Financial Literacy and 21st Century Skills within the Iowa CORE

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Financial Literacy Summit
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Workshop Objectives

• establish the need to build financial capability in Iowa
• introduce the vision of the Iowa Core & 21st Century Skills
• describe the financial literacy concepts & skills
• review challenges facing financial literacy teachers
• review promising strategies for building financial capability among youth
Suppose you have $100 in a savings account earning 2 percent interest a year. After five years, how much would you have?

- More than $102
- Exactly $102
- Less than $102
- Don’t know
Imagine that the interest rate on your savings account is 1 percent a year and inflation is 2 percent a year. After one year, would the money in the account buy more than it does today, exactly the same or less than today?

• More
• Same
• Less
• Don’t know
If interest rates rise, what will typically happen to bond prices? Rise, fall, stay the same, or is there no relationship?

- Rise
- Fall
- Stay the same
- No relationship
- Don’t know
A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage but the total interest over the life of the loan will be less.

• True
• False
• Don’t know
Buying a single company’s stock usually provides a safer return than a stock mutual fund.

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# National Financial Capability Study

<table>
<thead>
<tr>
<th></th>
<th>Correct</th>
<th>Incorrect</th>
<th>Don’t know</th>
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<tbody>
<tr>
<td>National Average</td>
<td>2.88</td>
<td>0.81</td>
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<tr>
<td>Iowa</td>
<td>3.06</td>
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The Challenge: Building Financially Capable Iowans

• 19% spend more than their income
• 56% do not have a “rainy day” savings fund
• 27% pay the minimum on credit cards
• 64% do not comparison shop for credit cards

The Iowa Core is…

• A state-wide effort to improve teaching and learning to ensure that all Iowa students engage in a rigorous and relevant education.
Vision of the Iowa Core

The vision of the Iowa Core is to provide all students, from kindergarteners to high school seniors, with a world-class education. It’s about helping prepare students to live, learn, work, and succeed in the 21st century.
Iowa Core = high expectations

• Literacy and Mathematics
  – Common Core Standards + Iowa-specific additions

• Science and Social Studies
  – Essential Concepts and Skills designed by Iowa teams

• 21st Century Skills
  – Essential concepts and skills in Civic Literacy, **Financial Literacy**, Health Literacy, Technology Literacy, and Employability Skills designed by Iowa teams
New Website

• **Goals:**
  – A one-stop shop for all things Iowa Core
  – Easy to navigate, visually pleasing

• **Site Address:** [https://iowacore.gov](https://iowacore.gov)

• **Demonstration:** Reflect on the following
  – Major organizers:
    • Explore the Core
    • Educator Resources
    • Parents and Community
    • Iowa Core Spotlight
Financial Literacy Concepts & Skills

What 5 or 6 important ideas about financial management are imbedded in Iowa’s standards?
Financial Literacy Concepts and Skills

- multi-disciplinary
- scaffolding approach: K to 12
- literacy → capability
Rigor/Relevance Framework

- **C** – High Rigor/Low Relevance
- **D** – High Rigor/High Relevance
- **A** – Low Rigor/Low Relevance
- **B** – Low Rigor/High Relevance
Challenges facing classroom teachers…

• recognize the importance of teaching personal finance
• few have had formal training – both in subject matter & pedagogy
• teaching personal finance is highly concentrated by grade level & discipline
Challenges facing classroom teachers…

• perceived preparation & prior finance background varies greatly among disciplines

• teachers have concerns about their personal finances

Promising strategies to achieve financial literacy and capability…

- professional development for pre-service & in-service teachers
- family socialization
- start early – K-12 approach
- timely content
- integrate “hands on” practice
- evidence-based curricula & rigorous evaluation
