

Professional Competency Assessment and Certification Program

Personal and Family Finance Educator

Assessment Information Bulletin

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Assessment Overview

AAFCS is a national organization with a proud history of providing support and leadership for family and consumer sciences professionals. AAFCS has been credentialing professionals since 1987, including the Certified in Family and Consumer Sciences (CFCS) credentialing of family and consumer sciences professionals. With the growing emphasis on assessment and accountability in secondary and postsecondary education, AAFCS developed a pre-professional Personal and Family Finance assessment and industry-recognized certificate. The Personal and Family Finance Educator competency assessment and corresponding Certified Personal and Family Finance Educator (CPFFE) certification are designed for professional educators who teach financial literacy and capability to youth and young adults in a variety of school-based and community-based settings.

Description of the Assessment and Certification

The Personal and Family Finance Educator competency assessment and certification are:

- developed by representatives from business and industry in association with personal and family finance and content specialists representing secondary and post-secondary/university education;
- the professional level knowledge and skills necessary to teach content reflected in the Jump\$tart Coalition's National Standards in K-12 Personal finance Education and the United States Department of Treasury's Financial Education Core Competencies (2010, proposed);
- psychometrically sound;
- appropriate to validate achievement of competencies related to personal and family finance;
- useful in a broad range of professional education and employment settings, such as secondary and post-secondary education, community-based education programs including Cooperative Extension, and employer-based human resource and staff development programs; and
- delivered via a gold-standard, computer-based testing platform format that meets the requirements for high stakes exams and provides for valid and reliable competency measurement, immediate feedback to individual test takers, and a reporting mechanism for data-driven program improvement and accountability for educator preparation programs.

Uses of the Assessment and Certification

The assessment and certification are appropriate for use in a broad range of professional education and employment settings.

The assessment and certification is used to:

- validate educators' knowledge and competencies in the domains that comprise personal and family finance;
- provide an industry-recognized, professional level educator certification;
- promote program improvement; and
- increase program vitality and recognition.

Careers

The Personal and Family Finance Educator assessment and certification address competencies and a skill set necessary for success as a professional educator in careers with a substantial focus on personal and family finance. It is applicable across a broad range of education, community-based, staff development, and human resource settings. This assessment and certification facilitates employment in professional positions and promotes continuing education for:

- secondary educators teaching this content as units within courses addressing other content more broadly (i.e. social studies teachers teaching financial literacy embedded within a more traditional economics course);
- K12 educators teaching developmentally appropriate personal finance principles integrated into the broader curriculum;
- educators from various disciplines (i.e. FCS, business, marketing, social studies, math, etc) who may be approved to teach general courses in personal finance;
- career and technical education teachers of in-depth courses in personal and family finance designed to provide foundational preparation for students interested in pursuing careers in this field;
- Cooperative Extension educators who may teach personal finance as part of their curriculum, especially for youth/young adults;
- professional staff in organizations that deliver personal finance curriculum to community based youth groups (i.e. JA, YMCAs/YWCAs, church youth programs, etc); and
- individuals who are involved in curriculum development, professional development, program planning, and/or personnel management involving personal and family finance education (through schools or other practice settings).

Assessment Specifications

The assessment specifications provided in this section of the bulletin are intended to provide test candidates with a comprehensive overview of the domains and competencies that are covered on the assessment.

Format

The assessment is an objective test composed of four-option multiple-choice items (questions), each of which has only one (1) correct response. The pilot form of the

assessment contains 170 items. Pilot data will be analyzed to determine the 120 items to include in the final test form and the cut score. The specific content being assessed by the items on each assessment follows the test specifications outlined in the next section of this bulletin.

In addition to each item being associated with a domain and competency, the items are also designed to assess appropriate cognitive levels necessary for competent practice. Specifically, some items assess at the lower level, some at the middle levels, and some at higher order levels. The items included on each test proportionally represent three cognitive difficulty levels:

- Level 1- 40%;
- Level 2 – 30%; and
- Level 3 – 30%.

Original Bloom’s Taxonomy	Revised Bloom’s Taxonomy	Cognitive Complexity Level
<u>Knowledge</u> Defines, describes, identifies, labels, lists, matches, names, reads, records, selects, states, views	<u>Remember</u> Recognize, retrieve, identify, recall	1
<u>Comprehension</u> Classifies, describes, discusses, lists, matches, names, reads, records, selects, states, views	<u>Understand</u> Interpret, clarify, translate, illustrate, categorize, classify, conclude, predict, summarize, infer, compare, explain	
<u>Application</u> Assesses, determines, develops, discovers, establishes, informs, predicts, projects, provides, relates, shows, uses	<u>Apply</u> Execute, carry out, use, implement	2
<u>Analysis</u> Breaks down, correlates, differentiates, illustrates, infers, points out, recognizes	<u>Analyze</u> Differentiate, select, focus, organize, outline, attribute, determine point of view	
<u>Synthesis</u> Communicates, compares, contrasts, creates, designs, expresses, formulates, plans, reorganizes, reinforces, substitutes	<u>Evaluate</u> Check, coordinate, detect, monitor, test, critique, judge	3
<u>Evaluation</u> Appraises, compares & contrasts, concludes, criticizes, decides, defends, interprets, judges, justifies, supports	<u>Create</u> Generating, hypothesizing, planning, designing, producing, constructing	

Scoring

The computer based testing platform used for AAFCS exams typically provides immediate score results following the candidate's completion and submission of exam responses. However, score results and pass/fail determination during pilot testing will be withheld until June to allow for psychometric analysis of the pilot data and final determination of 120 items to be included for scoring in the final test form and cut the score for passing.

Domains and Competencies

Personal and Family Finance Educator Assessment Items by Domains, Competencies, and Complexity Levels		# of Items (of 120 total)	Weight (%)	Level 1 (40%)	Level 2 (30%)	Level 3 (30%)
Total Scored Items on Final Test Form		120	100%	48	36	36
1	Financial Responsibility and Decision-Making	16	13%	7	4	5
1A	Consider how needs, wants, and values influence personal and family financial decisions and circumstances					
1B	Explain the elements of SMART goals					
1C	Evaluate financial information from a variety of sources					
1D	Summarize major consumer protection laws					
1E	Make financial decisions by systematically considering opportunity costs, alternatives, and the economy					
1F	Develop communication strategies for addressing individual and family financial issues including needs, wants, and values					
1G	Control personal information to reduce the risk of identity theft					
2	Income and Careers	15	13%	6	5	4
2A	Analyze the relationship between work and career choices and standard of living					
2B	Identify the relationship of work and career goals as they relate to personal and family financial goals					
2C	Analyze the effect of education and skills on employment					
2D	Understand how to access financial resources to facilitate educational goals throughout the life span					
2E	Analyze how employment choices, economic conditions, and the tax system affect income					
2F	Identify sources of personal income					
2G	Describe factors affecting take-home pay such as potential benefits, taxes, and other payroll deductions					

Personal and Family Finance Educator Assessment Items by Domains, Competencies, and Complexity Levels		# of Items (of 120 total)	Weight (%)	Level 1 (40%)	Level 2 (30%)	Level 3 (30%)
3	Planning and Money Management	16	13%	7	4	5
3A	Develop a plan for spending and saving based upon personal and family goals and values					
3B	Develop a system for keeping and using financial records and legal documents					
3C	Describe ways to use different payment types, including banking services					
3D	Apply consumer skills to purchasing decisions					
3E	Use appropriate mathematical concepts needed to analyze financial decisions					
3F	Assess the characteristics of online resources for financial planning and money management					
3G	Develop a personal or family financial plan					
3H	Assess estate and long-term financial planning options					
4	Credit and Debt	16	13%	6	5	5
4A	Identify personal and family goals related to credit and debt					
4B	Outline responsibilities as related to obtaining and managing personal and family credit					
4C	Identify the cost and benefits of various types of credit					
4D	Compare the availability, costs, and benefits of types of loans used to finance a car, education expenses, and housing					
4E	Explain the components and uses of a credit record					
4F	Describe ways to avoid or correct debt problems					
4G	Summarize major consumer credit laws, including borrower's credit report rights					

Personal and Family Finance Educator Assessment Items by Domains, Competencies, and Complexity Levels		# of Items (of 120 total)	Weight (%)	Level 1 (40%)	Level 2 (30%)	Level 3 (30%)
5	Risk Management and Insurance	15	13%	6	5	4
5A	Identify common types of risk and basic risk management methods					
5B	Explain the purpose and importance of property and liability protection as part of individual and family financial planning					
5C	Explain the purpose and importance of health, disability, and life insurance protection as part of individual and family financial planning					
5D	Explain the correlation between risk, premium, coverage, and deductibles					
6	Saving and Investing	16	13%	6	5	5
6A	Differentiate between saving and investment options for meeting various personal and family goals					
6B	Discuss how saving and investing contribute to financial well-being and goal achievement					
6C	Critique alternatives for researching, purchasing, and managing saving and investment products					
6D	Explain how interest rates, taxes, and fees affect the return on savings and investments					
6E	Understand how agencies that regulate financial markets protect consumers					
6F	Apply the Rule of 72 to solve financial problems					
6G	Describe characteristics of commonly used investment products (e.g., stocks and mutual funds)					
7	Teaching Pedagogy	26	22%	10	8	8
7A	Determine teaching strategies appropriate for content and learners					
7B	Integrate financial literacy concepts across content areas					
7C	Assess students' comprehension of financial literacy outcomes					

Sample Assessment Items

A series of sample test items is provided below. These items are not intended to serve as a study mechanism, but to familiarize candidates with the format, style and structure of the items that can be expected on the tests. Always choose the one **BEST** answer.

MULTIPLE CHOICE

1. In the budget process, items such as car payments, housing, and health insurance are known as
- fixed expenses.
 - flexible expenses.
 - periodic expenses.
 - incidental expenses.

ANS: A DIF: 1 OBJ: 1A

2. Which of the following steps are the **LOGICAL** ways of making decisions?
- Identify the problem. list alternatives, state criteria, decide
 - Identify the alternatives, determine the end product, state criteria
 - Identify the problem, state criteria, determine the outcome
 - Identify the end result, list alternatives, state resources needed

ANS: A DIF: 2 OBJ: 1A

3. David and Ramona are planning to get married next summer. They both have full-time jobs and have set a goal of putting \$400 in savings every month to make a down payment on a home in seven years. What type of goal have they set?
- Short-term goal
 - Intermediate goal
 - Long-term goal
 - Unrealistic goal

ANS: C DIF: 2 OBJ: 1A

4. Which of the following resources is the **LEAST** effective in providing individuals and families with sound financial and investment information?
- Barron's Weekly
 - Kiplinger's
 - Wall Street Journal
 - On-line investment blogs

ANS: D DIF: 2 OBJ: 1C

5. The growth of the Internet has affected consumer decision-making by
- reducing fraud.
 - increasing product prices.
 - increasing product quality.
 - increasing choices.

ANS: D DIF: 1 OBJ: 1B

6. A popular cereal product makes the claim that it can lower cholesterol. The government agency responsible for investigating this claim is the
- U.S. Department of Agriculture.
 - Federal Trade Commission.
 - Consumer Product Safety Commission.
 - Food and Drug Administration.

ANS: D DIF: 1 OBJ: 1D

7. The economic condition of unlimited wants, but limited resources, is known as
- trade-off.
 - decision-making.
 - Scarcity.
 - consumer choice.

ANS: C DIF: 2 OBJ: 1E

8. Joi manages the local book store chain. Which of the following records should be kept for personal/family tax purposes?
- Receipts for groceries and clothing purchases
 - Automatic Teller Machine (ATM) receipts
 - Statements of interest paid on a home loan
 - Personal credit card billing statements

ANS: C DIF: 1 OBJ: 3A

9. Cody and Mallory live in a home near the beach. Recently, they had to evacuate due to a hurricane. Cody and Mallory were fortunate that their home had very little damage, however, during the evacuation they realized that they needed to have emergency plans for their financial records. What would be the **BEST** emergency plan for their financial records?
- Record all account numbers, documents of identification, and insurance policies in a notebook and keep them in a home safe in the closet.
 - Record all account numbers, documents of identification, and insurance policies in an electronic file and carry them in your wallet.
 - Record all account numbers, documents of identification, and insurance policies and place them in a safety deposit box at the bank
 - Record all account numbers, documents of identification, and insurance policies and leave them with a friend in another city.

ANS: C DIF: 2 OBJ: 3B

10. Important documents, such as contracts, insurance policies, stock certificates, and a copy of a will should be stored
- in a filing cabinet in home office.
 - in a safe-deposit box at a bank.
 - at your attorney's office.
 - with your insurance broker.

ANS: B DIF: 1 OBJ: 3B

11. As Raquel begins her teaching career in a school that is ten miles from her home she needs to purchase a car, as her current car is no longer dependable. A **BENEFIT** of Raquel leasing a car rather than buying a new car is
- lower monthly payments.
 - lower insurance costs.
 - no maintenance costs.
 - unlimited mileage.

ANS: A DIF: 1 OBJ: 3D

12. Bianca has the goal of saving \$150 per month for his graduate school tuition. Which of the following accounts would generally let her money grow the **FASTEST**?
- Checking account
 - Savings account
 - Certificate of deposit
 - Holiday account

ANS: C DIF: 1 OBJ: 3D

13. As Raquel decides to repair or replace her vehicle, it is recommended to replace the car when the replacement percentage equals at **LEAST**
- 15%.
 - 25%.
 - 40%.
 - 60%.

ANS: C DIF: 2 OBJ: 3D

14. The percent of purchase price **GENERALLY** required as a down payment on a home is _____.
- 10%-20%
 - 21%-30%
 - 31%-40%
 - 41%-50%

ANS: A DIF: 1 OBJ: 3E

15. The death benefit for a life insurance policy is called the _____.
- premium amount
 - face value
 - beneficiary value
 - stop-loss

ANS: B DIF: 2 OBJ: 5C

16. The cost of insurance premiums is generally regulated by the _____.
- individual state governments
 - Securities and Exchange Commission
 - Federal Trade Commission
 - Association of Insurance Companies, Inc.

ANS: A DIF: 2 OBJ: 5A

17. Ms. Shelby is teaching her class about automobile insurance. Which of the following statements would she give as a description of a liability?
- The monthly amount paid for the policy
 - The amount an insurance company pays per claim
 - A claim that is made following a collision
 - A legally enforceable financial obligation

ANS: D DIF: 2 OBJ: 5B

18. Why do many dental insurance plans encourage visits to the dental office twice a year at minimal or no out-of-pocket cost to the patient?
- Dentists write the insurance plans to minimize the patient's co-pay
 - Regular checkups can reduce costs of expensive dental work
 - Dentists maximize the number of visits per patient increase their business
 - This encourages cosmetic replacements for misaligned or damaged teeth

ANS: B DIF: 1 OBJ: 5C

19. Anna is a family and consumer sciences teacher in a rural school district. Her take home pay is approximately \$4,000 after all deductions are withheld for taxes, insurance, charitable contributions, and other deductions. Anna's take home pay can **BEST** be described as
- disposable income.
 - discretionary income.
 - personal income.
 - family income.

ANS: A DIF: 1 OBJ: 3E

20. Cody and Mallory have recently married. At which stage of their family life cycle will life insurance be **MOST** important?
- While they are a married couple with no children
 - When they become a family with pre-school children
 - When they become a post-parenting couple
 - When they become a post-retirement couple

ANS: B DIF: 1 OBJ: 5C

Suggested Preparation Techniques

In preparation for the assessments, test candidates should:

- Avoid situations that would trigger emotions such as worry, anger, depression, and lack of confidence right before the test day. These emotions interfere with memory and are sometimes called "memory thieves."
- Follow the directions! If read too quickly, something important may be missed.
- Read each item very carefully and avoid jumping to conclusions based upon a quick skimming of the wording.
- Try to answer the item before looking at the four (4) response options.

- Avoid trying to spot the correct response immediately. “Back into” the correct response by first eliminating the incorrect choices.
- Answer each item. Look for clues in the item and even in the choices. If able to eliminate some options, the chances of selecting the correct answer are improved. Use the “flag” options to denote items to come back to within the item block.
- Read the “Guide to Taking an Assessment.” It is important to understand details about online testing and navigation.

Suggested Instructional Resources

This reference list is not intended to endorse any particular source or author. Use of a specific reference does not guarantee successful completion of the test. However, development panel members have identified resources that they feel would be resources to address the domains and competencies within the assessment.

Books

Chamberlain, V. M., & Cummings, M. N. (2003). *Creative Instructional Methods for Family and Consumer Sciences*. New York: Glencoe/McGraw-Hill.

Galbraith, M. W. (2004, 3rd edition) *Adult Learning Methods: A Guide for Effective Instruction*. Malabar, FL: Krieger Publishing.

Garman, E. T., & Fogue, R. (most recent edition). *Personal Finance*. South-Western College Publishing.

Garman, E. T., Xiao, J. J., & Brunson, B. H. (2003, 3rd edition). *The Mathematics of Personal Financial Planning: Using Calculators and Computers*. Thomson Learning.

Kapoor, J., Dlabay, L., & Hughes, R. J. (most recent edition). *Personal Finance*. McGraw-Hill/Irwin.

Xiao, J. J. (2010). *Handbook of consumer finance research*. New York: Springer Science + Business Media, LLC.

Web Sites

<http://www.federalreserveeducation.org/>

<http://www.jumpstart.org/national-standards.html>

<http://www.mymoney.gov/>

Professional and Trade Organizations

Association for Financial Counseling and Planning Education <http://www.afcpe.org/>

American Financial Services Association Education Foundation (AFSAEF)
<http://www.afsaef.org/>

Family Economics and Financial Education: Professional Development
<http://fefe.arizona.edu/pro-dev>

Institute for Financial Literacy <http://www.financiallit.org/about/aboutifl.aspx>

Jump\$tart Coalition <http://www.nhjumpstart.org/NationalEducatorConference.htm>

National Association of Economic Educators <http://www.naee.net/>

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