

Title	Analyse external risk factors and select strategies to manage their impact on personal finances		
Level	3	Credits	3

Purpose	People credited with this unit standard are able to analyse external risk factors and select strategies to manage their impact on personal finances.
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Classification	Core Generic > Financial Capability
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Available grade	Achieved, Merit, and Excellence
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Criteria for Merit	The analysis of the external risk factors for Merit includes explanation of the selected strategies to manage the impact on personal finances.
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Criteria for Excellence	The analysis of the external risk factors for Excellence involves justification of the same strategies used at <i>Merit</i> to manage the impact of external risk factors on personal finances.
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Guidance Information

- 1 This unit standard can be awarded with *Achieved*, *Merit*, or *Excellence*. For the *Achieved* grade to be awarded, the outcome must be achieved as specified in the outcome statement. For *Merit* or *Excellence* to be awarded, the candidate must meet the *Merit* or *Excellence* criteria specified above.

Assessment may be based on a case study or simulation, but where the candidate's real situation is used, every care must be taken to protect privacy, and the provisions of the Privacy Act 2020 will apply.

- 2 **Definitions**
External risk factors refer to factors such as – international events, pandemics, interest rate changes, inflation, economic environment changes, employment issues, societal trends, demographic trends, climatic change, political change, policy change, environmental issues, legislation, natural disasters, man-made disasters or events, technological and digital developments, and transport development.
Personal refers to an individual, whānau or family unit rather than an iwi, group, business or organisation.
Strategies refer to income protection, life insurance, health insurance, house insurance, contents insurance, motor vehicle insurance; online cyber-security;

property security and alarm systems; diversification of investment and personal savings portfolio.

3 References

Interest.co.nz, available at <https://www.interest.co.nz/>;

Ministry of Business, Innovation & Employment, available at <https://www.mbie.govt.nz/>;

NZX Markets, available at <https://www.nzx.com/>;

Statistics New Zealand, available at <https://www.stats.govt.nz/>;

World Health Organisation, available at <https://www.who.int/>;

Civil Defence, available at <https://www.civildefence.govt.nz/>;

Ministry of Social Development, available at <https://www.msd.govt.nz/>.

Outcomes and performance criteria

Outcome 1

Analyse external risk factors and select strategies to manage their impact on personal finances.

Performance criteria

1.1 External risk factors are analysed in terms of their impact on personal finances.

Range three different external risk factors – one global, one national and one regional factor.

1.2 Strategies are selected to manage the impact of external risk factors on personal finances.

Range three different strategies – one global, one national and one regional factor.

Planned review date	31 December 2025
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Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	12 December 2013	31 December 2018
Republication	1	26 March 2015	31 December 2018
Review	2	21 July 2016	31 December 2022
Review	3	29 July 2021	N/A

Consent and Moderation Requirements (CMR) reference	0226
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This CMR can be accessed at <https://www.nzqa.govt.nz/framework/search/index.do>.

Comments on this unit standard

Please contact NZQA National Qualifications Services nqs@nzqa.govt.nz if you wish to suggest changes to the content of this unit standard.