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Financial Literacy Proficiency-Based Graduation Hierarchy

Introduction

The exemplar Proficiency-Based Graduation Requirement (PBGR) Hierarchies support equity by providing a cohesive and coordinated vision of student-centered learning across Vermont schools. The hierarchies serve as a foundation for the implementation of standards adopted by the Vermont State Board of Education, Local Comprehensive Assessment Systems, flexible pathways, and personalized learning plans. The Agency of Education recognizes the considerable time and effort that educators and other stakeholders across the state have already put forth developing proficiency-based learning systems and this work is intended to serve as a resource for SU/SDs to consider as they reflect on the key concepts and skills that students should develop within each content area. It is important to note that while there is a separate hierarchy for each disciplinary content area, the hierarchies work together to support student proficiency in those attributes described in a [Vermont Portrait of a Graduate \(PoG\)](#).

The Hierarchy Development Process

The first step in the process of developing PBGR Hierarchies involved the creation of content area PoGs. The Vermont Agency of Education (AOE) did this by reading the Vermont PoG through a content lens, comparing the PoG indicators with national content standards, and identifying those indicators that could best be addressed within that content area (e.g., A Vermont Portrait of a Graduate through the lens of [Social Studies](#)); Financial Literacy is a descriptor within the Wellbeing attribute, and does not have its own content-focused Portrait of a Graduate. The AOE integrated these content area PoGs, State board-approved national standards, and other research to define what it means to be literate within each disciplinary content area. Each literacy statement was pared down to its essential elements, resulting in one PBGR for each content area. Once the PBGR was developed, the AOE identified the Critical Proficiencies (CPs) that would support the teaching and learning related to that PBGR. The AOE developed Priority Performance Indicators (PPIs) for each CP, based on national standards, research, and input from the field. While the PPIs will be formally assessed to develop evidence of student proficiency, all standards have a place in the curriculum and in student learning. Throughout this process, attention was also given to how [transferable skills](#) could be interwoven throughout each PBGR Hierarchy. The construction of these hierarchies was an iterative process, taking on many



different stages with educator feedback and internal review being essential components of that process.

Proficiency-Based Graduation Hierarchy Development Process for Financial Literacy

In 2019, the Agency of Education began a two-year collaboration with Champlain College's Center for Financial Literacy and Vermont K-12 educators. The intent of this work was to align the Vermont State Board of Education (SBE) adopted [Jump\\$tart National Standards in K-12 Personal Finance Education](#) to performance indicators, proficiency-based graduation requirements (PBGRs), and personalized learning. Since the SBE adopted the standards with the understanding that the teaching and learning of personal finance would be interdisciplinary in nature, this work was developed by educators specialized in the fields of Social Studies, Mathematics, Family and Consumer Science, and Business, as well as through the lens of special educators.

The Financial Literacy Proficiency PBGRs and Priority Performance Indicators (PPIs) have been streamlined in the [Financial Literacy Hierarchy](#) to recognize both the work of the previous collaboration as well as the inherent overlap of content within personal finance. For example, the Budgeting PPI incorporates aspects of Earning Income, Spending, and Saving. While Investing is a focus of the budgeting process, it is recognized within the Future Planning proficiency. This intentionally recognizes the expertise of the educator, allows for spiraling of content, and enables students to make authentic content connections within the realm of financial decision-making.

Financial Literacy PBGR

The financially literate individual uses knowledge and skills to manage resources effectively for career and workforce readiness, generational wealth building, lifelong learning, responsibility to community health, and a lifetime of financial security.

Critical Proficiency

Money Management

Students analyze reliable strategies to earn, monitor, and manage money to avoid debt and save for future goals.

Critical Proficiency

Future Planning

Students analyze various careers and investment strategies that would assist in the achievement of personal financial goals.

Critical Proficiency

Managing Risk

Students analyze risks that can result in loss of assets and threaten identity.

Priority Performance Indicators

Earning Income

Evaluate compensation plans including the monetary and non-monetary value of employee benefits, as well as other means to increase compensation (e.g. continued education, interest, dividends, and personal profits). (EI 12-1, 2, 8, 11)

Budgeting

Create a spending plan or budget with researched income and expense calculations, including factors which affect spending decisions (e.g. price, product quality, advertising) and an understanding of all taxes and their effect on decision-making. (EI 12-6, 9; Spending 12-1-7; Saving 12-4, 6)

Credit

Examine different types of credit and how credit grace periods, methods of interest calculation, the cost of carrying a balance forward, and fees affect borrowing costs. (Credit 12-1, 2, 3, 6-13)

Saving

Evaluate the costs and benefits of saving, including, but not limited to, type of account and institution, interest, tax incentives, and effects of inflation. (Saving 12-1, 2, 4, 5; EI 12-9)

Priority Performance Indicators

Investments

Examine types of investments, including stocks and bonds, appropriate for different objectives such as liquidity, income, and growth to meet objectives of a personal financial plan. (Investing 12-2, 4, 5, 6, 7, 13, 14)

Career Planning

Develop a career plan and calculate future income that aligns with personal interests, financial goals, and lifestyle, as well as the benefits of lifelong training and education including the costs involved with student loans. (EI 12-3, 4; Credit 12-4, 5)

Retirement

Differentiate among various sources of income in retirement, illustrating the concept of the time value of money, and the benefits of investing early. (EI-12-10; Saving 12-7)

Priority Performance Indicators

Financial Responsibility

Analyze how individual responsibility for financial well-being will change over a lifetime and develop plans to deal with events affecting personal finances. (EI-12-5; Saving 12-6, 8, 9; Spending 12-9)

Insurance

Investigate various types of insurance and analyze the cost and benefits for having/not having each type. (Managing Risk 12 – 1-9)

Risks and Protections

Examine the risks and protections of all forms of monetary transactions, including factors affecting credit reports and credit worthiness, fraud, and identity theft. (Spending 12-8; Saving 12-3; Investing 12-1, 3, 5, 12; Managing Risk 12-10-12)