



Quick Guide to Financial Literacy

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This guide has ideas and information 21st Century Community Learning Centers programs can use to build the basics of financial literacy into program activities. Use the guide to spark discussion among staff about ways to tweak what you’re already doing, add something new, or identify relevant local school and community resources. For example, many states have adopted K-12 financial literacy learning standards. To see what standards your state might use, check with the school or district, or search your state education agency’s website.

Three organizations have proposed national learning standards for financial literacy: the [Jump\\$tart Coalition for Personal Financial Literacy](#), the [Council for Economic Education](#) and the [National Financial Educators Council](#). Together, these standards point to the importance of the following concepts:

- **Big ideas and attitudes:** Values about money, decision making, setting goals
- **Basic knowledge and skills:** Earning, spending/buying, saving, borrowing, investing, protecting/insuring
- **Behaviors:** Planning, budgeting, saving, investing

The chart below suggests ways to include these concepts in program activities for various age groups.

Age Group	Big Ideas and Attitudes	Ways to Develop Students’ Basic Knowledge, Skills and Behaviors
Ages 3-7; Grades preK-3	<p>Learn the difference between wants and needs.</p> <p>Learn that “choice” means knowing what’s important so you can say yes to some things and no to other things.</p> <p>Begin to understand the notion of saving toward a planned purchase.</p>	<p>Help students understand “money” and how people use it.</p> <p>Read aloud from age-appropriate books about money to prompt conversations about big ideas.</p> <p>Use games and activities that teach what these words mean: buy, trade, borrow, gift, budget, save, spend, earn, owe.</p> <p>Give children play money to “buy” snacks or “rent” equipment.</p> <p>Encourage parents to have children use a clear jar or see-through piggy bank at home to save for something they want.</p> <p>Help children see the connection between jobs and money. For example, during a gardening activity, talk about farmers who raise food to sell to stores, or chefs who buy vegetables to make meals they can sell to families. Have students discuss things they own and sort them as “want” or “need.” Choose an</p>



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		<p>example to explore more deeply — if a child has a warm winter jacket (a need) but wishes for a different color jacket, that’s a want.</p> <p>As you gather student voice data on how student want to “spend” their time and energy, explain that time and energy are like money — they are important to everyday life, and are available in limited amounts. Help students see that it’s wise to plan and budget for how to use these resources.</p> <p>Invite a local official to talk about how a community gets things it wants and needs, like streets, schools, playgrounds and firefighters. Talk about how communities decide which things are important. For example, people might sign up for a group project to find possible solutions, or the town might ask community members to vote yes or no on an issue.</p>
<p>Ages 8-12 Grades 4-7</p>	<p><i>Build on the above concepts and add these:</i></p> <p>Explore how people decide how to spend money. For example, what role do emotions and values play in these decisions? What about advertising and peer pressure? How much does a family or personal budget help?</p> <p>Understand interest with respect to saving and borrowing.</p>	<p>List possible reasons people might save money. Share simple examples of how money grows in savings accounts, even when interest rates are low. Show how interest rates (for savings and investments, and for borrowing) can change dramatically over time. Learn how people keep track of their money, and why that is important.</p> <p>Involve students in planning an activity, such as a cooking class or a celebration, and have them help with the budget. For example, you might use a spreadsheet or handout to have small groups identify the ingredients or supplies they will need, decide on the quantity needed, compare prices and calculate the total cost.</p> <p>Help students use the above process and a budget spreadsheet to plan for something they want or need.</p> <p>Partner with a local bank to help students set goals for saving, and open savings accounts. Designate regular “deposit days” when students can bring money to be deposited.</p> <p>Have a selection of age-appropriate books about money available for students to read and borrow.</p>



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<p>Ages 13-18 Grades 9-12</p>	<p><i>Build on the above concepts and add these:</i></p> <p>Consider how small, regular contributions to savings can grow into substantial amounts for the future.</p> <p>Understand how digital financial services bring both opportunities and challenges, and learn to protect digital privacy.</p> <p>Understand and estimate sales tax.</p> <p>Understand the various deductions taken out of paychecks, including tax withholding and social security.</p> <p>Explore the basics of investing and different types of insurance.</p>	<p>During any activity that involves online research, help students learn to identify reliable sources of information.</p> <p>Look at the impact of small changes in interest rates, especially with respect to borrowing money. Discuss how adjustable rate loans can unexpectedly escalate (with changes in the economy) to unmanageable levels.</p> <p>Assist students who have jobs to practice putting a certain percentage of their paychecks (e.g., 10 percent) into savings.</p> <p>Help older students explore how they might pay for or finance the purchase of a car.</p> <p>Use games, activities, and simulations and guest speakers to help students understand how various types of investments work, such as stocks, bonds and real estate.</p> <p>For older students, explore sources of grants, scholarships, loans and other types of funding for postsecondary education.</p>
<p>Adults</p>	<p><i>Build on the above concepts and add these:</i></p> <p>Understand the concept of income tax and where tax refunds come from.</p>	<p>Plan a family event on finances that includes students and adults. Address topics such as creating a budget for household expenses, understanding credit and interest, protecting financial information in digital transactions, identifying scams and avoiding fraud, selecting insurance, and saving for higher education. Survey families to select topics so you provide the information they need, and consider holding more than one event if necessary.</p>



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	<p>Know how to plan for postsecondary education.</p> <p>Know how to plan for retirement.</p> <p>Know how insurance (i.e., medical, life, home, auto) can contribute to financial security.</p>	<p>Be sure the activities you plan don't require people to reveal their personal financial information to others.</p> <p>Partner with the local high school to invite families to sessions on identifying and applying for financial aid for higher education. If possible, include families who have students younger than high school so they can think ahead and plan appropriately.</p>
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