

FBLA MS: Financial Literacy

Competency A: Percentages	MBA Research Performance Indicators	LAPs
Task / Skill		
1. Define percent.		
2. Explain how to change a fraction to a percentage.		
3. Visualize percentage as a portion of the total pie.		
4. Explain how to change a percent into a fraction.		
5. Explain the formula for calculating percentage.		
6. Calculate an amount based upon a percentage.		
7. Explain the base as being the numerical value to which the part is compared.		
8. Explain how to change a percent into a decimal.		
9. Recognize the percent relationship to decimals, fractions, and ratios.		
10. Explain how ratios are associated with percentages.		
11. Understand the meaning of a ratio (proportion).		
12. Calculate the percentage of a given amount.		
13. Explain the reason for wholesale and retail discounts.	PI:022 Determine discounts and allowances that can be used to adjust base prices (MN)	
14. Describe how increased sales are directly related to discounts.		
15. Define a seasonal discount.	PI:022 Determine discounts and allowances that can be used to adjust base prices (MN)	

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16. Explain the difference between a trade and cash discount.	PI:022 Determine discounts and allowances that can be used to adjust base prices (MN)	
17. Explain terms for early payment discounts.		
18. Understand discount terminology (example: 2/10/n/30)		
19. Explain a trade discount.	PI:022 Determine discounts and allowances that can be used to adjust base prices (MN)	
20. Describe the relationship between discounts and consumer action.		
Competency B: Savings	MBA Research Performance Indicators	LAPs
Task / Skill		
1. Compare consumer choices for saving.	FI:077 Explain types of investments (CS)	<i>*MS Career Exploration Package: Balance Your Budget (Money Management) Module</i> LAP-FI-077 Invest for Success (Types of Investments)
2. Explain the relationship between saving and investing.	FI:270 Explain the need to save and invest (CS)	**LAP-QS-030, Supersize Your Money (Need to Save and Invest)
3. Define the time value of money.	FI:062 Explain the time value of money (CS)	
4. Explain the “Rule of 72” when calculating interest earned on savings.	FI:062 Explain the time value of money (CS)	
5. Define financial liquidity.	FI:077 Explain types of investments (CS)	LAP-FI-077 Invest for Success (Types of Investments)

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6. Explain the discipline associated with saving money.	FI:270 Explain the need to save and invest (CS)	<i>*MS Career Exploration Package: Balance Your Budget (Money Management) Module</i> <i>**LAP-QS-030, Supersize Your Money (Need to Save and Invest)</i>
7. Explain insured savings accounts.	PD:154 Describe types of personal banking products and services (CS)	
8. Explain the reasons for having a savings account.	FI:270 Explain the need to save and invest (CS)	<i>*MS Career Exploration Package: Balance Your Budget (Money Management) Module</i> <i>**LAP-QS-030, Supersize Your Money (Need to Save and Invest)</i>
9. Explain the equation for simple interest (principal x rate x time).	FI:062 Explain the time value of money (CS)	
10. Explain the difference between simple and compound interest.	FI:062 Explain the time value of money (CS)	
Competency C: Checking Accounts	MBA Research Performance Indicators	LAPs
Task / Skill		
1. Explain the reasons for having a checking account	PD:154 Describe types of personal banking products and services (CS)	
2. Explain how to open a checking account.	PD:154 Describe types of personal banking products and services (CS)	
3. Describe the advantages and disadvantages of online banking.	FI:830 Manage online accounts (CS)	

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4. Define paperless bank statements.	FI:070 Balance a bank account (PQ)	**Just for You! FI:070, Read and reconcile bank statements
5. Describe three types of endorsements for checks.		
6. Explain overdraft protection.	PD:154 Describe types of personal banking products and services (CS)	
7. Explain how to reconcile a bank statement.	FI:070 Balance a bank account (PQ)	**Just for You! FI:070, Read and reconcile bank statements
8. Define the purpose of the FDIC.	FI:063 Explain legal responsibilities associated with consumer financial products and services (CS)	
9. Explain the difference between a debit and a credit card.	FI:058 Explain forms of financial exchange (cash, credit, debit, electronic funds transfer, etc.) (PQ) FI:002 Explain the purposes and importance of credit (CS)	LAP-FI-002 Give Credit Where Credit Is Due (Credit and Its Importance)
10. Explaining the importance of maintaining a check register.	FI:069 Maintain financial records (PQ)	
11. Explain the importance of developing a solid relationship with your bank by taking good care of your checking account.	FI:783 Make responsible financial decisions (CS)	**Just for You! FI:783, Make responsible financial decision
12. Define direct deposit and advantages associated with direct deposit.	PD:154 Describe types of personal banking products and services (CS)	
13. Explain the convenience of automatic withdrawal for certain reoccurring expenses.	PD:154 Describe types of personal banking products and services (CS)	

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14. Explain the checking account routing number.	PD:154 Describe types of personal banking products and services (CS)	
15. Explain the role of the drawer for a checking account.		
16. Explain the role of the payee for a checking account.		
Competency D: Decision Making	MBA Research Performance Indicators	LAPs
Task / Skill		
1. Explain Maslow’s Hierarchy of Needs when making decisions.	SE:359 Discuss motivational theories that impact buying behavior (SP)	
2. Explain the process of gathering data before making a financial decision.	FI:783 Make responsible financial decisions (CS)	**Just for You! FI:783, Make responsible financial decision
3. Determine possible outcomes associated with different possible financial decisions.	FI:783 Make responsible financial decisions (CS)	**Just for You! FI:783, Make responsible financial decision
4. List the steps associated with decision making.	FI:783 Make responsible financial decisions (CS)	**Just for You! FI:783, Make responsible financial decision
5. Explain how changing financial situations impact decision making.	FI:783 Make responsible financial decisions (CS)	<i>*MS Career Exploration Package: Balance Your Budget (Money Management) Module</i> **Just for You! FI:783, Make responsible financial decision
6. Describe how financial decision making is impacted by long-term and short-term goals.	FI:783 Make responsible financial decisions (CS)	<i>*MS Career Exploration Package: Balance Your Budget (Money Management) Module</i> **Just for You! FI:783, Make responsible financial decision

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7. Explain rational vs. emotional financial decision making.	FI:783 Make responsible financial decisions (CS)	**Just for You! FI:783, Make responsible financial decision
8. Explain why some financial decisions should be given more time to make.	FI:783 Make responsible financial decisions (CS)	**Just for You! FI:783, Make responsible financial decision
9. Explain how decision making requires flexibility due to unexpected events.	FI:783 Make responsible financial decisions (CS)	**Just for You! FI:783, Make responsible financial decision
10. Explain how financial decision making involves a system of prioritization.	FI:783 Make responsible financial decisions (CS)	**Just for You! FI:783, Make responsible financial decision
11. Describe how decision making differs for large purchases vs. daily purchases.	FI:783 Make responsible financial decisions (CS)	**Just for You! FI:783, Make responsible financial decision
12. Distinguish the difference between financial wants and needs.	FI:270 Explain the need to save and invest (CS)	**LAP-QS-030, Supersize Your Money (Need to Save and Invest)
13. Explain how to choose the best financial planner for different circumstances.	FI:075 Describe types of financial-services providers (CS)	
14. Explain the importance of a financial budget.	FI:066 Develop personal budget (CS)	<i>*MS Career Exploration Package: Balance Your Budget (Money Management) Module</i> **Just for You! FI:066, Develop personal budget
15. Explain the importance of maintaining accurate financial documents to make the best decisions.	FI:069 Maintain financial records (PQ)	<i>*MS Career Exploration Package: Balance Your Budget (Money Management) Module</i>

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Competency E: Taxes	MBA Research Performance Indicators	LAPs
Task / Skill		
1. Define different types of taxes.	FI:067 Explain the nature of tax liabilities (PQ) EC:072 Describe the nature of taxes (SP)	LAP-EC-072 Pay Your Share (Business Taxes)
2. Explain how taxes are used to encourage and discourage business.	EC:072 Describe the nature of taxes (SP)	LAP-EC-072 Pay Your Share (Business Taxes)
3. Explain how the government uses taxes.	FI:067 Explain the nature of tax liabilities (PQ) EC:072 Describe the nature of taxes (SP)	LAP-EC-072 Pay Your Share (Business Taxes)
4. Explain property taxes.	FI:067 Explain the nature of tax liabilities (PQ) EC:072 Describe the nature of taxes (SP)	LAP-EC-072 Pay Your Share (Business Taxes)
5. List the top expenditures that use property taxes.	FI:067 Explain the nature of tax liabilities (PQ) EC:072 Describe the nature of taxes (SP)	LAP-EC-072 Pay Your Share (Business Taxes)
6. Define public goods and their relationship to tax dollars.	FI:067 Explain the nature of tax liabilities (PQ) EC:072 Describe the nature of taxes (SP)	LAP-EC-072 Pay Your Share (Business Taxes)
7. Explain the role of the Internal Revenue Service.	EC:072 Describe the nature of taxes (SP)	LAP-EC-072 Pay Your Share (Business Taxes)
8. Define a progressive income tax.	EC:072 Describe the nature of taxes (SP)	LAP-EC-072 Pay Your Share (Business Taxes)
9. Explain sales taxes and the use of those taxes.	FI:067 Explain the nature of tax liabilities (PQ) EC:072 Describe the nature of taxes (SP)	LAP-EC-072 Pay Your Share (Business Taxes)
10. Describe how different states compete for business with no sales taxes vs. sales taxes.		
11. Understand that income tax returns must be filed by April 15.	FI:074 Prepare personal income tax forms (CS)	**Just for You! FI:074, Prepare personal income tax forms

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12. Define a tax deduction.	FI:074 Prepare personal income tax forms (CS)	**Just for You! FI:074, Prepare personal income tax forms
13. Define a tax exemption.	FI:074 Prepare personal income tax forms (CS)	**Just for You! FI:074, Prepare personal income tax forms
14. Explain a tax holiday.		
15. Define excise taxes.	FI:067 Explain the nature of tax liabilities (PQ)	
16. Define a tariff and how it is used for trade deals.	EC:112 Explain the impact of major trade alliances on business activities (SP)	
17. Explain FICA taxes.	FI:068 Interpret a pay stub (PQ)	
Competency F: Investing	MBA Research Performance Indicators	LAPs
Task / Skill		
1. Explain different types of investments.	FI:077 Explain types of investments (CS)	LAP-FI-077 Invest for Success (Types of Investments)
2. Describe the risks associated with different types of investments.	FI:077 Explain types of investments (CS)	LAP-FI-077 Invest for Success (Types of Investments)
3. Define liquidity of an investment.	FI:077 Explain types of investments (CS)	LAP-FI-077 Invest for Success (Types of Investments)
4. Explain how to buy and sell investments.	PD:236 Describe how securities are traded (SP)	**LAP-QS-047, Buy and Sell (How Securities Are Traded)
5. Explain the relationship between risk and rate of return on an investment.	FI:077 Explain types of investments (CS)	LAP-FI-077 Invest for Success (Types of Investments)
6. Compare the difference between simple and compound interest.	FI:062 Explain the time value of money (CS)	
7. Explain what agencies regulate financial markets and protect investors.	FI:063 Explain legal responsibilities associated with consumer financial products and services (CS)	

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8. Evaluate professional financial advisors.	FI:076 Discuss considerations in selecting a financial-services provider (CS)	
9. Explain different types of stocks and how to invest by purchasing stocks.	PD:309 Explain the nature of stocks (SP)	**LAP-QS-034, Stock Up for the Future (Nature of Stocks)
10. Define bonds and the interest earned.	PD:313 Explain the nature of bonds (SP)	**LAP-QS-033, The Name's Bond... Just Bond (Nature of Bonds)
11. Explain real estate as an investment possibility.	FI:077 Explain types of investments (CS)	LAP-FI-077 Invest for Success (Types of Investments)
12. Define speculative investments.	FI:077 Explain types of investments (CS)	LAP-FI-077 Invest for Success (Types of Investments)
13. Explain how the level of risk is associated with the possible rate of return on an investment.	FI:077 Explain types of investments (CS)	LAP-FI-077 Invest for Success (Types of Investments)
14. Explain how broker and investment planner fees are calculated.	FI:076 Discuss considerations in selecting a financial-services provider (CS)	
15. Explain the importance of estate planning.	FI:572 Explain the nature of estate planning (CS)	
16. Explain the need for wills to distribute investments of a deceased person.	FI:572 Explain the nature of estate planning (CS)	
Competency G: Insurance	MBA Research Performance Indicators	LAPs
Task / Skill		
1. Define insurance.	FI:081 Describe the concept of insurance (CS)	
2. Explain the role of the insurance agent.	FI:075 Describe types of financial-services providers (CS)	
3. Describe an insurance policy.	FI:081 Describe the concept of insurance (CS)	
4. Explain the need for health insurance.	PD:320 Discuss the nature of health insurance coverage (SP)	
5. Define the beneficiary.	PD:323 Discuss the nature of life insurance (SP)	

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6. Explain the life insurance concept.	PD:323 Discuss the nature of life insurance (SP)	
7. Explain the need for liability insurance.	PD:322 Explain the nature of liability insurance (SP)	
8. Define homeowner's and renter's insurance.	PD:321 Discuss components of homeowners/renters insurance (SP)	
9. Explain the insurance deductible.	FI:081 Describe the concept of insurance (CS)	
10. Explain insurance premium and how it is calculated.	FI:081 Describe the concept of insurance (CS)	
11. Explain the difference between term and whole/universal life insurance.	PD:323 Discuss the nature of life insurance (SP)	
12. Define co-insurance.	PD:320 Discuss the nature of health insurance coverage (SP)	
13. Explain the functions of insurance agencies.	FI:075 Describe types of financial-services providers (CS)	
14. Explain the risk concept and its relationship to the premium charged by the insurance agency.	FI:081 Describe the concept of insurance (CS) SM:075 Explain the nature of risk management (SP)	LAP-SM-075 Prepare for the Worst; Expect the Best (Nature of Risk Management)
15. Define collision insurance.	PD:319 Describe components of automobile insurance coverage (SP)	
16. Define medical payments insurance.		
17. Define automobile insurance deductible.	PD:319 Describe components of automobile insurance coverage (SP)	
18. Define an umbrella liability insurance policy.	PD:322 Explain the nature of liability insurance (SP)	

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Competency H: Budgeting	MBA Research Performance Indicators	LAPs
Task / Skill		
1. Define a budget and its important impact on a person's future.	FI:066 Develop personal budget (CS)	*MS Career Exploration Package: Balance Your Budget (Money Management) Module **Just for You! FI:066, Develop personal budget
2. Explain the difference between fixed and variable (flexible) expenses in a budget.	FI:066 Develop personal budget (CS)	**Just for You! FI:066, Develop personal budget
3. Explain the difference between active and passive income.	FI:061 Describe sources of income and compensation (CS)	
4. Explain the reason for a budget.	FI:066 Develop personal budget (CS)	*MS Career Exploration Package: Balance Your Budget (Money Management) Module **Just for You! FI:066, Develop personal budget
5. Define the categories in a budget.	FI:066 Develop personal budget (CS)	*MS Career Exploration Package: Balance Your Budget (Money Management) Module **Just for You! FI:066, Develop personal budget
6. Explain why a percentage of income should be budgeted for savings.	FI:066 Develop personal budget (CS)	**Just for You! FI:066, Develop personal budget
7. Define opportunity cost when making financial decisions.	FI:066 Develop personal budget (CS)	**Just for You! FI:066, Develop personal budget

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8. Define depreciation for automobiles, appliances, and other equipment.		
9. Describe the first step for creating a budget (monitoring and categorizing spending).	FI:066 Develop personal budget (CS)	**Just for You! FI:066, Develop personal budget
10. Explain how careful maintenance of a checking account is related to successful budgeting.	FI:066 Develop personal budget (CS)	**Just for You! FI:066, Develop personal budget
Competency I: Credit Cards	MBA Research Performance Indicators	LAPs
Task / Skill		
1. Define credit and how it should be used wisely for large purchases.	FI:002 Explain the purposes and importance of credit (CS)	*MS Career Exploration Package: Balance Your Budget (Money Management) Module LAP-FI-002 Give Credit Where Credit Is Due (Credit and Its Importance)
2. Explain the appropriate use for credit.	FI:071 Demonstrate the wise use of credit (CS)	
3. List and define the C's (character, cash flow, capacity, collateral, capital, conditions) of credit.	FI:002 Explain the purposes and importance of credit (CS)	LAP-FI-002 Give Credit Where Credit Is Due (Credit and Its Importance)
4. Explain the dangers of using too much credit.	FI:071 Demonstrate the wise use of credit (CS)	
5. Describe how credit has a major impact on life.	FI:071 Demonstrate the wise use of credit (CS)	
6. Define different types of financial credit (installment, non-installment, revolving, mortgage, line of credit).	FI:002 Explain the purposes and importance of credit (CS)	LAP-FI-002 Give Credit Where Credit Is Due (Credit and Its Importance)
7. Explain how consumers who are classified as a greater financial risk pay higher interest rates for credit.	FI:071 Demonstrate the wise use of credit (CS)	
8. List the major credit reporting agencies and the need to be aware of our personal credit report.	FI:072 Validate credit history (CS)	

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9. Describe five influencers that are used to determine if an individual or business receives credit (debt usage, age of accounts, types of accounts, credit inquiries).	FI:002 Explain the purposes and importance of credit (CS)	LAP-FI-002 Give Credit Where Credit Is Due (Credit and Its Importance)
10. Explain the difference between secured and unsecured credit (loan).	FI:002 Explain the purposes and importance of credit (CS)	LAP-FI-002 Give Credit Where Credit Is Due (Credit and Its Importance)
11. Explain the tax advantage of a mortgage (deduction of interest paid on a mortgage).		
12. Explain how impulse buyers should take time before making purchases on credit.	FI:071 Demonstrate the wise use of credit (CS)	
13. Explain the importance of paying credit cards on time.	FI:071 Demonstrate the wise use of credit (CS)	
Competency J: Return on Investment	MBA Research Performance Indicators	LAPs
Task / Skill		
1. Define an investment and rate of return.	FI:077 Explain types of investments (CS)	LAP-FI-077 Invest for Success (Types of Investments)
2. Define a financial portfolio.		
3. Calculate rate of return by dividing dollar increase by amount of the original investment.	FI:367 Calculate stock-related values (e.g., the value of a constant growth stock, the expected value of future dividends, the expected rate of return, etc.) (SP)	
4. Explain the importance of time when building a financial portfolio.	FI:062 Explain the time value of money (CS)	
5. Define the importance of diversification when making investments.	FI:350 Describe the nature of diversification strategies (SP)	
6. Explain how greater financial risk can result in greater losses or gains.	FI:077 Explain types of investments (CS)	LAP-FI-077 Invest for Success (Types of Investments)

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7. Differentiate between insured and uninsured investments.	FI:077 Explain types of investments (CS)	LAP-FI-077 Invest for Success (Types of Investments)
8. Describe how investment in the Stock Market works.	PD:236 Describe how securities are traded (SP)	**LAP-QS-047, Buy and Sell (How Securities Are Traded)
9. Describe economic and other news events can impact the Stock Market.	FI:574 Describe the relationship between economic conditions and financial markets (SP)	
10. Explain the value of investing in real estate.	FI:077 Explain types of investments (CS)	LAP-FI-077 Invest for Success (Types of Investments)
11. Explain the importance of matching type of investment to the individual's financial philosophy and anxiety level.	FI:279 Explain factors to consider when selecting investments (SP)	**LAP-QS-041, Suits Me! (Investment Selection Factors)
Competency K: Consumer Awareness	MBA Research Performance Indicators	LAPs
Task / Skill		
1. List the Consumer Bill of Rights.		
2. Explain how consumer awareness is directly related to make the best purchase decisions.	FI:783 Make responsible financial decisions (CS)	**Just for You! FI:783, Make responsible financial decision
3. List responsibilities associated with consumer awareness (stay informed, follow instructions, use products properly, speak out against wrong doing, lawfully purchase goods and services).	FI:783 Make responsible financial decisions (CS)	**Just for You! FI:783, Make responsible financial decision
4. Describe the importance of using Consumer Reports, other consumer publications, and consumer feedback on social media when making purchasing decisions.	FI:783 Make responsible financial decisions (CS)	**Just for You! FI:783, Make responsible financial decision
5. Define product recalls.		
6. Explain the importance of reading product labels for product content, expiration date, manufacturing location, warnings, and possible dangers.		

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7. Define the importance of comparison shopping before making purchases.	FI:783 Make responsible financial decisions (CS)	**Just for You! FI:783, Make responsible financial decision
8. Seek opinions from satisfied/unsatisfied customers and product experts.		
Competency L: Identity Theft	MBA Research Performance Indicators	LAPs
Task / Skill		
1. Define identity theft.	FI:073 Protect against identity theft (CS)	
2. Explain four types of identity theft (medical, criminal, financial and child identity).	FI:073 Protect against identity theft (CS)	
3. Explain how identity theft has increased with increased use of technology.	FI:073 Protect against identity theft (CS)	
4. Describe systems to protect individuals from identity theft.	FI:073 Protect against identity theft (CS)	
5. Describe vulnerable populations (elderly, hearing impaired, etc.) who are targets of identity theft.	FI:073 Protect against identity theft (CS)	
6. Describe procedures to avoid becoming a victim of identity theft.	FI:073 Protect against identity theft (CS)	
7. Define credit card fraud.	FI:073 Protect against identity theft (CS)	
8. Explain the importance of not sharing personal, financial, or social security information on the telephone or the internet.	FI:073 Protect against identity theft (CS)	
9. Describe how to detect spam telephone calls.	FI:073 Protect against identity theft (CS)	
10. Explain the importance of blocking unwanted telephone calls.	FI:073 Protect against identity theft (CS)	
11. Describe scam schemes.	FI:073 Protect against identity theft (CS)	

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