

Ethics for Educators in Personal Finance

It is likely that the schools or organizations you work for have drilled their missions and values into you. You're probably thinking that you already know all you need to know in order to guide your students to the best of your ability. You also know you have responsibilities to your employers and to your co-workers, but do you really understand the 'whys' and the 'whats' of ethics?

Site: Exams.FinCert.org

Course: Ethics for Educators in Personal Finance

Book: Ethics for Educators in Personal Finance

Printed by: Rachel Gordon

Date: Monday, 28 June 2021, 9:47 PM

Table of contents

Introduction

Professional Ethics

Categories of Ethics

Defining a Successful Code of Ethics

Case Studies

Wrap Up

Ethics In The Workplace

Sources of Standards

Regulatory Environment

Case Study

Ethics and the Educator

Responsibility to Self

Responsibility to Students

Responsibility to Your Employer and Co-Workers

Case Study

Wrap Up

Conclusion

Case Studies

Introduction

Many Americans consider education, let alone financial education, in and of itself to be one of the most important issues facing our country. As a teacher, either by training or as defined by the work you do, you have some very important information to pass along to your students, and in doing so, ethical obligations to fulfill.

That is why the Center for Financial Certifications® offers this course in ethics for financial educators. It is likely that the schools or organizations you work for have drilled their missions and values into you. You're probably thinking that you already know all you need to know in order to guide your students to the best of your ability. You also know you have responsibilities to your employers and to your co-workers, but do you really understand the 'whys' and the 'whats' of ethics?

This continuing education piece was designed with you, the educator, in mind. Although it will not address specific codes of ethics, it will discuss ethics in a broad sense. By doing so, you will have a better idea of what is expected of you by your employer, your students, and your co-workers. By the same token, you will learn what general guidance you can expect from those you work for. If you are self-employed, it means understanding your own values and finding a way to incorporate them into your professional practice.

There was a time when political decisions seemed to rule professional communities. Ethics were seemingly thrown by the wayside. That landscape has changed. Although ethical behavior can be quite a personal matter, it is also something that can be influenced by policies and programs. It starts with understanding the values and missions of the organizations that you work for. Again, in the case of the self-employed, it means understanding your own morals and knowing how you want to be perceived by the individuals and communities you serve.

We have just referenced both morals and ethics. Before we go any further we need to understand them both. Making decisions based on one's morals is not easy. Good moral decision making is based upon factual knowledge of the situation and consideration of all relevant principles. Moral decision making should also involve sensitivity. So then, what is ethics? Simply put, ethics is the discipline of dealing with what is good and bad and abiding by moral duties and obligations. As individuals, most of us have a set of ethics we hold ourselves to. This set becomes obvious in all of our actions and in all we believe.

Various professions also have a discipline of ethics. Professional ethics examines the rules and principles of a profession, explore the various moral or ethical problems that can arise, and may even discuss how special duties and/or obligations apply to individuals who work in that profession.

Having gained much attention over the past few years, professional ethics is really about setting moral principles for employees and ensuring that behaviors align with organizational values. Ethics programs may also be established to help identify and strengthen an organization's areas of vulnerability.

Formal ethics programs have become more and more common throughout all professional sectors. Ethics in the workplace may be instilled through the use of codes of ethics, codes of conduct, policies and procedures, or a combination of these methods. Some of the organizations you work for may develop their own written standards of conduct or may formulate internal policies to govern the ethical conduct of their employees. Ethics may also be integrated into employee training and employee handbooks. Making ethics policies easily available to employees shows that employers are actively seeking ways to integrate practices that align with their missions and visions. It is also a way to develop relationships with students and communities served.

Generally speaking, a code of ethics is meant to identify an organization's expectations of its employees, offer guidance on how to handle common ethical problems that might arise while doing one's job, and to support employees doing the right thing. Internal policies will govern the ethical conduct of employees.

These policies may be simple; written in broad, generalized language, or they can be very detailed; possibly containing specific behavioral requirements. Having ethics in the workplace, and addressing ethical standards in training, enables employees to be better prepared to handle situations as they arise. Keep in mind that codes of ethics, or ethical standards, should not be a replacement for solid procedures and protocol.

Employees are increasingly being required by their employers to attend seminars on ethical professional conduct. Sexual harassment is one such seminar that has been incorporated into virtually every organization. Some organizations will go as far as to not indemnify an employee for refusing to attend one of those training sessions. Other seminars may include a discussion of the employer's policies and perhaps specific case studies around ethical issues. Some employers may ask their employees to sign agreements stating that they will abide by the organization's codes.

As financial educators, you have a lot to be aware of. You need to abide by the rules of the organizations you work for. There may also be standards and codes of ethics you need to adhere to as they relate to the professional field you work in, certifications you may hold, or professional and trade associations you may belong to. The list of what you can and cannot do may seem endless. Not only do you have responsibilities to the students and communities you serve, the organizations you work for, and to your colleagues, you also have responsibilities to yourselves. As businesses get more and more involved in education, you may be asked to give thought to what business *business* has in education.

Professional Ethics

This is where we get to delve into ethics in greater detail. Ethics is one of five branches of philosophy. The four other branches of philosophy are metaphysics (which addresses how things and/or possessions interact with our lives), aesthetics (which addresses emotions and sensations evoked by beauty), epistemology (which addresses studying the nature and scope of knowledge) and logic (which addresses the study of the concrete rather than the abstract).

By using our earlier definition, ethics is the discipline of dealing with what is good and bad and abiding by moral duties and obligations. It is not difficult to see how all of the branches of philosophy are interrelated. Where do our feelings of right and wrong stem from? Is it because something makes sense to us, or is it because something seems logical? Is it because we have the knowledge that proves we are right? If something makes us feel good because it is aesthetically pleasing, does that make it right? Does having possessions, or does the manner in which those possessions were obtained, validate our feelings of right or wrong about ourselves?

Then there is philosophical ethics, sometimes referred to as moral philosophy. This area of ethics defines and delineates the ideas of right and wrong and the ideas of human happiness.

As if that was not enough to think about, there are four categories of ethics we are going to discuss: metaethics, normative ethics, descriptive ethics and applied ethics. The work you do will most likely be centered on applied ethics. However, before we continue with professional ethics, let's take a look at all the other categories.

Categories of Ethics

Metaethics

Metaethics (also referred to as analytical ethics) is concerned with the meaning of ethical concepts, defining ethical terms, and comparing ethical theories. This category also encompasses moral reasoning. The term “meta” means beyond, so perhaps the easiest way to think of metaethics is the bird’s eye view of ethics. The questions you ask in metaethics are "what is goodness?" and "how does one distinguish good from bad?" Metaethics seeks to define ethical terms and ascertain whether they come from human society or if they exist independently of it.

Metaethics strives to display the relationship between moral concepts. How many of you are familiar with the saying, “a man has to do what a man has to do”? An example of that would be your responsibility to report unprofessional conduct in the workplace. However, unprofessional conduct must first be defined before it can be reported.

Normative Ethics

Normative ethics (also known as prescriptive ethics) is the study of concepts involved in reasoning. Normative ethics is responsible for setting the norms for determining the standards that decide when conduct is right or wrong. A perfect example of this would be the Golden Rule. By establishing the single principle of “do unto others as you would have done unto you,” an individual is able to determine whether any potential act is right or wrong. It is through the use of normative ethics that organizations develop a single principle against which all actions are judged. This assumes that there is ultimately only one criteria of moral conduct; defining what individuals should believe is right and wrong. You may think of this as “how things should be or ought to be.”

Descriptive Ethics

Descriptive ethics refers to an individual’s beliefs about right and wrong, as opposed to normative ethics, which places a value on a set of principles that all individuals should adhere to. Descriptive ethics examines the choices made by the individual or the group. It asks what individuals or groups claim to be their moral norms, as well as asking how individuals behave when it comes to dealing with moral problems.

Individuals usually make choices based upon what makes them feel good or what causes them the least amount of pain. Another way for us to explain this would be to listen to what individuals claim to be their ethical ground and then watch how they actually conduct themselves. An example of descriptive ethics would be: “it’s okay to tell a lie as long as no one gets hurt.”

Applied Ethics

Applied ethics may be the most closely related to the profession of financial education. It is the application of ethical theory to real-life situations. The goal of applied ethics is to instill a sense of what is right and wrong into the professional environment, along with providing the tools needed to make sure what is right gets carried out. An example of this would be placing restrictions on what educators may or may not do as they seek to improve the learning experience for their students.

Applied ethics in education places emphasis on how to use rules and principles in seeking to resolve ethical dilemmas. One’s character and ideals should also be considered.

Defining a Successful Code of Ethics

Now that we know the intent of a code of ethics, it would make sense for us to understand what makes for a successful code of ethics and how it can be successfully implemented (it would seem that even ethics have standards!).

Most ethicists would agree that in order for ethics policies to succeed, they should:

- Have strong support of top management;
- Be readily enforceable by management by defining and developing accountability;
- Nurture the individual's responsibility to the organization;
- Align with the values the organization holds in high esteem;
- Be monitored by top management for compliance and improvement;
- Define appropriate behavior in a variety of areas;
- Define what constitutes a conflict of interest;
- Have the consequences of disobedience clearly stated;
- Be explained both in the written word and verbally;
- Be straightforward enough so as to be easily integrated into the employee's thought process and job duties;
- Support employees in the jobs that they do;
- State where employees can turn if they have questions, or if issues arise that have not been addressed;
- Include grievance policies for employees to use when seeking to resolve disagreements with staff and superiors, and lastly,
- Be neutral and nonsexist in nature.

Aside from professional codes of ethics that may already exist, many organizations and companies create their own codes and policies. These codes are typically formulated by the founders and/or owners of the organization. Therefore, it makes sense that those codes are likely to mirror the individuals' sense of values. At the very least, ethics policies should be based upon the commitment to treat everyone involved with the organization respectfully and honestly. These policies should ideally be infused into every process, practice, and procedure carried out by the organization. Staying true to these policies will serve to:

- Create a strong working environment;
- Give the organization an edge over its competition;
- Strengthen relationships with consumers (students and communities);
- Help improve the organization's image in the community, and
- Improve the organization's bottom line.

Most importantly, please keep in mind that continued attention to ethics in the workplace enables management and staff to monitor the consistent measure of appropriate behavior.

What Can Go Wrong

In as much as having a good ethics program in place is meant to help and not trap employees, it is important to realize that laws don't need to be broken for unethical behavior to occur (i.e. withholding information from one's superiors, taking home supplies, complaining about co-workers, etc.).

As well-developed as many ethics codes, policies, and programs are, there are still many things that can go wrong. We need to keep in mind that writing a code in and of itself is not enough. Ethics is as much about the process as it is about the outcome. As you strive to understand the ethics codes, policies, and programs you must comply with, it is important not to lose sight of the fact that many individuals still view ethical behavior as a personal matter. That is why following codes, policies, and/or programs are all that much more important.

There are many reasons why codes, policies, and programs fail; a few examples are seen below. Without the following information, failure of codes, policies, and programs may be inevitable:

- Not informing employees of the ramifications of misconduct;
- Not having buy-in from everyone in an organization;
- Not having the proper balance of input regarding policies and procedures from various areas within an organization, and especially
- If employees of an organization do not have a clear understanding of the organization's mission, values and standards.

Studies have shown that supporting ethics is one of the most significant steps an organization can take as it tries to influence situational outcomes. Surprisingly, a recent study has shown that 40% of employees do their best to follow organizational policies and rules, while another 40% typically just follow the crowd. Further, 10% of employees follow their own beliefs at the risk of the organization, while the last 10% will attempt to take advantage of the rules. Without proper backing, support, and implementation, these codes may simply be words on paper.

Case Studies

As business and education become more and more entwined, we thought you might enjoy a refresher on two highly publicized cases of ethical abuses. These cases illustrate business and personal morals and values that have occurred in recent times.

Dennis Kozlowski and Tyco

How many of you reading this remember Dennis Kozlowski, the former Chief Executive Officer of Tyco and his \$6,000 shower curtain, his \$15,000 umbrella stand, and the \$1 million in Tyco funds that went towards his wife's \$2 million 40th birthday party on the island of Sardinia? Yes, THAT party; the one with an ice sculpture of the Statue of David urinating Stolichnaya vodka. In order to use corporate funds for the birthday party, the party was held under the auspices of being a shareholder meeting.

Dennis Kozlowski, his former CFO, and the company's chief legal officer, reportedly took over \$170 million in both interest-free and low-interest rate loans from Tyco without receiving proper approval from Tyco's compensation committee and without notifying shareholders. Many of the loans were offset with unauthorized bonuses. While proclaiming his faith in Tyco to shareholders, Kozlowski, and others, he sold seven and a half million shares of Tyco stock for \$430 million (of course without telling investors).

If that wasn't bad enough, Kozlowski was also charged with sales tax evasion on expensive works of art (which included works by Renoir and Monet).

On June 17th, 2005, Kozlowski was convicted of misappropriating more than \$400 million in company funds. Although he denied wrongdoing, he was subsequently sentenced to serve from between eight years and four months to twenty-five years in prison for his part in the scandal.

In 2007, a class action settlement was approved which awarded just under \$3 million to defrauded Tyco shareholders.

Some questions we should ask ourselves:

- How was the absence of "shareholders" not noticed at the party in Sardinia? Was there not a list handed in with the bills that accounted for corporate money spent and who it was spent on? Should the internal accounting department have noticed that, or would that have been the outside auditors' responsibility?
- Who signed off on the low interest and interest free loans that the executives were getting? Who signed off on the bonuses? Who was watching the compensation committee that apparently approved these payments? Where was the system of checks and balances within the company?
- Someone at the firm knew that insiders were selling stock, and didn't see that it was reported.
- Every single one of us has a moral obligation (not to mention a legal obligation) to pay taxes on items we purchase. Why did Dennis Kozlowski feel he didn't need to pay taxes on art work? Why did the art dealer he bought the art from think that tax evasion was a good idea?

Bernie Ebbers and WorldCom

Bernie Ebbers built WorldCom into the world's largest telephone company (that is until WorldCom had to file for Chapter 11 bankruptcy protection in 2002). In a nutshell, what led to WorldCom's fall from grace was the improperly booked \$11 billion in revenues, which happened under Bernie Ebbers' watch. Ebbers also received \$400 million in off-the-book loans from the company. As WorldCom's financial condition deteriorated, the CFO stepped in and masked the company's declining financial condition with false statements of financial growth and profitability. This in turn served to increase the per share price of WorldCom stock.

WorldCom's own internal audit department started to uncover the fraud in 2002. The board of directors promptly fired the CFO. The Securities and Exchange Commission quickly launched an investigation, uncovering that what was initially believed to be a \$3.8 billion fraud was actually \$11 billion in hidden expenses and inflated assets.

Although Bernie Ebbers was sentenced to 25 years in jail for his part in this fraud, others outside of WorldCom were also called to task; namely a Wall Street analyst who had been a huge proponent of WorldCom for years and the accounting firm of Arthur Andersen for not finding what they should have found. The analyst was fined \$15 million and was banned from working on Wall Street for life. Arthur Andersen voluntarily surrendered its licenses to practice as a Certified Public Accounting firm in 2002, after having been found guilty of criminal charges in Enron's audit.

Also of note is how the failure of WorldCom helped bring to the forefront the need for further regulations which resulted in the Sarbanes-Oxley Act. Not only did Sarbanes-Oxley enhance existing standards of corporate governance and financial practice for all U.S. public companies, it also established new standards for corporations to adhere to.

What conclusion can we come to about the demise of WorldCom?

- What signs did WorldCom's own internal audit department initially miss as revenues were improperly booked? Should an outside accounting firm have noticed those as well?
- As with Tyco, someone wasn't watching when Bernie Ebbers took an off the book loan. Where is the chain of command?
- As we now know, Wall Street firms also played a role in the failure of WorldCom. By either turning a blind eye, or just not carefully following the details, these research firms most likely could have spotted some impropriety before it grew to the proportions it did.

In both of these cases I think it's safe to assume that no corporate ethics policy or code of ethics would ever make allowances for corruption, conspiracy, grand larceny, or the falsifying of records, as happened in both of the above case studies. Insiders at high levels were responsible for substantial breaches of ethical duties to their co-workers, to their board of directors, and to their shareholders.

We may never know what type of whistle blowing policies either company had in place, but perhaps if one was clearly delineated in the code of ethics, any of these occurrences may have been reported and uncovered earlier, thereby stemming the damage that was inflicted.

Again, in both of these cases, the financial losses to the companies involved were quite substantial. Individual lives were ruined, many jobs were lost, and monetary devastation to individuals' investments and 401(k) retirement funds will likely never be recouped.

Wrap Up

- We learned ethics is dealing with good and bad, as well as learning to abide by moral duties and obligations;
- We learned different categories of ethics, including metaethics, normative ethics, descriptive ethics and applied ethics;
- We learned that the division of applied ethics is the most applicable to the profession of financial education;
- We learned, among many things, a code of ethics needs the support of top management to be successful;
- We learned that codes of ethics are likely to be formulated by founders and/or owners of an organization, and mirror their values;
- Lastly, we learned that staying true to these codes can create a strong work environment, while ignoring codes can lead to monetary loss, loss of jobs, loss of freedom, irreversible damage to reputation, and the downfall of individuals and corporations alike.

Ethics In The Workplace

The importance of education can never be overstated. Whether you are educating individuals in a true school setting, under the banner of community outreach, through in-house or community workshops, seminars, or webinars, the job you do and the responsibilities you have may seem to be limitless. At times it seems education truly has become a business.

In the previous chapter, we learned that professional ethics serves to identify the specific duties and obligations that apply to individuals who work in a specific environment.

Professional ethics is also meant to help an organization determine its fundamental purpose. For those of you providing financial education, your organization's purpose of providing quality financial education to students has most likely already been identified. If you happen to work for a non-profit entity, you will find its fundamental purpose in the organization's mission statement. One may then be able to argue that providing anything less than quality educational services would be unethical.

There is also the concept of Corporate Social Responsibility (sometimes referred to as CSR). This examines whether or not organizations have responsibilities to society. As businesses become more involved in the profession of financial education, there is potential for financial education to have greater impact on both individuals and communities.

If we were to play a game of word association about ethics and professional standards in financial education, how would that game play out? What words would be bantered about? Some of the buzz words you would hear may be...discipline, principles, integrity, legislation, certification, accreditation...you get the picture. If we lived in an ideal world, professional standards would be clearly defined to provide a standardized set of ethics that every individual providing financial education would need to abide by. This may be somewhat akin to the Hippocratic Oath taken by doctors vowing to adhere to the ethical practice of medicine.

The question then becomes who would write that set of ethics, and who would monitor the individuals and organizations using them to ensure the standards were adhered to? One thing we do know is that standards and ethics, unless monitored, have no real value. So, let's discuss some of the existing sources of standards within the financial education profession and the impact they have on practice.

As previously stated, organizations create policies and procedures to ensure that situations are handled in a consistent manner. Having uniform responses to the more common issues that can arise will help ensure every student receives the same level of service. It is also helpful to have the guidance of policies to assist in situations which may not seem so clear cut. Follow policies consistently and you will do well by all parties involved; yourself, the organization, and your students.

As financial educators, you are asked to keep in mind that abiding by the policies and procedures of your organization means more than being a good employee. Following organizational policies may protect you from adverse actions. Some of the policies developed by an organization may have been developed in response to regulations that the organization (and by extension its employees) is subject to. In effect, by following these policies you are helping the organization you work for stay compliant.

Now let us actually look at how some of these standards have come to be.

Sources of Standards

Accreditation

Accreditation is the formal evaluation of an organization against accepted industry criteria and/or industry standards. Accreditation validates that an organization has gone through the rigorous process of proving that it meets accepted industry criteria and/or standards. Accreditation seeks to ensure that an organization is providing the best services possible to its clients.

- Accreditation is typically performed by a third party organization;
- Accreditation is granted when the organization can show the accrediting body that it has complied with the industry standards it is being measured against;
- Accreditation mandates that there be periodic reviews to ensure the accredited organization is still meeting the standards it was initially accredited to.

Some organizations may go through an accreditation process to show the communities they serve that they are compliant with industry standards. Other organizations need to be accredited in order to join a professional or trade association, or because accreditation is mandated by legislation regulating a particular profession.

If you work for an organization that has been accredited, it is quite likely that some of the professional practices you are asked to follow may come from such accreditation standards.

Certification

Whereby accreditation is granted to an organization, certification is typically earned through training and is granted upon the passing of an exam at an individual level. The awarding of a certification says the individual has a specific set of skills, knowledge, and/or abilities, all of which have been predetermined by the certifying body. It also ensures the individual is qualified to perform the duties of his/her position. Certifications may need to be renewed periodically or may only be valid for a stated period of time.

It is very common for there to be a continuing education requirement which shows evidence of ongoing training. This particular course was designed as a continuing education unit; evidence of ongoing training. Many certifications require completion of a specified number of continuing education units for certificants to be eligible to renew their certifications. In addition, there is often a requirement to have continuing education in the area of ethics. This is another example of how standards of practice have been derived.

Although there are individuals who voluntarily put themselves through certification programs for the professional development the programs offer, certification may also be a prerequisite for the job one holds.

Typical codes of ethics may include, but are certainly not limited to the following requirements:

- A certificant shall exercise reasonable and prudent professional judgment and shall otherwise act in the best interest of the client.
- A certificant shall perform services in an efficient and economical way.
- A certificant shall keep abreast of developments in the field and strive to improve professional competence in all areas of financial counseling and education in which the certificant is engaged.
- A certificant shall offer advice only in those areas of competence.
- A certificant's conduct in all matters shall reflect positively upon the profession.

Keep in mind that most certification programs have been designed to work in conjunction with the on-the-job training an individual receives. Presumably, an individual who is certified will perform his/her job more competently than an individual who is not certified.

Professional Associations

Professional practices followed by organizations may also come about as a result of membership in professional associations. These associations are formed within a specific profession or industry to serve the needs of its members (which may be comprised of both organizations and industry professionals). These associations may lobby government agencies on behalf of its members. They may also relate business practices to their members as they promote education and professional standards for them to adhere to. An example of this would be accreditation for the organization and/or certification for individuals employed within the profession.

Examples of standards that a financial education organization belonging to a professional association may need to adhere to can include, and certainly may not be limited to:

- Ensuring an organization uses sound financial practices;
- Becoming an accredited organization;
- Providing services which meet the needs of the organization's constituents;
- Ensuring services provided are carried out professionally and ethically;
- Enabling organizations to have a forum in which they can exchange ideas;
- Ensuring the organization meets all relevant licensing, registration, bonding and statutory requirements; and
- Ensuring educators working for the organization are certified within a predetermined timeframe.

Individuals themselves may be able to join professional associations. When doing so, it is likely they will have standards they will need to adhere to. In no particular order, the list of standards for a professional financial educator could read something like this:

- The financial education of one's students should be one's first responsibility;
- To strive to achieve mutual respect and trust among fellow colleagues;
- To participate in ongoing professional development to continually improve teaching, learning and communication skills;
- To fulfill certification requirements (as applicable);
- To maintain responsibility to one's employer and community;
- To abide by all contractual obligations and commitments; and
- To consistently uphold the highest quality of professional service.

Although associations may impose Best Practices and Standards for their members to adhere to, there is no guarantee that abusive practices will not occur. Auditing members and holding them accountable to practices and standards that have been set is the only way to ensure abusive practices are kept to a minimum.

Institutional

Many organizations develop their own standards surrounding professional practices. If you are working as an educator for an organization, it is very important to become familiar with that organization's standards of conduct. We hear with greater and greater frequency of organizations requiring employees to attend seminars on professional conduct. These often include discussions of the organizations' policies, proper professional conduct, specific case studies, and legal requirements. Some organizations even go so far as to require their employees sign agreements stating that they will abide by the organization's rules of conduct.

Regulatory Environment

Like financial counseling, the field of financial education has become a profession to be reckoned with. You may work for a non-profit agency, a for-profit company, or you may be an educator by training and work in a school system. Depending on who you work for, you may or may not be affected by regulations.

Unlike the field of financial counseling, the field of financial education does not have a non-profit/for-profit bias. It is likely that many of you working as financial educators are employed by non-profit organizations. By virtue of being a non-profit, there is a checklist of items an organization needs to adhere to in order to maintain that status. (Please note that non-profit status is actually granted at the state level, while tax-exempt status is granted at the federal level. Most non-profits are in fact tax-exempt. For our purposes, we will use the terms interchangeably.)

Regulations have prompted organizations to develop policies and procedures to ensure compliance with the corresponding regulations. For organizations subject to regulatory oversight, compliance is vital.

Various regulations have been enacted to encourage and foster financial education. In essence, many of the following Acts are being presented to you so you will know that your efforts as financial educators have not gone unnoticed.

- **Title V, the Financial Literacy and Education Improvement Act** is part of the Fair and Accurate Credit Transactions (FACT) Act of 2003. It created the Financial Literacy and Education Commission, whose function is to improve financial literacy and education of individuals living in the United States. The Commission coordinates the financial education efforts throughout the federal government, supports the promotion of financial literacy by the private sector and encourages unison between the efforts of the public and private sectors.
- **No Child Left Behind Act (NCLB) of 2001** expanded the role of the federal government in education. It has also become a focal point of education policy. For states to be eligible for federal funding for education, they must develop a means of assessing basic skills by grade. Standards in education are set state by state. This means more pressure for the teacher as she/he needs to ensure that proper testing is being carried out and that academic progress is being made. Teachers are required to be highly qualified in the core academic topics they teach. It is up to each state to determine teachers' certification requirements as well as to determine what constitutes competency in any particular subject matter.
- **Department of Education Organization Act** was enacted in 1980. Although there are no specific requirements placed on teachers, the Act is intended to strengthen the federal commitment in assuring equal educational opportunities for all, and improve the quality of education through federally supported research and evaluation.

Some of you reading this piece may be employed by credit counseling agencies in the capacity of financial educator. The following two pieces have been included to help you better understand the framework of the environments your organizations operate within.

Credit Counseling Compliance Project

As a response to growing concerns about the credit counseling industry, the IRS began a campaign to educate the public as well as the industry about these concerns. The result was the Credit Counseling Compliance Project. It began in 2004 when the IRS started to aggressively examine abusive credit counseling agencies that posed as non-profits. The IRS also took more stringent steps to determine if a non-profit granted tax exemption status was adhering to the requirements. The IRS involved other state and federal agencies to help fight abuses in the industry, and to provide the public and the industry itself with guidance as to what constitutes an acceptable credit counseling program.

Between January 2005 and March 2007, the IRS revoked or terminated the federal tax-exempt status of 19 credit counseling agencies and proposed revocation of an additional 28 organizations. In order for a credit counseling agency to maintain its tax exempt status, it needs to clearly prove that its objective is to improve an individual's knowledge and skills about managing their personal debts and does not exist for the purpose of enrolling individuals in debt management plans. In other words, an agency needs to show that it is in fact furthering its educational purpose.

Also addressed within the Credit Counseling Compliance Project were the issues of private benefit (or inurement). Private benefit and inurement describe situations whereby a tax exempt organization may be diverting its income or assets for private gain. The IRS project is expected to take years to wrap up.

For those of you who don't work for credit counseling agencies, but do work for organizations that are tax exempt non-profits, let us quickly list a few reasons organizations may lose their tax exempt status:

- Any political campaign activity;
- Unrelated business activity that is substantial when compared to the other activities of the organization;
- Lobbying, if it accounts for a substantial dollar amount of an organization's activities, and
- Activities that result in private benefit or inurement.
- **The Pension Protection Act of 2006** adopted a new section 501(q) of the Internal Revenue Code ("Code"). It applies to organizations that either are currently, or are seeking to be, a 501(c)(3) or 501(c)(4) organization; providing or planning to provide education to the public on budgeting, personal finance, financial literacy, the practices of saving and spending, and/or to conduct financial counseling sessions.

In addition to the current requirements of maintaining (or obtaining) 501(c)(3) or 501(c)(4), other requirements that must be initiated and maintained are:

- The services provided (education/credit counseling) must be tailored to meet the specific needs and circumstances of the consumer;
- Loans cannot be made to consumers;
- Credit repair can only be provided as an incidental service to improve consumer credit records and credit history. Separate fees cannot be charged for this service;
- Consumers cannot be refused service based on their ability to pay or ineligibility/unwillingness of consumer to enroll in a debt management plan;
- Fees charged must be reasonable. Fee waivers must be provided if consumers are unable to pay; and
- Organizations cannot pay for referrals, nor can they receive monetary remuneration for providing referrals for debt management plans.

For those of you who are classroom educators by profession, we are including the following federal laws as they relate to protecting the privacy of education records. As important as it is for you and the organizations you work for to collect information about students, it is also important that this information be kept safe. Most of these regulations apply to schools, education agencies, and institutions that receive funds from the U.S. Department of Education.

- **Family Educational Rights and Privacy Act (FERPA)** is a federal law that protects the privacy of student education records and is applicable to all schools that receive funds for programs that fall under the U.S. Department of Education.
- **Protection of Pupil Rights Amendment (PPRA)** applies to education institutions and agencies that receive funding from the U.S. Department of Education.
- **FERPA** and **PPRA** provide the following guidelines regarding an education agency's data collection policies:

- Giving parents the right to review education records maintained by state and/or local education agencies (or their representatives);
- Stating procedures for releasing education records; and
 - Giving parents the right to review and when need be, to consent for their child's participation in surveys, evaluations or analyses that are administered by state and/or local agencies (or their representatives).
- **Patriot Act** has a section that pertains to education records which are sought to comply with either a court ordered subpoena or a court order regarding specific crimes or acts of terrorism. Neither parental nor student consent is required.
- **Children's Online Privacy Protection Act** pertains to parents of children ages 13 and younger. Websites need to have parent's permission in order to collect, use and disclose information about their children.

Many states are enacting standards in financial education. We suggest that you check with your local Department of Education to learn about regulations that may have been enacted in your state. There may also be other state laws enacted around education that you need to know of.

Florida is an example of a state that has enacted legislation surrounding education. In 2008 Florida passed the Ethics in Education Act. Various pieces of this Act address ethical conduct for instructors and administrators as well as training regarding standards and teacher certification.

Teacher certification and licensure requirements are likely to vary from state to state. However, as we looked through various state requirements there are some areas in which there is consistency interstate:

- An individual must have a bachelor's degree and, in some states, either a post-baccalaureate or master's degree. The requirements may be slightly different for those who are specifically interested in elementary education.
- An individual needs to have a degree in the subject area s/he will be teaching. An approved accredited education program that fulfills student teaching and practicum requirements may also need to be completed.
- An individual needs to pass a state exam.

Communities served can only benefit by standardization in the professional field of financial education. This will ensure consumers can readily identify which organizations and individuals are working in their best interests to provide them with quality care and financial education.

Case Study

There was much discussion about the regulatory environment throughout this chapter. Most of this is purely informational. Our hope is that it helps you understand the jobs you do as well as the institutions and organizations you work for.

First and foremost in your role as educator, is for you to disseminate knowledge. Time has shown us that as more individuals get involved in any profession, the room for error grows. We will also see the role certain laws have come to play in Educational Malpractice. Although this case study is likely to be most pertinent for those of you who teach within a traditional school system, there are lessons to be learned here for all.

In keeping with everything we do, we first need definitions. We know that malpractice is a term that punishes professionals for not adhering to accepted and required standards of practice and/or care. Injury caused by professionals from failure to perform in accordance with the required skills of that particular profession can lead to a malpractice lawsuit.

Educational malpractice is a term that refers to professional negligence or failure to provide services that would reasonably be expected within an educational setting. Education is a practice that truly depends upon the interaction between the educator and the student. The process itself can be difficult for an organization to properly and consistently monitor. However, as institutions and organizations providing education start acting more like businesses, courts seem to be more willing to interpret the policies and practices of these institutions as contracts with students and/or communities.

To this point, the question that comes up most often is, “who is accountable for the knowledge students gain and the academic progress students make?” Let’s use this case study as an opportunity to address educational malpractice.

One of the most influential of education malpractice cases to date is that of Peter W. vs. San Francisco Unified School District. The plaintiff was an 18 year old high school graduate who could only read at the fifth grade level. He claimed the school district did not do its job to provide him an education that would lead to his chance of future success.

The California Supreme Court ruled that because there were no readily acceptable standards of practice surrounding education, there were no standards of teaching to guide those in the profession (quite unlike the professions of law and medicine). The court also did not want to see malpractice suits infringe upon the grounds of public policy, nor did they want to see more financial obligations and litigation placed on an already burdened education system.

Now let’s fast forward to the No Child Left Behind Act (NCLB). Remember that the

NCLB says that states must develop a means of assessing basic skills by grade. Standards in education are to be set independently by state. Teachers will need to ensure that proper testing is being carried out and that academic progress is being made. Yes, accountability.

Earlier we referred to the business of education; that becomes particularly relevant when we speak about higher education. Given the rising cost of attending a four year college or university, there are those who feel “someone” should be accountable for tracking student performance. A few years ago, the National Association of State Universities and Land-Grant Colleges, in conjunction with the American Association of State Colleges and Universities, prepared a draft to address how campuses could start to compile data to create measures of accountability. This would then be made available to the public. Today this initiative is known as the Voluntary System of Accountability (VSA). The VSA was designed to help institutions of higher learning:

- Provide information that is easy to understand, comparable and transparent;
- Demonstrate accountability to the public; and
- Measure educational outcomes that identify effective educational practices.

Even in the absence of standards, courts are now starting to use a somewhat contractual analysis to ask and answer the question; “are institutions of higher education actually delivering the goods they have promised?” And in time, as practices become more transparent, the education profession may become more susceptible to malpractice lawsuits. Demands by the public for accountability can only lead one to believe that in the years to come, educational malpractice suits may in fact lead to successful outcomes for the plaintiff.

To further our conversation about educational malpractice, please turn to the copyright page at the beginning of this booklet. Read carefully: “this publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that neither the publisher nor the author is engaged in rendering legal, accounting, or other professional services. If legal advice or other expert assistance is required, the services of a competent professional person should be sought.”

It is because of a gentleman named Charles Givens that this piece appears. Mr. Givens authored books on personal investing and wealth building. Individuals paid anywhere from \$400 to \$900 to learn his secrets for becoming wealthy. Unfortunately for Mr. Givens, some of the advice he gave was outside of the law and he became the target of many lawsuits.

One lawsuit in particular brought Mr. Givens much unwanted notoriety. Ron and Sally Beadle were incredibly excited to learn about Mr. Givens’s steps for success. Aside from ordering Mr. Givens’s audio tapes, video tapes, and manual, the Beadles also attended a free seminar given by Mr. Givens’s son, Charles Givens III. Ron actually followed advice given by Mr. Givens III during the seminar and cancelled his uninsured motorist coverage to save some money. He also let his universal life coverage lapse without buying term insurance to replace it (as recommended). Unfortunately for the Beadles, Ron was killed in a car accident by an uninsured driver.

After studying the materials the Beadle’s had purchased from Charles Givens, Sally Beadle’s attorney came to the conclusion that Charles Givens had misrepresented the facts and that Sally indeed did have a claim against him. It also came to light that Charles Givens III had no financial training and that his knowledge had been acquired solely by spending time with his father (not quite the certification or level of depth needed to make recommendations).

Sally Beadle ultimately filed a lawsuit. Mr. Givens chose to settle out of court with Sally; the amount, undisclosed.

Lesson learned; never give advice you are not licensed or registered to give

Ethics and the Educator

This course on ethics is meant to help you as financial educators function in your work environments. It means understanding the values and practices of the organizations you work for. For some of you, it may also mean being aware of the regulations that control the professional fields you work in. For those of you who are self employed, it is about knowing the importance of establishing your own ethics policies and practices.

This course on ethics is about *you*, not just understanding the balance between doing what is ethically correct versus what you may really want to do, but about learning to take care of yourself on the job, being able to connect with the individuals you see in your classroom, relating to the individuals you work with, and understanding the organizations you work for.

Teaching is one of the few professions that evaluates not only an individual (the teacher), but the individual's influence upon others (students). Hopefully most of you have chosen the profession of financial educator because you want to make a difference in someone's life. But how do you make that difference while not losing sight of all the other working pieces of your job.

Responsibility to Self

We have already established the fact that those of you who work for organizations have an ethical responsibility to those organizations. And by virtue of that responsibility, you also have an ethical responsibility to those individuals you work with. But the piece often forgotten is the ethical responsibility you have to yourself; to take care of yourself on all counts and to always take pride in and have dignity around the work that you do.

As you think about the jobs you do, we ask you to think about how you start and end your day. There may be a few things worth taking into consideration. You owe it to yourself to make every day the most productive day you can. This includes taking care of your emotional and physical health, and seeing to your own professional development. Your responsibilities to your students, employers, and colleagues will be discussed a little further on.

- **Emotional Health** –A crucial piece of responsibility to yourself will be your ability to maintain the best emotional health you can. Educators seem to suffer from high rates of stress and burn out. It is important that you leave the trials and tribulations of your workday at work. When you can no longer perform the day-to-day functions of your job because of a lack of enthusiasm, exhaustion or frustration, you will become much less effective in your environment.

Financial education is an incredibly important topic; one that should be taught to and understood by individuals of all ages. You have important lessons to teach. Giving individuals the tools to implement solid budgeting skills for life will be the very foundation of their financial life going forward. You should feel good about the jobs you do. Always keep in mind that the better you feel about the job you do, the more effective you'll be.

How long does a class or a workshop last; an hour, maybe two? Whether you are holding a one time only workshop or a class that's held daily for six months, you may at some point find yourself wearing at least one of many hats; that of social worker, babysitter, therapist, parent, and if you're lucky, educator. Taking on more roles than you are prepared (or licensed) to may certainly have a way of adding a great deal of unwanted stress to your day.

When the whistle blows and it's time for you to head out the door, take credit for having done the best you could that day with each individual you touched. If you've been Mrs. (Paula) Smith all day long at work, leave Mrs. Smith at work and bring Paula home. Leaving your work persona at work is a good way to leave the emotions of the day behind.

- **Physical Health** – Right up there with taking care of your emotional health is taking care of your physical health. It's no secret how much one's physical and emotional well being are tied together. Obviously things like eating well and getting enough sleep are going to have an impact on how well you perform your job.

You won't be the only one who suffers when you become physically and/or intellectually exhausted; those sitting in your classes may also suffer as they will not be getting the benefit of your full attention. We all have days when we feel we may not be as productive as we could be. If you can reschedule your class or workshop, or find someone to substitute for you, go right ahead. Otherwise, get up, shower, put your best face on, and go to work.

As you seek ways to keep yourselves emotionally and physically healthy, we have some tips we would like to share with you to help you relax and de-stress:

- Reciting mantras or passages that ring true to you can help calm you down when things seem out of control (just a suggestion, don't laugh...although laughing is also great medicine for relieving stress);
- Meditation;

- Check off your to-do list one item at a time. You shouldn't feel pressure to complete your entire list at once. By systematically going through your list, you'll be relieved to see you are making headway;
- Venting to, or asking advice of friends, family, and coworkers regarding issues as they pop up;
- A hot bath and/or massage;
- Keep a stress ball handy. You can find them in funny sizes and shapes. A squeeze every now and then can help release energy and perhaps even make you laugh;
- You may also consider the use of scents (aromatherapy);
- Always eat breakfast! The first meal of the day not only boosts your metabolism but can also help you to better focus on the day ahead. (I don't know about you, but when my stomach growls, there's not much other than food that I can concentrate on.) You may also want to consider keeping healthy snacks on hand to satisfy any sudden hunger pangs;
- You may want to consider cutting down on caffeine and smoking. You're right, we're not physicians (and shouldn't be giving medical advice unless properly licensed to do so) but we all know that caffeine and cigarettes aren't necessarily the best of diets for us;
- Exercise;
- Do something nice for yourself so you can relax; a silly movie, drinks or dinner with friends; or perhaps a totally frivolous treat. But whatever you choose, remember to stay within your budget;
- Pick up a new hobby or take the opportunity to enhance skills you have been looking to perfect (i.e.: take cooking lessons, learn to knit, learn a foreign language);
- Promise yourself not to check your work emails from home. Even if there is something that needs your attention, is there anything you can realistically do at 10 pm other than.....stress and worry?
- Last but not least, no one needs to tell you a good night's sleep can be the cure for almost anything that ails you.
- **Professional Development/Continuing Education** – As it refers to the jobs you do, professional development is the knowledge you gain from outside sources to help advance your career. Professional development opportunities can be obtained by attending conferences and workshops, by enrolling in formal coursework, and by participating in informal learning opportunities. Taking advantage of professional development highlights the commitment to expanding one's knowledge base as well as improving one's teaching skills and learning strategies. Often referred to as continuing education, this may be a requirement of licenses or certifications that you hold. Regardless of the reasons you pursue professional development opportunities, know that you, your students, and the communities you serve, will all reap the benefits

Responsibility to Students

Your main role as financial educator is... to educate. Your students' main goals are to learn. It is up to you to facilitate the learning experience for your students and to make it one that is productive and fruitful for everyone; here are some suggestions:

- Challenge and encourage the students you come in contact with. Teach to their strengths and weaknesses. Be constructive in your assessments of their knowledge. Consistently encourage each student to achieve high standards in their learning. Doing so will enable your students to walk away with a sense of purpose and a feeling of empowerment; especially when the subject matter is as much needed as financial education.
- Never accept gifts or favors that may be given to you in hopes of influencing the outcome of a particular situation.
- Your ethical responsibility to provide quality educational services works hand in hand as you challenge and encourage your students to learn. To the degree that you can, your lesson materials should be developed based upon the knowledge set of your students. You're probably wondering, "How do I know what my students know if I don't know my students?" If you're teaching in a school, you'll know their age. There are standards in financial education which address the knowledge and skill set(s) individuals should have at various ages. If you're teaching a workshop, teach to the topic (again, keep in mind that the topic is likely to be dictated by the age of your audience). Familiarizing yourself with standards in financial education will enable you to give your students the information most appropriate to supporting their needs as they seek to understand and effectively manage their personal finances. You may also find yourself having deep seated opinions about some of the topics you'll cover in class. Keep your sessions neutral; present all the information you can to enable your students to make the most informed decisions they can.
- Always conduct yourself professionally. There are many facets to professional conduct. They include:
 - Keeping the utmost professional demeanor. This encompasses many things, most notably:
 - 1) Being mindful of giving advice you are not trained or licensed to provide. Unless you are properly licensed you cannot give legal, financial, or any type of medical advice. Doing so can prove to be devastating. Take for example the consequences of the unauthorized practice of law for which charges of criminal prosecution may be levied. There have been cases where penalties have been invoked on a scale of \$25 to \$500. Violations filed may also include first-degree misdemeanor. However, there is nothing wrong with compiling and maintaining an accurate and up-to-date resource list of service providers to pass along to your students who may need the help. This list may include, but is certainly not limited to, contact information for attorneys, therapists, social service agencies, and government agencies.
 - 2) Your professional demeanor will go a long way in helping you establish your educator/student relationships. As you strive to develop and maintain professional relationships with your students, note that these relationships will serve to enforce that you have your students' best interests at heart. This can include, but may not be limited to: ensuring that students understand the rules of interacting (be polite, don't interrupt someone while they are still speaking, etc.) as they relate to both their peers and you; always be honest, open and forthright in all your communications, as well as developing and maintaining professional relationships (and yes, you are probably all very well aware of what that means!). This means keeping contact with your students classroom-centered; don't socialize, don't "party", and certainly don't engage in physical relationships with students. Be mindful not to practice discriminatory behavior of any kind.
 - 3) By the same token, your students should know what they can expect of you. Never promise what you cannot deliver. It is important to set expectations straight at the onset of your relationship with your students. Always be upfront as to what you will and will not be able to do for them. Be honest as to what they can expect to learn and how they can use that information to their benefit. You should never let your students

harbor ideas that you can do more for them than you are capable of. There are no quick-cures for issues of personal finance. Time and patience is needed for one to learn to take care of his/her personal financial situation.

- Professional Development is an important part of your ethical responsibility. It is an ongoing commitment you make to the profession of teaching, as well as a commitment you make to those you teach. (Professional development is mentioned many times throughout this course as having great significance to the jobs you do on all levels, with everyone you come in contact with.) It is equally important to learn new information about the subject matter of personal finance as well, to keep current on information you already have. Expanding your knowledge base about personal finance can only serve to strengthen the quality of services you are able to provide. In addition to maintaining and growing your comprehension of matters relating to personal finance, you should constantly work on your education skills. Learning new techniques (the techniques may have been around for many years, they just may be new to you) for effectively reaching your students may prove to be a constant challenge. These skills may include learning how to be a better listener and how to ask more engaging questions of your students, thereby ensuring you get the answers you need to help them. Take advantage of seminars, lectures, and conferences that may provide new information to you regarding how you deliver your services.
- **Integrity**—As a financial educator, you need to approach your job with honesty and integrity. That means you are honest in all your dealings, you have moral values, and you adhere to those values. It means your values don't change on a day to day basis; they are the same whether you are teaching seventh graders or a group of 55 year olds.

Why is this so important? For some of you, your students have no choice but to be in your classroom. For others of you, the individuals seeking your services are most likely doing so because they find themselves wanting to better their current financial situation. Keep in mind that the individuals you come in contact with trust you will provide them with information to help them not only understand, but to potentially better their financial condition. This is not something that should be taken lightly.

- **Respect for Students** —Respect for cultural diversity and family values will go a long way in developing a trusting relationship between you and your students. Both student AND educator enter the classroom from various cultural, religious and socio-economic backgrounds. You will find that some individuals, educators, and students alike, often take on their parents' attitudes and issues surrounding money. As a result of these and other factors, it is quite likely that everyone in your classroom (regardless of their age) will have pre-existing ideologies concerning their personal finances. What is your job? Educate, don't judge. As many individuals are uncomfortable discussing their personal finances, it is important for you to understand how your own background affects your monetary value system. Use this information to help you understand and respect the factors that dictate a student's thoughts and feelings surrounding money. After all, it is your job to give your students the tools they need so they can give themselves a financially secure future. Being respectful of your students will be crucial to the education process.
- **Confidentiality** —Through the course of your classes or workshops, your students may come to share some very personal information with you. It is vital to have solid systems in place to protect the confidentiality of that information. First and foremost, that means not talking about students to others. This is not to say you can't talk about your work, but rather not to share information that would identify any of your students. This applies even to others within your organization. If you must talk about a student with another person on staff, make sure that you have clearly explained why this is necessary to the student and receive his/her permission to do so. Your students need to know they can trust you. Sharing information about them without their consent breaches that trust.

In keeping with not sharing student information, you should take precautions to ensure that any records you save are kept secure. If you keep electronic files, having the proper security software in place can prevent private information from being shared. Granting access only to those who require it is an important step in ensuring the safety of that information. Paper files should be kept in a safe place; file cabinets that lock being the safest place to store that information.

Legislation and regulations may require the periodic dissemination of student information. You may also be asked for student information for survey purposes or other reasons. Include information regarding these potential requirements in disclosure statements you may present to your students. If the possibility exists that someone may one day need to see your student files, allowing students to think otherwise would be *unethical*.

Responsibility to Your Employer and Co-Workers

Many of the topics that we have just covered will also serve your employers as well. A good relationship with your students is not only a reflection of who you are and what you do, but a reflection of the organizations you work for. Here are some suggestions to ensure that you are giving your employers the best you can:

- Abide by the rules of the organizations you work for;
- Comply with any laws or regulations that govern the profession you work in;
- Show the utmost respect for those in authority;
- Make sure you go through the proper channels when filing grievances;
- Disclose all relevant information pertaining to the job you applied for as well as in all correspondence with your (current or future) employer;
- Do not misrepresent your job qualifications;
- Observe contractual obligations (where applicable);
- Use organizational resources efficiently to avoid waste;
- Always act in a manner that will enhance the profession you represent; and
- Support the educational ideals, values and missions that the employers and organizations you work for have worked so hard to enact and maintain.

At the same time that you are taking care of your own well being, that of your students, and your employer, let us not forget about the respect and courtesy due your colleagues. To ensure a productive work environment, we offer some suggestions as to how to conduct yourselves with your colleagues:

- Encourage an environment of trust, honesty and respect;
- Be supportive and encouraging of others in the work environment;
- Be willing to share your knowledge and expertise with colleagues;
- Be willing to ask questions and learn from the experiences colleagues have had;
- Promote cooperation and goodwill amongst peers;
- Don't make false or disparaging comments about colleagues;
- Network professionally with your colleagues;
- Communicate as soon as possible with your immediate supervisor if you feel a colleague has done something to violate any organizational policies or procedures; &
- Be respectful of the cultural diversity that exists amongst your colleagues.

Case Study

As we're already talking about standards and how they were derived, it certainly makes sense that certain standards of ethical behavior would exist throughout the profession.

Earlier we mentioned the Hippocratic Oath; an oath traditionally taken by physicians as it relates to the ethical practice of medicine. In taking this oath, physicians vow to treat all individuals fairly as they seek to preserve life. Many educators have wondered why there is no Hippocratic Oath for educators; in essence, an oath that would hold educators responsible for their actions and make them responsible for providing the best services they can. So let's use this case study to play with the idea of a Hippocratic Oath for Educators. What would it mean and what would it say?

A Hippocratic Oath for Educators could serve as a national standard for the nation's educators. Hanging one's certificate in a classroom speaks to students, their parents, and communities about your qualifications to not only teach the subject matter, but also to understand the importance of best practices and recognize the significance of ethical behavior.

As the educator, you must constantly strive to create a nurturing learning environment. Not only could the Oath provide common ground for all educators, it could also provide a consistent framework from which the educator can perform the functions of the job and make known the benefits of education. An Oath would also lend transparency to the educator's commitment to the profession.

Let's explore what may be covered in a Hippocratic Oath for Educators:

- Ethical conduct towards students—The educator recognizes the importance of protecting his/her students' freedom to learn and does so by providing equal educational opportunities for all. In doing so, the educator also needs to respect the confidential nature of the student/educator relationship.
- Ethical conduct towards practices and performance—Above all, educators need to be responsible for their actions inside and outside of the work environment. This is accomplished by maintaining high ethical standards as well as constantly being in tune with one's environment. It also means being aware of, and observing, rules and regulations while cultivating free thinking and inquiry among students and communities served.
- Ethical conduct towards colleagues—As educators you are all working toward the same goal; the education of your students. As you work with your colleagues to ensure the best learning environment for students, keep in mind that collaboration, support, and respect will go a long way to achieve the results you are striving for.
- Ethical conduct towards self—Your primary responsibility is to transmit facts. In order to do so successfully, one's energies need to be focused on developing and improving one's academic knowledge, as well as communication and teaching skills.
- Ethical conduct towards communities served (inclusive of parents)—You are a confidant, mentor, and at times, an advocate for the students and communities you serve. Much trust is placed in you. You should take great pains to ensure you distinguish between your views and the views of the institutions and organizations you work for.

Wrap Up

- We discussed how every financial educator has an ethical responsibility to themselves, the organizations they work for, coworkers, and the students they serve;
- We discussed the importance of taking care of your own physical and mental well being;
- We learned that being responsible to your students includes the qualities of integrity and honesty;
- We learned professional development, providing quality services, and being respectful of your clients are also included in responsibilities to your students;
- We learned compliance issues are of great importance to your employers;
- We discussed the areas of responsibility that you have towards your coworkers; and
- We hypothesized about a Hippocratic Oath for Educators.

Conclusion

You were presented with a lot of information in the prior pages. We discussed many aspects of ethics that you may need to know about in order to understand the work environments you are in, as well as how to do the jobs you do to the best of your abilities.

In the long run, ethics is all about how you behave, how you process information, and how you do your job. Now that you've read this course booklet, can you answer the following questions?

Would you be confident in your ability to recognize an ethical issue in the workplace?

1. Do you identify ethical issues in your decision making process?
2. Have you ever observed unethical behaviors?
3. If so, did you report those behaviors?
4. If you did not report those behaviors, can you explain why?
5. Have you ever felt pressured to violate your organization's code of ethics or practices?
6. Have you ever felt pressured to violate your own personal ethical standards?

How did you do? I don't want to know if you merely answered yes or no to the questions, but did you answer them honestly? If you didn't like the answer you gave, what and why would you do things differently? Knowing you had the opportunity to think about what you might change means this educational experience was a success.

Next, you will be presented with some case studies for you to think about. Take your time to read through them. You don't need to submit them to us, but it would be interesting to learn what resonated with you from this course.

Case Studies

Case Study #1

You don't need anyone to point out the technological advances we have experienced as a society over the years; cell phones, cable TV, copy machines, the worldwide web. How many of us would have been able to foresee how this technology affects the way we interact with each other and how we learn?

Who would have ever predicted that distance learning would play the significant role in education that it does today? Broadly speaking, distance learning involves the delivery of educational instruction to students at remote locations. The transmittal of information can happen through video, voice, or data transmission. Examples of this may include the use of computer networks, webinars, video teleconferences, and audio systems.

Current technology puts a lot of information at our fingertips. And, because information is so accessible, it is often easy to use that information without giving second thought to the proper use of copyright. The fair use doctrine addresses that issue. The Fair Use Doctrine allows individuals limited use of copyrighted material without having to get permission from the copyright holders. However, there are certain parameters that the courts will look at as they evaluate fair use:

- Are the materials being used for commercial or non-profit educational use? (the Fair Use Doctrine does not apply to commercial use);
- The nature of the copyrighted work itself;
- How much of the copyrighted work was actually used (there are no absolute guidelines for this; courts may be more lenient with teachers, allowing them to reproduce a small piece of the work to help with their lessons); &
- How (if at all) will using the copyrighted work affect the potential market or value of said work?

There are also guidelines that you, as educators, will need to follow when using copyrighted materials in your presentations:

- Sources must be credited and copyright information must be provided;
- It must be stated on the opening screen (and in any accompanying print material) that certain materials are included under the fair use exemption of the U.S. Copyright Law and have been prepared according to the multimedia fair use guidelines and are restricted from further use.

There are certain restrictions placed upon you as well when you use copyrighted material for distance learning. Materials may only be used for projects involving:

- Face to face instruction;
- Student self-study;
- Real-time remote instruction (provided that technology prevents copying the materials);
- Reviews for tenure or job interviews;
- Presentations at conferences or peer attended workshops; &
- Teaching courses for up to two years after first instructional use.

We now have a better understanding of how to operate under the Fair Use Doctrine.

Jeff works for a non-profit financial education organization. Jeff develops education programs for the organization. He also delivers many of the programs to the communities the organization serves. Because the organization is national, Jeff cannot always deliver the presentations live. He occasionally makes use of a technique known as distance learning. Jeff often incorporates charts and excerpts from books he has read in his presentations. The non-profit charges a nominal fee for attendance at these workshops.

Over time, Jeff realizes how crowded the workshops have become and that there is money to be made; individuals are clamoring for information to help them learn to successfully handle their personal finances. Jeff realizes he may be able to make money by selling the exact videos he has developed for the non-profit directly to the consumer. He forms his own company and starts to sell the same exact video directly to the end user, totally cutting out the non-profit organization he works for.

1. What issues are involved in Jeff's selling the video?
2. How would you handle this situation if you were one of Jeff's coworkers?

Case Study #2

You happen to walk by classroom #135 where your colleague Peter is conducting a class on investments. You overhear some of the discussion. Peter is talking about how important budgeting is to saving, and how saving can eventually lead to investing, but you also hear a lot of chatter in the room about current economic conditions and how the students can best profit by the most recent drop in stock prices.

The conversation quickly turns to one of stock market banter...should they buy individual stocks, should they buy mutual funds? The students ask Peter for stock and/or mutual fund recommendations. Peter is quite proud of his stock picking record, although he has had no formal training and holds no licenses that would enable him to give advice to anyone on the matter. As you stand outside the classroom for a while, you can't believe what you are hearing.

A couple of weeks later, Peter invites you to go with him to the hockey playoff game. The tickets are compliments of one of his students who made money trading on stock tip Peter gave in class.

1. What are the ethical issues in this case study?
2. What are your ethical responsibilities regarding the aforementioned case study?