring his parents' standards and behavior or as a way of depreciating them.

The adolescent usually demands more money than his parents provide and wants no control over his spending of it. . . . He is likely to spend his money defiantly, for things that the parents deem useless but which he wants in relation to peer standards. . . . He may be alternately tight-fisted and wildly spendthrift. At the same time, he is resentful that the parents place no control on his spending and he is especially angry with them if he makes poor purchases.

If parents are too rigid in their controls, the adolescent may capitulate and never free himself from parental ties; . . . Or he may become so rebellious that he never learns to manage money. In his demands for money, the adolescent may be expressing a frustrated need for love.<sup>1</sup>

Within the marriage stage of the life cycle, the average young couple can anticipate a steadily increasing income and a corresponding increase in expenses in relation to future parenthood and to the acquisition of material comforts. Lack of experience in managing money prior to marriage, as well as the patterns of saving or non-saving established in their own parental homes, will be reflected in the young couple's spending behavior. When there are children in the family, the psychological pressures upon the husband to earn at a satisfactory level are multiplied by the individual feelings and attitudes of each member of the family. After parents are no longer responsible for their children's support, the easier financial situation often brings a peaceful period; and they usually experience changing attitudes toward money as their

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<sup>1</sup>Feldman, op. cit., p. 46.

financial concern is directed toward retirement income. Thus, elements of money management permeate the entire life span of every normal individual.<sup>1</sup>

Certain patterns of financial behavior in either an adolescent or an adult, when marked and consistent, may be warning signals that some deeper non-monetary problem exists. Feldman has listed five types of monetary behavior that are frequently discernible in the actions of adolescents. To a lesser degree, and in somewhat different ways, these types of behavior may be observed in the actions of many adults. Each of the types of behavior stems from psychological bases in human growth and development and each is a reflection of individual wants and desires. With minor adaptations to fit the pattern of this study, the five types of monetary behavior are as follows:

1. The Spender. He is constantly in the center of a group ready to treat everyone from a seemingly inexhaustible supply of funds. He behaves like the last of the big-time spenders, because he is seeking to buy relationships he does not otherwise know how to establish.

2. The Borrower. He is always putting the arm on someone for snacks, taxi fare, or supplies and gets angry when he is turned down. This behavior is an unconscious bid for affection denied him elsewhere.

3. The Hoarder. He hugs to himself or hides carefully from other eyes his material possessions. He is unable to bring himself to part with money, to which he seeks constantly to add more. For him, money is tangible evidence that he is strong, for it is through money that he gains his esteem.

4. The One-Upper. This is the person who wants to know the precise cost of a friend's new shoes or television set so that he can hurry out to buy a costlier one that shows he is at least as good if not better.

5. The Pilferer. The individual who takes money from purses or pockets left unguarded does not want the money as much as he

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<sup>1</sup>Feldman, op. cit., pp. 36-60.

needs the attention he gets after being caught. And he may be trying to get even for a real or fancied grievance.<sup>1</sup>

An individual's success in filling his various behavioral roles throughout life and the satisfaction he finds in them are inextricably interwoven with his use of money. Money is not only part of his social life but also a determinant of the quality of his emotional health in a money-oriented world.

### Teen-agers and Money

As this research study is concerned with the development of scope and sequence guides for personal money management in the elementary and secondary grades, and as the teen-age group represents the culminating period of the sequential pattern, an understanding of the teen-age social setting is requisite to teaching money management. The teacher must have a knowledge of the students' money resources, values, and goals if he is effectively to promote critical thinking.

In the soaring 1960's America is a nation of young persons. The median age of the population is 27.9 years of age, and this will continue to decline. Teen-agers, 22½ million of them, represent about 12 percent of the population; and by 1970, statisticians indicate that this group will increase by some 2.7 million persons.<sup>2</sup> The number of youngsters in this population group and the increasing amounts of money that they have to spend have caused manufacturers to design products especially for them; many retail, entertainment, and refreshment

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<sup>1</sup>Lester David, "\$13 Billion to Spend," This Week, September 27, 1964, p. 31.

<sup>2</sup>Joseph Morgenstern, "The Teen-Agers," Newsweek, March 21, 1966, p. 57.

businesses to cater exclusively to them; and advertisers to aim directly at their pocketbooks. Credit managers actively encourage teen-agers to purchase everything from sports equipment to clothing on credit.

Sylvia Porter reported that in 1965 teen-agers had earned, received, and spent an estimated \$17 billion on goods and services.<sup>1</sup> Teen-agers earned a large portion of this sum, but record amounts were received in the form of allowances from parents. One marketing estimate indicates that the pocket money of junior- and senior-high-school students has increased 300 percent since 1945. By 1970, the amount of teen-age spending is estimated to be some \$21 billion. The cost of feeding, clothing, and educating teen-agers is also growing relentlessly; though little research has been conducted that evidences the extent to which teen-agers influence their parents' buying decisions.

Two money worlds exist in the family of the teen-ager; parents who have known the poverty of the depression lived through World War II; and sons and daughters who have known, for the most part, only a world of abundance. Youth of the middle and upper classes are little concerned with the limited-money world that their parents have experienced as they participate fully in an affluent, optimistic world. Teen-agers need to view both worlds objectively and to make responsible adjustments to each; and parents should remember that they have helped to bring this world of abundance into existence through the miracles of production and distribution.<sup>2</sup>

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<sup>1</sup>Sylvia Porter, "Teen Spending 'Break-In' Good," The Daily Oklahoman, November 16, 1965, p. 8.

<sup>2</sup>Beatrice Paolucci and Helen Thal, Youth and Money (Washington: National Education Association, 1964), pp. 7-8.



With substantial amounts of money to spend, teen-agers need to learn realistic methods of money management and to recognize responsibility for the wise use of money. Experts urge parents to discuss family money problems and to consider financial goals and ambitions with teen-agers, so that each young person will be able to comprehend the relationship between his own economic needs and expenditures and the total family income and expenses. A teen-ager who knows that the family is not buying a new car because the money is being saved for his college tuition will not only be more industrious in school but will also probably be less demanding with other financial wants.

In a relatively short time, many of today's teen-agers will be establishing homes of their own and assuming full responsibility for their decisions concerning money. As family happiness, in a large measure, rests upon satisfying choices and ability to meet financial commitments, young people must understand some of the fundamentals of financial management.

They (young people) need to become familiar with what is involved in controlling the money resources so that their values and goals are achieved. . . . to understand for themselves their own goals and values and how these relate to their financial decisions. . . . to assess their resources (money and other) and determine how to use them. . . . to understand how money does and will affect the family and marriage relationship. . . . to be familiar with those services from financial institutions. . . . to understand how the economy of the nation affects individual families and how the private decisions made by families affect the national economy.<sup>1</sup>

Each of these factors adds validity to the need for a curriculum that will equip young people with basic financial understanding. When the task is viewed in this perspective, the necessary breadth and depth

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<sup>1</sup>Paolucci and Thal, op. cit., pp. 20-21.

of the subject matter is perceivable. No longer will a unit on budgeting suffice, nor will a few weeks on consumer buying be adequate. Money management must be taught at all possible levels and in varied circumstances.

#### Concept Development Approach to Money Management

A brief summary of the concept development approach to money management is presented on the following pages so that the reader might gain clearer perception of the implications of this research study. Hall<sup>1</sup> utilized five teaching-learning steps in developing the concepts and understandings that serve as a primary source of reference for this study. The scope and sequence pattern developed in this study presents knowledges, understandings, and concepts that should be learning outcomes for students. The teacher should help to select the important points of emphasis and set the pace of the inquiry so that students may utilize the five logical steps that will facilitate the development of sound money concepts and attitudes.

Comprehensive textbook coverage and increasingly large amounts of material are available for subject matter in the field of personal economics. Though these books and other published materials are quite descriptive of the economic processes, rarely do they lead students to develop the fundamental understandings from which appropriate concepts may be developed. However, the materials do contain much of the factual types of information from which social and personal economic understandings and concepts may be perceived. Opportunity needs to be provided for students to interact creatively with this information.<sup>2</sup>

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<sup>1</sup>Hall, op. cit.

<sup>2</sup>Ibid., p. 41.

The development of sound personal economic concepts is dependent upon a sound foundation of facts, which the student learns to assess and to incorporate into the broader generalizations and thought patterns. Porter has defined the five teaching-learning steps that will provide valuable educational experiences extending well beyond the limits of factual and knowledge types of learning:

1. Gather facts. The concept development approach sees facts as absolutely essential in teaching. But, in this approach, facts are not learned for their own sake; rather, they are learned because of their immediate usefulness.  
.....
2. Sort through facts to gain knowledge. Students must learn to sort through much factual information so as to gain a clear perception and knowledge of significant truths. They need to develop the ability to add two or more appropriate facts together to form knowledge about any particular thing.  
.....
3. Assimilate knowledge relationships to develop understanding. When confronted with a problem, a person must assimilate his various knowledges to develop understanding. It is at this point that the teacher-student relationship takes on its greatest significance. Each student, with the guidance of the teacher, needs to handle knowledge relationships so as to develop an accurate understanding of the situation.  
.....
4. Reflect about understandings to form a concept. Just as one must have two or more related facts to have knowledge about something, so one must do reflective thinking about two or more broad understandings before he can form a concept.  
.....
5. Exercising that concept in action to reflect an attitude. The ultimate goal in educating students about economics and business is: (1) to help them develop appropriate concepts so that their learning will be significant and long-lasting and (2) to develop permanent, desirable changes in students' practices which reflect their possession of appropriate attitudes.<sup>1</sup>

Students must do more than memorize factual information; they must perceive the important relationships and the collective meaning

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<sup>1</sup>Gerald A. Porter, "The Concept Approach to Education in Personal and Family Finance," Topics, Vol. 12, No. 1, A Report Published by the Educational Division (New York: Institute of Life Insurance, Fall, 1962), p. 3.

of the overwhelming masses of facts. The concept development approach to money management requires that the teacher present facts of financial management to his students, and also that he then act as a guide and motivator to help students arrange the significant information into meaningful sequences that will provide the basis for developing long-lasting concepts of personal economic responsibility for each student.

Concepts range from ideas about very simple things to high-level abstractions; they can be either wrong or muddled, but they still affect the possessor's thinking. Progress and development in all fields of human endeavor rest upon the accuracy of the conceptual framework. Burton lists three values of concepts: (1) concepts build a relatively stable and relatively permanent system of knowledge, (2) class concepts and abstractions enable the individual to generalize, (3) concepts provide the framework and guideposts for thinking.<sup>1</sup> Russell states:

The clarity and completeness of a child's concepts are the best measure of his probable success in school learning, because meaning is fundamental to such learning. The adult's concepts determine pretty well what he knows, what he believes, and thus in large part what he does.<sup>2</sup>

The test of any program of learning is the change that it produces in an individual. If individuals are to exhibit wise financial behavior, their attitudes need to be rooted in a comprehensive understanding of the major elements in personal money management. Students must be encouraged to reach beyond the first and second levels of learning to gain understanding

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<sup>1</sup>William H. Burton, Roland B. Kimball, and Richard L. Wing, Education for Effective Thinking (New York: Appleton-Century-Crofts, Inc., 1960), pp. 154-155.

<sup>2</sup>David H. Russell, Children's Thinking (Boston: Ginn and Company, 1956), p. 120.

and insight that will effectively guide their personal financial affairs throughout life.<sup>1</sup>

### Summary

Basic to this study are ideas concerning the meaning of money, teen-agers and their purchasing power, and the concept development approach to money management. Money is a significant factor in the social adjustment of individuals and families irrespective of their economic status. Money affects the individual's physical well-being, personal relationships with his family, and the role that he plays in society. The money management habits of individuals can be meaningful to teachers and counselors in helping them better to understand that individual and in helping him to understand himself.

The large number of young people with increasing amounts of money to spend necessitates their comprehension of the fundamentals of good money management. Opportunities for the study of essential money management principles must be provided at all educational levels so that students will have the years of experience necessary for the establishment of sound money values and practices. Utilization of the concept development approach to money management in educational institutions will facilitate the students' acquisition of the fundamental structure of financial management that permeates the socio-economic climate of life.

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<sup>1</sup>E. Carl Hall, "Family Finance Education: Concept Development and Application," Topics, Vol. 14, No. 2, A Report Published by the Educational Division (New York: Institute of Life Insurance, Spring, 1965), p. 5.

## CHAPTER III

### PERSPECTIVE FOR TEACHING PERSONAL MONEY MANAGEMENT

A perspective is a tool with which to evaluate the proportional importance of each of the components that comprise the total. This chapter provides a perspective or frame of reference that will enable the teacher to understand more fully the contribution that a personal money management program can make in the development of understandings and concepts needed for responsible citizenship in the American society.

The intellectual capabilities of students and principles of teaching are scanned, since teaching methods should be based upon such dynamics in the learning process. Practical procedures for vitalizing the teaching of personal money management are explained and illustrated in this chapter to stimulate the ingenuity of the teacher. Two substantial and authoritative references in the area of curriculum were selected as the principal sources of major ideas to ensure continuity in the presentation. Ragan and McAulay's most recent book, Social Studies for Today's Children, was utilized for the elementary considerations. At the secondary level, the book Teaching Adolescents in Secondary Schools<sup>2</sup> by Rivlin served as the basic reference.

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<sup>1</sup>William B. Ragan and John D. McAulay, Social Studies for Today's Children (New York: Appleton-Century-Crofts, 1964).

<sup>2</sup>Harry N. Rivlin, Teaching Adolescents in Secondary Schools (New York: Appleton-Century-Crofts, Inc., 1961).

### Considerations for Elementary Teachers

Historically, the elementary school has been regarded as a place where children acquired the basic tools that would prepare them to enter either high school or their life's work. However, in recent decades a broader concept of the role of the elementary school, which includes the development of social understanding and civic competence consistent with the capacities of children, has been sanctioned. Teaching is now regarded as a creative process that requires a clear understanding of child growth and development, the purposes of education in the American elementary school, and the realities and ideals of contemporary society.<sup>1</sup>

A considerable body of evidence supports the contention that successful elementary school teachers are generally those who know the most about the children that they teach. Each teacher should make every effort to collect pertinent information about his pupils, to adapt materials to their levels of ability, to provide individual guidance in learning basic skills, and to build on the children's interests and experiences. "Children learn more readily and more thoroughly those tasks for which their previous experience has adequately prepared them."<sup>2</sup>

### Intellectual Capabilities of Elementary Students

Children begin to think and reason at a very early age. Children at any age can solve problems that are real to them and that are within the limits of their store of experience. Their thinking at first will lean toward the specific or concrete, and abstractions are difficult for

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<sup>1</sup>Ragan and McAulay, op. cit., pp. 19, 22.

<sup>2</sup>Ibid., p. 25.

them. Research studies reveal: (1) that curiosity is an outstanding trait of young children and it needs to be fostered by adults, (2) that the vocabulary of children frequently outruns an understanding of the word meanings, (3) that critical thinking is evidenced in early childhood and gradually grows as the child matures.<sup>1</sup>

Children's thinking lacks logical consistency at times because of their limited maturity and life experience. In the intellectual life of children:

1. Absolutistic tendency dominates. Relativity has not yet been sensed; differences and degrees within a total event are not recognized.
2. Egocentricity dominates.
3. The real is not yet distinguished from the not-real, the objective from the subjective, what happens in their minds from what happens in the world.
4. Ability to abstract and generalize, though present from an early age, develops very slowly.
5. Abstract relationships are not well understood, particularly cause-and-effect relationships.<sup>2</sup>

As the child grows and broadens his experience, the egoistic tendencies are modified; absolute judgments begin to give way to judgments involving degrees and levels; the developing personality adjusts to become aware of the outside world; the real from the unreal is increasingly discerned; a store of reliable experience begins to form; and eventually the child separates events from surrounding circumstances. The child's thinking begins to take on logical consistency as he matures.<sup>3</sup>

A child's mental ability is undoubtedly influenced by a considerable number of factors. The influences of heredity and environment tend

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<sup>1</sup>Ragan and McAulay, op. cit., p. 30.

<sup>2</sup>Burton, Kimball, and Wing, op. cit., p. 336.

<sup>3</sup>Ibid., pp. 337-338.



to reinforce one another in most children. Probably heredity determines the broad limits within which the child may develop thinking abilities, while environment influences the specific thinking abilities. The child's general mental ability may not vary widely between ages of five and twelve, for example, but the patterns of his more specific abilities may change considerably. As mental tests measure the child's thinking in rather specific situations, the influence of environmental forces seems increasingly to affect his test scores as he grows older.<sup>1</sup>

The clear formulation of concepts is involved in the thinking of children and adults. However, any group of children of the same chronological age displays a wide range in their development of concepts, and this range usually increases as children grow older. Children develop breadth and depth in their concepts only after they have had much experience in the area involved. If a child has an incorrect concept of "teacher," it may affect all of his early progress in school. If he has an incorrect concept of either "family," "friend," or "self," his interpersonal relationships may be difficult for him. Fortunately, under wise guidance, children's concepts can be clarified and modified.<sup>2</sup>

#### Principles in Teaching Elementary Students

The recognition of the pupil's role in the learning process makes it difficult to formulate rules that will assure desirable educational outcomes. Ragan and McAulay<sup>3</sup> have outlined certain principles

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<sup>1</sup>Russell, op. cit., pp. 58-60.

<sup>2</sup>Ibid., pp. 122, 163.

<sup>3</sup>Ragan and McAulay, op. cit., p. 30.

of teaching, which are adapted and listed below, to serve as guides in setting the stage for helping children to learn more easily. These are guides rather than rules and need to be understood and applied by the teacher rather than merely committed to his memory.

Problems should be closely related to the pupil's level of development. An individual who is not yet ready to understand problems relating to the national budget may think quite clearly about saving a part of his allowance each week in order to buy something special, because his critical thinking begins with problems relating to his immediate environment.

The child must have direct experience with things, persons, and situations. Although a large store of information does not ensure critical thinking, a child needs a wide background of experience to supply the context for critical thinking. A wide range of concrete and verbal materials, including books, newspapers, magazines, radio and television programs, field trips, and resource persons should be available to the pupils; as the use of a single textbook is not effective.

Children need to develop correct processes of exploration. The formal processes of thinking cannot be imposed; they must be discovered and developed by the learner. Curiosity becomes a factor in learning when the learner really wishes to know why things happen.

Group discussion is important in the development of critical thinking. Interaction among members of a group stimulates individuals to think clearly and consistently. Members of the group help the individual check his statements for inconsistencies and challenge his conclusions that are not supported by evidence.

Units of study dealing with propaganda, prejudice, and rumor promote critical thinking. "Specific units dealing with topics listed above can be very effective, particularly in grades four, five, and six."<sup>1</sup> Materials illustrating this use are readily available in news columns, editorials, speeches, pamphlets, and books.

Evaluation procedures should require critical thinking. Problem-situation tests of various kinds and essay-type examinations that demand the child's judgment are essential to teaching for thinking.

The teacher should analyze his course of study to determine which purposes, subject areas, and processes can be involved in improving the pupil's habits of thinking. He can then aid the child to solve the pertinent problems with the most efficient methods. The methods will vary considerably, of course, according to the purposes and subject matter of the particular unit.<sup>2</sup> This research study is concerned with the process of concept development in the content area of personal money management.

#### Money Management in the Elementary School

Personal money management lies in the realm of the concrete everyday experiences of children; and teachers who know the value of developing a deep understanding of the personal, the immediate, and the concrete, have found that personal finance topics are fertile ground for teaching and learning. Often fruitful learning activities result from the child's almost irrepressible curiosity. If the teacher has

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<sup>1</sup>Ragan and McAulay, op. cit., p. 30

<sup>2</sup>Burton, Kimball, and Wing, op. cit., p. 333.

a wealth of knowledge, sufficient mental agility, as well as a sense of adventure, he can build the child's unexpected question about money, credit, insurance, and taxes into a lasting experience in learning for the whole class. However, through skillful planning a teacher is able to improve the instructional program and to make it responsive to the needs of the times and of the pupils.<sup>1</sup>

Roselyn Brownley, Principal of Lakewood School in Norfolk, Virginia, in answer to a query about where money management concepts fit into the elementary school curriculum responded, "This is not an additional subject in an already crowded curriculum, but rather it is an area that can give greater depth and understanding to subjects already taught."<sup>2</sup> Students in classrooms throughout the elementary school can be taught the personal economic aspects of the subject matter, from social studies to English.

Through class discussions, panel discussions, recitations, dramatizations, and other activities, pupils can gain much understanding in the area of money management. More specifically, a few of the many kinds of activities that have proved successful for elementary teachers in teaching personal finance are presented here as summaries of statements from educational guides.<sup>3</sup>

At the primary level:

1. Pupils may prepare lists of "What I Spent" and "What I Could Have Bought if I Had Planned."

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<sup>1</sup>O'Brien, op. cit., pp. 30, 35.

<sup>2</sup>Ibid., p. 32.

<sup>3</sup>These examples have been garnered from the Oklahoma City Public Schools guide entitled "Economics for the Primary School" and from O'Brien, op. cit.

2. Members of the class may keep records of their income and expenses for four weeks and have the experience of making the "how-I-use-my-allowance sheet" balance with the "amount-received sheet."

3. After a discussion of what their fathers do and where the family gets its money, the pupils will question where all of that money goes; and this may lead to a classification of family expenses. Each category might serve as a subject for essays by the children.

4. To emphasize thrift, the children might make an inventory of the items in the school's lost and found box. By looking through newspaper advertisements, the price of each item can be determined and the money value of the items totaled to show the cost of carelessness.

5. A puppet, doll, or drawing, such as "Ho Ho the Clown," might give the children advice for saving and may help them to spend their money wisely. A "Mrs. Spend Thrift" might be used to show unwise spending of money or materials.

6. A play situation may be used in which each child is given enough money to pay for certain items that the teacher designates. After the child has paid for his items satisfactorily, an insufficient amount, or too much money can be given to him to pay for different items. What should he do?

Though these examples deal only with planned spending, they can readily be adapted for applications in other areas, such as insurance and taxation.

Learning involves integration of old and new behavioral responses, and learning activities designed for the primary grades can be modified for intermediate-level pupils. Other activities in which the intermediate-level pupil might participate have been garnered from educational guides<sup>1</sup> and are summarized here.

At the intermediate level:

1. To illustrate the need for money as a medium of exchange, pupils may be asked to bring unused articles to school for swapping with classmates. In bartering with one another, they will soon discover how difficult it is to strike a mutually acceptable trade and to measure the value of articles. To get a desired article, an individual may find that it is necessary to enter into a

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<sup>1</sup>These examples were garnered from the Oklahoma City Public Schools guide entitled "Economics for the Primary School" and from O'Brien, op. cit.

confusing and unwieldy three- or four-way trade. For example, in one situation comic books became the medium of exchange, because they were readily negotiable and served well as units of value.

2. The newspaper may be used as a current and readable source of instructional materials on personal finance. News articles, feature articles, editorials, and advertising items play an important part in relating the world of personal finance to the world of children. Classroom walls literally can be papered with charts, murals, drawings, student essays, and news clippings.

3. A family shopping tour may be dramatized, or actually conducted, to show how the family chooses between the things it really needs and those things that it would like to have when a limited amount of money is available. Further role playing might serve as additional media to illustrate other choices that the family must make as the necessities and wants of the family are considered.

4. Pupils may learn about the advantages and disadvantages of installment buying in a math class as they figure interest problems. Pupils might also be encouraged to write stories about the use of credit; for example, one fifth-grade boy created a "Mr. Flint" to personify his story:

Listen, my friends, and I will tell you my tale of woe,  
All because about the "ballon contract" I didn't know.  
Six years ago, I bought a new car as pretty as could be,  
But it won't be paid for until 1963.  
Cause here's how the typical \$100 down and \$40 a month  
worked out for me,  
The reason being the "ballon contract" I just could not  
foresee!

The rhymed couplets were followed by an involved mathematical record of "Mr. Flint's" frustrations in finance.

5. Pupils may be encouraged to collect pictures of articles that they would like to own and stories written about planned spending.

6. The microphone on the tape recorder might be used as a prop to test understanding. A roving reporter, such as "Mrs. Thrifty Wise," asks the pupils questions about money management.

Unit teaching at the elementary level has been praised as one of the most effective methods of securing enrichment of learning experiences. A few of the significant advantages of unit teaching are that a problem-solving approach is utilized, the activities are unified, opportunities are present for the pupil to use skills in meaningful situations,

opportunities are provided to compensate for individual differences in children, the socialization of pupils is enhanced.<sup>1</sup>

A possible unit of work emphasizing money management would be to organize the classroom to represent a town with the different places of business arranged around the outer perimeter of the room. The children would decide the type of business that they wished to enter--though ensuring that the necessary services of grocery, clothing, and sundry stores; doctors; lawyers; bankers; realtors; insurance companies; automobile dealers; utilities; service stations; etc.; would be provided. Each child would be issued a certain amount of "money" by the teacher; and, at any one time, one-third of the pupils would act as consumers while the other two-thirds manned their businesses. The children would use their money to buy necessities and to satisfy as many of their wants as they could. To provide variety and a change of pace, consumers would draw cards that would tell them either that "they had been involved in an automobile accident"--they must see their doctor and insurance agent; or that "Aunt Susie and her family of six were to arrive that afternoon to spend four days with them;" or that "their home was damaged by fire and had to be repaired;" plus a number of other unexpected events that commonly happen to people.<sup>2</sup>

The creativity of the pupils and their teacher is the only limitation to the many learning experiences that can result from a unit similar to the one described above. The unit of work fosters both

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<sup>1</sup>Ragan and McAulay, op. cit., pp. 194-198.

<sup>2</sup>The content of this unit was gleaned from Mrs. Alvena Stephens who teaches in Oklahoma City Public Schools.

vertical and horizontal integration of content as it provides a unifying core for activities at a particular time and enlarges the concepts that have been gained previously and that will be needed in the future.

#### Pupil Activities Pertinent to the Comprehesnion of a Money Concept

To illustrate further pupil-learning activities, two classroom teachers at the primary and intermediate learning levels were asked to describe the manner in which they would develop learning experiences that build toward a definitive understanding of money management. For example, at the primary level, these knowledges might be: "Money management (planned spending or budgeting) is deciding what to do with one's earnings." and "Wise money management means making the best possible use of whatever money one has."

In Tulsa, Oklahoma, at the Johnson Elementary School, two teachers are effectively including money management experiences in the learning activities of the first- and second-grade youngsters.<sup>1</sup> Mrs. Dargan and Mrs. Musgrove report that they would introduce pupils to the money management knowledges listed above by posing a problem:

"Tom has an allowance of 50¢ a week from which he must buy his school supplies and snacks. On his way to school one morning he sees that a new sign has been put on the billboard--the Barkley Circus will be in town in three weeks! What can Tom do to ensure that he will have some money to spend at the circus?"

As the class discusses ways to save money for the circus, the teacher might list the good spending points on the board, such as "Tom will have to be careful with his school supplies," "He will either not be able to buy as much candy as usual or not to buy an candy at all,"

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<sup>1</sup>Interview with Mrs. Opal Dargan and Mrs. Rose Musgrove at Tulsa, Oklahoma, April 12, 1966.



and so forth. The pupils probably will discover that Tom must make choices among a number of different ways in which he can plan to spend his allowance.

Role playing by pupils as members of a family could also be utilized. Pupils would act as mother, father, Susie, and Jim. The situation for the family discussion might be:

Susie is in the school play and needs a costume, Jim needs either a new pair of shoes or to have his present shoes repaired, mother wants a new ironing board, and father's gloves have a hole in them. If there is not enough money to buy all of these things, what should the family buy with the available money?

Another problem for the above family to discuss might be:

What can the family do without, so that they can either rent a better house or buy a new car?

From these discussions pupils may realize that family income cannot satisfy all of the wants of all members of the family and that by planning together they are strengthening family relationships.

Pupils in the primary grades are particularly dependent upon visual materials. During the study of money management the bulletin board could be effectively used to illustrate choices for spending. A picture of a child clutching a quarter surrounded by pictures of things that he could buy with a quarter may help pupils realize their many wants in relation to the amount of their allowance.

Mrs. Musgrove frequently uses music to vary classroom experiences and to motivate her pupils further. She recently composed the "Budget Song" for her first-grade youngsters.

#### The Budget Song

CHORUS: I budget money, I budget time,  
I budget everything that's mine.  
I budget work, I budget play,  
It helps me have a happy day.

## (The Budget Song -- continued)

If you would always meet your needs,  
 Be sure to budget, if you please;  
 And you will never, never go wrong  
 If you follow the budget song.

For those who never, never know,  
 What they can spend before they go.  
 Into a store all stocked with goods,  
 Will always spend more than they should.

When we grow up, we'll always know,  
 What we may spend before we go  
 Into a store all stocked with goods,  
 So we won't spend more than we should.

We hope you'll follow our advice,  
 Before you spend, always think twice,  
 And you'll be happy all day long,  
 If you remember the Budget Song.

Just budget your money, also time,  
 Clothes and food, right down the line.  
 Budget everything that you hold dear,  
 And you'll be happy all the year.

By setting these thought-provoking verses to music and having her pupils memorize the words and melody, Mrs. Musgrove can utilize the verses as the basis for class discussion about money management, can make budgeting seem like fun for her pupils; and the song will serve the youngsters as a reminder of things that they should and should not do in managing their money and time.

Knowledges that might be supplementary to a definition of money management and that may be taught at the intermediate level are: "A larger income does not eliminate the need for good money management, as individuals tend to upgrade their wants as their incomes rise." and "Through careful management of his income, an individual will be able to buy either more or better quality things." Mrs. Stephens who teaches at the Ridgeview Elementary School in Oklahoma City believes that the

following activities could be utilized effectively to develop the above listed knowledges with pupils:<sup>1</sup>

1. Pupils may write a story comparing what happens when "Spendthrift Sally's" family and "Careful Eddie's" family get a raise in salary.

2. Members of the class might debate which would be the best buy: a chosen product of high quality or a chosen product of mediocre quality, such as a Schwinn bicycle or a J. C. Higgins bicycle, considering price also.

3. After a tax cut has been announced by the government or any other event that would give every family more money, a "Man on the Street" interview could be planned. The teacher or a pupil could interview the other pupils for their reactions.

4. A family planning session may be dramatized in which the family discusses the TV set that needs extensive repairs, but they must also consider that the older brother is going to college.

5. Pupils might make up three math, story problems in which a comparison of buymanship is the theme of the problem. For example: "Bob has saved \$25 for a used bike when he notices that the local bicycle shop is advertising new bicycles at 10% off their usual price. How much more money would Bob have to save to buy the model that usually sold for \$39 at the local bicycle shop? Should he buy a used bike or continue to save for the new one?" Pupils would then exchange problems and solve them.

6. All of the pupils might act as members of a family that is planning a vacation. Pupils should be prepared, through checking prices in a newspaper or brochures, to discuss the cost of travel to Disneyland, for example--car expenses at 10¢ a mile and costs for food, lodging, and recreation. Where can the family afford to go?

7. Pupils may show how they would plan to manage their allowances if they wanted to buy something (bicycle, record player) special.

8. The children might write a story telling what would happen in their family if the father's income doubled; if his income decreased by one-fourth? Newspaper advertisements should be used to justify the prices of the additional purchases.

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<sup>1</sup>Interview with Mrs. Alvena Stephens at Oklahoma City, Oklahoma, April 15, 1966.

The foregoing descriptions of activities serve to illustrate some of the ways in which the definitive knowledges of money management might be developed at the primary and intermediate levels of learning. Every teacher approaches the learning situation differently and will want either to adapt or to create other pupil activities that will help his pupils to understand and practice good money management.

#### Considerations for Secondary Teachers

The American system of secondary education is based upon three underlying assumptions: that an elementary education is not sufficient preparation for the responsibilities of adulthood, that our nation is rich enough to afford its adolescents to go to school instead of to work, and that the people believe that education is the principal means of social and economic advancement. In view of these assumptions, the goals of secondary education are relatively simple; but the means of reaching these goals become the highly debatable issues.<sup>1</sup>

The increased complexity and the importance of secondary education have underscored the significance of the teacher as a key person in secondary education. The teacher needs to be a scholar as well as an expert in stimulating and guiding learning, in curriculum building, and in understanding and working with people. The teacher must be able to create a wholesome classroom atmosphere that is conducive to student achievement and to discern the individual factors that influence learning.<sup>2</sup>

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<sup>1</sup>Rivlin, op. cit., p. 30.

<sup>2</sup>Ibid., p. 2.

## Intellectual Capabilities of Secondary Students

The secondary student ranges in maturity from late childhood to early adulthood, but the great majority of students are in some state of adolescence. Research studies consistently show that mental growth occurs at a regular constant rate until the beginning of early adolescence, when the complex physical, social, and emotional stresses of these years begin to take their toll. During this period, evidence indicates that a plateau of two to four years with almost no growth in mental age is prevalent. The range of mental age is often eight to nine years in each grade of the junior-high school. When physiological development occurs early, usually a corresponding rapid rate of mental growth is demonstrated; and conversely, those who physiologically mature later will have a slower rate of mental growth. Mental growth takes place as adolescents expand their experiences in the environment of the school, community, nation, and the world. Mental maturity, or when intelligence tests ordinarily cease to show performance increments, is reached at about twenty years of age.<sup>1</sup>

Nordbert has listed a number of common adolescent characteristics that affect the learning process:

. . . their affective instability in their transition from childhood to adulthood; their preoccupation with themselves and their peers; their social sensitivity; their interests in and concerns over sex, dating, being treated as adults, and gaining adult prerogatives; and their attainment of mental maturity approximating that of their teachers in many cases. Each student adds his own unique personality and intellect, his own problems and goals, and his own background and social status to the general learning equation for adolescents, making it a very complicated equation.<sup>2</sup>

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<sup>1</sup>Nelson L. Bossing and Roscoe V. Cramer, The Junior High School (Boston: Houghton Mifflin Company, 1965), pp. 84-85.

<sup>2</sup>H. Orville Nordbert, James M. Bradfield, and William C. Odell, Secondary School Teaching (New York: The Macmillan Company, 1962), p. 37.

The innate complexities of the adolescent demand a program of education that is challenging and fully geared to the individual differences of students.

The adolescent, approaching mental maturity and having had some years of experience with words, people, and things, has many resources with which to discriminate and reason. The adolescent is more proficient in reacting properly to verbal presentations and is somewhat less dependent on the demonstration and nonverbal visual materials of the elementary school. Nearly all of the students have better habits than they had in the earlier grades, and many will study and perform with increased efficiency.<sup>1</sup>

Through this greater mental maturity, insight is a more frequent feature of the students' problem solving with the number of trials and errors becoming less. The attention span is lengthening; and in senior high, it is about as long as that of adults. New ideas are seized uncritically at times, while at other times a conservative attitude grips the adolescent. Most secondary students have sufficient mental maturity and experience with their culture to understand the meaning of things as their teachers understand them, though probably with less depth. Particularly at the senior-high level, students can perceive the complex detail of economics and current world affairs, for example, if sufficient elaboration and illustrations are provided by the teacher.<sup>2</sup>

Valid concepts are necessary for an individual to understand the social, economic, and political life around him. These concepts,

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<sup>1</sup>Nordbert, Bradfield, and Odell, op. cit., pp. 30-34.

<sup>2</sup>Ibid.

which enable an individual to think more systematically and to adapt his behavior to situations, are usually achieved incidentally in the pursuit of life and not through a formal or logical process. Concepts are never fixed or final, as they are constantly being clarified and extended by the individual. A person cannot be taught to think; education "can only aid individuals and groups to use better the capacities they have and the resources which are readily available." The school must provide varied learning situations and activities to help the student develop increasingly broad concepts and to help him utilize these concepts in his everyday thinking.<sup>1</sup>

#### Principles in Teaching Secondary Students

The teacher's understanding of adolescents and their learning process enable him to gain insight into effective ways of stimulating and guiding the learning experiences of his students. Rivlin<sup>2</sup> has suggested certain principles of teaching that can be effectively related to instructional methods and to the learning procedures of students. These principles are summarized as follows:

The teacher needs to understand and respect his students, as well as the content of his instruction. Mutual respect between teacher and student is necessary for effective teaching and learning. The teacher must be able to see the problem from the students' point of view and to present his subject matter in such a manner that it is readily understood. Continued advanced study on the part of the teacher is

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<sup>1</sup>Burton, Kimball, and Wing, op. cit., pp. 163, 281.

<sup>2</sup>Rivlin, op. cit., pp. 69-103.

imperative for enrichment of background and for enthusiasm in subject-matter presentations.

Teaching methods must be appropriate to students, teacher, and the subject matter. Classroom activities should be geared to the specific needs of students within that classroom and to the desired educational outcomes. By planning a new area of study around the phase of the topic that deals closely with students' interests, teachers can help to make the content of the subject more meaningful. The teacher needs, also, to take advantage of his own specific strengths and weaknesses when he plans the classroom activity.

Learning is a process of active participation. Students who have a part in discovering a generalization, phrasing it in their own words, and then applying it to different situations will better be able to understand and retain this principle in their store of knowledge. Of course, the goal of participation is understanding on the part of the student rather than activity of just mechanically following either a formula or a set of directions.

Learning activities should have definite objectives. Clear formulation of both immediate and overall course aims permits teachers and students to know the purpose of a specific activity and how that activity contributes to the overall objective for the course. The organization for teaching specific skills and knowledges should allow opportunity for students to formulate appropriate attitudes and interests.

Learning activities should be planned in a graduated sequence of difficulty. Learning situations should be so arranged that only



one new difficulty is presented at a time and that opportunity exists for each new skill to be mastered before a more advanced one is introduced. Focusing the student's attention on one major error at a time is usually more effective than the student's trying to correct many different errors at the same time.

Firsthand experience is necessary to develop an adequate concept and verbal definition. Students need to have actual experience with modern art, for example, before they can meaningfully isolate the characteristics of modern art. After proceeding from actual experience to a concept of the object, the student can then verbalize with understanding, instead of just parroting memorized material.

The teacher must provide for the individual differences among his students. New courses and new programs have been offered by the secondary schools to deal with the heterogeneity of students, but it is the teacher who has the major responsibility for adjusting instruction to meet individual needs. The teacher must utilize methods of instruction that will stimulate intellectual growth for the continuum of mental abilities within his classroom.

The teacher's understanding of adolescents should not only aid him in his teaching procedures but also serve as a basis for evaluating the achievement of his students. Measurement can reinforce learnings and will determine to a considerable extent what the student learns. The teacher is able either to expand or to modify his instructional practices as he evaluates the progress of his students. The extent and the adventure of learning depend upon both the student and the teacher.

### Money Management in the Secondary School

Instruction in personal money management offers many opportunities for secondary-school students to develop basic attitudes and habits concerning the use of personal and family money as a means of achieving individual and social goals. Incorporating education in personal finance into the secondary program does not necessitate either the addition of any new courses, or the deletion of present courses. An examination of the present secondary curriculum will reveal many instances in which students are receiving instruction in personal finance and will indicate areas where either the expansion or the addition of money management topics would enrich the total school program.<sup>1</sup>

Certain subject-matter areas, such as social studies, homemaking, mathematics, and business readily accommodate the inclusion of personal money management content. Other areas such as English, science, driver education, industrial arts, may seem to offer fewer possibilities for introducing personal finance; but upon closer scrutiny, a number of interesting and unique activities stemming from money management can be woven into them. The extent to which a teacher capitalizes upon the occasions to teach money topics depends upon the teacher's awareness of the opportunities and a background of knowledge sufficient to facilitate worthwhile learning experiences for students.<sup>2</sup>

Some schools may prefer to incorporate personal money management into a single course in which pertinent financial problems are the primary consideration. Special problems courses, such as Consumer

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<sup>1</sup>O'Brien, op. cit., pp. 16-17.

<sup>2</sup>Education in Personal and Family Finance--Its Place in the Curriculum, op. cit., pp. 17, 21.

Mathematics, General Business, Senior Problems, and Family Relations lend themselves to such treatment. A core program, which utilizes problems of personal and social development common to all students, can afford rich opportunities for the development of personal financial learning experiences. Learning experiences for developing economic competence on the secondary level will depend upon the students' previous experiences in elementary school. At the secondary levels, the learning experiences should be extended and geared to successively higher levels of mental and emotional maturity.<sup>1</sup>

The actual methods and devices that can be utilized in presenting personal money management topics will vary considerably as each teacher adds his personality and a spark of ingenuity to the learning situation. Resource persons, field trips, comparative shopping, audio-visual aids, as well as the abundant supply of books, newspapers, magazines, and pamphlets are media from which facts, knowledges, and opinions can be gleaned by students.

David Schoenfeld, who teaches a consumer economics course in Lincoln High School, Yonkers, New York, has described some of his successful teaching procedures, which are summarized here.

1. To develop an awareness of the necessity for financial planning, students are asked to record their personal finances for two weeks, as well as their comments and any changes in spending habits that result from this project. On the first day for the class discussion of financial planning, a volunteer is asked to place all of the money that he has in his pockets on his desk. He then tells the class when he will get more money, what expenses he will have before he gets more money, and how he will allocate his present money supply to cover these expenses. Often the student discovers

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<sup>1</sup>Education in Personal and Family Finance--Its Place in the Curriculum, op. cit., pp. 19, 21.

that he cannot meet his anticipated expenses without giving up something or having to borrow money; and personal financial problems become quite real. After further class discussion of the advantages, uses, and techniques of financial planning, each student develops a personal budget. The next consideration is financial planning for the family-with information and opinions being sought from parents, experts, and resource materials.

2. For a practical and student-related approach to a study of advertising, students select one brand of an item that they would like to own. Advertisements for this brand are clipped from periodicals and monitored on radio and television; a visit is made by the student to a local store to determine price and printed literature on the article; the class then evaluates the different advertisements as to appeal, accuracy and completeness of information, and selling power. The role of advertising as a communications medium and as a stimulus to the economy as a whole is discussed to further the students' understanding of the subject.<sup>1</sup>

These activities utilize the present concerns of students to make both financial planning and the impact of advertising meaningful to them now and to help them develop sound money management practices.

Case studies allow students to think critically and to make decisions. The problem situations should be suited to the maturity and interest level of the students, centered around current problems, and challenging to the students. Either simple or elaborate case studies may be utilized, such as the following:

John and Mary, who are newlyweds, are buying a house and furnishing it. They have a 20-year mortgage on the house and have bought appliances and some furniture on installment buying. Although they have bought the essential furnishings for their residence, Mary would prefer to get dining room pieces and "finish up the job." They discuss whether or not they should increase their indebtedness at the present time.

How does installment buying affect one's credit rating? What do you think of the idea that one should never buy what he cannot pay for on-the-spot? Is this a practical idea in the modern world? What psychological factors should be

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<sup>1</sup>Consumer Education Committee, Consumer Education in Lincoln High School, (Mount Vernon, N. Y.: Consumers Union, 1965), pp. 61-65.

considered in increasing the indebtedness? John says that he cannot afford to die. What does he mean?<sup>1</sup>

Additional discussion questions might be derived from the foregoing case study: (1) If the house cost \$15,000, interest at 5% and taxes of \$250 a year, what would be the amount of their monthly house payment? (2) What would be the approximate cost of furnishing such a house? (3) If John earns \$6,000 a year, can he afford this house? (4) What percentage of his salary is spent on the house payment? This problem might serve students as a review of some of the aspects of credit buying and help them discern some relationships between the amount of income and the amount of purchases that can be afforded.

The stock market can become an actuality for students if the members of the class will share the cost of one share of stock and keep it for one semester. A stock broker may be invited to discuss securities for the students and to make recommendations as to the stock they should purchase; and, of course, this consultant will be glad to handle the stock transaction. During the semester, students take turns in plotting the price path of the share on a large graph affixed to the bulletin board. If the class is affluent, two shares of stock, one a growth stock and the other a "blue-chip" stock, might be purchased and a contrast made of their price fluctuations. The share or shares are sold at the end of the semester with the profit or the loss divided among class members.<sup>2</sup> The mechanics of investing, the different kinds

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<sup>1</sup>Genevieve Pieretti, A Guide for Teaching Personal and Family Money Management (Carson City, Nevada: Department of Education, 1964), p. 86.

<sup>2</sup>The content of this unit of study was gleaned from Mrs. Mildred Turpen who teaches at Duncan High School, Duncan, Oklahoma

of investments, and the price movements of the stock market can become a part of the students' experiences as they participate in a stock purchase.

Students of all ages are interested in automobiles. The hypothetical selection and purchase of an automobile either by the class or by each member of the class can serve as a basis for the study of personal money management. Arrangements may be made for financing the purchase, which might provide an avenue for discussion of either savings or the types and costs of credit. The amount of excise tax on the purchase price of the car, the cost and process of transferring title and securing a license plate for the car could require special reports. The necessity for purchasing insurance for the car may cause a study of the many kinds and costs of coverages available before a decision can be reached as to what protection would be adequate. The further costs of operation, taxes, replacement of parts, and so forth, may cause discussions of planned spending. These are but a few of the many learning situations that can serve as springboards to further inquiry of personal finance topics.

By utilizing the textbook as a foundation for the understanding of problems that are of major concern to young people as consumers and by adding a wide variety of communications media as well as the experiences of students and their families, teachers give students the opportunity to examine, analyze, and evaluate the realities of consumer life. The blending of the practical with the traditional theoretical approach to learning experiences enables the students to catch the excitement and the challenge inherent in personal money management.

## Student Activities Pertinent to the Comprehension of a Money Concept

Student activities pertaining to the definitive understandings of money management were again selected at the junior- and senior-high school level to illustrate possible continuity and increasing complexity of content. At the junior-high level these understandings might be: "A key to money management is self-discipline." and "For each individual family, wise money management is the obtaining of maximum satisfaction from the use of money that the family earns."

Mrs. Faulconer who teaches social studies in the Frederick, Oklahoma, junior-high school and Mrs. Bamford who teaches social studies at the University Junior High School in Norman, Oklahoma, suggested the following student activities that they would utilize in trying to develop the above listed understandings with their students.<sup>1</sup> These activities are:

1. To have round-table discussions about money management. The teacher can stimulate discussion with key questions that concern the student, such as "How much to spend on a date," "Should they pay their own expenses when they are with a group," or "How much does it cost to operate a car after the down payment has been made?"
2. To let students keep a record of the cost of operating a car, considering depreciation, insurance, gas, tires, oil, etc.
3. To divide students into groups or buzz sessions with a leader, time keeper, and a recorder. The teacher plans questions, such as "How much allowance should ninth graders have," "How much do you receive per hour for your services," "What do you have to buy with your allowance and/or earnings?" Each recorder reads a summation of each discussion to all of the students. The entire group draws conclusions, such as the average allowance or the average amount received for services.

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<sup>1</sup>Interviews with Mrs. Estelle Faulconer at Frederick, Oklahoma, on April 14, 1966, and with Mrs. Carolyn Bamford at Norman, Oklahoma, on April 18, 1966.

Students sometimes discover that relative to their peers their allowance is greater than they had thought and that their problems are not unique.

4. To ask each student to plan a budget of how he will spend his money. This can be followed by class discussion about some of the things that should be included in financial planning.

5. To use quotations: "He who has the worst disposition in the family rules." Ask students what their image in their family is. For the quotation "Money is the root of all evil" assign some students to defend the statement and others to argue against it.

6. To have panel discussion on the history of money. Let those students who want to participate serve on the panel. Open the discussion with a five-minute talk from each member of the panel and then ask for questions from the group.

7. To ask the local banker to discuss money and money management for the class.

These are but a few of many activities that teachers may use in helping students to understand better the scope of money management. These are the types of activities that can be employed a number of times by changing the context of the subject matter.

At the senior-high school level, the definition for financial planning might be stated as: "Money management is the control and allocation of money resources so that family happiness and long-term security are maximized." This is a broad statement and has at least two aspects that can be considered separately and then fused together as one. The first component could include a consideration of financial planning, good buymanship, and recordkeeping, while the latter part of the statement could embody a discussion of the meaning of the words "happiness" and "long-term security." Differences in the value systems and goals of individuals and families, involuntary private



and governmental pension plans, insurance, and the potential total of lifetime earnings may easily be included in this discussion.

Mrs. Fell who teaches business at University High School in Norman, Oklahoma, and Mrs. Rupp who teaches business at Capitol Hill Senior High School in Oklahoma City, Oklahoma, were asked how they would develop with their students the above listed understanding.<sup>1</sup>

They suggested the following student activities:

1. As an introductory activity stressing the need for money management, the following information could be developed with the students, utilizing the blackboard:

Of 100 men at age 25 starting to build a successful career, when they reach:

Age 35--	5 have died
	10 are wealthy
	10 are well-to-do
	40 live on earnings
	35 show no improvement
Age 45--	? have died (16)
	? are wealthy (1)
	? are well-to-do (3)
	? live on earnings (65)
	? are on charity (15)
Age 65--	? have died (36)
	? are wealthy (1)
	? are well-to-do (4)
	? live on earnings (5)
	? are on charity or social security (54)

This chart can create a lively discussion as to the reasons for the changes, possible research as to the authenticity of the above information, and in this case, most importantly, the need for good money management.

2. Many of these students will soon have the responsibilities of adulthood and need to "Face Facts!" The following problem activity may help students determine what they can do with money and what money can do for them.

Income: \$275 per month, less 4.2% for social security deduction  
 15 % for personal income tax deduction

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<sup>1</sup>Interviews with Mrs. Ruth Fell at Norman, Oklahoma, April 19, 1966, and with Mrs. Joy Rupp at Norman, Oklahoma, April 20, 1966.

Expenses: (Either rent an apartment, house, or share the expenses for one)

- rent
- utilities
- household expenses
- food
- clothing
- insurance (health and property)
- car expense
- personal expense
- recreation
- saving
- miscellaneous expenses

Students should talk with their parents, young married couples, home-economics teachers; should consult newspaper advertising, catalogs, and other sources of information so that their expenses will be realistic. Students can also keep a record of their own expenses in an effort to spend their money better. After completing this activity students may realize the necessities for living expend most of the \$275 and that they must plan their spending in order to purchase some of the things they want.

3. For the utilization of additional communication resources, students could be given the first 15-20 minutes of a class period to read from pamphlets, articles, reports selected by the teacher. The teacher may then ask for volunteers to tell the other members of the class about something interesting that they have read-- this may stimulate a good class discussion.

4. To begin a discussion of "happiness" and "long-term security," students might compose their definition of each of the terms and list a number of things that mean "happiness" and "long-term security" to them. This discussion could very readily lead to a summary statement, such as "GOALS (what one wants)----- FINANCIAL PLANNING (how to get what one wants)-----RECORDS (what actually happens)."

5. Resource speakers, films, simple recordkeeping sets, etc., can aid the teacher in presenting the pertinent aspects of money management.

The purpose of these activities is not only to develop the student's knowledge and understanding of the topic being studied but also to reinforce the student's recognition that the responsibility for economic security rests with the individual and that there are other important values in society that must be perserved even at the cost of

economic security. The personal economic competence of each student, however, should be a major concern of every teacher.<sup>1</sup>

### Summary

This chapter has attempted to present a perspective for both elementary and secondary teachers to facilitate them in guiding their students toward more mature practices in handling money. Some of the intellectual capabilities and principles of teaching were explored to provide insight into the world of the pupil or student. The place of money management in the curriculum and some examples of student activities pertinent to the development of a money concept were discussed so that teachers might better perceive their roles in stimulating their students' concern for wise management of resources.

Creative teaching requires a clear understanding of human development and learning. The teacher should utilize every opportunity to refine and extend his own techniques for studying the individual child and to utilize opportunities for helping students develop their abilities in critical thinking and problem solving. He should provide learning experiences in harmony with the abilities and needs of his students so that each individual may achieve the optimum development of his potential.<sup>2</sup>

Teachers must have a major concern for the personal economic competence of their students. Young people need to develop basic understandings about personal economic security, to foster a spirit

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<sup>1</sup>O'Brien, op. cit., p. 21.

<sup>2</sup>Ragan and McAulay, op. cit., pp. 22, 24.

of inquiry concerning money management, and to refine the skills and information required to solve the financial problems that they will meet in the years ahead. Each teacher has the responsibility to help students develop basic attitudes concerning the use of personal and family money as a means of achieving individual and social goals.

## CHAPTER IV

### CURRICULUM PATTERNS IN PERSONAL MONEY MANAGEMENT

"Learning in school differs from learning in life in that it is formally organized."<sup>1</sup> If the curriculum is to be a plan for learning, curriculum guides should serve to organize the framework of the content to be taught and to provide continuity and balance, as well as to furnish the cumulative sequence in the emphasis of learning experiences, to this pattern of organization.

Flexibility is important in this scheme of organization to accommodate the variations in student population and in available resources. A gifted class should either comprehend more ideas or answer more penetrating questions about the same ideas. Learning experiences can go beyond the emphasis for a given grade level. Relationships among questions may be either developed elaborately or kept to a minimum. Students of greater intellectual ability can be working to their limit while those with fewer academic skills are exploring the same material but at a different depth. The structure of the content should not place any limitations upon either the student or teacher, but should allow for the development of learning experiences that meet the needs of the students.<sup>2</sup>

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<sup>1</sup>Hilda Taba, Curriculum Development (New York: Harcourt, Brace & World, Inc., 1962), p. 290.

<sup>2</sup>Ibid., pp. 359-361.

In organizing content for learning, consideration must be given to the continuity, as well as to the sequence of that learning.

Essentially the problem of cumulative learning is to provide for a progressively more demanding performance: more complex materials to deal with, more exacting analysis, a greater depth and breadth of ideas to understand, to relate, and to apply, and a greater sophistication and subtlety of attitudes and sensitivities. This may involve either short-term or long-term sequences, depending on the nature of the task.<sup>1</sup>

A first grader, for example, may develop some simple notions concerning saving as it relates to his experiential background. A sixth grader could consider saving in relation to the family value system, while a senior-high-school student might examine the impact of savings upon the economic progress and security of the family and of the nation. Constant reinforcement of prior understandings, as well as the expansion and refinement of new learning, should be planned for the student as he advances educationally. This cumulative progression is dependent both upon content and the student's maturity of thought and level of abstraction.

The task of relating the understandings in a curriculum guide to the experiential background of pupils is best performed by an imaginative and competent teacher. Initial activities to orient the students to new understandings and to establish a connection with their personal experiences will give the teacher an opportunity to determine what the class can do and what particular skills and insights they need to learn. In the development of the teaching-learning unit, student experiences need to be planned in a step-by-step procedure so that learning will be continuous and accumulative.

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<sup>1</sup>Taba, op. cit., p. 296.

The teacher should be continually experimenting and inquiring within his classroom to discover new ideas and new experiences that will enrich his teaching. Care should be taken to include a variety of ways of learning--reading, writing, observing, doing research, discussing, constructing, and dramatizing--and to make certain that the activity is appropriate for the main idea of study and for the maturity level of the student. The teacher needs to encourage the students' exploratory questions, which are basic to the development of critical thinking and which stimulate and create motivation for learning. The success of any study program is largely dependent upon the enthusiastic presentation and organization of materials by the teacher.<sup>1</sup>

#### Fundamental Elements in This Study

The scope of essential learning about money management for this research study was established through further refinement of the concepts and understandings formulated by Hall.<sup>2</sup> From the topical content outlined by the National Committee for Education in Family Finance and the Workshop on Education in Family Finance at the University of Oklahoma, Hall isolated and conceptually developed six content areas of personal economics: money, credit, saving, insurance, taxation, and investment.

The problem of this study was to develop a sequence of content ideas for ensuring continuity and facilitating comprehension in the acquisition of essential understandings and concepts in money management. The progressive pattern of the curriculum guides presented in

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<sup>1</sup>Ragan and McAulay, op. cit., pp. 313, 319.

<sup>2</sup>Hall, op. cit.

this chapter serves to demonstrate the developmental sequence of personal money management content and the appropriate grade placement of the various economic understandings. The learning spiral, with concepts increasing in scope and complexity, has been utilized in the presentation of the content to lend continuity for the financial learning experiences of students.

Through the process of assimilating much information from other curriculum research and sequential studies in economics and related fields, as well as content from textbooks, pamphlets, newspapers, reports, and most importantly from classroom teachers, supplementary knowledges and understandings were developed by this writer for each of the concepts formulated by Hall. These knowledges and understandings were then arranged and categorized at the primary, intermediate, junior-high, and senior-high-school levels of learning in a sequential pattern.

Subsequent to the structuring of the content ideas for each learning level, classroom teachers were consulted for their constructive evaluation of the articulation. The following educators were selected to assess the sequential guides: (1) at the primary level, Mrs. Opal Dargan, second-grade teacher at Johnson Elementary School in Tulsa, Oklahoma, and Mrs. Rose Musgrove, first-grade teacher at Johnson Elementary School in Tulsa; (2) at the intermediate level, Mrs. Alvena Stephens, fifth-grade teacher at Ridgeview Elementary School in Oklahoma City, Oklahoma, and Mrs. Sally Matthews, sixth-grade teacher at McKinley Elementary School in Norman, Oklahoma; (3) at the junior-high-school level, Mrs. Estelle Faulconer, social studies teacher in the junior high school at Frederick, Oklahoma, and Mrs. Carolyn Bamford, social studies instructor at the University Junior High School in Norman, Oklahoma. A similar evaluation was not



requested of any senior-high-school teachers because the understandings and concepts developed by Hall were ". . . personal economic elements with which young people should be familiar as they complete twelve years of school experience."<sup>1</sup>

The teachers who were consulted are familiar with the concept approach to teaching-learning as it relates to the area of personal economics. They have participated in the family finance workshops at the University of Oklahoma. The opinion of each of these teachers was valuable in establishing the appropriateness of the major ideas and of the terminology presented at each of the levels. It should be noted that the students in the classrooms of the above listed teachers at the intermediate and junior-high-school levels discussed a number of the understandings isolated at their level of learning to communicate evidence to the writer of the suitability of this sequential outline.

After incorporating changes recommended by the classroom teachers, the pattern of sequence was scrutinized by Dr. Gerald A. Porter, Professor of Education, College of Education, University of Oklahoma, who is coordinator of the Education in Family Finance program at the University of Oklahoma and a recognized authority in the field of personal economics. To ensure further authenticity of content and appropriateness of English usage, the curriculum guides were edited by: (1) Mrs. Dan Fell, Associate Professor of Education, University High School, University of Oklahoma, and Curriculum Consultant for the Education in Family Finance Workshop, and (2) Dr. Anthony S. Lis, Associate Professor of Business Communication, College of Business Administration, University of Oklahoma.

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<sup>1</sup>Hall, op. cit., p. 104.

A final draft of the scope and sequence guides to personal money management were then prepared and are presented on the following pages. A brief overview of the subject matter relating to the content ideas introduces the scope and sequence guide for each area of content.

#### Scope and Sequence Guides for Personal Money Management

A scope and sequence guide, regardless of its method of development, cannot represent the total instructional program. The classroom teacher must, in the final analysis, adapt the content of the program that is outlined in sequential guides to the individual differences among pupils in the classroom. Bruner has stated that

Precisely what kinds of materials should be used at what age with what effects is a subject for research--research of many kinds. . . . Nor need we wait for all the research findings to be in before proceeding, for a skillful teacher can also experiment by attempting to teach what seems to be intuitively right for children of different ages, correcting as he goes.<sup>1</sup>

The subject matter and the scope and sequence guides presented on the following pages should not be considered as the finalized framework for the teaching of money management. The material should be utilized only as a reference that is illustrative of the content that can be taught in money management and that is adaptable to the needs of students.

#### Money

Children in the primary grades usually have small amounts of money to spend and need help in making appropriate choices in buying. As a result of spending their money and classroom experiences, youngsters in the primary grades can learn that money management (planned

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<sup>1</sup>Jerome S. Bruner, The Process of Education (Cambridge, Massachusetts: Harvard University Press, 1962), p. 53.

spending or budgeting) is deciding and making the best possible use of money. They should learn that goals (very short-termed) will help them spend their money better and that individual goals will probably be different than those of their peers. The statement "money is worth what it will buy" will not be very meaningful to them without concrete examples at their experiential level.

Children are conscious of money very early in life and readily learn that money is the thing that is generally accepted in exchange for other things. They need a teacher's explanation, however, to understand that money is also accepted in payment of debts. Pupils in the primary grades are likely to be familiar with checks but may not realize either how checks can be used to pay for things in the same manner that paper money and coins are used or why people have checking accounts in banks. The pupils should learn that they can keep their savings in a bank, that adults can borrow money from this same bank, and that interest is received from savings accounts and must be paid for money that is borrowed from the bank. So that the pupils may begin to see the work that money does among all of the people, they need to understand the relationship between the money that is received and paid out by their families to the money that is received and disbursed by the grocer, the utility company, and the dentist.

As children enter the intermediate grades, they can usually make more sophisticated decisions about the use of money. They should realize that, through the careful management of their money, they will be able to buy either more or better quality goods and that obtainable goals can serve as spending guides in acquiring the most desirable goods

and services. They should learn that a larger income does not eliminate the need for good money management. The pupils should recognize that a good money management plan is tailored to each individual and family and that money wasted because of planning and unwise use is essentially a loss of income.

Youngsters usually enjoy and profit from the friendly give and take of working with parents, and pupils in the intermediate grades should be given the opportunity to take part in family money conferences. They can learn better to direct their own spending if they have shared in the responsibility of planning the family's spending. As the pupils' personal values begin to form, they need to realize that individual practices in money management are based upon one's value system. They should recognize that the family's level of living is determined to a considerable extent by the manner in which it spends its money and that understanding in money matters is important to family unity.

At almost any age, money is a fact of life; and pupils in the intermediate grades should have knowledge of the activities of money. Money is a medium of exchange, a measure and store of values. Money serves as an intermediary and makes the exchange of goods and services more convenient. Money consists of bills, coins, and checking-account balances. Pupils should understand how money and credit are alike and how the value of money is determined.

Pupils in the intermediate grades are becoming increasingly aware of the services that banks provide their customers--checking and savings accounts, loans of different types. The youngsters should be apprised that banks like any other business must charge for these

services and that Federal Reserve Banks provide much the same service to the local bank as the local bank provides to its depositors.

Students at the junior-high-school level should realize that self-discipline is the key in establishing a workable relationship between money that is earned and money that is either spent or saved. Wise money management is the obtaining of maximum satisfaction from the use of money and should not be considered a goal or end in itself but as a means for achieving the way of life desired by either the individual or the family. In determining goals for present and future needs and wants, students should recognize that money can be used to enrich personal living as well as to increase material possessions and that the individual and the family need to know its resources and outline a systematic plan for accomplishing those goals. The necessity for long-range planning is clearly illustrated when the student views the amount of income he may earn during his lifetime; however, financial planning is unique and should be adjusted periodically for each individual and family.

Junior-high-school students should recognize that they must assume responsibility for handling the money that is available to them. As good money management is vital to family welfare, adequate communication is essential among members of the family in reaching solutions to financial problems and in considering the economic and social good of all the family. Though individuals and families are sometimes inclined to be drawn beyond good judgment in trying to raise their level of living too rapidly, a desire by every member of the family for joint planning can ensure the greatest satisfaction from money spent.

As money is almost indispensable to daily living, students at the junior-high-school level should learn as much about the money system as is possible. Money represents purchasing power and serves as an expression of price for all things and services; however, it should not be the goal of man's economic efforts. Money has aided job specialization, has made available additional amounts of machinery for increased productivity, and has helped to coordinate the production, distribution, and consumption of goods and services. Money and credit are valuable because of the work they do in promoting the economic growth and development of individuals and of the nation. Banks facilitate the exchange of money through lending and investing money and through servicing their patrons' checking and savings accounts. Banks are regulated through the Federal Reserve System.

Students in the senior-high school should review those understandings gained at the junior-high-school level to ensure that they understand the implications of the broad understandings listed at the senior-high-school level. Students should then reflect upon these understandings to formulate the five essential concepts concerning: (1) wise allocation of money resources, (2) sound values and attitudes toward money, (3) inadequate understanding in money management, (4) purpose of money, and (5) the function of commercial banks.

Students at the senior-high-school level should comprehend how the wise allocation of money resources can promote peace of mind, stability, and happiness. Long-term financial planning and the formation of financial goals provide the family with funds for present necessities and for future security and permits the family to acquire those things

that it wants most. Proficiency in money skills is necessary for the attainment of financial goals, and ready access to family money resources in case of either loss or disability assures future financial stability and peace of mind.

Senior-high-school students should perceive that sound values and attitudes toward money, if held by each member of the family, can build harmonious family relationships, as well as facilitate the economic and social development of the family unit. The appreciation and respect that family members develop for problems of their income management are essential to good family relationships and the wise allocation of money income. Relative financial independence is attainable only as the family utilizes its collective efforts in planning the expenditure of the family income.

Students at the senior-high-school level should realize that many areas in family living are affected by problems arising from economic and social pressures that result from inadequate understanding or practices in money management. Understanding of the financial elements constitutes an aspect of family living that affects all other aspects of living, and a thorough understanding of money matters by each member strengthens the family unit as the basic societal institution. Marital difficulties that appear to have other causes often stem from family financial patterns. Agreement in money management is probably one of the most important factors in the success of marriage.

Senior-high-school students should understand that money is a serviceable means to the end of producing and distributing more efficiently products of the economic system and that money should not represent the goal of either personal or social economic activity. The money

system has made possible a higher degree of industrialization and job specialization and has facilitated the coordination of the economic functions of production, distribution, and consumption, which has lead to a greater national income and a higher standard of living for the members of society. The value of money is dependent upon the total quantity of money in the system and the variable stability and growth factors working in the economy. Money represents a claim against goods and services, and its value is measured by what it will buy.

Students at the senior-high-school level should comprehend that the function of commercial banks is to facilitate operation of the money system by providing the basis for efficient coordination of financial activities. Banks facilitate exchange through the use of checking accounts, provide the service of collecting and resourcefully utilizing savings, and allocate financial resources through the money system so that financial growth and stability may be achieved by the individual and the nation. Banks also exercise the powers of money "creation" and "destruction." The Federal Reserve System influences the flow of bank credit, which in turns affects the flow of money and credit generally.

Students following this developmental sequence of money should ultimately formulate a proper attitude relative to money. Hall has stated such an attitude as follows:

Intelligent use of money, a tool for exchange, is essential to the expedient disposition of family financial affairs, and facilitates happiness and security while promoting economic growth for both the individual and the nation.<sup>1</sup>

A Scope and Sequence Guide to the Study of Money in Grades K-12 is presented on the following pages. The conciseness of the outline

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<sup>1</sup>Hall. op. cit., p. 58.



readily facilitates a comprehensive overview of the subject matter, and the guide has implications both horizontally and vertically in curriculum formation.

As the guides are read horizontally, the ideas increase in scope and complexity. Relatively simple knowledges are listed for the primary grades; at the intermediate level, either the same thought may be expanded or a new idea presented; at the junior-high level, this same idea may be further broadened to include other relevant aspects; and at the senior-high-school level understandings are recorded that may encompass a number of the ideas presented at the lower levels of learning. At the senior-high-school level, the students should also perceive the relationships among the broad understandings listed at their level and, through reflection, to comprehend the concepts essential to sound financial management.

As the scope and sequence guides are read vertically, the knowledges and understandings pertinent to the subject matter at a given grade level; i.e., primary grades, intermediate grades, junior-high school, and senior-high school, are listed. By the time a student has completed a particular grade level, he should have been subjected to all of the knowledges, understandings, and concepts listed at that learning level.

### Credit

Credit has become a part of almost everyone's daily life. Youngsters in the primary grades often borrow either a pencil, a bus ticket, or a comic book from a friend and promise to return it later. Pupils can understand that credit, similar to borrowing things from friends, is getting something now in exchange for a promise to pay

# A SCOPE AND SEQUENCE GUIDE TO THE STUDY OF MONEY IN GRADES K-12

Primary Grades	Intermediate Grades	Junior High School	Senior High School
<b>CONCEPT:</b> <i>Peace of mind, stability, and happiness can result from the wise allocation of money resources as the family plans and achieves its financial goals.</i>			
<p>Money management (planned spending or budgeting) is deciding what to do with one's money.</p> <p>Wise money management means making the best possible use of the money that one has.</p> <p>Goals will help a person to spend his money better. Goals are different for everyone.</p>	<p>A larger income does not eliminate the need for good money management, because an individual tends to upgrade his wants as his income rises.</p> <p>Through careful management of his income, an individual will be able to buy either better quality or more goods.</p> <p>Goals can serve as guides in spending money and can help a family acquire the goods and service desired most. A goal should be definite and reasonably attainable.</p> <p>A good money management plan is tailored to fit the personal needs and goals of each individual and family. Money wasted through poor planning and unwise use is essentially a loss of family income.</p>	<p>A key to money management is self-discipline.</p> <p>For each family, wise money management is the obtaining of maximum satisfaction from the money that the family earns.</p> <p>In determining goals, an individual must realize that money can be used as well as to increase his material possessions. Goals should be considered in terms of present, as well as future, needs and wants. Each family must evaluate its money resources and formulate its money goals if it is to develop an effective plan for the use of its money.</p> <p>Financial planning is unique for each individual and family; it should differ according to the standards and ambitions of each.</p> <p>Financial plans should be reviewed and adjusted periodically as family needs change and new situations arise. Records of actual income and expense will indicate the adequacy of financial planning. The necessity for long-term financial planning is apparent when the total of potential lifetime income is considered.</p>	<p>Money management is the control and the allocation of money resources so that family happiness and long-term security are maximized.</p> <p>Proficiency in money skills is necessary for attainment of financial goals and maintenance of the family's financial equilibrium.</p> <p>The formation of financial goals provides the opportunity for a family to concentrate on the acquisition of those things that it wants most, while achieving maximum satisfaction from the use of money.</p> <p>Wise financial planning can provide the family with funds for present necessities and future security, as well as protection against costly financial mistakes.</p> <p>Ready access to family money resources in case of either loss or disability is of prime importance in assuring future financial stability and peace of mind.</p>
<b>CONCEPT:</b> <i>Sound values and attitudes toward money, if held by each member of the family, can build harmonious family relationships and facilitate economic social development of the family.</i>			
	<p>Individual practices in money management are based upon one's value system. The way in which a family spends its money determines, to a considerable extent, its standard of living.</p> <p>Sharing in the development of plans for spending the total family income enables one to spend better the amount allocated for his needs.</p>	<p>Money management is neither a goal nor an end in itself but a means of achieving the way of life desired by the family. The value that is placed upon money resources will affect in a large measure the family's value system.</p> <p>Responsibility for handling money increases as the individual approaches adulthood and his personal expenditures become larger.</p>	<p>The economic, social, and political values are closely interwoven into an individual's philosophy of life so that either a change or a reinforcement of one value usually affects his entire value system.</p> <p>The appreciation and the respect that family members develop for problems of their income management are essential for the wise allocation of money income. Relative financial independence is attainable only as the family utilizes its collective efforts in planning the expenditure of family income.</p>
<b>CONCEPT:</b> <i>Many areas in family living are affected by problems arising from economic and social pressures that result from inadequate understanding or practices in money management and that may lead eventually to the destruction of the family unit.</i>			
	<p>Differences of opinion about the use of money are the most common causes of family quarrels.</p>	<p>Adequate communication between the people involved is essential in reaching solutions to financial problems.</p> <p>When the economic and social good of the entire family is considered, financial planning can be a means of resolving family differences. Families are sometimes inclined to be drawn beyond good judgment in trying to increase its standard of living too rapidly.</p> <p>The destruction of a family unit weakens the social and economic systems of a democratic nation.</p>	<p>Understanding the financial elements constitutes an aspect of family living that affects all other aspects of living.</p> <p>A thorough understanding of money matters by each member strengthens the family unit as the basic societal institution. Agreement in money management is probably one of the most important factors in the success of a marriage. Poor money management may lead ultimately to the dissolution of the family unit, with far-reaching effects on adult members and children.</p> <p>Marital difficulties that appear to have other causes often are the result of family financial practices.</p>

# A Scope and Sequence Guide to the Study of Money in Grades K-12-- continued

Primary Grades	Intermediate Grades	Junior High School	Senior High School
<p>CONCEPT: <i>Money is a serviceable means to the end of producing and distributing more efficiently products of the economic system and should not represent the goal of either personal or social economic activity.</i></p>			
<p>Money is the thing that is generally accepted either in exchange or other things in the payment of debts.</p>	<p>To function well, money must be widely accepted as a medium of exchange, as a measure of values, and as a store of values.</p>	<p>Money has made available additional amounts of machinery and power for each worker and makes possible more efficient production of goods.</p> <p>Money has aided job specialization because workers can exchange through the medium of money their particular products for the goods and services of other workers.</p> <p>Money represents purchasing power, which is the ability to buy goods.</p>	<p>An effective money system makes possible a higher degree of industrialization and job specialization, which leads to greater national income and a higher standard of living for the members of the society.</p>
<p>Checks are used to pay for things in the same way that coins and paper money are used.</p>	<p>Money available for transacting business on a cash basis consists of paper money, coins, and checking-account balances.</p> <p>Money facilitates the exchange of goods and services.</p>	<p>Because checks are used to pay for about 90 percent of the total dollar volume of transactions in the United States, the amount of coins and currency in circulation is small in comparison to the total money supply.</p> <p>Money combines ease and simplicity in bringing together the factors of production and in organizing the markets for distributing the goods to consumers.</p>	<p>A money system must effectively facilitate and coordinate the economic functions of production, distribution, and consumption if the economy is to grow and prosper.</p>
<p>Money is used to pay the consumer for his work, and the consumer uses this money to buy things that he needs and wants.</p>	<p>Money serves as an intermediary--a person receives money in payment for his services and then uses this money to buy things that he wants.</p>	<p>Within the national economy, two circular flows one from producer to consumer and the other from consumer to producer rotate in opposite directions. The flow from producer to consumer contains the factors of production and the producers' payment for them; the flow from consumer to producer includes the final goods and services and the consumer's payment for them.</p>	<p>The use of money facilitates the distribution of goods and services to the members of society.</p>
<p>The value of money is the amount of either goods or services that it can buy.</p>	<p>The value of any good or service is determined by what will be exchanged for it.</p> <p>Money and credit are alike in that both are based on faith and are acceptable in payment for goods and services.</p>	<p>Goods and services are quoted in terms of money prices so that values can be established for the exchange of goods and services.</p> <p>Money and credit are valuable because they promote economic growth and development of individuals and of the nation.</p> <p>Money should not be the goal of man's economic efforts; money represents a claim against goods and services and helps man secure those things that he needs and wants.</p>	<p>The value of money depends upon the total quantity of money in the system and the variable stability and growth factors working in the economy; its value is measured by what it will buy rather than by a predetermined absolute value.</p> <p>Money has little value in itself; it represents a claim against goods and services, and helps man secure the things that he needs and wants.</p>

# A Scope and Sequence Guide to the Study of Money in Grades K-12 -- continued

Primary Grades	Intermediate Grades	Junior High School	Senior High School
<p>CONCEPT: <i>The function of commercial banks is to facilitate operation of the money system by providing the basic for coordination of financial activities and by making possible a smooth flow of goods and services through the economic system.</i></p>			
<p>Instead of carrying large amounts of money with them, people can keep their money safely in a checking account at the bank and pay their bills with checks.</p> <p>A check is a written order to a bank to take a certain amount of money out of the checking account of the person who signs the check and to pay this amount to another person who presents the check for payment.</p>	<p>Checking accounts provide a convenient means of making money payments, and the money deposited in the checking account is insured through the F.D.I.C.</p> <p>A checking account can serve as a written record of expenses and as a valid proof of payment.</p>	<p>Banks facilitate the exchange of funds through the use of checking accounts that provide the use of checking accounts that provide the means by which most money payments in our economy are made.</p> <p>The reconciliation of the bank statement and checkstub record can ensure accuracy in personal record keeping.</p>	<p>Commercial banks play an important role in economic affairs by facilitating exchange through use of checking accounts.</p>
<p>Individuals may keep their savings in a bank.</p>	<p>Banks encourage saving and pay interest on money deposited in savings account.</p>	<p>The business of banking provides the service of collecting and utilizing the savings of the family.</p>	<p>The business of banking provides for both the family and the entire economy the service of collecting and resourcefully utilizing savings that for the most part would otherwise lie idle.</p>
<p>People can borrow money from a bank and pay interest for the use of that money until they repay it.</p>	<p>Interest rates charged by banks vary with the type of loan and the kind of borrower.</p> <p>Like any other business, a bank must charge for its services so that a profit can be made.</p>	<p>By lending and investing money, banks fulfill their main purpose of distributing money wherever it is needed.</p> <p>The individual banker is a businessman who deals in money lending and service for a profit rather than in selling goods for a profit.</p> <p>Because of the many services provided, a commercial bank could be described as a "department store of finance."</p>	<p>Banks allocate financial resources through the money system so that financial growth and stability may be achieved by the individual and the nation.</p>
	<p>Federal Reserve Banks are "banks for commercial banks" and have the same relationship to member banks in their district that local banks have to their depositors.</p>	<p>The purpose of the Federal Reserve System, which was created by Congress, is to regulate the money supply through control of member bank reserves.</p>	<p>By influencing the flow of bank credit, with the effect on the flow of money and credit generally, the Federal Reserve System influences the economic decisions of individuals, as well as the nation.</p> <p>Banks exercise the powers of money "creation" and "destruction." By making loans and investments, commercial banks create money through extending credit to borrowers in the form of "deposits" in the borrowers' checking accounts; these "deposits" become additions to the money supply.</p> <p>As borrowers repay their loans at the bank, banks destroy this money that was created when the loans were first made.</p>

later and is based upon faith in the individual's promise. They should learn that credit is best used to buy things that are needed and can be paid for and that individuals usually pay extra when they use their credit to buy something. Just as pupils gladly lend their things to friends who keep their promises to return the items, individuals who keep their promises to pay are allowed to use credit. Children should also learn that the person using credit should use it within certain legal boundaries and that credit can tempt a person to buy either too many or unnecessary items.

Pupils at the intermediate-school level should begin to understand how to use credit wisely. Credit is based upon the customer's promise and ability to pay and enables an individual to purchase goods and services that would otherwise be impossible to obtain now. The wise use of credit allows either an individual or a family to acquire many material advantages without risking other financial goals. An individual should examine his wants and needs before he uses credit to buy the goods and services that he values highly and that he can afford. Through the use of credit, a house and other durable goods can be acquired by a family to enrich their lives as they continue to pay for the goods. Use of credit is, in effect, planned spending because the debtor must set aside a specific amount of money each month to meet payments. Major types of credit used by consumers are charge and installment accounts, personal loans, and service credit.

Pupils in the intermediate grades should appreciate that carefulness and honesty are qualities that guide individuals in the use of credit and that the privilege of credit must be earned and can become

one of a person's most valuable financial possessions. If pupils are aware of the advantages and disadvantages of the various forms of credit, they will be better prepared to build a good credit record. They should perceive that the extra costs of credit are justified only by the offsetting advantages of credit buying and that service charges represent the creditor's cost of offering the service and will vary with the type of credit offered.

Intermediate-grade pupils should be aware of the need to read and understand a credit instrument before it is signed. When credit is used, a debt is incurred that must be paid with future earnings; and an overextension of credit can force an individual to declare bankruptcy. The convenience of credit in buying goods and services, as well as when extra money is needed, can be realized by pupils.

Some of the moral and legal responsibilities of credit should be apprehended by the junior-high-school student. Responsibility for the payment of one's debts is one of the oldest moral and ethical principles recognized by man. If circumstances make it impossible for an individual to meet his credit obligations, he should take prompt action to notify his creditors and to establish an adjusted payment schedule that he can meet. An individual's credit worthiness is determined by his character, capacity, and capital. Though no absolute rule exists for determining the amount of credit that a person can afford, precaution should be taken to maintain a good credit record. Financial counseling services have been provided by private and governmental agencies to combat unwise use of credit.

Students at the junior-high-school level should understand that the availability of credit may lead to the false notion that credit

provides added income. Ill-considered use of credit may cause hardship both to the consumer and to business. Even though the cost of credit can be measured both in dollars and in personal satisfaction, students should be instructed to ascertain the exact cost and the regulations surrounding the credit purchase before deciding to buy.

Junior-high-school students should recognize the role that credit plays in stimulating and supporting the American economy. Credit increases consumer buying and the demand for more goods, which, in turn, causes the increased production of goods and additional employment of workers. Credit contributes toward stability of consumer demand and employment throughout the year, thus underwriting mass production, mass distribution, and mass consumption through which lower prices are achieved.

Through reflection of the broad understandings listed at the senior-high-school level in the area of credit, students should develop at least six concepts concerning: (1) personal economic stability and the democratization process, (2) responsible use of credit, (3) legal framework surrounding credit transactions, (4) "narcotic" effect of credit, (5) credit tends to stimulate buying, and (6) credit provides fuel for economic growth and higher standards of living.

The senior-high-school students should comprehend how the wise use of credit promotes personal economic stability and the democratization process. The intelligent use of credit aids in the development of a sense of confidence and accomplishment for the family, and the controlled spending enforced by credit leads to the development of responsible financial attitudes. The forced savings that is evidenced by an increase in net worth as credit obligations are repaid adds to

the sense of security for the family. Credit is accessible to individuals in almost all income groups and tends to compensate for inequalities arising from maldistribution of income.

Students at the senior-high-school level should discern that the responsible use of credit requires a moral and legal accountability, as well as an awareness of the sources and costs of the credit available. Reasoned judgment and honesty are the qualities that should guide individuals in the use of credit so that the legal responsibilities and repayment obligations peculiar to each credit transaction can be fulfilled. A good credit rating can be earned and maintained if individuals seeking credit analyze costs and compare services as they search for the type of credit best suited to their needs and their capacity to pay.

Students in senior-high school should recognize the legal framework surrounding credit transactions. Thorough understanding of the credit instrument is essential to peace of mind and security in the fulfillment of the contract. Credit instruments usually specify alternate courses of action for almost any situation that may arise during the life of the contract.

The "narcotic" effect that may result from the unwise use of credit should be perceived by senior-high-school students. Credit used as a substitute for financial planning may give temporary satisfaction, just as a narcotic gives temporary relief from physical pain. When credit is used, a lien is automatically attached to future income and may jeopardize other family goals and needs. Overextension of credit may force an individual to declare bankruptcy, which weakens the economic and social structure of the individual and nation.



Students at the senior-high-school level should understand the manner in which credit stimulates buying and increases the productive power of both the individual and the nation. Credit increases the ease and convenience of buying, thus accelerating the flow of goods and services to consumers. As credit increases consumption and creates new spending power, increased production is necessitated to meet the demand for goods and services, which initiates a cyclical economic process that creates new jobs, more income and a higher level of living for consumers, higher returns for the owners of business, and a continually rising gross national product. Also through the use of credit, business can acquire additional financial resources for the production of new and varied products and individuals can acquire additional education and occupational tools to enhance their earning power.

As a student progresses through the study of credit, he should perceive an appropriate attitude similar to the one stated by Hall:

Consumer credit, a tool for financial management, should be utilized to enhance the welfare of the individual American family and, at the same time, to upgrade the overall economy of the nation.<sup>1</sup>

A Scope and Sequence Guide to the Study of Credit is presented on the following pages. This guide may be utilized both horizontally and vertically to gain a comprehensive description of credit.

#### Saving

Eventually a child will want something that his small allowance will not buy, and then he will discover that he can put some money aside each day or week until he has saved enough money to buy the desired

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<sup>1</sup>Hall, op. cit., p. 66.

# A SCOPE AND SEQUENCE GUIDE TO THE STUDY OF CREDIT IN GRADES K-12

Primary Grades	Intermediate Grades	Junior High School	Senior High School
<p>CONCEPT: <i>The wise use of credit promotes personal economic stability and the democratization process by which the gap between economic and social extremes in society is narrowed.</i></p>			
<p>Credit is getting something now in exchange for a promise to pay money later.</p> <p>Almost everyone uses credit.</p> <p>Wise use of credit permits a person to buy only the things that he needs and that he can pay for.</p>	<p>The major types of credit used by consumers are charge and installment accounts, personal loans, and service credit.</p> <p>Wise use of credit allows a family to acquire as many of the material advantages as possible without affecting family goals.</p> <p>Through credit, a house and other durable goods can be acquired by a family to enrich their lives while they continue to pay for the goods.</p> <p>Intelligent use of credit requires an individual to study his wants and needs before he uses credit to buy the goods and services that he values highly and that he can afford.</p> <p>Credit is, in effect, planned spending because the debtor must set aside a specific amount of money each month to meet payments.</p>	<p>Credit makes the family self-reliant, as the necessities and conveniences of life are purchased when needed and payments are planned within current earnings.</p> <p>Credit helps the family to develop a more responsible attitude toward financial planning.</p> <p>Credit encourages habits of thrift that, after the consumer debt is paid, enable the individual to continue setting aside similar amounts for savings and future payments.</p> <p>Forced saving results when the life of the durable good, purchased on credit extends beyond the time required to pay for it.</p> <p>Any credit-worthy individual, regardless of his income bracket, can buy a reasonable share of consumer goods and educational advantages.</p>	<p>Intelligent use of credit aids in developing a sense of confidence and accomplishment that stabilizes and assures continuance of the family unit.</p> <p>The use of credit involves obligations and fixed-payment plans that are conducive to controlled spending and the development of responsible financial attitudes.</p> <p>As credit obligations are repaid, the forced saving that is evidenced by an increase in family net worth adds to the sense of security for that family.</p> <p>Credit is accessible to individuals in almost all income groups and, therefore, tends to compensate for inequalities resulting from maldistribution of income.</p>
<p>CONCEPT: <i>Responsible use of credit requires a moral and legal accountability, as well as an awareness of the sources and the costs of the credit available.</i></p>			
<p>The use of credit is based upon faith in the individual's promise to pay later.</p> <p>Individuals must pay extra for credit.</p> <p>Individuals who keep their promises to pay are allowed to use credit.</p>	<p>Credit purchases are based upon the customer's promise and ability to pay. The qualities of carefulness and honesty guide individuals in the use of credit.</p> <p>Service charges represent the creditor's cost of offering the service and vary with the type of credit offered.</p> <p>The extra costs of credit service charges are justified only by the advantages of credit buying.</p> <p>A choice of credit plans allows the customer to select the plan best fitted to his income.</p> <p>The privilege of credit must be earned and can become one of the most valuable financial possessions.</p>	<p>An individual's credit worthiness is often determined by his "three C's"—character, capacity, and capital.</p> <p>Responsibility for the payment of one's debts is one of the oldest moral and ethical principles recognized by man.</p> <p>If circumstances make it impossible for an individual to meet credit obligations, he can usually determine an adjusted payment schedule with creditors.</p> <p>The exact cost of credit can be determined whether the credit service charges are quoted either in dollars or percentages or are included in the price of the goods.</p> <p>The cost of credit can be measured in both dollars and personal satisfaction.</p> <p>A knowledge of all the available sources of credit facilitates the individual's selection of credit plans.</p> <p>By maintaining a good credit record, one can build a sound foundation for future financial security.</p> <p>An absolute rule does not exist for determining the amount of credit that a person can afford—the total dollar payments in relation to income, both present and future, should be considered.</p>	<p>Each credit transaction involves legal responsibilities and repayment obligations that are peculiar to a particular financial need.</p> <p>Reasoned judgment and honesty are qualities necessary for individuals in the use of credit, if optimum moral responsibility is to exist in a money-minded society.</p> <p>The type of credit that best meets the individual's needs and capacity to pay can be determined through an analysis of costs and a comparison of services provided by institutional lenders.</p> <p>A good credit rating must be earned and maintained if credit is to become a valuable tool for the acquisition of family financial independence.</p>

# A Scope and Sequence Guide to the Study of Credit in Grades K-12

Primary Grades	Intermediate Grades	Junior High School	Senior High School
CONCEPT: <i>The successful use of credit necessitates comprehension of the legal framework after surrounding negotiation and completion of credit transactions.</i>			
An individual using credit must stay within certain legal boundaries.	A knowledge of the contents of a contract helps to protect the person signing the instrument from undesirable contract provisions.	Most purchases of goods and services on credit are surrounded by a network of regulations carefully designed to protect both the creditor and the debtor.	A thorough understanding of the credit instrument is essential to peace of mind and security in the fulfillment of contractual obligations. Credit instruments usually specify alternative courses of action for almost any situation that could arise during the life of the contract.
CONCEPT: <i>The unwise use of credit may produce a "narcotic" effect that may lead to seemingly insurmountable money problems and perhaps even to family bankruptcy.</i>			
A credit customer may be tempted to buy either too many or unnecessary items.	Whenever credit is used, a debt is incurred that must be paid with future earnings. Overextension of credit can lead an individual to bankruptcy.	The availability of credit may lead to the false notion that credit actually provides added income. Ill-considered use of credit, undertaken without weighing all the values involved, may cause hardship to the consumer, as well as losses to business and banking. To combat problems resulting from unwise use of credit, a family can seek financial counseling services of private and governmental agencies.	As a substitute for financial planning, credit may give temporary psychic satisfaction, just as a narcotic gives temporary relief from physical pain, but this does not justify excessive usage. Whenever credit is used to purchase goods and services, a lien is automatically attached to income not yet earned, and thus, perhaps jeopardizes the acquisition of future necessities. Whenever overextension of credit forces an individual to declare bankruptcy, there is an inevitable weakening of the economic and social structure, as well as the emergence of an unfavorable image of credit that may result in restrictive control of credit.
CONCEPT: <i>Use of credit tends to stimulate buying and supports continued increases in the production and the use of goods and services.</i>			
	Credit is a convenience for the buying of goods and services and for providing money that is needed immediately.	Consumer credit assures an expanding market for the manufacturer of consumer goods. With mass production the manufacturer achieves low unit cost, offers his products to the consumer at a lower price, and thus enables the consumer to enjoy a higher standard of living. Credit contributes toward stability of consumer demand and employment throughout the year.	As buying is made easier and more convenient through the use of credit, possession of goods and services is accelerated and the flow of products to consumers is stimulated. Through credit, financial resources are provided for production of new and varied products that, when purchased by a consumer, upgrade his standard of living. Credit links mass production, mass distribution, and mass consumption so that the flow of goods and services is facilitated and coordinated.
CONCEPT: <i>Productive power is increased, not only for the individual but also collectively for the nation, as the use of credit provides the fuel for economic growth and a higher standard of living.</i>			
		Credit increases consumer buying by making the purchases of goods and services easier and more convenient. Credit increases the consumers' demand for goods which results in increased production of these goods and employment of workers. The expansion of industry, because of the increased demand for goods and services, creates more jobs and income for consumers.	With credit, an individual can acquire additional education and occupational tools to enhance his earning power. Credit creates new spending power and increases consumption, subsequently, production is increased to meet the demand for goods and services. As credit increases productive power, a dynamic, cyclical economic process is initiated that results in new jobs, more income for consumers, higher returns for the owners of business, and a continually growing gross national product.

object. The primary-school pupils should also learn that saving includes not only the putting aside of money but also taking good care of things and using time wisely, with the added admonition of not being wasteful with either their time or things.

After understanding the meaning of saving, pupils in primary school can then begin to examine the process of saving through a discussion of short-term goals. In order to reach these goals for saving, pupils will find that they need to set aside some money regularly and that often they may have to do without something in order for their savings to grow more rapidly. Children in the primary grades may discover that they cannot save as much as one of their friends, because either they would rather spend now or the amount of their allowance is not so great as that of their friend's. Pupils should also be aware that if they will put their savings either in a bank or in a bond, interest will be paid to them.

At the intermediate-school level, pupils have expanded their horizons and can think more objectively in terms of family goals and plans. The definition of saving can be expanded at this age level to illustrate that the individual or the family must make the decision, based upon his/its value system, of whether to spend the money now or to forego something now so that an object even more desirable can be purchased in the future. Pupils in the intermediate grades can realize that a plan for saving will help reach financial goals, which guide spending both now and in the future, more quickly. They should learn that a savings plan must be based upon the amount of money available after the necessities are provided and that self-discipline in saving

a definite amount regularly is necessary to develop the "saving habit." Places where savings may be deposited and the rate of interest paid on savings should be discussed with the pupil.

At the junior-high-school level, students should be introduced to the notion of forced saving that is imposed through credit buying; however, the payment of interest can be avoided if the purchase price has been saved before the article is purchased. Students can discuss the need for both short- and long-term goals in a savings plan to accomplish those objectives, which, in terms of its value system, the family considers to be the most important. Students should recognize that, in setting these savings goals, the family should take into consideration the amount of contractual savings (life insurance, retirement plans) to which it is already subscribing and that to save but a modest amount is far better than to set the goal too high and not be able to actually set aside that amount.

The role that saving plays in the achievement of financial security, which leads to family happiness and a sense of pride in its accomplishment, is another understanding for junior-high-school students. These students should also be aware that changes in savings goals need to be made at the different stages of family development and that private and governmental security plans have reduced the incentive for saving. Students should begin to comprehend the effect of accumulated savings upon the growth of the economy as the savings of individuals are made available to business by the savings institutions. Also, the different kinds and purposes of savings establishments should be studied.

The understandings learned in junior-high school should be reviewed again in the senior-high school by students to render a better foundation for new and more complex learning experiences. Through reflection of the understandings listed at the senior-high-school level students should develop the three essential concepts concerning: (1) a savings program, (2) saving for personal and social economic stability, and (3) the varied types of savings institutions and tools.

Students in the senior-high school should comprehend that a well-defined and carefully administered savings program facilitates achievement of financial goals and promotes individual, as well as national economic progress and security. Saving is an important component of effective financial planning. A savings plan should be uniquely evaluated and adjusted periodically by each family. Both individual and social economic well-being can result from successful saving; though taxes have lessened the individual's incentive for permanent saving.

Students in senior-high school need to understand that personal and social economic stability can be facilitated through accumulated savings, either to maximize opportunities for personal advancement and family business enterprises or to minimize the financial problems of family emergencies. Students should differentiate savings institutions from other investment establishments and consider the rate of interest and services provided by these institutions so that the type of savings institutions and instruments can be determined that best meets saving objectives.

A proper attitude toward the content area of saving as described by Hall is:

Family peace of mind, satisfaction, security, and stability, as well as national progress, are influenced greatly by the realization that many of the good things in life are available only as the result of a systematic, carefully executed savings plan.<sup>1</sup>

A Scope and Sequence Guide to the Study of Saving is presented on the following pages. The chart outlines knowledges, understandings, and concepts essential to sound practices in saving.

### Insurance

Very often a youngster at the primary level of school will have had some experience with insurance, either he himself has broken an arm, or someone in his family has been in an automobile accident, or possibly fire has destroyed something and "insurance has paid for it." With this experiential background, pupils at the primary level readily learn that risk is involved in the ownership of any thing and that insurance will pay owners for things that are either damaged or lost, such as by fire, theft, and injury. These pupils need to realize that insurance does not keep things from being either damaged or lost and that most people cannot insure against every risk because the cost of the insurance would be too high.

Pupils in the intermediate grades can understand the method of sharing economic losses that insurance companies employ as they provide financial protection against the risk of losing either earning power or property. These youngsters should be aware of the broad scope of insurance and the knowledge that some type of insurance coverage is available for nearly every kind of financial risk involved in the possible

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<sup>1</sup>Hall, op. cit., p. 82.

## A SCOPE AND SEQUENCE GUIDE TO THE STUDY OF SAVING IN GRADES K-12

Primary Grades	Intermediate Grades	Junior High School	Senior High School
CONCEPT: <i>A well-defined and carefully administered savings program, developed as an integral part of the total family financial plan, facilitates achievement of financial goals and promotes individual as well as national economic progress and security.</i>			
<p>Saving is putting something (money, material goods) aside for later use.</p> <p>Saving is making wise use of time and taking good care of things.</p> <p>Savings can be used to buy something either next week, next month, or next year.</p> <p>Saving for a particular thing makes it easier for a person to set aside either money or material goods.</p> <p>All people cannot save the same amount of money.</p> <p>One can begin saving by setting aside small amounts regularly.</p> <p>Often a person must do without things now so that savings goals can be reached.</p> <p>Saving is the opposite of wasting.</p>	<p>Each individual and family must decide whether to spend for something that is desirable at the moment or to save for the purpose of buying something that either the individual or the family may desire even more in the future.</p> <p>Saving something for future use enables the individual and the family to develop the kind of emergency fund essential for security.</p> <p>A plan for saving will help an individual reach his financial goals sooner.</p> <p>Goals for saving help to guide spending both now and in the future.</p> <p>The first step in a savings plan is to decide how much can be saved.</p> <p>A savings plan is based upon the amount of income that a family has after the necessities are provided.</p> <p>As each individual's and family's needs and wants are different, so also their patterns for saving are different.</p> <p>Family values affect the development of a savings program.</p> <p>By saving a definite amount regularly, the "saving habit" can be developed.</p> <p>Self-discipline is required for successful saving.</p> <p>As people guard against non-essential spending, they have more money available for saving.</p>	<p>People who save first and spend later avoid paying interest and other carrying charges; thus, they acquire things at lower costs.</p> <p>People who contract to buy things on credit and to pay for them over relatively long periods of time often engage in forced savings, which accumulate in the form of cash equities and material goods.</p> <p>A savings plan, which includes both short- and long-term goals, can result in a more systematic and accelerated achievement of financial security for the family.</p> <p>The financial protection provided by savings can contribute to the achievement of happiness for the entire family.</p> <p>Before a savings plan can be selected, a realistic decision must be made as to the amount of family income, beyond essential needs, that can be set aside for saving.</p> <p>Basic to the development of a savings plan are: the amount of contractual savings that the family already has and wants, the size of a necessary cash reserve, and the type of savings institution to be utilized.</p> <p>Both short- and long-term goals for saving can be established by each family to accomplish the objectives deemed most important.</p> <p>The savings goals established and the manner in which the savings program is directed are evidence of the family's value system.</p> <p>A modest savings plan is far more essential for success than an overly ambitious plan that could fail.</p> <p>A feeling of accomplishment and a sense of pride can result from the development of the "saving habit."</p> <p>In a program of savings, the human qualities of self-denial, patience, and perseverance are more important than the size of the family income.</p> <p>Although the young family must make numerous expenditures for durable goods, it should strive to save some of its income for future needs.</p> <p>Savings may be limited during the period of the growing family as expenses continue to increase until the children complete their education.</p> <p>After parents are no longer responsible for their children's support, they may be able to save more for retirement and estate building.</p> <p>During the retirement years of life, many people use their savings to meet the expenses of living and to purchase the things for which they had planned earlier.</p> <p>Americans are encouraged to save by the financial institutions that make these accumulated savings subsequently available to business for increased productivity.</p> <p>Involuntary private pension plans and social security, as well as other governmental financial aid programs, have reduced the incentive for saving to prevent poverty.</p>	<p>Saving is comprehended in the decision-making process of determining the most effective short- and long-range management of personal resources.</p> <p>The savings plan should be tailored to the needs and the desires of the family and stimulated by a purpose to build something of value for the future.</p> <p>Through the process of consistently setting aside small amounts of income, which accumulate into substantial savings, a sense of pride and a feeling of accomplishment are fostered.</p> <p>Regular saving is essential to the careful spending of all income and, through continued effort, reinforces the feeling of financial security.</p> <p>A savings program needs to be reviewed periodically, especially during each major change of the life cycle.</p> <p>As people save and thereby provide funds for productive facilities, business is able to produce more and people have more income from which to save.</p> <p>For high- and middle-income Americans, income, estate, and inheritance taxes tend to lessen the incentive for saving through a program of permanent investment.</p>



**A Scope and Sequence Guide to the Study of Saving in Grades K-12 -- Continued**

Primary Grades	Intermediate Grades	Junior High School	Senior High School
<p>CONCEPT: <i>Accumulated savings serve to meet family financial emergencies and to provide for the utilization of opportunities, as well as to facilitate the development and maintenance of personal and social economic stability.</i></p>			
	<p>Savings can be used to minimize financial emergencies.</p>	<p>Problems arising from loss of income and other unexpected events are lessened if the family has a well-coordinated savings plan.</p> <p>Higher economic and social status may be gained through the intelligent use of savings.</p>	<p>Financial self-discipline is fostered as the individual consistently sets aside money with which to minimize his emergencies and to maximize his opportunities for personal advancement and family business.</p>
<p>CONCEPT: <i>A family must exercise considered judgment in selecting among the varied types of savings institutions and the instruments that have been designed to meet the numerous objectives for saving.</i></p>			
	<p>A person has a choice of a number of places where he may deposit his savings.</p>	<p>If a family is aware of the different types of savings institutions that exist, a better selection can be made of the type best suited to the family's needs.</p> <p>Income level and savings objective usually determines the family's choice of a financial institution.</p>	<p>A family may have to utilize a combination of institutions to fulfill the several objectives of its savings program.</p> <p>Savings institutions differ in their historical backgrounds, their legal foundations, and the plans offered their customers. Savings institutions differ from other investment media in the relative liquidity and safety of their customers' funds.</p>
<p>Interest is the amount paid for the use of money that someone else has saved.</p>	<p>The rate of interest earned on savings depends upon the place in which the money has been deposited.</p>	<p>Savings establishments perform a service for their customers by helping them accumulate sums of money and by safeguarding and paying interest on their savings.</p>	<p>The rate of interest and the service provided by the savings institution are important considerations when a savings plan is initiated.</p>

loss of property, life, and health. The primary objective in purchasing insurance should be to protect against the financial losses that could cause financial disaster. At this age level, the children should learn that life insurance can provide funds for the young family if its breadwinner dies, for emergency needs, and for making the retirement years more comfortable. They should realize that, in lieu of knowing the specifics about insurance, choosing a good agent is one of the most important steps in buying insurance.

Everyone faces the possibility of financial loss. Students at the junior-high-school level should be cognizant that insurance contributes to either the individual or family's security and peace of mind as fears and anxieties are minimized and that the size and the number of risks encountered in life make insurance vital to financial survival. They should know that the federal government has provided protection against certain risks common to all people through the social security system. More specifically, these students should understand what kinds of protection are included in the broad classifications of health, property, liability, and life insurance.

In purchasing insurance, students at the junior-high-school level should realize that protection can be tailored for each individual and family as the need for insurance varies according to the responsibility assumed by each person. Students can perceive that an insurable or money interest in either a person or property must exist before insurance can be purchased and that the cost of insurance varies from policy to policy depending upon the degree of risk and the type of insurance company. Modern insurance programming is built upon a social security

base and adds protection according to the needs and financial capacity of the individual or family.

The need for life insurance varies, and junior-high-school students should understand that changing family needs and economic conditions require a regular examination of established programs. An experienced, qualified life insurance agent can help a family select the policies best tailored for them. A young father should consider the family income policy, which provides lower cost protection during the first years of marriage. Students should recognize that through the purchase of life insurance, an individual can create an estate and pay for it on an installment basis and that the permanent types of life insurance will force him to save as the cash values of the policies accumulate.

Students in junior-high school should be aware of the services provided by insurance companies and of their capacity, similar to banks, as guardians of other people's money. The dollars that policyholders spend for insurance protection are pooled by the insurance companies and are made available to business for additional capital, thereby facilitating the nation's economic growth. Through the payment of claims, insurance companies are providing money to consumers and businesses, which otherwise would be lost to them. However, with the protection of insurance, individuals and families can maintain a higher standard of living than if they had to assume alone the burden of financial loss, and business can better utilize its scarce economic resources. The services of insurance companies tend to promote legal action, which often encourages more equitable settlement for those experiencing economic loss.

The understandings listed at the senior-high-school level should lead to the development of five insurance concepts concerning: (1) one's potential for living, (2) familiarity with the scope of insurance, (3) programming of insurance, (4) facilitation of personal and social financial growth by the insurance industry, and (5) corporate citizenship of the insurance industry.

To comprehend more fully the scope of insurance protection, students in senior-high school should delve into the more sophisticated aspects of insurance. Only the more serious and financially crippling losses should be insured against. A familiarity with the provisions of an homeowner's policy and other packaged coverages will often allow for more economical protection. The necessity for liability insurance should be stressed as one of the most important basic coverages. The types of life insurance and their methods of distribution to the public should be in the vocabulary of the senior-high-school student.

Senior-high-school students should recognize that the changing patterns of the life cycle necessitate adjustment in the family's insurance program to maintain adequate protection at all times. A qualified insurance counselor will provide the most reliable source of insurance information in the consideration of the peculiar economic risks of each individual or family and in the arrangement of coverage for these needs in order of their importance. These students can apprehend that the most adequate protection from each insurance dollar results from thoughtful analysis and intelligent programming of every phase of the family insurance program. Long-term financial planning involves the coordination of an emergency cash fund, insurance protection, social security, real estate, stocks, and bonds for the greatest family financial security.

Students in senior-high school should be cognizant of how the insurance industry has facilitated both personal and social economic growth: financially through benefit payments, socially by promoting the individual or family's self-reliance and self-respect, and physically through medical examinations and research. Through the investment of pooled resources, the insurance industry has facilitated the industrial, technological developments and expansion of business, which has resulted in increased employment of people and more family income with which to purchase more consumer products and services. The standard of living has been raised through the provision of insurance funds for the construction and purchase of homes and for research and education, which has resulted in better health and longer life for people. Because of both self-regulation and regulation by state departments of insurance, a sense of confidence in the protection that insurance affords has been fostered by the insurance industry.

The culmination of the insurance study should be in the development of an attitude similar to one defined by Hall:

Insurance is the base upon which individuals and/or families should build to establish the kind of financial security that is essential for personal and social economic growth and stability.<sup>1</sup>

A Scope and Sequence Guide to the Study of Insurance is presented on the following pages. This guide should serve as a generalized expression of the area of insurance.

#### Taxation

Taxes, and the payment of them, are familiar topics to almost everyone, including youngsters at the primary-school level. Pupils

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<sup>1</sup>Hall, op. cit., p. 75.

## A SCOPE AND SEQUENCE GUIDE TO THE STUDY OF INSURANCE IN GRADES K-12

Primary Grades	Intermediate Grades	Junior High School	Senior High School
<b>CONCEPT:</b> Through the protection of insurance, people are able to realize more fully their potential for living as economic security and social unity are promoted.			
<p>The ownership of anything includes the chance or risk of losing that thing, either by injury, fire, or theft.</p> <p>Insurance will pay an owner for the things that are either damaged or lost.</p> <p>Insurance does not keep things from being either damaged or lost.</p>	<p>Insurance is a method of sharing economic losses. Persons within a group agree to substitute a small certain loss (premium) for the group's (insurance company's) promise to pay for large, uncertain financial losses.</p> <p>Insurance is designed to provide financial protection against the risk of either earning power or property.</p>	<p>Insurance contributes to family security and peace of mind, because the protection against financial loss minimizes the family's fears and anxieties.</p> <p>The size and the number of risks encountered in life make the mutual sharing of risks through insurance vital for financial survival.</p> <p>The federal social security system was established to protect against some risks common to all and for which many citizens as individuals were either unable or unwilling to provide adequate safeguards.</p>	<p>Insurance is possible because the law of probability operates when a similar risk is spread over a large number of policyholders.</p> <p>As the population increases, social and economic interactions become more complex and lead to risks that must be insured if the family is to be strengthened as the basic societal institution..</p> <p>The misconception that insurance companies have large amounts of money with which to pay claims is detrimental to the economic security of both the insurer and the insured.</p>
<b>CONCEPT:</b> Well-planned and carefully administered insurance programs are essential to a life-time program of protection and the creation of individual estates.			
<p>Most people cannot insure against every risk because the cost of the insurance would be too high.</p>	<p>One of the primary objectives in purchasing insurance is to provide protection against the financial losses that would cause financial disaster for the family.</p>  <p>Choosing a good agent is one of the most important steps in buying insurance.</p> <p>Life insurance can provide funds for assisting the young family that has lost its breadwinner, for meeting emergency needs, and for making the retirement years more comfortable.</p>	<p>Insurance can be tailored to the family's short- and long-term protection needs, as well as its income.</p> <p>The cost of insurance protection varies from policy to policy and depends upon the type of insurance company and the degree of risk assumed.</p> <p>The need for life insurance protection varies with family responsibilities; a single person's requirement may be small; however with marriage and the arrival of children, the need for protection increases.</p> <p>Before an individual can insure another person or property, he must have an insurable interest in that property or person.</p> <p>Modern insurance programming is built on a social security base and is designed to add protection appropriate to the needs and the financial capacity of the family.</p>  <p>An experienced, qualified life insurance agent can help a family select the policies best tailored to its needs and can service the policies through the years.</p>  <p>The changing family needs and economic conditions warrant a regular examination of established insurance programs.</p> <p>The family-income policy, which combines whole life and decreasing term insurance, can provide lower cost protection during the early years of marriage when the protection needs of young parents are great.</p> <p>Permanent types of life insurance protect the family and, at the same time, force it to save as the cash values of the policies accumulate and become available.</p>  <p>Through life insurance, an individual can create an estate and pay for it on an installment basis.</p> <p>The careful planning of appropriate insurance settlement options helps to secure the financial future of beneficiaries.</p>	<p>Proper programming of insurance involves consideration of the economic risks and arrangement of coverage for these needs in the order of their importance to family financial security.</p>  <p>Thoughtful analysis and intelligent programming of every phase of the family insurance program facilitate the most adequate protection from each insurance dollar.</p>  <p>Life insurance that furnishes protection for dependents and annuity contracts that furnish income for old age are parts of a well-balanced, personal security program.</p>  <p>The insurance counselor, who often has a CLU certificate can provide the most reliable source of insurance information needed by the family and an understanding of the contractual obligations and legal responsibilities of the parties to insurance contracts.</p> <p>With the advice of the insurance counselor, serious consideration must be given to changing patterns of the life cycle, which demand a periodic review of insurance programs, so that the family may, at all times, maintain adequate protection against possible financial losses.</p>  <p>A long-term financial plan for the family should include an emergency cash fund, insurance protection, social security, real estate, stocks, and bonds so that provision is made for the adequate care of dependents.</p>

# A Scope and Sequence Guide to the Study of Insurance in Grades K-12 -- Continued

Primary Grades	Intermediate Grades	Junior High School	Senior High School
<p>CONCEPT: <i>Intelligent application of insurance coverage to a particular family's situation requires a familiarity with the scope of available insurance protection.</i></p>			
	<p>Some type of insurance coverage is available for nearly every kind of financial risk that either a person or a business faces in possible loss of either property, life, or health.</p>	<p>Health insurance is designed to pay the bills incurred by illness and accident and to provide for loss of income during illness.</p> <p>A program of supplementary health insurance, called Medicare, has been sponsored by the federal government for persons 65 years of age and over to help them pay hospital and medical expenses.</p> <p>Property insurance provides for payment of loss for either damage to or destruction of the insured person's property caused by certain specified risks.</p> <p>Liability insurance protects the policyholder against the payment of damages for either injury to other persons or damage to their property and for which the insured is responsible.</p> <p>Life insurance provides financial protection against loss of income due to either death or retirement and serves as a means of accumulating savings for the policyholder's future use.</p>	<p>In planning a health insurance program, the usually more economical decision is to budget for the minor illnesses and to insure against only the more serious and financially crippling losses.</p> <p>The homeowner's policy, which includes a wide variety of risks in a single policy, provides comprehensive insurance at a lower cost than if each risk coverage were purchased separately.</p> <p>Liability protection is probably the most important of the basic coverages provided by insurance companies and is considered by many insurance experts to be an absolute necessity for automobile owners.</p> <p>The three basic types of life insurance (term, whole life, and endowment) are available to the public through ordinary, industrial, and group plans of distribution.</p>
<p>CONCEPT: <i>In both personal and social economic terms, the insurance industry has facilitated the financial growth and economic stability required by a dynamic economy.</i></p>			
		<p>With the protection of insurance, individuals and family can maintain a higher standard of living than if they had to assume the burden of financial loss alone.</p> <p>With the protection of insurance, business can better utilize its scarce economic resources and increase productivity.</p> <p>Through the payment of insurance claims, insurance companies are providing money to consumers that otherwise would be lost to them.</p> <p>The dollars that policyholders spend for insurance protection are pooled by the insurance companies and are made available to business for additional capital to facilitate the nation's economic growth.</p>	<p>Financially, through benefit payments, insurance provides funds for continued consumer spending by replacing the economic loss of either earning power or property so that the family unit may continue to function.</p> <p>Socially, insurance helps the family by promoting self-reliance and self-respect, as policyholders not only gain protection and stability but also accumulate savings that are required for adequate financial planning.</p> <p>Physically, the family is stabilized by insurance through medical examinations that indicate an individual's state of health and through medical research, which gives everyone a chance for a longer and more comfortable life.</p> <p>The insurance industry has been able to pool resources that, through prudent investment, have helped provide a higher standard of living.</p> <p>Industrial and technological developments have been facilitated by the use of pooled funds that provide substantial, continued support for the initiation and expansion of business enterprises and thus to the employment of large numbers of people and, consequently, more family income with which a greater number of consumer products and services may be purchased.</p> <p>The standard of living has been raised through availability of insurance funds for construction and purchase of homes that contribute to family and community social and economic stability.</p> <p>Expenditure by the insurance industry of funds for research and education has resulted in better health, longer life, and a higher standard of living.</p>
<p>CONCEPT: <i>By exercising "corporate citizenship," the insurance industry endeavors to serve families and to regulate itself in such a manner that it retains the confidence of both the insured and the business community.</i></p>			
		<p>The services of insurance companies tend to promote legal action and, therefore, provide a quicker and more equitable settlement for those who experience an economic loss.</p>	<p>Because of self-regulation by insurance companies and regulation by state departments of insurance, individuals have acquired a sense of confidence in the protection that insurance affords.</p>

at the primary level should learn that, when people pay taxes to the government, they buy as a group goods and services that they could not purchase as individuals. The safety and welfare of the community, state, and nation are maintained by the taxes that are paid by the people.

Pupils at the intermediate-school level should understand that the payment of taxes is compulsory and that citizens are purchasing those services that can be provided collectively at a lower cost than if they could individually be provided. Different kinds of taxes are used to divide the costs of governmental services among as many people as possible. Pupils should appreciate the necessity for paying taxes; too many people do not realize the relationship that exists between the taxes they pay and benefits they receive from the collective use of their tax dollar.

Taxes increase with governmental spending, and students in the intermediate grades should learn that the steady upswing in the amount of governmental spending has been caused by the rising costs of national defense, goods, and services purchased by the government, as well as by the increased demand for governmental services. They should recognize that the government borrows money from the people through the sale of bonds when its expenses are greater than its income.

At the junior-high-school level, students should understand the two basic principles applied in taxation: (1) people should pay taxes in proportion to the benefits they receive and (2) people should be taxed according to their ability to pay. Students should learn that the federal government depends upon individual and corporate income tax;



local governments, upon property taxes; and state governments, upon a variety of taxes for their most important sources of revenue.

Since almost everyone is subject to governmental tax laws, students in junior-high school should realize that all citizens need a knowledge of the main provisions of the laws and that the government wants a citizen to pay his fair share of the general tax liability--to have him neither pay too much nor too little. Students should consider the effect of taxes on the family's long-range financial planning.

As the tax laws are revised annually, junior-high-school students should be aware that qualified persons with experience in handling tax matters are available for persons seeking help with their tax returns. Careful consideration should also be given to accurate and complete records, the type of form used to file the tax report, and the methods selected for filing.

Students at the junior-high-school level should recognize that the government functions for the benefit of all the people in general and that by either raising or lowering the tax rate, the government either decreases or increases the amount of money that consumers have to spend, thereby affecting the nation's economy. Students should be apprised that citizens should discern between tax expenditures that improve the society's standard of living and tax expenditures that are unproductive, and exercise their prerogative to eliminate the latter. Students should also know that, since the end of World War II, the amount of the public debt has increased less in proportion to the amount of increase in the gross national product, and that nondefense federal spending has increased relatively less than the total of state and local governmental expenditures.

Students in the senior-high school should reflect upon the broad understandings listed at their level to develop concepts in the tax area concerning: (1) purpose of taxation, (2) citizens' manner of paying taxes, and (3) effect of taxes upon economic growth.

Senior-high-school students should understand that taxes furnish the means of accumulating large aggregates of money useful in providing public facilities and services that either are not adequately or cannot economically be provided privately. Social goods and services at the local, state, and national levels are more economically acquired and adequately provided through the expenditure of tax funds. Disposable personal income serves as the source of the remainder of taxes after personal income tax has raised the major portion of governmental funds. Tax legislation has served to allocate the national income between the private and public sectors of the economy and moderately to redistribute private wealth.

Students in the senior-high school should realize that financial well-being is materially affected by the manner in which individuals execute the duties and assume the responsibilities placed upon them by federal, state, and local tax laws. The individual is responsible for utilizing the many legitimate tax savings to which he is entitled and is legally responsible for proving that his tax information is accurate and complete. Through legal aid in designing and executing an estate and gift plan, tax minimization may effectively be accomplished. Neither the Internal Revenue Service nor other governmental agencies are obligated to indicate legitimate deductions and exemptions that an individual fails to take.

That the tax structure and allocation of revenue by governmental agencies may either facilitate or inhibit economic development and industrial growth should be comprehended by the senior-high-school student. Economic growth carries a price that must be paid by individuals willing to solve the problems of acquiring and allocating revenue wherever needs exist. Tax changes may either stimulate or retard economic development as they affect incentives for production and investment in growth-creating enterprises, as well as consumer and business demand for goods and services. By supporting projects in defense, basic research, general education, and urban renewal, governmental spending promotes long-term growth and contributes to economic stability. While deficit governmental spending may facilitate periods of economic progress, it automatically places a tax burden on future generations.

As students perceive the ideas presented in the area of taxation, they should express an attitude similar to one developed by Hall:

Taxation, a device to provide government revenue, is an essential ingredient necessary for the promotion of mass economic and social benefits that are designed to facilitate living.<sup>1</sup>

A Scope and Sequence Guide to the Study of Taxation is presented on the following pages. The aspects of taxation that are important to the individual have been stressed in the outline.

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<sup>1</sup>Hall, op. cit., p. 90.

# A SCOPE AND SEQUENCE GUIDE TO THE STUDY OF TAXATION IN GRADES K-12

Primary Grades	Intermediate Grades	Junior High School	Senior High School
<p><b>CONCEPT:</b> <i>Taxes, collected from a variety of sources, furnish the means of accumulating large aggregates of money useful in providing public facilities and services that either are not adequately or cannot economically be provided privately.</i></p>			
<p>When people pay taxes to the government, they buy as a group the goods and the services that they cannot purchase as individuals.</p>	<p>By the compulsory payment of taxes, an individual purchases those services that can be provided collectively at a lower cost than they could be provided individually.</p> <p>To divide the costs of governmental services among as many people as possible, different kinds of taxes are used.</p>	<p>The two basic principles applied in taxation are: (1) people should pay taxes in proportion to the benefits they receive and (2) people should be taxed according to their ability to pay.</p> <p>For their most important sources of revenue, the federal government depends upon individual and corporate income tax; The local governments, upon property taxes; the state governments, upon a variety of taxes.</p>	<p>Social goods and services at the local, state and national levels are more economically acquired and adequately provided, as the result of governmental action in the levying of taxes and the expending of funds for public purposes.</p> <p>A major portion of funds is raised from taxation of current personal income; however, the remainder of the taxes collected by government are paid out of disposal personal income, even though they may be imposed on such things as property, sales, gifts, and estates.</p> <p>Inasmuch as consumers pay sales and excise taxes on their purchases of goods and services, they contribute to the support of governmental services that have individual and collective values.</p> <p>Tax legislation has served to allocate the national income between the private and the public sectors of the economy and to redistribute moderately private wealth.</p>
<p><b>CONCEPT:</b> <i>Financial well-being is materially affected by the manner in which individuals execute the duties and assume the responsibilities placed upon them by federal, state, and local tax laws.</i></p>			
	<p>An understanding of the benefits of taxation will help an individual to appreciate the necessity for taxation.</p>	<p>Particular tax advantage may be gained when careful consideration is given to accurate and complete records, the type of form used to file the tax report, and the method selected for filing.</p> <p>Qualified persons with experience in handling tax matters will provide assistance to individuals who either are in doubt about their tax return or have a complicated tax situation.</p> <p>The government wants a citizen to pay his fair share of the general tax liability--without either overpaying or underpaying the tax.</p> <p>The effect of taxation is a necessary consideration for the family in its long-range financial planning.</p>	<p>The individual is responsible either for learning and utilizing the many legitimate tax savings to which he is entitled or for securing competent tax counsel and providing such counsel with accurate and complete financial information.</p> <p>Legal responsibility for proving that tax information is accurate and complete rests upon the person filing the return, regardless of whoever prepares the return.</p> <p>Many tax savings are provided through tax laws; however, neither the Internal Revenue Service nor other governmental agencies are obligated to indicate legitimate deductions and exemptions that an individual may fail to take.</p> <p>Tax minimization may effectively be accomplished through legal aid in designing and executing an estate and gift plan that fulfills family financial objectives.</p> <p>The proper timing of major receipts and expenditures is a simple and effective way for the family to control taxable income.</p>

**A Scope and Sequence Guide to the Study of Taxation in Grades K-12 - - Continued**

Primary Grades	Intermediate Grades	Junior High School	Senior High School
CONCEPT: <i>The tax structure and allocation of revenue by governmental agencies may either facilitate or inhibit economic development and industrial growth, subject, however, to voter control.</i>			
<p>The safety and welfare of the community, state, and nation are maintained by the taxes that are paid by the people.</p>	<p>Too many families do not realize the relationship between the taxes they pay and the benefits they receive from the collective use of their tax dollars.</p> <p>The steady upswing in the amount of governmental spending has been caused by the rising costs of national defense and of goods and services purchased by the government, as well as the increased demand for governmental services.</p> <p>Just as an individual family borrows money when it spends more than it receives, the government borrows money from the people through the sale of bonds whenever its expenses are greater than its income.</p>	<p>The citizens' prerogative is to discern between tax expenditures that improve society's standard of living and tax expenditures that are unproductive and to eliminate the latter.</p> <p>Fluctuations in tax rates are often caused by economic conditions of the country.</p> <p>Recent trends in governmental spending indicate that non-defense federal spending has increased relatively less than the total of state and local governmental expenditures.</p> <p>Since the end of World War II, the annual value of goods and services produced (gross national product) has increased relatively more rapidly than the amount of the public debt.</p> <p>By either raising or lowering the tax rate, the government either decreases or increases the amount of money that consumers have to spend and thereby affects the nation's economy.</p>	<p>The role of government is to control, promote, and encourage economic activities so that individuals realize their full socio-economic potential for living.</p> <p>Through taxation, government exercises a direct daily impact on the consumer as he sells his services, purchases goods, and goes about the routine activities of living.</p> <p>Government spending promotes long-term growth by supporting projects in defense, basic research, general education and urban renewal, while at the same time it contributes to the maintenance of economic stability.</p> <p>Deficit governmental spending may facilitate periods of economic progress; however, such spending automatically places a tax burden on future generations.</p> <p>Tax changes may either stimulate or retard economic development by either increasing or decreasing incentives for production and investment in growth-creating enterprises; and continued federal budget expenditures may increase consumer and business demand for goods and services.</p> <p>Economic growth carries a price that must be paid by individuals willing to solve the problems of acquiring and allocating revenue wherever needs exist.</p>

### Investment

Though the mechanics of investing in income-producing assets are not difficult, investment decision-making sounds forbidding even to many adults. Youngsters in the primary grades probably need not be concerned with investment knowledges, but should concentrate on developing understandings about saving, which is a necessary first step to investing.

Pupils at the intermediate-school level should understand definitions for investment, stocks, and bonds. Investment generally means putting money to work for the purpose of receiving a return either in money or an increase in value of the investment. When a person buys a share of stock, he becomes a part owner in the company whose stock he has bought and is entitled to share in the profits of the business. When a person buys a bond, he is lending his money to the organization that issued the bond and receives a fixed amount of interest. Pupils should realize some of the differences between savings and investment institutions--that savings institutions provide for both safety of the depositor's money and the immediate withdrawal (liquidity) of these funds, while investment institutions usually provide a greater rate of return on the depositor's money, but risk to the safety of the money invested is also greater. They should recognize that, by investing extra money in stocks and bonds, people are helping the American business system to produce more and better things.

For the student at the junior-high-school level, definitions in the area of investment should be expanded. Securities are issued by corporations, municipalities, and governments to obtain funds for

operation, production, and expansion. Shares of stock are of two kinds: either preferred or common. Bonds afford a greater degree of safety than other securities. Prices of securities are subject to continuous change.

Theoretical considerations involved in investing are an important aspect of study for the junior-high-school student. As the rate of return on the principal amount invested rises, the relative safety of the principal itself tends to decrease. As liquidity of the investment increases, the advantages for long-term financial growth diminish. One or more of the elements of safety, liquidity, or rate of return must be sacrificed either in part or in whole to achieve the other elements. An abundance of research and market information is readily available to interested persons.

Students in junior-high school should learn that investment decisions depend upon either the individual's or family's present financial condition, long-range financial goals, and preference of the investment objectives: safety of principal, rate of return, growth, and liquidity. Only funds in excess of those required for current living expenses, family emergencies, and an adequate insurance program should be invested in securities. Students should recognize that frequent surveys of the current positions of each item in an investment program are needed to determine whether any particular security should be either sold or retained.

Junior-high-school students should recognize the organization that exists for the buying and selling of securities and methods that can be used by individuals in investing money in securities. Two dozen

stock exchanges throughout the country function as open auction markets for securities. "Over-the-counter" markets exist for the trading of securities not listed on one of the auction markets. "Dollar-cost-averaging," monthly investment plans, and mutual plans enable an investor either to invest small amounts of money or to invest a fixed sum of money regularly. However, the average investor should never depend solely upon his own ability and experience to forecast stock prices.

Every economic system is confronted with the same problems of how and where to get capital. Students at the junior-high-school level should realize that enormous amounts of capital must be available to business from the savings and investments of millions of individuals and that, as a result of tremendous private investment, American business has been able to produce more efficiently, which has caused higher incomes and better standards of living for the American people.

The understandings in the area of investment listed at the senior-high-school level should lead to the development of four concepts concerning: (1) willingness of the American people to invest in business, (2) a carefully formulated investment plan, (3) financial institutions and instruments, and (4) dependency of the economy upon investment.

The desire of the American people to share inherent financial risks and benefits of their faith in the economic future of this country should be appreciated by senior-high-school students. Private investment provides funds that enable businesses to produce more with expanded facilities, which makes available to all people additional goods and services as well as greater tax income through which social benefits



are accomplished. Funds invested in governmental securities make possible governmental services that benefit all members of the society. Diverse economic factors and the collective expression of individuals who buy and/or sell securities regulate the prices of securities.

Students in the senior-high school should understand that financial well-being may be enhanced through the purchase of securities under a carefully formulated investment plan. The conservative investor can insure the safety and liquidity of his funds by acquiring securities in either government or well-established business enterprises, and the more speculative investor can take risks of proportionately greater magnitude with the possibility of either greater return or loss in a market of complete variation in types of securities. The goal of the prudent investor is a fair return on his invested funds with the prospect of some increase in the value of his securities. The possibility of financial gain through investment affords a type of hedge against inflation. Diversification can be employed to provide balance among investment objectives; though investment programs need to be reappraised periodically in view of financial goals. Some individuals either are of such a psychological nature or do not have the desire to invest and should never buy securities.

Students in the senior-high school should understand the dependency of a growing, healthy economy upon the accumulation of large aggregates of private investment. The vigor of the American enterprise, facilitated by the private investment of millions of people, has resulted in consistent long-term growth of the economy. Indirect ownership of business enterprises, as evidenced by the possession of shares of stock,

causes individuals to take pride in and gain satisfaction from helping to provide the tools of production required in the maintenance of a free competitive economy. Governmental spending, taxation, and fiscal policy also influence investment in the industrial expansion and technological progress of business.

Financial institutions, which provide an array of investment media, can be the subject of detailed study by senior-high-school students. Stock exchanges and "over-the-counter" agencies offer opportunities for the individual or family to acquire various securities and facilitate the flow of funds either for the development of new businesses or the expansion of established enterprises. Security brokers fulfill a personal service function in aiding prospective investors to achieve more effectively their personal investment objectives. Through governmental and self-regulation, the investment industry has sought to protect the investor from misrepresentation and duplicity in securities. The dollar-cost-averaging technique, the mutual-fund approach, and buying securities through the process of long and short selling are methods of buying securities with which students should be familiar.

The application of these concepts in the area of investment should be reflected in an attitude similar to the one described by Hall:

The accumulation and purposeful use of resources above those commensurate with a given standard of living, is essential to financial independence and security for either the individual or the family.<sup>1</sup>

A Scope and Sequence Guide to the Study of Investment is presented on the following pages. This guide outlines a generalized description of the importance of investment, both to the individual and to business.

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<sup>1</sup>Hall, op. cit., p. 96.

## A SCOPE AND SEQUENCE GUIDE TO THE STUDY OF INVESTMENTS IN GRADES K-12

Primary Grades	Intermediate Grades	Junior High School	Senior High School
<p>CONCEPT: <i>The extent to which masses of people now invest in American business enterprises reflect the faith that individuals have in the economic future of this country and their willingness and desire to share inherent financial risks and benefits.</i></p>			
	<p>Investing generally means putting money to work for the purpose of receiving a return either in money or an increase in value of the investment.</p> <p>By buying a share of stock, a person becomes a part owner in the company whose stock he has bought and is entitled to share in the profits of that business.</p> <p>When a person buys a bond, he is lending his money to the organization that issued the bond and receives a fixed amount of interest.</p>	<p>Securities include bonds and stocks and are issued by corporations, municipalities, and governments to obtain funds for operation, production, and expansion.</p> <p>Shares of stock are of two kinds either preferred or common. Preferred stock carries a fixed dividend, while common has no fixed rate of return.</p> <p>Bonds afford a greater degree of safety than other securities because the face value of the bond will be paid at maturity and the interest is paid on the bond at a fixed rate.</p>	<p>Security purchases provide funds that enable businesses to produce more with expanded facilities and thus make available additional goods and services.</p> <p>Funds invested in government securities provide safety and liquidity for the individual investor and also government services that benefit all members of the society.</p> <p>Business growth resulting from private investment produces increased income, as well as greater tax income, through which social benefits are accomplished.</p> <p>The degree of risk, which is involved in all investments, determines whether an individual is either investing, speculating or gambling.</p> <p>The possibility of financial gain through investment affords a type of hedge against inflation that is not available to the individual who hoards his surplus dollars.</p> <p>Common stocks are usually regarded as a good hedge against inflation because they reflect the earning power and the prospects of a company.</p>
<p>CONCEPT: <i>Financial well-being may be enhanced through the purchase of securities under a carefully formulated investment plan that is in accord with the individual's or family's needs and objectives.</i></p>			
	<p>Savings institutions provide for both safety of depositors' money and the immediate withdrawal (liquidity) of these funds.</p>	<p>A significant rule of investing is that, as the rate of return on the principal amount invested rises, the relative safety of the principal itself tends to decrease, term financial growth diminish.</p> <p>As liquidity of the investment increases, the advantages for long-term financial growth diminish.</p> <p>When safety of the principal is considered to be of primary importance to the person investing, little provision can be made for losses in principal caused by inflation.</p> <p>One or more of the elements of either safety, liquidity, or rate of return must be sacrificed either in part or in whole to achieve the other elements.</p> <p>Investment decisions should depend upon the family's present financial condition, its long-range financial goals, and its preference of the investment objectives: safety of principal, rate of return, growth, and liquidity.</p> <p>An abundance of research and market information is readily available to interested persons through professional stockbrokers, as well as in newspapers, periodicals, and business brochures.</p> <p>Successful investment programs require frequent surveys of the current position of each item to determine whether any particular security should be sold or retained.</p> <p>Only those funds that are in excess of those required for current living expenses, family emergencies, and an adequate insurance program are appropriate for investment in securities.</p>	<p>By acquiring securities in either governmental or well-established business enterprises, the conservative investor insures the safety and liquidity of his funds but receives a relatively low return on his investment.</p> <p>As one moves from the conservative to the speculative end of the investment scale, the possibility of either greater return or greater loss; in essence, risks of proportionately greater magnitude are then taken.</p> <p>The goal of the prudent investor is a fair return on his invested funds and the prospect of some increase in the value of the securities that he purchases.</p> <p>Diversification involves the selection and blending of common stocks, preferred stocks, and bonds within an investor's portfolio to offset possible losses and to balance his investment objectives.</p> <p>Financial risk and personal concern in buying stocks and/or bonds may be minimized through the study of basic market operations; however, some individuals are of such psychological temperament that they should never buy securities.</p> <p>Investment programs warrant periodical reappraisals in view of personal and family financial goals with careful consideration of tax laws, wills, and/or total estate plans.</p>

# A Scope and Sequence Guide to the Study of Investments in Grades K-12 -- Continued

Primary Grades	Intermediate Grades	Junior High School	Senior High School
<p>CONCEPT: <i>Financial institutions provide an array of effective instruments to facilitate the investment of surplus dollars by individuals who hope to achieve varied capital accumulation goals.</i></p>			
		<p>The New York Stock Exchange, which is the largest of over two dozen stock exchanges throughout the country, is a voluntary association that functions as an open market.</p> <p>Stocks and bonds that are not listed on any stock exchange are traded in what is called the "over-the-counter" market; no regular market exists for these securities and their prices are not widely published.</p> <p>The Dow-Jones averages are probably the best known of a number of stock indexes that reflect the movements of the auction market as a whole.</p> <p>Because the average investor is busy with activities unrelated to securities investment, professional stockbrokers can aid the individual in selecting the type of investment most suited to his investment objectives.</p> <p>By periodically putting the same amount of money into the same stock or stocks regardless of their current price, an investor is employing "dollar-cost-averaging" that results in a cost to him of an "average" price over the time involved.</p> <p>Most brokerage firms that are members of the New York Stock Exchange offer a monthly investment plan under which a person agrees to invest periodically a certain amount of money in securities and thus utilizes the dollar-cost-averaging technique.</p> <p>Investments in mutual funds may meet the needs of individuals who want to invest but who prefer to let someone else make the investment decisions.</p>	<p>Stock exchanges and "over-the-counter" agencies offer opportunities for the individual and the family to acquire securities of various types, ranging from the conservative to the speculative.</p> <p>Exchange organizations facilitate the flow of funds either for development of new businesses or the expansion of established enterprises as they make possible the exchange of stocks and bonds.</p> <p>Security brokers fulfill a personal service function in aiding prospective investors to achieve their personal investment objectives more effectively.</p> <p>The dollar-cost-averaging technique, when based upon sound counsel, enables the individual investor to take advantage of long-term growth in an individual business enterprise.</p> <p>The purchase of securities through the processes of either long and short selling or margin generally is not feasible for the beginning investor.</p> <p>The mutual-fund approach to investing enables the individual investor to take advantage of the long-term growth of many business enterprises, although some of the businesses may have substantial losses.</p> <p>Through self-regulation by securities dealers and stock exchanges, as well as by governmental regulation with specialized agencies for statute enforcement, the investor seeks to protect the investment industry from misrepresentation and deception in securities.</p>
<p>CONCEPT: <i>A stable, growing, healthy economy is dependent upon the accumulation of large aggregates of money made available, through investment, by a great many people.</i></p>			
	<p>By investing their extra money in stocks and bonds, people help the American business system to produce more and better things.</p>	<p>To operate and to expand the large, well-equipped factories of mass production, enormous amounts of capital must be available to business from the savings and investments of millions of individuals.</p> <p>As a result of tremendous private investment, American business is able to produce more efficiently, and this increased production has resulted in higher incomes and better standards of living for the American people.</p> <p>Stock prices are subject to continuous change in the markets where securities are traded because a stock is worth only what a buyer is willing to pay at a given time.</p>	<p>Indirect ownership of business enterprises, as evidenced by the possession of shares of stock, causes individuals to take pride in and gain satisfaction from helping to provide the tools of production required in the maintenance of a free competitive economy.</p> <p>Invested funds facilitate expansion and refinement of the economic system so that goods and services are produced and distributed more efficiently.</p> <p>Varied economic factors and the collective expression of individuals who buy and/or sell securities are the determinants that regulate the prices of stocks and bonds; however, the vigor of American enterprise has resulted in consistent long-term growth.</p> <p>Governmental expenditures, taxation, and fiscal policy influence the investment in industrial expansion and technological progress.</p>

Summary

The scope and sequence guides to personal money management that have been presented in this chapter represent the culmination of this entire research report. The scope of essential learning about money management was established through the further refinement of the concepts and understandings formulated by Hall in the six areas of personal economics: money, credit, saving, insurance, taxation, and investment. The sequential pattern for the presentation of the subject matter was developed through the utilization of the learning-spiral technique. Elements of concepts presented in the primary grades through the senior-high-school level were increased in scope and complexity so that young people completing the developmental sequence may gain clearer perception of the essential elements in money management.

The sequential ideas that are presented in the guides do not represent all of the major notions that can be included within the scope of content, but serve as patterns for the teaching-learning process. Nor is the structure of the content complicated by extensive information, but allows degrees of freedom for planning by teacher and students to correspond to the levels of competency within the classroom.

Curriculum guides can serve only as a framework of organization for the subject matter of presentation. The responsibility for effectively translating the formalized ideas into appropriate learning experiences for students is the classroom teacher's.

## CHAPTER V

### SUMMARY

Americans have long enjoyed the privilege of economic freedom. They have had the right to make economic decisions as consumers, producers, and as voters with the ensuing responsibility to render wise selections. As changes in the society and the economy have become increasingly rapid and complex, so also the problems of family financial security have become more intricate. Additional understanding and skill in everyday economic transactions are imperative for individuals in the promotion of their personal health, happiness, and general welfare.

The necessity for individuals to gain competency in economic decision-making has lead to a concern for more appropriate education in the improvement of abilities necessary to contend successfully with personal economic issues. The immediacy of the need for education in money management throughout the school curriculum is evidenced by the large numbers of young people with increasing amounts of money to spend and the realization that within a relatively short period of time many of them will be assuming the responsibilities of adult money management.

Opportunities need to be provided at all educational levels for the study of personal economic information in an organized and comprehensive pattern that will aid students in the establishment of sound

money values and practices while they are still young. Teachers need to have overall curriculum guidelines for the implementation of money management education in grades K-12 so that they will be able to provide continuity in the development of necessary personal economic concepts for young people. This research study was an effort to establish a curriculum pattern for the progressive development of essential concepts in money management that may facilitate a more systematic approach in the presentation of this subject matter to all young people.

#### Restatement of the Problem

The problem of this study was to develop a sequence of content ideas for ensuring continuity in the presentation of essential understandings and concepts in money management. The study was designed as the second in a planned series of researches aimed at establishing the focii of personal economics in educational curricula and at the improvement of instruction in money management.

The scope and sequence guides that resulted from this study are structured for the primary, intermediate, junior-high, and senior-high grade levels. The sequential ideas presented in the guides do not represent all of the major ideas that could be included within the scope of content, but they do serve primarily as patterns for the teaching-learning process. The structure of the content is not complicated by extensive information, but it does allow for the development of learning experiences in accord with the experiential backgrounds of students.

### Solution of the Problem

The solution of this problem was initiated with the establishment of the scope of essential learning about money management through further refinement of the concepts and understandings formulated by Hall<sup>1</sup> in six broad areas of content. Supplementary knowledges and understandings pertinent to each of the concepts defined by Hall were developed by the writer from materials of the National Committee for Education in Family Finance; from textbooks in consumer economics, elementary and secondary education; from relevant articles in newspapers and magazines; and from other associated pamphlets and books.

These knowledges and understandings were then arranged and categorized at the primary, intermediate, junior-high, and senior-high school levels of learning in a pattern that would facilitate continuity in the personal economic learning experiences of students in grades K-12. The ideas presented in the sequential pattern represent learning outcomes that students should perceive from the important relationships and the collective meaning of the masses of facts.

Subsequent to the structuring of the content ideas for each learning level, classroom teachers and educational specialists were consulted for their constructive evaluation of the articulation. The classroom teachers were familiar with the concept development approach to teaching-learning as it relates to the area of personal economics. Additional refinement of the statements was accomplished by submitting the sequential pattern of ideas to authorities in the areas of personal economics and communications.

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<sup>1</sup>Hall, op. cit.



Scope and sequence guides for each of the selected areas in personal money management were formulated as the culminating activity in the solution of the problem. This research report was then completed as the formal substantiating medium for the sequential guides.

#### Utilization of the Scope and Sequence Guides

The scope and sequence guides developed in this study emphasize the broad elements of money management appropriate to the education of all young people. The guides serve as a framework for the organization of the subject matter in money management and should help the teacher to assess the overwhelming masses of facts relevant to money management and to identify the information that will enable students to perceive sound financial understandings and concepts.

The sequential patterns should provide the teacher with an overview of the essential content of money management so that he can ascertain the relationship of the understandings at his grade level to those in the entire sequential pattern. This overview also permits the teacher to make long-range plans for the development of money management understandings and concepts with his students; and if time does not permit the inclusion of all of the ideas, to make a selection of the more important ideas. The sequential pattern of the guides allows the teacher to develop learning experiences that go beyond the emphasis for a given grade level.

The scope and sequence guides established in this study might be utilized in overall curriculum planning to facilitate either the expansion and addition of money management topics into existing courses of study or the organization of a single course in which pertinent financial problems are the primary concern. The ideas presented in these guides should be

beneficial in creating an awareness on the part of administrators, curriculum planners, and teachers of the kinds of personal money-management information that can be included at the different grade levels. This material might also be employed to determine significant areas of subject matter that could be incorporated in adult education programs.

### Concluding Statements

The major objective of this research investigation was to develop scope and sequence guides for six aspects of money management. Since the basic personal economic concepts and understandings that should be taught at each grade level had not previously been organized in an unified pattern, this study constituted an exploratory attempt to develop a basic sequential pattern as a point of reference for teachers. This task has been accomplished, and the sequential guides are presented in Chapter IV.

The nature and format of this study were not conducive to the development of the kinds of conclusions usually set forth in doctoral dissertations. However, on the basis of three years of experience as a graduate assistant in family finance education, of extensive background study in the area of money management, and of the material presented herein, the following generalized statements have been developed:

1. The current perspectives of elementary and secondary education indicate a growing recognition among educators of the intense need for individuals to gain competence in the personal economic elements of life. Many schools are now providing educational opportunities to facilitate students' development of basic attitudes and habits concerning the use of money.

2. Sequential patterns for the study of personal money management can and should be developed so that greater depth of meaning may be gained through the cumulative progression of content ideas. The scope and sequence guides presented in this report represent an initial effort in this endeavor and further refinement and inclusion of other areas pertinent to personal money management, such as buymanship, law, and mathematics, is desirable.

3. Continuous utilization in grades K-12 of the concept development approach to teaching personal money management in conjunction with the cumulative sequential patterns developed in this study will facilitate a competency in personal money management similar to the competency now achieved in basic courses of study; e.g., science and mathematics, by young people as they progress from elementary through high school.

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