

Illinois Financial Education Round Table

Meeting Minutes

August 18, 2010

I. Introductions, 1:15pm

a. **Karen Harris**

b. **Bill Thanoukos**, Chief of Staff to Treasurer Neely

The City Treasurer's pilot financial literacy program with CPS was a success, however the program is not sustainable b/c 50% of students were not reached. The students not reached were the most in need. Next year's mandate will take the program system wide and funding is going to be a big challenge but every student deserves to have some form of financial literacy curriculum. That is why the City Treasurer's office convened the meeting, to come up with alternative solutions for reaching every student in Chicago and ultimately the state.

II. Youth Financial Literacy Statistics

a. **Maria Ramos**, Jump\$tart

Presentation on why children and youth need to be educated on financial literacy education:

Jump\$tart focuses on financial literacy for High Schoolers.

In Jump\$tart's bi-annual survey in 2008 (Illinois participated for the first year) randomly selected schools were assigned a Jump\$tart teacher who administered financial literacy courses to High School Seniors; 6,856 students participated nationwide; results from the program showed that in Illinois 47.2% of high school seniors who were given a survey at the end of the course answered those questions correctly.

Jump\$tart believes that Educating youth also educates families; various Jump\$tart studies look at literacy rates by age, gender; one study found 80% of college and 90% of high school students rely on parents to give them information on financial literacy despite parents discomfort with financial literacy; we don't do enough to provide people with financial education; CPS statistics on teens wanting to learn basics of finance: 67%; good example of success: Ariel Elementary School

**8 states require personal finance before graduation, we could look at these states and see what works to implement here in Illinois

Junior Achievement, partner organization focused on K-12

b. **Helen Roberts**, UIC:

Successful financial education curriculum

Focus on grades K-8

-Update on Maria's stats (above) : Council for Economic Education Survey shows that 9 states require personal finance to be tested; 13 states require a course to be taken; 15 states require a course be offered; 34 states required content standards for financial

education; 44 states have content standards for financial education; *Illinois* requires a course to be offered, but not tested (we are part of the 34 states that require financial education course implementation)

-Be weary of including courses in financial education, because this means some other course will be crowded out; we need to use experience based instruction to implement information into respective grades

-What is going on right now: research being done that K-8 graders can learn financial education curriculum if the teachers know more economics and spend more time teaching economics. Teachers need good instructional materials (materials need to be coherent with the place where the classes are)

-Appropriate k-8 concepts: barter vs money, banking activities in the community, scarcity, opportunity, saving and investing, relationship of work and income (the earlier taught the better)

-Testing has problems, they need to be valid in the education sense and they need to test on the material. Tests should reflect where kids are and be widely accepted; content testing is unreliable until 3rd grade (Financial Fitness for Life tests start at 3rd grade)

-Over 95% of adults think economics should be taught but teachers have said they don't feel comfortable teaching this material yet

-Where can you put a personal finance course? Econ or Social Studies course or a special subject course

-Important questions to ask: Are we teaching general knowledge or specific information? Are we teaching them about the current environment or what information they will need for the future? When should this curriculum be taught during the school day? After school, during school?

III. Federal Financial Literacy Initiatives

a. **Dubis Correal**, US Treasury Department

Developing Core Competencies: what is the federal government doing? A focus on evidence based results.

-Individuals need more and better information to financial information

-Since the economic crisis, more people are concerned about financial education than ever before, we should take this moment and change behavior through more rigorous approaches: *evidence based, put it where it works, focus where it's needed most, priorities and approach, increasing access*

- FINRA national financial capability survey results show what Americans know and do about their finances, this can help to target ways of changing these behaviors

-There is a disconnect between what people know and their behaviors, financial literacy is strongly correlated with behavior

-There is a current lack of consistency in core competencies: goal is to have a common set of core competencies, next week these will be released for public comments

- Specific results for Illinois results can be found in: the National Financial Capability Survey 2010 challenge results, Bank on USA on the website
- The Dept of Education has grants available for local initiatives

b. **Angelisa Harris, FDIC**

FDIC MoneySmart Program, Community Affairs Program

- FDIC is an independent agency of the US Government
- Schools are required to have vaccinations for the health of our society, and financial education should be considered in the same way, as directly impacting the health of our society
- Education is the key in understanding the impact of choices, the better educated consumer is our best customer; financial education is the building block to wealth
- MoneySmart has distributed over 80,000 copies, over 2.5 million consumers have been educated with the program; products include computer based instruction course and instructor led curriculum, modules include basic straightforward material available in several languages in young adult and adult versions
- MoneySmart leverages other programs and works hand in hand with others, CRA credit available for those that use the MoneySmart program
- Attempt to measure the effectiveness in 2007 with a longitudinal study, the course made a difference in people's perspectives and behaviors,
- They ask that participants who use the MoneySmart program track results

IV. Current Illinois Youth Saving Campaign

a. **Tracy Frazell, Economic Awareness Council**

Illinois Youth Saves Campaign

- Focused on Application and can help schools find local bank partners
- 50 different coalition organizations in the state of Illinois help students apply what they are learning in their financial education courses. This initiative shows that students who get financial education don't necessarily test well on the subject, they have to go out and practice what they learn
- Students that have bank accounts have greater financial literacy than those who don't, students with a plan save 20% more on average
- Teaching students to teach other students and focusing on application is a productive strategy
- Goals include: Increasing access to banking and savings products for youth and encouraging banks to change their savings account structure; Helping to form bank and school partnerships- we maintain a list of banks with good use savings products; Increasing student motivation to save and keep it going throughout the year; Encourage employers to change payment processes, i.e. encouraging CPS and museum of science and Industry to change payment policies; Training for student leaders in advisory periods- need to save, how to save, budgeting to save and saving to avoid debt; Lessons

for state of Illinois requirements: emphasis on application, highlight specific skills (i.e. create a budget, how do you save), encourage bank and community school partnerships
-Major Challenges with bank partnerships: identification issues for students

V. Current Chicago Public School Financial Literacy Curriculum

a. **Martin Moe**, Chicago Public Schools

Overview of CPS Initiative

Presentation on Personal Finance course for high school students:

- Funding from Chicago Community trust, Mercantile and Chase Bank
- One focused course for HS students (grades 9-12)
- Next year the program will move into the elementary schools
- 12 HS participated in program (not all finished the program)
- 16 teachers taught, over 800 students took the course
- Taught in specialty schools, as a stand alone course
- Some students reported changes in personal habits
- Teachers appreciated the resources and training and number of activities
- CPS poses a lot of challenges, 25% of teachers lost their jobs or got changed into different positions
- Next steps: make this a 10 week course/ 1 semester course to meet the ISBE consumer education mandate
- NEFE are trying to implement a national teacher model for national financial literacy change
- Goal is to take Jump\$start standards and break them down by grade level; then implement the various programs and materials for each grade level; develop one place where teachers can go and get these resources on what to teach

VI. States Financial literacy Mandates and Proposals for Improvements

a. **Karen Harris**

Illinois Financial Literacy mandate and Improvements

Presentation on current Illinois mandate

- *Every school in Illinois does the consumer education mandate differently
- *What are other states doing in terms of financial literacy, is it working?
- *Move discussion to next steps

VII. Discussion and Next Steps

- Karen: we should consider identifying the neighborhoods where financial education is most needed and give those high schools priority; what are the Chicago financial educator standards of core competencies?
- Joanne: From a state point of view, this is the worst time to ask for funding; schools need incentives to do this and it may not come from legislation; ideally children should have a test in this subject but then we force the schools to fund these

programs; how can we create the desires for schools to do this (may be through pilot programs that increase students reading and math skills)

- Carlo: Focus is on consumers and consumerism, so is there a way to train teachers specifically—look to training the trainers and get them comfortable with budgeting, saving, earning and spending which will give them baseline knowledge
- Kathy: NEFE workshops during money smart week came across problems because the teachers couldn't get off school because of testing, now money smart is in April and we may be able to schedule more teacher workshops
- Cindy: desktop learning may be interesting for teachers; get teachers comfortable talking about the material; have some working groups may be a good solution
- Marty: teachers appreciate content pieces; CPS has Safari Montage video conferencing
- Cara: on policy the City is stepping back and reflecting on how to get to the other 50% of students they didn't previously hit with their financial education program; what is it going to take systematically to get it into the schools? Funding is the issue
- Christine: NFTE: using entrepreneurship to introduce financial literacy, we need to teach this information in a way that is interesting to kids; you do see increases in math and reading score where the programs are implemented; teacher and professional development is a given
- Chris: doesn't want to do anything with the state mandate; increase more unfunded mandates not a politically viable strategy at this point; so how do we change it if we can't go to Springfield? If we are going to train teachers, what is in it for them? Is there a way to change statute around what the teacher requirements are?
- Martin: this can be done, some of it is being done
- Kathy: in the suburbs, this is being done through CPDUs (continuing professional development units)
- Martin: layers, decentralized process (CPDUs), problem with buy-ins; need funding to pay the teachers; publicity is an issue
- Chris: so we need to make this relevant to the teachers so they can make it real for the students
- Karen: we are going to reconvene this group to discuss some of the ideas that were mentioned here today. We will put this together for the City Treasurer's Office and IABG

Adjournment 3:30pm