

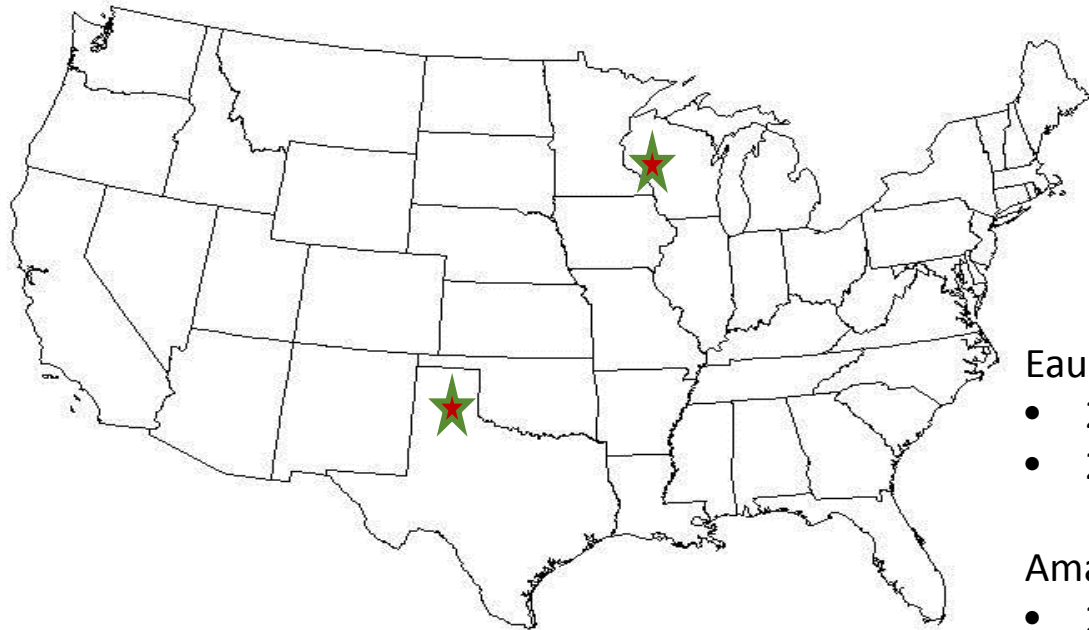
Financial Education for Youth Updates from the US Department of the Treasury



**FDIC COME-In
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Study aims to better understand how to provide children with the financial skills to become economically successful



Eau Claire, Wisconsin

- 2011-2012
- 2012-2013

Amarillo, Texas

- 2012-2013



Research Questions

- Do students gain financial knowledge and understanding by participating in a financial education curriculum?
- Do students gain more financial knowledge when they also attend a school with a credit union or bank branch?
- Are students more likely to open a savings account and/or make deposits if they are participating in a financial education curriculum?
- Do students have more positive attitudes toward savings and financial institutions if they have access to a school branch?

	Financial education	No financial education
Credit union or bank in school	Credit union or bank in school + Financial education	Credit union or bank in school + No financial education
No credit union or bank in school	No credit union or bank in school + Financial education	No credit union or bank in school + No financial education

Financial Education

- 5 or 6 lessons from Financial Fitness for Life curriculum over 5-6 weeks
- 45-minute lessons taught by classroom teachers
 - Teachers trained for 3 to 8 hours on curriculum and materials
- Content focused on savings account use
 - Defining income, expenses and savings
 - Wants vs. needs, incentives and goals
 - Compare savings options and understanding interest

In-School Banking

- Eau Claire – Royal Credit Union School \$ense
- Amarillo - Happy State Bank Kids' Banks

Largely similar, but features specific to HSB:

- **Account Type:** Joint ownership savings account (also opened minor only account for the pilot)
- **Account Opening:** On-line, at a branch, or at school
- **Frequency:** once a week during study period)
- **Bank Transactions:** Kids can only make deposits at school branch. (RCU- could also make small withdrawals)
- **Student Staffing:** Student tellers work with HSB staff (RCU used student tellers)



Data

Knowledge

- **Financial Quiz Score:** The number of questions answered correctly

Attitudes

- **Spend Money Immediately:** 5-point scale how often they find it hard to avoid spending money immediately.
- **Easy to Save:** 5-point scale how often they find it easy to save money.
- **Saving is for Adults:** 5-point scale how often they feel that saving money is only for adults.
- **Banks/Credit Unions Useful to You:** 5-point scale the degree to which they believe that banks /credit unions offer services that are useful to them.

Account Activity

- **Account Ownership:** Students report whether or not they have a savings account in their own name
- **Net Deposits:** Total amount of money that is deposited into the account net of the total taken out of the account.
- **Active Account Use:** Number of distinct occasions on which money is deposited or withdrawn from the account.

Sample Knowledge Questions

- 1. Scott plans to save the same amount of money each week for 10 weeks to buy his mom a \$30 necklace. How much money should Scott save each week?**
 - \$1
 - \$2
 - \$3
 - \$4
 - don't know or not sure
- 2. The best example of a long-term goal would be saving for a...**
 - video game
 - birthday present
 - college education
 - pair of basketball shoes
 - don't know or not sure
- 3. Sara Wilson earns an income of \$3,000 per month as an elementary school teacher. She has expenses of \$2,000 each month. The amount she has left over each month is called...**
 - ...profit
 - ...credit
 - ...saving
 - ...budget
 - ...don't know or not sure

Sample Size & Results

Sample Size	Eau Claire	Amarillo	Total
No Financial Education	320	285	605
Financial Education	380	418	798
Total	700	703	1,403

Overall Results

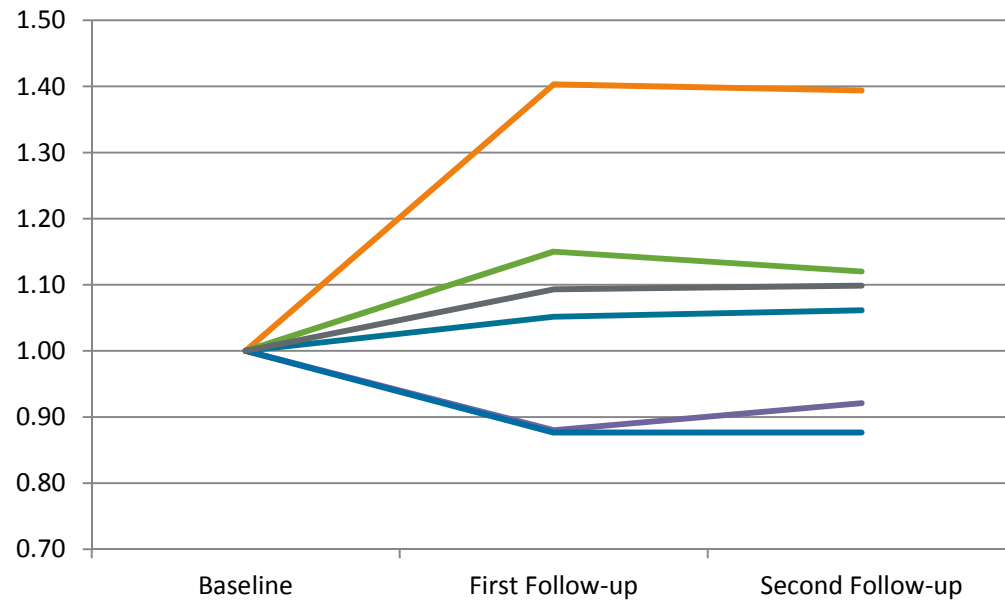
- Large effects of education on knowledge questions
- Moderate effects of in-school banking and education on attitudes
- Education and bank access boost bank account ownership by kids
- Effects persist

Key Findings

- Education – relatively brief– has impact on knowledge
 - And it lasts at least from 4th to 5th grade
- Being banked intensifies the effect
 - Banked students are likely different...but banks in schools and incentives facilitate account ownership
- Attitudes about financial institutions strongly influenced
 - By education and even just having a branch in school
- Account use proved hard to measure stably

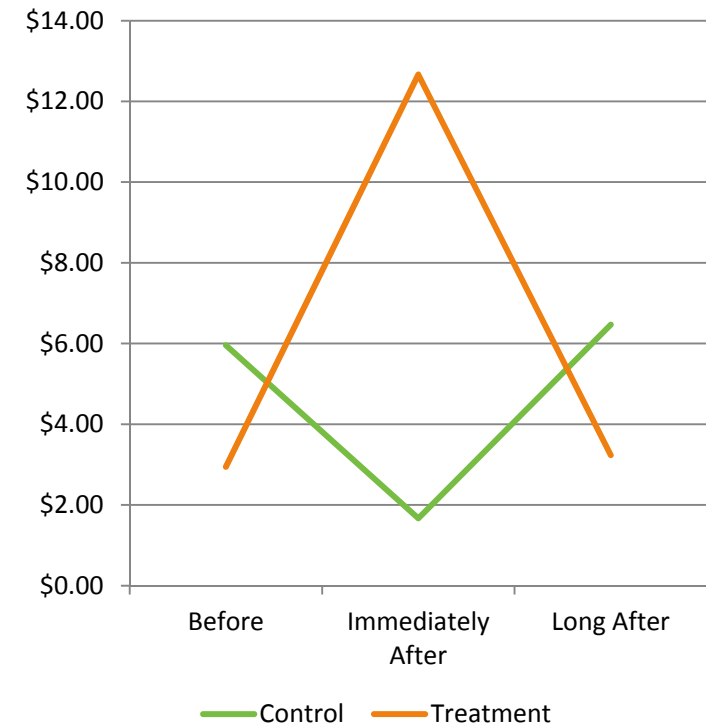
Persistence of Treatment Effects

Outcomes for the Treatment Group



- Quiz Score (13pt)
- Student banked
- Spend money immediately (5pt)
- Easy to save (5pt)
- Saving is for adults (5pt)
- Banks useful to you (5pt)

Net Deposits



- Control
- Treatment

Find the Full Report

www.treasury.gov – Resource Center – Consumer Policy – Research and Reports

- ***Financial Education & Account Access Among Elementary Students: Findings from the Assessing Financial Capability Outcomes (AFCO) Youth Pilot*** (April 2014)
- Full Report
- Research Brief
- Lessons from the Field – Amarillo, TX

Call for Future Research

There are many questions that still could be answered, for example:

- What are the long-term impacts of these interventions?
- How and when to most effectively teach financial education?
- Is there a connection between financial education and academic performance/outcomes?
- How much does the culture of savings in a school make a difference? How much do incentives matter?
- How much in an account is enough to trigger an asset effect? Is it the asset itself or the act of saving? For child or parent? Or both?

Policy and Practice Implications

- Classroom-based financial education can increase knowledge
 - Requires support to implement well
- In-school banking access has direct and indirect impacts on attitudes about financial institutions and on having an account.
- Financial institutions could use guidance on children savings marketplace

President's Advisory Council on Financial Capability for Young Americans

- Created by President Obama by Executive Order
- To contribute to the Nation's future financial stability and increase upward economic mobility.
- Will provide advice to the President and the Secretary of the Treasury on how to promote the financial capability of young Americans and encourage building the financial capability of young people at an early stage in schools, families, communities, and the workplace, and through use of technology.
- Comprised of the Secretary of the Treasury, the Secretary of Education, the Director of the Consumer Financial Protection Bureau and up to 22 non-governmental members.
- Webpage at www.treasury.gov/pacfcya.
- Email: pacfcya@treasury.gov



Financial Literacy and Education Commission (FLEC)



22 Federal agencies, led by the Department of the Treasury

- Coordinate federal financial education activities
- Support www.Mymoney.gov containing free financial education resources from across the government
 - Organized around the MyMoney Five core areas
 - Contains the FLEC Research and Data Clearinghouse
- Since 2012, a new focus on young Americans: “Starting Early for Financial Success”
 - Children and Youth
 - Post-Secondary Education
 - Financial Education and Planning for Retirement through the Workplace
 - Research and Evaluation