

Financial Education Survey

Conducted by

The Learning Key, Inc.

April, 2010



THE LEARNING KEY
INCORPORATED

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Executive Summary

From late 2009 to early 2010, Business Professionals of America, New Jersey Coalition for Financial Education, and Pennsylvania Parent Teacher Association members were asked to complete a voluntary *Financial Education Survey* which asked the following questions:

- Do students in your school receive education in financial matters?
- How financially literate do you feel students are today when they graduate from high school?
- In which grade should students receive education in financial matters?
- On what financial subjects do students need education?
- How qualified do you feel you are to teach financial matters?

This reports explores the quantitative and qualitative results. Of the 626 respondents who completed the survey, 400 asked for a copy of the results. This report will be emailed to those individuals.

The data reported shows:

- 80% of respondents reported that students do receive some type of financial education. However qualitative comments indicated that many financial education courses are elective and not necessarily selected by students.
- Fewer than 20% feel students are financially literate upon graduation from high school.
- 74% cited the Junior year as best for financial education, but all other grades including kindergarten were mentioned.
- 52% of those who responded felt very qualified to teach financial matters.
- Managing a budget and saving and investing money were most often selected as items that need to be taught (94%, 92%, respectively).

The future of financial education is uncertain now, as each state, district, and school grapples in its own way with the issue. One thing is certain - there is a need for financial education. The puzzle is that 52% of those who responded feel very qualified to teach financial education, 80% say financial education is available in their school, yet less than 20% feel that students are financially literate when they graduate from high school. Is this due to lack of retention, the curriculum itself, small numbers attending, or perhaps even delivery of the materials? The data doesn't indicate the reasons why.

Summary Data

Figure 1: Number and Percent of Respondents

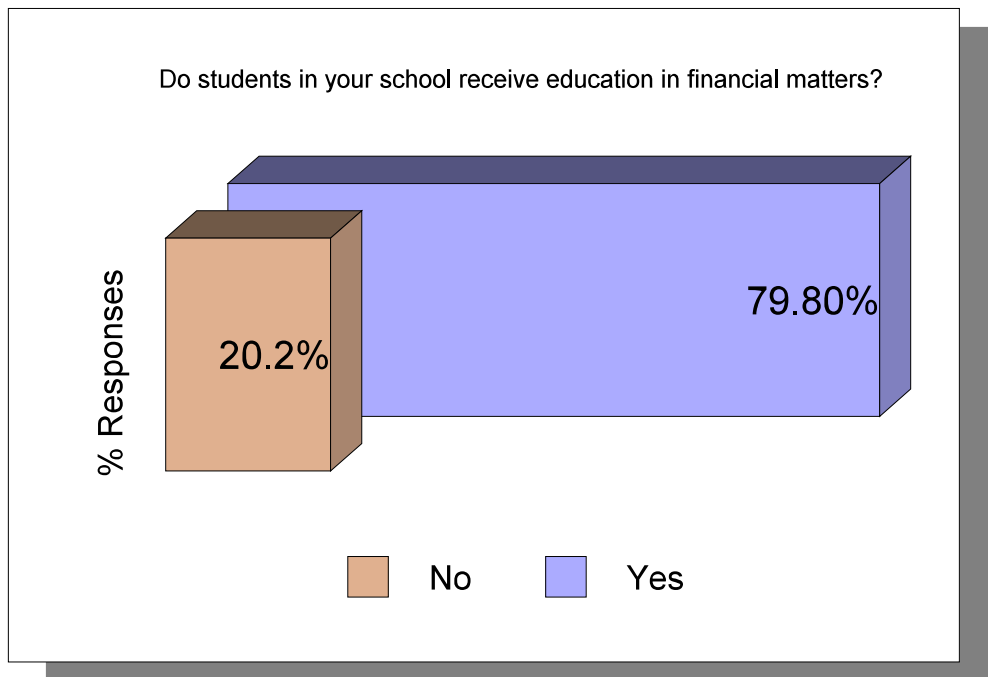
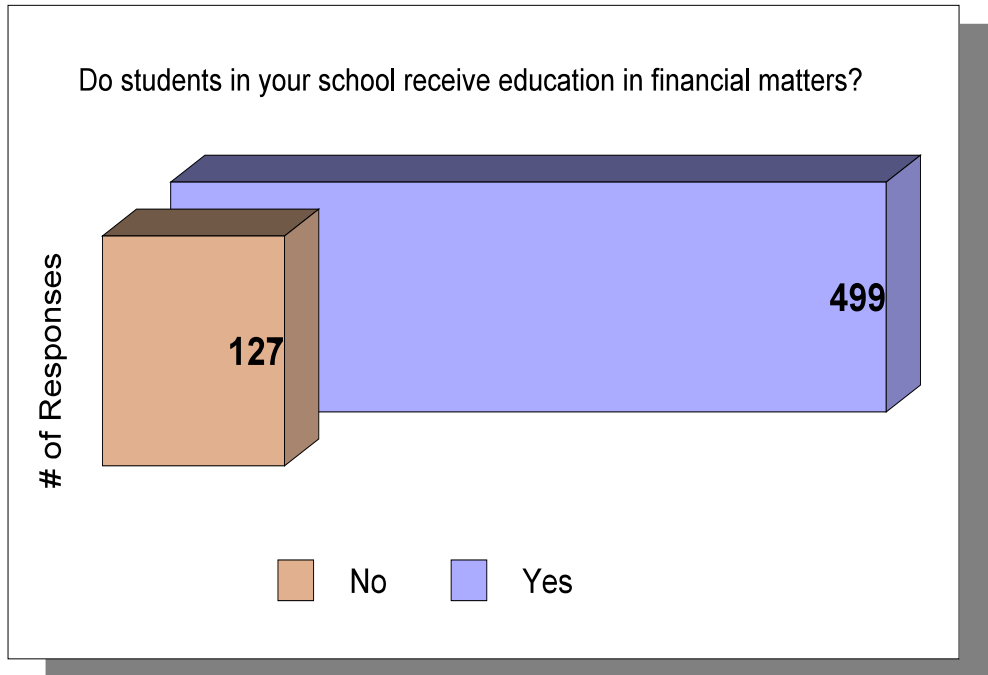


Figure 2: Number and Percent of Respondents

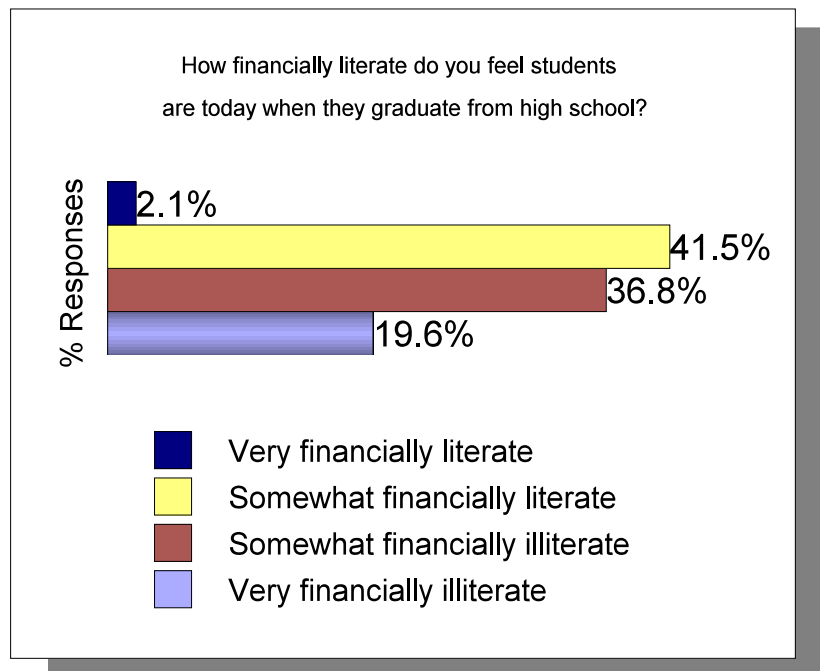
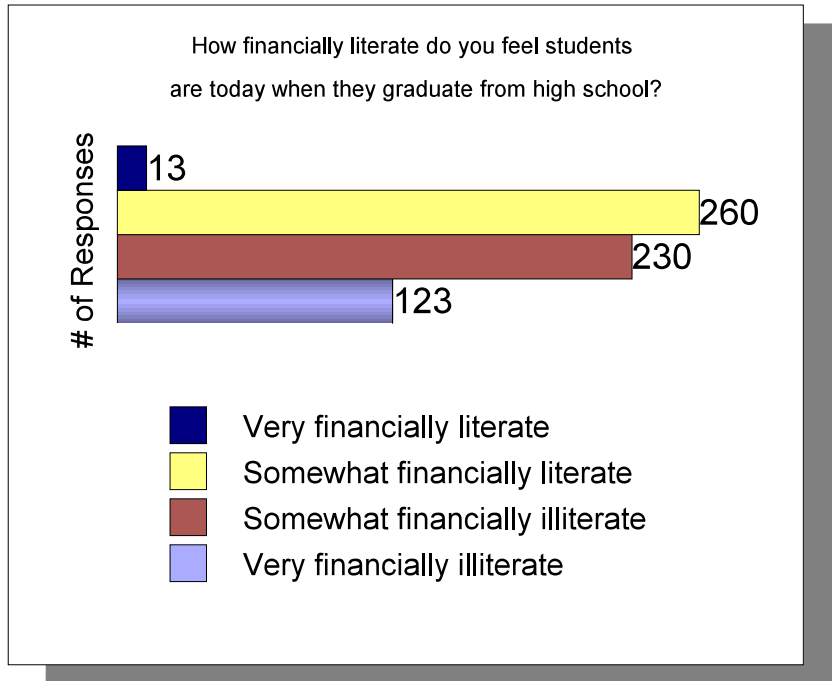


Figure 3: Number and Percent of Respondents
In which grade should students receive education in financial matters?

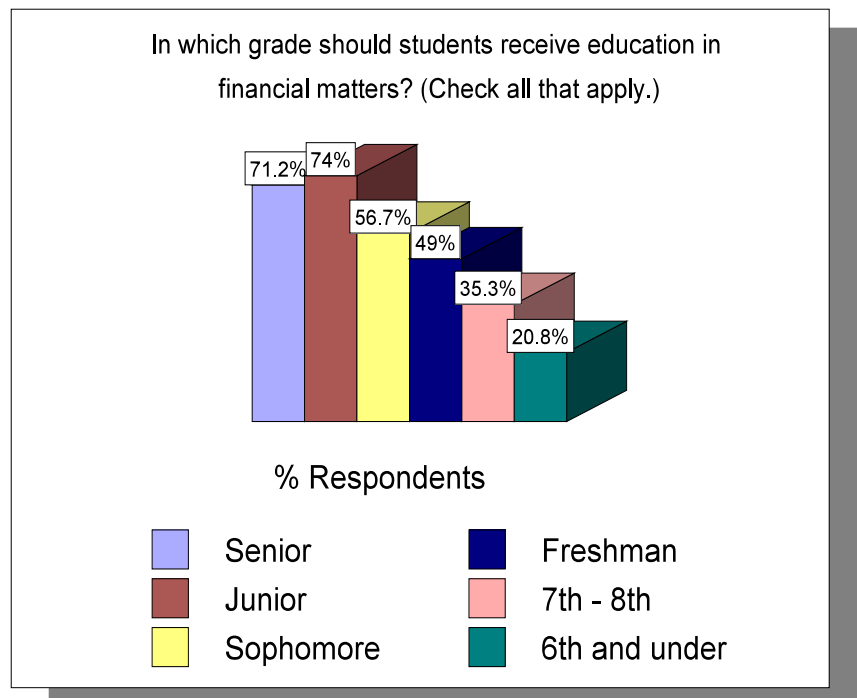
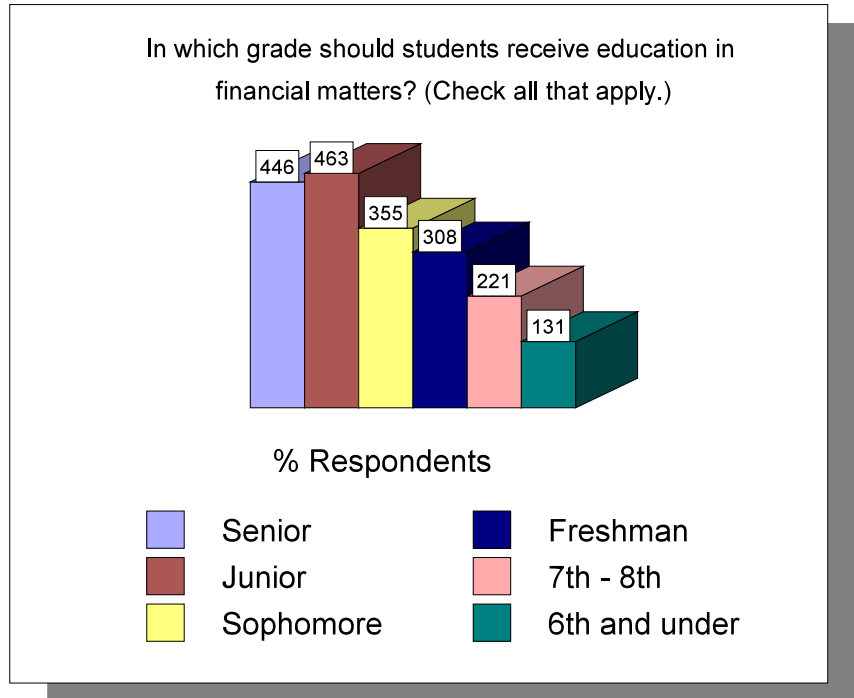


Figure 4: Number and Percent of Respondents
On which financial subjects do students need education?

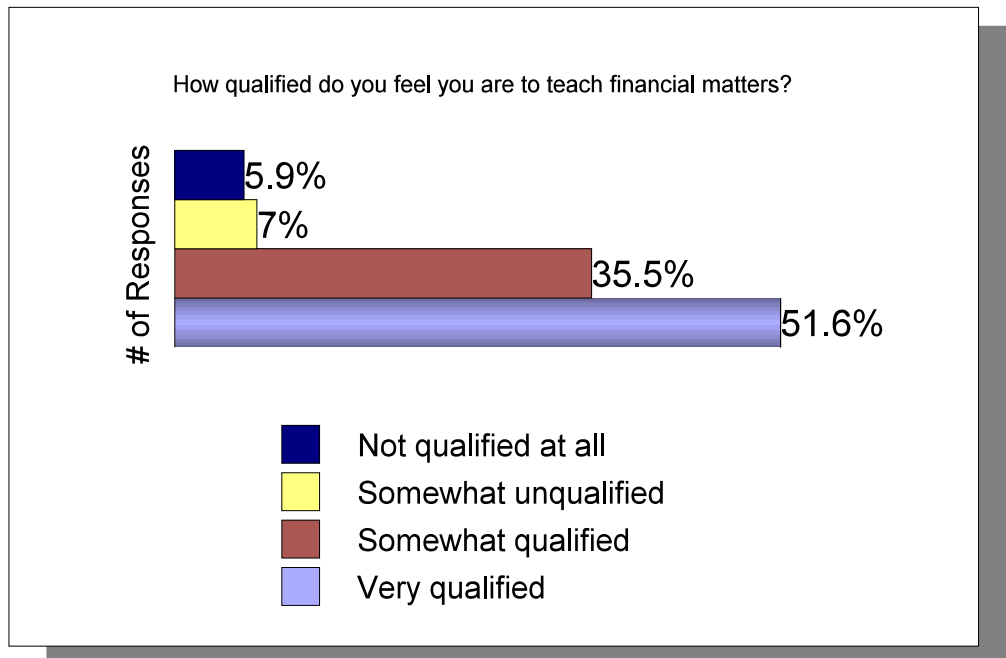
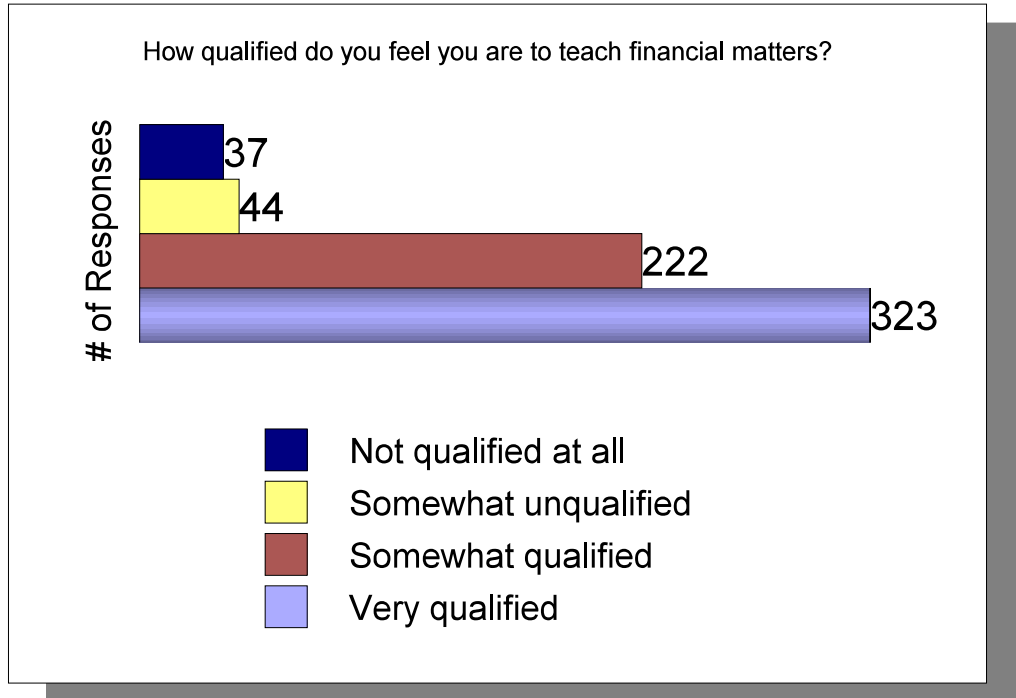
On which financial subjects do students need education?
(Check all that apply.)

Financial Subjects	# of Respondents
Managing a Budget	587
Saving and Investing Money	575
Credit Cards	573
Paying Bills	550
Banking	545
Difference between wants and needs	544
Managing Debt	531
Unexpected financial surprises	521
Insurance	512
Identity Theft	511
Credit Scores	509
Interest Rates	505
Financial Planning	489
Reconciling Financial Accounts	449

On which financial subjects do students need education?
(Check all that apply.)

Financial Subjects	% Respondents
Managing a Budget	93.8%
Saving and Investing Money	91.8%
Credit Cards	91.5%
Paying Bills	87.8%
Banking	87%
Difference between wants and needs	86.9%
Managing Debt	84.8%
Unexpected financial surprises	83.2%
Insurance	81.7%
Identity Theft	81.6%
Credit Scores	81.3%
Interest Rates	80.6%
Financial Planning	78%
Reconciling Financial Accounts	71.7%

Figure 5: Number and Percent of Respondents
How qualified do you feel you are to teach financial matters?



Qualitative Responses (Numbers in parentheses reflect number of responses.)

Do students in your school receive education in financial matters?

Required Course

- I believe it has now become a state requirement.
- In a required Careers class or in elective classes.
- Seniors only in Consumer Education class, grad req.
- As of 2010-11; all students will have a class.
- Personal Finance is a required semester course.

Electives/Not Required

- A course is offered and an elective but not required. (23)
- It is inconsistent and not taken through a specific class that addresses these issues.
- Personal Finance as a Junior or Senior (2).
- We are planning to add a Financial Literacy course to graduation requirements.
- Some but no where near enough, nor in enough detail.
- First year and only to 10th grade, if they choose to take personal finance course.
- Some students have the opportunity to participate in financial literacy programs.
- Some students depending on courses - not required for all.
- Not formally, but in some classes it is part of curriculum.
- Yes, but because it isn't a requirement or a separate class, some do and some don't.
- A little bit in a required social studies class. A lot in some elective classes.
- They receive it through Elective classes and Econ classes.
- Not personal financial matters.
- Only offered in specific career & tech classes.
- Not all.

Topics

- Not extensively, but we cover basics.
- We learn a lot about taxes.

Class Titles

- Economics (17)
- Business (11)
- Financial (12)
- Accounting (10)
- Not specifically. There is a little incorporated in some Career and Technical Education.
- If they take accounting &/or futures.
- Financial education mostly occurs in grades 11 and 12 in Social Studies classes.
- Only if they take CTE courses.
- Recordkeeping
- Upon taking a Vocation Class in FCS or Business.. Our students participate in Junior Achievement (JA).
- We touch base in record keeping.
- Math courses.
- Only in senior year in Business Finance Career Ed Program
- Only if they take the Marketing class, which is part of the Business Pathway
- Gov. & classes
- They have to take, and they have an option to take Money Management, and they also get some education about finances for college in Careers.
- InvestEd STARS Program, Banking Simulation sponsored by our local bank.

- Personal & Finance.
- Only in some classes.
- Students in the Business & Finance Cluster receive WISE Financial Literacy Certification instruction.
- Less than 40 out of 2200 take a Finance class each year.

General

- Only those in a special Academy, so about 75 out of 1,000
- We have accounting, and a portion of B.E.S.T. that deal with financial matters, but not a class that by itself deals with financial matters.
- Junior Achievement and NEFE
- Only in my class and not required.
- Only if they choose to take the elective class
- Very Little
- Right now it is an elective and not many sign up for it (20-30 /year), but starting with the class of 2014 it will be a graduation requirement!
- There is no path at our school for this subject.
- Some teachers do review financial education.
- The CATE department uses real life based lessons to teach
- I believe business teachers should be teaching this and not work and family life teachers.

How financially literate do you feel students are today when they graduate from high school?

- Most of our students have not participated in structured financial literacy while in high school.
- Unless they have a job, they are very unaware of financial matters.
- There needs to be more opportunity for students to obtain this information.
- Some work and have real life experiences, not many.
- Some students are not aware of the financial responsibilities that they will encounter when they become independent.
- I don't think that schools do enough to prepare students for the real world as far as financial matters go.
- In high school there should be a life class for students ready to graduate it should be a required class. I think it would help our society a great deal.
- With our Personal Finance Class, they should be very literate.
- The majority of students are leaving high school with inaccurate ideas about how financial markets work.
- Students from our school are somewhat, not all schools are equal in the way they teach - we feel we do a better job than others.
- I believe it will improve.
- Need to require classes. (2)
- Students don't know how to balance a check book. They also are not aware of credit card requirements.
- My curriculum allows students to learn this; overall, students in general are clueless.
- I had 12 students of 400+ in my class.
- They still need a lot of education in this area.
- You can never have too much training in this area.
- Students enrolled in Accounting have the information.
- Parents have a lot to do with this.
- I think that the students who actually are in the work force during their school years are more likely to know a little more about financial matters than those who are not working while in school.
- Only the accounting students are financially literate.
- When they 1st come into the class they don't know much.
- We need to make economics a year-long class.
- Parents some not good role models & few teach finance lessons at home.

In which grade should students receive education in financial matters?

Throughout School Years

- Students should receive some form of financial literacy each year. (22)
- I believe that as soon as students hit middle school they should be receiving education in finances so they can make informed decisions in their everyday lives and in the "real world" when they graduate.
- Students should be taught to be financially responsible from a young age and encourage this responsibility throughout high school.
- It is important to stress real life financial situations at all grades.
- On going learning process for all of us.
- Need education repeatedly, but only to their needs by age.
- I think students need an early exposure about saving, etc. and more in depth training as they mature.
- The material covered can become more complex as the students age.
- It took most adults years to catch on. We should start early and be consistent.
- I believe it is important to have lessons and activities centered on financial matters all the way from K-12, but I also feel it is very important to get a concentrated 9 - 18 weeks of instruction in the 11th or 12th grade.

High School

- More important in later grades because these students are getting ready to transition to real world
- Any year in High School, but late Senior or anytime Junior year would be the best time.
- However, focus on senior and junior year for living financially independent.
- Information is more pertinent to seniors.
- Either their Junior or Senior years. They won't maintain the information if they don't use it.
- A young person should start in Junior High to understand financial matters, before they start employment.

General Comments

- I think that Personal Finance should be a required course for all students to take.
- When students have jobs and start to drive.
- I have taught it to 9-10 and 11-12 grades. The younger students have difficulty relating to the concepts.
- Introduced and then reinforced.
- Many students get jobs starting freshman year.
- This is the time when most of them have jobs or start thinking about college and saving for it.
- During the school years that involve the most participation for events for educational matters such as test (ex. SATS).
- In my experience - 9th graders don't quite get it since most don't have their OWN money.
- As a sophomore i was starting to find out what life required and what needs to be done. Some think that's too early but I think it gives students time before being hit with a different test.
- Need maturity to understand.
- Too early, it doesn't relate to them yet. Sr. year too late.
- Introductory to students in 7th and 8th, and can be later built on in junior or sophomore classes when it actually becomes applicable to their lives.
- Touch base in middle school then offer classes in high school.
- Like math, financial literacy should build upon itself.
- Start with savings accounts in grades 6 & below, work toward checking accounts, etc. in 7th -12th grades.

On What financial subjects do students need education?

Additions

- Taxes. (2)
- Renting or home buying (how much can you afford).
- Loans, credit, investing
- Internet purchases.

- There has been a lot of information on Identity Theft through the media, however, all of the others are necessary for the student to survive. Apparently the parents are not educated in these topics either.
- Gambling. It's becoming a big problem in our state.
- Also borrowing money and shopping for a car/home.
- Check books
- Insurance--they should know the importance of having certain types of policies.

General

- These are all vital financial subjects that students need to know. (24)
- Many of these items are correlated...for instance, any discussion of managing debt should include information about credit scores. Likewise with banking and interest rates.
- Boy Scouts of America has a merit badge called Personal Management which deals with Scouts learning about each of these topics. Those fortunate enough to be a Scout and achieve this badge have a good head start, but ALL students should have to learn it as well. They would benefit and be prepared for the real world if this was incorporated into their curriculum. It should not just be taught once, but in varying levels in each grade.

How qualified do you feel you are to teach financial matters?

MBA/MA

- I have an MBA (2)
- I have a Masters in Banking and Finance.
- I have my Masters in Economic Education and have been very involved with financial literacy - would love to be involved with any testing of curriculum.

Work Experience

- I have a degree in Accounting as well as Business Education. I spent two years working in the finance field.
- I have 12 years of experience as a Banking Officer.
- First 20 years spent in private sector - Banking & Credit Union Management.
- Practicing CPA. (2) 10 Years Investing Experience, Near completion of MBA.
- I used to work in the financial services industry. (2)
- I have been both a Financial Planner, and investment and insurance broker and a financial manager.
- I have a Master's in Business, I also have a loan officer license, and hands on experience.

General

- Due to my undergraduate degree (8)
- Currently history teacher is teaching this course as an elective course.
- I don't know a lot about investing, but the rest I think I would do okay.
- Even though I marked very qualified, I am always looking for new materials, and new ideas. (12)
- I also need to be taught about financial matters.
- I am very passionate about this subject.
- Business Education teacher (2) and realtor
- I'm highly qualified in secondary math and also CTE certified for business.
- With Junior Achievement, the students cover a lot of the basis and it give the instructor a lot of exposure.
- I teach the Dave Ramsey High School Curriculum.
- I suppose from years of first hand experience and such, I could probably teach a little.
- I am the Director of the Academy of Finance at Twin Falls High School. Financial literacy is the heart-beat of the program.
- Taught Banking Simulation for eight years and InvestED Program for two years.
- I am teaching it now and have a bit of experience with financial matters.
- Taught semester finance classes for several years. Completed FEFE course and Insurance Basics course.

Conclusions and Recommendations

The data suggests the several key points which need to be taken into account as financial education curricula are designed or purchased. Of respondents 80% reported that students do receive some type of financial education. However less than 20% feel they are financially literate when they graduate from high school. This suggests the effort to offer and deliver highly effective financial education programs lack the outcomes and end results for students to learn and actively apply the concepts in their lives.

A majority of respondents suggest the Junior year is the most appropriate year for financial education. Many suggested that by a student's Junior year s/he may have experienced a summer job or part-time job and are dealing with financial issues and matters such as managing a budget, saving, and paying bills, which were cited as the top items on which students need to be educated.

Teachers, however, do view themselves as competent to teach students regarding financial matters as over 50% reported themselves as being very qualified. Most teachers completing the survey cited degrees in business, accounting, or financial planning or worked in industry as a banker, financial planner, or analyst.

Based on many comments there seems to be a growing sense for the need to make financial education classes a mandatory requirement for graduation. It seems those who choose electives in this area are in the minority, suggesting there is still a perception the subject isn't very important.

Everyone reported there are many subjects that can be taught in terms of financial education. Respondents suggested that all the topics listed are important, the lowest percentage reported was just below 72%. Respondents suggested additional topics such as taxes and borrowing.

The future of financial education is uncertain now, as each state, district, and school grapples in its own way with the issue. One thing is certain - there is a need for financial education. The puzzle is that 52% of those who responded feel very qualified to teach financial education, 80% say financial education is available in their school, yet less than 20% feel that students are financially literate when they graduate from high school. Is this due to lack of retention, the curriculum itself, small numbers attending, or perhaps even delivery of the materials? The data doesn't indicate the reasons why.

Regardless, curricula need to be developed so the gap between teacher perceptions of their effectiveness and students retention is minimal or non-existent. One approach is to utilize curricula and supplemental activities and games designed with both cognitive and kinesthetic considerations. The games Wi\$eMoney® and Matching Meanings (to teach terminology) were developed to support current and future needs of both teachers and students in financial education. Information about both is available at www.thelearningkey.com.