



Financial Literacy

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Financial literacy, or having the knowledge and skills to successfully manage personal finances, contributes to the financial health and stability of individuals and families.¹ Financial literacy is critical for young people. In 2014, the average college student graduated with \$28,950 in student loan debt.² In a 2016 analysis, researchers estimated that people under the age of 35 had an average credit card debt of \$5,808.³ Furthermore, the financial landscape is more complex and uncertain than it has been for decades.⁴ Being equipped with financial education and skills can have a positive impact on teens' future financial stability.⁵ These skills are particularly important for young people who are already economically disadvantaged, and financial literacy may help in reducing poverty.⁶

In acknowledgement of the importance of adolescent financial literacy, 17 states currently require public high school students to take a course on financial education and personal finance.⁷ Financial education programs address topics such as balancing a checkbook, managing a credit card, preparing a budget, taking out a loan, and buying insurance. Despite these efforts to promote financial literacy, many American teens are not exposed to financial literacy education and programs.⁷ Youth-serving programs have a unique opportunity to integrate financial education into their services. This tip sheet provides ideas and approaches for integrating financial literacy education as part of your pregnancy prevention program.

WHAT WE KNOW

- Financial literacy among teens is low. Only 35% of teens know how to manage a credit card or balance a checkbook, 25% know that it is a bad idea to use a check-cashing service, and 17% know what a 401(k) is.⁸
- Teachers need more support for teaching financial education. In one study, less than 20% of teachers and prospective teachers reported feeling very competent to teach personal finance concepts, including money management and saving.⁹
- Financial education programs generally increase student knowledge, and some have shown a positive impact on youth behavior.^{10, 11}

TIPS FOR INTEGRATING FINANCIAL LITERACY CONTENT INTO YOUR PROGRAM

Partner with Local Financial Institutions and Business Leaders

- Ask a representative from a local bank or credit union to hold a discussion on a financial topic, such as saving for college or opening a checking account.
- Reach out to financial institutions in your area and ask about educational materials (such as brochures on saving) or programs geared toward youth.
- Acquaint program participants with adult role models from the community. For example, a program in an African American community can connect with trusted leaders by partnering with business professors from historically black colleges and universities.

Design Hands-On, Culturally-Sensitive Activities That Appeal to Youth

- A hands-on activity, such as a simulation, can help content feel more true-to-life. For example, you could use Budget Challenge, a personal finance simulation tool to help students learn how to create and maintain a budget (<http://www.budgetchallenge.com/>).
- Youth may prefer to learn financial knowledge and skills online. Provide opportunities to allow youth to play online games designed to facilitate financial education, such as 4-H's *Consumer Savvy Arcade* (<http://new.4-hcurriculum.org/projects/consumer/>) and PBS' *Mad Money* (http://pbskids.org/itsmylife/games/mad_money_flash.html).
- Tailor the content in your program to the norms, attitudes, and experiences that your population faces in managing money. Consider how you can incorporate linguistic idioms and cultural values, such as gender roles and religious beliefs.

SPECIFIC RESOURCES AND EXAMPLES

Evidence-based and Evidence-informed Interventions

Intervention	Description	Available at
Financial Fitness for Life	This comprehensive, evidence-based personal finance curriculum includes teacher, student, and parent guides. ¹¹ Materials have been developed for grades 6–8 and 9–12.	http://fffl.councilforeconed.org/
High School Financial Planning Program	This free financial literacy program, funded by the National Endowment for Financial Education, teaches basic personal finance skills that are relevant to the lives of teens in grades 8–12.	http://www.hsfpp.org/
Junior Achievement Finance Park	This month-long program for middle and high school students combines personal financial planning and career exploration with a daylong role-playing exercise. Junior Achievement has also developed an online version to complement its in-person model.	https://jafinancepark4.ja.org/PublicUser/Register

Intervention	Description	Available at
Money Matters	This program to promote financial responsibility and independence among teens ages 13 to 18 includes small-group activities, practical tips, and an interactive Website.	http://www.bgca.org/whatwedo/educationcareer/pages/moneymatters.aspx
Money-Smart Federal	This financial education program, developed by the Federal Deposit Insurance Corporation, offers free, downloadable teaching tools, including student worksheets.	https://catalog.fdic.gov/store/youth
Preparing Adolescents for Young Adulthood	This curriculum, geared toward out-of-home youth transitioning to adulthood, has an assessment activity and resource workbooks. It covers independent living skills, including money management.	http://www.casey.org/media/CLS_ResourceGuides_subdocs_PAYA_Module1.pdf

Online Resources

- **National Education Association** provides resources for curricula, activities, and lesson plans to help educators teach students financial literacy skills (<http://www.nea.org/tools/lessons/resources-for-teaching-financial-literacy.html>).
- **National Standards in K-12 Personal Finance Education** outlines the personal finance knowledge and ability that young people should acquire from kindergarten through 12th grade (<http://jumpstart.org/national-standards.html>).
- **Council for Economic Education** provides educators with economic and financial education tools, such as curricula, support, and a community of practice (<http://councilforeconed.org/>).
- **National Endowment for Financial Education** provides financial education and information to people at all financial stages. Their Website includes several resources for young people, with an emphasis on underserved populations (<http://www.nefe.org/what-we-do.aspx>).
- **Financial Empowerment Toolkit for Youth and Young Adults in Foster Care** is designed to provide supportive adults with strategies and resources to help enhance financial literacy among youth. It is designed for those working with youth under the age of 18 and young adults over the age of 18 who are preparing to transition out of the foster care system (<http://centerforchildwelfare.fmhi.usf.edu/YouthSpace/FinancialEmpowermentToolkit.pdf>).

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