

Vermont 9-12 Financial Literacy Proficiencies

VERMONT CONTENT AREA GRADUATION PROFICIENCIES & PERFORMANCE INDICATORS:

- ARE REQUIRED BY SECTION 2120.8 OF THE EDUCATION QUALITY STANDARDS
- REFLECT EXISTING LEARNING STANDARDS REQUIRED BY THE VERMONT STATE BOARD OF EDUCATION
- ARE DESIGNED TO BE USED IN CONJUNCTION WITH THE VERMONT TRANSFERABLE SKILLS GRADUATION PROFICIENCIES, WHICH OUTLINE STUDENTS' DESIRED SKILLS AND HABITS ACROSS CONTENT AREAS
- INCLUDE FOUR SETS OF PERFORMANCE INDICATORS DIFFERENTIATED BY GRADE CLUSTER— K–8 AND 9-12
- SERVE AS BENCHMARKS OF LEARNING PROGRESSION FOR ELEMENTARY AND MIDDLE SCHOOL

THIS DOCUMENT IS DESIGNED TO:

- ASSIST VERMONT SCHOOLS AND SUPERVISORY DISTRICTS/UNIONS IN DEVELOPING LEARNING REQUIREMENTS AND EXPECTATIONS FOR THEIR STUDENTS
- PROMOTE CONSISTENCY ACROSS SCHOOLS AND SUPERVISORY DISTRICTS/UNIONS FOR TRANSFER STUDENTS
- INCREASE PERSONALIZATION AND FLEXIBILITY FOR INSTRUCTION AND LEARNING
- HELP BUILD CURRICULUM AND STEER ASSESSMENT DEVELOPMENT
- SUPPORT FORMATIVE ASSESSMENT PRACTICES, INCLUDING PERFORMANCE ASSESSMENT
- ASSIST IN THE COLLECTION OF DATA TO INFORM ACHIEVEMENT OF TRANSFERABLE SKILLS
- SUPPORT STUDENT ACHIEVEMENT OF THE EXPECTED CONTENT STANDARDS
- ASSIST IN STUDENT ABILITY TO DEMONSTRATE THE WELL-BEING PERFORMANCE INDICATORS IDENTIFIED IN A VERMONT PORTRAIT OF A GRADUATE

Jump\$tart Personal Finance Standards Coding Key:

Example: SS 1.A

- First letters describe the strand, SS = Spending and Saving
- First number describes standard within that strand, 1 = Standard 1. Develop a plan for spending and saving
- Letter describes additional indicator statement, A = Additional Indicator Statement for that Grade Level

Key:

SS = Spending and Saving

CD = Credit and Debt

FDM = Financial Decision Making

EI = Employment and Income

IN = Investing

RMI = Risk Management and Insurance

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Money Management Proficiency:

Students identify reliable strategies to monitor and manage money to avoid debt and save for future goals.

By the End of Grade 12:

Category	Standard	Indicator
Spending and Saving	Develop a plan for spending and saving.	<ol style="list-style-type: none">Use a plan to manage spending and achieve financial goals.Specify how monetary and non-monetary assets can contribute to net worth.Analyze how changes in life circumstances can affect a personal spending plan.Investigate changes in personal spending behavior that contribute to wealth building.Determine how charitable giving fits into a spending plan.
	Develop a system for keeping and using financial records.	<ol style="list-style-type: none">Investigate account management services that financial institutions provide.
	Describe how to use different payment methods.	<ol style="list-style-type: none">Summarize the risks and protections of checks, stored value cards, debit cards, gift cards and online and mobile payment systems.Compare the features and costs of personal checking accounts offered by different financial institutions.Compare the features and costs of online and mobile bill payment services offered by different institutions.Compare the costs of cashing a check with various third parties, such as a bank or credit union, check-cashing services and retail outlets.Demonstrate how to schedule and manage bill payments.Write a check.Explain how to verify printed and online account statements for accuracy through reconciliation. (g, h)
	Apply consumer skills to spending and saving decisions.	<ol style="list-style-type: none">Demonstrate how to use comparison shopping skills to buy and finance a car.Compare the advantages and disadvantages of owning a house versus renting.Create a budget or spending plan with researched income and expense calculations. (revised)

Category	Standard	Indicator
Credit and Debt	Analyze the costs and benefits of various types of credit.	<ul style="list-style-type: none"> a. Compare the cost of borrowing \$1,000 by means of different consumer credit options. b. Explain how credit card grace periods, methods of interest calculation and fees affect borrowing costs. c. Categorize the types of information needed when applying for credit. d. Compare the total cost of reducing a credit card balance to zero with minimum versus above minimum payments, all other terms being equal and no further purchases being made. e. Decide the most cost effective option for paying for a car. f. Differentiate among various types of student loans and alternatives as a means of paying for post-secondary education. g. Predict the potential consequences of deferred payment of student loans. h. Differentiate between adjustable- and fixed-rate mortgages. i. Explain the effect of debt on a person's net worth.
	Summarize a borrower's rights and responsibilities related to credit reports	<ul style="list-style-type: none"> a. Summarize online information about the Fair Credit Reporting Act. b. Explain the value of credit reports to borrowers and to lenders. c. Give examples of permissible uses of a credit report other than granting credit. d. Identify the primary organizations that maintain and provide consumer credit records. e. Categorize the information in a credit report and how long it is retained. f. Explain the rights that people have to examine their credit reports. g. Investigate ways that a negative credit report can affect a consumer's financial options. h. Outline the process of disputing inaccurate credit report data. i. Summarize factors that affect a particular credit scoring system. j. Analyze how a credit score affects creditworthiness and the cost of credit.
	Apply strategies to avoid or correct debt management problems	<ul style="list-style-type: none"> a. Examine the types of services that consumer credit counseling agencies offer. b. Investigate the purpose of bankruptcy and its possible negative effects on assets, employability and credit cost and availability.
Financial Decision Making	Recognize the responsibilities associated with personal financial decisions.	<ul style="list-style-type: none"> a. Discuss how individual responsibility for financial well-being will change over a lifetime with changing life circumstances. b. Compare how financial responsibility is different for individuals with and without dependents. c. Consider how personal finance decisions might affect others.

Category	Standard	Indicator
	Use reliable resources when making financial decisions.	<ul style="list-style-type: none"> a. Evaluate whether financial information is objective, accurate and current. b. Summarize factors to consider when selecting a professional financial advisor. c. Justify reasons to consult with a tax advisor or financial planner.
	Make criterion-based financial decisions by systematically considering alternatives and consequences.	<ul style="list-style-type: none"> a. Describe how inflation affects financial decisions, including the price of goods and services. b. Analyze how sales and property taxes affect financial decisions, such as when buying a car or a house. c. Explain the purpose of an emergency fund to deal with events, such as a car breakdown or a phone loss that might affect personal finances on short notice. <i>(revised)</i>
	Apply communication strategies when discussing financial issues.	<ul style="list-style-type: none"> a. Assess the value of discussing individual and shared financial responsibilities with a roommate before moving in. b. Assess the value of sharing financial goals and personal finance information with a partner before combining households. c. Demonstrate how to negotiate the sales price of a major purchase such as a car or a motorcycle. d. Demonstrate how to negotiate employment conditions or compensation.
	Analyze the requirements of contractual obligations.	<ul style="list-style-type: none"> a. Point out the factors that make a contract legal and binding. b. Summarize the terms of a credit card or other loan agreement. c. Summarize the terms of a homeowners' or renters' insurance policy. d. Summarize the terms of a health insurance plan. e. Summarize tenant and landlord rights and responsibilities that are covered in the terms of a standard apartment lease agreement.
	Control personal information.	<ul style="list-style-type: none"> a. Outline steps to resolve identity theft problems as recommended by the Federal Trade Commission and relevant financial institutions. b. List entities that have a right to request certain personal financial data. c. Investigate consumer safeguards for mobile and online banking.
	Use a personal financial plan.	<ul style="list-style-type: none"> a. Illustrate the causes and effects of factors that affect net worth. b. Create a cash flow statement to illustrate cash inflows and outflows for a specific period. c. Develop a personal financial plan, including goals, spending-and saving plan, investing plan, insurance plan, a net worth statement and an estate plan. d. Devise a strategy to monitor the personal financial plan and make modifications as needed for changing circumstances. e. Identify the individuals and charitable organizations that are potential beneficiaries of personal property. f. Discuss the purpose of a will and a living will. (f, g, h)

Career Focus Proficiency:

Students analyze various careers and explain the relationship between educational training and income potential.

By the End of Grade 12:

Category	Standard	Indicator
Employment and Income	Explore job and career options.	<ul style="list-style-type: none"> a. Analyze how economic and other conditions can affect income and career opportunities and the need for lifelong training and education. b. Discuss how non-income factors such as child-care options, cost of living and work conditions can influence job choice. c. Outline a career plan that aligns with personal interests, financial goals and desired lifestyle. d. Develop a résumé and cover letter for a specific job of interest.
	Compare sources of personal income and compensation.	<ul style="list-style-type: none"> a. Give examples of employee benefits and explain why they are forms of compensation. b. Differentiate between required employer contributions and additional benefits that an employer might offer. c. Analyze the monetary and non-monetary value of employee benefits in addition to wages and salaries. d. Explain the effect of inflation on income and purchasing power. e. Calculate the future income needed to maintain a current standard of living. f. Identify typical sources of income in retirement.
	Analyze factors that affect net income.	<ul style="list-style-type: none"> a. Complete IRS form W-4 (Employee’s Withholding Allowance Certificate) to determine the optimal amount to withhold for personal income tax. b. Understand circumstances that make it prudent to adjust the income tax withholding allowance. <i>(revised)</i> c. Differentiate between gross, net and taxable income. d. Complete IRS Form 1040 and applicable state income tax forms. <i>(revised)</i> e. Examine the benefits of participating in employer sponsored retirement savings plans and health care savings plans.

Future Planning Proficiency:

Students identify investment and cost-effective risk management strategies that would help them reach their personal financial goals.

By the End of Grade 12:

Category	Standard	Indicator
Investing	Explain how investing may build wealth and help meet financial goals.	<ol style="list-style-type: none">Compare strategies for investing as part of a comprehensive financial plan.Describe the importance of various sources of income in retirement, including Social Security, employer-sponsored retirement savings plans and personal investments.Give examples of how employer matching contributions to employer sponsored retirement savings plans and vesting schedules affect participating employees.Illustrate how the concept of the time value of money applies to retirement planning.Compare the consequences of delaying investment for retirement and benefits of investing early.
	Evaluate investment alternatives.	<ol style="list-style-type: none">Differentiate between diversification and asset allocation.Identify types of investments appropriate for different objectives such as liquidity, income and growth.Compare total fees for buying, owning and selling various types of stocks, bonds, mutual funds and exchange-traded funds.Investigate reasons to use retirement savings plans and health savings accounts.Compare the advantages of taxable, tax-deferred and tax-advantaged investments for new savers, including Roth IRAs and employer-sponsored retirement vehicles.
	Demonstrate how to buy and sell investments.	<ol style="list-style-type: none">Give examples of how economic conditions and business factors affect the market value of a stock.Use various sources of information, including prospectuses, online resources and financial publications to gather data about specific investments.Devise an evaluation strategy for selecting investments that meet the objectives of a personal financial plan.Compare the advantages and disadvantages of buying and selling investments through various channels, including:<ul style="list-style-type: none">direct purchaseemployer-sponsored retirement plansinvestment professionalsinvestment clubsonline brokerages

Category	Standard	Indicator
	Investigate how agencies protect investors and regulate financial markets and products.	<ul style="list-style-type: none"> a. Identify warning signs of investment fraud. b. List steps that can be taken if a consumer is a victim of investment fraud.
Risk Management and Insurance	Identify common types of risks and basic risk management methods.	<ul style="list-style-type: none"> a. Give examples of circumstances in which self-insurance is appropriate. b. Evaluate the costs and benefits of an extended warranty. c. Recommend insurance for the types of risks that young adults might face. d. d. Investigate consequences of insurance fraud.
	Justify reasons to use property and liability insurance.	<ul style="list-style-type: none"> a. Differentiate among the main types of auto insurance coverage. b. List factors that determine auto insurance premiums and the factors that cause them to change. c. Determine the legal minimum amounts of auto insurance coverage required in one’s state of residence and the recommended optimal amounts. d. Calculate payment expected on an auto insurance claim after applying exclusions and deductibles. e. Identify the factors that influence the cost of homeowners’ insurance. f. f. Analyze the factors that influence the cost of renters’ insurance.
	Justify reasons to use health, disability, long-term care and life insurance.	<ul style="list-style-type: none"> a. Analyze the conditions under which it is appropriate for young adults to have life, health and disability insurance. b. Investigate the requirements for health insurance coverage. c. Identify government programs that provide financial assistance for income loss due to illness, disability or premature death. d. Compare sources of health and disability insurance coverage, including employee benefit plans. e. e. Explain the purpose of long-term care insurance.