

Te whai hua - kia ora!

**sorted**  
*in Schools*



# Teacher Guide

Sorted in Schools Financial  
Capability modules

## **SORTED THEMES**

Retirement, Investing, Saving, KiwiSaver,  
Debt, Managing my money, Goals

LEVEL

**1**

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## **Unit Standards:**

28087, 28088,  
28089, 28090

12 Credits Total

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# Nau mai haere mai!

## Welcome to the Sorted in Schools Financial Capability teacher guide.

### NCEA Level 1

The Sorted in Schools Financial Capability modules are designed to support students who are working towards a range of NCEA Level 1 Financial Capability unit standards. Each of these unit standards provides opportunities for students to be awarded Merit and Excellence grades, along with Achievement grades.

## Overview of the Financial Capability modules

### Each module provides students with:

- the content, knowledge and skills they need to complete each standard, including for achievement 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
- 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 Commerce, 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 Sorted themes that underpin each module. Additional information on each module has been provided below.



## Level 1

**Module title:** Ages and Stages

**US 28087 Demonstrate knowledge of the effect of life stages on personal income**

**Version:** 4

**Credits:** 3

**Sorted themes:** Retirement, Investing, Saving, KiwiSaver

**Module title:** Credit and Debt

**US 28088 Describe credit and debt and their impacts on personal finances**

**Version:** 3

**Credits:** 3

**Sorted themes:** Debt, Managing my money

**Module title:** Goal Getters

**US 28089 Demonstrate knowledge of personal financial goal setting**

**Version:** 4

**Credits:** 3

**Sorted themes:** Goals, Saving, Managing my money

**Module title:** Future Focus

**US 28090 Demonstrate knowledge of selected personal financial saving and investment options that provide financial benefits**

**Version:** 4

**Credits:** 3

**Sorted themes:** Saving, Investing, KiwiSaver

In addition, the [Financial Capability domain of the NZQA website](#) 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 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](#) on the NZQA website.

Most assessment tasks use a scenario-based approach. In some instances, students are encouraged to use their own goals so that the context of the assessment relates to 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.

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 [assessment support for Financial Capability standards](#) on the NZQA website.

Teachers will need to evaluate authenticity because students may have access to assessment schedules 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 following section provides a brief overview of each module.



## Ages and Stages

### US 28087 Demonstrate knowledge of the effect of life stages on personal income

#### Level 1

**Credits:** 3

**Sorted themes:** Retirement, Investing, Saving, KiwiSaver

The Ages and Stages module supports students develop their understanding of the effect of three life stages on personal income, including the benefits that can come from planning for these changes in advance.

Evidence/Judgements for Achievement	Evidence/Judgements for Achievement with Merit	Evidence/Judgements for Achievement with Excellence
<p>For at least TWO of the life stages (post-secondary, family and career building, retirement), you need to:</p> <ul style="list-style-type: none"><li>• identify one source of earned income and one source of unearned income</li><li>• describe the effect on personal income that factors have at different life stages (factors may include; age, relationship status, household size, employment situation, access to government financial support, tax implications).</li></ul>	<p>As well as meeting the requirements for Achievement, for at least TWO of the life stages, you need to:</p> <ul style="list-style-type: none"><li>• explaining why personal income varies at different life stages.</li></ul>	<p>As well as meeting the requirements for Merit, for at least TWO of the life stages, you need to:</p> <ul style="list-style-type: none"><li>• explain the potential benefits of planning for changes in income at different life stages.</li></ul>

The three life-stages explored in the module are:

- post-secondary education
- family and career
- retirement.

It's important for students to understand that these terms are used flexibly. For example, a person in the family and career stage might be studying or starting a new business endeavour or career path. Generally, the post-secondary 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 65 or older.

This module forms a useful foundation for the Level 2 module "Riding Life's Waves", which supports **US 28092** **Explain the effect of significant life events on personal income at different life stages.**

At Level 1, the focus is on general factors specific to different 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, a serious accidents or illness, losing your partner, living in retirement, moving to a retirement village and financial windfalls.

## Assessment information

In the assessment task, students are presented with three scenarios. For two of the scenarios, they need to describe:

- at least one source of earned and unearned income that the character in the scenario may have access to
- Reasons why personal income can vary at various life stage
- the way life stage related factors can affect personal income
- potential benefits of planning for income changes at different life stage.

In the assessment, students need to identify reasons that sources of income change at each life stage. They also need to explain how factors can affect personal income. Reasons and factors are pretty similar concepts, but in the assessment task these terms are used in slightly different ways.

A "reason" is defined as a general trend or situation that affects the **income sources** of most people in that life stage. For example, most people in the tertiary life stage have less work experience than people in the mid-career stage because they're younger and haven't started their careers yet. This limits the number

and type of jobs they can get.

Examples of reasons include:

- age
- family commitments
- knowledge, experience, qualifications
- relationship status
- wage, salary, commission levels
- health status.

A “factor” is something more specific to an individual’s personal situation and how their age, relationship status, work situation, or eligibility for government support can affect their **personal** sources of income. Like reasons, factors can relate to age, relationship status, household size, and access to government support (including allowances or benefits). However, in the assessment, the emphasis is more on how these apply at an **individual level** instead of across an entire life stage.

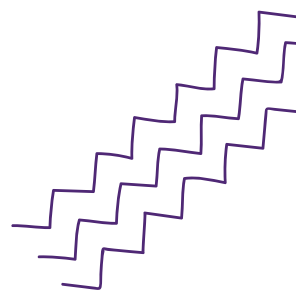
NZQA provides additional assessment support for Financial Capability standards in the form of assessor and student guidelines, including an alternative assessment task and

schedule for each unit standard.

### **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 91026** Apply numeric reasoning in solving problems
- **AS 90857** Construct and deliver an oral text
- **AS 90855** Create a visual text
- **AS 90053** Produce formal writing.





## Credit and Debt

### US 28088 Describe credit and debt and their impacts on personal finances

#### Level 1

**Credits:** 3

**Sorted themes:** Debt, Managing my money

This module supports students to develop their understanding of how debt can impact on personal finances, along with factors that contribute to debt being manageable or unmanageable.

Evidence/Judgements for Achievement	Evidence/Judgements for Achievement with Merit	Evidence/Judgements for Achievement with Excellence
<p>For TWO of the five scenarios, you need to describe:</p> <ul style="list-style-type: none"> <li>the type of credit</li> <li>the type of credit provider</li> <li>if the debt is manageable or unmanageable debt</li> <li>the factors affecting credit and debt and their impacts on personal finances. (factors may include; changes in circumstances, changes in income, interest rates, penalties, administration fees or credit ratings.</li> </ul>	<p>As well as meeting the requirements for Achievement, students need to:</p> <ul style="list-style-type: none"> <li>describe at least two examples of how to minimise the impacts of credit and debt on personal finances.</li> </ul>	<p>As well as meeting the requirements for Merit, students need to:</p> <ul style="list-style-type: none"> <li>explain the relationship and management of credit and debt on personal finances.</li> </ul>

The module draws on the language used in the standard, separating out the two concepts of credit and debt. In the unit standard overview, NZQA defines credit as “the creation of any form of deferred payment” and types of credit as “personal loan, mortgage, credit card, revolving credit, and buy now pay later options”.

Strictly speaking, credit is the amount of money that you can borrow from a lender, such as a “credit limit”. The term “credit” can have positive associations and is typically used to sell debt to consumers. However, a key conceptual understanding for students to develop is that using credit is the same thing as taking on debt. If you use credit, you are in debt.

It’s important that students understand the benefits of paying off debt early, for example, by paying more than just minimum repayments. Doing so can save them a considerable amount of money, freeing these funds up for achieving other financial goals.

Another key conceptual understanding is that debt always brings a level of risk to both the borrower and to the lender. The lender bases their fees and interest on the perceived level of risk in order to protect themselves. The borrower needs to mitigate the risks involved in taking on debt in order to pay off their loan.

Topic two of the module contains a lot of information about different sources of credit. The assessment

standard requires that students refer to credit providers (family/whanau/iwi, banks, digital time payment options, credit unions, private lenders, finance companies, and store cards). One way to approach the content in Topic 2 is to have groups of students use a jigsaw approach, with each group member reading about and reporting back on a different source of credit. Another option is to have students design quizzes for each other using the material in the module, making sure to ask at least one question related to each source of credit.

## Assessment information

The assessment task for US 28088 requires careful planning and checking throughout to make sure that students have met the requirements of the standard. Checklists and tables have been provided to facilitate this process.

In the assessment task, students are presented with five characters, each of whom has taken on, or is contemplating taking on, some form of debt.

Students have to describe the financial situation of each character in terms of the financial impact of their credit and debt. Students are asked to:

- Describe the type of credit each character is use either using or considering using, for example, personal loan, mortgage, credit card, revolving credit or buy now pay later options.
- Describe the types of credit

providers. Students need to refer to two different providers. A checklist has been provided to help students meet this requirement.

- Describe if the debt is manageable or unmanageable debt.
- Describe the factors affecting credit and debt, for example, changes in circumstances, changes in income, interest, penalties, administration fees, and credit rating.
- Give examples how to minimise impacts of credit and debt.
- Explain the relationship and management of credit and debt on personal finances.

Across their responses, students need to make sure that they include of the following credit providers:

- Family/whanau/iwi
- a bank
- digital time payment options
- a credit union
- a private lender
- a finance company
- a store card (for example, hire purchase).

In each part of the task, students need to identify with the characters if they have manageable debt or unmanageable debt. For each character, students need to:

- explain why they think the

character's debt is manageable or unmanageable

- explain how their debt might impact on their personal finances
- explain factors that might affect their credit or debt, for example, changes in circumstances, taxes, interest rates, penalties or credit ratings
- explain how these factors might impact on their personal finances.

Note that across the two characters, students need to explain **four different factors** that affect credit or debt. If necessary, they can discuss the financial situation of a third character from the scenario to meet this requirement.

A table has been provided to help students plan their responses to ensure that they have met the requirement of discussing four different factors.

NZQA provides additional assessment support for Financial Capability standards in the form of assessor and student guidelines, including an alternative assessment task and schedule for each unit standard.

### **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 91026** Apply numeric reasoning in solving problems

- **AS 90981** Make a financial decision for an individual or group
- **AS 90983** Demonstrate understanding of consumer choices, using scarcity and/or demand
- **AS 90988** Demonstrate understanding of the interdependence of sectors of the New Zealand economy
- **AS 90857** Construct and deliver an oral text
- **AS 90855** Create a visual text
- **AS 90053** Produce formal writing.



## Goal Getters

### US 28089 Demonstrate knowledge of personal financial goal setting

#### Level 1

**Credits:** 3

**Sorted themes:** Goals, Saving

This module supports students to develop their understanding of personal financial goal setting, including ways to monitor and maintain progress towards a financial goal.

Evidence/Judgements for Achievement	Evidence/Judgements for Achievement with Merit	Evidence/Judgements for Achievement with Excellence
<p>Students need to:</p> <ul style="list-style-type: none"><li>describe a personal financial goal in terms of it being specific, measurable, achievable, realistic and time-bound, and may include a budget</li><li>identify THREE impacts on spending behaviour across the timeframe of the personal financial goal</li><li>describe a plan for monitoring, and maintaining progress in terms of achieving the personal financial goal.</li></ul>	<p>As well as meeting the requirements for Achievement, students need to:</p> <ul style="list-style-type: none"><li>explain how a personal financial goal can be achieved when spending behaviour changes.</li></ul>	<p>As well as meeting the requirements for Merit, students need to:</p> <ul style="list-style-type: none"><li>justifying the plan to achieve the personal financial goal.</li></ul>

The standard requires students to generate three realistic impacts that achieving the financial goal will have on spending behaviour across the lifespan of the goal. As well as the impacts on spending, the examples in the NZQA assessor guide focus on ways that the financial goal impacts on the person's lifestyle, for example: "Changes to the budget such as making his lunch to take to work instead buying it will impact on his time and the range and type of lunches he might eat." The module highlights that this broader interpretation of impacts on spending behaviour is acceptable.

Although creating a budget is not a requirement of the standard, teachers may want to explore how to construct one with their class. (The basic steps required are outlined in the module.) This WikiHow page shows the steps you need to take to create a budget spreadsheet. You could ask staff members whether they would be willing to share an anonymised and possibly adapted version of a personal budget with the class, although bear in mind that income inequalities may make this inappropriate.

Constructing and using a budget is a useful opportunity for students to provide evidence for US 26623 Use number to solve problems.

## Assessment information

In the assessment task, students are presented with a case study that can be used as the basis of the assessment. However, students may find the assessment more meaningful if they choose a financial goal of their own and this is definitely an option.

If students are defining their own financial goal, they need to ensure that it:

- involves a savings plan or payment scheme that can be achieved within 12 months
- involves ongoing cost implications of ownership and maintenance
- has an impact on other financial commitments.

Examples may include (but are not limited to): buying a cell phone, going on holiday, buying concert tickets, and funding sports or cultural trips.

NZQA provides additional assessment support for Financial Capability standards in the form of assessor and student guidelines, including an alternative assessment task and schedule for each unit standard.

## Future Focus

### US 28090 Demonstrate knowledge of selected personal financial saving and investment options that provide financial benefits

#### Level 1

**Credits:** 3

**Sorted themes:** Investing, KiwiSaver, Saving

This module supports students to develop their understanding of different saving and investment options, including which options are the best match for a given situation.

Evidence/Judgements for Achievement	Evidence/Judgements for Achievement with Merit	Evidence/Judgements for Achievement with Excellence
<p>Students need to:</p> <ul style="list-style-type: none"> <li>• identify and select <b>KiwiSaver and TWO other saving and investment options</b> that will provide future financial benefits</li> <li>• explain ONE saving and TWO investment options in terms of their <b>risk, reward and length of time:</b> <ul style="list-style-type: none"> <li>- KiwiSaver</li> <li>- savings account</li> <li>- term deposits</li> <li>- bonds</li> <li>- shares</li> <li>- property</li> <li>- commodities</li> <li>- currency</li> <li>- derivatives</li> <li>- other alternatives</li> <li>- business ownership.</li> </ul> </li> </ul>	<p>As well as meeting the requirements for Achievement, students need to:</p> <ul style="list-style-type: none"> <li>• explain how the selected personal financial savings and investment option provides future financial benefits</li> <li>• draw conclusions about the benefits with supporting evidence.</li> </ul>	<p>As well as meeting the requirements for Merit, students need to:</p> <ul style="list-style-type: none"> <li>• explain in depth how the selected personal financial savings and investment option provides future financial benefits</li> <li>• draw conclusions about the benefits with a range of supporting evidence that justifies the selection.</li> </ul>

The assessment standard requires students to identify and select saving and 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.

The Future Focus module lays a useful foundation for the Level 2 Investment Options module, which supports US28095 options.

Discussing KiwiSaver as an investment option is a compulsory part of both U2 28090 and US 28095, but greater depth of discussion and detail is required for success at Level 2. Here is a brief summary of points of overlap and difference.

At Level 1, students need to identify and select investment options by referring to risks, rewards and timeframes. The Future Focus module touches briefly on the costs of investments and the different KiwiSaver contribution options. However, to get Excellence at Level 1, explaining in depth that there are different levels of risk is sufficient. At Level 2, as well as risk, rewards, and timeframe, students need to refer to the amount of money you need to invest,

contribution options and any additional fees or costs that come with investing.

At Level 1, the focus is on the risks, rewards and timeframes that best suit a given scenario. At Level 2, the emphasis shifts to tailoring investments to an individual investor profile.

## Assessment information

In the assessment task, students are presented with FOUR characters, along with information about the FOUR character's financial situation and goals. Students are asked to suggest savings and/or investment options for each character, and are required to cover one savings and two investment options across their responses. One of the options needs to be KiwiSaver. A planning table has been provided to help them meet this requirement.

NZQA provides additional assessment support for Financial Capability standards in the form of assessor and student guidelines, including an alternative assessment task and schedule for each unit standard.

## Potential links to NCEA Level 1 Unit and 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 Unit and Achievement Standards:

- **US 26623** Use number to solve problems
- **AS 91026** Apply numeric



reasoning in solving problems

- **AS 90840** Apply the marketing mix to a new or existing product
- **AS 91038** Investigate a situation involving elements of chance
- **AS 90857** Construct and deliver an oral text
- **AS 90855** Create a visual text
- **AS 90053** Produce formal writing.



For more help, visit  
[sortedinschools.org.nz](http://sortedinschools.org.nz)

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