The State Board of Education (SBOE) proposes new §113.26, concerning personal financial literacy. The proposed new section would update the Texas Essential Knowledge and Skills (TEKS) for the high school personal financial literacy course to ensure alignment with requirements in House Bill (HB) 27, 89th Texas Legislature, Regular Session, 2025, and ensure the standards remain current.

BACKGROUND INFORMATION AND JUSTIFICATION: In accordance with statutory requirements that the SBOE identify by rule the essential knowledge and skills of each subject in the required curriculum, the SBOE follows a board-approved cycle to review and revise the essential knowledge and skills for each subject.

In 2013, the 83rd Texas Legislature passed HB 2662, amending Texas Education Code (TEC), §28.0021, to require school districts and open enrollment charter schools offering a high school program to provide a one-half credit elective course in personal financial literacy. In January 2016, the SBOE adopted TEKS for the elective course in personal financial literacy to be implemented beginning with the 2016-2017 school year.

In 2021, Senate Bill (SB) 1063, 87th Texas Legislature, Regular Session, amended TEC, §28.025, to add a one-half credit course in personal financial literacy and economics as an option to meet the one-half credit graduation requirement for economics under the Foundation High School Program. SB 1063 required that the SBOE adopt TEKS for the personal financial literacy and economics course and that the required curriculum for the course allocate two-thirds of the instructional time to personal financial literacy and one-third of instructional time to economics. At its June 2022 meeting, the SBOE adopted TEKS for the new course, §113.76, Personal Financial Literacy and Economics, and the rule became effective August 1, 2022.

In 2025, the 89th Texas Legislature, Regular Session, passed HB 27, which revised the high school social studies graduation requirement for students who enter Grade 9 in the 2026-2027 school year and thereafter. Under HB 27, students must successfully complete a one-half credit personal financial literacy course instead of the one-half credit economics course or one-half credit economics and personal financial literacy combined course to satisfy the economics requirement under the Foundation High School Program. Additionally, the bill permits students in this cohort to select the third social studies credit required for graduation from one credit in economics, world geography, or world history. As a result, the bill requires the approval of a one-credit economics course for this cohort while the current one-half economics course offerings remain in place for students not subject to HB 27. The bill also added new TEC, §28.025(b-24), requiring the SBOE to allow a student to comply with the personal financial literacy requirement by successfully completing an advanced placement course that contains substantively similar and rigorous academic content.

At the September 2025 meeting, the SBOE approved the social studies framework course sequence and strands for Kindergarten-Grade 8. The SBOE designated content advisors for the social studies TEKS review, and an application to serve on social studies TEKS review work groups was posted on the Texas Education Agency (TEA) website in October 2025. A discussion item regarding content advisor recommendations for key topics to be included in the social studies TEKS framework was presented to the Committee of the Full Board at the November 2025 meeting. The content advisors were also directed to address instructional requirements from HB 27, HB 824, and SB 24 in their recommendations. At the January 2026 meeting, the SBOE approved key topics and subtopics to be included in the new TEKS for social studies. Work group meetings were convened in February 2026 to develop draft recommendations for the new social studies TEKS. As part of the SBOE's process for the review and revision of the TEKS, education service centers (ESCs) collected feedback from educators in their regions on the work group drafts and submitted the feedback to TEA.

The SBOE held a public hearing and discussed the proposed new TEKS for social studies at a special called meeting in February 2026. In March 2026, TEA convened additional work groups to address the feedback from the SBOE and ESC focus groups to finalize their recommendations. At the April 2026 meeting, the SBOE held a public hearing on the proposed new TEKS. At the meeting, the SBOE removed §113.26, Personal Financial Literacy (One-Half Credit), Adopted 2026, from the proposal and directed staff to post on the TEA website both the proposed new course as presented in the April agenda and an alternative version presented during the meeting and to collect informal public feedback. At that time, the SBOE also approved the remaining proposed new rules in 19 TAC Chapter 113, Subchapters A-D, for first reading and filing authorization.

In June 2026, the SBOE approved the Applied Personal Financial Literacy course as the proposed new section for first reading and filing authorization at its June 26, 2026 meeting.

FISCAL IMPACT: Shannon Trejo, deputy commissioner for school programs, has determined that for the first five years the proposal is in effect (2027-2031), there are no fiscal implications to the state. However, in Fiscal Year 2026, the estimated cost to TEA for revision of the personal financial literacy TEKS was $13,000.

There may be fiscal implications for school districts and charter schools to implement the proposed new TEKS, which is expected to include the need for professional development and revisions to district-developed databases, curriculum, and scope and sequence documents. Since curriculum and instruction decisions are made at the local district level, it is difficult to estimate the fiscal impact on any given district.

LOCAL EMPLOYMENT IMPACT: The proposal has no effect on local economy; therefore, no local employment impact statement is required under Texas Government Code, §2001.022.

SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT: The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis specified in Texas Government Code, §2006.002, is required.

COST INCREASE TO REGULATED PERSONS: The proposal does not impose a cost on regulated persons, another state agency, a special district, or a local government and, therefore, is not subject to Texas Government Code, §2001.0045.

TAKINGS IMPACT ASSESSMENT: The proposal does not impose a burden on private real property and, therefore, does not constitute a taking under Texas Government Code, §2007.043.

GOVERNMENT GROWTH IMPACT: TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would create a new regulation by proposing new TEKS in personal financial literacy required to be offered by school districts and charter schools.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not expand, limit, or repeal an existing regulation; would not increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

PUBLIC BENEFIT AND COST TO PERSONS: Dr. Trejo has determined that for each year of the first five years the proposal is in effect, the public benefit anticipated as a result of enforcing the proposal would be to update the standards to align with recent legislative requirements and ensure the standards remain current. There is no anticipated economic cost to persons who are required to comply with the proposal.

DATA AND REPORTING IMPACT: The proposal would have no data or reporting impact.

PRINCIPAL AND CLASSROOM TEACHER PAPERWORK REQUIREMENTS: TEA has determined that the proposal would not require a written report or other paperwork to be completed by a principal or classroom teacher.

PUBLIC COMMENTS: The SBOE requests public comments on the proposal, including, per Texas Government Code, §2001.024(a)(8), information related to the cost, benefit, or effect of the proposed rule and any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. The public comment period on the proposal begins July 24, 2026, and ends at 5:00 p.m. on August 24, 2026. The SBOE will take registered oral and written comments on the proposal at the appropriate committee meeting in August-September 2026 in accordance with the SBOE board operating policies and procedures. A request for a public hearing on the proposal submitted under the Administrative Procedure Act must be received by the commissioner of education not more than 14 calendar days after notice of the proposal has been published in the Texas Register on July 24, 2026.

STATUTORY AUTHORITY. The new section is proposed under Texas Education Code (TEC), §7.102(c)(4), which requires the State Board of Education (SBOE) to establish curriculum and graduation requirements; TEC, §28.002(a), which identifies the subjects of the required curriculum; TEC, §28.002(c), which requires the SBOE to identify by rule the essential knowledge and skills of each subject in the required curriculum that all students should be able to demonstrate and that will be used in evaluating instructional materials and addressed on the state assessment instruments; TEC, §28.025(a), which requires the SBOE to determine by rule the curriculum requirements for the foundation high school graduation program that are consistent with the required curriculum under TEC, §28.002; and TEC, §28.025(b-24), as added by House Bill 27, 89th Texas Legislature, Regular Session, 2025, which requires the SBOE to allow a student to comply with the curriculum requirement for a one-half credit in personal financial literacy by successfully completing an advanced placement course designated by the SBOE as containing substantively similar and rigorous academic content.

CROSS REFERENCE TO STATUTE. The new section implements Texas Education Code (TEC), §§7.102(c)(4); 28.002(a) and (c); and 28.025(a) and (b-24).

<rule>

**§113.26. Applied Personal Financial Literacy (One-Half Credit), Adopted 2026.**

(a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2027-2028 school year.

(b) General requirements. Students shall be awarded one-half credit for successful completion of this course.

(c) Introduction.

(1) Applied Personal Financial Literacy (PFL) will develop citizens who have the knowledge and skills to make sound, informed financial decisions that will allow them to lead financially secure lifestyles and understand personal financial responsibility. The knowledge gained in this course has far-reaching effects for students personally as well as the economy as a whole. When citizens make wise financial decisions, they gain opportunities to invest in themselves, build businesses, consume goods and services in a responsible way, and secure a future without depending on outside assistance. The economy benefits from the optimal use of resources, increased consumption, and strong local businesses.

(2) The primary purpose of Texas and American social studies is to educate students to become proud, responsible, and patriotic citizens who respect the dignity and rights of their fellow citizens, who love their country, and who cherish liberties and laws. Over the course of multiple grades:

(A) students understand how to emulate the preservation of liberty as citizens who value the idea of virtue under the Constitution;

(B) students understand that a constitutional republic is a representative form of government whose elected leaders derive their authority from the consent of the governed and are sworn to uphold the Constitution; and

(C) students understand the benefits of the United States free enterprise system, also referenced as capitalism or the free market system. This system, predicated on strong property rights, emphasizes the individual exercise of economic decisions without government interference, allowing people the opportunity to prosper.

(3) Student expectations are organized around key topics, identified as knowledge and skills statements. Within each key topic, expectations address concepts as they relate to these topics chronologically. Where key topics are thematic rather than chronological, incorporate these thematic concepts into stories and history to create schema for understanding.

(4) Student expectations within each knowledge and skills key topic address the statutory requirements listed in paragraph (6) of this subsection while also making continual connections

across those key topics and grade levels. Student expectations are organized chronologically through recurring strands coded at the end of each student expectation. Strands include:

(A) History (World, United States, and Texas), coded with H;

(B) Government and Civics, coded with G/Civ;

(C) Geography and Culture, coded with Geo/C;

(D) Economics, coded with E; and

(E) Social Studies Skills, based on disciplinary thinking skills, coded with S.

(5) Social studies skills are incorporated into the teaching of social studies content. Students use social studies practices to demonstrate understanding and apply reasoning to the study of people, places, issues, and events. A greater depth of understanding of complex content material is attained when social studies content and disciplinary thinking skills are taught together.

(6) Student expectations embed relevant statutory requirements, including:

(A) Texas Education Code (TEC), §28.002(a)(1)(D)--Social Studies, consisting of Texas, United States, and world history; government; economics, with emphasis on the free enterprise system and its benefits; and geography;

(B) TEC, §28.002(a)(2)(G)--Religious Literature, including the Hebrew Scriptures (Old Testament) and New Testament, and its impact on history and literature;

(C) TEC, §28.002(h)--Informed American Patriotism, Texas History, and the Free Enterprise System;

(D) TEC, §28.002(h-1)(1)-(3)--Knowledge of Civics;

(E) TEC, §28.002(h-1)(4)--Founding documents and primary sources of the United States;

(F) TEC, §28.002(h-2)(1)-(3) and (h-3)--Knowledge of Civics;

(G) TEC, §28.002(h-11) and (h-12)--Understanding of Communist Regimes and Ideologies (for Grades 4 and higher);

(H) TEC, §28.0022--Certain instructional requirements and prohibitions;

(I) TEC, §29.907--Celebrate Freedom Week;

(J) TEC, §29.9071--Texas Military Heroes Day; and

(K) TEC, §29.9072--Holocaust Remembrance Week.

(7) There is no effective study of social studies without review of primary sources. In certain circumstances, specific primary sources are named in the Texas Essential Knowledge and Skills (TEKS), but instructional materials should include additional primary sources relevant to subjects identified in the TEKS. Primary sources are embedded as appropriate within the context of the study of history. Additional primary source material, including written documents, visual sources, audio and audio-visual sources, oral sources, and artifacts are encouraged. Primary source material should be used where appropriate and must be used when identified in a student expectation. In early grades, before students have requisite reading skills to read directly from copies of primary sources, the primary source materials should be included as a visual aid.

(8) To support the teaching of essential knowledge and skills, the use of a variety of rich material is encouraged. Where appropriate, local topics should be included to create relevance. Motivating resources are available from museums, historical sites, presidential libraries, local and state civic offices, and preservation societies.

(9) The list of places, events, and people in this course curriculum is not considered exhaustive. Additional examples aligned with statutes listed in paragraph (6) of this subsection can be incorporated as time permits. Statements that contain the word "including" reference content that must be mastered.

(d) Knowledge and skills.

(1) Fundamental Concepts of Economics Related to PFL. The student understands fundamental concepts of economics related to personal financial literacy and the role of ethical decision-making and personal responsibility in financial choices. The student is expected to:

(A) define the economic concepts of scarcity, supply, demand, opportunity cost, free enterprise, profit incentive, appreciation, depreciation, financial integrity, and accountability (G/Civ, E);

(B) understand how scarcity drives market prices by applying supply and demand models (E, S);

(C) evaluate how opportunity cost impacts personal financial choices by comparing the value of the next best alternative, including responsible prioritization of needs over wants (E, S);

(D) describe characteristics of free enterprise, including private property, freedom of choice, profit incentive, competition, limited government, and voluntary exchange, and explain the importance of integrity and accountability in economic interactions (E); and

(E) compare how appreciation and depreciation affect asset values and net worth in the context of long-term financial responsibility and planning (E).

(2) Personal Financial Planning, Goal Setting, and Decision-Making. The student develops a personal framework to guide financial decisions and uses structured critical thinking to evaluate alternatives and discuss decisions. The student is expected to:

(A) define the economic concepts of retirement, financial independence, emergency fund, life expectancy, and problem model (E);

(B) develop one-year, five-year, and ten-year financial, education, career, and personal goals that are specific, measurable, attainable, realistic, and time based (E, S);

(C) create a 10-year personal financial plan with annual benchmarks that integrates education, career, income, saving, investing, major purchases, long-term financial independence goals, and risk management, including a will, financial power of attorney, medical power of attorney, and living will (E, S);

(D) describe a future life in 10 years, including desired career, income, education, housing, transportation, saving, emergency funds, retirement, life expectancy or financial independence funding, personal priorities, and life satisfaction (E, S);

(E) create a structured decision-making problem model, using relevant information with alternatives, potential outcomes, and financial decisions using evidence and reasoning (E, S); and

(F) validate goals and the 10-year personal financial plan as new knowledge, skills, circumstances, and economic conditions are analyzed during the course (E, S).

(3) Careers, Postsecondary Education, and Earning Potential. The student analyzes personal interests, career pathways, labor-market conditions, and postsecondary education options to align career decisions with personal goals and financial plans. The student is expected to:

(A) define the economic concepts of labor market data, global competition, comparative advantage, creative destruction, technical training, and internship (E);

(B) identify personal interests, skills, values, and aptitudes and align them with multiple potential career pathways, including careers that may emerge as technology and the economy change (E, S);

(C) research career pathways using labor-market data, online resources, and artificial intelligence tools to evaluate income growth, employment trends, global competition, comparative advantage, technological change, creative destruction, required skills, and possible employers (E, S);

(D) describe how education, skills, certifications, technical training, internships, and work-based learning influence income opportunities in a competitive free enterprise labor market (E);

(E) evaluate postsecondary pathways, including universities, community colleges, technical programs, certificate programs, military options, and industry credentials (E, S);

(F) calculate the total cost of postsecondary education or training, including tuition, fees, housing, books, instructional materials, transportation, personal expenses, technology, and related costs, then evaluate the return on investment, opportunity costs, risks, and debt obligations associated with postsecondary education and career pathways (E, S);

(G) list funding sources for postsecondary education, including the Free Application for Federal Student Aid (FAFSA) or Texas Application for State Financial Aid (TAFSA), grants, scholarships, work-study, employer-subsidized tuition, internships, student loans, tax credits, and family or personal contributions (E, G/Civ); and

(H) add career, education, training, funding, and deadline information to the five-year and ten-year personal financial plan (E, S).

(4) Consumer Economics and Financial Decision-Making. The student understands how habits, personal responsibility, consumerism, emotional responses, and external pressures affect personal financial decisions and demonstrates the ability to apply strategies for responsible, ethical, and informed financial decision-making in a digital age. The student is expected to:

(A) define the economic concepts of consumerism, delayed gratification, marketing strategies, true and sunk costs, risk, simple and compound interest rates, and costs (E, G/Civ);

(B) interpret how consumerism behaviors can lead to unfavorable financial outcomes and identify strategies, including self-discipline and delayed gratification, to avoid common errors in financial judgment (E, S);

(C) explain how consumerism and marketing strategies, including social media influencers, algorithm-driven recommendations, financial technology platforms, and traditional advertising, influence spending behavior and financial decision-making (Geo/C, E, S);

(D) evaluate the credibility and bias of financial information sources by analyzing author, audience, and purpose while considering honesty and integrity in evaluating information (Geo/C, E, S);

(E) apply structured financial decision-making frameworks, including cost-benefit analysis and opportunity cost evaluation, to make evidence-based financial decisions and demonstrate accountability for outcomes (E, S);

(F) evaluate the true and sunk cost and risks of high-interest credit services by calculating interest costs and analyzing the consequences of missed or late payments (E, S); and

(G) examine how generational family financial behaviors influence money patterns, goals, personal responsibility, and decision-making (Geo/C, E, S).

(5) Earning Income. The student understands sources of income and factors that affect earning potential, compensation, postsecondary pathways, and income-related responsibilities. The student is expected to:

(A) define the economic concepts of contract income, royalty income, commission income, interest income, dividends, employment forms, FASFA/TASFA, trade-offs, and gross and net pay (E, G/Civ);

(B) identify sources of income, including wages, salaries, tips, contract income, rental income, royalty income, bonuses, commission income, interest income, dividends, and profits (E);

(C) research employment forms of the IRS, including W-2, W-4, W-9, 1099, and 1040 (E, G/Civ);

(D) analyze how personal interests, skills, and goals align with potential careers by examining income potential, geographic patterns, workforce demand, and economic conditions (Geo/C, E, S);

(E) evaluate the return on investment of postsecondary education, training, or credentialing pathways, including total cost, earning potential, time commitment, and opportunity costs (E, S);

(F) analyze postsecondary financing options, including scholarships, grants, work-study programs, and student loans (E, S);

(G) explain the purpose of financial aid applications, such as the FAFSA or TASFA, and identify factors that may affect eligibility for federal, state, institutional, and private financial aid (G/Civ, E, S);

(H) assess the financial trade-offs of contract employment, independent contracting, and freelance work, including income variability, taxes, insurance, and benefits (E, S);

(I) evaluate total compensation by comparing wages and employee benefits, including employer contributions to health insurance, retirement plans, and paid leave (E, S);

(J) differentiate between gross pay and net pay by explaining how taxes, deductions, and withholdings affect take-home earnings using sample pay stubs (E, S); and

(K) complete a simulated tax scenario by applying knowledge of filing status, income sources, deductions, credits, tax withholding, and estimated tax (E, S).

(6) Budgeting: Spending and Planning. The student understands that financial decision-making impacts budgets and helps achieve financial goals by allocating income to spending, saving, giving, and other financial priorities while reflecting responsible stewardship and intentional use of resources. The student is expected to:

(A) define the economic concepts of fixed and variable expenses, savings, total income, financial records, accountability, giving, tax benefits, purchasing power, historical data, economic indicators, and the 50-30-20 rule of budgeting (E);

(B) develop a balanced budget that accounts for income, fixed and variable expenses, and savings as a proportion of total income using digital or manual tools (E, S);

(C) design a system for tracking income, expenses, and financial records to support accountability and careful oversight (E, S);

(D) model a purposeful giving plan, including 10-10-80, that considers time, talents, and monetary donations while evaluating budget impact, recordkeeping, and potential tax benefits (G/Civ, E, S);

(E) calculate and compare the costs of utilities and insurance, benefits, and long-term affordability of renting versus buying a home by analyzing total cost, contract terms, and mortgage options (E, S);

(F) compare the cost of living in different geographic locations in Texas and the United States by considering housing, multiple forms of taxation, transportation, health care, and income (Geo/C, E, S);

(G) calculate and compare the costs and benefits of purchasing versus leasing different types of vehicles by analyzing lease agreements, purchase contracts, loan payments, insurance requirements, depreciation, and total cost of ownership (E, S);

(H) compare financial exchange options, including cash, checks, debit cards, credit cards, electronic bank transfers, peer-to-peer payment platforms, and digital wallets, by evaluating costs, benefits, security risks, and consumer protections (E, S);

(I) analyze how inflation impacts purchasing power, savings, and budgeting using historical data and economic indicators (E, S);

(J) create a monthly and annual household budget based on the 50-30-20 rule of budgeting (E, S); and

(K) identify assets and liabilities and construct a personal net worth statement to measure financial health and demonstrate prudent stewardship of resources (E, S).

(7) Saving and Investing. The student understands that saving and investing are essential components of building wealth, financial security, and long-term independence, including principles of ethical stewardship, personal responsibility, and respect for individual liberty. The student is expected to:

(A) define the economic concepts of liquidity, deposit insurance protections, small and large cap stocks, corporate and government bonds, mutual funds, exchange-traded funds, index funds, traditional IRA, Roth IRAs, 401(k) plans, 403(b) plans, pension plans, Social Security, employer matching programs in long-term retirement planning, simple, compound interest and apply the Rule of 72, savings growth, investment growth, borrowing costs, FDIC, NCUA, SEC, CFPB, qualified financial professional, fiduciary duty, and investment profiles (E, G/Civ);

(B) compare the features, benefits, and limitations of various savings options by evaluating interest rates, liquidity, fees, and deposit insurance protections (E, S);

(C) compare investment options, including small-cap and large-cap stocks, corporate and government bonds, mutual funds, exchange-traded funds, and index funds, by analyzing risk, return, fees, and historical performance (E, S);

(D) compare retirement savings options, including traditional and Roth IRAs, 401(k) plans, 403(b) plans, and pension plans, and explain the role of Social Security and employer matching programs in long-term retirement planning (G/Civ, E);

(E) calculate simple and compound interest and apply the Rule of 72 to estimate savings growth, investment growth, and borrowing costs (E, S);

(F) define personal risk tolerance and determine a hypothetical investment strategy based on time horizon, market conditions, and financial goals (E, S);

(G) explain how regulation of financial institutions, including the FDIC, NCUA, SEC, and CFPB, contributes to financial security and consumer protection (G/Civ, E);

(H) evaluate when to use a qualified financial professional versus managing investments independently by comparing knowledge, fees, fiduciary duty, professional credentials, and investment options (E, S);

(I) analyze the characteristics, risks, regulatory landscape, and role of cryptocurrency and digital assets in the broader financial ecosystem (E, S);

(J) appraise responsible use of financial technology through automated investment platforms, including robot-advisors and micro-investing apps, by analyzing fee structures, investment strategies, algorithmic limitations, and suitability for different investor profiles (E, S);

(K) distinguish how automatic enrollment and opt-in versus opt-out retirement and savings plan designs affect participation rates and long-term wealth building (E, S); and

(L) create an investment plan using stocks, bonds, mutual funds, or other types of financial instruments that builds a diversified portfolio that has a reporting period of two to four weeks (E).

(8) Credit and Debt. The student understands the costs and benefits of borrowing and lending and how they impact financial health, including principles of ethical stewardship, personal responsibility, and wise financial decision-making. The student is expected to:

(A) define the economic concepts of revolving credit, collateralized loans, collateral, creditworthiness, predatory lending, fixed versus variable interest rates, length of term, snowball and avalanche methods, truth-in-lending disclosures and repayment capacity (E, G/Civ);

(B) compare types of credit, including revolving credit, installment credit, collateralized loans, and unsecured credit, by evaluating interest rates, fees, repayment terms, and the role of collateral and how these factors affect responsible credit use (E, S);

(C) identify factors in credit reports, including potential errors that impact credit scores, and analyze behaviors that can improve or harm creditworthiness over time, including accountability and consistent financial habits (E, S);

(D) develop a plan to build or maintain creditworthiness (E, S);

(E) analyze sources of credit, including banks, credit unions, online lenders, peer-to-peer lenders, and retail financing, and explain how creditworthiness factors influence access to different types of credit (E, S);

(F) analyze the components of the cost of borrowing, including annual percentage rate, fixed versus variable interest rates, length of term, grace period, and additional fees (E, S);

(G) evaluate high-cost and predatory lending practices, including payday loans, auto title loans, pawn shop loans, rent-to-own agreements, high-interest installment loans, and deceptive lending terms, and compare their total cost to traditional credit options (E, S);

(H) evaluate and apply debt management strategies, including snowball and avalanche methods, to address student loans, credit cards, and consumer debt (E, S); and

(I) evaluate truth-in-lending disclosures to determine borrowing costs, borrower rights and responsibilities, and whether repayment terms align with financial goals and repayment capacity (E, S).

(9) Risk Management and Insurance. The student understands that managing risk through saving, insurance, fraud prevention, and legal protections helps safeguard against potential loss and ensure long-term financial well-being. The student is expected to:

(A) define economic concepts of insurance terms, including premium, deductible, copayment, coinsurance, out-of-pocket maximum, and policy limits, deductibles, replacement costs, and coinsurance (E);

(B) explain how geographic factors influence insurance needs and costs, including flood, fire, wind, and hail coverage (Geo/C, E);

(C) analyze how personal risk factors and coverage choices affect insurance premiums, including coverage amounts, deductibles, replacement costs, and policy limits (E, S);

(D) classify insurance coverage options, including health, auto, renters or homeowners, life, and disability insurance, by comparing coverage, costs, suitability, and financial impact across different life scenarios (E, S);

(E) evaluate health insurance options, including premiums, deductibles, copayments, coinsurance, out-of-pocket maximums, health savings accounts, and flexible spending accounts, by comparing costs, tax advantages, and out-of-pocket risk (E, S);

(F) explain the role of government programs, including unemployment insurance, disability insurance, Medicaid, and Medicare, in managing financial risk across the lifespan (G/Civ, E);

(G) identify and respond to financial fraud, including investment scams, Ponzi schemes, identity theft, and consumer fraud, by using reporting procedures and consumer protection agencies or resources (G/Civ, E, S);

(H) explain the importance of estate planning, including wills, beneficiaries, powers of attorney, and advance directives (G/Civ, E); and

(I) explain how an emergency savings fund works together with insurance as part of ensuring long-term financial well-being (E).

(10) Entrepreneurship and Personal Financial Opportunity. The student understands that entrepreneurship in a free enterprise system rooted in individual initiative and economic liberty can provide opportunities for individuals to create value, assume risk, earn profit, build personal financial stability, and contribute to economic growth through responsible and ethical financial decision-making. The student is expected to:

(A) define value, financial risk, profit, innovation, entrepreneurship, profit distribution, capitalist, free enterprise, and innovation (E);

(B) analyze how entrepreneurs create value, assume financial risk, earn profit, and build wealth through individual initiative, innovation, and responsible management of resources (E, S);

(C) evaluate how entrepreneurship, self-employment, and multiple income streams can support personal financial stability, resilience, and long-term financial goals (E, S);

(D) compare entrepreneurial ownership structures by analyzing how ownership, liability, taxation, and profit distribution can affect personal financial risk and income potential (G/Civ, E, S);

(E) examine how entrepreneurs respond to supply-and-demand trends and unmet needs in the marketplace through innovation, problem solving, and responsible service to consumers (E, S);

(F) analyze how entrepreneurs respond to supply-and-demand trends and evaluate how entrepreneurship in a capitalist, free enterprise system contributes to personal financial opportunity, job creation, innovation, and economic growth (E, S); and

(G) create a business plan for a hypothetical product or service operation that includes the necessary budgetary, accounting, financing, organizational labor charting, marketing, and sales (E).