

The skill sets required for an instructor of the Money 101 Education program—foundation segment—include the ability to explain concepts in plain language. Including the below:



1. W-2 Income - reviewing a Payroll Stub

- The purpose of a W-4 and an I-9 form
- Pay frequency (weekly, bi-weekly, semi-monthly, monthly)
- The difference between gross pay and net pay
- Common payroll deductions:
 - Federal income tax
 - State/local tax
 - Social Security & Medicare (FICA)
 - Health insurance, Cafeteria Plans, Transit Check, and retirement deductions
- Why does take-home pay differ between people earning the same amount
- When are people eligible to collect Social Security and Medicare? What should be the considerations for when to start collecting?
- Federal and State Overtime regulations, including the distinction between exempt and non-exempt employees, and key rules around overtime
- 401K retirement plans - Traditional vs. Roth - which is better and why - what is matching? What is vesting? How to calculate what you lose in leaving a job in which you are not fully vested

Demonstrated by: Reviewing a sample pay stub

2. Independent Contractor / 1099 Income

- The difference between W-2 and 1099 income
- What are the IRS rules for allowing someone to be considered an independent contractor (20-point test)
- How to set up business bookkeeping so that it dovetails easily into Schedule C
- How to calculate a Home Office Deduction, both the short way and the long way
- What are Self-Employment Taxes, and how are they calculated
- Emphasize record-keeping and planning
- Know when to refer to a tax professional

Demonstrated by: Calculating a 1099 and completing Schedule C for a fictitious character

3. Household Cash Flow & Budgeting Competency

- Identify all sources of income (regular and irregular)
- Categorize expenses - first using a long, detailed method to jog memories, and later consolidating to be practical
- Learning how to download bank and credit card transactions, then categorize and subtotal to catch everything, and get an accurate
- The need to determine if you are cash flow positive or negative
- Emphasize that the focus should be on increasing income
- Understand how others in the household contribute to the upkeep, and be mindful of their financial contributions if income goes away.
- Recognize “spending leaks.”

Demonstrated by: Preparing a Cash Flow Statement for a fictitious character (in class exercise)

4. Personal Financial Statement

The instructor can explain in plain language

- What is an asset
- What is a Liability
- In what order are Assets and Liabilities listed on a PFS
- How to calculate Net Worth
- Why net worth matters more than income alone
- The importance of tracking net worth changes from year to year
- The need to be conscious of interest rates, especially on debt
- Understand the effect of compounding interest on debt
- Discuss debt strategically (without judgment)
- Explain the relationship between a positive or negative Cash Flow Statement and a Personal Financial Statement
- Explain how a Personal Financial Statement differs from a Business Balance Sheet

Demonstrated by: Preparing a Personal Financial Statement for a fictitious character (in class exercise)

5. Credit Knowledge & Credit Improvement

- Explain what a credit report is, how it differs from a credit score, and how to obtain yours for free
- Explain credit scores and major scoring factors:
 - Payment history
 - Credit utilization - do an exercise in class
 - Length of credit history
 - New credit inquiries
 - Credit mix
- Teach actionable steps to improve credit:

MONEY 101 EDUCATION

8.11 INSTRUCTOR SKILL SETS - NEEDED FOR THE FOUNDATION SEGMENT

- On-time payments
- Lowering utilization
- Disputing errors
- Responsible credit building
- Warn against common credit myths and scams
- Know when a legal or professional referral is required

Demonstrated by: Reviewing a mock credit report and an exercise regarding credit utilization skills

IN ADDITION TO THE ABOVE SPECIFIC KNOWLEDGE INSTRUCTORS SHOULD BE ABLE TO

- Explain financial concepts in plain, non-technical language
- Teach adults with varying education and income levels
- Manage group discussions respectfully
- Handle sensitive questions with professionalism
- Avoid judgment, shame, or moralizing
- Keep the class on time and on topic

Possess Coaching & Behavioral Skills

- Active listening
- Empathy and patience
- Encouragement without pressure
- Ability to help participants set achievable goals
- Ability to reframe setbacks as learning moments
- Cultural and socioeconomic sensitivity
- Make the class lively and fun
- *Take the fear out of finance !*

Tools & Practical Skills

- Be confident in the use of Excel
- Have a ZOOM account that goes beyond 45 minutes
- Knowledge of the Money 101 Education handouts (available online)
- Navigate online banking or credit monitoring tools

Adhere to the SCORE Code of Ethics, including

- Understand what they **can and cannot** advise on and do NOT provide:
 - Tax filing advice
 - Legal advice
 - Investment recommendations
- Refers participants appropriately to professionals
- Maintain confidentiality
- Avoid any direct or indirect product sales or services for which a client would be charge