

Education and Financial Inclusion: Perspectives from a U.S. economic educator

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Highlighting Financial Literacy

- Topic is Timely: April is Financial Literacy Month in the U.S.
- President Bush has recently commissioned a President's Advisory Council on Financial Literacy (Robert Duvall, NCEE President and CEO is a member of this council)
- “Promote effective access to financial services, especially for those without access to such services”

Comment from Federal Reserve Chairman Bernanke

- “The financial preparedness of our nation’s youth is essential to their economic well-being and of vital importance to our economic future. In light of the problems that have arisen in the subprime mortgage market, we are reminded of how critically important it is for individuals to become financially literate at an early age so that they are better prepared to make decisions and navigate an increasingly complex financial marketplace. Choosing a credit card, saving for retirement or for a child’s education, or buying a home now requires more financial savvy than ever before. Financial literacy and consumer education—coupled with robust consumer protection—makes the financial marketplace effective and efficient, and better equips consumers to make tough yet smart financial decisions. Today, only eight states across the U.S. require personal finance before middle or high school graduation. I believe more states should consider making personal finance a requirement for all students who seek a high school diploma. I am personally convinced that improving education is vital to the future of our economy and all its citizens, and I strongly believe that promoting financial literacy, in particular, must be a high priority....” (April 9, 2008)

The National Council on Economic Education

- In the business of economic and financial literacy for 60 years
- Reaching the hearts and minds of students through well-trained teachers
- Providing active-learning teacher resource materials designed to make instruction come alive for students
- Fostering teacher professional development through workshops, academic courses, institutes, online programs
- Setting the standards
- Assessing the outcomes
- Advocating for the Issue

The NCEE Approach and Financial Inclusion

- The importance of teachers
- Using engaging materials
- Offering high quality training
- Measuring the results
- Advocating for the cause

Teachers Can Make the Difference

- Teachers are the common thread connecting youth and education
- When confident and qualified, teachers can inspire change that others are unable to achieve
- The time teachers have with youth is unequalled
- Investing in human capital
- Community and parental support

Using Engaging Materials

- The importance of active-learning approaches
- Relevance to students' lives
- Activities that can make a difference
 - ✓ Get Banked: The Banking Advantage
 - i. High costs of being unbanked
 - ii. Frequenting pay-day lending and check-cashing establishments
 - ✓ Invest in Yourself: Get a Good Education
 - i. Importance of Staying in School
 - ii. Preparing for a lifetime of learning
 - iii. Relationship between education and earnings

Using Engaging Materials (cont.)

- Activities that can make a difference (cont.)
 - ✓ Take Care of Yourself: Sound Health Decisions Make You Healthier and Wealthier
 - i. The connection between healthy decisions and financial outcomes
 - ii. The \$100,000 habit
 - ✓ Powerball Economics
 - ✓ The Mathematics of Saving
 - ✓ What Employers Want
 - ✓ Creating Your Own Job
 - ✓ Understanding Credit

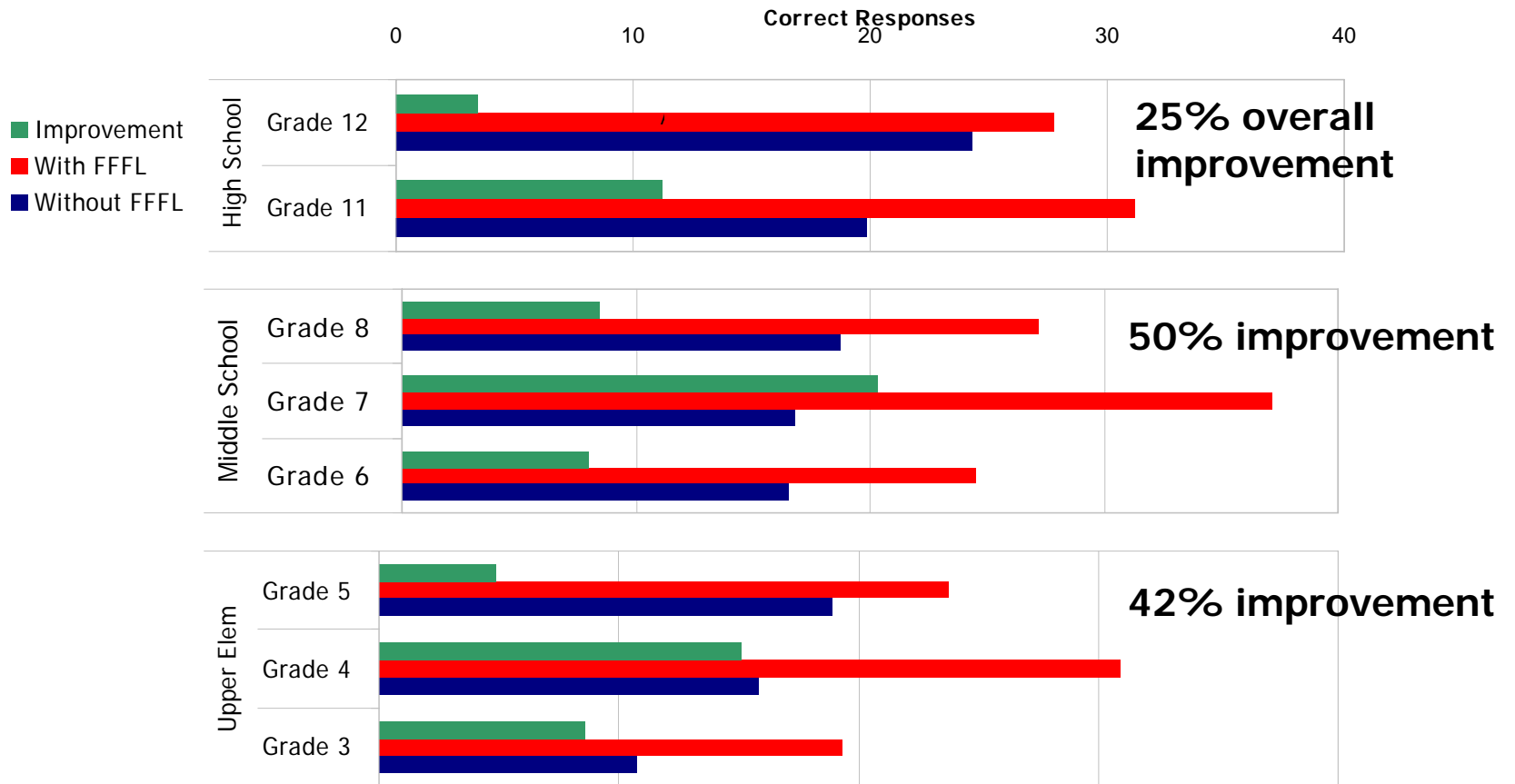
Offering High Quality Training

- Teacher preparation makes a difference
- Support for in-service and pre-service teachers through State Councils and University-based Centers for Economic Education
- Workshops, Courses, Institutes that complement materials
- Classroom observations
- Use of emerging technologies
- Direct programming for students

Measuring the Results

- Nationally normed, standardized tests in economics, personal finance, and entrepreneurship
- Support for research
 - i. Journal of Economic Education
 - ii. Excellence in Economic Education Program
 - iii. Cooperative Education Exchange Program
 - iv. National Assessment of Educational Progress (Economics 2006)
- Examples of results
 - i. Assessing the Effectiveness of *Financial Fitness for Life* in Eastern Kentucky
 - Significant improvements in student financial literacy
 - Superior results over other curricular materials
 - Improved teacher and student attitudes
 - ii. National Norming Results from *Financial Fitness for Life* assessment

Students using *FFFL* scored higher on personal finance assessment

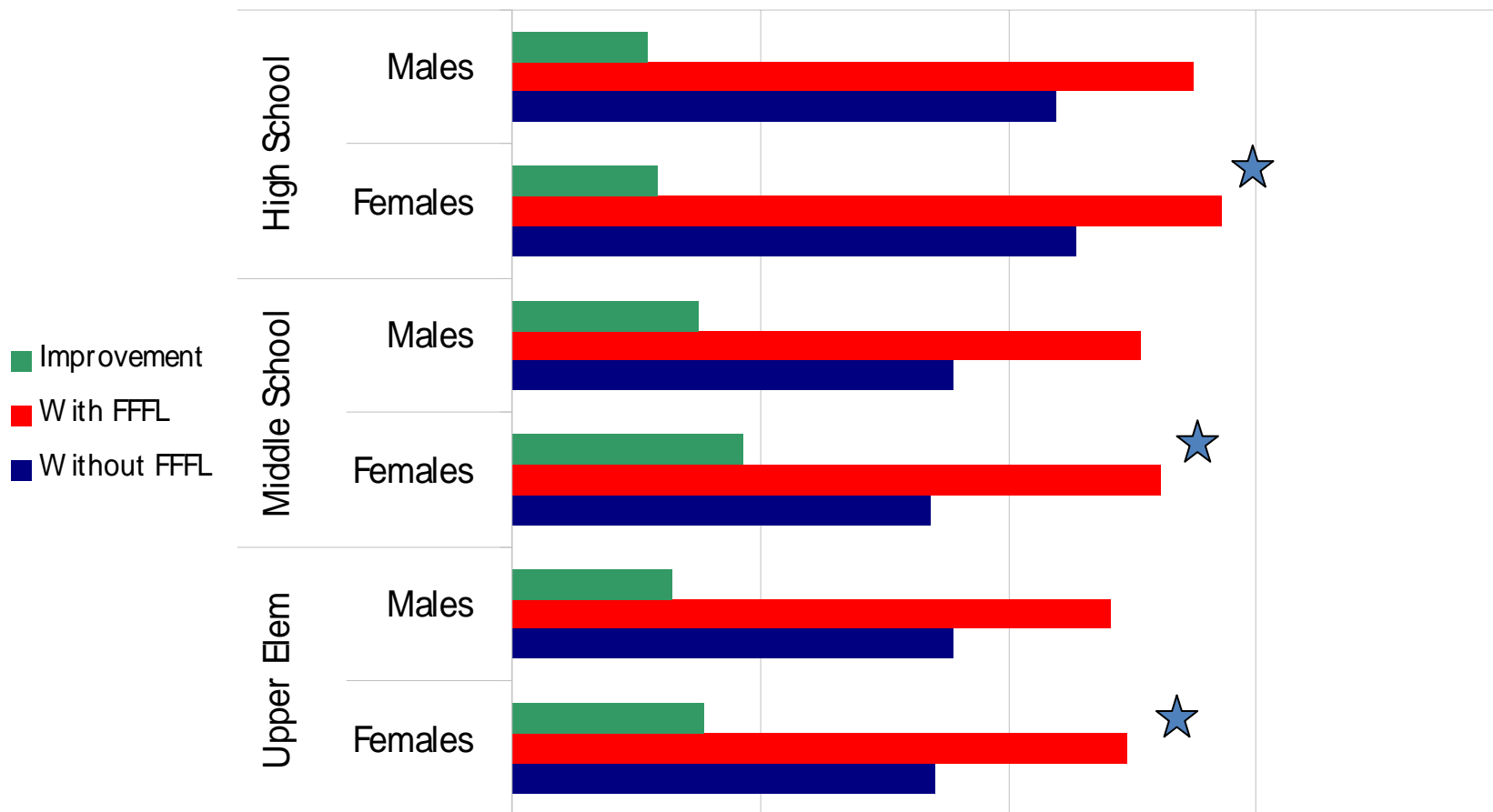


Average Number of Correct Responses by Grade Level

Female students showed greater improvement

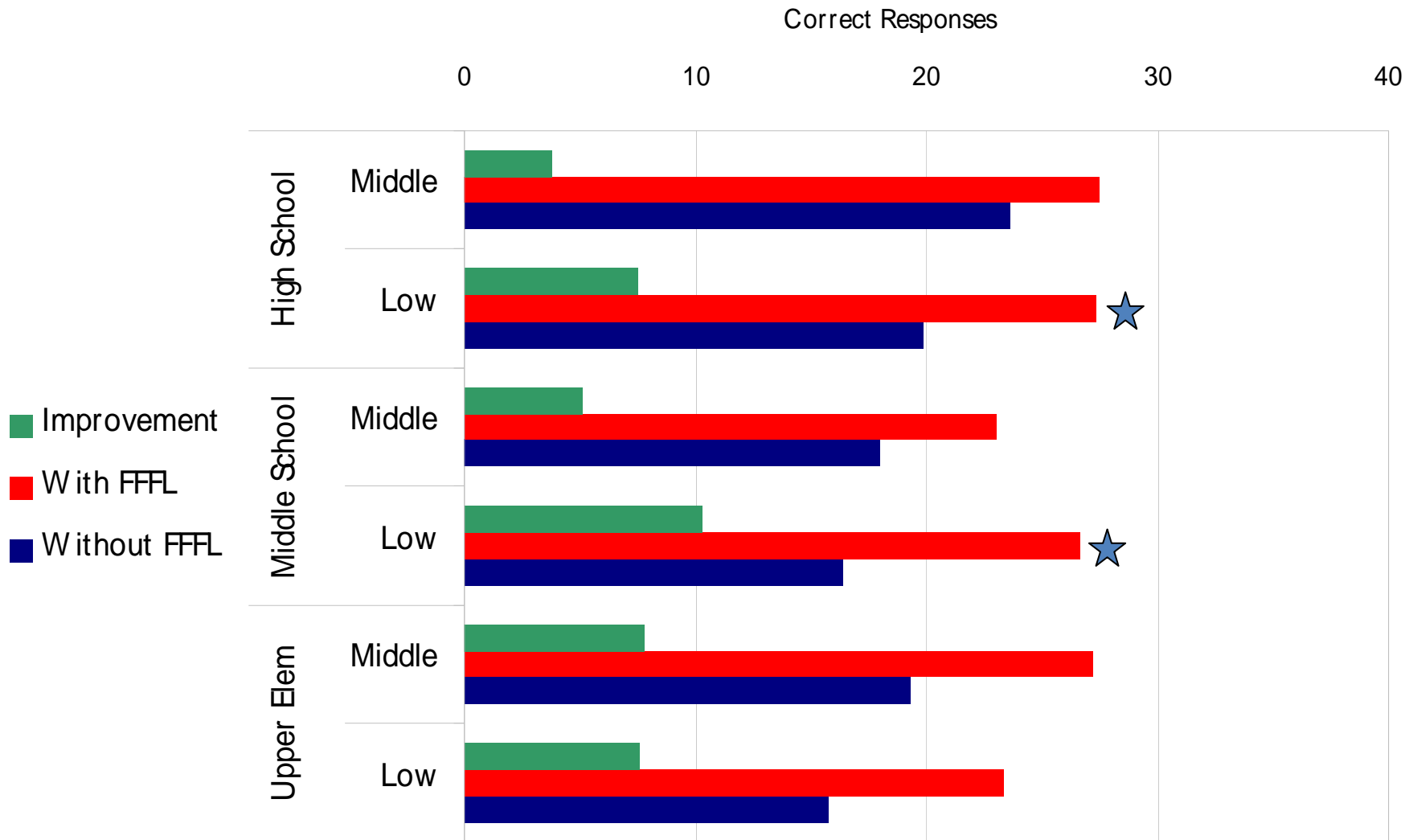
Correct Responses

0 10 20 30 40



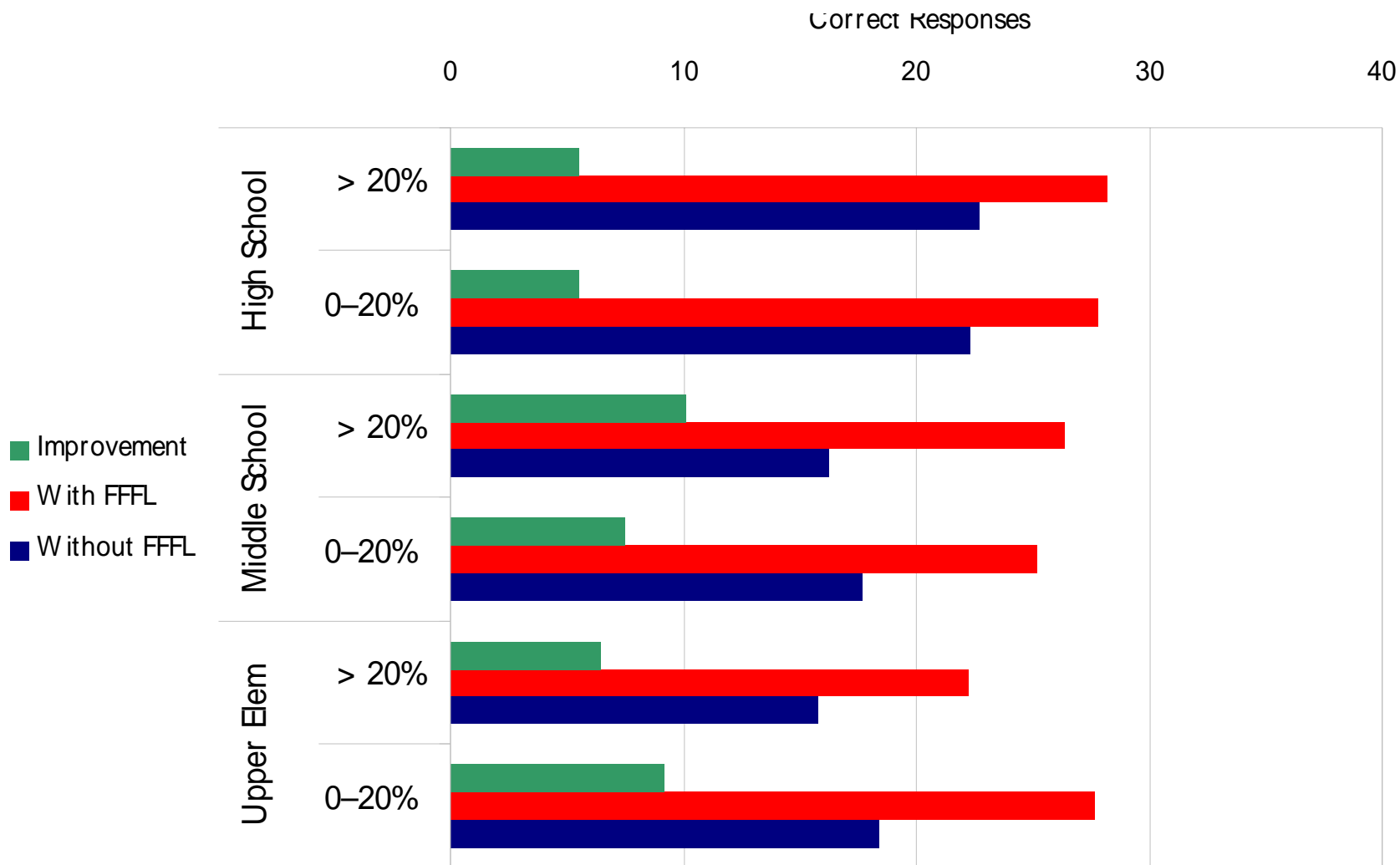
Average Number of Correct Answers by Grade Level and Gender

Middle and High Schools with Low Income Levels narrowed or reversed the gap in Financial Literacy



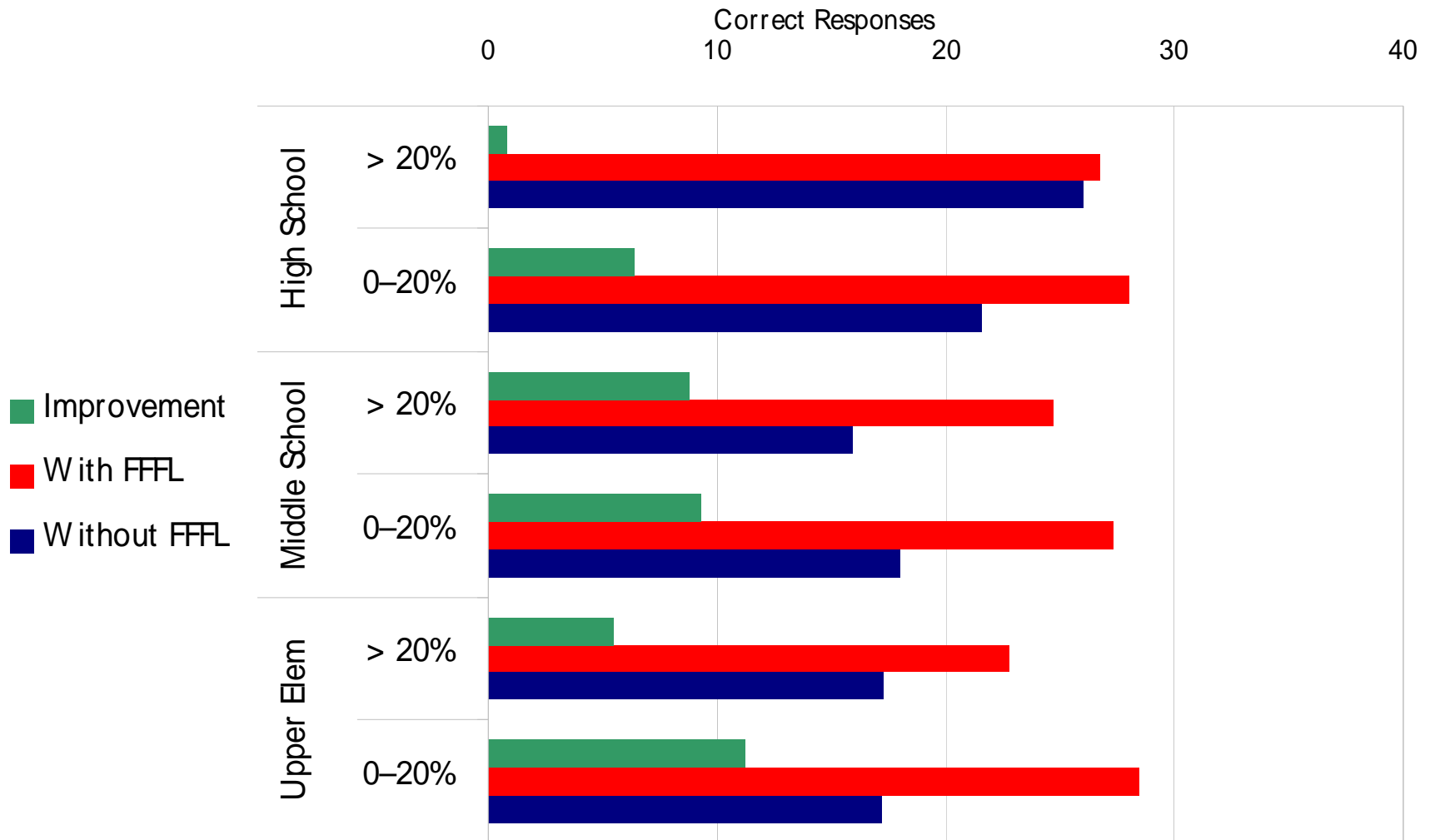
Average Number of Correct Answers by Grade Level and Income Level in School 13

Black students' scores improved with FFFL Instruction



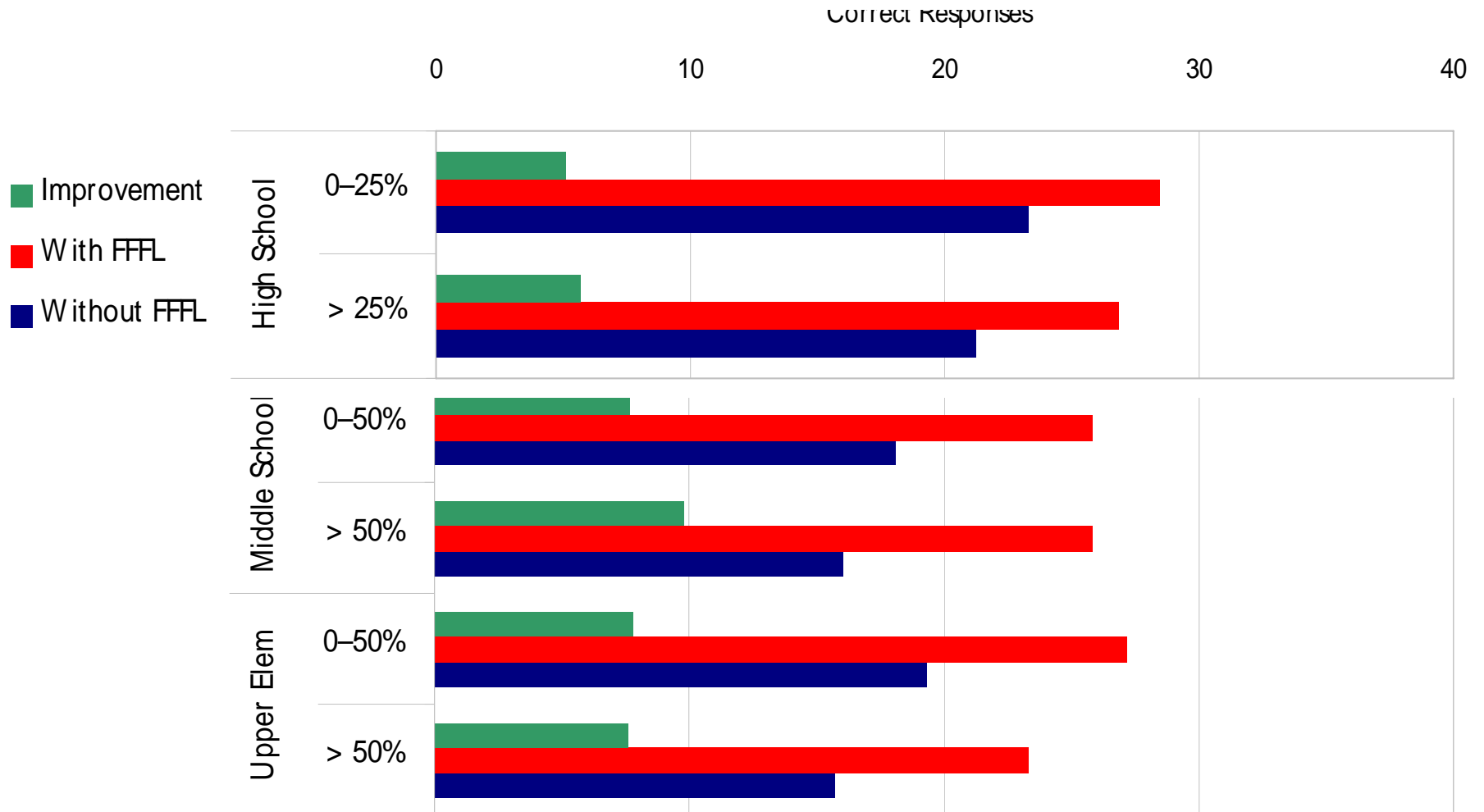
Average Number of Correct Answers by Grade Level and Ethnicity

Hispanic students' scores improved with FFFL instruction



Average Number of Correct Answers by Grade Level and Ethnicity

Students in Free Lunch programs improved with FFFL instruction



Average Number of Correct Answers by Grade Level and Free Lunch Program

Advocating for the Cause

- Reaching out to Educational Policymakers, Government Officials, Corporate Foundations, Central Banks, School Boards, Parents, Opinion Leaders, Economists, etc.
- National and State Standards in Economics
- Survey of the States
- Global Association of Teachers of Economics (GATE)

THANK YOU

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