# Teacher guide to the Sorted in Schools Financial Capability modules for NCEA Level 2

The Sorted in Schools Financial Capability modules are designed to support students who are working towards a range of NCEA Level 1 and 2 [Financial Capability unit standards.](https://www.nzqa.govt.nz/framework/explore/domain.do?frameworkId=2884591858) Each of these unit standards provides opportunities for students to be awarded Achievement, Merit and Excellence grades.

### Overview of the Financial Capability modules

Each module provides students with:

* the content, knowledge and skills they need to complete each standard, including at Merit or Excellence level
* links to additional sources of information, including guides on the Sorted.org website and online articles that relate to contemporary issues
* a video highlighting at least one aspect of financial capability
* activities that they can use to build and apply their knowledge and understanding
* tips on what to expect in the assessment and how to achieve success
* an assessment task that they can complete to demonstrate their understanding.

Where appropriate, suggestions about ways that students can make connections with Level 1 and 2 Achievement Standards across a range of curriculum areas including economics, business studies, mathematics and English have been included.

The table below provides an overview of the unit standards supported by the modules. The table has been organised to indicate relationships between Level 1 and Level 2 unit standards and includes references to the Commission for Financial Capability (CFFC) themes that underpin each module. Additional information on each module has been provided below.

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| **Level 1** | **Level 2** |
| **Module title:** Ages and Stages  **US 28087 Demonstrate understanding of the effect of life stages on personal income**  **Version:** 3  **Credits:** 3  **CFFC themes:** retirement, investing, savings, KiwiSaver | **Module title:** Riding Life’s Waves  **US 28092 Analyse the effect of significant life events at different stage on personal financial income**  **Version:** 3  **Credits:** 3  **CFFC themes:** retirement, savings, KiwiSaver, goals, managing money, insurance |
| **Module title:** Credit and Debt  **US 28088 Demonstrate understanding of credit and debt on personal finances**  **Version:** 2  **Credits:** 3  **CFFC themes:** debt | **Module title:** Funding Study  **US 28093 Describe the financial responsibilities and consequences of tertiary study funding options**  **Version:** 3  **Credits:** 3  **CFFC themes:** debt, investing, goals |
| **Module title:** Goal Getters  **US 28089 Demonstrate understanding of personal financial goal setting**  **Version:** 3  **Credits:** 3  **CFFC themes:** goals, savings, managing money |  |
| **Module title:** Future Focus  **US 28090 Demonstrate knowledge of personal financial saving and investment options for given scenario(s)**  **Version:** 3  **Credits:** 4  **CFFC themes:** savings, investment, KiwiSaver | **Module title:** Investment Options  **US 28095 Analyse personal financial investment options**  **Version:** 3  **Credits:** 3  **CFFC themes:** savings, investing, KiwiSaver |
|  | **Module title:** Keeping Ourselves Covered  **US 28096 Demonstrate understanding of insurance products for personal financial capability**  **Version:** 3  **Credits:** 3  **CFFC themes:** Insurance |

In addition, the [Financial Capability domain of the NZQA website](https://www.nzqa.govt.nz/framework/explore/domain.do?frameworkId=2884591858) provides links to all Level 1, 2, and 3 Financial Capability assessment standards.

### Assessing the unit standards

Each module includes an assessment task that can be used to consistently assess students’ progress in relation to the standard. These tasks are open book and, with teacher oversight, students may be able to complete parts of the assessment as they work through the module. The assessment tasks and schedules are based on the [assessor support materials](https://www.nzqa.govt.nz/qualifications-standards/standards/assessment-support-material/financial-capabilty-assessment-support-material/) on the NZQA website.

Most assessment tasks use a scenario-based approach. In some instances, students are encouraged to use their own goals as the context of the assessment so that they can make connections with their own life and aspirations. If students choose to take this approach, the scenarios they develop need to be of sufficient depth for the student to demonstrate understanding at an Excellence level; however, the student should not be assessed on the quality of scenario itself, as this is not what is being assessed. Student confidentiality should be protected at all times and, in all cases, there is no requirement for students to use their own goals as the context; alternative assessment options are always provided.

The assessment tasks can be downloaded as PDFs or Word documents for use as written assessments; however, teachers and students may prefer to collect digital evidence such as a recorded interview or portfolio.

The assessment schedules provide indicative responses at Achieved, Merit, and Excellence level, and teacher judgment is required for awarding of grades. For more information and support on how to assess Financial Capability unit standards, see [additional assessment support for Financial Capability standards](https://www.nzqa.govt.nz/qualifications-standards/standards/assessment-support-material/financial-capabilty-assessment-support-material/) on the NZQA website.

Teachers will need to evaluate the authenticity of these assessments because students may have access to the assessment schedule or to student exemplar material. If so, teachers should modify the tasks by creating new scenarios. In some instances, students have been told in the module that the examples provided cannot be used as part of their assessment response.

### Teacher notes for each module

The next section provides a brief overview of each module, along with teacher notes specific to its content or approach . These notes include:

* a brief summary of what the module is about
* information on the evidence requirements for Achievement, Merit, and Excellence
* potential links to other Unit or Achievement standards
* key conceptual understandings that the module supports students to develop
* clarification around key terms and approaches used in the module
* assessment information, including a link to the NZQA financial capability assessor guidelines.

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## Riding life’s waves

[**US 28092 Analyse the effect of significant life events at different stages on personal financial income**](https://www.nzqa.govt.nz/nqfdocs/units/pdf/28092.pdf)

**Level 2**

**Credits:** 3

**CFFC themes:** retirement, savings, KiwiSaver, goals, managing money, insurance

This module supports students to develop their understanding of the effects significant events can have on income at different life stages, including ways to minimise or maximise these effects.

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| **Evidence/Judgements for Achievement** | **Evidence/Judgements for Achievement with Merit** | **Evidence/Judgements for Achievement with Excellence** |
| For each of the three life stages (tertiary education, mid-career, retirement), students need to:   * identify at least one source of income * explain why sources of income change at this stage * explain at least one consequence of sources of income changing at this stage * analyse the effect of a significant life event on income * explain at least two solutions that could minimise or maximise the financial impact of the significant life event. | As well as meeting the requirements for Achievement, for each of the three life stages, students need to:   * provide at least two examples of the consequences of income sources changing. | As well as meeting the requirements for Merit, for each of the three life stages, students need to:   * justify the suitability of the solutions theyhave explained in terms of their ability to minimise or maximise the financial impact of the significant life event. |

**Potential links to NCEA Level 2 Achievement Standards**

Students may be able to use their knowledge, content, and modified work in this module and assessment task as evidence towards the following Achievement Standards:

* **AS 91101** Produce a selection of crafted and controlled writing
* **AS 91102** Construct and deliver a crafted and controlled oral text
* **AS 91103** Create a crafted and controlled visual and verbal text.

### Key concepts and clarifications for this module

The three life-stages explored in the module are:

* tertiary education
* mid-career
* retirement.

It’s important for students to understand that these terms are used flexibly. For example, a person in the mid-career stage might be studying or starting a new business endeavour or career path. Generally, the tertiary education stage represents people in their late teens/early twenties, the mid-career stage represents people in their thirties and forties, and the retirement stage is anyone over 65.

These are the same life-stages that are explored in the Level 1 Ages and Stages module (**US 28087 Demonstrate understanding of the effect of life stages on personal income)**. At Level 1, the focus is ongeneral factors specific to different life-stages that impact on personal financial income, such as lower rates of pay when you’re at school, changing living arrangements when you’re in the mid-career stage and stopping work when you retire.

At Level 2, the emphasis is on specific events that impact on personal financial income, for example going flatting, studying, starting work, travel, employment interruption or change, relationship change, getting a fine, separation, redundancy, having a child, raising a family, buying your first home, changing roles within the family, serious accidents, serious illness, losing your partner, living in retirement, moving to a retirement village and financial windfalls. (These examples are all from the NZQA assessment standard.)

A key area of focus for the Investment Options module is knowing where to source useful financial information and advice related to significant life events.

Useful links and resources suggested in the module include:

* [Guides on the Sorted.org website](https://sorted.org.nz/guides/#life-event). Students can browse for these by “life event”. For example, this Sorted.org guide suggests [ways to create income when you are retired](https://sorted.org.nz/guides/retirement/retirement-money/).
* The booklets in the [Student Activities section of the Sorted in Schools website,](https://sortedinschools.org.nz/students/activities/) which provide information on retirement, KiwiSaver and investing.
* This [2019 Victoria University Financial Survival guide](https://www.victoria.ac.nz/students/money/financial-survival/financial-survival-guide.pdf) provides lots of practical advice about ways to manage your money when you are studying so that you don’t accumulate too much debt. Students can find similar guides on most other university, wānanga, and polytechnic websites.
* The [Accident Compensation Corporation (ACC)](https://www.acc.co.nz/im-injured/) website for information on what happens when you can’t work as a result of an accident

### Assessment information

In the assessment task, students are presented with information about three characters (one for each life-stage), including reference to a significant life event. For each character, students need to:

* identify potential sources of income
* factors that might affect their sources of income at their life stage
* two potential consequences of these factors, including ways that these consequences might impact on the character’s financial situation
* ways that the significant life event mentioned in the scenario might impact on the person’s sources of income
* two ways that the effects of the significant event can be minimised or maximised.

To be awarded an Excellence grade, students need to justify the solutions they have suggested.

NZQA provides [additional assessment support for Financial Capability standards](https://www.nzqa.govt.nz/qualifications-standards/standards/assessment-support-material/financial-capabilty-assessment-support-material/) in the form of assessor and student guidelines, including an alternative assessment task and schedule for each unit standard.

## Funding Study

[**US 28093 Describe the financial responsibilities and consequences of tertiary study funding options**](https://www.nzqa.govt.nz/nqfdocs/units/pdf/28093.pdf)

**Level 2**

**Credits:** 3

**CFFC themes:** debt, investment, goals

This module supports students to develop their understanding of the financial responsibilities and consequences that come with tertiary funding options, including the ways that these can impact on their future choices.

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| **Evidence/Judgements for Achievement** | **Evidence/Judgements for Achievement with Merit** | **Evidence/Judgements for Achievement with Excellence** |
| Students need to:   * describe student loans and one other study funding option in terms of their:   + criteria for eligibility   + ability to fund components of tertiary costs such as course costs, course-related costs, living costs, and any other fees. * compare the advantages and disadvantages of each study funding option * explain at least two financial responsibilities that come with each study funding option * explain one short-term and one long-term consequence of each financial responsibility * explain how each consequence can impact on future choices. | As well as meeting the requirements for Achievement, students need to:   * makes clear links between financial responsibilities, potential consequences, and the implications of these for future choices.   These links need to be relevant and reasonable.  The implications of the financial responsibilities for future choices needs to be realistic. | As well as meeting the requirements for Merit, students need to:   * justify the suitability of the study funding options in terms of the financial responsibilities they carry and the potential consequences of these.   The justification needs to be relevant and reasonable. |

**Potential links to NCEA Level 2 Achievement Standards**

Students may be able to use their knowledge, content, and modified work in this module and assessment task as evidence towards the following Achievement Standards:

* **AS 91227** Analyse how government policies and contemporary economic issues interact
* **AS 91101** Produce a selection of crafted and controlled writing
* **AS 91102** Construct and deliver a crafted and controlled oral text
* **AS 91103** Create a crafted and controlled visual and verbal text.

### Key concepts and clarifications for this module

This is a particularly useful module for students planning to study or do training once they leave school. The module explores student loans, apprenticeships, and working while studying as three options for funding study. However, if students already have a clear idea of what they want to do, they should talk with a careers advisor to identify study-funding options specific to their intended pathway, or individual circumstances, and focus on these instead. Note that using students loan as one of the study funding options is a requirement of the standard.

As this is a Level 2 module, there is greater emphasis on students locating information for the assessment from external sources. This teaches them how to navigate the large number of resources available, will expose them to useful sources of information and gives them the opportunity to tailor the module to their goals and aspirations.

### Assessment information

In the assessment task, students are encouraged to write about study funding options that relate to their own future course of study. However, if they would prefer not to write about their own situation, they can create a fictional character to write about instead.

The students need to compare and contrast two study funding options. One of these must be student loans.

NZQA provides [additional assessment support for Financial Capability standards](https://www.nzqa.govt.nz/qualifications-standards/standards/assessment-support-material/financial-capabilty-assessment-support-material/) in the form of assessor and student guidelines, including an alternative assessment task and schedule for each unit standard.

## Investment Options

[**US 28095 Analyse personal financial investment options**](https://www.nzqa.govt.nz/nqfdocs/units/pdf/28095.pdf)

**Level 2**

**Credits:** 3

**CFFC themes:** savings, investing, KiwiSaver

This module supports students to develop their ability to analyse personal financial investment options and to understand which investment options are a good match for different investor types.

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| **Evidence/Judgements for Achievement** | **Evidence/Judgements for Achievement with Merit** | **Evidence/Judgements for Achievement with Excellence** |
| Students need to:   * analyse two investment options (KiwiSaver and one other) in terms of their:   + cost   + timeframes   + deposit and/or contribution options   + risks   + returns.   The two investment options need to be relevant and realistic for the investor’s profile. | As well as meeting the requirements for Achievement, students need to:   * explain why the two investment options are a good match for the investor’s profile. | As well as meeting the requirements for Merit, students need to:   * justify the suitability of the two investment options.   The justification needs to be relevant and reasonable. |

**Potential links to NCEA Level 1 Achievement Standards**

Students may be able to use their knowledge, content, and modified work in this module and assessment task as evidence towards the following Achievement Standards:

* **AS 90846** Conduct market research for a new or existing product
* **AS 91228** Analyse a contemporary economic issue of special interest using economic concepts and models
* **AS 91268** Investigate a situation involving elements of chance using a simulation
* **AS 91101** Produce a selection of crafted and controlled writing
* **AS 91102** Construct and deliver a crafted and controlled oral text
* **AS 91103** Create a crafted and controlled visual and verbal text.

### Key concepts and clarifications for this module

This module builds on the Level 1 unit standard: US 28090 Demonstrate knowledge of personal financial saving and investment options for given scenario(s).

If students have not already completed the Level 1 *Future Focus* module, teachers could recommend that they read it before starting this Level 2 investment module. Students who have completed US28090 may also benefit from revising the Level 1 content before beginning this module.

The assessment standard requires students to describe investment options in terms of their risk, reward, and length of time. The module makes the following distinction between returns and rewards:

* a return is the amount that your money grows (or not). A return can be positive or negative.
* a reward is any positive aspect of the investment option, for example, a reward of KiwiSaver is that you may be able to withdraw your KiwiSaver funds to help purchase your first home.

A key conceptual understanding for students to develop through the module is the relationship between risk and reward. (The higher the potential reward, the higher the risk and vice versa.) If an investment sounds too good to be true, it probably is.

### Assessment information

In the assessment task, students are presented with one scenario. They need to analyse the information provided, using it as the basis for recommending two investment options for the character in the scenario. In their analysis, they need to compare and contrast:

* the costs involved in the investments
* the timeframe of the investment
* how much money the character would need to invest
* risks of investing
* rewards of investing.

To meet the requirements of the assessment for this standard, students need to analyse two personal financial investment options: KiwiSaver and one other option. Alternative options include: shares, bonds, term deposits, and property. Students can also suggest an alternative managed fund to KiwiSaver.

Students need to make connections between their suggested investment options and the character’s investor profile.

NZQA provides [additional assessment support for Financial Capability standards](https://www.nzqa.govt.nz/qualifications-standards/standards/assessment-support-material/financial-capabilty-assessment-support-material/) in the form of assessor and student guidelines, including an alternative assessment task and schedule for each unit standard.

## Keeping Ourselves Covered

[**US 28096 Demonstrate understanding of insurance products for personal financial capability**](https://www.nzqa.govt.nz/nqfdocs/units/pdf/28096.pdf)

**Level 2**

**Credits:** 3

**CFFC themes:** insurance

This module provides an opportunity for students to develop their understanding of ways that insurance products can keep us, those we care about, our money, and our possessions covered if something unexpected happens.

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| **Evidence/Judgements for Achievement** | **Evidence/Judgements for Achievement with Merit** | **Evidence/Judgements for Achievement with Excellence** |
| You need to:   * describe seven types of insurance in terms of their:   + purpose   + features   + suitability to personal circumstances. * explain how the following components of insurance policies impact on personal finances:   + risks covered   + replacement versus indemnity   + exclusions   + premium   + excess   + claims process. * describe the requirement for full disclosure when taking out an insurance policy and making a claim. * describe **two** consequences of non-disclosure in terms of policy coverage and claims. | As well as meeting the requirements for Achievement, you need to:   * include examples that illustrate the impact of six components of insurance policies on personal finances. | As well as meeting the requirements for Merit, you need to:   * include examples of how disclosure and its related consequences can impact on personal finances in the both the short and long term. |

**Potential links to NCEA Level 1 Achievement Standards**

Students may be able to use their knowledge, content, and modified work in this module and assessment task as evidence towards the following Achievement Standards:

* **AS 90846** Conduct market research for a new or existing product
* **AS 91268** Investigate a situation involving elements of chance using a simulation
* **AS 91101** Produce a selection of crafted and controlled writing
* **AS 91102** Construct and deliver a crafted and controlled oral text
* **AS 91103** Create a crafted and controlled visual and verbal text.

### Key concepts and clarifications for this module

Many of the insurance-related resources students will find online employ a fear-based approach to insurance, focusing on things that can go wrong. A more positive approach is to focus on ways that insurance helps to cover our people, our money, and our possessions (in that order of importance). See the Sorted.org webpage [Cover your people, money, stuff](https://sorted.org.nz/get-sorted/cover-your-people-money-stuff/) for an example of this approach in action.

Insurance can also be viewed as a way to overcome risks that might derail us from meeting our goals.

A key conceptual understanding that is important for students to develop is the idea of self-insurance: if we can cover the cost of something ourselves, we probably don’t need insurance.

The activities for Topic 1 require students to gather information on seven types of insurance and can be used as evidence for Outcome 1 of the assessment task. Note that a description of all seven types is required to pass. See the Assessment information section below for more information.

In Activity Two, students are asked to analyse an insurance policy that they have found online. Most insurance companies provide these. Some examples of policies include:

* <https://www.ami.co.nz/PDFs/AMI_premier-house-PW.pdf>
* <https://www.bnz.co.nz/assets/about-us/terms-conditions/pdfs/Premiercare-Insurance-Policy-Document-16-10-2017.pdf?v=1>
* <https://www.aainsurance.co.nz/car-insurance.html> (scroll down to find links to the policy documents).

### Assessment information

The assessment comprises two tasks.

In Task One, students need to describe seven types of insurance in terms of their purpose, features, and suitability to personal circumstances. This makes the writing demands of the standard are substantial. Teachers may decide to use the work students complete in the first set of module activities as assessment evidence.

In Task Two, the focus is on one type of insurance: car insurance. Students would benefit from having access to an example of both a comprehensive and third-party car insurance policy to use as a reference, although the assessment task can be completed without this.

NZQA provides [additional assessment support for Financial Capability standards](https://www.nzqa.govt.nz/qualifications-standards/standards/assessment-support-material/financial-capabilty-assessment-support-material/) in the form of assessor and student guidelines, including an alternative assessment task and schedule for each unit standard.