

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.

- **True**
- **False**
- **Don't know**

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National Financial Capability Study

	Correct	Incorrect	Don't know
National Average	2.88	0.81	1.26
Iowa	3.06	0.72	1.14

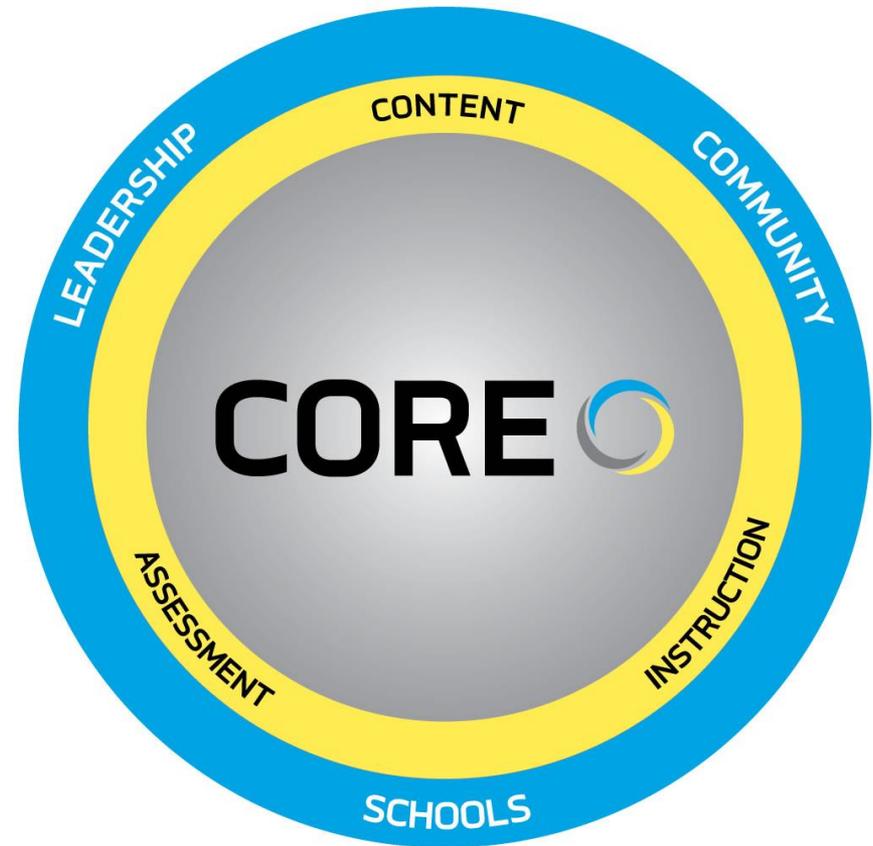
The Challenge: Building Financially Capable Iowans

- **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**

Financial Capability in the United States. FINRA Investor Education Foundation. May 2013.

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

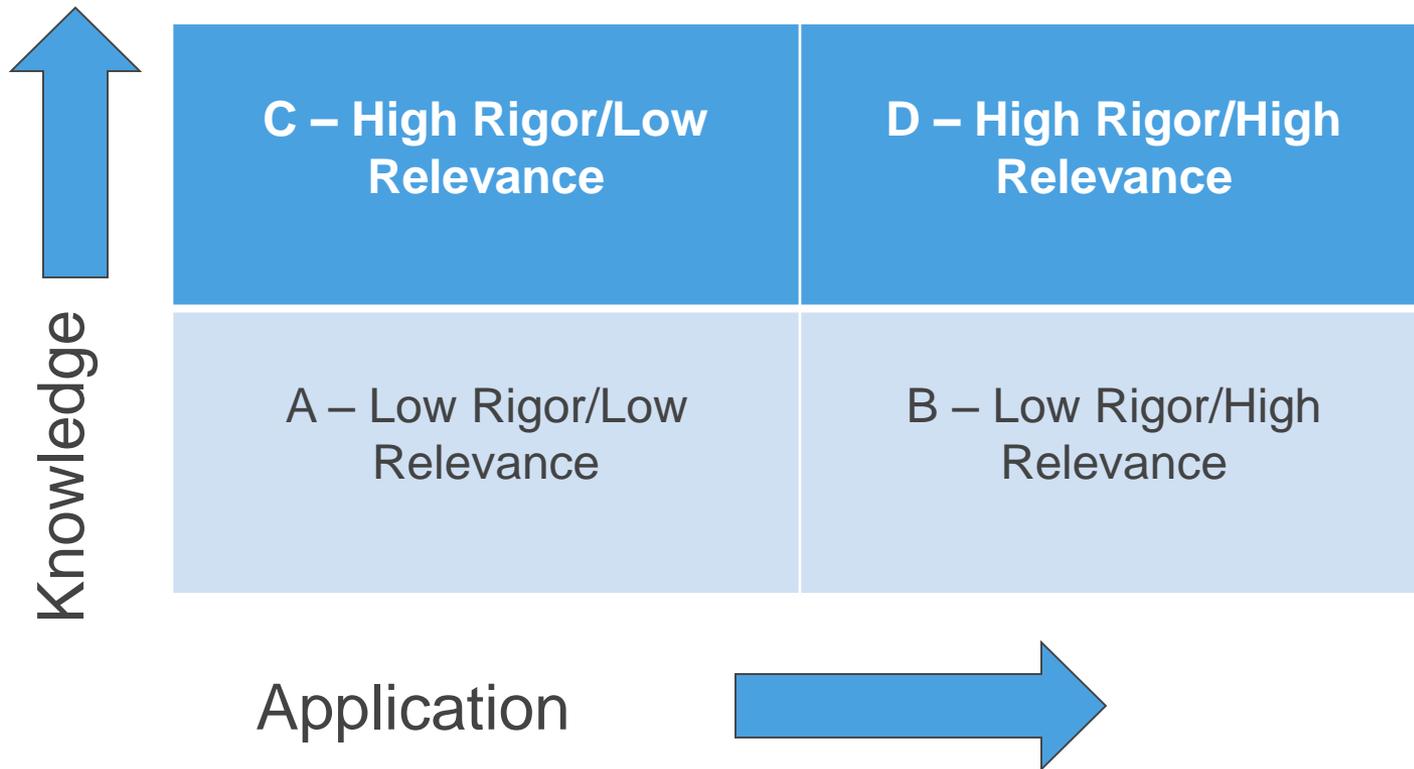
Financial Literacy Concepts & Skills

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



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**

Way & Holden. (2009). Teachers' Background and Capacity to Teach Personal Finance: Results of a National Study. *Journal of Financial Counseling & Planning Education*, 20, 2:64-68.

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**

Brown, Collins, Schmeiser & Urban. State Mandated Financial Education and the Credit Behavior of the Young. FEDS Working Paper, 2014-68.

Questions

