ATTACHMENT
Text of Proposed New 19 TAC

Chapter 113. Texas Essential Knowledge and Skills for Social Studies

Subchapter C. High School

§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 **and practice personal financial responsibility** [~~**that will allow them to lead financially secure lifestyles and understand personal**~~] **for sustainable** financial **growth** [~~**responsibility**~~] . The knowledge **and skills** gained in this course **have** [~~**has**~~] far-reaching effects **on individuals, families, communities, and** [~~**for students personally as well as the**~~] **a free enterprise** economy [~~**as a whole**~~] . **Financially literate citizens are better prepared to earn and manage income, save and invest, build wealth, pursue entrepreneurship, make responsible consumer decisions, and plan for the future with greater financial independence. These individual decisions strengthen the free enterprise system through responsible use of resources, voluntary exchange, and creation of opportunity and wealth.** [~~**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. **Student expectations are not intended to be taught as stand-alone concepts but should be integrated as building blocks within the context of each key topic, where real-world financial decision-making is applied throughout each set of knowledge and skills statements, student expectations, and a selected career pathway.** [~~**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 instruction should emphasize the acquisition of historical, geographic, economic, and civic knowledge while using social studies skills to strengthen understanding of significant people, places, events, ideas, and institutions.

[~~(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 **how foundational economic principals,** **[~~fundamental concepts of economics related to personal financial literacy and the role of~~]** ethical decision-making **,** and personal responsibility **are essential to personal** **[~~in~~]** financial **literacy** **[~~choices~~]** . The student is expected to:

(A) identify that individuals have personal responsibility, including financial integrity and accountability for their financial choices and the management of personal finances (E);

(B) explain Thomas Sowell's principle that scarcity requires individuals to make trade-offs when allocating resources, including time and money (E, S);

(C) explain how Adam Smith's concept of the invisible hand illustrates how free enterprise provides opportunities to earn income, own property, save and invest, and build wealth through voluntary exchange (E); and

(D) contrast free enterprise with socialist and communist economic systems, including the concept of socialism as a transitional stage toward communism in Marxist theory, and explain how differences in economic freedom and individual financial decision-making affect private property, freedom of choice, voluntary exchange, and wealth building (G/Civ, E).

[~~(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) Careers, Postsecondary Education, and Earning Potential. The student applies 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) identify aptitudes, personal interests, skills, values, and personality traits that align potential career pathways, using labor-market data, to analyze supply and demand, income potential employment trends, comparative advantage, and required skills, and identify possible employers and industries (E, S);

(B) identify employment readiness practices, including résumé preparation, interviewing, and professional appearance for a selected career pathway (E);

(C) identify trade-offs of funding sources for postsecondary education, grants, scholarships, work-study, employer-subsidized tuition, student loans, tax credits, education savings accounts, and cash (G/Civ, E);

(D) compare postsecondary education and training pathways by calculating total costs and analyzing potential debt obligations, expected income, employment outlook, and financial trade-offs to determine potential return on investment (E, S);

(E) complete a Free Application for Federal Student Aid (FAFSA), Texas Application for State Financial Aid (TAFSA), or financial aid opt-out form and identify when a student may independently complete and submit the forms (E, S); and

(F) identify the GI Bill and Texas Hazlewood Act as programs that can help eligible veterans and their dependents pay for postsecondary education and training (G/Civ, 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) Personal Financial Planning, Goal Setting, and Decision-Making. The student understands how to apply financial planning, goal setting, and wealth building across the timeline of life to achieve personal goals, financial independence, and a desired future. The student is expected to:

(A) describe how completing education, obtaining full-time employment, and delaying marriage and children until adulthood can support financial stability and long-term wealth building (E);

(B) explain how saving and investing, delayed gratification, spending decisions, and opportunity costs with other trade-offs can contribute to building wealth and achieving personal goals (E);

(C) estimate the length of retirement using the Social Security actuarial life expectancy data and identify factors, including family longevity and financial needs, that may affect retirement planning (G/Civ, E, S);

(D) explain how a financial growth mindset that recognizes money as a tool supports financial literacy by encouraging individuals to learn from financial decisions, adapt to challenges, and develop practices that support long-term financial goals (E);

(E) describe how families can establish shared financial goals and teach children responsible practices related to earning, saving and investing, spending, and giving for wealth building and achieving personal goals (E, S); and

(F) create a vision for a desired future and develop specific, measurable, attainable, realistic, and time-based (SMART) financial goals, including target amounts, timelines, and actions for building wealth needed to achieve long-term financial independence goals (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 **personal financial literacy practices** **[~~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) distinguish between needs and wants and explain how marketing influences consumer perceptions of needs and wants (E, S);

[~~(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);~~]

(B) **[~~(C)~~]** explain how **[~~consumerism and~~]** marketing strategies, including social media influencers, **algorithms** **[~~algorithm-driven recommendations~~]** , financial technology platforms, **buy now pay later services,** and traditional advertising, influence **purchasing decisions** [~~**spending behavior and financial decision-making**~~] (Geo/C, E [~~**, S**~~]);

(C) analyze how repeated marketing exposure, including the seven-touch contact principle of marketing, affects purchasing decisions (Geo/C, E, S); and

(D) develop a plan for responsible spending that reflects personal responsibility, identifies consumer protections, ways to reduce the influence of marketing on purchasing decisions, and supports progress toward financial goals and long-term financial well-being (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 **how financial inputs, taxes, and income earning pathways contribute to building wealth and achieving financial goals.** [~~**sources of income and factors that affect earning potential, compensation, postsecondary pathways, and income-related responsibilities.**~~] The student is expected to:

(A) compare traditional forms of employment and contract work, including income variability and sources, taxes, insurance, benefits, and risk (E, S);

(B) explain how time is a trade-off in earning income, including paid work and unpaid time required for contract and independent work (E);

(C) determine the total value of employment compensation, including wages, employer contributions to health insurance, retirement plans, paid leave, and other benefits for a selected career pathway (E, S);

(D) identify sources of earned income, including wages, salaries, tips, bonuses, commissions, and contract income (E);

(E) describe how interest, dividends, and royalties can provide regular cash flow from investments (E);

(F) identify business income as profits earned through entrepreneurship (E); and

(G) complete a simulated tax scenario using federal and potential state income tax forms, including W-2, W-4, and 1099, to calculate taxable income, deductions, credits, withholding, and estimated tax to demonstrate financial accountability (E, S).

[~~**(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 how responsible spending, payment choices, and emergency savings provide a foundation for responsible financial decisions and effective household budgeting.** [~~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) distinguish between needs, including housing, utilities, food, transportation, insurance, and communication, and wants, including dining out, entertainment, vacations, subscriptions, and other nonessential purchases, when developing a budget (E, S);

(B) explain the importance of living below one's means to avoid living paycheck-to-paycheck by controlling expenses and consistently allocating income toward an emergency fund, saving and investing, and debt repayment to reach long-term financial goals (E);

(C) describe how budgeting supports saving and investing and increases the time available for compound growth and long-term wealth accumulation (E);

(D) compare types of digital payment methods and identify the importance of cash in a free enterprise voluntary exchange system (E, S);

(E) explain how the ease and convenience of digital payment methods can contribute to spending leaks through frequent, small, or unplanned purchases that reduce the ability to save and build wealth (E);

(F) identify the role of the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) in protecting deposits at insured financial institutions but not against financial risk (G/Civ, E);

(G) create a timeline prioritizing establishing a basic emergency fund, paying off high interest consumer debt, before building a fully funded three- to six-month financial safety net (E, S); and

(H) describe the importance of keeping emergency savings fund liquid and readily accessible, by establishing simple savings or money market accounts and replacing funds after they are used (E).

[~~(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) Budgeting: Spending and Planning. The student understands how foundational budgeting principles apply to major household expenses and other financial outputs, economic conditions, financial protections, and personal values to support responsible household financial planning, budgeting, and long-term financial well-being. The student is expected to:

(A) describe how individuals demonstrate financial responsibility by creating and following a budget that allocates net income among needs and wants, saving and investing, giving, and debt repayment based on financial goals and available resources (E);

(B) identify how to obtain mortgages through various types of lenders (E, S);

(C) explain the process of obtaining a rental property or mortgage, including applications, references, credit checks and creditworthiness, contracts and approval (E, S);

(D) compare financial trade-offs of renting property versus owning a home, including down payments and deposits, interest rates, moving costs, maintenance, and the potential for a home to appreciate, and build equity and wealth (E, S);

(E) explain the importance of limiting housing costs to approximately 25 percent of net income to preserve the ability to meet other needs, save and invest, and achieve financial goals (E);

(F) compare transportation options, including purchasing or leasing a vehicle, public transportation, ridesharing, and other alternatives, based on total cost and financial tradeoffs (E, S);

(G) explain how high vehicle payments and financing costs for a depreciating asset can limit the ability to save and invest, and identify that vehicle related expenses should be less than 15% of net income (E);

(H) explain how inflation, progressive and regressive taxes, supply and demand, geographic locations, and interest rates affect household budgets (G/Civ, Geo/C, E, S);

(I) identify that taxation and spending decisions are made by Congress and other levels of government and that interest rate decisions are influenced by the Federal Reserve, and explain how these decisions affect household budgets and the importance of understanding their effects as an informed citizen (G/Civ, E);

(J) describe the trade-offs in the monthly policy premium for having health, auto, renters or homeowners, and life insurance, including the cost of the premiums versus the protection for individuals from significant financial loss and unexpected expenses (E, S);

(K) explain the importance of estate planning, including wills, beneficiaries, powers of attorney, and health directives after age 18 in protecting assets, directing financial decisions, and carrying out personal wishes during incapacity or after death (G/Civ, E);

(L) describe how personal values may influence budgeting (G/Civ, E);

(M) develop a purposeful giving plan, that considers time, talents, and monetary donations based on personal values including biblical principles of stewardship, generosity, and tithing (G/Civ, E, S); and

(N) create a sample monthly and annual household budget that allocates financial inputs and outputs, including net income, expenses, saving and investing, giving, and debt repayment based on the 50-30-20 rule of budgeting (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 **how credit and debt can be used as financial tools and how debt decisions affect financial opportunities, personal responsibility, and long-term wealth building.** [~~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) describe how credit functions as a financial tool that allows individuals to borrow money, access opportunities, and leverage future income while creating a liability that requires repayment and personal responsibility (E);

(B) identify the trade-offs of obtaining credit from different sources, including banks, credit unions, online lenders, peer-to-peer lenders, and retail financing (E, S);

(C) compare types of credit, including credit cards, financial technology, and student loans, based on repayment terms, costs, and risks of default (E, S);

(D) compare the trade-offs of acquiring debt to make a purchase versus paying with cash, including interest costs, opportunity cost, and the effect on future financial goals (E, S);

(E) explain how annual percentage rate, fixed versus variable interest rates, length of term, grace period, and fees affect the total cost of debt (E);

(F) identify factors that affect creditworthiness over time, including debt to income ratio, payment history, and income (E);

(G) interpret a sample credit report and describe actions to obtain a credit report and correct potential errors (E, S);

(H) compare high-cost and predator lending practices with lower-cost debt options based on interest and other fees, repayment terms, and financial risk and identify why predatory credit should be avoided (E, S);

(I) compare debt management strategies, including snowball and avalanche methods, to address student loans, credit cards, and consumer debt and develop a plan to reduce debt and maintain strong credit (E, S); and

(J) describe the financial consequences of excessive debt, including default, collection actions, repossession, foreclosure, and bankruptcy, and identify how excessive debt can limit financial opportunities and building long term wealth creation (G/Civ, E).

[~~(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) Saving and Investing. The student understands how to begin saving and investing and the importance of personal responsibility in achieving phased financial goals, building financial security, and creating long-term wealth. The student is expected to:

(A) explain how paying yourself first through consistent saving and investing practices before discretionary spending supports long-term financial goals and wealth building (E);

(B) explain the difference between saving for short-term needs and financial security and investing to build long-term wealth through risk and return (E, S);

(C) identify methods for beginning a saving and investment plan, including accounts at financial institutions, finance management companies, and fin-tech apps (E);

(D) identify strategies for making consistent contributions, including automatic deposits and payroll deductions (E);

(E) identify strategies for building long term wealth, including saving and investing at least 20 percent of net income, maximizing employer match contributions, seeking financial guidance, and using tax advantaged retirement accounts, that support long term goal setting (E, S);

(F) explain how stocks, bonds, mutual funds, exchange traded funds (ETF's), and other financially traded instruments provide common ways to begin investing and how ETF's and mutual funds can reduce risk through diversification (E);

(G) select sample ETF's, mutual funds, stocks or bonds based on financial data and past performance using financial market research tools to compare risk and return, and track selected sample group of financially traded instruments over a period of time to determine when to buy, hold, or sell (E, S);

(H) identify the role of the Securities and Exchange Commission (SEC) in regulating securities markets and protecting investors from fraud and misconduct but not against financial risk (G/Civ, E);

(I) identify tax-advantaged saving and investing strategies used to generate income in retirement, including traditional and Roth retirement plans and Health Savings Accounts (HSAs), and explain how tax-free growth can maximize long-term wealth accumulation (E);

(J) explain how starting early, investing consistently, remaining invested through market fluctuation, compound growth, and the Rule of 72 contribute to long term wealth accumulation (E, S); and

(K) describe how age, time horizon, market conditions, and financial goals influence investment decisions and identify personal risk tolerance (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) Advanced Saving and Investing. The student understands financial opportunities for asset diversification and long-term wealth building after establishing a foundation of early saving and investing. The student is expected to:

(A) explain how, over time, as wealth accumulates, individuals gain greater opportunities to diversify investments, increase potential returns, and build long-term wealth (E);

(B) describe an asset as something of financial value that is owned and a liability as a financial obligation that is owed, and distinguish between assets that can increase in value, decrease in value, or produce income (E);

(C) describe how spreading investments across different types of asset classes can reduce risk, mitigate taxation, and support long-term wealth building (E);

(D) compare ways to manage investments, including self-directed investing, automated investment platforms, self-directed custodians, and financial professionals, based on types of fees and investor control (E, S);

(E) identify factors when selecting investment services, including fiduciary duty, professional credentials, reputation, and performance history (E);

(F) identify methods of investing in different types of real estate, including direct ownership and pooled real estate investments, based on initial investment, tax mitigation, income potential, and risk (E);

(G) describe how individuals invest capital in businesses owned by others through private investment or partnerships and identify the potential risks and returns (E);

(H) explain how withdrawal rates are used as a guideline for estimating sustainable withdrawals from retirement investments and calculate the approximate portfolio needed to support a desired level of annual retirement income using manual or digital tools (E);

(I) describe how eligible individuals can use the Social Security Administration website to estimate future retirement benefits from the federal Social Security program (G/Civ, E, S); and

(J) create a ten-year personal financial plan with annual benchmarks that integrate long-term financial independence goals, career, income, saving and investing, major purchases, and risk management strategies (E, S).

[~~(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).~~]

(11) 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) identify how acquired skills and knowledge can create opportunities for innovation through entrepreneurship by using supply and demand to recognize consumer needs and market opportunities for potential products or services (E);

(B) explain how principles of personal financial responsibility are necessary to manage scarce resources, control expenses, plan for risk, and operate a successful business (E);

(C) describe how entrepreneurs use individual initiative, individual innovation, private property, and factors of production to respond to supply and demand, solve market problems, create value, assume financial risk, earn profit, and build wealth in a free enterprise system (G/Civ, E);

(D) identify that most businesses in Texas are small businesses operated by entrepreneurs and describe how entrepreneurs build wealth by creating jobs, owning private property, and contributing to community prosperity (G/Civ, E, S);

(E) identify common federal tax forms used by businesses, including Form W-9 and Form 1099-NEC (G/Civ, E);

(F) identify the Limited Liability Company (LLC) as a common business structure for entrepreneurs because it provides limited personal liability, flexible management, and tax flexibility (G/Civ, E);

(G) explain the importance of seeking the advice of a lawyer and accountant when making business decisions as an entrepreneur (G/Civ, E);

(H) explain how business ownership and multiple income streams through entrepreneurship support personal financial stability, build long-term wealth, and provide opportunities for charitable giving and investment in communities (E, S); and

(I) explain the components of a sound business plan, including goalsetting, budgeting, marketing, and long-term wealth building.