

Family and Consumer Sciences Assessments (FCSA)

Consumer Knowledge Study Guide

Budgeting

- Understand the purpose of a budget and how it helps manage finances.
- Differentiate between fixed and variable expenses.
- Know how to create and maintain a personal budget.

Credit and Debt

- Define credit score and understand its importance.
- Explain the concept of compounding interest.
- Describe different types of loans, including secured and unsecured loans.

Banking and Savings

- Identify various types of financial institutions.
- Understand the purpose of a savings account and how interest is earned.
- Explain the role of the Federal Deposit Insurance Corporation (FDIC).

Taxes

- Differentiate between different types of taxes (e.g., income tax, sales tax).
- Understand the importance of filing taxes accurately and on time.
- Know common tax deductions and credits.

Investments and Retirement

- Define terms like 401(k), IRA, and Roth IRA.
- Explain the concept of diversification in investment.
- Understand the role of the Securities and Exchange Commission (SEC).

Insurance

- Differentiate between various types of insurance (e.g., health insurance, auto insurance).
- Know the purpose of insurance and how it protects against financial loss.
- Explain the benefits of having an emergency fund.

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Estate Planning

- Understand the importance of creating a will and appointing a guardian if necessary.
- Know the significance of having a power of attorney.
- Explain the purpose of a trust fund.

Credit and Borrowing

- Understand the potential advantages and disadvantages of using credit cards.
- Define terms like interest rate, principal, and collateral.
- Know how to improve and maintain a good credit score.

Investing

- Explain the concept of risk and return in investing.
- Identify different types of investments (e.g., stocks, bonds, mutual funds).
- Understand the importance of a diversified investment portfolio.

Financial Terminology

- Familiarize yourself with key financial terms, such as dividends, equity, asset, liability, and liquidity.

