

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.



EXPLORE P2C FINANCIAL LITERACY



1 EARN

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 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

3 SAVE

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 habits
- **Practice** building sample budgets that include regular savings contributions

4 INVEST

Introduce students to long-term wealth-building strategies.

- **Discuss** key investment types, including stocks, bonds, mutual funds, and exchange-traded funds (ETFs)
- **Explore** how time and diversification help reduce investment risk
- **Practice** creating and monitoring a mock investment portfolio

5 SPEND

Promote smart decision-making.

- **Discuss** ways to distinguish between needs and wants
- **Explore** the impact of credit card use and how to maintain a healthy credit score
- **Practice** planning a week of spending on a limited budget

6 BORROW

Teach students to use credit responsibly and manage debt.

- **Discuss** different loan types—student, auto, mortgage—and how interest works
- **Explore** credit reports and credit scores
- **Practice** reviewing a loan or credit card statement and designing a repayment plan

7 RISK

Prepare students for financial risks and unexpected costs.

- **Discuss** different types of financial risk, including market, credit, inflation, and emergencies
- **Explore** insurance options, fraud prevention, and identity protection
- **Practice** building a basic risk management plan that includes insurance and emergency savings