

Social Studies TEKS Review Work Group A Final Recommendations

Final Recommendations

Texas Essential Knowledge and Skills (TEKS) Social Studies

The document reflects final recommendations to the new social studies Texas Essential Knowledge and Skills (TEKS) for personal financial literacy and economics that have been recommended by the State Board of Education's TEKS review work group. The course was developed in response to Senate Bill 1063 passed by the 87th Texas Legislature, 2021. Numbering for the knowledge and skills statements in the document will be finalized when the proposal is prepared to file with the *Texas Register*.

Comments in the right-hand column provide explanations for the proposed changes.

PFL: refers to the Personal Financial Literacy course

Eco: refers to the Economics course

§113.62. Personal Financial Literacy and Economics (One-Half Credit).		
TEKS with edits		Work Group Comments/Rationale
(a)	<u>General requirements. This course is recommended for students in Grades 11–12. Students shall be awarded one-half credit for successful completion of this course.</u>	
(b)	<u>Introduction.</u>	
(1)	<u>The economic way of thinking is developed early in this course and serves as a framework for the personal financial decision-making opportunities introduced in the course. Students will be able to demonstrate the ability to anticipate and address financial challenges as these challenges occur over the student's lifetime. In addition, this course introduces students to common economic and personal financial planning terms and concepts. As a result of learning objective concepts and integrating subjective information, students gain the ability to lead productive and financially self-sufficient lives.</u>	
(2)	<u>Personal Financial Literacy and Economics builds upon and extends the economic content and concepts studied from kindergarten through grade 12 social studies courses in Texas. The course provides a foundation in both microeconomics and macroeconomics. Students will survey the impact of demand, supply, various industry structures, and government policies on the market for goods, services, and wages for workers. Macroeconomic study involves economic systems with an emphasis on free enterprise market systems, goals of full employment, price stability, and growth, while examining problems like unemployment and inflation, and the policies enacted to deal with them. The course also builds upon and extends the personal finance content and concepts studied from kindergarten through grade 8 in mathematics courses in Texas. It is an integrative course that applies the same economic way of thinking developed to making choices about how to allocate scarce resources in an economy to how to make them at the personal level. It requires demonstrated critical thinking by students who explore how to invest in themselves with education and skill development, how to earn income, how to budget for spending, saving, investing, and protecting. Students will examine their individual responsibility for managing their personal finances and will understand that doing so will impact their standard of living and long-term financial well-being. Further, students will connect how their financial decision making will impact the greater economy.</u>	
(3)	<u>This course was created in response to TEC §28.025(b-22), satisfies the high school requirement, and meets the two-thirds of instructional time in personal financial literacy and one-third of instruction time in economics. In addition, the course addresses new financial challenges of modern economy.</u>	
(4)	<u>Students understand that a constitutional republic is a representative form of government whose representatives derive their authority from the consent of the governed, serve for an established tenure, and are sworn to uphold the constitution.</u>	

(5)	<u>State and federal laws mandate a variety of celebrations and observances, including Celebrate Freedom Week.</u>	
(A)	<u>Each social studies class shall include, during Celebrate Freedom Week as provided under the Texas Education Code, §29.907, or during another full school week as determined by the board of trustees of a school district, appropriate instruction concerning the intent, meaning, and importance of the Declaration of Independence and the U.S. Constitution, including the Bill of Rights, in their historical contexts. The study of the Declaration of Independence must include the study of the relationship of the ideas expressed in that document to subsequent American history, including the relationship of its ideas to the rich diversity of our people as a nation of immigrants, the American Revolution, the formulation of the U.S. Constitution, and the abolitionist movement, which led to the Emancipation Proclamation and the women's suffrage movement.</u>	
(B)	<u>Each school district shall require that, during Celebrate Freedom Week or other week of instruction prescribed under subparagraph (A) of this paragraph, students in Grades 3-12 study and recite the following text: "We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness--That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed."</u>	
(7)	<u>Students identify and discuss how the actions of U.S. citizens and the local, state, and federal governments have either met or failed to meet the ideals espoused in the founding documents.</u>	
(8)	<u>Students understand that a constitutional republic is a representative form of government whose representatives derive their authority from the consent of the governed, serve for an established tenure, and are sworn to uphold the constitution.</u>	
(9)	<u>Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.</u>	
(c)	<u>Knowledge and skills.</u>	
(1)	<u>Economics. The student understands the fundamental concepts of economics. The student is expected to:</u>	
(A)	<u>analyze how the concepts of scarcity, choice, and opportunity costs apply to decision-making;</u>	Eco.1.A
(B)	<u>interpret a production-possibilities curve and apply the concepts of scarcity, choice, and opportunity costs;</u>	Eco.1D

(C)	<u>explain how the production-possibilities curve represents cost-benefit decision-making;</u>	
(D)	<u>use the circular flow model to identify how households, firms, and governments interact in both resource markets and product markets;</u>	Circular flow model is an example of free-enterprise economic system
(E)	<u>evaluate how prices and quantities are determined through supply and demand;</u>	
(F)	<u>interpret a supply and demand graph, including equilibrium point, surpluses, and shortages;</u>	Eco.2.C CCRS: Math IX.B.2
(G)	<u>analyze how non-price determinants of supply and demand affect equilibrium price and equilibrium quantity; and</u>	
(H)	<u>explain how supply and demand exist in both resource and product markets.</u>	
(2)	<u>Economics. The student understands that macroeconomic issues and policies have an impact on personal finance.</u>	
(A)	<u>identify types of progressive and regressive taxes at the local, state, and national levels and the economic importance of each;</u>	Eco.14.A
(B)	<u>examine and evaluate the reasons for federal income taxation, Social Security taxation, Medicaid taxation, and Medicare taxation, including earnings limitations as applicable;</u>	Financial Math.3.E
(C)	<u>explain how all economic systems are mixed and exist on a spectrum between pure market and pure command systems;</u>	Eco.14.C
(D)	<u>explain the benefits of the U.S. free enterprise system, including private property and incentives;</u>	Eco.5.A and 5.B
(E)	<u>identify the importance of full employment, price stability, and economic growth in achieving the macroeconomic goals of the United States;</u>	
(F)	<u>explain the impact of fiscal policies enacted by the government decisions on interest rates, inflation, and unemployment; and</u>	Eco.13.B
(G)	<u>explain the impact of monetary policies enacted by the Federal Reserve System on interest rates, inflation, and unemployment.</u>	
(3)	<u>Personal financial literacy--investing in education and skills. The student recognizes the costs and benefits of various types of postsecondary education and training throughout the lifetime. The student is expected to:</u>	
(A)	<u>analyze the relationship between education and training and earnings throughout the student's lifetime;</u>	PFL.15.A

(B)	<u>investigate and evaluate the costs and benefits among postsecondary education and training institutions;</u>	PFL.15.C and 16.A TEKS Guide: public universities, private universities, for-profit colleges, certification programs, and community colleges
(C)	<u>describe the process for completing grant and scholarship applications, including the Free Application for Federal Student Aid (FAFSA) provided by the U.S. Department of Education or the Texas Application for State Financial Aid (TASFA);</u>	PFL.16.B
(D)	<u>analyze and compare student grant and loan options, including private and federal loans;</u>	Eco.20.D
(E)	<u>interpret data from a student aid report; and</u>	
(F)	<u>research and align interests and skills with potential careers and postsecondary education to assure a life strategy that will produce employment the student enjoys with a desired standard of living.</u>	Financial Math 17.B
(4)	<u>Personal financial literacy--earning. The student recognizes that a variety of factors influence income. The student is expected to:</u>	
(A)	<u>identify sources of income, including wages and salaries, profits, interest, rent, dividends, and capital gains;</u>	Financial Math.3.A
(B)	<u>compare common employee benefits such as health insurance, sick leave, retirement plans, and other tax-favored health and dependent care plans;</u>	Financial Math.3.B
(C)	<u>differentiate among and calculate gross, net, and taxable income; and</u>	Financial Math.3.C
(D)	<u>identify factors such as educational attainment and market demand for careers that would influence the labor market and affect income.</u>	
(5)	<u>Personal financial literacy--entrepreneurship. The student discusses the opportunities available for entrepreneurship. The student is expected to:</u>	
(A)	<u>identify the role of the entrepreneur in creating businesses;</u>	
(B)	<u>explain how income is earned as an entrepreneur, including profits from the creation or ownership of businesses;</u>	
(C)	<u>compare total compensation and additional benefits and obligations as a self-employed or independent contractor with total compensation as an employee;</u>	Financial Math.3.K

(D)	<u>discuss the resources available for entrepreneurship and the federal, state, and local agencies available for assisting or providing grants for the creation of a small business;</u>	TEKS Guide: include Small Business Administration (SBA), Texas Secretary of State's Office, local economic development agencies, and non-governmental organizations (NGOs)
(E)	<u>analyze the risks and rewards of entrepreneurship, including starting a new business, owning a small business, and purchasing a franchise; and</u>	
(F)	<u>explain the characteristics of business organization such as sole proprietorships, partnerships, and corporations.</u>	
(6)	<u>Personal financial literacy--spending. The student understands how to set personal spending goals. The student is expected to:</u>	
(A)	<u>develop financial goals for the short, medium, and long term that are specific, measurable, attainable, realistic, and time based;</u>	PFL.1.D
(B)	<u>analyze the opportunity costs of spending and saving in recognizing short-, medium-, and long-term goals;</u>	
(C)	<u>identify and prioritize types of purchases and charitable giving;</u>	
(D)	<u>evaluate various forms of financial exchange such as cash, checks, credit cards, debit cards, mobile payment applications, and electronic transfers;</u>	
(E)	<u>discuss the importance of tracking income and expenses to reconcile financial records;</u>	
(F)	<u>evaluate the impact of unplanned spending;</u>	PFL.2.F
(G)	<u>analyze costs and benefits of owning versus renting housing;</u>	PFL.4.A TEKS Guide: include payment, interest, taxes, and insurance, maintenance, unexpected repairs, HOA fees
(H)	<u>analyze costs and benefits of owning versus leasing a vehicle;</u>	PFL.4.B TEKS Guide: include monthly payment, insurance, gas, mileage, registration, general maintenance and unexpected repairs

(7)	<u>Personal financial literacy--credit and debt. The student understands the costs and benefits of borrowing. The student is expected to:</u>	
(A)	<u>evaluate if and when to use credit by considering the truth in lending disclosures;</u>	TEKS Guide: fixed versus variable interest, length of term, grace period, and additional fees such as late payment, cash advance, and prepayment penalties
(B)	<u>compare and contrast sources of credit such as banks, merchants, peer-to-peer, payday loans, and title loans;</u>	PFL.8.A
(C)	<u>discuss how character, capacity, and collateral can adversely or positively impact an individual's credit rating and the ability to obtain credit;</u>	PFL.9.A
(D)	<u>explain strategies to reduce total cost of borrowing such as making a higher down payment and additional principal payments; and</u>	PFL.10.B
(E)	<u>compare and contrast types of credit, including revolving and installment credit, and collateralized loans versus unsecured credit;</u>	PFL.8.B TEKS guide: include credit cards, home equity loans, HELOC, unsecured personal loan in compare and contrast
(F)	<u>describe how to access and interpret a sample credit report and score;</u>	PFL.9.B
(G)	<u>describe the importance of monitoring credit reports regularly and addressing mistakes;</u>	PFL.9.C
(H)	<u>identify the characteristics and dangers of predatory lending practices;</u>	TEKS Guide: long-term consequences of predatory lending; excessive interest rates; hidden fees; short-term lending, which leads to refinancing of original debt; negative credit score impacts
(I)	<u>identify factors that could lead to bankruptcy such as medical expenses, job loss, divorce, or a failed business;</u>	PFL.9.D
(8)	<u>Personal financial literacy--saving and investing. The student understands the importance of saving and investing in creating wealth and building assets. The student is expected to:</u>	PFL.5
(A)	<u>determine the exponential growth benefits of starting early to invest with continuous contributions;</u>	
(B)	<u>determine the number of years it will take for savings to double in value by using the rule of 72;</u>	
(C)	<u>evaluate the costs and benefits of various savings options such as bank savings accounts, certificates of deposit, and money market mutual funds;</u>	PFL.6.C

(D)	<u>evaluate risk and return of various investment options, including stocks, bonds, mutual funds, and exchange-traded funds (ETFs);</u>	PFL.6.D
(E)	<u>evaluate the relative benefits of pre-tax and post-tax investing;</u>	TEKS guide: list plans 403Bs, 401Ks, 529s, and other types of saving plans
(F)	<u>develop a short-term saving strategy to achieve a goal such as establishing and maintaining an emergency fund;</u>	PFL.5.A
(G)	<u>develop an intermediate-term saving and investing strategy to achieve a goal such as accumulating a down payment on a home or vehicle; and</u>	PFL.5.B
(H)	<u>develop a long-term investing strategy to achieve a goal such as a financially secure retirement.</u>	PFL.5.C
(9)	<u>Personal financial literacy--protecting and insuring. The student recognizes financial risks faced by individuals and families and identifies strategies for handling these risks to avoid potential loss of assets and earning potential. The student is expected to:</u>	
(A)	<u>apply risk management strategies, including avoiding, reducing, retaining, and transferring risk;</u>	PFL.11.B TEKS Guide: such as extended warranties, mortgage protection life insurance, accidental death and dismemberment life insurance, car loan payoff coverage, debt cancellation coverage, and credit life coverage;
(B)	<u>define insurance terminology, including premiums, deductibles, co-pays, and policy limits;</u>	PFL.12.A
(C)	<u>explain the costs and benefits of different types and sources of health insurance;</u>	PFL.12.B TEKS Guide: such as individual health plans, employer-provided health plans, and government-provided health plans;
(D)	<u>explain the costs and benefits of disability and long-term care insurance;</u>	PFL.12.C
(E)	<u>explain the costs and benefits of life insurance, including term insurance and whole life insurance;</u>	PFL.12.D
(F)	<u>explain the costs and benefits of property insurance, including homeowner's and renter's insurance;</u>	PFL.12.E
(G)	<u>explain the costs and benefits of automobile insurance and factors that impact the price of insurance, including the type of vehicle, age and sex of driver, driving record, deductible, and geographic location;</u>	PFL.12.F

(H)	<u>identify ways to reduce risk of identity theft and protect personal information;</u>	PFL 13.A
(I)	<u>recognize common schemes and scams such as Ponzi schemes, pyramid, phishing, check cashing, and home renovation scams;</u>	PFL 13.B
(J)	<u>explain how consumer protection agencies protect consumers against fraud;</u>	TEKS Guide: list Broker Check, Office of the Attorney General (OAG), Better Business Bureau, Consumer Financial Protection Bureau, and the Texas Department of Insurance; and
(K)	<u>explain the importance of estate planning, including guardianship of minor children, wills, beneficiary designation, power of attorney, living will, and medical directives.</u>	PFL 14.A and B
(10)	<u>Personal financial literacy skills. The student understands how to set personal financial goals. The student is expected to:</u>	The work group's goal for this separate strand is for students to be able to integrate the skills horizontally. The course is holistic in nature and every strand is interconnected. Personal financial goals guide one's spending, saving, investing at any given point in one's life. Students should be able to apply the content learned in this course in practice to a personal financial plan.
(A)	<u>use problem-solving and decision-making processes to identify a problem, gather information, list and consider options, consider advantages and disadvantages, choose and implement a solution, and evaluate the effectiveness of the solution; and</u>	Eco.20.A
(B)	<u>develop a budget that incorporates short-, medium-, and long-term financial goals</u>	
(C)	<u>demonstrate how earning income, spending, credit, debt, saving and investing, protecting and insuring are part of a comprehensive financial plan.</u>	