



## Personal Financial Literacy Alignment Study

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### Introduction

The Personal Financial Literacy Alignment Report is Appendix D (pgs. 62-73) in the Colorado Academic Standards, Social Studies Benchmarking Report. This summary describes the research-based processes and protocols used during the crosswalk of the Colorado Personal Financial Literacy (PFL) Grade Level Expectations (GLE) with the Programme for International Student Assessment (PISA) 2015 Financial Literacy Assessment Framework and Ohio's K-12 financial literacy standards. Findings from the crosswalk were used to develop observations of the current PFL GLEs and provide objective recommendations for improvement of the content of Colorado's PFL standards.

### Methodology

The unit of analysis and reporting for this step was the PFL GLE at each grade. These statements were used to interpret the state's intent with regard to the development and application of the knowledge and skills described in the standards. The PISA Framework outlines specific content, processes and contexts can be thought of as three different perspectives on the area to be assessed.

- Content comprises the knowledge and understanding(s) that are essential in the area of literacy in question.
- Processes describe the mental strategies or approaches that are called upon to negotiate the material.
- Context refers to the situations in which the domain knowledge, skills and understandings are applied, ranging from the personal to the global.

For a full explanation of the content, processes, and context, see pg. 62.

The alignment of the CO PFL GLEs and EOs to the PISA Framework was conducted on a grade-by-grade basis to begin to identify where the content and processes were being addressed. The review was conducted in both the mathematics and social studies standards. It has to be mentioned that the PISA Framework is built to outline the knowledge and skills for a 15 year old in financial literacy. That being said, this review can be used to identify how to spiral the concepts throughout the grades to ensure students have multiple opportunities to engage with the knowledge and skills throughout the K-12 standards.

## Findings & Recommendations

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### Overall Findings

Although the guiding question was how the set of PFL grade level expectation connected directly to the PISA Framework, some PFL standards did not align with any part the PISA Framework. As CDE transitions to reviewing the Personal Financial Literacy standards, these PFL grade level expectations may not be needed. Some indicators of the PISA Framework are not addressed by the current CO PFL grade level expectations. As CDE begins to review standards, reviewing the PISA components could be helpful in ensuring full coverage of the framework (starting at pg. 79).

#### Grades K-5

- There is very little in the PFL in Mathematics or Social Studies that addresses the concepts in Risk and Reward and Financial Landscape
- There are no opportunities for student to evaluate financial issues in the elementary grades.

#### Grades 6 - 8

- There are no connections in the Colorado PFL GLEs or EOs to money and transactions.
- There are no opportunities for students to evaluate financial issues across the content areas in the Colorado PFL GLEs or EOs.
- There is a limited focus on key concepts in middle school, particularly in 7th grade.

### Grades 9 - 12

- There are no connections to the PISA money and transactions expectations (ie: awareness of the different forms and purposes of money and managing monetary transactions, which may include spending or making payments, taking into account value for money, and using bank cards, cheques, bank accounts and currencies – PISA, pg. 87).
- There are few connections to the PISA financial landscape expectations (ie: the role of regulation and consumer protection, knowing the rights and responsibilities of consumers in the financial marketplace and within the general financial environment, and the main implications of financial contracts – PISA, pg. 89)
- There are no opportunities for students to evaluate financial issues in the high school PFL GLEs and EOs.

### Observations for Consideration

#### *Coherence:*

- The construct of Ohio's standards may be helpful when thinking about clarifying the key common threads throughout the Colorado's PFL standards and helping build connections across grades and content areas to ensure students have multiple opportunities to engage with the concepts.
  - Reviewers could review the current four essential areas of Ohio's standards (ie: Goal setting, financial responsibility and careers; planning, income, saving, and investing; using credit; and risk management and insurance) and discuss if they address all of the components needed for Colorado students. They then could then use those essential areas as the frame for each grade and content area. For example, in high school, students are asked to "Design, analyze, and apply a financial plan based on short- and long-term financial goals" This connects directly to goal setting. It would be beneficial to build in other opportunities for students to engage in similar work throughout the grades and across the content areas to ensure students are prepared to engage in this type of work at the high school level.

#### *Integration:*

- One thing to consider is to ensure that the ideas outlined in the Mathematics standards complement and build on the ideas outlined in the Social Studies Standards. For example, in 6th grade the social studies GLE is "Saving and investing are key contributors to financial well-being" while the Mathematics GLE is "Quantities can be expressed and compared using ratios and rates". It would be most beneficial to students to make clear connections between the financial literacy concepts being addressed across the content areas at each grade.

#### *Conceptual Coverage:*

- There are two areas that have gaps in coverage across grades; money and transactions, and evaluating financial issues. Money and transactions is addressed continuously at the elementary level and then not addressed in middle school or high school. Understandably, when there is a spiraling of concepts, there are ones that are completed by elementary in order to address more complex ideas in middle school and high school but the ideas of money and transactions seem to be essential and relevant for the middle and high school students who are planning to get jobs and for life after high school.
- Evaluating financial issues is not addressed at all throughout the Colorado PFL standards.