



NZQA Assessment Support Material

Unit standard		28100			
Title	Develop a plan to achieve a long-term personal financial goal(s)				
Level	3	Credits	4	Version	3

Note

The following guidelines are supplied to enable assessors to carry out valid and consistent assessment using this internal assessment resource.

Assessors must manage authenticity for any assessment from a public source, because students may have access to the assessment schedule or student exemplar material. Use of this assessment resource without modification may mean that students' work is not authentic. The assessor will need to change figures, measurements or data sources or set a different context or topic.

While this ASM lends itself to written assessments, there are other activities and approaches that could be taken.

See Generic Resources and Guidelines at <https://www.nzqa.govt.nz/providers-partners/assessment-and-moderation-of-standards/assessment-of-standards/generic-resources/>.

Assessor guidelines

Assessors need to be very familiar with the outcome being assessed by the unit standard. The evidence requirements and the explanatory notes contain information, definitions and requirements that are crucial when interpreting the standard and assessing learners against it.

Over the weeks prior to this assessment, learners should have had sufficient teaching and learning opportunities to be familiar with the following:

- Personal financial planning;
- Goal definition and setting;
- Information gathering;
- Actions to achieve financial goals;
- Processes to monitor and review;
- Financial tools;
- Asset protection;
- Constructing a balanced budget;
- Budgeting and/or investment advice;
- Personal and lifestyle factors that can affect the achievement of financial goals;

- Strategies to manage the impact of factors on the achievement of financial goals.

AWARD OF GRADES



- For award with **Achieved**, learners must: develop a plan to achieve a long-term personal financial goal(s); describe how the elements of the plan contribute to meeting the identified long-term personal financial goal(s); identify the personal and lifestyle factors that may affect the achievement of the long-term financial goal(s); describe strategies to manage the impact of the identified factors and show how they contribute to meeting the long term personal financial goal(s).
- For award with **Merit**, learners must: explain the elements of the plan, and reasons for their inclusion, to show how they contribute to meeting the long-term personal financial goal(s).
- For award with **Excellence**, learners must: explain, with supporting reasons, the factors that may affect the achievement of the identified long-term personal financial goal(s) and strategies to manage their impact contribute to meeting the long-term personal financial goal(s).

CONDITIONS OF ASSESSMENT



The assessment is an **open book** activity that will take place over a timeframe set by the assessor. Learners can use any information to help them complete the tasks. Answers must be in their own words.

Assessment activity

This assessment activity has one task.

The task requires the learner to:

- Develop a plan to achieve a long-term personal financial goal(s), including:
 - Defining and setting a personal financial goal(s).
 - Gathering information on what is involved/needed to reach the goal(s).
 - Creating actions to achieve the goal(s), including setting a balanced budget, sourcing budgeting and/or investment advice, and using financial tools that can help.
 - Monitoring and reviewing the progress as they work towards the goal(s).
 - Describing how they will protect their assets as they work towards achieving the financial goal(s).
- Identify factors that may affect the achievement of identified long-term personal financial goal(s), in terms of the individual and their lifestyle.
- Describe strategies to manage the impact of the identified factors with supporting reasons.
- Explain how the strategies will contribute to them meeting their long-term personal financial goal(s).

Note: The personal financial goal should be a SMART one (Specific, Measurable, Attainable, Time bound).

Resources

Resources that may help with this are:

- Sorted: Your independent money guide, <https://www.sorted.org.nz/>.
- Commission for Financial Capability, <http://www.cffc.org.nz/>.
- The New Zealand Network for Financial Literacy, <http://www.financialliteracy.org.nz/>.
- Interest credit card comparison, <http://www.interest.co.nz/borrowing/credit-cards>.
- Bamzonia Personal Financial Education, <http://www.bamzonia.co.nz>.
- NZ Federation of Family Budgeting Services – www.familybudgeting.org.nz.

Assessment Schedule

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Task	Evidence/Judgements for achievement	Evidence/Judgements for achievement with merit	Evidence/Judgements for achievement with excellence
Outcome 1 ER 1.1 Question 1	Learner describes the elements of a plan to achieve a long-term personal finance goal. See sample answers - Question 1.	Learner explains the elements of a plan and reasons for their inclusion to achieve a long-term personal finance goal. See sample answers - Question 1.	Learner explains the elements of a plan and reasons for their inclusion to achieve a long-term personal finance goal. See sample answers - Question 1.
Outcome 1 ER 1.2 Question 2	Learner identifies at least two factors that may affect the achievement of long-term personal financial goals, in terms of the individual and their lifestyle. See sample answers - Question 2.	Learner identifies at least two factors that may affect the achievement of long-term personal financial goals, in terms of the individual and their lifestyle. See sample answers - Question 2.	Learner explains with supporting reasons at least two factors that may affect the achievement of long-term personal financial goals, in terms of the individual and their lifestyle. See sample answers - Question 2.

Outcome 1 ER 1.3 Question 2	Learner describes a strategy to manage the impact for each of the factors identified in 1.2, to show how they contribute to meeting the long-term personal financial goals. At least two strategies are required. See sample answers - Question 2.	Learner describes a strategy to manage the impact for each of the factors identified in 1.2, to show how they contribute to meeting the long-term personal financial goals. At least two strategies are required. See sample answers - Question 2.	Learner describes a strategy to manage the impact for each of the factors identified in 1.2, to show how they contribute to meeting the long-term personal financial goals. At least two strategies are required. See sample answers - Question 2.
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Final grades will be decided using professional judgement based on a holistic examination of the evidence provided against the criteria in the unit standard.



Tasks

1. Use the following tables to develop a plan to achieve a long-term personal financial goal(s). You will need to describe:
 - The long term personal financial goal(s). Note: The goal(s) should be SMART (Specific, Measurable, Attainable, Realistic, Time-bound).
 - The information you have gathered on what is involved and needed to reach your goal
 - Actions to achieve your goal.
 - How you will monitor and review your progress as you work towards your goal, including what financial tools you can use.
 - How you will protect your assets as you work towards achieving your financial goal.
 - How your set budget will balance (you will need to attach your budget).
 - The budgeting and/or investment advice you have received.
 - Reasons for including these elements in your plan.

Financial goal(s)

I want to pay off my student loan by the time I am 25.

(Sample answer related to awarding Achievement)

I want to pay off my student loan by the time I am 25 so that, if I decide to go overseas, I do not have to worry about paying it off. I do not want the pressure of having to pay government- set amounts on a regular basis while I may be travelling. I want to make sure that it is not necessary to earn a minimum amount of money to send back to New Zealand on a regular basis. Goals are important to ensure I fulfil my potential so I get the best out of life. They also provide motivation and accountability. If I pay off my student loan by the time I am 25 this will set me up to pursue other financial goals.

(Sample answer related to awarding Merit/Excellence)

Information gathered on what is needed and what you need to do to reach goal(s)

I need a realistic estimate of how much my tertiary studies are going to cost and what the total amount of the loan by the end of my studies will be. Best estimate is probably about \$20,000 not including living costs. My basic course will take three years to complete but I may decide to stay on at University for further study after that. I can fund this by getting a student loan. I have a choice whether I live at home or go flatting near the university. When I graduate I expect to earn \$40,000 a year.

(Sample answer related to awarding Achievement)

I need a realistic estimate of how much my tertiary studies are going to cost, what the total amount of the loan by the end of my study will be. Best estimate is probably about \$20,000 not including living costs. My basic course will take three years to complete but I may decide to stay on at University for further study after that. I can fund this by getting a student loan. I have a choice whether I live at home or go flatting near the university. When I graduate I expect to earn \$40,000 a year.

I estimate the first three years of my course are going to cost about \$7000 a year as well as living costs. I estimate that living away from home will cost at least \$10,000 a year. Due to my parents' income, I do not qualify for a student allowance. I expect to graduate by the time I am 21 and so will have 4 years to save up to pay my student loan back.

Gathering information is an important step in reaching my goal of paying off my student loan by the time I am 25. Without information, I am unable to assess whether my goal is possible and information gathering helps me make decisions along the way. For example, if I earn \$40000 on graduation, this means I will be able to save \$12000 a year as demonstrated in my budget. This information tells me I will be able to reach my goal.

(Sample answer related to awarding Merit/Excellence))

Actions to achieve goal(s)

Identify how much money I currently have to put towards my studies.

Keep my part time job while I am at University.

Create a budget to start saving towards it now.

Find a part-time job before attending the tertiary institution to reduce the need for a student loan or living allowance.

Choose a savings account that will help me earn interest and save more.

Graduate and find a job.

Divide remaining student loan by number of years before I am 25, and work out how much I need to save each year to pay it off.

Check progress while I am working, to save enough to pay off the loan, keeping the money in a term deposit to earn interest to pay the loan faster.

(Sample answers related to awarding Achievement)

Create a budget to start saving towards my goal now. Work out how I can earn some more or save more of what I already earn.

Find a part-time job before attending the tertiary institution to reduce the need for a student loan or living allowance. Apply for one or more scholarships so that I have some additional funding to pay for my fees.

Aim to find a part time job in my area of study so that I can work in a more lucrative area during the holidays, rather than in a low paid job.

Continue with a part-time job while at the tertiary institution to reduce the need to borrow (student loan). Make sure my hours don't interfere with my lectures and other study requirements.

Create a budget during university to try to save to pay off the loan, or, at least, avoid getting into more debt.

Choose a savings account that will help me earn interest and save more.

Graduate and find a job.

Divide remaining student loan by number of years before I am 25, and work out how much I need to save each year to pay it off.

Create a budget annually to meet my savings goal.

Follow, monitor and review the budget, in order to save enough to pay off the loan, keeping the money in a term deposit to earn interest to pay the loan faster.

Developing written steps means I can prioritise actions I need to take to make sure I meet my goal. It also allows me to break up my goal into more manageable actions which makes it easier for me to take action. This is why I have included a series of steps in my

(Sample answers related to awarding Merit/Excellence)

Monitoring and review process

Every six months, or when my circumstances change, I will check my plan to see if I am on track or if I need to change anything. Questions will include:

- Is this still what I want?
- Have I achieved my savings goal for this year?
- Have I achieved the steps I should have?
- Do I need to change anything?

Depending on the answers to my questions, I may need to adjust my steps and/or budget.

(Sample answers related to awarding Achievement)

Every six months or when my circumstances change, I will check my plan to see if I am on track or if I need to change anything. This process is important so that I can reflect and act on the answers to the following questions:

- Is this still what I want?
- Have I achieved my savings goal for this year?
- Have I achieved the steps I should have?
- Do I need to change anything?

Depending on the answers to my questions, I may need to adjust my steps and/or budget.

The monitoring and review process will include checking my cash flow against my budget.

Questions could include:

- Are my income and expenses as I planned?
- Have my tertiary costs changed?
- Am I still able to live at home and will this change my cost structure and what I need to borrow?

Depending on the answers to my questions, I may need to:

- Revisit my thinking on my financial situation

- Adjust my steps and think of new ways to achieve my goal.

The monitoring and review process should also include other factors that affect my lifestyle such as my health and my relationships with other people.

Questions could include:

- How is my health standing up to the workload I have set myself?
- Am I still able to work the number of hours that I planned?
- Is the amount of daily travel manageable?
- How does my family feel about me still living at home?
- Is my financial contribution viable and accepted by the family?
- Monitoring and reviewing allows me flexibility and provides accountability and motivation for reaching my goal and is an important element to include in my plan.

(Additional sample answers related to awarding Merit/Excellence)

Financial tools that will assist

I have set up a budget using Sorted.org.nz to identify my budget needs, and monitor and review progress. I can check my financial situation at any time through my phone and internet banking and have money automatically transferring to my savings account. I carefully file all documents from my financial transactions so that I can check my spending.

(Sample answer related to awarding Achievement)

I have set up a budget using Sorted.org.nz to identify my budget needs, and monitor and review progress. I carefully file all documents from my financial transactions so that I can check my spending.

I can check my financial situation at any time through my phone and internet banking and have money automatically transferring to my savings account.

I have an Excel spreadsheet set up on my computer to monitor progress towards my financial goal.

Using these tools is an important part of my plan as they allow me to develop good habits for spending and allocating income; they give me a greater understanding of my money; they are free and easy to use and will allow me to make changes and see the impact on my goal straight away. If my living costs increase while I am studying, I can adjust my spreadsheet and make decisions as to how to keep my budget balanced. I might be able to increase my hours in my part time job for example.

(Sample answer related to awarding Merit/Excellence)

Asset protection

While I am living at home, my assets will be covered by my parents' insurance. Since I am taking public transport to my studies, I do not need to have my own car.

If I leave home, I will use insurance such as contents and vehicle to protect my assets.

(Sample answer related to awarding Achievement)

While I am living at home, my assets will be covered by my parents' insurance. Since I am taking public transport to my studies, I do not need to have my own car.

If I leave home, I will use insurance such as contents, vehicle, and travel to protect my assets. This means if something untoward happens, e.g. I am robbed or I cause a car accident, I don't have to go into my savings or take on more debt to pay for the consequences.

I do not have any dependents so I am not planning to have life insurance or a Will at this stage. However, it is something I will need to consider in the future. I am very careful with how I carry my money and my cards. Only my parents know my PIN.

Protecting my assets is an important element of my plan because I need to ensure that unintended situations are identified and thought about. If I did not protect my assets, with insurance for example, I could face increased financial costs which has the potential to impact negatively on reaching my goal.

(Sample answer related to awarding Merit/Excellence)

Balanced budget attached: YES | NO

Budget is included

(Sample answer related to awarding Achievement)

Reasons for including a budget

Completing and including a budget will help me to prioritise my spending and then to manage my money while I'm studying. Planning and then monitoring my budget will help me pinpoint wasteful spending and allow me to adapt my spending patterns when there is any change in my financial situation. I can regularly check my budget to ensure I'm on track for achieving my overall goal.

(Sample answer related to awarding Merit/Excellence)

Budget and investment advice received

My parents are good with money and the budgeting advice I have received comes from them. I have checked out budget advisory websites e.g. the NZFFBS. I have also talked with advisors at my bank and Study Link.

(Sample answer related to awarding Achievement)

My parents are good with money and the budgeting advice I have received comes from them. They have helped me set up my systems.

I have checked out budget advisory websites e.g. the NZFFBS to make sure I am following best- practice budgeting activities and will keep checking these regularly for updates.

I have also talked with advisors at my bank and Study Link to make sure that my plan is realistic and that my accounts are set up in the most cost-effective way. I have scheduled 3-monthly appointments with my bank to review my account set up and ensure that I am making wise decisions about the best use of any unspent money that might build up in the short term. Budget and investment advice is an important element in my plan as it will help with making financial decisions over the short, medium and long term. As my financial situation changes, so too will the type of advice I will need. It is important to seek advice from trusted and reputable sources and to keep reviewing and monitoring my investments to ensure they are keeping on track for reaching my goal. The cost of the advice and fees is also another factor to consider when taking out investment advice.

(Sample answer related to awarding Merit/Excellence)

2. Complete the following table to:

- Identify at least two (2) factors that may affect your achievement of the long term personal financial goal(s) and explain why.
- For each factor, identify a strategy you could use to manage their impact on achieving the long-term goal(s). Explain with supporting reasons.

Factor	Explanation	Strategy	Explanation
1. The fees for my chosen tertiary course are now more than I planned for.	The fees for the course I want to study have increased. As a result, I will need to alter my budget in some way to ensure I will be able to meet my original goal.	I will live at home for the first two years of my course. I have chosen a tertiary institution that offers the first two years of the course I want to take, in my home town, so that I do not have to live away from home, until my third year.	This will decrease the living costs that I will have to pay and help keep my budget balanced and keep me on track for achieving my goal
2. If I change my mind after I graduate and travel overseas for more than six months, my student loan will not be interest free	If I travel outside New Zealand for longer than six months, I will need to start paying interest on my student loan.	Earn more income while I'm studying.	The more I can earn while I'm studying, the less I will need to borrow as a student loan. Therefore, if I do travel for longer than six months, the amount of interest I'm charged will be less.

(Sample answer related to awarding Achievement/Merit)

<p>1. The fees for my chosen tertiary course are now more than I planned for.</p>	<p>The fees for the course I want to study have increased. As a result, I will need to alter my budget in some way to ensure I will be able to meet my original goal.</p>	<p>I will live at home for the first two years of my course as I have chosen a tertiary institution, that offers the first two years of the course I want to take, in my home town, so that I do not have to live away from home until my third year.</p>	<p>This will decrease the cost of living costs that I will have to pay, help keep my budget balanced and keep me on track for achieving my goal.</p> <p>I did research on the type of course and potential career and income options. These confirmed that the chosen study still gives me the best option to earn an income sufficient to pay off the loan, in the time-frame specified, in order to achieve my goal.</p>
<p>2. If I change my mind after I graduate and travel overseas for more than six months, my student loan will not be interest free</p>	<p>If I travel outside New Zealand for longer than six months, I will need to start paying interest on my student loan. The repayments will be based on my student loan balance, not on my income. Interest will be charged on the balance owing (as at 2016 = 4.8%).</p>	<p>Earn more income while I am studying.</p>	<p>I want to be debt free before I go overseas, if at all possible, so I will need to earn more income while I am studying, either through a higher-paying, part-time job, through a scholarship or holiday internship. This income will reduce the cost of interest payments and therefore the overall repayment</p>

			<p>costs of the student loan debt when overseas.</p> <p>I will also need to find out what the exchange rate is between New Zealand and the country I plan to go to overseas. That will help me work out if I will be in a position to pay off any remaining student loan at the rate required, and still have sufficient money to live on while I am away. I may have to work in New Zealand for longer if this isn't possible.</p>
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(Sample answer related to awarding Excellence)