5-5-2017

The Implementation of Financial Literacy Education in Public High School Classrooms

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Abstract

Due to the changing financial marketplace and the increased burden of financial decisions upon consumers there is a need for increased financial literacy among consumers. This thesis discusses and assesses promoting financial literacy within public high school classrooms to help provide students with the financial knowledge to confidently make informed financial decisions during their transition towards independence and into their adult lives. A strong financial literacy initiative within public high schools will help close the financial literacy gap created by little to no concrete financial education or parental background knowledge. This thesis will compile readily available curriculums and materials on financial education to act as an aid in informing local school districts of how financial education can be effectively implemented and integrated into high school classrooms. The implementation of financial literacy education within public high schools must consist of setting standards, training teachers, and creating a curriculum.

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Thesis Summary, Introduction, and Significance

Over the past 10 years, as research continuously reveals a high percentage of financially illiterate young adults, financial literacy has become a major education concern. What does it mean though to be financially literate? Financial knowledge and financial literacy are used interchangeably in most research, which has caused a lot of confusion about the exact definition of financial literacy. Therefore, defining financial literacy and distinguishing between financial knowledge/literacy is a major part of this research project. By clearly defining these terms, educational objectives can be more accurately determined and agreed upon (Huston, 2010).

In the US, where the economy is growing at a sluggish rate and the unemployment rate for 18-25 year olds is around 12%, the personal finances and financial literacy of young adults are of utmost importance. For young adults, saving and asset accumulation are especially important, since upcoming life events in this stage of their lives will require a high level of economic capital (Cude, Lawrence, et, 2006). Yet unfortunately, young adults have less time to build wealth and typically have less income than established adults do, which means they do not have the same resources or experience managing money effectively (Cude, Lawrence, et, 2006). Research also shows not only are young adults taking on a higher amount of credit card debt, but also paying it off at a proportionally slower pace. Young adults' debt issues could be explained by their need for instant gratification and inability to think in the long term (Cude, Lawrence, et, 2006). The problem of high young adult credit card debt in America is not only affecting the overall economic health of Americans, but also depressing the housing market and discouraging banks from lending. This current economic atmosphere has left it difficult for young adults to make the transition to independence and thrive financially.

As financial products that help you save, invest, get insurance or a mortgage become more complex; consumers' inability to understand them has become increasingly apparent. If young adults are financially literate, they will be able to understand the complex financial marketplace to make sound decisions and prosper (Huston, 2010). For example, financial literacy is linked to increased retirement savings and investment in the stock market, which provide for a safer financial future. Overall, it is widely accepted that financial literacy supports the means for financial success (Huston, 2010). As the government and employers shift the responsibility for saving and investing onto workers, it is becoming more important to equip young adults with the knowledge to make good financial decisions. Therefore, it is important to foster financial knowledge in the population as a whole, especially among groups who are more disadvantaged (Huston, 2010).

Financial illiteracy is not only widespread, but it is particularly acute among specific groups such as women, Blacks, Hispanics, and those with low educational attainment. The findings emphasize the very small fraction of high school students that were determined to be financially literate, were almost all white males whose parents had college degrees (Huston, 2010). Research supports that financial knowledge is strongly influenced by family background and is passed from parents to children. If financial knowledge is mainly acquired from parents, there are groups who will not be able to benefit from these sources because their parents do not have college degrees or are not financially literate. Promoting and improving financial literacy initiatives in public high schools would be particularly effective and advantageous to students from disadvantaged backgrounds (Huston, 2010). It would also be more beneficial to students to provide financial education before they begin to engage in financial contracts or make important financial decisions such as taking on student loan debt or buying a car/house (Huston, 2010).

Thesis Statement

Promoting financial literacy within public high school classrooms will help provide students with the financial knowledge to confidently make informed financial decisions during their transition towards independence and into their adult lives. A strong financial literacy initiative within public high schools will help close the financial literacy gap created by little to no concrete financial education or parental background knowledge. This thesis will compile readily available curriculums and materials on financial education to act as an aid in informing local school districts of how financial education can be effectively implemented and integrated into high school classrooms.

Approach/Methodology

Research will be done on the definition of financial literacy and the specific knowledge a student should possess to be considered financially literate and competent. Extensive outside research on the financial literacy of young adults in the United States will also be reviewed and conclusions will be made based on the research presented. The library and other scholarly sites will provide books, journals, and other previous research relevant to the topic of this thesis. There will be close cooperation with the Financial Literacy and Education Program at the University of South Carolina located within the Student Success Center. Pamphlets, websites, workshops, and other related materials provided by established financial education organizations and programs will be evaluated and compiled to then be recommended as viable resources available to the local school district. Research will also be done on how students can develop their financial literacy skills and what constitutes as being financially successful.

After research is shared, this thesis will help develop recommendations and suggestions for implementing standards, teacher training and resources, curriculums, and assessments school boards can consider regarding financial education initiatives in their public high schools.

Chapter II: Review of Literature

Financial Literacy

The goal of financial literacy is for people to be able to make informed decisions about financial questions and issues throughout their economic lifespan. The ultimate hope is young adults will make financially smart choices in their life, whether it be from managing their allowance to planning for retirement. Many people do not realize that understanding personal finance requires learning a new language and if we wait until they are adults, it becomes too late to effectively teach them financial literacy (Huston, 2010). It has been found that financial education is a key predictor of financial behavior.

Definition

Unfortunately, there are discrepancies between the meanings and distinguishing features of the definitions of financial literacy. Therefore, clearly defining financial literacy in the context of this thesis is necessary for clear understanding. Financial literacy is defined as the ability to make informed judgments and to take effective actions regarding current and future use and management of money (Huston, 2010). Financial education is therefore defined as the processes by which individuals improve their knowledge and understanding of financial services, products, and concepts (Huston, 2010).

Major financial categories. Financial literacy is more distinctively defined as the ability and knowledge of four major financial categories: money basics, borrowing, investing, and protecting resources (Huston, 2010). Money basics include actively understanding the time value of money, purchasing power, and personal financial accounting concepts to make sound financial decisions (Huston, 2010). Borrowing includes the ability to effectively bring future resources into the present through use of credit cards, consumer loans or mortgages (Huston, 2010).

Investing includes the ability of saving present resources for future use with savings accounts, stocks, bonds, or mutual funds (Huston, 2010). Protecting resources is represented with either insurance products or other risk management techniques (Huston, 2010).

Understanding and usage. Financial literacy is conceptualized as having two dimensions: understanding, which is personal finance knowledge, and use, which is personal finance application. Therefore, financial literacy is determined by how well an individual can understand and use personal finance related information to their benefit. Financial literacy is a component of human capital used in financial activities to increase expected lifetime utility from consumption. As a result, financial literacy does not necessarily imply individuals will behave in a way that many educators would deem optimal (Letkiewicz & Fox, 2014). Financial literacy only measures human capital required to engage in appropriate financial behavior rather than ensuring it will occur (Huston, 2010). Financial literacy is first developed by ensuring people are knowledgeable, educated, and informed on the issues of managing money and assets, banking, investment, credit, insurance, taxes (Huston, 2010). Then it ensures they fully understand the basic concepts underlying the management of money and assets. Finally, it will encourage people to use that knowledge and understanding to plan and implement sound financial decisions (Huston, 2010).

Federal Government Efforts

Understanding financial literacy among young people is critical for policymakers in several areas. Firstly, it can aid those who wish to devise effective financial education programs targeted at young people. Secondly, it can also aid those who wish to devise legislation to protect younger consumers (Dodaro, 2011). Currently only four states require a semester course in personal finance, and there is widespread inconsistency of state requirements and expectations

(Dodaro, 2011). Serious consideration is being given to developing guidelines to strengthen standards and require concepts to be included in social studies, business education and family and consumer sciences. While creating a solid foundation in all grade levels of public education is ideal, it is not always effective in preventing bad financial decisions from being made.

Current Programs and Initiatives

Government programs. Recent economic changes highlighted the need to empower Americans to make informed financial decisions. The US government could use its bully pulpit, convening power, and other tools to draw attention to the need for financial literacy. The Government Accountability Office identified 16 significant financial literacy programs/activities among 14 federal agencies (Dodaro, 2011). The benefits of multiple agencies would be longstanding expertise and experience and an increase in overall consumer access. Multiple agencies are at a higher risk though of falling prey to inefficiency due to lack of coordination (Dodaro, 2011). The objective would be to consolidate the US government's efforts into the specific programs and agencies that are most effective. Currently the US government programs offer resources such as print and online materials, broadcast media, individual counseling, and classroom instruction (Dodaro, 2011). The federal government though is in a better position to offer broad based, non-commercial financial education (Dodaro, 2011).

The key elements for successful financial education programs are timely and relevant content, accessibility, cultural sensitivity, and an evaluation component. These entities use information and training materials, practical tools such as budget worksheets, loan and retirement calculators, and interactive financial games (Dodaro, 2011). Current government programs targeting students include:

- Division of Consumer and Community Affairs and the Office of Public Affairs

- Excellence in Economic Education Program
- Financial Education for College Access and Success Program
- Office of Financial Education and Access
- Money Smart Financial Education Program

Consumer Financial Protection Bureau. The Consumer Financial Protection Bureau, a major government program, offers consumers access to financial counseling, info to understand credit products, history, and scores, info on saving and borrowing tools, and help in developing long term savings strategies and wealth building (Dodaro, 2011). The CFPB is the most extensive government program targeted towards not only adults but students as well. MiniBanks is a great example of a partnership by the CFPB to help students better understand and practice financial literacy (Dodaro, 2011). MiniBanks help students gain exposure to banking, knowledge, and behaviors that promote good savings habits and experience hands on math and economics (Dodaro, 2011).

Non-profit initiatives. JumpStart has 150 national partners from government, business and finance, non/not for profits, and education (Jump$tart Coalition). Along with its national partners, JumpStart has a network of 49 affiliated state coalitions, each one independently operated by volunteers (Jump$tart Coalition). JumpStart focuses on not only providing high quality resources and curriculum materials, but also training for teachers. The National Educators Conference, Teacher Training Alliance, and Clearinghouse all provide training, resources, and partner access to teachers interested in educating students on personal finance (Jump$tart Coalition). A great curriculum is nothing without great teachers to implement it into the classroom and engage students.

Need & Benefits of Financial Education

Personal Financial Decisions

Personal financial knowledge. The statistics clearly show adults today do not feel confident in their personal financial decisions. In fact, 42% of adults rate themselves as a C or below on their knowledge of personal finance (Page, 2014). As well as 4/5, adults say they would benefit from professional advice on everyday financial questions. Teaching personal finance in public high school makes a difference in how students manage their money (Page, 2014). Financially literate students are less likely to max out their credit cards or make late payments. They are also more likely to save and take average financial risks. Educators and policymakers are realizing mistakes managing money can have long-term consequences on future financial ability and therefore a need for greater emphasis on personal finance at a younger age (Page, 2014). However, young adults want to learn how to manage their personal finances, which can be shown by young adults preferring immediate feedback in financial management, including a higher usage of electronic and online financial services (Page, 2014).

Budgets and savings. In regards to current consumers, a majority do not have a budget and 1/3 were not saving for retirement (Reed, 2011). Another alarming statistic is that roughly, 1/4 of US households have either no checking or savings account or they rely on alternative financial products that are less favorable (Reed, 2011). In contrast to older adults, young adults have a lower income and less time to build wealth and do not have the same resources or experience with managing their money. Therefore, young adults are at a higher risk of making poor financial decisions that could have detrimental long-term effects on their financial well-being. For example, young adults are taking on credit card debt at higher rates and paying it off at proportionally lower rates (Reed, 2011).

Higher education costs. There are high pressures for young adults to enter the workforce with a higher level of education than earlier generations. As a result, financial woes are compounded by student loan debt. The influx of demand for student loans has made them harder to get and harder to pay off after graduating (Reed, 2011). This means the financial decisions students make in college have an important influence on their financial situation after college. The increased use of credit cards by college students has generated concern that credit card debt puts college students at greater risk for financial problems after graduation (Reed, 2011). A student's financial situation in college also affect their academic performance. Students receiving at least partial coverage from parents for tuition and books were less likely than self-financed students to fail courses, be placed on academic probation, and earn lower GPAs (Reed, 2011). The implications of poor financial management can affect more than a student's finances, such as; academic performance, mental and physical well-being, and ability to find employment. Debt loads are causing anxiety among young people and influencing major labor decisions (Reed, 2011). In fact, students from states with no/little financial education fare worse on outcome measures such as dispositions, knowledge, and behavior (Reed, 2011).

Credit card debt. There are definitely differing opinions on credit card use and assuming responsibility for actions. Americans now owe a total of more than they do make; 183 million Americans owe roughly $900 billion in credit card debt, and only 1/4 ever actually pay off their balances (Reed, 2011). Currently, the fastest growing group of bankruptcy filers is those age 25 and younger (Reed, 2011). High levels of debt may prevent young workers from taking advantage of employer provided pensions, tax favored assets, or building up a buffer to insure against shocks (Reed, 2011). An actual unexpected side effect of bad credit is that security clearances can be put on hold since they are dependent on good credit.

Financial Marketplaces & Societal Well-Being

Personal financial well-being. Sluggish economy with high unemployment, coupled with high student loan debt, is making the transition into financial independence challenging for young people. Not only are the average college seniors graduating with an average of $25,000 in debt, the unemployment rate of Americans age 18-29 is roughly 12.7% versus the national average of 8.1% (Reed, 2011). It has been widely accepted that levels of debt are negatively correlated with financial knowledge. The rising cost of higher education and continual fiscal uncertainty of programs like social security put a much greater burden on young adults to properly manage their personal finances (Reed, 2011). Debt related stress has increased by 55% from 2006-2009 leading to a variety of health issues and adverse social effects (Reed, 2011). A person's accessible credit is strongly tied to an individual's liquidity; high credit card debt is therefore causing young adults to default on car payments and mortgages (Reed, 2011). This subsequently depresses the housing market and discourages banks from lending at a time when the economy needs liquidity for stimulus.

Financial marketplace well-being. Bank practices, economic progress, and the health of Americans are all being affected by the problem of high young adult credit card debt (Lusardi, Mitchell, & Curto, 2009). As financial products have become more complex, the consumer's inability to understand them has become increasingly apparent (Lusardi, Mitchell, & Curto, 2009). As a result, the general argument has become that if consumers are given full information, they will become financially literate. Thus, consumers are capable of understanding the complex financial marketplace, making sound decisions, and prospering financially. The simplification of financial decisions could be very beneficial to young people, as the government and employers continue to shift the responsibility for saving and investing onto workers (Lusardi, Mitchell, &

Curto, 2009). For example, providing a planning aid to new employees can more than double participation in supplementary retirement accounts (Lusardi, Mitchell, & Curto, 2009). Financial markets function best when consumers understand how financial service providers and products work and how to choose among them (Lusardi, Mitchell, & Curto, 2009).

Gaps & Controversies

Financial Illiteracy in Young Adults

Currently only ¼ of high school students pass given financial assessments and only 5% get a C or better; students got fewer than half the questions right (48.3%) on financial literacy quiz (Page, 2014). Only 27% of high school students demonstrated an understanding of interest rates, inflation, or risk diversification (Page, 2014). The small fraction of students in high school who were deemed financially literate were disproportionately white males whose parents had college degrees, a testament to the wide socioeconomic gap. This clearly shows the lack of financial literacy in students, even though it is becoming more and more relevant and important to be financially literate (Page, 2014). Students also have a natural tendency to have a higher time preference and lower self-control. These characteristics are more prevalent in financially illiterate individuals, as financial literacy emphasizes holding off in the present to secure a better financial future (Letkiewicz & Fox, 2014).

Time preference. It is widely accepted that young adults have a higher time preference, which means they prefer to consume sooner rather than later, which can lead to poor financial decisions by young adults (Letkiewicz & Fox, 2014). Time preference is comprised of three underlying motives: impulsivity, compulsivity, and inhibition (Letkiewicz & Fox, 2014). Impulsivity is the tendency to act without adequate forethought, compulsivity is the tendency to stick to plans and inhibition is the ability to override inherent urges. Interventions to change personality aimed towards early childhood and adolescent development stages are promising avenues to explore with improving financial decisions (Letkiewicz & Fox, 2014).

Self-control and conscientiousness. Young adults that showed higher levels of conscientiousness revealed the tendency to make better long-term financial decisions (Letkiewicz & Fox, 2014). Conscientiousness is defined as the tendency to be organized, responsible, and hardworking. Conscientiousness has a strong and positive effect on financial variables and suggests efforts should be directed towards increasing conscientiousness (Letkiewicz & Fox, 2014). Self-control has also increasingly been linked to financial behaviors and outcomes, including retirement accounts and planning, net worth and asset diversification, and financial planning, savings, and home ownership (Letkiewicz & Fox, 2014). Saving and asset accumulation are important for young Americans since life events in this stage of their transition to adult require economic capital such as buying a home or starting a family (Letkiewicz & Fox, 2014). Increasing conscientiousness and self-control considered more innovative approaches to financial education.

Role of Parents in Financial Socialization

Financial illiteracy is linked to cognitive ability, time preferences, and teachers' interest in students, parental background, and peer characteristics. Financial illiteracy is not only widespread but is particularly acute among specific groups, such as women, Blacks, Hispanics, and those with low educational attainment (Page, 2014). Financial illiteracy among the young is strongly influenced by family background and can thus be passed from parents to children. Students whose parents did not have a college degree and lacked financial sophistication are approximately 15% less likely to know about risk diversification, and essential concept for making saving and investment decisions (Page, 2014). The influence of family members is thus important but also complex, as most high school students reported their parents influenced their money management behaviors (Page, 2014). Therefore, parents should be aware of the role they play in the financial socialization of their children and that it occurs at an early age.

If financial knowledge is acquired from parents or via interaction with others, there are groups who will not be able to benefit from these sources because their parents or friends do not have college degrees or are financially illiterate (Page, 2014). Providing financial education in high school may be particularly beneficial to children from disadvantaged backgrounds. Given the influence of parents, initiatives such as financial literacy courses in school may be particularly helpful for those who do not have college educated parents or whose parents do not have experience investing in stocks and other complex issues (Page, 2014). Resources are needed to educate parents about how to constructively talk to their children about financial management issues. Involving parents in a financial education program could be more effective than only involving young people (Page, 2014).

Institutional Role in Public Financial Education

More than 80% of teachers, students, parents, and the public said they would support the implementation of personal financial education in public schools (Lusardi, Mitchell, & Curto, 2009). Students were especially interested in receiving financial management information. Financial literacy coalitions recommend states require a personal finance course or financial life skills course be included as a general education requirement for high school graduation (Jump$tart Coalition). In addition to educating students on personal finance issues, educators can serve young adult consumers by also making them aware of their self-control shortcomings and providing tips and practices to help increase financial well-being (Lusardi, Mitchell, & Curto, 2009). This can be done by suggesting practices such as cash based spending, automatic savings plans, or automatic bill pay may help reign in their negative spending patterns (Lusardi, Mitchell, & Curto, 2009).

Policy. More stringent policy changes could also help thwart self-control issues. Rather than focusing on traditional methods to increase financial literacy, financial education and consumer policies that directly account for the role of self-control and personality deserve consideration (Lusardi, Mitchell, & Curto, 2009). Researchers and policymakers alike would benefit from gathering information on financial literacy. Policymakers should show interest and concern with students' future financial well-being and the balance between personal and institutional responsibility (Lusardi, Mitchell, & Curto, 2009). Financial knowledge should not be taken for granted even among the young.

Women and minorities. Financial illiteracy is particularly severe among specific groups such as minorities and women, so financial education programs targeting those groups who need them most could increase their effectiveness (Page, 2014). Young women are now more likely to have a college degree than men and participate actively in the labor market. Yet their level of financial literacy remains very low as women continually prove to be less financially literate across all demographic (Page, 2014). It is important to find ways to foster financial knowledge in the population as a whole and among groups who are more disadvantaged, specifically to women and minorities (Page, 2014).

Financial literacy programs have to take into account the many differences that exist among individuals, not just in terms of economic circumstances but also in terms of preferences. Financial literacy is not entirely determined by cognitive ability, thus, there is a role for education in improving financial literacy (Page, 2014). It would prove beneficial to provide financial education before individuals engage in financial contracts and before they start making major financial decisions (Page, 2014). Therefore, it is clearly important to improve the effectiveness of financial literacy programs offered in high schools.

Chapter III: Findings, Recommendations, & Critiques

Program Overview

The implementation of financial literacy education in public schools should maintain several aspects for an effective program. The implementation program should have a clear mission and vision for the course and outcomes aimed for while also connecting with nationally set standards. The program should be relevant and community focused to ensure a learner centered environment and effective delivery. To ensure the financial literacy program is well integrated into other curricular areas, it should be supported with adequate resources and continually evaluated for effectiveness.

Components to include. From research done on the implementation of a personal finance class in public education amid other states that mandated a required course for graduation there are three clear components that must be included (Department of Public Instruction). These three components ensure the successful implementation of an effective personal finance class. The main components are setting attainable standards, training teachers, and developing a curriculum (Department of Public Instruction). The following four components have been broken out to include recommendations within each section on which standards, teacher training, curriculums, and evaluations to use to create and implement a successful financial literacy program within a school district.

Setting Standards

Council for Economic Education National Standards for Financial Literacy

Maintaining clear national standards is necessary for providing successful financial education to high school students nationwide. The Council for Economic Education (CEE) is the leading organization on the economic and financial education of high school students (Bosshardt

& Walstad, 2014). The CEE aims to teach every student, in order to create a more informed citizenry capable of making better financial decisions (Bosshardt & Walstad, 2014). The CEE has developed National Standards for Financial Literacy that are recommended to be adopted by every state as a basis for their financial education programs (Bosshardt & Walstad, 2014).

The goal of the National Standards developed by CEE is to develop practical and sound curriculums and teach students how personal situations and preferences affect their financial decision-making (Bosshardt & Walstad, 2014). The standards apply to all socioeconomic student groups and do not assume prior economic or financial knowledge. They are written in nontechnical language in order to be understood and taught by all students and teachers (Bosshardt & Walstad, 2014). The standards are geared towards creating a curriculum that is both practically and academically sound, while increasing a students understanding of personal finance (Bosshardt & Walstad, 2014).

Six standard topics. The CEE National Standards devised six overarching standards that should be integrated into a curriculum for a personal finance class in grades K-12 (Bosshardt & Walstad, 2014). These six standard topics are:

I. Earning Income: Addresses the market value of labor, paid as wages and salaries, and how people can increase their income and job opportunities through education, work experience, and job skills.

II. Buying Goods and Services: Addresses improving economic well being by making informed spending decisions by collecting information, planning, and budgeting.

III. Saving: Addresses how time, interest rates, and inflation affect the value of savings.

IV. Using Credit: Addresses how to choose between different credit options and the relationship between a borrower's credit history and expected ability to pay in the future.

V. Financial Investing: Addresses how diversification lowers the risk of investment in financial assets purchased to increase wealth and income in the future.

VI. Protecting and Insuring: Addresses the choices available to accept risk, transfer risk to others, or reduce risk.

The resulting defined benchmarks and decision-making skills within each standard topic address more extensively the exact skills, knowledge, and abilities students will have acquired and developed (Bosshardt & Walstad, 2014).

Standard topic subsections. Within the six standard topics, the CEE has broken down each standard even further into three subsections: a concept progression, benchmarks, and decision-making skills (Bosshardt & Walstad, 2014). The concept progression aims to provide a rationale for how the concepts are constructed and developed through the grade levels (Bosshardt & Walstad, 2014). The benchmarks touch on what knowledge students will learn and examples of how students will be able to use and demonstrate their knowledge (Bosshardt & Walstad, 2014). The decision-making skills are broken into three parts: planning and goal setting, making the decision, and assessing outcomes (Bosshardt & Walstad, 2014). Students first discusses the necessary information to plan for, set and meet their own personal financial goals within the standard topic. The students then learn to address the costs and benefits of different possible decisions in order to decide on the best decision to make in order to reach their goals. The students then assess outcomes to help them understand how the desired results are measured after making their decision (Bosshardt & Walstad, 2014).

South Carolina Financial Literacy Instruction Act of 2005

The State Board of Education adopted the Financial Literacy Instruction Act (FLIA) in 2005 to implement instruction of financial literacy within courses currently offered in high schools in South Carolina (Rex, 2009). The mandate states the Board of Education will develop or adopt curricula, materials, and guidelines for local school boards to use when implementing a financial literacy program (Rex, 2009). The FLIA was established to achieve three overarching goals:

I. Provide students in K-12 with the tools necessary to manage their finances in the real world.

II. Increase comprehensive services to reduce the risk of financial failure after high school for students.

III. Promote effective programs that provide instruction of relevant financial literacy issues.

These personal finance goals will be achieved by implementing personal finance instruction into already existing curriculums of prominent areas of study such as math, social studies, ela, etc (Rex, 2009). The FLIA encourages educators to use the indicators, application examples, and glossary of terms as framework for lesson plans and curriculum updates (Rex, 2009).

Six standard concepts. The FLIA identifies six major concepts, closely aligned with those established by the JumpStart Coalition, that encompass the necessary content for a program on financial literacy (Rex, 2009). These six areas of focus are:

I. Financial responsibility and decision-making: Apply reliable information and systematic decision making to personal financial decisions.

II. Income and careers: Use a career plan to develop personal income potential.

III. Planning and money management: Organize personal finances and use a budget to manage cash flow.

IV. Credit and debt: Maintain creditworthiness, borrow at favorable terms, and manage debt.

V. Risk management and insurance: Use appropriate and cost-effective risk management strategies.

VI. Saving and investing: Implement a diversified investment strategy compatible with personal goals.

These six core concepts are to be integrated into high school curricula to not only teach the core curricula of their main classroom courses, but also simultaneously expose students to financial literacy. The main reason identified for merely integrating financial literacy into existing courses is to reduce the risk of eliminations due to budget cuts and course offerings (Rex, 2009).

Critiques and Recommendation

Critique of Financial Literacy Instruction Act. The Financial Literacy Instruction Act is a step in the right direction for promoting and integrating financial literacy education into high school classrooms. Unfortunately, the standards and indicators identified as important to be implemented into curriculums are vague and basic. The FLIA gives no examples for how students will be able to express their capability or understanding of the indicators included with each standard. The FLIA does not provide building blocks to effectively show how students will gain and develop their personal finance skills and knowledge (Rex, 2009).

As for integrating the standards and indicators into the current curriculums, the FLIA simply provides a cross section chart of the FLIA indicators and the other main course indicators (Rex, 2009).. This gives no insight into how to effectively implement the standards into the existing curriculums other than identifying potential entry points for financial education to be included in conjunction with other indicators. These other indicators are also not listed within the

FLIA and create confusion on which indicators should be focused on. By erratically building financial literacy standards into various course curriculums, educators and students are unable to effectively build a clear, solid foundation of financial literacy concepts. Although building financial literacy into current curriculums reduces the possibility of elimination due to budget cuts, it makes it extremely hard to assess and which standard indicators are being taught and learned (Rex, 2009)..

Recommendation for Council for Economic Education. The Council for Economic Education's National Standards for Financial Literacy (NSFL) on the other hand clearly identify key benchmarks and skills students should be developing with the help of a standardized curriculum based on its outlined standards (Bosshardt & Walstad, 2014). The CEE provides building blocks to develop student's knowledge and ability to make informed personal finance decisions that will better their financial future after high school (Bosshardt & Walstad, 2014). The major difference and advantage of the CEE's NSFL are that not only are knowledge benchmarks outlined, but also ability and usage examples are included with each benchmark (Bosshardt & Walstad, 2014). The CEE's NSFL are clearly the more appropriate choice of standards for the State Board of Education's initiative to implement a financial literacy program into high school classrooms.

Training Teachers

The most important part of implementing a successful financial literacy program into the classroom starts with teachers. The JumpStart Coalition offers three different resources to effectively train teachers and provide them with the necessary resources to successfully educate students on personal finance (Jump$tart Coalition). These resources are the Teacher Training Alliance, the National Educator Conference, and the Clearinghouse. Each resource and program uniquely focuses on different aspects of training for teachers interested in educating students on personal finance (Jump$tart Coalition).

Teacher Training Alliance

The Teacher Training Alliance (TTA) is a collaborative endeavor designed to standardize teacher training in personal finance through a shared model called the Financial Foundations (Jump$tart Coalition). The TTA aims to ensure consistency and rigor in teacher training programs across the country. The model is available free to qualified users who are committed to supporting financial education through professional development for teachers (Jump$tart Coalition). The Financial Foundations model offers development training that consists of 18 instructional hours focusing on teachers as both learners and consumers. This model complements many existing teacher training programs and conferences, is suitable for teachers of any grade level and most importantly promotes consistency and customization (Jump$tart Coalition).

National Educator Conference

The National Educator Conference (NEC) is the only national conference for classroom teachers on personal finance education for students (Jump$tart Coalition).. It aims to provide educators with financial education resources as well as personal and professional development (Jump$tart Coalition). The conference brings together teachers with the same goals from all over the country giving them access to a nationwide network of colleagues. The conference provides general support for financial education by offering a variety of workshops focusing on curricula/content, expert testimony and advice, and lastly personal development (Jump$tart Coalition). The conference offers financial educator certification testing and free financial planning clinics for attendees too. The NEC recognizes that travel can be expensive and limit to teachers from lower economic backgrounds to attend, which is why they encourage and offer teacher sponsorship opportunities to help make their conference accessible to everyone wanting to attend regardless of economic capability (Jump$tart Coalition)..

The conference consists of several different components such as plenary and breakout sessions, an exhibit hall, and networking dinners (Jump$tart Coalition). The targeted participants are licensed K-12 teachers and administrators, while the targeted vendors are JumpStart national or state coalition partner organizations, or organizations with resources currently listed on Clearinghouse (Jump$tart Coalition).

Clearinghouse

Clearinghouse is an online resource for educators, parents, students, and others to help them find financial education resources from various sources (Jump$tart Coalition). All approved resources can be found in one simple search engine. JumpStart partners and other providers are therefore able to reach a wider audience with educational products and programs. Resource vendors create accounts and subsequently submit their resources, which are then reviewed by Clearinghouse staff based on specific criteria (Jump$tart Coalition). If the resources meet the criteria, then they are approved and added to the Clearinghouse resource database. The resource must fall into the category type of either curricula, instructional program, educational support tools, informational material, or experiential resources (Jump$tart Coalition). The resources must meet the general criteria of having their prices clearly stated, up to date copyright laws, and dynamic and relevant content in regards to financial literacy (Jump$tart Coalition).

Curriculum

Mandates

There are three levels of mandate intensity; high, moderate, and low. A high intensity mandate requires at least a half-year course with a standardized curriculum be required for graduation (Urban, Collins, Brown, 2015). Currently the South Carolina State Board of Education passed a financial literacy mandate, as described earlier, but never required a class to be taken. Instead, the SC State Board of Education chose to implement financial literacy education into the existing curriculums of math, social studies, etc. This is not nearly as effective in high schools, where studies have shown the implementation of a high intensity financial literacy mandate corresponds to lower credit scores (Urban, Collins, Brown, 2015).

Lesson principles

A well-designed curriculum will include lesson plans that contain three essential principles to be effective for student (Department of Public Instruction). The first main principle is ensuring the lesson plan materials are relevant to student's current lives, to help students relate more easily to the course content (Department of Public Instruction). The second main principle is emphasizing financial concepts and critical thinking skills among the students not only within the classroom but also in real life (Department of Public Instruction). The final third principle is seeking to improve a student's knowledge, behavior, and attitudes about financial decisions (Department of Public Instruction). (Reed, 2011)

Financial Fitness for Life

The Financial Fitness for Life (FFFL) curriculum has been developed and designed by the Council for Economic Education (CEE) with content based on the National Standards for Financial Literacy developed by the CEE (Council for Economic Education). The curriculum is focused on comprehensive personal finance lessons aimed towards teaching students to make well-informed financial decisions in the real world. The FFFL materials engage students in active learning and include both a teacher guide and a student guide that coincide with each other (Council for Economic Education). The FFFL evens includes optional parent guides to help extend learning into the home as well. Overall, the FFFL curriculum for high school students appeals to their growing autonomy as they transition into adulthood and take on full financial responsibility for their lives (Council for Economic Education).

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