Personal and Family Finance

Exam Information	Description
Exam number **307** **Items** **34** **National Career Cluster** **Financial Services** **Certification available** **Yes**	The Personal and Family Finance industry certification exam assesses learners' understanding of financial priorities and goals, strategies for maintaining financial health for individuals and families, and money management techniques. It evaluates their grasp of the financial implications of relationship formation and dissolution, as well as their knowledge of careers in financial behavioral health and counseling. Learners should apply concepts from General Financial Literacy, economics, and professional financial practices for the exam.

Exam Blueprint and Performance Skills

Standard	Percentage of exam score
1. Career Preparation*	23%
2. Financial Priorities and Goals*	14%
3. Personal and Family Financial Health	17%
4. Personal and Family Money Management*	34%
5. Finances and Relationships*	11%

*Includes performance skill evaluation

Standard 1 - Career Preparation (23% of exam score)

Candidates will examine sources of income and the relationships between career preparation and lifetime earning power.

Objective 1 Identify various sources of income and specific employability skills.

1. Identify sources of income such as: wages, commissions, investment income, benefits, inheritance, and gifts.
2. Evaluate and compare career opportunities based on individual interests, skills, and educational requirements; the value of work to society; income potential; and the supply and demand of the workforce, including unemployment.
3. Compare the risks and rewards of entrepreneurship/self-employment.
4. Identify workplace skills needed in the financial industry within savings (bankers, advisors, planners etc...) and investing (stocks, bonds, mutual funds etc..).
5. Compare income to the cost of living in various geographic areas and the impact it has on purchasing power.
6. Identify the effects of state and federal taxes and the requirement to file, including income, filing status and dependency tax law, the differences between refundable credits, non-refundable credits, and adjustments, and the differences between gross and net income.

Objective 2 Identify and begin preparation for career and post-high school training.

1. Explore the correlation between education, training, and potential lifetime income.
2. Calculate the costs of post-high school training options and analyze the return on investment (ROI) based on career choices, including the cost differences between public and private, and nonprofit and profit education and training.
3. Identify what type of financial advisor you may need to hire as a consumer based on personal and family financial needs in saving and investing.

Optional: Standard performance evaluations on the final page of this document

Standard 2 - Financial Priorities and Goals (14%)

The candidates will identify how financial priorities and goals are affected by societal, family, and personal values, culture, and economic forces.

Objective 1 Analyze the role of cultural, social, and emotional influences on financial behavior.

1. Visual merchandising: the practice in the retail industry of optimizing the presentation of products and services to better highlight their features and benefits.

2. The purpose of visual merchandising is to attract, engage, and motivate the customer to make a purchase.
3. Strong focal points for displays and feature areas.
4. Clean, uncluttered presentation with good spacing and consistent facing.
5. Consistent signage with simple, readable messaging and accurate pricing.
6. Store image: the image or impression of a store in the minds of customers.
7. The goal of retailing is a good overall impression in terms of the products available in the store, the store itself, and the experience they expect when shopping at the store. Understand that store image also relates to online content, images, layout, and the total e-commerce experience.

Objective 2 Define how personal and family financial planning affect goal setting

1. Discuss the decision-making process regarding spending plans, debts, and savings/investing for families and individuals.
2. Identify spending habits and their connection to personal & family financial values.
3. Instruct others on how short and long term financial goals are interconnected.
4. Discuss how financial planning and goals change over the course of your lifetime.

Objective 3 Define the decision-making process and the steps of financial planning.

1. Define opportunity cost (tradeoffs) and their role in decision making.
2. Describe a decision-making process.
    a. Discuss intuitive decision making and analytical decision making.
3. Identify short- and long-term financial decisions and the impact they have on financial planning.
4. Define the elements of a financial plan and how they would be taught to a potential client.
    a. Set financial goals (short-term & long-term goals)
    b. Create a budget
    c. Build an emergency fund
    d. Manage debt
    e. Plan for retirement
    f. Revisit and adapt financial plan as needed
5. Discuss how emotions and societal influences can affect financial decisions in a family.
6. Describe the stages of finances (accumulation of wealth, growing and managing wealth, preserving and protecting wealth and transferring wealth) throughout the life cycle and the importance of lifelong learning for potential clients and as a professional.

Optional: Standard performance evaluations on the final page of this document

Standard 3 - Personal and Family Financial Health (17%)

Candidates will examine personal and family financial health including communication, financial harmony, financial roles, and financial power.

Objective 1 Describe ways to communicate effectively about finances.

1. Identify individual goals vs family financial goals.
2. Define financial infidelity (unilateral decisions: hiding finances or purchases from your partner/spouse).

3. Identify money scripts and money habits.
    a. Money Scripts are the unconscious beliefs about money. These are beliefs that are rooted in our childhood that ultimately shape our financial health. Financial outcomes and financial behaviors are both impacted by your money scripts. (this is the website that allows you take an inventory of money scripts:
    b. Money/financial biases: When people make undesirable financial or investment choices, it is often the result of biases and heuristics. Cognitive bias occurs when drawing incorrect conclusions, based on an ill-conceived heuristics (shortcuts), to make decisions.
4. Practice how to compromise on money issues.
5. Identify strategies to conduct difficult financial conversations.
    a. Discuss when the right time to talk about finances in a relationship.

Objective 2 Understand principles of financial harmony.

1. Recognize that most couples experience disagreements about money.
    a. Explore the root causes of the money disagreements that are occurring to help resolve the disagreements constructively.
2. Identify constructive strategies for addressing financial disagreements (e.g. competition vs cooperation; self-confidence vs doubt; vulnerability vs invincibility; taking credit for small successes rather than assuming or placing blame).
    a. Explore outside resources for assistance with financial conflict.
3. Identify financial strengths and weaknesses.
4. Recognize barriers that deter healthy financial communication between spouses and partners

Objective 3 Identify how to navigate financial roles and power.

1. Explore how power is manifested in financial roles: decision-making, punishment/rewards, shaming, control of resources, access to resources, resource ownership, etc.
    a. Discuss abusive relationships and resources available

Standard 4 - Personal and Family Money Management (34%)

Candidates will evaluate personal and family money management strategies; budgeting, accounts, and credit.

Objective 1 Practice the personal & family budgeting process based on a set income and spending.

1. Identify and prioritize fixed and variable expenses in a budget.
2. Identify ways to save money in a budget such as comparison shopping, instant gratification/delayed gratification, self-regulation, excessive spending, use of credit, and debt.
    a. Explore how to use comparison shopping when grocery shopping by comparing unit

price, bulk pricing, and store brand to name brand items.
    b. Summarize the use of comparison shopping when purchasing large ticket items.
    c. Identify behaviors/emotional connections behind spending.
3. Understand choice and information overload and its impact on decision-making, including decision paralysis.
4. Develop a budget with a potential client (peer) using these processes.

Objective 2 Identify personal and family accounts and the advantages & disadvantages associated with each type.

1. Individual vs. Joint Accounts
    a. Savings and checking accounts.
2. Identify rationale and good practices when using a business Account.
3. Identify the purpose of saving for retirement at an early age.
    a. Time Value of Money and Rate of Return
    b. Career connection and employee benefits
4. Analyze the developmental need for Insurance (risk management)
    a. Life Insurance
    b. Health Insurance
    c. Discuss different insurance needs at the different stages of life.

Objective 3 Analyze and interpret credit.

1. Interpret credit reports/scores and their impact on personal and family finances
2. Recognize different types of credit cards
    a. Identify how to choose a credit card that benefits your personal and family finances.
3. Identify the benefits and disadvantages of using credit cards.
4. Identify debt management resources to give to potential clients.
5. Describe the personal and societal effects of bankruptcy and identify circumstances that lead to bankruptcy, such as uninsured medical costs, family break-up, or loss of job.

Optional: Standard performance evaluations on the final page of this document

Standard 5 - Finances and Relationships (11%)

Candidates will evaluate the financial implications of relationship formation and dissolution.

Objective 1 Discuss how to protect finances at the beginning of a relationship.

1. Explore when to start talking about finances in relationships. Discuss issues related to financial compatibility.
    a. Financial goals (long term and short term), living situations, savings, children, vacations, aptitudes about credit, spending, saving, etc..
2. Discuss the process for blending or not blending finances in a relationship.
    a. Identify different ways that couples/families blend finances in their relationships and the advantages and disadvantages of each.
        i. Prenuptial agreement, postnuptial agreement, joint/pooled funds etc.

Objective 2 Explore how divorce/remarriage or relationship dissolution affect one's finances.

1. Describe how custody, child support, and spousal support and consequences operate.
2. Discuss the cost of divorce or relationship dissolution.
3. Describe healthy financial boundaries and how to maintain those boundaries (e.g. who pays for the financial needs of children from previous and current marriage?).

Objective 3 Explore the implications of the loss of life on a family's financial resources.

1. Discuss potential expenses for funeral/burial of a child, spouse or parent.
2. Identify ways in which a family may prepare for funeral/burial expenses.

Optional: Standard performance evaluations on the final page of this document

Workplace Skills

1. Communication
2. Problem solving
3. Teamwork
4. Critical thinking skills
5. Dependability
6. Accountability
7. Legal requirements/expectations

Performance Skills Evaluation
Exam name: Personal and Family Finance

Candidate Name: ____

Performance assessments may be completed and evaluated any time before the certification is issued. The following performance skills can be used in connection with the associated standards and exam. The evaluator will function as the subject matter expert to determine if the candidate meets the skills requirements with a Yes/No for passing.

Standard 1 – Career Preparation ● Research and present on financial careers within the Human Services field. Identifying the skills needed in the career education, career outlook, salary, and day to day responsibilities. ○ Family finances ○ Behavioral finances ○ Financial advisors ○ Financial planners ○ Financial educators ○ Financial counselors ○ Financial coaches ○ Financial therapists ○ Financial social workers ○ Housing counselors ○ Financial bloggers ○ FCSE teaching financial literacy ○ Real estate agents ○ Mortgage Brokers ○ Consumer Protection Agencies	**Pass:**
Standard 2 – Financial Priorities and Goals ● Candidates will practice conversations with potential clients that have made unwise financial decisions that are affected by: culture, family members, friends, or others, emotions.	**Pass:**
Standard 4 – Personal and Family Money Management ● Evaluate the total cost of a large ticket item purchased with credit when paid for with the minimum payment. ● Evaluate three different credit card applications and determine the total cost of an item purchased on credit at three different rates of interest. ● Candidates will practice helping a potential client create a budget using at least 2 strategies for managing debt.	**Pass:**
Standard 5 – Finances and Relationships	**Pass:**

• Interview an individual who is in a committed relationship for at least 5 years, about when they started talking to their significant other about finances. Identify at least 3 topics that the interviewee feels is important to discuss with a significant other in a committed relationship. • Candidates will make an overall plan for budgeting and saving; including debt, income, protecting, saving, growth, & flexibility in their overall plan for family/individual saving.	

Evaluator Name: ______________________________ **Date:** ____________________