The Framework for Teaching personal Finance is a researched-based set of components grounded in a constructivist view of learning and teaching.
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Educator Qualifications Affect Student Achievement

Effective educators help learners achieve better outcomes. Numerous studies have shown that students of highly-qualified educators accomplish more positive outcomes than those taught by less-qualified instructors. For example, students of qualified educators may expect higher lifetime earnings and greater security at retirement [1] as well as improved mental and physical health and well-being. [2]

The effects of educator qualifications on student achievements are realized in various ways. Although few studies have examined the specific effectiveness of financial educators, much parallel evidence can be found in research in the general education sector indicating that better-qualified teachers produce better-qualified graduates across a wide range of academic disciplines.[3] [4] Extending those results to include financial literacy education seems a logical conclusion.

The Dallas Public Schools' Accountability System reviews [5] found that, the more effective the teacher, the greater the student gains. Studies conducted by researchers at the University of Tennessee demonstrate that teacher effectiveness has a cumulative, financially measurable effect on student achievement; those effects are long-lasting and sustainable. Researchers also found that teachers are the single most important variable contributing to student success, regardless of student age.[6]

In recent years, researchers have begun to apply science to the art of teaching to quantify the effects of specific teaching strategies on student outcomes. Studies have identified the basic characteristics of good teachers and shown that better teachers help students achieve measurably higher test scores regarding a wide variety of academic subjects.[7] It is logical to infer that dedicated, highly-effective financial education instructors are the key to moving participants toward financial wellness. The full Framework for Teaching Personal Finance document is included with all levels of certification through the NFEC.
Financial Literacy Instruction Requires Unique Skill Sets

Financial education is a unique subject that requires specialized expertise to teach effectively. The quality of financial education instructors directly influences both short-term student outcomes and long-term impact on their financial well-being.

Unlike other core subject matter typically taught in schools, the topic of money elicits emotional reactions in people – ranging from excitement to anxiety to shame. Each participant in a financial literacy course brings his or her own experience, emotions, and relationship with money into the classroom. Educators must understand and respect these emotional reactions to succeed in establishing financial literacy among participants.

Emotional attachment and pre-existing relationships with money also put participants at greater risk. The NFEC uses the Transtheoretical Model of Behavior Change to measure a person’s willingness to change his or her financial behaviors. When participants are taught by an untrained educator, their risk of regressing to lower stages in the model is greatly increased. Thus they are likely to become more resistant to changing their financial acumen and habits.

To facilitate lasting behavior modification, educators must help students achieve a deeper level of understanding about financial literacy lessons compared to other core subject requirements. The NFEC advocates that instructors use Bloom’s Taxonomy of Higher-order Thinking Skills or the Depth of Knowledge Levels as a framework for teaching personal finance. Given adequate instruction time, a highly-qualified financial education instructor drives participants to synthesize the lessons and make decisions in alignment with their individual financial situations. Few other topics taught in schools demand such depth of understanding; for most subjects students simply need to recall information to pass testing requirements.

“Tell me and I forget. Teach me and I remember. Involve me and I learn.”
~ Benjamin Franklin
Risk of Unqualified Financial Education Instructors

Under-qualified or poorly-performing financial educators may bring future economic disaster. The effects of poor teaching can continue to affect students’ lives for many years after instruction ends.\[8\] Worse, failure seemingly breeds more failure. According to the Dallas studies cited above,\[5\] not only do under-qualified teachers reduce overall student achievement levels, but sub-par teachers also tend to be paired with already under-performing or at-risk students—thus exacerbating the risk of future economic problems resulting from financial illiteracy.

Qualified financial education instructors understand that “one-size-fits-all” pedagogy does not work. The NFEC believes that financial education instructors are not simply dispensers of knowledge; they are learning facilitators who can mold or modify participants’ behavior to help them achieve financial wellness.

Unfortunately, many financial literacy instructors today lack solid educator credentials and/or knowledge about personal finance topics. Beyond academic qualifications, studies also show that an educator’s passion, enthusiasm, and commitment play critical roles in successful student development, and a correlation certainly exists between an educator’s level of personal commitment and students’ financial futures.\[9\] \[10\] \[11\]
Why Develop a Framework for Financial Education Instructors?

Giving instructors a framework for professional practice is common in many fields – education, financial services, accounting, law, and medicine, for example. Yet until now the financial education industry has developed standards for learners, but lacked guidelines for financial education instructors.

The objective of the Framework for Teaching Personal Finance is to share benchmarks with the financial education industry that will assist educators to become more effective instructors and give them tools to help individuals improve their financial capabilities. In addition, the Framework for Teaching Personal Finance offers the following benefits:

- Framework to improve the quality and impact of financial education programming
- Resource for hiring and recruiting financial education instructors
- Clear performance evaluation criteria for financial education instructors
- Framework for financial education instructors seeking professional development
- Common language as a resource to improve communication
- Tools for teacher preparation, performance measures, and self-assessment
- Awareness tool to highlight the importance of highly-skilled educators
- Public assurance that financial education instructors are held to the highest standards of practice
**Domain 1:**

Planning & Preparation

1a: Demonstrating knowledge of the content and the pedagogy / andragogy of improving financial capabilities, financial psychology, and supporting the development of positive financial habits.

1b: Demonstrating knowledge of participants' cognitive abilities, willingness to change, motivating factors, and interests.

1c: Setting instructional outcomes and financial behavior objectives.

1d: Demonstrating knowledge of resources.

1e: Designing coherent instruction.

1f: Designing participants' assessments.
Framework for Teaching Personal Finance Overview

**Domain 2: Classroom Environment**

2a: Creating an environment of respect and rapport.

2b: Establishing a culture for learning and application of financial principles.

2c: Managing classroom and/or technology-based procedures.

2d: Managing participant conduct to support learning processes.

2e: Organizing physical and/or virtual space.
Domain 3: Instruction

3a: Communicating with participants about acquiring or changing financial behaviors.

3b: Using questioning and discussion techniques that promote positive financial behaviors.

3c: Engaging participants with relevant financial instruction.

3d: Using assessment in instruction to measure behavioral change.

3e: Demonstrating flexibility and responsiveness to participants' learning needs.
Domain 4: Professional Responsibilities

4a: Reflecting on teaching financial capability.

4b: Maintaining accurate records of participants’ financial capabilities.

4c: Communicating with participants’ networks to promote community financial wellness.

4d: Participating in professional inquiry focused on financial wellness.

4e: Growing and developing professionally.

4f: Showing professionalism as a qualified Financial Education Instructor.
References


[9] Ben Johnson, Principal, blog article (undated), *Student Commitment Depends on Teacher Commitment.*

[10] Randal C. Archibold, New York Times article (November 18, 1999), *Students’ Success Depends on Teachers Most, Poll Says.*


[14] Harrison Jacobs, Business Insider article (October 11, 2013), *Here’s How to Raise Teachers’ Salaries without Spending a Dime.*