The New National Standards for Personal Financial Education

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Nan J. Morrison, Council for Economic Education
Standards Development Timeline

- **Early 2020**: Steering and Writing Committees Formed
- **Spring 2020**: CEE-J$ Crosswalk Created
- **Summer 2020**: Educator Review Committee Feedback
- **Fall 2020**: Several Rounds of Feedback and Edits
- **Early 2021**: Diversity, Equity & Inclusion Review
- **Spring 2021**: Expert Review
- **Summer 2021**: Final Edits and Design

- K-12 educators from across the country
- Rated importance of each standard & outcome
- Identified redundancies and gaps
- Suggested placement of unmatched topics in the crosswalk
Writing Committee includes experts and teachers

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Talley Middle School, Delaware

Tony Montgomery
City-As-School High School, New York

Courtney Poquette
Winooski High School, Vermont
Guiding Principles

• PRIMARY GOAL: Create a unified vision from the personal financial education community for a broad set of constituents and stakeholders
• Meld the best elements of the existing CEE and Jump$tart standards
• Update topics to include missing/new concepts and reduce overlap
• Use a numbering convention that allows for easy reference
• Focus on decision-making, knowledge, and skills
• Design for cumulative grade level knowledge (not repeating for every grade)
• All should be assessable
• Avoid over-specificity and definitions
• Ensure they are equitable and inclusive
What’s new? What’s different?

• Equitable and inclusive language
  • Gender-neutral language
  • Recognition of different types of families and household circumstances

• Decision-making emphasis throughout

• Topical coverage updates
  • Higher education financing and student loans
  • Identity theft
  • Behavioral finance
  • Mobile payments
  • Financial technology
  • Alternative financial services
  • Philanthropy

• Focus on concepts and principles over specific products, laws, and regulations, which are subject to change.
Organization and Crosswalk

CEE
- Earning Income
- Buying Goods and Services
- Saving
- Financial Investing
- Using Credit
- Protecting and Insuring

NSPF
- Earning Income
- Spending
- Saving
- Investing
- Managing Credit
- Managing Risk

JUMP$TART
- Employment and Income
- Saving and Spending
- Credit and Debt
- Investing
- Risk and Insurance
- Financial Decision Making
Comparison of Numbering and Terminology

<table>
<thead>
<tr>
<th>CEE</th>
<th>Jump$tart</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Students will understand that:” (Paragraph summary)</td>
<td></td>
</tr>
<tr>
<td>“Benchmarks” for each grade level 4, 8, 12</td>
<td></td>
</tr>
<tr>
<td>At the completion of Grade, students will know that...</td>
<td></td>
</tr>
<tr>
<td>At the completion of Grade, students will use this knowledge to...</td>
<td></td>
</tr>
<tr>
<td>Extra discussion of decision-making applications and choices</td>
<td></td>
</tr>
<tr>
<td>“Overall Competency” (Brief statement)</td>
<td></td>
</tr>
<tr>
<td>Standards for each competency area</td>
<td></td>
</tr>
<tr>
<td>Knowledge Statements for each competency area</td>
<td></td>
</tr>
<tr>
<td>Benchmarks (additive from K to 4 to 8 to 12)</td>
<td></td>
</tr>
</tbody>
</table>

New Standards

Topic Summary (paragraph form)

• Concept Progression explanation (paragraph form)

Knowledge Standards: Students will know that...

• Learning Outcomes: Students will use this knowledge to...
Comparison of Numbering and Terminology

Why These Changes?

• Simplify so that each standard can be uniquely identified by number

• Within each of the 6 topic areas, Knowledge Standards are numbered by grade level and number (e.g. Spending 4-1, Investing 8-1, Credit 12-1)

• Learning Outcomes are associated with each Knowledge Standard and are lettered (e.g. Spending 4-1a, Spending 4-1b)
## Examples - Spending

### Grade 4

| Spending 4-1 | People differ in their preferences, priorities, and resources available for consuming goods and services. | 4-1a. Give examples of differences in people’s preferences that can influence their spending on goods and services.  
4-1b. Brainstorm a personal list of goals for consumption of goods and services.  
4-1c. Prioritize future spending, taking resource limitations into account. |
|-------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Spending 4-2 | Money can be spent to increase one’s own or another individual’s personal satisfaction or to share the cost of goods and services. | 4-2a. Describe ways that people in a community share the cost of services available to everyone.  
4-2b. Analyze how people differ in their values and attitudes about spending money.  
4-2c. Identify ways you spend your money to increase personal satisfaction. |
| Spending 4-3 | When people make a decision to use money for a particular purpose, they incur an opportunity cost in that they cannot use the money for another purpose. | 4-3a. Define the concept of opportunity cost.  
4-3b. Provide examples of financial choices that have opportunity costs. |
# Examples-Spending

**Grade 8**

<table>
<thead>
<tr>
<th>Standard Students will know that...</th>
<th>Learning Outcomes Students will use this knowledge to...</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Spending 8-1</strong></td>
<td>8-1a. Identify personal goals for spending and saving.</td>
</tr>
<tr>
<td>Creating a budget can help people</td>
<td>8-1b. Create a budget that includes expenses and savings out</td>
</tr>
<tr>
<td>make informed choices about spending,</td>
<td>of a given amount of income.</td>
</tr>
<tr>
<td>saving, and managing money in order</td>
<td>8-1c. Explain why people with identical incomes make different</td>
</tr>
<tr>
<td>to achieve financial goals.</td>
<td>choices for spending, saving, and managing money.</td>
</tr>
<tr>
<td></td>
<td>8-1d. Discuss the budgeting challenges faced by people living</td>
</tr>
<tr>
<td></td>
<td>on minimum wage.</td>
</tr>
<tr>
<td><strong>Spending 8-2</strong></td>
<td>8-2a. Select an item and gather information from the</td>
</tr>
<tr>
<td>Making an informed purchase</td>
<td>manufacturer’s website, retail websites, and consumer</td>
</tr>
<tr>
<td>decision requires a consumer to</td>
<td>review websites.</td>
</tr>
<tr>
<td>critically evaluate price, product</td>
<td>8-2b. Explain the types of information most helpful in</td>
</tr>
<tr>
<td>claims, and quality information</td>
<td>making a purchase decision.</td>
</tr>
<tr>
<td>from a variety of sources.</td>
<td>8-2c. Identify misleading or deceptive information about</td>
</tr>
<tr>
<td></td>
<td>consumer goods or services found in online and print</td>
</tr>
<tr>
<td></td>
<td>sources.</td>
</tr>
<tr>
<td></td>
<td>8-2d. Discuss ways to verify a claim expressed in</td>
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<tr>
<td></td>
<td>advertising for an age-appropriate product.</td>
</tr>
</tbody>
</table>
## Examples-Spending

### Grade 12

<table>
<thead>
<tr>
<th>Spending 12-1</th>
<th>Standard: Students will know that...</th>
<th>Learning Outcomes: Students will use this knowledge to...</th>
</tr>
</thead>
</table>
|               | A budget helps people achieve their financial goals by allocating income to necessary and desired spending, saving, and philanthropy. | 12-1.a. Identify their short-term and long-term financial goals.  
12-1.b. Develop a budget to allocate current income to necessary and desired spending, including estimates for both fixed and variable expenses.  
12-1.c. Explain methods for adjusting a budget for unexpected expenses or emergencies.  
12-1.d. Evaluate the advantages of using budgeting tools, such as spreadsheets or apps. |
| Spending 12-2 | Consumer decisions are influenced by the price of products or services, the price of alternatives, the consumer’s budget and preferences, and potential impact on the environment, society, and economy. | 12-2.a. Select a product or service and describe the various factors that may influence a consumer’s purchase decision.  
12-2.b. Describe a process for making an informed consumer decision.  
12-2.c. List the positive and negative effects of a recent consumer decision on the environment, society, and the economy. |
When and Where Can I Find the Standards?

Standards will be published and available to the public on October 19!

CEE link

J$ link

These links are active, but the Standards will not be available there until October 19
Special Thanks....

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Questions?