South Dakota Finance
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Rapid City

Participants:

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Kristie Olson, Madison High School, Wentworth, SD
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Lorna Saboe-Wounded Head, South Dakota State University, Brookings, SD
Sharon Schueler, Sioux Falls Schools, Sioux Falls, SD

Participants introduced themselves stating name, location, and curricular area of expertise.

An introductory video, *Success in the New Economy* written and narrated by Kevin Fleming and produced by Bryan Y. Marsh, was shared. This video (available on the Internet at https://vimeo.com/67277269), describes a fallacy in the traditional "college for all" model of education and encourages individuals to select career paths based on interests and skills.

It was noted that the purpose of the work was to develop South Dakota's state standards for finance to ensure that they:

- Are aligned with industry needs
- Prepare students to be successful in employment and in postsecondary training
- Establish a sequence of courses leading to completion of a program of study.

It was clarified that standards describe "what" is to be learned, not "how" it is to be learned.

Information was provided regarding the importance of the federal Carl D. Perkins Career and Technical Education Act to the work and an update on progress toward reauthorization of the Act, last authorized by Congress in 2006.

The role of the standards committee was clarified to show that the standards committee members were selected because they were subject matter experts who would:

- Take the suggestions of industry
- Utilize personal expertise about how students best learn, and
- Write a standards draft.

It was further clarified that the work of the committee will go through industry validation and multiple public hearings before consideration for adoption by the State Board of Education.

Program of study was defined as:

- A nonduplicative sequence of both academic and technical courses
- Beginning no later than grade 11 and continuing for at least two years beyond high school

- Culminating in a degree, diploma or certification recognized as valuable by business/industry partners.

A program of study was viewed as the bridge connecting preparatory and advanced work in high school with further study at the postsecondary level through a collegiate program or advanced training through work.

A summary of a recent labor market analysis for South Dakota was presented, with separate slides shown identifying the 20 largest industry clusters, the fastest growing industry clusters by percentage growth and increase in employment demand, and the occupations with a projected demand of 50 or more.

Participants were asked to identify industry trends by describing what was new in the industry and what is no longer done in the industry. It was intended that this information would guide discussion about where new standards were needed and where existing standards could be deleted. For finance the discussion suggested:

New

- Paperless society
- E-banking
- Social media
- On-line finances by individuals
- Insurance purchases e.g. Affordable Care Act
- Tax laws
- Impact of e-commerce on retail
- More direct deposit
- Text language
- Ability to "teach" personal finance [to customers]
- Entitlement mentality
- Linked-In

Emerging

- Cyber security
- Apps
- Beacons
- Location tracking
- Coding
- Facial recognition
- Thumb payment
- Expanding from products to planning
- Depositing checks
- Strategies to retain employees
- Confidentiality issues

No longer done

- Paper
- Checks
- Face-to-face relations

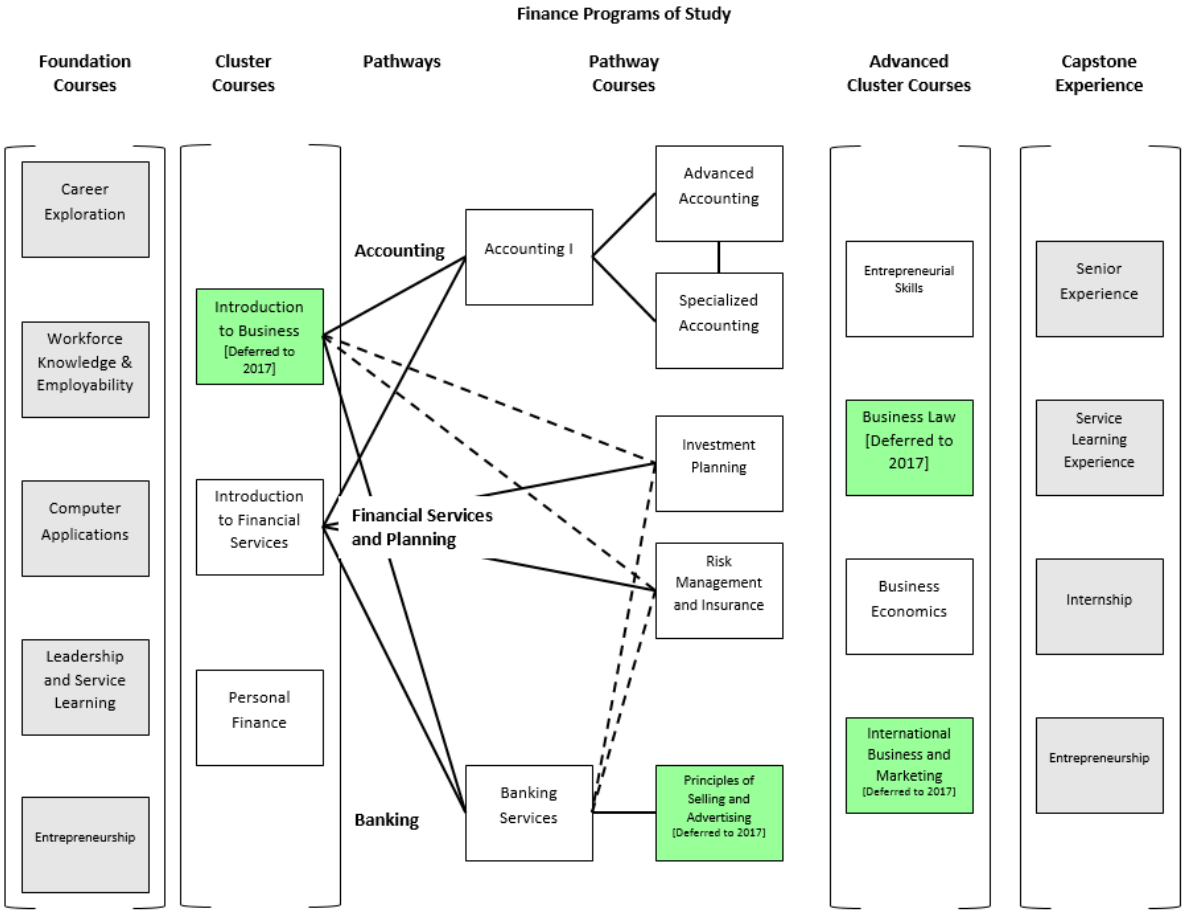
- Secretary [now administrative assistant]
- Shorthand
- Work day expectations
- Dress code
- "Office environment" (industry-dependent)

Results of a recent survey of employers were shared. The survey was designed to ascertain if employers were having hiring difficulties, if applicants were deficient in either soft or technical skills, and options for a state response. Forty six survey responses were included in the results with largest participation from hospitality and tourism (8), architecture and construction (6), business management (6), agriculture, food and natural resources (5), manufacturing (5), and marketing (4). In general:

- Four out of five employers noted having hiring difficulties in the previous 12 months.
- Primary reasons for this hiring difficulty were:
    - Low number of applicants (29)
    - Lack of work experience (21)
    - Lack of technical or occupational skills (21)
    - Lack of soft skills (14)
    - Unwillingness to accept offered wages or work conditions (9)
- Occupational areas noting the greatest hiring difficulties were hospitality (8), and marketing (6) though these results are skewed by the response rate from the individual sector
- The most highly noted soft skills lacking were:
    - Initiative (33)
    - Attendance/dependability (30)
    - Communications (25)
    - Customer service (24)
    - Problem solving (23)
- Similarly, employers noted the highest needs for additional training in:
    - Attendance/timeliness/work ethic (73%)
    - Customer service (68%)
    - Problem-solving (50%)
    - Teamwork (41%)
- Slightly over half of employers noted that applicants lacked technical skills.
- Employers asked that the state response focus on:
    - Work ethic (8)
    - Communications (8)

The current state program of study in finance was reviewed and participants were asked to chart out a new program of study incorporating course titles for which standards would be developed. The process involved placing course titles on post-it notes on the wall with an open process to place courses where deemed appropriate, remove courses not considered appropriate, and add courses deemed necessary. The resulting structure is shown in the chart that follows and includes five foundation courses, three cluster courses (one for which standards development will be deferred to 2017), two levels of pathway courses in three separate pathways (accounting, financial services and planning, and banking), four advanced cluster courses, and four capstone experience options. The structure gives students latitude to move from cluster courses to any of the three pathways. Pathway course options, described with a first level and options at a higher level, are generally associated with one pathway and, after the first level, may be taken in any order. Personal Finance is listed as a cluster course that provides valuable skills for

any program of study, but is not deemed to be, by itself, an entry point into any of the three finance pathways.



Members were also asked to look at their Program of Study to make certain that students would be ready to make the transition from middle school to high school and from high school to the postsecondary level. To do so, postsecondary partners were asked what they would want students to know and be able to do upon entry into their programs, not as hard prerequisites, but general expectations for students to be ready to participate fully and effectively. Similarly, high school partners were asked what they would want students to know and be able to do upon entry into their programs, and to reflect upon whether those expectations were included in the courses available at the middle level or in the foundational courses. Participants were also asked to brainstorm community-based experiences that might strengthen the learning to give guidance to work-based opportunities in the standards development. For finance, the following skills were identified:

Middle School to High School

- Keyboarding
- Oral/written communications
- Math skills
- Technology concepts

    - Word
    - Excel
    - Power point
- Intro to the cluster
    - SD MyLife
- Basic research skills
- Reading comprehension
- Exploratory classes

High School to Postsecondary Program

- Basic personal finance
- Career exploration [decisions based on experience]
- Basic math
    - %
    - >
    - <
- Basic technology concepts (e.g. Microsoft Office)
- Critical thinking and problem solving
- Basic soft skills
- Research skills

Community-based options:

- Shadowing
- Cluster-specific tours
- Guest speakers
- Junior Achievement
- Service-learning
- Internships
- Senior experience/mentors
- Community judges
- Advisory boards
- Student organizations
- Industry-sponsored curricula
- Association-sponsored competitions
- Extension simulations
- Economic development outreach
- South Dakota CPA Society
- Lemonade Day

Participants were encouraged to identify a “big picture” concept statement describing what was to be accomplished within each course before developing standards. This “big picture” statement would eventually be revised to be an executive summary statement at the time that the standards had been drafted.

Information was provided about what makes good standards. These criteria included:

- Essential – does it define knowledge and skills that an individual must have to participate fully and effectively in programs that prepare them to enter careers with livable salaries, and to engage in career advancement in growing, sustainable industries?
- Rigorous – does it ask a student to demonstrate deep conceptual understanding through the application of knowledge and skills to new situations?
- Clear and specific – does it convey a level of performance without being overly prescriptive? Is it written in a way that the general public would understand?
- Teachable and Learnable – does it provide guidance to the development of curricula and instructional materials? Is it reasonable in scope?
- Measurable – Can it be determined by observation or other means that the student has gained the knowledge and skills to be demonstrated to show attainment of the standard?
- Coherent – Does it fit within the progression of learning that is expected for the program of study?
- Sequential – Does it reinforce prior learning without being unnecessarily repetitive? Does it provide knowledge and skills that will be useful as the student continues through the program of study?
- Benchmarked – Can the standard be benchmarked against industry or international standards? Does it prepare the student to be successful in the regional, state and global economies?

State agency staff met in May of 2015 to review the processes to be used for standards review. During that session the staff identified other criteria to be considered when writing standards:

- Connections to postsecondary programs
- Relevant across the content area
- Compatible with virtual learning
- Reflects business/industry input
- Adaptable to change over time
- Allows for instructional creativity
- Appropriate for the target audience
- Aligned with relevant academic content
- Applicable to student organizations
- Recognizes unique features of CTE

These additional criteria were shared with participants for their consideration during standards development, and an exercise was conducted in which participants individually, and then as a group, reviewed four sample standards.

Brief mention was made of resources available in the Dropbox in which members shared information. Because an introductory video regarding the Dropbox had been prepared and reviewed by participants prior to participation in the standards review team, the Dropbox review conducted here only showed categories of information provided in the general section and note that a Working Drafts folder would be created in which participants would store their work.

A Standards Template was shared with the participants and reviewed:

- The course title was inserted at the top.
- A grid of administrative information was completed to the extent the information was known. This grid included:

    - The Career Cluster [Finance]
    - The Course Code [to be added by state staff if not known]
    - Any prerequisites or recommended prior coursework
    - Credits [generally established by the individual school district]
    - Graduation requirement [generally established by the individual school district]
    - Program of study and sequence [a listing of the components of the program of study]
    - Student organization options
    - Coordinating work-based learning appropriate for the course
    - Industry certifications [if appropriate for the course]
    - Dual-credit or dual enrollment options if available
    - Teacher certification requirements [to be completed by state staff]
    - Resources
- Course description. Eventually this will be an executive summary describing the course, but in the process participants were encouraged to develop a "big picture" statement about the course to serve as a reminder when developing standards.
- Program of study application: a more detailed description of the elements within the program of study and where the particular course fits within a sequence.
- Course Standards and prods
    - "Prods" is a list of topics to keep in mind when developing standards to see that related topics are included. The prods identified by state staff include:
        - Safety
        - Soft skills
        - Reinforcing academic concepts in math, language arts, science and social studies
        - Addressing all aspects of the industry
        - Trends [so that students are thinking of the direction that an industry is moving]
    - Indicators – the main topics written in terms of a demonstration of knowledge and skills
    - Sub-indicators – statements identifying in more detail how the indicator will be demonstrated
    - Integrated content – A space that allows for examples, explanation, reference to credentials, alignment with other academic standards or other useful information to bring clarity to the understanding about the intent of the sub-indicator
    - Notes – a place for additional information to clarify the intent and expectations of the indicator.

An example was shared to ensure understanding.

Working teams were then established to write the standards. Each team selected a course to begin the work. Early drafts were reviewed by the consultants and participants were led with guiding questions so that they could refine their own work. Eventually, when standards had been developed for all courses, the participants did a final group review of all standards to give their approval. Final documents were then reviewed by the consultants for format and structure, and saved to the shared Dropbox. Participants were given two weeks to make any final comments or suggestions, at which time the Dropbox was put into a "read-only" status.

For Finance the following course standards were developed:

Cluster Course
Introduction to Business
[Standards development deferred to 2017]

Introduction to Financial Services

Explain how economics relates to the banking and financial industries.
- Describe the role of the Federal Reserve and how interest rates affect the economy
- Explain inflation, deflation, recession, depression and their impact on the banking and financial industries

Analyze investment opportunities as they relate to the financial industry.
- Explain the structure of the securities market
- Differentiate mutual funds, corporate, and government bonds as they relate to investing

Examine the various types of insurance handled in the financial industry.
- Discuss property and casualty insurance
- Compare types of life insurance policies

Examine financial planning and counseling and how it relates to financial services.
- Identify successful strategies to help individuals/families achieve financial goals
- Discuss the importance of confidentiality when working one-on-one with individuals/families as they work through their financial challenges
- Explain the importance of avoiding consumer fraudulent activities and the importance of consumer ethics

Explain industry, consumer and career practices.
- Identify the difference between banks and credit unions
- Describe the loan process
- Explore career-ready practices

Personal Finance

Analyze elements that affect personal income.
- Explain controllable factors involved in personal finance
- Analyze factors that affect take home pay

Implement processes involved in managing personal finances.
- Execute a rational decision-making process considering alternatives and consequences
- Differentiate among various money management tools
- Generate a system to organize finances and maintain records

Use an informed decision-making process to manage credit and debt.
- Differentiate the sources, costs and benefits of using consumer credit
- Explain the positive and negative consequences of using credit

Evaluate savings and investment options to meet short- and long-term goals.
- Explain how saving contributes to financial security
- Explain how investing builds wealth and helps meet financial goals

Use appropriate and cost-effective risk management strategies.
- Evaluate how risk management protects against financial loss
- Determine how consumer protection laws protect consumers

Accounting pathway

Accounting I

Examine the role of accounting in business.
- Identify career opportunities in the accounting profession
- Compare and contrast various types of business ownership and accounting principles that apply
- Comprehend proper cash management techniques and prepare necessary documents and transactions

Demonstrate the basic principles and procedures of the accounting cycle.
- Examine, analyze, and categorize financial transactions
- Assess the accounting equation as a guide to journalize transactions
- Post information from journals into general and subsidiary ledgers
- Analyze and complete payroll using appropriate accounting practices

Create and interpret financial statements.
- Complete and analyze an accounting worksheet
- Prepare and interpret formal end-of-fiscal period financial statements

Advanced Accounting

Demonstrate advanced principles and procedures of the accounting cycle.
- Analyze and prepare financial transactions for a departmentalized accounting system
- Apply accounting control system procedures to maintain accurate records

Demonstrate advanced accounting procedures.
- Demonstrate the ability to handle uncollectible accounts/bad debts
- Examine and apply the principles for plant assets and depreciation of assets
- Analyze the principles for notes payable and notes receivable
- Analyze the principles for accruals

Perform accounting functions specific to corporations.
- Analyze the factors that affect acquiring additional capital, issuing stock, and calculating and paying dividends
- Analyze and interpret financial statements for corporations

Specialized Accounting

Utilize cost accounting methods to track, record, and analyze business costs.
- Explain and demonstrate appropriate cost accounting practices for a departmentalized merchandising business
- Explain and demonstrate appropriate cost accounting practices for a manufacturing business

Assess and interpret the financial conditions of corporations to make informed business decisions.
- Evaluate and assess budget reports to make business decisions
- Demonstrate specialized accounting procedures to track cash flows

Demonstrate budgeting, accounting and financial reporting for not-for-profit organizations.
- Perform special accounting functions pertaining to budgeting for not-for-profit organizations
- Prepare financial statements for not-for-profit organizations

Financial Services and Planning pathway

Investment Planning

Describe laws and regulations to manage transactions in the securities and investments industry.
- Explain regulations and ethical practices of the securities and investments industry
- Describe fundamental concepts of real estate law
- Explain the nature and scope of real estate titling

Manage the use of financial resources to perform key duties in the securities and investments industry.
- Describe investment analysis and selection processes
- Select investments for clients
- Appraise assets to determine their value

Plan, monitor and manage day-to-day securities and investments operations.
- Implement securities and investments operations activities

Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop in a securities and investments career.
- Describe careers in securities, investments, and real estate
- Explore securities and investments licensing and certification programs.
- Describe securities and investments services

Determine client needs and wants to guide purchase decisions and enhance future securities and investments opportunities.
- Explain securities and investments products and their benefits
- Complete a securities and investments sale
- Demonstrate knowledge of Investment and Savings Plan

Risk Management and Insurance

Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop a career in insurance.
- Describe essential knowledge and skills needed to be employed in the insurance industry
- Describe roles and responsibilities associated with careers in the insurance industry
- Describe insurance licensing and certification programs

Acquire product knowledge to communicate product benefits and to ensure appropriateness of product for the customer.
- Discuss the components of automobile insurance coverage
- Discuss the components of health insurance coverage
- Discuss the components of life insurance coverage
- Discuss the components of homeowner's and renter's insurance

Determine client needs and wants to guide purchase decisions and enhance future insurance business opportunities.
- Describe insurance products and their benefits
- Evaluate existing client insurance and risk management needs

Describe laws and regulations to manage transactions in the insurance industry.
- Define regulations that ensure compliance and demonstrate adherence to insurance industry regulations
- Explain legal concepts and ethics pertinent to the insurance industry

Demonstrate underwriting techniques and strategies to evaluate the risk posed by potential insurance clients.
- Analyze the risk posed by potential clients in order to make insurance approval/denial decisions

Banking pathway

Banking Services

Describe laws and regulations to manage business operations and transactions in the banking services industry.
- Understand a compliance program and how it protects the company's well-being
- Describe regulations and ethical practices governing banking services

Understand how to create and maintain positive, ongoing relationships with banking customers.
- Understand how to develop positive relationships with customers to enhance company image
- Manage a profitable investment portfolio to build customer relationships

Manage the use of financial resources to enhance banking performance.
- Describe the manner in which banks generate profit
- Utilize financial formulas commonly used in banking to determine the growth and stability of banking services

Understand banking technology.
    Utilize banking technology to increase workplace efficiency and effectiveness
Plan, monitor and manage the day-to-day activities within a banking organization to ensure secure operations.
    Describe how bank security programs minimize chance for loss
    Describe the loan application process to determine creditworthiness of customers
    Discuss real estate lending and servicing
    Discuss problem loan management
Determine client needs and wants
    Describe sales techniques to acquire new business
Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop a career in banking services.
    Describe the importance of ethical practices in the banking industry
    Identify the nature and scope of types of banking institutions
    Acquire knowledge of banking processes and services
    Describe roles and responsibilities in banking services

Principles of Selling and Advertising
[Standards development deferred to 2017]

Advanced Cluster courses
Entrepreneurial Skills
Evaluate leadership styles and management functions for entrepreneurs.
    Describe how cultural/ethnic/generational differences affect interpersonal interactions/communications within a business structure
    Compare and contrast leadership styles and characteristics
    Distinguish the roles of support staff, supervisors, and managers
    Discuss the role of ethics in business
Demonstrate an understanding of the elements and purpose of business and strategic planning in entrepreneurship
    Identify and explain the components of a business plan
    Conduct market research using a variety of methods
    Compare and contrast sample business plans, identifying strengths and weaknesses
    Synthesize all elements into a business plan
Identify strategies for business startup and growth.
    Develop mission, purpose, core values, and vision statement
    Identify factors for business expansion
    Evaluate advantages and disadvantages of business locations
    Identify startup costs
    Assess barriers to startup
Understand financial planning, reports, and projections.
    Research sources of capital
    Formulate pricing strategies for goods and services
    Project annual and monthly business income and expenses
    Calculate projected sales, income, expenses, and taxes
    Construct a financial plan
Understand effective marketing.
    Identify target markets, competition, and customer profiles

- Know the components of a promotional plan (i.e., advertising, public relations, sales promotion) and how the plan is used to achieve a stated outcome
- Identify the selling techniques used to aid customers and clients in making buying decisions
- Use market research to develop strategies for marketing products or services
- Create an effective marketing plan including current social media, viral marketing, and other technologies

Understand the role of human resources.

- Research job descriptions, compensation, and benefits for potential employees
- Identify government regulations (federal, state, and local) that affect small business
- Recognize various types of taxes that affect small business
- Understand policies and laws regarding harassment, nondiscrimination, and workplace safety

Business Law

[Standards development deferred to 2017]

Business Economics

Analyze the basic economic systems in relation to scarcity, choice, and opportunity costs.

- Analyze concepts of basic economics
- Differentiate among economic systems
- Analyze economic problems and goals of society.
- Assess the importance of natural resources and their relationship to economic decision making

Analyze the role of business in a free enterprise system.

- Analyze types of business organizations
- Apply the concepts of buying and selling of stock
- Analyze effects of competition and monopoly on a free enterprise system
- Explain and analyze the concepts and characteristics of production and marketing
- Explain supply and demand
- Analyze the role of unions in the economy

Analyze the role of government in a free enterprise system.

- Connect concepts related to government's role in a free enterprise system
- Formulate and analyze the components of gross national product (GNP), gross domestic product (GDP) and national income
- Investigate and differentiate the types of taxes
- Analyze cause/effect of inflation and recession
- Investigate and analyze governmental policies and their economic consequences at the national, state and local levels

Analyze global economic concepts

- Connect concepts as they apply to international economics
- Investigate and analyze the effect of world trade on the United States economy
- Utilize business economic concepts to determine advantages/disadvantages of International trade, including the global impact
- Investigate and analyze the purpose and effects of foreign aid

International Business and Marketing

[Standards development deferred to 2017]

A cover letter has been drafted to guide business/industry feedback to the standards developed through this process. The seven standards documents will be reformatted with three columns for business/industry feedback at the sub-indicator level utilizing a 1 (low) to 5 (high) scale:

- Is the sub-indicator essential?
- Is the sub-indicator clear and specific?
- Is the sub-indicator measurable?

Business/industry partners are also asked if the standards reflect the preparation necessary for a student to enter her/his particular occupational field. A sample of the reformatted document follows.

Course Standards

IFS 1 Explain how economics relates to the banking and financial industries.

			Essential 1 (low) – 5 (high)	Clear and Specific 1 (low) – 5 (high)	Measurable 1 (low) – 5 (high)
Webb Level	*Sub-indicator*	*Integrated Content*			
Level 2 Skill/Concept	**IFS 1.1 Describe the role of the Federal Reserve and how interest rates affect the economy.** Examples: • Identify different interest rates including prime, discount and federal funds. • Explain concept of compound interest and the importance of time and accumulating wealth				
Level 2 Skill/Concept	**IFS 1.2 Explain inflation, deflation, recession, depression and their impact on the banking and financial industries.** Examples: • Discuss the time value of money. • Explain the risk / reward rule.				

Following business/industry review, state staff will revise the standards documents as necessary to incorporate business/industry suggestions. The revised documents will be shared with participants in the standards development process and, eventually, with teachers of law and public safety courses throughout the state for their feedback. Final documents will be taken through public hearings and delivered to the State Board of Education for adoption.