

Professional Competency Assessment and Certification Program

Personal and Family Finance Educator

Candidate Information Bulletin and
Study Guide

- Computer-Based Test Administration -

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Assessment Overview

AAFCS is a national organization with a proud history of providing support and leadership for family and consumer sciences professionals. AAFCS has been credentialing professionals since 1987, including the Certified in Family and Consumer Sciences (CFCS) credentialing of family and consumer sciences professionals. The Personal and Family Finance Educator competency assessment and corresponding Certified Personal and Family Finance Educator (CPFFE) certification are designed for professional educators who teach financial literacy and capability to youth and young adults in a variety of school-based and community-based settings.

Description of the Assessment and Certification

The Personal and Family Finance Educator competency assessment and certification are:

- developed by representatives from business and industry in association with personal and family finance and content specialists representing secondary and post-secondary/university education;
- the professional level knowledge and skills necessary to teach content reflected in the Jump\$tart Coalition's National Standards in K-12 Personal finance Education and the United States Department of Treasury's Financial Education Core Competencies (2010, proposed);
- psychometrically sound;
- appropriate to validate achievement of competencies related to personal and family finance;
- useful in a broad range of professional education and employment settings, such as secondary and post-secondary education, community-based education programs including Cooperative Extension, and employer-based human resource and staff development programs; and
- delivered via a gold-standard, computer-based exam format meeting the requirements for high stakes exams and providing for valid and reliable competency measurement, and immediate feedback to individual test takers.

Uses of the Assessment and Certification

The assessment and certification are appropriate for use in a broad range of professional education and employment settings.

The assessment and certification is used to:

- validate educators' knowledge and competencies in the domains that comprise personal and family finance;
- provide an industry-recognized, professional level certification;
- promote professional competence, confidence, recognition and improvement; and
- provide a quality assurance indicator of the practitioner's competence to the public.

Careers

The Personal and Family Finance Educator assessment and certification address competencies and a skill set necessary for success as a professional educator in careers with a substantial focus on personal and family finance. It is applicable across a broad range of education, community-based, staff development, and human resource settings. This assessment and certification facilitates employment in professional positions and promotes continuing education for:

- secondary educators teaching this content as units within courses addressing other content more broadly (i.e. social studies teachers teaching financial literacy embedded within a more traditional economics course);
- K12 educators teaching developmentally appropriate personal finance principles integrated into the broader curriculum;
- educators from various disciplines (i.e. FCS, business, marketing, social studies, math, etc) who may be approved to teach general courses in personal finance;
- career and technical education teachers of in-depth courses in personal and family finance designed to provide foundational preparation for students interested in pursuing careers in this field;
- Cooperative Extension educators who may teach personal finance as part of their curriculum, especially for youth/young adults;
- professional staff in organizations that deliver personal finance curriculum to community based youth groups (i.e. JA, YMCAs/YWCAs, church youth programs, etc); and
- individuals who are involved in curriculum development, professional development, program planning, and/or personnel management involving personal and family finance education (through schools or other practice settings).

Assessment Specifications

The assessment specifications provided in this section of the bulletin are intended to provide test candidates with a comprehensive overview of the domains and competencies that are covered on the assessment.

Format

The assessment is an objective test composed of four-option multiple-choice items (questions), each of which has only one (1) correct response. The exam contains 150 items. Of the 150 items, 120 are scored as a basis for determining candidate performance, and 30 items are included for beta testing but not scored. The specific content being assessed by the items on each assessment follows the test specifications outlined in the next section of this bulletin.

In addition to each item being associated with a domain and competency, the items are also designed to assess appropriate cognitive levels necessary for competent practice. Specifically, some items assess at the lower level, some at the middle levels, and some at higher order levels. The items included on each test proportionally represent three cognitive difficulty levels:

- Level 1- 40%;
- Level 2 – 30%; and
- Level 3 – 30%.

Original Bloom's Taxonomy	Revised Bloom's Taxonomy	Cognitive Complexity Level
<u>Knowledge</u> Defines, describes, identifies, labels, lists, matches, names, reads, records, selects, states, views	<u>Remember</u> Recognize, retrieve, identify, recall	1
<u>Comprehension</u> Classifies, describes, discusses, lists, matches, names, reads, records, selects, states, views	<u>Understand</u> Interpret, clarify, translate, illustrate, categorize, classify, conclude, predict, summarize, infer, compare, explain	
<u>Application</u> Assesses, determines, develops, discovers, establishes, informs, predicts, projects, provides, relates, shows, uses	<u>Apply</u> Execute, carry out, use, implement	2
<u>Analysis</u> Breaks down, correlates, differentiates, illustrates, infers, points out, recognizes	<u>Analyze</u> Differentiate, select, focus, organize, outline, attribute, determine point of view	
<u>Synthesis</u> Communicates, compares, contrasts, creates, designs, expresses, formulates, plans, reorganizes, reinforces, substitutes	<u>Evaluate</u> Check, coordinate, detect, monitor, test, critique, judge	3
<u>Evaluation</u> Appraises, compares & contrasts, concludes, criticizes, decides, defends, interprets, judges, justifies, supports	<u>Create</u> Generating, hypothesizing, planning, designing, producing, constructing	

Scoring

The computer based testing platform used for AAFCS exams provides immediate score results following the candidate's completion and submission of exam responses. In the event of onsite administration apart from a computer testing center, that the exam will be scored with results mailed to candidates within 2 weeks. The overall cut score is 240 out of a possible 300. For unsuccessful candidates, both the overall score and percentage scores for each domain area will be reported as a diagnostic basis for preparation to retest.

Domains and Competencies

	Personal and Family Finance Educator Assessment Items by Domains, Competencies, and Complexity Levels	# of Items (of 120 total)	Weight (%)	Level 1 (40%)	Level 2 (30%)	Level 3 (30%)
	Total Scored Items on Final Test Form	120	100%	48	36	36
1	Financial Responsibility and Decision-Making	16	13%	7	4	5
1a	Consider how needs, wants, and values influence personal and family financial decisions and circumstances					
1b	Explain the elements of SMART goals					
1c	Evaluate financial information from a variety of sources					
1d	Summarize major consumer protection laws					
1e	Make financial decisions by systematically considering opportunity costs, alternatives, and the economy					
1f	Develop communication strategies for addressing individual and family financial issues including needs, wants, and values					
1g	Control personal information to reduce the risk of identity theft					
2	Income and Careers	15	13%	6	5	4
2a	Analyze the relationship between work and career choices and standard of living					
2b	Identify the relationship of work and career goals as they relate to personal and family financial goals					
2c	Analyze the effect of education and skills on employment					
2d	Understand how to access financial resources to facilitate educational goals throughout the life span					
2e	Analyze how employment choices, economic conditions, and the tax system affect income					
2f	Identify sources of personal income					
2g	Describe factors affecting take-home pay such as potential benefits, taxes, and other payroll deductions					

Personal and Family Finance Educator Assessment Items by Domains, Competencies, and Complexity Levels		# of Items (of 120 total)	Weight (%)	Level 1 (40%)	Level 2 (30%)	Level 3 (30%)
3	Planning and Money Management	16	13%	7	4	5
3a	Develop a plan for spending and saving based upon personal and family goals and values					
3b	Develop a system for keeping and using financial records and legal documents					
3c	Describe ways to use different payment types, including banking services					
3d	Apply consumer skills to purchasing decisions					
3e	Use appropriate mathematical concepts needed to analyze financial decisions					
3f	Assess the characteristics of online resources for financial planning and money management					
3g	Develop a personal or family financial plan					
3h	Assess estate and long-term financial planning options					
4	Credit and Debt	16	13%	6	5	5
4a	Identify personal and family goals related to credit and debt					
4b	Outline responsibilities as related to obtaining and managing personal and family credit					
4c	Identify the cost and benefits of various types of credit					
4d	Compare the availability, costs, and benefits of types of loans used to finance a car, education expenses, and housing					
4e	Explain the components and uses of a credit record					
4f	Describe ways to avoid or correct debt problems					
4g	Summarize major consumer credit laws, including borrower's credit report rights					

Personal and Family Finance Educator Assessment Items by Domains, Competencies, and Complexity Levels		# of Items (of 120 total)	Weight (%)	Level 1 (40%)	Level 2 (30%)	Level 3 (30%)
5	Risk Management and Insurance	15	13%	6	5	4
5a	Identify common types of risk and basic risk management methods					
5b	Explain the purpose and importance of property and liability protection as part of individual and family financial planning					
5c	Explain the purpose and importance of health, disability, and life insurance protection as part of individual and family financial planning					
5d	Explain the correlation between risk, premium, coverage, and deductibles					
6	Saving and Investing	16	13%	6	5	5
6a	Differentiate between saving and investment options for meeting various personal and family goals					
6b	Discuss how saving and investing contribute to financial well-being and goal achievement					
6c	Critique alternatives for researching, purchasing, and managing saving and investment products					
6d	Explain how interest rates, taxes, and fees affect the return on savings and investments					
6e	Understand how agencies that regulate financial markets protect consumers					
6f	Apply the Rule of 72 to solve financial problems					
6g	Describe characteristics of commonly used investment products (e.g., stocks and mutual funds)					
7	Teaching Pedagogy	26	22%	10	8	8
7a	Determine teaching strategies appropriate for content and learners					
7b	Integrate financial literacy concepts across content areas					
7c	Assess students' comprehension of financial literacy outcomes					

Assessment Concept List

- 1) Financial Responsibility and Decision-Making
 - a) Consider how needs, wants, and values influence personal and family financial decisions and circumstances.
 - i) Financial Goal-setting
 - (1) Setting goals
 - (2) Short-term goals
 - (3) Long-term goals
 - (4) Intermediate goals
 - ii) Personal values
 - (1) Influences of values
 - (2) Effects of values
 - b) Explain the elements of SMART goals
 - i) Definition of SMART goals
 - ii) Aspects of SMART goals
 - iii) Development of SMART goals
 - iv) Using SMART goals in planning
 - c) Evaluate financial information from a variety of sources
 - i) Stock market organizations
 - ii) Decentralized electronic trading system
 - iii) Reliable sources of financial information
 - iv) Sources of investment assistance
 - d) Summarize major consumer protection laws
 - i) Importance of product warning labels
 - ii) Federal agencies in charge of consumer protection
 - (1) Identify federal agencies
 - (2) Identify federal agency responsibilities
 - e) Make financial decisions by systematically considering opportunity costs, alternatives, and the economy
 - i) Decision-making process
 - ii) Opportunity costs
 - iii) Conspicuous consumption
 - iv) Impulse purchasing
 - f) Develop communication strategies for addressing individual and family financial issues including needs, wants and values
 - i) Methods of financial communication among family members
 - ii) Types of communication skills
 - g) Control personal information to reduce the risk of identity theft
 - i) Recognize identify theft
 - ii) Avoid identify theft
 - iii) Online shopping safety
- 2) Income and Careers
 - a) Analyze the relationship between work and career choices and standard of living
 - i) Human capital

- ii) Importance of college education
- iii) Standard of living
- iv) Lifetime earnings potential
- v) Professional fulfillment
- b) Identify the relationship of work and career goals as they relate to personal and family financial goals
 - i) Job versus career
 - ii) Opportunity cost of employment
- c) Analyze the effect of education and skills on employment
 - i) Opportunity cost of earning a college education
 - ii) Human capital
 - iii) Methods of increasing income
- d) Understand how to access financial resources to facilitate educational goals throughout the life span
 - i) Types of investments
 - (1) Mutual funds
 - (2) U. S. Savings Bonds
 - (3) Stocks
 - (4) Money Market funds
 - (5) 401(k)
 - (6) 403(b)
 - (7) 529
 - (8) 736
 - ii) Developing a spending plan
- e) Analyze how employment choices, economic conditions, and the tax system affect income
 - i) Business cycle phases
 - ii) Income tax refunds
- f) Identify sources of personal income
 - i) Earned Income Tax credit
 - ii) Earned income
- g) Describe factors affecting take-home pay such as potential benefits, taxes, and other payroll deductions
 - i) Take home pay
 - ii) Garnishment
 - iii) Deductions
 - iv) Back pay
 - v) Tax-exempt
 - vi) Tax liability
 - vii) Tip reporting
- 3) Planning and Money Management
 - a) Develop a plan for spending and saving based on personal and family goals and values
 - i) Decision-making process
 - ii) Financial planning process model

- iii) Wills
- iv) Trusts
- b) Develop a system for keeping and using financial records and legal documents
 - i) Record keeping
 - (1) Income tax records
 - (2) Credit card statements
 - (3) Automobile repair records
 - (4) Medical insurance claims
 - (5) Storing files safely
 - (a) Fire
 - (b) Emergency plans
- c) Describe ways to use different payment types, including banking services
 - i) Methods of determining interest
 - ii) Payroll options
 - (1) Direct deposit
 - (2) Standard paycheck
 - (3) Payroll card
- d) Apply consumer skills to purchasing decisions
 - i) Types of bank accounts
 - ii) Purchasing a new car versus purchasing a pre-owned car
 - (1) Advantages and disadvantages
 - (2) Extended warranty
 - iii) Renting versus purchasing a home
 - iv) Advantages and disadvantages of payment methods
 - (1) Credit
 - (2) Debit
 - v) Extended warranties
- e) Use appropriate mathematical concepts needed to analyze financial decisions
 - i) Series EE savings bond
 - ii) Rule of 72
 - iii) Closing costs for homes
 - iv) Determining net worth
- f) Assess the characteristics of online resources for financial planning and money management
 - i) Online bill pay
 - ii) Electronic Communications Policy Act of 1986
 - iii) Freedom of Information Act
 - iv) Privacy Act of 1974
 - v) Cable Communication Policy act of 1984
- g) Develop a personal or family financial plan
 - i) Emergency cash funds
 - ii) Financial planning
 - iii) Assess estate and long-term financial planning options
 - iv) Retirement plans

- (1) 401(k)
- (2) Keogh plan
- (3) Roth IRA
- (4) Traditional IRA
- v) Wills
 - (1) Testate
 - (2) Intestate
 - (3) Joint tenants
 - (4) Right to survivorship
- 4) Credit and Debt
 - a) Identify personal and family goals related to credit and debt
 - i) Reasons for credit problems
 - ii) Family life cycle and family financial planning
 - iii) Credit card debt issues
 - b) Outline responsibilities as related to obtaining and managing personal and family credit
 - i) Credit responsibilities
 - ii) APR
 - iii) Credit card offers
 - iv) Balance transfers
 - v) Spending limit
 - c) Identify the cost and benefits of using a credit card
 - i) Debt payments-to-income ratio
 - ii) Cost of borrowing money
 - iii) FICO score
 - d) Compare the availability, costs, and benefits of types of loans used to finance a car, education expenses, and housing
 - i) Types of auto loans
 - ii) Principal
 - iii) Interest
 - iv) Calculating interest rates
 - v) Ways to speed equity of growth for homeowner
 - vi) Mortgages
 - e) Explain the components and uses of a credit record
 - i) Payment history
 - ii) Credit bureau
 - iii) Credit rating
 - iv) Credit history
 - v) Credit report
 - f) Describe ways to avoid or correct debt problems
 - i) Consumer Credit Counseling Service (CCCS)
 - ii) Information contained in credit reports
 - (1) Longevity of information
 - g) Summarize major consumer credit laws, including borrower's credit report rights
 - i) Financial liability for unauthorized use of credit card

- ii) Methods of obtaining free copy of credit report
 - iii) Fair Credit Reporting Act (FCRA)
- 5) Risk Management and Insurance
- a) Identify common types of risk and basic risk management methods
 - i) What is insurance?
 - ii) Recommended percentage for home/content insurance
 - iii) Determining best insurance option to fit your financial situation
 - iv) Term life insurance
 - v) What to do if denied insurance coverage?
 - vi) Deductibles
 - vii) Floater
 - viii) Premium
 - ix) Monthly payment
 - b) Explain the purpose and importance of property and liability protection as part of individual and family financial planning
 - i) Insurance coverage
 - (1) What does this mean? (100/300/50)
 - ii) Variables which determine insurance rates
 - iii) Homeowners insurance
 - (1) Comprehensive home insurance coverage
 - (2) Liability home insurance coverage
 - (3) Riders
 - iv) Auto insurance
 - (1) liability insurance
 - (2) Collision insurance
 - (3) Comprehensive physical damage insurance
 - v) Payout
 - (1) Actual cash value
 - (2) Depreciated value
 - (3) Appraised value
 - (4) Full replacement cost
 - c) Explain the purpose and importance of health, disability, and life insurance protection as part of individual and family financial planning
 - i) Health insurance
 - (1) Co-payment
 - (2) Deductible
 - (3) Cap
 - ii) Workers' compensation
 - iii) Unemployment insurance
 - iv) Disability insurance
 - v) Renters insurance
 - d) Explain the correlation between risk, premium, coverage, and deductibles

- 6) Saving and Investing
 - a) Differentiate between saving and investment options for meeting various personal and family goals
 - i) Reasons for investing
 - ii) Safety of principal
 - iii) Stocks
 - iv) Collectibles
 - v) Certificates of deposit
 - vi) Bonds
 - vii) Money market fund
 - viii) Mutual funds
 - ix) Sector fund
 - x) Small cap fund
 - xi) Global fund
 - b) Discuss how saving and investing contribute to financial well-being and goal achievement
 - i) Creating wealth
 - ii) How to save regularly
 - iii) Financial planning
 - iv) Financial goals
 - c) Critique alternatives for researching, purchasing, and managing saving and investment products
 - i) Financial advisors
 - ii) Liquid investments
 - iii) Reliable investment information
 - d) Explain how interest rates, taxes, and fees affect the return on savings and investments
 - i) Bond rates
 - ii) Investing risks
 - iii) Investment vehicles
 - (1) Roth IRA
 - (2) Traditional IRA
 - (3) Blue-chip stocks
 - (4) Corporate bonds
 - iv) Fees
 - e) Understand how agencies that regulate financial markets protect consumers
 - i) Government entities charged with protecting investors
 - f) Apply the Rule of 72 to solve financial problems
 - i) Determining rate of return
 - ii) Types of computation to calculate desired amount of future funds
 - g) Describe characteristics of commonly used investment products (e.g. stocks and mutual funds)
 - i) Stocks
 - ii) Corporate bonds
 - iii) Money market funds

- iv) 401(k)
 - v) Liquidity
 - vi) Diversification
 - vii) Dollar-cost averaging
- 7) Teaching Pedagogy
- a) Determine teaching strategies appropriate for content and learners
 - i) Differentiated financial literacy instruction
 - ii) Types of learners
 - iii) Gender differences in financial behavior
 - iv) Make-up of learning objectives
 - v) Critical thinking
 - vi) Criteria for evaluating an online resource
 - vii) Teaching strategies
 - viii) Attention Deficit Disorder (ADD)
 - ix) Andragogy
 - x) Online instructional resources for teaching personal finance education
 - xi) Educational games
 - xii) Opportunity costs
 - xiii) Designing financial educational programs for low-income individuals and families
 - xiv) Affective objectives used in teaching
 - b) Integrate financial literacy concepts across content areas
 - i) Personal finance activities used to effectively illustrate economics
 - ii) Useful sources of information to develop curriculum plans to integrate financial literacy concepts into various disciplines
 - iii) Competency
 - iv) Domain
 - v) Objective
 - vi) Accountability
 - vii) Taxonomies of educational objectives
 - c) Assess students' comprehension of financial literacy outcomes
 - i) Advantages of using rubrics
 - ii) Methods of evaluating learning
 - iii) Constructing exams/assessments
 - iv) Reliability
 - v) Learner achievement
 - vi) Validity

Sample Assessment Items

A series of sample test items is provided below. These items are not intended to serve as a study mechanism, but to familiarize candidates with the format, style and structure of the items that can be expected on the tests. Always choose the one **BEST** answer.

MULTIPLE CHOICE

1. In the budget process, items such as car payments, housing, and health insurance are known as
 - a. fixed expenses.
 - b. flexible expenses.
 - c. periodic expenses.
 - d. incidental expenses.

ANS: A

DIF: 1

OBJ: 1a

2. As Terrance teaches his local youth organization about identity theft, one of the group believes his parents have been a victim of identify theft. What advice should Terrance give this young person?
 - a. Wait at least one month to know for sure there was identity theft
 - b. Make sure his parents file a police report as soon as possible
 - c. Leave all fraudulent accounts open as proof of the identity theft
 - d. Do not contact the three credit bureaus, as this will raise questions

ANS: B

DIF: 3

OBJ: 1g

3. David and Ramona are planning to get married next summer. They both have full-time jobs and have set a goal of putting \$400 in savings every month to make a down payment on a home in seven years. What type of goal have they set?
 - a. Short-term goal
 - b. Intermediate goal
 - c. Long-term goal
 - d. Unrealistic goal

ANS: C

DIF: 2

OBJ: 1a

4. Which of the following resources is the **LEAST** effective in providing individuals and families with sound financial and investment information?
 - a. Barron's Weekly
 - b. Kiplinger's
 - c. Wall Street Journal
 - d. On-line investment blogs

ANS: D

DIF: 2

OBJ: 1c

5. The growth of the Internet has affected consumer decision-making by
- reducing fraud.
 - increasing product prices.
 - increasing product quality.
 - increasing product choices.

ANS: D

DIF: 1

OBJ: 1b

6. A popular cereal product makes the claim that it can lower cholesterol. The government agency responsible for investigating this claim is the
- U.S. Department of Agriculture.
 - Food and Drug Administration.
 - Consumer Product Safety Commission.
 - Federal Trade Commission.

ANS: B

DIF: 1

OBJ: 1d

7. The economic condition of unlimited wants, but limited resources, is known as
- trade-off.
 - decision-making.
 - scarcity.
 - consumer choice.

ANS: C

DIF: 2

OBJ: 1e

8. Which of the following action steps is **NOT** a good way to increase income or stretch resources in the face of financial difficulties?
- Develop and use new skills
 - Get an additional part-time job
 - Barter or swap with others
 - Take a cash advance on a credit card

ANS: D

DIF: 3

OBJ: 2c

9. Cody and Mallory live in a home near the beach. Recently, they had to evacuate due to a hurricane. Cody and Mallory were fortunate that their home had very little damage. However, during the evacuation they realized that they needed to have emergency plans for their financial records. What would be the **BEST** emergency plan for their financial records?
- Record all account numbers, documents of identification, and insurance policies in a notebook and keep them in a home safe in the closet.
 - Record all account numbers, documents of identification, and insurance policies in an electronic file and carry them in their wallet.
 - Record all account numbers, documents of identification, and insurance policies and place them in a safety deposit box at the bank.
 - Record all account numbers, documents of identification, and insurance policies and leave them with a friend in another city.

ANS: C

DIF: 2

OBJ: 3b

10. Manny worked in Boston, Massachusetts, as a chef for a well-known national restaurant franchise for two years. The main offices for this company are located in Boston. He moved to California last year and has been employed in a similar position with this company making the same salary he made in Boston. Which of the following **BEST** describes Manny's tax liability?
- The amount of California state income taxes he owes will be the same as he paid in Massachusetts because he is making the same salary.
 - He will pay considerably more state income taxes in California because California is a larger state compared with Massachusetts.
 - He will probably pay a different amount of state income taxes in California based on the California state income tax guidelines.
 - The amount of California state taxes he owes will be the same as he paid in Massachusetts because the company headquarters is located in Boston.

ANS: C

DIF: 3

OBJ: 2g

11. The death benefit for a life insurance policy is called the
- premium amount.
 - face value.
 - beneficiary value.
 - stop-loss.

ANS: B

DIF: 2

OBJ: 5c

12. Bianca has the goal of saving \$150 per month for graduate school tuition. Which of the following accounts would generally let her money grow the **FASTEST**?
- Checking account
 - Savings account
 - Certificate of deposit
 - Holiday account

ANS: C

DIF: 1

OBJ: 3d

13. Nola has been working part-time while attending college. She has a monthly car loan payment totaling \$325. She is able to save about \$50 each month because of other expenses. She has a credit card with a spending limit of \$4,000 and an annual APR of 14 percent, and her balance on that card is \$3,500. She received a credit card offer in the mail with a spending limit of \$9,000 and an annual APR of 21 percent. Which of the following statements **BEST** describes what Nola should do?
- Nola should try to obtain the second credit card so she will have an additional \$9,000 spending limit.
 - Nola should only use her first credit card because it has a lower APR and reduce the debt as soon as possible.
 - Nola should do a balance transfer to \$3,500 from her first card and then cancel her first card because it has a lower spending limit.
 - When Nola reaches her spending limit on her first card, she should apply for another.

ANS: B

DIF: 3

OBJ: 4b

14. As Raquel begins her teaching career in a school that is ten miles from her home she needs to replace her car that is no longer dependable. A **BENEFIT** of Raquel leasing a car rather than buying a new car is
- lower monthly payments.
 - lower insurance costs.
 - no maintenance costs.
 - unlimited mileage.

ANS: A

DIF: 1

OBJ: 3d

15. The cost of insurance premiums is generally regulated by the
- individual state governments.
 - Securities and Exchange Commission.
 - Federal Trade Commission.
 - Association of Insurance Companies, Inc.

ANS: A

DIF: 2

OBJ: 5a

16. Ms. Shelby is teaching her class about automobile insurance. Which of the following statements would she give as a description of a liability?
- The monthly amount paid for the policy
 - The amount an insurance company pays per claim
 - A claim that is made following a collision
 - A legally enforceable financial obligation

ANS: D

DIF: 2

OBJ: 5b

17. Why do many dental insurance plans encourage visits to the dental office twice a year with minimal or no out-of-pocket cost to the patient?
- Dentists write the insurance plans to minimize the patient's co-pay.
 - Regular checkups can reduce costs of expensive dental work.
 - Dentists maximize the number of visits per patient to increase their business.
 - This encourages cosmetic replacements for misaligned or damaged teeth.

ANS: B

DIF: 1

OBJ: 5c

18. Art is a teacher in a rural school district. His take home pay is approximately \$4,000 after all deductions are withheld for taxes, insurance, charitable contributions, and other deductions. Art's take home pay can **BEST** be described as
- disposable income.
 - discretionary income.
 - personal income.
 - family income.

ANS: A

DIF: 1

OBJ: 3e

19. Brian and Claudia have recently married. At which stage of their family life cycle will life insurance be **MOST** important?
- While they are a married couple with no children
 - When they become a family with pre-school children
 - When they become a post-parenting couple
 - When they become a post-retirement couple

ANS: B

DIF: 1

OBJ: 5c

20. Jacque just taught her students about spending plans. Which of the following is an example of student behavior that can be used to assess their attitudes?
- Keeping track of spending practices
 - Developing a written plan for spending
 - Believing that keeping track of spending is a good habit
 - Preparing a report about how spending plans help you meet financial goals

ANS: C

DIF: 3

OBJ: 7c

Examination Procedures

Computer-Based Testing Availability

Candidates may take the examination at Iso-Quality Testing computer-based testing sites located across the nation. See <http://www.isoqualitytesting.com/mlocations.aspx> to identify location options, The fee for administration of a computer-based test is \$165.

The Personal and Family Finance examination may only be taken during authorized examination periods or windows. Please note the following examination schedule and associated registration deadlines for computer-based testing.

Examination Window	Registration Dates		
	Basic Registration (\$165)	Basic Registration Plus Late Fee (\$165 + \$35 = \$200)	Basic Registration Plus Emergency Fee (\$165 + \$75 = \$240)
January 1 - January 31	November 1 - December 20	December 21 - 31	January 1 - 15
March 1 - March 31	January 1 - February 20	February 21 - 28	March 1 - 15
May 1 - May 30	March 1 - April 20	April 21 - 30	May 1 - 15
July 1 - July 31	May 1 - June 20	June 21 - 30	July 1 - 15
September 1 - September 31	July 1 - August 20	August 21 - 31	September 1 - 15
November 1 - November 30	September 1 - October 20	October 21 - 31	November 1 - 15

Examination Application

Application for the Personal and Family Finance Educator examination is achieved through an online registration system. Candidates registering for a computer-based assessment can access the registration system at <http://www.rsvpbook.com/event.php?421885>. The registration application will collect required personal information about the candidate as well as information about the candidate's selection of assessment title and month selected for test administration.

- *Step I. Application.* Complete the online Examination Registration. Incomplete applications will not be processed. During a month-long testing window, a candidate may take only one AAFCS examination title and may take it only once.
- *STEP II. Submit Online Application.* Submit completed online application with fee payment. Application submissions after the deadline date for the month selected for test administration must have the appropriate late fee or emergency fee included to be processed. The candidate will be required to pay the examination fee in order to complete application submission. Payments are made by credit card (Visa, Master Card, Discover, American Express, or PayPal). If the candidate chooses to not charge the examination fee to a credit card, special arrangements must be made with AAFCS Credentialing Center staff ((703) 636-7642) for payment by cashier's check, certified check, or money order.
- *Step III. Authorization Letter.* The examination application will be reviewed by the AAFCS Credentialing Center staff to verify the candidate's eligibility to take the examination. Then, the candidate will receive, via email, a non-transferable authorization email from Schroeder Measurement Technologies (SMT), the testing contractor, to take the exam during the specified month long testing window.
- *Step IV. Appointment to Take the Exam.* The authorization email from SMT will contain information and instructions on scheduling a test date at an IsoQuality Testing computer-based testing center. A **User ID** and **Password** will be given to each candidate to register online for a testing location and test date. Using the candidate's zip code, the five closest testing centers will be available to choose from. Please contact the SMT representative, who sent the authorization email, if there are further questions regarding testing times and locations. To look up testing locations prior to the exam registration process please go to <http://www.isoqualitytesting.com/mlocations.aspx>.

Affirmation of the following Affidavit and Examination Agreement is required as part of the registration process:

- I am eligible to sit for the AAFCS examination based on having already completed or being within one year of completing a baccalaureate degree.
- I will treat all information related to the examination as confidential, whether provided to me by AAFCS or received from other sources.
- All information provided by me in this application is true to the best of my knowledge. AAFCS may, in its sole discretion, make inquiry of individuals and organizations directly

or indirectly referenced in any part of this document to verify the accuracy and completeness of the information I have provided.

- I have fully read the contents of the Candidate Information Bulletin for the assessment selected and agree with all policies and stipulations contained therein.
- I understand that my successful performance on one of the exams in the AAFCS examination system will satisfy one of the requirements for a national professional level certification awarded by AAFCS. Subsequently, obtaining the national AAFCS credential would be optional and would require submitting a separate national certification application and fee, agreeing to abide by the Professional Code of Ethics, and meeting ongoing professional development requirements.
- I understand that my test score will be reported to me.

IMPORTANT NOTES ABOUT THE EXAMINATION FEE AND SCHEDULING:

Cancellation Refund Policy: AAFCS test registration fees are nonrefundable. Testing can be rescheduled to the immediate next testing month (January, March, May, July, September, or November) without penalty beyond those detailed herein and imposed by an ISO Quality Testing Center for violations related to admission, rescheduling, or cancellation.

If a candidate cancels or reschedules a scheduled examination five or more calendar days prior to the scheduled examination date, the candidate will pay ISO Quality Testing a \$25 rescheduling fee.

If a candidate does not reschedule or cancel a scheduled examination at least five calendar days prior to the scheduled examination or comes to the testing center without proper ID and/or the proper admission letter and is unable to take the scheduled examination, the candidate will forfeit the full testing fee.

If a candidate reschedules or cancels a scheduled exam less than five calendar days prior to the scheduled exam date but has an approved excuse based on candidate medical emergency, death of an immediate family member, or candidate active duty military orders, the candidate will pay ISO Quality Testing a \$25.00 rescheduling/cancellation fee.

If a candidate for any reason forfeits the examination fee, a new online registration application and full examination fee payment must be submitted to register for subsequent testing.

Examination Administration

The candidate is to arrive at the test center at the time noted on the authorization admission documents. In order to be admitted, the **Admission Letter** and a **photo identification** is required. **A candidate will not be admitted without proper identification.** The only acceptable forms of identification are: driver's license, government-issued identification card, or

a passport. No other forms of identification will be accepted. If the candidate's name has changed since receiving the admission letter, the candidate must bring legal documentation showing the previous name and current name (for example, divorce decree, court order, marriage license, or notarized affidavit).

No candidate will be admitted without the required documents. This policy is applicable for both original candidates and those who take the examination again. No walk-in candidates will be admitted.

After establishing positive identification, the candidate will be escorted to a computer station to begin. Before beginning the test, the candidate will fill out a series of screens that will gather basic identification information. The system then compares this information to the registration record as a second quality assurance measure. Following the identifying information screens, a practice test is presented to train the candidate on how to use the computer mouse or keyboard to take the test. Additionally, the proctor is trained to assist candidates if they have any questions about how to use the system.

The online testing system is extremely user-friendly and can be completely operated with a few keys or a computer mouse. The testing software provides an online calculator for use during the Personal and Family Finance Educator exam. After the demonstration test, which is untimed, the candidate will be asked if he or she wishes to begin the test. If yes, the clock begins and the first question appears. The amount of elapsed time will continuously show on the computer screen.

Each test question is an independent item. The best answer should always be selected. The candidate will have the option to "tag" questions for review later. At any time, candidates can initiate the display of a list of the questions that have been tagged, review them, change the answers, etc.

The test ends when 3 hours have elapsed (after a 10 minute and 5 minute warning), or earlier if the candidate concludes the test. The software will provide warnings at 10 minutes and 5 minutes before the 3 hours elapse. The system will then ask the candidate to fill out a short questionnaire about the experience at the test center (the proctor's behavior, level of service, ease of use, etc.). After completion of the examination, the candidate will receive an immediate score report. If the candidate has passed the examination and is eligible for certification, AAFCS will contact the candidate via U.S. First Class Mail within 2-3 weeks following the examination.

Examination Rules

1. Dress is "business casual" (neat...but certainly comfortable).
2. Failure to follow test center instructions will result in the candidate's application being voided and forfeiture of the application fee. Conduct that results in a violation of security or disrupts the administration of the examination could result in dismissal from the examination. In addition, the examination will be considered void and will not be scored. Examples of misconduct include, but are not limited to,
 - Writing on any material other than official testing materials provided by the proctor for completion and return.

- Talking to a person other than a Exam Supervisor or a Proctor during the examination
 - Looking at another candidate's exam
 - Allowing someone to look at or copy from your exam
 - Extending work on the exam before or after the proctor's authorization to work
 - Removing, or attempting to remove, any secure material or information from the examination room.
3. Candidates must not discuss or possess reference materials or any other examination information at any time during the **entire** examination period. Candidates are clearly cautioned not to do so after having completed the exam and checked out of the test room, as other candidates in the area could be taking a break and might not have completed the examination. Candidates may not attend the examination only to review or audit test materials. Candidates may not copy any portion of the examination for any reason. No unauthorized persons will be admitted into the testing area. Please be further advised that all examination content is strictly confidential. **At no other time, before, during, or after the examination, may candidates communicate orally, electronically or in writing with any person or entity about the content of the examination or individual examination questions.**
 4. Candidates writing on anything other than official exam materials that will be returned will be in violation of the security policies above. Reference materials are not allowed in the testing room. Candidates are asked to bring as few personal and other items as possible to the testing area.
 5. While the site climate is controlled to the extent possible, candidates should be prepared for either warm or cool temperatures at the testing center to reduce the likelihood of becoming uncomfortable. Cellular phones and beepers are prohibited in the testing area. Electrical outlets will not be available for any reason. The use of headphones inside the testing area is prohibited. Earplugs for sound suppression are allowed. No smoking or use of tobacco will be allowed inside the testing area. Food and drinks are not allowed in the testing room. Candidates must vacate the testing area after completing the examination. Due to limited parking facilities at some sites, candidates should allow ample time to park and reach the testing area.
 6. Only calculators built into the testing software or, in the event of pencil/paper exam administration, provided by an exam proctor are allowed.

Examination Scoring

The examination consists of 150 multiple choice questions with four (4) choices for each question. Thirty of these questions are included for research purposes only. The research questions are not identified; therefore, all questions are to be answered to the best ability of the candidate. Examination results will be based only on the 120 scored questions on the examination. The order of items and answer choices vary from candidate to candidate. Expert content practitioners have provided input regarding the difficulty level of every question used in AAFCS examinations. That information is used to develop examination forms that have comparable difficulty levels. When there are differences in difficulty in different versions of an examination, a mathematical procedure is used to equalize the difficulty scores. Because the number of questions required to pass the examination may vary for different test versions, the

scores are converted to a reporting scale to ensure a common standard. The passing grade required is a scale score of 240 out of a possible 300 points on the scoring scale.

Should a candidate who fails the exam request that their examination be re-scored, the request and reason must be made in writing and submitted to the Certification Department at AAFCS with a \$25.00 rescoring fee. If the examination is rescored and an error is found in the scoring, the \$25.00 rescoring fee will be refunded and the corrected score will be reported. If the original score is found to be accurate, the \$25.00 rescoring fee will not be refunded.

Examination Results

Examination results will be provided immediately following the computer-based examination. Consistent with testing industry standard practices, passing candidates will be given pass-status and total scaled score information only, not breakout numeric scores. Failing candidates will be provided with an overall numeric scale score as well as a report indicating the percentage of items answered correctly for each standard/domain area. This serves as diagnostic information of strong and weak areas to guide preparation for retesting.

Should a candidate need a duplicate of the results provided at the computer-based testing center, a written request must be submitted to Credentialing Center staff at AAFCS. The request must include the candidate's current mailing address. Results will be mailed to the candidate. Results WILL NOT be released over the phone because positive identification cannot be established.

Passing candidates will receive a packet of information and application form for national certification from AAFCS approximately 2-3 weeks following the successful completion of the examination.

Retaking the Examination

If the candidate does not achieve a passing score on the examination, he or she may sit for the examination again. To take the examination again, the candidate must again complete the online registration application and examination fee, following the complete 4-step procedure previously outlined. During a month-long testing window, a candidate may take only one of the AAFCS examination titles and may take it only once.

The report issued to a candidate who has not passed the test provides (a) an overall scale score, and (b) a diagnostic breakdown of the candidate's strong and weak areas. This information is provided in order to enable the candidate to use this information to focus study efforts on weak areas in preparation for taking the examination again.

Special Accommodations and Language Policies

AAFCS provides special accommodations in accordance with the Americans with Disabilities Act of 1991 (ADA). If a disability prevents a candidate from taking the examination under normal conditions, he or she may request special accommodations. The request must be in writing, accompany the application form, explain the name of the disability (i.e. the diagnosis), the type of accommodation the candidate is requesting, and must included attached supporting documentation of the diagnosis from a qualified healthcare professional. After receiving the

request and appropriate documentation, the candidate will be contacted to make arrangements for special accommodation.

Please note that for reasons related to examination standardization, security, and cost, the AAFCS examinations are offered only in English at this time. If English is not the primary language, AAFCS recommends (but does not require) that candidates consider sitting for the TOEFL (Test of English as a Foreign Language) examination before sitting for the AAFCS examination. Candidate scores on the TOEFL® will provide a useful gauge for understanding if reading and comprehending English will provide difficulty for the candidate on the AAFCS examination. The TOEFL® examination is offered at multiple locations both domestically and internationally throughout the year at Sylvan Learning Centers®. More information is available on the Sylvan web site.

Suggested Preparation Techniques

In preparation for the assessments, test candidates should:

- Avoid situations that would trigger emotions such as worry, anger, depression, and lack of confidence right before the test day. These emotions interfere with memory and are sometimes called “memory thieves.”
- Follow the directions! If read too quickly, something important may be missed.
- Read each item very carefully and avoid jumping to conclusions based upon a quick skimming of the wording.
- Try to answer the item before looking at the four (4) response options.
- Avoid trying to spot the correct response immediately. “Back into” the correct response by first eliminating the incorrect choices.
- Answer each item. Look for clues in the item and even in the choices. If able to eliminate some options, the chances of selecting the correct answer are improved. Use the “flag” options to denote items to come back to within the item block.

Suggested Preparation Resources

This reference list is not intended to endorse any particular source or author. Use of a specific reference does not guarantee successful completion of the test. However, content specialists who participated in the development of the exam have identified resources that they feel would be resources to address the domains and competencies within the assessment.

Books

Chamberlain, V. M., & Cummings, M. N. (2003). *Creative Instructional Methods for Family and Consumer Sciences*. New York: Glencoe/McGraw-Hill.

Galbraith, M. W. (2004, 3rd edition) *Adult Learning Methods: A Guide for Effective Instruction*. Malabar, FL: Krieger Publishing.

Garman, E. T., & Fogue, R. (most recent edition). *Personal Finance*. South-Western College Publishing.

Garman, E. T., Xiao, J. J., & Brunson, B. H. (2003, 3rd edition). The Mathematics of Personal Financial Planning: Using Calculators and Computers. Thomson Learning.

Kapoor, J., Dlabay, L., & Hughes, R. J. (most recent edition). Personal Finance. McGraw-Hill/Irwin.

Xiao, J. J. (2010). Handbook of consumer finance research. New York: Springer Science + Business Media, LLC.

Web Sites

<http://www.federalreserveeducation.org/>

<http://www.jumpstart.org/national-standards.html>

<http://www.mymoney.gov/>

Professional and Trade Organizations

Association for Financial Counseling and Planning Education <http://www.afcpe.org/>

American Financial Services Association Education Foundation (AFSAEF)
<http://www.afsaef.org/>

Family Economics and Financial Education: Professional Development
<http://fefe.arizona.edu/pro-dev>

Institute for Financial Literacy <http://www.financiallit.org/about/aboutifl.aspx>

Jump\$tart Coalition <http://www.nhjumpstart.org/NationalEducatorConference.htm>

National Association of Economic Educators <http://www.naee.net/>

Professional Code of Ethics

Preamble

These principles are intended to aid those achieving professional certification from the American Association of Family and Consumer Sciences individually and collectively in maintaining a high level of ethical conduct. They are guidelines by which individuals may determine the propriety of conduct in relationships with students, clients, colleagues, members of allied professions, and with various publics.

An individual obtaining professional certification from the American Association of Family and Consumer Sciences shall:

- Maintain the highest responsible standard of professional performance, upholding confidentiality and acting with intelligence, commitment, and enthusiasm.
- Fulfill the obligation to continually upgrade and broaden personal professional competence.
- Share professional competence with colleagues and clients, to enlarge and continue development of the profession.
- Advance public awareness and understanding of the professional field of practice.
- Maintain a dedication of enhancing individual and family potential as a focus for professional efforts.

Statement of Principles of Professional Practice

The following Principles of Professional Practice provide those who have achieved professional certification from the American Association of Family and Consumer Sciences with guidelines and with descriptions of the actions required for ethical professional practice.

Professional Competence

AAFCS-certified professionals base their competence on educational degrees earned from regionally accredited institutions and from training, experience, and certification programs recognized by AAFCS.

AAFCS-certified professionals seek continuing education reflecting new expectations, procedures, and values.

AAFCS-certified professionals assure accurate presentation of their work by organizations with whom they are affiliated.

AAFCS-certified professionals identify themselves as with the name and designation of the specific AAFCS certification achieved in a manner consistent with the procedures and guidelines of the AAFCS Council for Certification. Certified professionals may use the designation acronym in this identification for the duration of time in which their certification is maintained in good standing.

AAFCS-certified professionals claim competence only in an area or areas for which they have education, training, and experience.

AAFCS-certified professionals accurately present competencies of students, supervisors, colleagues, and others with whom they work.

AAFCS-certified professionals practice within the law and within the recognized boundaries of their education, training, and experience.

AAFCS-certified professionals verify the credentials of their employees and supervisors.
AAFCS-certified professionals refrain from professional practice when impairment due to mental or physical causes, including chemical and alcohol abuse, affects professional competence. Individuals seek appropriate professional help for such impairments.
AAFCS-certified professionals respect the rights and responsibilities of peers.

Respect for Diversity

AAFCS-certified professionals respect differences in the abilities and needs of the people with whom they work.

AAFCS-certified professionals recognize that differences exist among individuals and families and do not discriminate against or patronize others.

AAFCS-certified professionals obtain education, training, and experience to provide competent services to persons of diverse backgrounds or persuasions.

AAFCS-certified professionals conduct research relating to the uniqueness of individuals and families.

AAFCS-certified professionals utilize and present subject matter in such a way as to recognize and develop appreciation of diversity.

Scholarship and Research

AAFCS-certified professionals conduct, utilize, and report research using recognized research procedures and facilitate professional standards for the respective research endeavors.

AAFCS-certified professionals secure review and approval of research designs by knowledgeable professionals consistent with standards used by institutional review boards.

AAFCS-certified professionals, as part of research efforts, secure review of research designs by knowledgeable professionals not directly involved in the investigation.

AAFCS-certified professionals secure the informed consent of research participants based on disclosure of the research design and potentially harmful effects of participation. Investigators are especially sensitive to consent among at-risk and protected populations.

AAFCS-certified professionals honor individuals' choice to decline participation or withdraw at any time from research studies.

AAFCS-certified professionals acknowledge through publication credit and other avenues the efforts and contributions of others to research activities.

AAFCS-certified professionals are obliged to take steps to ensure that their research findings are accurately and clearly understood by consumers.

Confidentiality

AAFCS-certified professionals maintain and guard the confidentiality of persons with whom they have professional relationships.

Conflict of Interest

AAFCS-certified professionals avoid conflicting roles and take active steps to prevent and avoid exploitation of the individuals with whom they work.

AAFCS-certified professionals assume responsibility for fair treatment of consumers, other professionals, and individuals and/or families.

AAFCS-certified professionals make financial arrangements with clients, third-party payers, and supervisors that conform to commonly accepted professional practices and that are easily understood by all populations served.

AAFCS-certified professionals report truthfully all professional services rendered.

Acknowledgements

AAFCS has engaged the assistance of a broad range of esteemed personal and family finance professionals, leaders, practitioners, and educators from across the nation to assist in identifying relevant industry standards and to develop the assessment instrument. Recognizing the value of a solid assessment tool in assuring effective preparation of individuals with appropriate knowledge and skills related to personal and family finance education, the following stakeholders participated on the development panel for the assessment and certification:

- Pamela Barkovich, Henrico Public Schools, Richmond, VA
- Todd Christensen, National Financial Education Center at Debt Reduction Services, Boise, ID
- Kathryn Medved Cox, Enloe Magnet High School GT/IB Center for Humanities, Sciences, and the Arts, Raleigh, NC
- Jinhee Kim, University of Maryland, College Park, MD
- Janiece Lee, Rockdale ISD, Rockville, TX
- Barbara O'Neill, Rutgers University, New Brunswick, NJ
- Susan Sharkey, National Endowment for Financial Education, Denver, CO
- Emily Stevenson, Educational Specialist, WA
- Mary Suiter, Federal Reserve Bank of St. Louis, St. Louis, MO
- Nichole Chinadle Wanago, Take Charge America Institute & Family Economics & Financial Education, Tucson, AZ
- Wendy Way, University of Wisconsin, Madison, WI
- Melissa Welsh, Northern Cambria School District, Northern Cambria, PA
- Shannon Wendt, Junior Achievement Worldwide, Colorado Springs, CO