The 7 Components of Financial Literacy

When students understand how money works, they make better choices.

A strong foundation in financial literacy equips them with practical skills they'll carry into college, careers, and beyond.

This seven-part framework provides a clear structure for teaching essential concepts, leading meaningful discussions, and guiding hands-on practice that prepares students for the real world.

It also forms the backbone of the P2C Financial Literacy Curriculum—a comprehensive, 86-lesson resource for grades 9–12. With daily guidance and engaging, career-connected activities, it gives educators a ready-to-use roadmap for delivering each topic with clarity and confidence.







Help students understand how to generate income and increase earning potential.

- Discuss different types of income (earned, passive, and portfolio) and their tax implications

 Explore how goal actting and lifelong learning.
- Explore how goal setting and lifelong learning influence earning power
- Practice job searching, salary negotiation, and managing multiple income streams

2 PLAN

Empower students to set goals and make informed money decisions.

- **Discuss** how to evaluate opportunity costs and prioritize spending
- Explore strategies for setting short- and long-term financial goals
- Practice creating a roadmap for reaching financial milestones, such as paying off debt, purchasing a home, and saving for retirement



Ready students to build a financial safety net.

- Discuss the value of saving, delayed gratification, and intentional spending
 Explore emergency funds, retirement accounts,
- and savings habitsPractice building sample budgets that include
- regular savings contributions

4 INVEST

to long-term wealth-building strategies.

Introduce students

bonds, mutual funds, and exchange-traded funds (ETFs)
Explore how time and diversification help reduce investment risk

• Discuss key investment types, including stocks,

- Practice creating and monitoring a mock investment portfolio

SPEND

decision-making.

Promote smart

• Explore the impact of credit card use and how to maintain a healthy credit score

and wants

• Discuss ways to distinguish between needs

- Practice planning a week of spending on a limited budget

Teach students to

BORROW

use credit responsibly and manage debt.

Explore credit reports and credit scores
Practice reviewing a loan or credit card statement

• Discuss different loan types—student, auto,

mortgage—and how interest works

and designing a repayment plan

7 RISK

Prepare students

unexpected costs.

for financial risks and

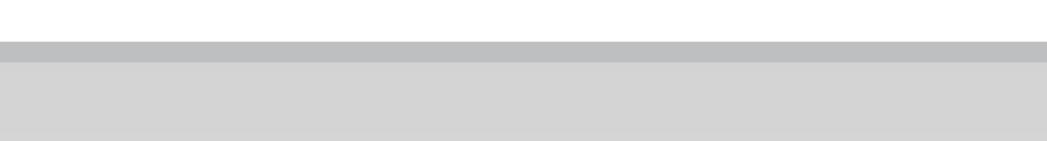
• Discuss different types of financial risk, including

market, credit, inflation, and emergencies

identity protectionPractice building a basic risk management plan

that includes insurance and emergency savings

• Explore insurance options, fraud prevention, and



Learn more at p2c.org/financial-literacy-curriculum/