

# Financial Competency Framework - An Introduction

## **What is the financial competency framework?**

The financial competency framework is a development tool. This means that any educator, organisation or institution that is interested in developing a personal finance education resource can use the framework to assist them. The framework provides the building blocks for any education resource related to personal finance. The building blocks come in the form of learning outcomes. The list of learning outcomes provided is comprehensive, credible and adaptable; they can be used in courses, lectures, workbooks, seminars and in any range of education resource materials.

## **Why develop the financial competency framework?**

Today, consumers in Ireland are expected to make more difficult personal finance decisions and on a more regular basis than ever before. Because of this, it is essential that they have the necessary skills, knowledge and habits to make the right decisions. Currently, personal finance education in Ireland is in its infancy. There is no single comprehensive course that can educate Irish consumers to help them become 'financially capable.' This is true in primary, secondary, further and informal education.

Most policy makers, consumers and educators would agree that a certain level of personal finance education is necessary in life. There are educators and education resource developers across Ireland who are interested in developing personal finance education resources. To facilitate this, the National Steering Group on Financial Education has developed the financial competency framework. This framework can form the basis of any educational resource that relates to personal finances, whether it is formal or informal.

## **What are learning outcomes and why are they important?**

Learning outcomes provide educators with a clear goal in teaching. With a learning outcome, an educator will know what learners should be able to do at the end of a learning experience. The financial competency framework provides more than 400 learning outcomes that will help learners to do more, thus improving their financial capability. Because there are many different areas that learners might want to become 'financially capable' in, the framework is divided into different areas.

## **How is the financial competency framework structured?**

To understand how to read the framework and use the learning outcomes, an education resource developer should become familiar with the framework elements and the framework levels.

## What are the framework elements?

The framework is divided up into four distinct elements:

- i. Areas of learning;
- ii. General purpose statements;
- iii. Components; and
- iv. Learning outcomes.

### **i. Areas of learning**

The broadest elements of the framework are the 'areas of learning'. There are only four of these. They are deliberately broad based so that they can encompass a wide range issues and topics that relate to personal finances.

The 'areas of learning' are as follows:

- Area 1: Foundation knowledge, skills and concepts;
- Area 2: Understanding and evaluating information and advice;
- Area 3: Coping with problems and the unexpected; and
- Area 4: Social and personal issues about finance.

These areas are a useful way of grouping together a large number of personal finance topics and contextualising them. They make the framework more flexible, so that when new topics relating to personal finance evolve, they can also logically fit into one or all of the areas. We do not envisage that further areas will ever be required.

### **ii. General purpose statements**

The 'general purpose statements' are important because they begin to focus the areas of learning. They give expression to what the areas are about and can help to form an outline of the personal finance education resource a developer can create. Each area has a different number of general purpose statements. This does not in any way indicate that one area is more important than another. The number of general purpose statements can be added to over time, though we expect that further developments are more likely amongst the components.

### **iii. Components**

The 'components' of each general purpose statement are the last expression of each personal finance topic before they are developed as learning outcomes at the four levels. They are gathered under the relevant general purpose statement and provide a detailed description of what a learner needs to know about each topic. As personal finances develop over time, the number of components may increase or decrease or they may be amended.

#### **iv. Learning outcomes**

'Learning outcomes' are the key to any learning experience. The learning outcomes are the fundamental objectives that an educational initiative must achieve, regardless of design, teaching methods or setting.

#### **What are the framework levels?**

The first section of the framework is called the 'Overview'. The overview allows a developer to take a quick glance at all of the elements at once, except for the learning outcomes. This means that a developer can see at a glance all of the areas and how they each break down first into general purpose statements, and then components.

The next four sections of the framework display the learning outcomes and place them in the relevant area, general purpose statement and component. The learning outcomes have been drafted to relate to the first four levels of the National Framework for Qualifications (NFQ).

Each of the four levels are addressed in a separate section. From level 1 to level 4, the learning outcomes become increasingly sophisticated; each level develops the topic further. By completing levels 1 to 4, a learner, having completed each of the learning outcomes relevant to a particular topic, should be 'financially competent' in that topic. Some topics are considered more complex and so start at a higher level. Less complex topics begin to be addressed at lower levels.

Depending on the specific audience and learner needs, a developer may wish to start at a higher level than that where the topic at hand first appears.

#### **How does this help a resource developer?**

Below is a working example of how a resource developer can use the content of the framework to develop a personal finance education resource.

A member of a local community group may wish to devise a series of workshops for adult learners that relate to how to borrow money. This developer could consult the framework with a view to using learning outcomes appropriate for his/her target audience and could follow the steps below:

- i. consider the NFQ level appropriate for the workshop participants;
- ii. identify the components of the framework related to the knowledge and skills required to secure a loan;
- iii. review the learning outcomes aligned with the related components up to appropriate NFQ level; and
- iv. draft workshop activities and resource materials that meet the learning outcomes.

In this example, the developer could decide that this series of workshops would meet learning outcomes up to level 4 of the framework. The developer might identify the following components as relevant to the topic of how to borrow money:

- 1.1.12. Understand loans;
- 1.3.1. Distinguish between short term and long term needs;
- 1.3.2. Plan for large expenditures;
- 1.3.11. Use credit prudently to achieve goals;
- 1.4.2. Assess spending capacity critically in terms of income, assets and debt;
- 1.4.3. Manage an appropriate level of debt;
- 1.6.2. Understand interest;
- 1.6.4. Plan to absorb rising interest rates when making repayments on personal loans or credit;
- 2.1.1. Access information provided by financial service providers and other sources (including tax advisors);
- 2.2.1. Compare the costs, risks and benefits of financial products;
- 2.2.3. Compare how different credit products can affect the ownership of assets;
- 2.3.2. Align information and advice gathered from financial service providers and other sources (including tax advisors) with financial needs and goals;
- 3.1.2 Explain that rights are supported by legislation but the flexibility of agreements are limited by terms and conditions;
- 4.1.1. Prioritise needs over wants;
- 4.4.1. Negotiate with financial institutions with confidence; and
- 4.4.2. Advocate on their own behalf.

The developer would then review the learning outcomes aligned with these components up to level 4 of the framework and draft teaching material for the workshops.

A developer may feel that there are too many components related to a particular topic within the framework. It is up to the developer to tailor their new resource to his/her specific audience and make use of those learning outcomes that are most useful to the relevant audience and that fit with the time available to engage with the learners.

## How do I use the framework?

When you look at the framework overview, you will see that it is divided into the four areas by red bars; the first reads 'Area 1: Foundation knowledge, skills and concepts.' Area 1 is divided into boxes, 1.1, 1.2, 1.3 and so on.

If you review the first box, 1.1, this box is split up into 'general purpose statements,' 'components,' and a column showing levels. The levels are colour coded and are indicated by a dot.

If you look at component 1.1.1, 'Store their money', you will see that a bright green dot (level 1) appears beside it four times. This means that the component will appear at all four levels of the framework.

By contrast, if you look at 1.1.1., 'Move money', the learning outcomes only begin at level 3. The first dot appears under the blue '3' and continues to level 4.

In another example, 1.1.9, 'Exchange currencies,' the learning outcomes are listed at level 2, and do not appear at any other level, so there are no further dots appear.

The reason all the dots in 1.1.1. are bright green is to indicate that the series of learning outcomes that relate to 'Store their money' begins at level 1. Dark green dots mean the series of learning outcomes began at level 2, blue dots, level 3, and maroon dots, level 4.

Every 'general purpose statement' box in the overview is exactly the same as box 1.1. The overview is designed to give a snapshot of the whole framework, without providing the specific learning outcomes. The learning outcomes are provided in the 'levels' which are divided by tabs in the framework.

If you turn to level 1 of the framework, you will see again that the framework is divided into the areas by red bars. In 'Area 1: Foundation knowledge, skills and concepts,' you will see that the general purpose statements and components are listed again, but instead of noting the levels in the third column, we have listed the learning outcomes. Each learning outcome is bullet pointed for clarity.

The component numbers (e.g. 1.1.1, or 1.1.2.) of this box are marked by a bright green dot to indicate that this series of learning outcomes begins at level 1 and this colour is then brought through to the other levels.

At level 1, the only areas, general purpose statements and components that are listed are those that are appropriate for an audience at level 1.

If you turn to level 2 of the framework, you will see an identical structure to level 1. The only difference is the colour coding. If you look at 1.1.1, 'Store money', you will see that the component number is marked by a bright green dot to show that this series of learning outcomes began at level 1. If you go to 1.1.9, 'Exchange currencies,' the number is marked by a dark green dot to indicate that this series of learning outcomes began at level 2.

There is a reminder at the bottom of every page of the framework to indicate the colour coding for each level. Similarly, there is a reminder at the top of every general purpose statement box that distinguishes the general purpose statement, the components and the learning outcomes.

# FRAMEWORK OVERVIEW

## Area 1 | Foundation knowledge, skills and concepts

Learners will be able to:	By the end of this training, the learner will be able to:	LEVELS			
		1	2	3	4
GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>1.1 Display knowledge of basic financial products</b>	1.1.1 Store their money	●	●	●	●
	1.1.2 Accumulate money for short term needs	●	●	●	●
	1.1.3 Move money			●	●
	1.1.4 Protect their home			●	●
	1.1.5 Protect their car			●	
	1.1.6 Protect their income			●	●
	1.1.7 Provide for a home				●
	1.1.8 Know when to link products			●	●
	1.1.9 Exchange currencies		●		
	1.1.10 Make payments	●	●		
	1.1.11 Understand insurance		●	●	
	1.1.12 Understand loans		●	●	●

Learners will be able to:	By the end of this training, the learner will be able to:	LEVELS			
		1	2	3	4
GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>1.2 Identify basic tax and social welfare issues and entitlements</b>	1.2.1 Understand what tax is		●	●	
	1.2.2 Explain income tax			●	●
	1.2.3 Explain PRSI/Health Levy			●	
	1.2.4 Explain Stamp Duty ( <i>property/cards/shares</i> )			●	
	1.2.5 Explain Deposit Interest Retention Tax			●	●
	1.2.6 Explain Capital Gains Tax				●
	1.2.7 Explain Capital Acquisitions Tax ( <i>Gift &amp; Inheritance Tax</i> )				●
	1.2.8 Explain Exit Tax				●
	1.2.9 Identify and claim tax credits and reliefs			●	
	1.2.10 Identify and claim tax refunds			●	
	1.2.11 Identify and claim social welfare entitlements			●	
	1.2.12 Understand a payslip			●	
	1.2.13 Know about the taxation authorities		●	●	
	1.2.14 Know the basic tax forms			●	
	1.2.15 Know the tax benefits of investing in a pension			●	
	1.2.16 Understand what a PPS number is		●	●	
	1.2.17 Understand what VAT is			●	●
	1.2.18 Understand what VRT is			●	●

## Area 1 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

LEVELS

1 2 3 4

GENERAL PURPOSE STATEMENT	COMPONENTS	1	2	3	4
<b>1.3 Distinguish financial needs of the present and future</b>	1.3.1 Distinguish between short term and long term needs		●	●	●
	1.3.2 Plan for large expenditures			●	●
	1.3.3 Predict future income needs			●	●
	1.3.4 Understand disposable income		●	●	●
	1.3.5 Protect their health			●	●
	1.3.6 Insure their life			●	●
	1.3.7 Plan their estate			●	●
	1.3.8 Accumulate money for long term needs			●	●
	1.3.9 Plan for their retirement needs		●	●	●
	1.3.10 Plan to build financial independence for you and your dependants			●	●
	1.3.11 Use credit prudently to achieve goals		●	●	●
<b>1.4 Budget for their daily spending</b>	1.4.1 Plan and monitor spending needs		●	●	●
	1.4.2 Assess spending capacity critically in terms of income, assets and debt			●	●
	1.4.3 Manage an appropriate level of debt			●	●
<b>1.5 Understand the financial impacts of employment and unemployment</b>	1.5.1 Understand death in service benefits				●
	1.5.2 Understand long term illness provisions				●
<b>1.6 Compare and contrast elements of risk and return</b>	1.6.1 Understand inflation		●	●	●
	1.6.2 Understand interest		●	●	
	1.6.3 Appreciate the element of risk involved in savings and investment products			●	●
	1.6.4 Plan to absorb rising interest rates when making repayments on personal loans or credit				●
<b>1.7 Grasp basic economic principles</b>	1.7.1 Understand the effect of inflation on spending power			●	●
	1.7.2 Know what the supply of money is and the role it plays in their lives	●	●		
	1.7.3 Understand Europe's role in setting interest rates		●	●	●
	1.7.4 Understand the opportunity cost of spending			●	

## Area 2 | Understanding and evaluating information and advice

Learners will be able to:

By the end of this training, the learner will be able to:

LEVELS

1 2 3 4

GENERAL PURPOSE STATEMENT	COMPONENTS	1	2	3	4
<b>2.1 Research financial options</b>	2.1.1 Access information provided by financial service providers and other sources			●	
	2.1.2 Contact financial advisors for advice on their particular needs			●	
	2.1.3 Know the different kinds of financial institutions that exist in Ireland	●	●		

GENERAL PURPOSE STATEMENT	COMPONENTS	1	2	3	4
<b>2.2 Understand information and advice they receive</b>	2.2.1 Compare the costs, risks and benefits of financial products			●	
	2.2.2 Interpret the terms and conditions of financial products				●
	2.2.3 Compare how different credit products can affect the ownership of assets				●

GENERAL PURPOSE STATEMENT	COMPONENTS	1	2	3	4
<b>2.3 Make decisions based on financial information and advice</b>	2.3.1 Assess information and advice gathered from financial service providers and other sources (including tax advisors)			●	●
	2.3.2 Align information and advice gathered from financial service providers and other sources (including tax advisors) with financial needs and goals			●	
	2.3.3 Critically evaluate product information			●	
	2.3.4 Act on information and written advice received from financial advisors and other sources (including tax advisors) in a timely fashion			●	●

## Area 3 | Coping with problems and the unexpected

Learners will be able to:

By the end of this training, the learner will be able to:

LEVELS

1 2 3 4

GENERAL PURPOSE STATEMENT	COMPONENTS	1	2	3	4
<b>3.1 Demonstrate knowledge of consumer rights and the available mechanisms to exercise them</b>	3.1.1 Identify the functions of financial regulatory and ombudsman schemes in Ireland		●	●	
	3.1.2 Explain that rights are supported by legislation but the flexibility of agreements are limited by terms and conditions		●	●	

## Area 3 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

LEVELS

1 2 3 4

### GENERAL PURPOSE STATEMENT

### COMPONENTS

#### 3.2 Make effective complaints

3.2.1	Demonstrate how to contact the consumer query units of financial institutions			●	
3.2.2	Demonstrate how to process a complaint through the FSO			●	

### GENERAL PURPOSE STATEMENT

### COMPONENTS

#### 3.3 Plan for changes in their personal financial circumstances

3.3.1	Explore some triggers that cause financial problems			●	●
3.3.2	Plan to protect an increase in wealth/assets				●
3.3.3	Explain the financial consequences of splitting estates or assets due to a separation or divorce				●
3.3.4	Anticipate or plan to provide for growing expenditure				●
3.3.5	Avoid fraud	●	●	●	

### GENERAL PURPOSE STATEMENT

### COMPONENTS

#### 3.4 Find support and advice when experiencing financial problems

3.4.1	Know where to go if something goes wrong			●	
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## Area 4 | Social and personal issues about finance

Learners will be able to:

By the end of this training, the learner will be able to:

LEVELS

1 2 3 4

### GENERAL PURPOSE STATEMENT

### COMPONENTS

#### 4.1 Analyse their own needs and wants

4.1.1	Prioritise needs over wants	●	●	●	●
4.1.2	Monitor spending habits		●	●	
4.1.3	Analyse spending habits and their motivations		●	●	●
4.1.4	Explain that prioritising wants over needs and overspending may lead to hardship	●	●	●	●

### GENERAL PURPOSE STATEMENT

### COMPONENTS

#### 4.2 Discuss cultural and personal values surrounding money

4.2.1	Discuss the importance and role of money in ones life	●	●	●	
4.2.2	Distinguish a variety of spending habits and discuss how all habits do not suit everyone	●	●	●	
4.2.3	Discuss how certain events in the normal life of any culture can imply a large cost that, if necessary, must be planned for			●	●
4.2.4	Discuss how their own values relating to money and spending may or may not be conducive to leading a financially healthy life	●	●	●	●

## Area 4 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

LEVELS

1 2 3 4

GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>4.3 Balance their own financial experience and habits with those of their dependants, partners, family and friends</b>	4.3.1 Discuss how in a relationship, spending habits and financial goals may differ between partners			●	●
	4.3.2 Explain that conflict can arise between friends and family over financial issues			●	●
	4.3.3 Appreciate the consequences of joining assets or liabilities with another party			●	●

GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>4.4 Negotiate confidently and advocate on own behalf</b>	4.4.1 Negotiate with financial institutions with confidence		●	●	
	4.4.2 Advocate on their own behalf		●	●	
	4.4.3 Appreciate the power of consumers in terms of dealing with financial institutions		●	●	

# FRAMEWORK LEVEL **1**

## Area 1 | Foundation knowledge, skills and concepts

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.1 Display knowledge of basic financial products</b>	● 1.1.1 Store their money	<ul style="list-style-type: none"> <li>Understand that people can store their money in different ways.</li> <li>Understand that adults use 'accounts' to store their money.</li> <li>Understand that money needs to be kept safely.</li> <li>Understand that money can be lost.</li> </ul>
	● 1.1.2 Accumulate money for short term needs	<ul style="list-style-type: none"> <li>Understand what saving is.</li> </ul>
	● 1.1.10 Make payments	<ul style="list-style-type: none"> <li>Explain that there are different ways of making payment than cash, e.g. debit cards.</li> </ul>
<b>1.7 Grasp basic economic principles</b>	● 1.7.2 Know what the supply of money is and the role it plays in their lives	<ul style="list-style-type: none"> <li>Recognise notes and coins.</li> <li>Understand that money has value.</li> <li>Be able to add together notes and coins.</li> <li>Understand that the euro is used in Ireland.</li> <li>Understand that the euro is used in many European countries.</li> <li>Understand that money is minted in Ireland and in many other European countries that use the euro.</li> <li>Be aware of some currencies other than euro, e.g. dollar, sterling.</li> </ul>

## Area 2 | Understanding and evaluating information and advice

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>2.1 Research financial options</b>	● 2.1.3 Know the different kinds of financial institutions that exist in Ireland	<ul style="list-style-type: none"> <li>Know the different kinds of financial institutions that exist in Ireland, including: banks, building societies, credit unions, post offices, insurance companies, brokers, stockbrokers, moneylenders, investment firms.</li> </ul>

## Area 4 | Social and personal issues about finance

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>4.1 Analyse their own financial needs and wants</b>	● 4.1.1 Prioritise needs over wants	<ul style="list-style-type: none"> <li>Explore the difference between a need and a want.</li> </ul>
	● 4.1.2 Explain that prioritising wants over needs and overspending may lead to hardship	<ul style="list-style-type: none"> <li>Understand that if you spend more money than you need to, you may not be able to afford things you need later.</li> </ul>

**Area 4** | *Contd.*

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>4.2 Discuss cultural and personal values surrounding money</b>	● 4.2.1 Discuss the importance and role of money in ones life	<ul style="list-style-type: none"><li>• Explore where does the learner get money from.</li><li>• Explore what money is for. Explore why money is important.</li><li>• Talk about what events might trigger income.</li></ul>
	● 4.2.2 Distinguish a variety of spending habits and discuss how all habits do not suit everyone	<ul style="list-style-type: none"><li>• Explore what he/she does with the money they get.</li><li>• How quickly does he/she spend his/her money.</li><li>• Does he/she save? Does he/she owe anyone money?</li></ul>
	● 4.2.3 Discuss how their own values relating to money and spending may or may not be conducive to leading a financially healthy life	<ul style="list-style-type: none"><li>• If he/she spends money he/she doesn't have, what will happen?</li></ul>

# FRAMEWORK LEVEL **2**

## Area 1 | Foundation knowledge, skills and concepts

Learners will be able to:

By the end of this training, the learner will be able to:

At level 2 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.1 Display knowledge of basic financial products</b>	● 1.1.1 Store their money	<ul style="list-style-type: none"> <li>Understand that some financial institutions offer 'accounts' to store money in.</li> <li>Understand what an account is.</li> <li>Understand that 'accounts' are a service that might have to be paid for.</li> <li>Understand that there are different kinds of accounts.</li> <li>Understand that you need to open an account.</li> </ul>
	● 1.1.2 Accumulate money for short term needs	<ul style="list-style-type: none"> <li>Explore why people save money.</li> <li>Understand how people can save money.</li> <li>Explore what is meant by 'short-term needs'.</li> <li>Explore how long it can take to save for something.</li> </ul>
	● 1.1.9 Exchange currencies	<ul style="list-style-type: none"> <li>Explore reasons for changing money.</li> <li>Understand that you don't need to change money when going to a eurozone country.</li> <li>Know where you can change money.</li> <li>Understand that changing money costs money.</li> <li>Know the different ways you can exchange money.</li> </ul>
	● 1.1.10 Make payments	<ul style="list-style-type: none"> <li>Understand different forms of money and that using different forms of money will lead to the need to pay bills later.</li> </ul>
	● 1.1.11 Understand insurance	<ul style="list-style-type: none"> <li>Know what insurance is.</li> <li>Know why you use insurance (e.g. risk, protection against losses etc).</li> <li>Know that there are different kinds of insurance.</li> </ul>
	● 1.1.12 Understand loans	<ul style="list-style-type: none"> <li>Know what a loan is.</li> <li>Understand that loans cost money.</li> </ul>
<b>1.2 Identify basic tax and social welfare issues and entitlements</b>	● 1.2.1 Understand what tax is	<ul style="list-style-type: none"> <li>Know in general terms what tax is.</li> <li>Know that there are different kinds of tax.</li> <li>Understand the benefits of paying tax.</li> </ul>
	● 1.2.13 Know about the taxation authorities	<ul style="list-style-type: none"> <li>Know that there is an Office of the Revenue Commissioners.</li> <li>Know that there is a Collector General.</li> <li>Know what the Revenue Commissioners and Collector General do.</li> </ul>
	● 1.2.16 Understand what a PPS number is	<ul style="list-style-type: none"> <li>Know that everyone gets a PPS number at birth.</li> <li>Understand that a PPS number is a valuable and personal piece of information.</li> <li>Understand that a PPS number will help you to interact with the state.</li> </ul>

## Area 1 | Contd.

Learners will be able to:	By the end of this training, the learner will be able to:	At level 2 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.3 Distinguish financial needs of the present and future</b>	● 1.3.1 Distinguish between short term and long term needs	<ul style="list-style-type: none"> <li>Understand that some needs are further in the future than other needs.</li> <li>Explore their own needs in terms of short term and long term.</li> </ul>
	● 1.3.4 Understand disposable income	<ul style="list-style-type: none"> <li>Understand what disposable income is.</li> </ul>
	● 1.3.9 Plan for their retirement needs	<ul style="list-style-type: none"> <li>Know what a pension is. Know what retirement is.</li> </ul>
	● 1.3.11 Use credit prudently to achieve goals	<ul style="list-style-type: none"> <li>Understand what credit is. Understand what a loan is.</li> </ul>
<b>1.4 Budget for their daily spending</b>	● 1.4.1 Plan and monitor spending needs	<ul style="list-style-type: none"> <li>Discuss what learners would spend money on.</li> <li>How would they make a certain amount of money last over time?</li> </ul>
<b>1.6 Compare and contrast elements of risk and return</b>	● 1.6.1 Understand inflation	<ul style="list-style-type: none"> <li>Understand what inflation is.</li> </ul>
	● 1.6.2 Understand interest	<ul style="list-style-type: none"> <li>Understand what interest is.</li> <li>Understand that financial institutions can add interest to savings.</li> </ul>
<b>1.7 Grasp basic economic principles</b>	● 1.7.2 Know what the supply of money is and the role it plays in their lives	<ul style="list-style-type: none"> <li>Understand that there is only so much coinage and notes in circulation at any time.</li> <li>Understand that to introduce too much money into the country would devalue money.</li> </ul>
	● 1.7.3 Understand Europe's role in setting interest rates	<ul style="list-style-type: none"> <li>Understand that there is a European Central Bank.</li> </ul>

## Area 2 | Understanding and evaluating information and advice

Learners will be able to:	By the end of this training, the learner will be able to:	At level 2 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>2.1 Research financial options</b>	● 2.1.3 Know the different kinds of financial institutions that exist in Ireland	<ul style="list-style-type: none"> <li>Know what financial institutions do, including banks, building societies, credit unions, post offices, insurance companies, brokers, stockbrokers, moneylenders, investment firms.</li> </ul>

### Area 3 | Coping with problems and the unexpected

Learners will be able to:

By the end of this training, the learner will be able to:

At level 2 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>3.1 Demonstrate knowledge of consumer rights and the available mechanisms to exercise them</b>	● 3.1.1 Identify the functions of financial regulatory and ombudsman schemes in Ireland	<ul style="list-style-type: none"> <li>Understand that there is a Financial Regulator, Pensions Board, Financial Services Ombudsman, Pensions Ombudsman.</li> </ul>
	● 3.1.2 Explain that rights are supported by legislation but the flexibility of agreements are limited by terms and conditions	<ul style="list-style-type: none"> <li>Understand that there is consumer legislation.</li> <li>Understand what a contract is. Understand what terms and conditions are.</li> </ul>
<b>3.3 Plan for changes in the their personal financial circumstances</b>	● 3.3.5 Avoid fraud	<ul style="list-style-type: none"> <li>Understand that some things are 'too good to be true'.</li> <li>Know that money can be stolen.</li> </ul>

### Area 4 | Social and personal issues about finance

Learners will be able to:

By the end of this training, the learner will be able to:

At level 2 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>4.1 Analyse their own financial needs and wants</b>	● 4.1.1 Prioritise needs over wants	<ul style="list-style-type: none"> <li>Identify the daily needs and wants in their lives and see how they have prioritised them so far.</li> </ul>
	● 4.1.2 Monitor spending habits	<ul style="list-style-type: none"> <li>Look objectively at how they spend their money on needs and wants.</li> </ul>
	● 4.1.3 Analyse spending habits and their motivations	<ul style="list-style-type: none"> <li>Look objectively at what makes them spend money.</li> </ul>
	● 4.1.4 Explain that prioritising wants over needs and overspending may lead to hardship	<ul style="list-style-type: none"> <li>Discuss the consequences of spending more money on wants than on needs.</li> </ul>
<b>4.2 Discuss cultural and personal values surrounding money</b>	● 4.2.1 Discuss the importance and role of money in ones life	<ul style="list-style-type: none"> <li>Discuss what people in general spend different amounts of money on.</li> <li>Discuss what having money means in terms of quality of life.</li> </ul>
	● 4.2.2 Distinguish a variety of spending habits and discuss how all habits do not suit everyone	<ul style="list-style-type: none"> <li>Discuss the advantages and disadvantages of conservative spending and extravagant spending.</li> </ul>
	● 4.2.4 Discuss how their own values relating to money and spending may or may not be conducive to leading a financially healthy life	<ul style="list-style-type: none"> <li>Explore the value of money in the individual's own context.</li> <li>Understand the value of budgeting in the individual's own context.</li> </ul>

## Area 4 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

At level 2 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>4.4 Negotiate confidently and advocate on own behalf</b>	● 4.4.1 Negotiate with financial institutions with confidence	<ul style="list-style-type: none"> <li>• Know your goals and how to reach them.</li> <li>• Understand what institutions can offer you.</li> <li>• Know how to shop around and compare like with like.</li> </ul>
	● 4.4.2 Advocate on their own behalf	<ul style="list-style-type: none"> <li>• Have the confidence to ask questions about products and prices.</li> <li>• Have the confidence to complain.</li> <li>• Know what is good value in your own circumstances.</li> <li>• Know how to get good value from your financial service provider.</li> </ul>
	● 4.4.3 Appreciate the power of consumers in terms of dealing with financial institutions	<ul style="list-style-type: none"> <li>• Know that as a consumer you can challenge an institution's decision or point of view.</li> </ul>

# FRAMEWORK LEVEL **3**

## Area 1 | Foundation knowledge, skills and concepts

Learners will be able to:

By the end of this training, the learner will be able to:

At level 3 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.1 Display knowledge of basic financial products</b>	● 1.1.1 Store their money	<ul style="list-style-type: none"> <li>Know what the features of a current account are.</li> <li>Know that current accounts cost money.</li> <li>Know what reasons there are for opening an account.</li> </ul>
	● 1.1.2 Accumulate money for short term needs	<ul style="list-style-type: none"> <li>Know what the features of a deposit account are.</li> <li>Know that deposit accounts can earn money.</li> <li>Understand what the return on money is.</li> </ul>
	● 1.1.3 Move money	<ul style="list-style-type: none"> <li>Understand the different methods of transferring funds including: electronic transfer; cheques; money transmission; use of ATM; bank drafts; money orders, postal orders etc.</li> </ul>
	● 1.1.4 Protect their home	<ul style="list-style-type: none"> <li>Know the benefits of home insurance.</li> <li>Understand the risks of not insuring their home.</li> </ul>
	● 1.1.5 Protect their car	<ul style="list-style-type: none"> <li>Know the benefit of motor insurance.</li> <li>Understand that motor insurance is a legal requirement.</li> <li>Know the different kinds of motor insurance.</li> <li>Understand the changing premiums involved in paying for motor insurance.</li> <li>Know how to make a claim on motor insurance.</li> <li>Understand the consequences of not insuring a car.</li> <li>Understand that not taxing your car invalidates your insurance.</li> </ul>
	● 1.1.6 Protect their income	<ul style="list-style-type: none"> <li>Know what income protection is.</li> </ul>
	● 1.1.8 Know when to link products	<ul style="list-style-type: none"> <li>Know what dependant products are (what linking products means) e.g buying a house - mortgage - life insurance - house insurance - PPI - MPI.</li> </ul>
	● 1.1.11 Understand insurance	<ul style="list-style-type: none"> <li>Know the costs, risks and benefits of insurance.</li> <li>Know the common features of insurance, eg excess, index linked premia.</li> <li>Know how to compare quotes.</li> <li>Know how to make a claim in general.</li> </ul>
	● 1.1.12 Understand loans	<ul style="list-style-type: none"> <li>Know the costs, risks and benefits of loans.</li> <li>Know the different types of loans.</li> <li>Know how to get a loan.</li> <li>Understand what hire purchase is.</li> <li>Understand the difference between hire purchase and a loan.</li> <li>Understand what your personal credit rating is.</li> </ul>

## Area 1 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

At level 3 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.2 Identify basic tax and social welfare issues and entitlements</b>	● 1.2.1 Understand what tax is	<ul style="list-style-type: none"> <li>• Know how to pay taxes.</li> <li>• Understand the consequences of not paying taxes.</li> <li>• Understand the difference between tax avoidance and tax evasion.</li> </ul>
	● 1.2.2 Explain income tax	<ul style="list-style-type: none"> <li>• Know how to find out what rate and what kind of tax each individual pays.</li> <li>• Understand how to pay income tax when self-employed.</li> <li>• Understand how PAYE is deducted from income.</li> <li>• Understand the benefit of paying income tax.</li> <li>• Know that there are different tax treatments available to employees upon marriage and dissolution of marriage.</li> </ul>
	● 1.2.3 Explain PRSI/Health Levy	<ul style="list-style-type: none"> <li>• Understand how and why PRSI and the Health Levy are deducted from income.</li> <li>• Know how to find out what rate of tax each individual pays.</li> <li>• Understand the benefit of paying PRSI and the Health Levy.</li> </ul>
	● 1.2.4 Explain Stamp Duty (property/cards/shares)	<ul style="list-style-type: none"> <li>• Understand that Stamp Duty exists in several different forms.</li> </ul>
	● 1.2.5 Explain Deposit Interest Retention Tax	<ul style="list-style-type: none"> <li>• Understand what DIRT is.</li> <li>• Understand what products DIRT applies to.</li> <li>• Understand that there are some products that are not subject to DIRT (eg. An Post savings schemes).</li> </ul>
	● 1.2.9 Identify and claim tax credits and reliefs	<ul style="list-style-type: none"> <li>• Understand what tax credits and reliefs are.</li> <li>• Know how to find out what tax credits and reliefs each individual has and how to claim them.</li> <li>• Know what your Tax Credit Certificate is, how to get one and how to read it.</li> </ul>
	● 1.2.10 Identify and claim tax refunds	<ul style="list-style-type: none"> <li>• Know that you can claim refunds.</li> <li>• Know which forms to use to claim refunds.</li> <li>• Understand the distinction between direct and indirect taxes and how tax refunds relate to them.</li> </ul>
	● 1.2.11 Identify and claim social welfare entitlements	<ul style="list-style-type: none"> <li>• Understand what social welfare entitlements are.</li> <li>• Know how to find out what social welfare entitlements each individual has and how to claim them.</li> </ul>
	● 1.2.12 Understand a payslip	<ul style="list-style-type: none"> <li>• Know what a payslip is.</li> <li>• Know the layout of a payslip.</li> <li>• Understand what deductions are.</li> </ul>
	● 1.2.13 Know about the taxation authorities	<ul style="list-style-type: none"> <li>• Know when and how to contact the Revenue Commissioners.</li> <li>• Understand what services are offered online.</li> <li>• Know that you have the right to appeal decisions.</li> <li>• Know the kinds of issues the Revenue Commissioners can help you with.</li> </ul>
	● 1.2.14 Know the basic tax forms	<ul style="list-style-type: none"> <li>• Know what the basic tax forms are, including: P60, P45, Med 1 etc.</li> </ul>

## Area 1 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

At level 3 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.3 Distinguish financial needs of the present and future</b>	● 1.3.1 Distinguish between short term and long term needs	Understand that some needs are further in the future than other needs. Explore their own needs in terms of short term and long term.
	● 1.3.2 Plan for large expenditures	Predict a large future expenditure and predict the amount of money needed to cater for it.
	● 1.3.3 Predict future income needs	Predict the level of income needed to accommodate desired future life style
	● 1.3.4 Understand disposable income	Understand how increasing expenditure decreases your disposable income. Understand what other circumstances can impact on disposable income (e.g. inflation, interest rates, change in income, building a family).
	● 1.2.4 Explain Stamp Duty (property/cards/shares)	<ul style="list-style-type: none"> <li>Understand that Stamp Duty exists in several different forms.</li> </ul>
	● 1.2.5 Explain Deposit Interest Retention Tax	<ul style="list-style-type: none"> <li>Understand what DIRT is.</li> <li>Understand what products DIRT applies to.</li> <li>Understand that there are some products that are not subject to DIRT (eg. An Post savings schemes).</li> </ul>
	● 1.2.9 Identify and claim tax credits and reliefs	<ul style="list-style-type: none"> <li>Understand what tax credits and reliefs are.</li> <li>Know how to find out what tax credits and reliefs each individual has and how to claim them.</li> <li>Know what your Tax Credit Certificate is, how to get one and how to read it.</li> </ul>
	● 1.2.10 Identify and claim tax refunds	<ul style="list-style-type: none"> <li>Know that you can claim refunds.</li> <li>Know which forms to use to claim refunds.</li> <li>Understand the distinction between direct and indirect taxes and how tax refunds relate to them.</li> </ul>
	● 1.2.11 Identify and claim social welfare entitlements	<ul style="list-style-type: none"> <li>Understand what social welfare entitlements are.</li> <li>Know how to find out what social welfare entitlements each individual has and how to claim them.</li> </ul>
	● 1.2.12 Understand a payslip	<ul style="list-style-type: none"> <li>Know what a payslip is.</li> <li>Know the layout of a payslip. Understand what deductions are.</li> </ul>
	● 1.2.13 Know about the taxation authorities	<ul style="list-style-type: none"> <li>Know when and how to contact the Revenue Commissioners.</li> <li>Understand what services are offered online.</li> <li>Know that you have the right to appeal decisions.</li> <li>Know the kinds of issues the Revenue Commissioners can help you with.</li> </ul>
	● 1.2.14 Know the basic tax forms	<ul style="list-style-type: none"> <li>Know what the basic tax forms are, including: P60, P45, Med 1 etc.</li> </ul>
	● 1.2.15 Know the tax benefits of investing in a pension	<ul style="list-style-type: none"> <li>Understand the tax benefits associated with contributing part of your income to a pension scheme.</li> <li>Understand that pension related tax relief is at source and what that means.</li> <li>Understand that you pay less tax when you invest in a pension.</li> <li>Understand that the older you grow, the more tax relief you can claim while in investing in a pension.</li> <li>Understand that you get tax relief regardless of the performance of your pension fund.</li> </ul>

## Area 1 | Contd.

Learners will be able to:	By the end of this training, the learner will be able to:	At level 3 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.3 Contd.</b>	● 1.2.16 Understand what a PPS number is	<ul style="list-style-type: none"> <li>Understand what you should use your PPS number for.</li> </ul>
	● 1.2.17 Understand what VAT is	<ul style="list-style-type: none"> <li>Understand what VAT is.</li> </ul>
	● 1.2.18 Understand what VRT is	<ul style="list-style-type: none"> <li>Understand what VRT is.</li> </ul>
	● 1.3.5 Protect their health	<ul style="list-style-type: none"> <li>Know what personal health insurance is (e.g. medical insurance, permanent health insurance, travel insurance).</li> </ul>
	● 1.3.6 Insure their life	<ul style="list-style-type: none"> <li>Know what life insurance is.</li> </ul>
	● 1.3.7 Plan their estate	<ul style="list-style-type: none"> <li>Know what a will is.</li> </ul>
	● 1.3.8 Accumulate money for long term needs	<ul style="list-style-type: none"> <li>Examine long term deposit accounts with withdrawal limitations and understand the features of these products</li> </ul>
	● 1.3.9 Plan for their retirement needs	<ul style="list-style-type: none"> <li>Know what a state pension is.</li> <li>Know who is entitled to a state pension.</li> <li>Understand the phrase 'means tested'.</li> <li>Know what a private pension is.</li> <li>Know that self-employed individuals must avail of specific kinds of pensions.</li> <li>Know what questions to ask a pension provider when shopping around for a pension (including the implications of death or separation from a partner).</li> <li>Understand that a pension is a long term investment which will rise and fall over time.</li> </ul>
	● 1.3.10 Plan to build financial independence for you and your dependants	<ul style="list-style-type: none"> <li>Discuss what 'financial independence' means.</li> <li>Discuss whether financial independence means different things at different stages in life (for example, while raising children, while paying off a mortgage, while getting a divorce, upon retirement, at death, during working life, during unemployment).</li> </ul>
	● 1.3.11 Use credit carefully to achieve goals	<ul style="list-style-type: none"> <li>Understand that there are positives and negatives to debt.</li> <li>Understand that credit options must be considered with great care.</li> <li>Understand that credit can help achieve goals.</li> <li>Appreciate that there is 'good debt' and 'bad debt'.</li> <li>Understand what MABS do.</li> </ul>
	<b>1.4 Budget for their daily spending</b>	● 1.4.1 Plan and monitor spending needs
● 1.4.2 Assess spending capacity critically in terms of income and debt		<ul style="list-style-type: none"> <li>Establish potential spending needs and assess ability to spend in terms of already existing and potential financial commitments.</li> </ul>
● 1.4.3 Manage and appropriate level of debt		<ul style="list-style-type: none"> <li>Understand what debt is.</li> </ul>

## Area 1 | Contd.

Learners will be able to:	By the end of this training, the learner will be able to:	At level 3 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.6 Compare and contrast elements of risk and return</b>	● 1.6.1 Understand inflation	<ul style="list-style-type: none"> <li>Understand inflation's effect on savings.</li> <li>Understand inflation's effect on money.</li> <li>Understand inflation's effect on pension funds.</li> <li>Understand inflation's effect on insurance products (premium increases, index-linked premia etc).</li> <li>Understand the relationship between inflation and interest.</li> <li>Understand the relationship between inflation and the cost of credit.</li> </ul>
	● 1.6.2 Understand interest	<ul style="list-style-type: none"> <li>Appreciate that interest applies to savings and credit.</li> <li>Understand how interest can effect the cost of credit.</li> <li>Understand how interest can effect the return on money. Understand that there is an element of risk involved in buying products that are affected by the movement in interest rates.</li> </ul>
	● 1.6.3 Appreciate the element of risk involved in investment products	<ul style="list-style-type: none"> <li>Understand what risk is.</li> <li>Understand what return is.</li> <li>Understand what investment products are.</li> <li>Understand what a guarantee is.</li> <li>Understand the link between risk and yield.</li> </ul>
<b>1.7 Grasp basic economic principles</b>	● 1.7.1 Understand the effect of inflation on spending power	<ul style="list-style-type: none"> <li>Understand inflation's effect on spending power.</li> </ul>
	● 1.7.3 Understand Europe's role in setting interest rates	<ul style="list-style-type: none"> <li>Understand the Eurosystem and the European Central Bank.</li> <li>Understand how the Central Bank of Ireland contributes to the work of the ECB.</li> <li>Understand that Europe has a role in how interest rates are set.</li> <li>Understand what the ECB base rate is.</li> </ul>
	● 1.7.4 Understand the opportunity cost of spending	<ul style="list-style-type: none"> <li>Explore the consequences of spending in terms of opportunity costs relating to savings and the depreciation of assets.</li> </ul>

## Area 2 | Understanding and evaluating information and advice

Learners will be able to:	By the end of this training, the learner will be able to:	At level 3 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>2.1 Research financial options</b>	● 2.1.1 Access information provided by financial service providers and other sources	<ul style="list-style-type: none"> <li>Understand how to contact financial institutions.</li> <li>Understand how to gather information from a financial institution's contact points.</li> <li>Know when to contact financial institutions at point of sale, during the ongoing use of the product and for after sales care.</li> <li>Know that there are contacts in the workplace in relation to pension options (e.g. HR, unions, work colleagues).</li> </ul>

## Area 2 | Understanding and evaluating information and advice

Learners will be able to:	By the end of this training, the learner will be able to:	At level 3 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>2.1 Research financial options</b>	● 2.1.1 Access information provided by financial service providers and other sources	<ul style="list-style-type: none"> <li>• Understand how to contact financial institutions.</li> <li>• Understand how to gather information from a financial institution's contact points.</li> <li>• Know when to contact financial institutions at point of sale, during the ongoing use of the product and for after sales care.</li> <li>• Know that there are contacts in the workplace in relation to pension options (e.g. HR, unions, work colleagues).</li> </ul>
	● 2.1.2 Contact financial advisors for advice on their particular needs	<ul style="list-style-type: none"> <li>• Understand that 'financial advice' can come in different forms.</li> <li>• Understand the different kinds of financial advisors regulated in Ireland.</li> <li>• Know which kind of advisor to contact for different amounts of information.</li> <li>• Know what questions to ask an advisor when shopping around for particular financial products or services.</li> <li>• Know how much a financial advisor can cost.</li> <li>• Understand how an advisor gets paid and why.</li> </ul>
<b>2.2 Understand information and advice they receive</b>	● 2.2.1 Compare the costs, risks and benefits of financial products	<ul style="list-style-type: none"> <li>• Know how to compare the different features of a range of financial services and products.</li> <li>• Know how to explore the suitability of products.</li> </ul>
<b>2.3 Critically evaluate and compare product information</b>	● 2.3.1 Assess information and advice gathered from financial service providers and other sources	<ul style="list-style-type: none"> <li>• Know whether the features of particular financial services and products actually meet your needs</li> </ul>
	● 2.3.2 Align information and advice gathered from financial service providers and other sources with financial needs and goals	<ul style="list-style-type: none"> <li>• Match your needs with the features offered by financial services and products</li> </ul>
	● 2.3.3 Critically evaluate product information	<ul style="list-style-type: none"> <li>• Understand that advisors can provide more precise information than you may be able to gather together.</li> <li>• Understand that depending on the kind of advisor you have engaged, your advisor will review the full market for the best financial product or service for you, rather than relying on a provider you are familiar with.</li> </ul>
	● 2.3.4 Decide whether to act on information and written advice received from financial advisors and other sources in a timely fashion	<ul style="list-style-type: none"> <li>• Realise that offers of financial services and products are often made with a time limitation that must be observed.</li> </ul>

## Area 3 | Coping with problems and the unexpected

Learners will be able to:

By the end of this training, the learner will be able to:

At level 3 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>3.1 Demonstrate knowledge of consumer rights and the available mechanisms to exercise them</b>	● 3.1.1 Identify the functions of financial regulatory and ombudsman schemes in Ireland	<ul style="list-style-type: none"> <li>Understand how the Financial Regulator works.</li> <li>Understand how the Pensions Board works.</li> <li>Understand how the Financial Services Ombudsman works.</li> <li>Understand how the Pensions Ombudsman works.</li> </ul>
	● 3.1.2 Explain that rights are supported by legislation but the flexibility of agreements are limited by terms and conditions	<ul style="list-style-type: none"> <li>Understand that the Consumer Protection Code offers safeguards to consumers in transactions with financial service providers and what a range of those safeguards are.</li> <li>Understand that consumers should make themselves aware of the limitations imposed on them by financial contracts.</li> <li>Understand that consumers are protected by contract law, the Consumer Credit Act, by consumer law, the Data Protection Act and equality legislation.</li> </ul>
<b>3.2 Make effective complaints</b>	● 3.2.1 Demonstrate how to contact the customer care units of financial institutions	<ul style="list-style-type: none"> <li>Understand how to contact the consumer facing functions of financial institutions with regard to information requests and complaints.</li> </ul>
	● 3.2.2 Demonstrate how to process a complaint through the FSO	<ul style="list-style-type: none"> <li>Know what a complaint is. Understand how to contact the FSO.</li> <li>Demonstrate a knowledge of how to make a complaint through the FSO procedure.</li> </ul>
<b>3.3 Plan for changes in the their personal financial circumstances</b>	● 3.3.1 Explore some triggers that cause financial problems	<ul style="list-style-type: none"> <li>Identify trigger issues (e.g. death, debt, ill health, relationship breakdown, loss of job, fraud, recession, retirement) that can affect personal finances or cause loss of income.</li> </ul>
	● 3.3.5 Avoid fraud	<ul style="list-style-type: none"> <li>Know the different kinds of fraud (including general scams, ID theft, ID fraud, phishing, trojans, boiler rooms, pyramid schemes, ATM fraud, counterfeit tender, credit card fraud, online banking fraud).</li> <li>Know how to protect yourself from the different kinds of fraud.</li> </ul>
<b>3.4 Find support and advice when experiencing financial problems</b>	● 3.4.1 Know where to go if something goes wrong	<ul style="list-style-type: none"> <li>Know where to go for assistance when you have a financial problem.</li> <li>Understand what help various bodies and institutions can offer if debt becomes a burden (e.g. MABS, customer care units, FSO, CICs etc).</li> <li>Understand that immediate action is required when a problem is identified.</li> </ul>

## Area 4 | Social and personal issues about finance

Learners will be able to:	By the end of this training, the learner will be able to:	At level 2 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>4.1 Analyse their own financial needs and wants</b>	● 4.1.1 Prioritise needs over wants	<ul style="list-style-type: none"> <li>Identify sources of income and match them with purchasing options.</li> <li>Explore how income can empower consumers.</li> <li>Consider that income and spending entail responsibility.</li> </ul>
	● 4.1.2 Monitor spending habits	<ul style="list-style-type: none"> <li>Know how to create a spending diary for a week long period.</li> <li>Know how to create a spending diary for a month long period.</li> </ul>
	● 4.1.3 Analyse spending habits and their motivations	<ul style="list-style-type: none"> <li>Understand that the first impulse to spend is not always the most prudent option.</li> <li>Examine whether there are particular personal 'triggers' that make them spend.</li> <li>Understand how marketing can affect spending decisions.</li> </ul>
	● 4.1.4 Explain that prioritising wants over needs and overspending may lead to hardship	<ul style="list-style-type: none"> <li>Explore the consequences of overspending using limited income.</li> <li>Explore the difficulties involved in recouping the loss from overspending.</li> </ul>
<b>4.2 Discuss cultural and personal values surrounding money</b>	● 4.2.1 Discuss the importance and role of money in ones life	<ul style="list-style-type: none"> <li>Examine the connection between an income and quality of life.</li> <li>Consider the consequences of not having a regular income.</li> </ul>
	● 4.2.2 Distinguish a variety of spending habits and discuss how all habits do not suit everyone	<ul style="list-style-type: none"> <li>Discuss how those with larger amounts of money may spend more than those with less.</li> <li>Discuss how those with smaller amounts of money may spend more than those with larger amounts.</li> <li>Examine the difference between spending habits and the consequences of each.</li> </ul>
	● 4.2.3 Discuss how certain events in the normal life of any culture can imply a large cost that, if necessary, must be planned for	<ul style="list-style-type: none"> <li>List a range of cultural life events that can cost significant amounts of money.</li> <li>Consider whether they want to commit funds to particular life events.</li> <li>Consider the value of life events in terms of both money and cultural importance.</li> <li>Discuss when they should begin to prepare for life event expenditures.</li> </ul>
	● 4.2.4 Discuss how their own values relating to money and spending may or may not be conducive to leading a financially healthy life	<ul style="list-style-type: none"> <li>Think about an event in the past where they did not think they got value for money; think about why they did not get value for money.</li> <li>Think about an occasion where they did get value for money and how this happened.</li> <li>Consider whether their spending pattern, in general, helps them maximise their buying power.</li> <li>Consider whether their savings pattern helps them to prepare for the future.</li> <li>Consider whether they are risk averse and whether this is a consequence of their life experience.</li> </ul>

## Area 4 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

At level 2 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>4.3 Balance their own financial experience and habits with those of their dependants, partners, family and friends</b>	● 4.3.1 Discuss how in a relationship, spending habits and financial goals may differ between partners	<ul style="list-style-type: none"> <li>• Explore the different spending patterns that two people in a relationship might have.</li> <li>• Discuss how differing spending patterns can be reconciled.</li> <li>• Discuss how two people can seek to compromise in relation to their financial goals.</li> </ul>
	● 4.3.2 Explain that conflict can arise between friends and family over financial issues	<ul style="list-style-type: none"> <li>• Discuss what financial arrangements can cause difficulty among friends and family members.</li> <li>• Discuss how loans between friends or family members can cause difficulties.</li> </ul>
	● 4.3.3 Appreciate the consequences of joining assets or liabilities with another party	<ul style="list-style-type: none"> <li>• Understand what a guarantor is.</li> <li>• Understand what a joint account is.</li> <li>• Understand what a joint account holder is.</li> </ul>

# FRAMEWORK LEVEL **4**

## Area 1 | Foundation knowledge, skills and concepts

Learners will be able to:

By the end of this training, the learner will be able to:

At level 4 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.1 Display knowledge of basic financial products</b>	1.1.1 Store their money	<ul style="list-style-type: none"> <li>Understand that employers might require you to open a current account.</li> <li>Understand that 'money', wealth and debt can be stored in assets.</li> <li>Understand that a pension is a method of 'storing' money.</li> </ul>
	1.1.2 Accumulate money for short term needs	<ul style="list-style-type: none"> <li>Explore short to medium term deposit account options and understand their features.</li> </ul>
	1.1.3 Move money	<ul style="list-style-type: none"> <li>Understand the appropriate instances in which you transfer money and which method to use.</li> </ul>
	1.1.4 Protect their home	<ul style="list-style-type: none"> <li>Understand that some forms of home insurance are required and when.</li> <li>Understand the features of voluntary home insurance.</li> <li>Understand the changing premiums involved in paying for home insurance.</li> <li>Know how to make a claim on home insurance.</li> </ul>
	1.1.6 Protect their income	<ul style="list-style-type: none"> <li>Understand the benefits of income protection insurance.</li> <li>Know how to make a claim on income protection insurance.</li> </ul>
	1.1.7 Provide for a home	<ul style="list-style-type: none"> <li>Understand what a mortgage is.</li> <li>Understand the benefits of getting a mortgage.</li> <li>Understand the features of different kinds of mortgages (incl. term, rates, payment options, LTV ('loan to value') etc).</li> <li>Consider the options between personal loans and re-mortgaging.</li> <li>Compare renting with getting a mortgage.</li> </ul>
	1.1.8 Know when to link products	<ul style="list-style-type: none"> <li>Understand the benefits of linking products.</li> <li>Know that consumers are not required to link products should they choose not to.</li> </ul>
	1.1.12 Understand loans	<ul style="list-style-type: none"> <li>Understand the role of the personal credit rating agencies and how they work and the costs involved.</li> <li>Understand how your credit rating can affect your ability to secure loans in the future.</li> <li>Understand the consequences of defaulting on a loan as described in the terms and conditions of a credit product.</li> <li>Know in what circumstances you can have your rating amended.</li> <li>Understand the role of the Data Protection Commissioner.</li> </ul>

## Area 1 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

At level 4 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.2 Identify basic tax and social welfare issues and entitlements</b>	1.2.2 Explain income tax	<ul style="list-style-type: none"> <li>Understand that different employment arrangements can lead to paying different kinds of income tax.</li> </ul>
	1.2.5 Explain Deposit Interest Retention Tax	<ul style="list-style-type: none"> <li>Understand the implications of DIRT for saving products.</li> <li>Understand what certificates of interest are.</li> <li>Understand the rate of DIRT.</li> <li>Understand that you can contact the Revenue Commissioners to find information on DIRT.</li> <li>Understand who can claim refunds of DIRT and under what circumstances.</li> <li>Understand the eligibility criteria for DIRT-exempt accounts.</li> </ul>
	1.2.6 Explain Capital Gains Tax	<ul style="list-style-type: none"> <li>Understand what CGT is.</li> <li>What assets does CGT apply to.</li> <li>During what period and under what circumstances must you pay CGT.</li> <li>Know how to contact the Revenue Commissioners for information about CGT.</li> </ul>
	1.2.7 Explain Capital Acquisitions Tax (Gift and Inheritance Tax)	<ul style="list-style-type: none"> <li>Understand what CAT is.</li> <li>Understand the conditions under which a person can gift money.</li> <li>Understand the different thresholds of gift tax that exist.</li> <li>Understand the different rates of inheritance tax that exist.</li> <li>Understand that CAT charges accumulate and reduce over particular periods of time.</li> <li>Know how to contact the Revenue Commissioners for information about CAT.</li> </ul>
	1.2.8 Explain Exit Tax	<ul style="list-style-type: none"> <li>Understand what Exit Tax is.</li> <li>Understand the implications of Exit Tax for saving or investment products.</li> </ul>
	1.2.17 Understand what VAT is	<ul style="list-style-type: none"> <li>Understand when VAT is applied.</li> <li>Know whether there is opportunity for consumers to claim VAT back.</li> </ul>
	1.2.18 Understand what VRT is	<ul style="list-style-type: none"> <li>Understand how to calculate and pay VRT.</li> </ul>
<b>1.3 Distinguish financial needs of the present and future</b>	1.3.1 Distinguish between short term and long term needs	<ul style="list-style-type: none"> <li>Compare their personal financial needs of today with their perceived personal financial needs of five and ten years in the future.</li> </ul>
	1.3.2 Plan for large expenditures	<ul style="list-style-type: none"> <li>Conceive of large expenditures five and ten years in the future and consider how to plan for them.</li> </ul>
	1.3.3 Predict future income needs	<ul style="list-style-type: none"> <li>Calculate their increase in spending from five years ago and project into the future by five and ten years, adjusting for perceived future needs.</li> </ul>

## Area 1 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

At level 4 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.3 Contd.</b>	● 1.3.4 Understand disposable income	<ul style="list-style-type: none"> <li>• Understand how to release the value of your assets to increase disposable income.</li> <li>• Consider whether tax is being used efficiently.</li> <li>• Consider whether there are particular grants available to you to increase your disposable income (e.g. higher education grant).</li> <li>• Know when to diversify portfolio in terms of producing more disposable income.</li> </ul>
	● 1.3.5 Protect their health	<ul style="list-style-type: none"> <li>• Know what personal health insurance is.</li> <li>• Understand the benefits of personal health insurance.</li> <li>• Understand the features of personal health insurance.</li> <li>• Understand how to make a claim on your personal health insurance policy.</li> </ul>
	● 1.3.6 Insure their life	<ul style="list-style-type: none"> <li>• Understand the benefits of life insurance.</li> <li>• Understand the features of the different kinds of life insurance.</li> <li>• Know when it is appropriate to buy life insurance.</li> <li>• Know how a claim can be made on a life insurance policy.</li> </ul>
	● 1.3.7 Plan their estate	<ul style="list-style-type: none"> <li>• Understand the reasons for making a will.</li> <li>• Appreciate the consequences of making a will.</li> <li>• Appreciate the consequences of not making a will.</li> <li>• Understand that inheritance can be subject to tax liabilities.</li> <li>• Understand how to insure against inheritance tax liabilities.</li> <li>• Understand the consequences of death for your pension as an asset to be divided amongst beneficiaries of your will.</li> <li>• Understand the death-in-service benefits of your pension scheme.</li> <li>• Understand how to prepare to pass on business assets (specifically farms and small businesses).</li> </ul>
	● 1.3.8 Accumulate money for long term needs	<ul style="list-style-type: none"> <li>• Understand the consequences of tying up funds or assets over long periods of time.</li> <li>• Understand the costs, risks and benefits of long term savings.</li> </ul>

## Area 1 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

At level 4 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.3 Contd.</b>	● 1.3.9 Plan for their retirement needs	<ul style="list-style-type: none"> <li>Understand the different kinds of pensions.</li> <li>Know the costs, risks and benefits of investing in a pension at an early age (i.e. a consumer should be aware of the suitability of a product in terms of their own needs).</li> <li>Know when pension benefits can be taken.</li> <li>Know the different forms of pension benefits and how they can be taken at retirement age.</li> <li>Understand the tax implication related to taking a lump sum when upon retirement.</li> <li>Know what tax incentives there are in taking out a pension.</li> <li>Understand that the later you begin to invest in a pension, the more expensive it becomes.</li> <li>Understand that as time goes by, pension products must be reviewed to ensure they are adequate.</li> <li>Understand how pension funds work.</li> </ul>
	● 1.3.10 Plan to build financial independence for you and your dependants	<ul style="list-style-type: none"> <li>Explore how to build financial independence.</li> <li>Discuss how having an adequate pension can help build your financial independence and give you security in old age.</li> <li>Understand the cost of investing in a pension later rather than earlier in life.</li> <li>Explore the risk involved in not investing in a pension at all. Understand how AVCs work.</li> </ul>
	● 1.3.11 Use credit prudently to achieve goals	<ul style="list-style-type: none"> <li>Know how to match personal goals with the possibility of securing credit to meet those goals.</li> <li>Match appropriate forms of debt with short, medium and long term goals.</li> <li>Know where to go for independent debt advice.</li> </ul>
<b>1.4 Budget for their daily spending</b>	● 1.4.1 Plan and monitor spending needs	<ul style="list-style-type: none"> <li>Assess spending on needs over the last 12 months and project, allowing for new needs, across the next 5 years.</li> </ul>
	● 1.4.2 Assess spending capacity critically in terms of income and debt	<ul style="list-style-type: none"> <li>Compare actual debt levels with actual income levels and assess whether spending needs to be curtailed or can be expanded.</li> </ul>
	● 1.4.3 Manage an appropriate level of debt	<ul style="list-style-type: none"> <li>Assess whether he/she has the capacity to take on the burden of debt in whatever form.</li> </ul>
<b>1.5 Understand the financial impacts of employment and unemployment</b>	● 1.5.1 Understand death in service benefits	<ul style="list-style-type: none"> <li>Appreciate that employers can offer death in service benefits.</li> <li>Understand the purpose and benefits of death in service benefits.</li> <li>Know who can make a claim and how.</li> </ul>
	● 1.5.2 Understand long term illness provisions	<ul style="list-style-type: none"> <li>Appreciate that employers can offer long term illness provisions.</li> <li>Understand the purpose and benefits of long term illness provisions.</li> <li>Know who can make a claim and how.</li> </ul>

## Area 1 | Contd.

Learners will be able to:	By the end of this training, the learner will be able to:	At level 4 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.6 Compare and contrast elements of risk and return</b>	● 1.6.1 Understand inflation	<ul style="list-style-type: none"> <li>Understand that by not managing one's wealth, wealth can diminish due to inflation.</li> <li>Understand the need to invest to insulate against inflation.</li> </ul>
	● 1.6.3 Appreciate the element of risk involved in investment products	<ul style="list-style-type: none"> <li>Understand that past performance is not an guarantee of future performance.</li> <li>Understand that investments can rise as well as fall.</li> <li>Understand the approach to balancing high yield high risk investments against low yield low risk investments.</li> </ul>
	● 1.6.4 Plan to absorb rising interest rates when making repayments on personal loans or credit	<ul style="list-style-type: none"> <li>Forecast whether income can match rising payments on credit.</li> </ul>
<b>1.7 Grasp basic economic principles</b>	● 1.7.1 Understand the effect of inflation on spending power	<ul style="list-style-type: none"> <li>Appreciate that wealth and spending power are diminished by inflation.</li> </ul>
	● 1.7.3 Understand Europe's role in setting interest rates	<ul style="list-style-type: none"> <li>Understand the regularity with which ECB decisions change the base rate and how this can affect a consumer's loan repayments or savings and investment products.</li> </ul>

## Area 2 | Understanding and evaluating information and advice

Learners will be able to:	By the end of this training, the learner will be able to:	At level 4 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>2.2 Understand information and advice they receive</b>	● 2.2.2 Interpret the terms and conditions of financial products	<ul style="list-style-type: none"> <li>Know that reading the terms and conditions of any financial product or service is important.</li> <li>Know how to ask for further information for clarification on terms and conditions.</li> <li>Appreciate how terms and conditions can affect your use or the benefit of the use of any particular financial service or product.</li> </ul>
	● 2.2.3 Compare how different credit products can affect the ownership of assets	<ul style="list-style-type: none"> <li>Appreciate the difference between different kinds of 'credit' products and services including personal loans, credit card balances, hire purchase agreements and consumer hire agreements.</li> <li>Understand when the consumer 'owns' goods paid for by different 'credit' arrangements.</li> </ul>

## Area 2 | Understanding and evaluating information and advice

Learners will be able to:

By the end of this training, the learner will be able to:

At level 4 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>2.3 Make decisions based on financial information and advice</b>	● 2.3.1 Assess information and advice gathered from financial service providers and other sources	<ul style="list-style-type: none"> <li>Decide whether any products or services available meet your needs and whether you should purchase any such product or service.</li> </ul>
	● 2.3.4 Decide whether to act on information and written advice received from financial advisors and other sources in a timely fashion	<ul style="list-style-type: none"> <li>Decide whether to accept advice from an advisor over and above your own research and information.</li> </ul>

## Area 3 | Coping with problems and the unexpected

Learners will be able to:

By the end of this training, the learner will be able to:

At level 4 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>3.3 Plan for changes in their personal financial circumstances</b>	● 3.3.1 Explore some triggers that cause financial problems	<ul style="list-style-type: none"> <li>Identify coping mechanisms (e.g. making a will, awareness of the implications of opening joint accounts, insurance products, understanding why to buy a pension).</li> <li>Consider the insurance options available to insulate against a loss in income.</li> <li>Understand how to prepare for a 'rainy day'.</li> </ul>
	● 3.3.2 Plan to protect an increase in income and/or assets	<ul style="list-style-type: none"> <li>Understand that an increase in wealth or assets can lead to new spending habits.</li> <li>Know that spending must be planned at all stages in life, regardless of wealth or income.</li> <li>Consider options for protecting new found wealth.</li> </ul>
	● 3.3.3 Explain the financial consequences of splitting estates or assets due to a separation or divorce	<ul style="list-style-type: none"> <li>Understand that marriage and civil partnership arrangements have financial consequences should either relationship come to an end.</li> <li>Know how to proceed through the dissolution of marriages or civil partnership arrangements from the perspective of managing one's assets (including the impact on pension entitlements).</li> </ul>
	● 3.3.4 Anticipate or plan to provide for growing expenditure	<ul style="list-style-type: none"> <li>Forecast larger expenditures in the future and draft a spending/saving plan to cater to these needs.</li> </ul>
	● 3.3.5 Avoid fraud	<ul style="list-style-type: none"> <li>How to recover from the various types of fraud, in terms of savings, credit rating, future losses etc. Know how to do a credit check.</li> <li>Know to make regular credit checks, especially after a break-in.</li> </ul>

## Area 4 | Social and personal issues about finance

Learners will be able to:	By the end of this training, the learner will be able to:	At level 4 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>4.1 Analyse their own financial needs and wants</b>	● 4.1.1 Prioritise needs over wants	<ul style="list-style-type: none"> <li>Explore what empowerment an income can give a consumer.</li> <li>Explore the idea that 'the more you earn, the more you spend'.</li> </ul>
	● 4.1.3 Analyse spending habits and their motivations	<ul style="list-style-type: none"> <li>Consider whether spending habits change over time.</li> <li>Discuss how their own spending habits have changed over time and how they see their habits changing in the future.</li> </ul>
	● 4.1.4 Explain that prioritising wants over needs and overspending may lead to hardship	<ul style="list-style-type: none"> <li>Explore an occasion when they overspent.</li> </ul>
<b>4.2 Discuss cultural and personal values surrounding money</b>	● 4.2.3 Discuss how certain events in the normal life of any culture can imply a large cost that, if necessary, must be planned for	<ul style="list-style-type: none"> <li>Consider a range of cultural events that may occur in their own lives and begin to consider how they will affect their finances now and in the future.</li> </ul>
	● 4.2.4 Discuss how their own values relating to money and spending may or may not be conducive to leading a financially healthy life	<ul style="list-style-type: none"> <li>Consider whether they get value for money when they spend.</li> <li>Consider whether their values will change over time and what will cause this change.</li> </ul>
<b>4.3 Balance their own financial experience and habits with those of their dependants, partners, family and friends</b>	● 4.3.1 Discuss how in a relationship, spending habits and financial goals may differ between partners	<ul style="list-style-type: none"> <li>Demonstrate how to include someone else in their financial planning.</li> </ul>
	● 4.3.2 Explain that conflict can arise between friends and family over financial issues	<ul style="list-style-type: none"> <li>Consider that issues relating to inheritance and gifts can cause difficulties among family members.</li> </ul>
	● 4.3.3 Appreciate the consequences of joining assets or liabilities with another party	<ul style="list-style-type: none"> <li>Consider the implications in terms of ownership and responsibility during marriage or civil partnership. Understand what the consequences of acting as a guarantor are.</li> <li>Understand the consequences of becoming a joint account holder.</li> <li>Understand what the power of attorney is.</li> </ul>