

APPENDIX C

NEW YORK STATE CONTENT OUTLINE FOR ECONOMIC EDUCATION

Economics, the Enterprise System and Finance

Part V. Money, Finance and Personal Finance

The University of the State of New York
The State Education Department, Albany, New York

CONTENT OUTLINE	NATIONAL STANDARDS*
<p>A. Money</p> <ol style="list-style-type: none"> 1. Definition of money 2. Characteristics and functions of <i>money</i> 3. Money and the future: a cashless society? <p>B. Introduction to finance and personal finance</p> <ol style="list-style-type: none"> 1. Definition of <i>finance</i> 2. Personal financial goals and strategies 3. The role of finance in business and government <p>C. Instruments, institutions, financial markets, and investors</p> <ol style="list-style-type: none"> 1. Instruments <ol style="list-style-type: none"> a. Equity (stocks) b. Debt (public and private) 2. Markets <ol style="list-style-type: none"> a. Roles markets play in directing funds from savers to investors b. Effects markets have on individuals and the economy c. Types of markets: equity, debt, stock, bond, and commodity (e.g., New York Stock Exchange, NASDAQ, bond, commodities, currencies) d. Effects of current events on domestic and global markets e. Risk 3. Banks: their role in the financial system and importance to consumers <ol style="list-style-type: none"> a. Kinds of banks and other deposit taking institutions; savings accounts, checking accounts, and loans <ol style="list-style-type: none"> 1) Commercial and savings—serving consumers and businesses; issues related to minorities and minority owned businesses 2) Investment banks—raising capital b. Banks and businesses c. Banks and the consumer d. Banks as financial intermediaries 	<p>4, 10, 11, 12, 15 I</p> <p>II 2, 4, 13 IV</p> <p>7, 16, 17 IV</p> <p>10, 12, 13, 16 II</p>

*Arabic numerals refer to the NCEE National Voluntary Standards for Teaching Economics found in Appendix D;
Roman numerals refer to *Jump\$tart Codition Personal Financial Management Guidelines* found in Appendix E.

CONTENT OUTLINE	NATIONAL STANDARDS
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| 4. Insurance <ul style="list-style-type: none"> a. Purpose of insurance b. Kinds of insurance c. Shopping for insurance 5. Regulating the financial services industry <ul style="list-style-type: none"> a. Securities and Exchange Commission b. Federal Reserve c. Office of the Comptroller of the Currency d. State Banking and Insurance Commissions e. Federal Deposit Insurance Corporation (FDIC) | 20 |
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D. Interest and the cost of money

1. Interest rates—the cost of the temporary use of somebody else's money
2. Measuring interest rates—APRs
3. Short- and long-term rates—the “yield curve”
4. Effects of raising and lowering rates
5. Compounding and the rule of 72
6. Interest rate spread

4, 8, 9, 11, 12
III

E. Credit

1. Forms of credit (loans, credit cards, commercial paper, Treasury notes, bills and bonds)
2. Benefits and costs of credit
3. Credit and the consumer—personal credit reports and ratings, abuses of credit; abuses of creditors (e.g., predatory lending)
4. Short-term versus long-term credit
5. Problems with credit and unsecured credit

1, 2, 4, 11, 12
III

F. Managing your money

1. Strategies to achieve long-term goals
2. Budgeting
3. Personal savings and investing
 - a. Personal considerations (e.g., risk tolerance, values, age, family situation)
 - b. Return on investment
 - c. Managing risk through diversification
 - d. Liquidity
4. Influence of advertising
5. Tax sheltering

1, 4, 11, 12
II

G. Careers in financial services industry

Key terms and concepts:

managing risk, hedging, thrifts, prime rate, net asset value