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Descriptive Bibliography

Baker, C. and D. Dylla (2007). "Analyzing the Relationship Between Account Ownership and Financial Education." New America Foundation.

<http://www.newamerica.net/files/Microsoft%20Word%20-%20Account%20Ownership%20and%20Financial%20Education-Elec.pdf>

Abstract: Account ownership and financial knowledge are understood to be critical components of financial stability and wealth accumulation. Presumably, combining financial education and accounts reinforces the positive effects of each on the other and enhances the recipient's financial well being. To date, however, no testing of this hypothesis has been undertaken. This report sets out to do that. It presents a review of programs across the country that combine account ownership with financial education to analyze their relationship and the impact that each component has on the other to inform financial service and education policies for lower-income individuals and families. Based on the findings of the research that was conducted, it appears that financial education and accounts have an iterative relationship, whereby each leads to consumers seeking more of the other. Combining financial education and accounts seems to have a number of positive effects for some consumers.

Baron-Donovan, C., R. Wiener, K. Gross and S. Block-Lieb (2005). "Financial Literacy Teacher Training: A Multiple-Measure Evaluation." *Financial Counseling and Planning* 16 (2), 63-75. <http://www.afcpe.org/doc/Vol1626.pdf>

Abstract: This study evaluates a two-day train the trainer program designed to provide instructors from diverse backgrounds with the tools needed to teach financial literacy to individual debtors. Trained teachers reported satisfaction with their training and felt prepared to teach; they also provided constructive feedback. Pre- and posttest questionnaires reveal a 9% increase in financial knowledge and positive changes in attitude. Observations reveal that skills learned in training transferred to desired reaching behavior in the classroom. This paper addresses the implications of our findings for both the training literature and the implementation and operation of the recently passed 2005 bankruptcy legislation.

Borden, L., S. Lee, J. Serido and D. Collins (2008). "Changing College Students' Financial Knowledge, Attitudes and Behavior through Seminar Participation." *Journal of*

Family and Economic Issues 29 (1), 23-40.

<http://www.springerlink.com/content/f69v62227391vr43/fulltext.pdf>

Abstract: This pilot study examined the influence of Credit Wise Cats, a financial education seminar presented by Students in Free Enterprise, on the attitudes, knowledge, and intentions toward financial responsibility of college students ($N = 93$). Findings suggest that the seminar effectively increased students' financial knowledge, increased responsible attitudes toward credit and decreased avoidant attitudes towards credit from pre-test to post-test. At post-test, students reported intending to engage in significantly more effective financial behaviors and fewer risky financial behaviors. Finally, demographic factors (e.g., gender and employment status) predicted students' financial knowledge, attitudes, and behaviors. These results suggest that a seminar format may be useful in reaching a wider audience of college students and, thus, warrants future longitudinal evaluation.

Caskey, J. (2006). "Can Personal Financial Management Education Promote Asset Accumulation by the Poor?" Networks Financial Institute *Policy Brief* 2006-PB-03.

http://www.networksfinancialinstitute.org/Lists/Publication%20Library/Attachments/32/2006-PB-06_Caskey.pdf

Abstract: This paper asks whether personal financial management education is an effective mechanism for helping lower-income households accumulate financial assets and improve credit histories. The paper argues that the best existing studies of the effectiveness of financial literacy initiatives suggest that such initiatives might help lower-income households build savings and improve credit records, but the results are only suggestive due to the limitations of the studies. The paper concludes that a high research priority should be to gathering more robust evidence on whether teaching personal financial management skills to lower-income households can be an effective means to improve their financial situations.

Chang, Y. and A. Lyons (2007). "Are Financial Education Programs Meeting the Needs of Financially Disadvantaged Consumers?" Networks Financial Institute Working Paper 2007-WP-02.

http://www.networksfinancialinstitute.org/Lists/Publication%20Library/Attachments/60/2007-WP-02_Chang-Lyons.pdf

Abstract: This paper uses data collected from a retrospective pre-test to investigate the impact that a financial education program has on participants' financial behaviors. Specifically, we compare program impact across participants with varying levels of financial competency prior to the program and examine whether the program is meeting the educational needs of those it was designed to target – namely, financially disadvantaged consumers. The findings show that the program benefited all of the participants and the greatest improvement in financial behavior was observed for those who reported lower levels of financial ability

prior to the program. The findings offer important practical information to consumer educators, program developers, and financial counselors.

Clarke, M., M. Heaton, C. Israelsen and D. Eggett (2005). "The Acquisition of Family Financial Roles and Responsibilities." *Family and Consumer Sciences Research Journal* 33 (4), 321-340.

Abstract: This study was designed to assess the modeling and teaching of adult financial roles to children and adolescents and the implementation of those roles in early adulthood. The study also assessed the impact of various demographic variables on financial role transfer. Young adults felt only adequately taught and moderately prepared to perform financial tasks. Financial role transfer is taking place most often from parents in the home, rather than sources outside the home. Financial tasks needed in teen years are modeled and taught more frequently and thoroughly in the home than the financial tasks needed in emerging adulthood. Fathers modeled financial tasks more frequently than mothers. When mothers modeled financial tasks and adolescents practiced those tasks, frequency of performance as young adults increased and they felt more financially prepared. Frequency of performance is also enhanced when financial tasks are considered the responsibility of the entire family while growing up.

Comptroller General (2004). "The Federal Government's Role in Improving Financial Literacy." United States Government Accountability Office GAO-05-93SP.
<http://www.gao.gov/new.items/d0593sp.pdf>

Abstract: Research has shown that many Americans lack the knowledge of basic personal economics they need to make informed financial judgments and manage their money effectively. On July 28, 2004, GAO hosted a forum on the role of the federal government in improving financial literacy. Forum participants included experts in financial literacy and education from federal and state agencies, the financial industry, nonprofit organizations, and academic institutions. Participants discussed the topics federal efforts should cover, populations that should be targeted, methods of delivering information, and the role of program evaluation. Forum participants offered a number of suggestions regarding the federal government's role in improving Americans' financial literacy. A variety of methods are needed to deliver financial education effectively. Participants said the U.S. Department of Education needs to deepen its commitment to financial education. Financial literacy programs need to be evaluated. Program evaluation ideally should assess outcomes, such as the impact on participants' personal savings. The federal government can facilitate others' evaluation efforts by developing or supporting standardized evaluation tools, serving as a national clearinghouse for evaluation efforts, and disseminating best practices.

Danes, S. and H. Haberman (2007). "Teen Financial Knowledge, Self-Efficacy, and Behavior: A Gendered View." *Financial Counseling and Planning* 18 (2), 48-60.
<http://www.afcpe.org/doc/7%202866%20Volume%2018%20Issue%202.pdf>

Abstract: A social constructivist perspective was taken in the current investigation of 5,329 male and female high school students. Gender differences were investigated in financial knowledge, self-efficacy, and behavior after studying a financial planning curriculum. Several gender differences before and as a result of the curriculum are highlighted. In sum, male teens reinforced their existing knowledge, whereas female teens learned significantly more about finances in areas in which they were unfamiliar prior to the curriculum.

Financial Literacy and Education Commission (FLEC) (2006). *Taking Ownership of the Future: The National Strategy for Financial Literacy*. Washington, DC: FLEC. <http://www.mymoney.gov/pdfs/ownership.pdf> See also “*Taking Ownership of the Future Quick Reference Guide*,” <http://www.mymoney.gov/pdfs/QuickRefGuide.pdf>.

Abstract: *Taking Ownership of the Future: The National Strategy for Financial Literacy* is the game plan for improving financial education in America. The strategy was called for by the Fair and Accurate Credit Transactions (FACT) Act of 2003, which also directed the Treasury Department to lead a group of 19 other federal agencies, officially called the Financial Literacy and Education Commission, in an effort to help Americans learn more about their money. In addition, the Treasury Department issued an accompanying Quick Reference Guide, offering a brief summary of tactics and calls to action, as well as a list of financial education resources.

Fox, J., S. Bartholomae, and J. Lee (2005). “Building the Case for Financial Education.” *Journal of Consumer Affairs* 39 (1), 195–214.

Abstract: The need for financial education among Americans is often demonstrated with alarming rates of bankruptcy, high consumer debt levels, low savings rates, and other negative outcomes that may be the result of poor family financial management and low financial literacy levels. The collective response by public and private organizations to the accepted and often demonstrated need for financial education has been impressive in size and scope. This article provides an overview of the wide range of programs aimed at improving Americans’ financial literacy as well as a short review of the current evidence of the effectiveness of financial education programs. We advocate for the adoption of a comprehensive framework or approach to evaluation to assist those currently delivering, and planning to deliver, financial education and highlight some of the key challenges. A five-tiered approach to program evaluation is described and outlined to provide a general framework to guide financial education evaluation.

Fox, J. and S. Bartholomae (2007). “Financial Education and Program Evaluation.” In Xiao, J., Ed., *Handbook of Consumer Finance Research*, 47-68. See entry under Xiao, J.

Franklin, I. (2004). “Financial Literacy Program Prepares Youth for Living on Their Own.” *Journal of Family and Consumer Sciences* 96 (1), 22-23.

Abstract: At one time, the financial unit of a family and consumer sciences (FCS) curriculum was as simple as looking at budgets and doing checkbook exercises. Today, the FCS financial literacy program is a 6-week unit, designed to meet the Colorado Core Life Management Curriculum Standard II, Managing Your Finances, and the FCS Education National Standard 2.0. The goal for the "Life Management" course, which supports the math and language arts curricula, is to teach skills for living on one's own. The ultimate goal of financial literacy overall is to build a financially strong society of individuals and families who are financially literate and able to make wise choices with their money. The primary focus of the unit is to ensure that students develop the knowledge and financial literacy skills necessary to make informed choices regarding money management, banking, use of credit, savings and investments, insurance, and taxes. The financial literacy program boosts math, language arts, and technology skills while also teaching youth how to make wise choices with their money.

Godsted, D. and M. McCormick (2006). "Learning Your Monetary ABCs: The Link between Emergent Literacy and Early Childhood Financial Education." Networks Financial Institute Report 2006-NFI-03.
http://www.networksfinancialinstitute.org/Lists/Publication%20Library/Attachments/4/2006-NFI-03_Godsted-McCormick.pdf

Abstract: Trends suggest that the current crop of parents have cause to worry both about their own and their children's financial futures. Parents, teachers, school districts, boards and departments of education, and our entire nation must come to terms with the fact that, just as with literacy generally, students cannot afford to wait until middle or high school to begin learning about financial literacy. Until a set of financial literacy standards are adopted nationally, stakeholders of our educational system need to glean teachable moments of financial literacy from existing curricula in all subject areas. At the youngest grade levels, doing so will entail concentrating on the baseline concepts that form the foundation for the personal financial decisions children and, ultimately, adults must be prepared to make about building and managing wealth.

Godsted, D. and M. McCormick (2007). "National K-12 Financial Literacy Research Overview." Networks Financial Institute Report 2007-NFI-03.
http://www.networksfinancialinstitute.org/Lists/Publication%20Library/Attachments/86/2007-NFI-03_Godsted-McCormick.pdf

Abstract: Personal economic issues such as credit card debt, home foreclosures, the collapse of the subprime lending market, and escalating numbers of personal bankruptcy have focused the nation's attention on the importance of financial education. Networks Financial Institute (NFI) believes that financial independence begins in childhood with a strong foundation of skills, knowledge and appropriate experiences. Important components of personal financial literacy include planning, budgeting, earning, saving, managing financial risks such as

health or property events, investing, filing taxes, and the responsible use of debt including credit cards. NFI's national research indicates that educators agree, identifying financial literacy as critically important and part of their classroom activity.

Grody, A., D. Grody, E. Kromann, and J. Sutliff (2008). "A Financial Literacy and Financial Services Program for Elementary School Grades - Results of a Pilot Study." <http://ssrn.com/abstract=1132388>.

Abstract: This study examines the effectiveness of teaching financial literacy to elementary school children and extending such learning into an age-appropriate digital world of online support services. We utilize a picture book and a story relevant to the students 'real life' experiences and conceptual understanding of future rewards. We hypothesize that using materials geared toward developmental levels of cognitive ability and psychological readiness will readily engage students' understanding of delaying gratification, saving, earning or paying interest, and other fundamentals of personal finance. This study sought to develop a successful tool to fill the gap in early financial education by teaching the production concepts of finance as a mechanism to better understand the consumer components, and thereby supply a missing foundational element for ongoing financial well-being into adulthood. We report on the first implementation of the pilot program and speculate on the implications of the study result's positive outcome on future financial literacy programs in elementary school grades, and on into secondary education levels, combining elements found in the curriculums of math, economics and social studies. We postulate a role for financial institutions in the reinforcement of the learning experience and, more importantly, in the delivery of age-appropriate financial products and services. We demonstrate an economic reward for financial institutions in embracing child financial literacy programs in elementary school grades and in extending the learning and implementation components through integration of age appropriate online banking services and socialization websites.

Gross, K. (2005). "Financial Literacy Education: Panacea, Palliative, or Something Worse?" *St. Louis University Public Law Review* 24: 307-312.

Abstract: With increasing frequency, elementary and secondary schools, colleges, universities, community organizations, military installations, and state and federal agencies are developing and implementing programs designed to improve the financial management skills of their particular constituencies. Money education is being sold as a tool for consumer empowerment and a cure for all that ails our consumer credit economy: financial ignorance, unhealthy debt burdens, predatory lending, mortgage foreclosures, joblessness and susceptibility to savvy lenders and scam artists. This approach is fundamentally flawed. It leads to a "blame the victim" mentality by erroneously assuming that individual knowledge acquisition

alone will produce fundamental change in the consumer financial markets, an approach that also absolves a wide range of other entities, public and private, from responsibility.

Hathaway, I. and S. Khatiwada (2008). "Do Financial Education Programs Work?" Federal Reserve Bank of Cleveland Working Paper No. 08-03.
<http://www.clevelandfed.org/research/workpaper/2008/wp0803.pdf>

Abstract: In this paper we provide a comprehensive critical analysis of research that has investigated the impact of financial education programs on consumer financial behavior. In light of the evidence, we recommend that future programs be highly targeted towards a specific audience and area of financial activity (e.g. homeownership or credit card counseling, etc.), and that this training occurs just before the corresponding financial event (e.g. purchase of a home or use of a credit card, etc.). Similarly, in light of a lack of evidence, we also recommend that program evaluation be taken as an essential element of any program, and that it be included in the design of the programs before they are introduced.

Haynes, D. and N. Chinadle (2007). "Private Sector/Educator Collaboration: Project Improves Financial, Economic Literacy of America's Youth." *Journal of Family and Consumer Sciences* 99 (1), 8-10.

Abstract: The Family Economics and Financial Education Project (FEFE) began in 2001 at Montana State University with an annual grant from Take Charge America, Inc., a credit counseling and debt management company headquartered in Phoenix, Arizona. FEFE's mission is to provide educators with curriculum materials and training to be effective teachers of family economics and finance. This article describes the FEFE Project, including its core principles, history, accomplishments, and future. The project is a highly successful example of collaboration across the private sector and education at various levels. It serves as a national model to educators who are working every day to improve the financial and economic literacy of America's youth.

Hogarth, J. (2006). "Financial Education and Economic Development." Paper prepared for "Improving Financial Literacy: International Conference Hosted by the Russian G8 Presidency in Cooperation with the OECD."
<http://www.oecd.org/dataoecd/20/50/37742200.pdf>

Abstract: Logically, financially-educated consumers should make better decisions for their families, increasing their economic security and wellbeing. Secure families are better able to contribute to vital, thriving communities, further fostering community economic development. But identifying and documenting those links is difficult. This paper provides a snapshot of the current state of financial education in the U.S. as it relates to community and economic development. In the process, we look at a variety of issues: Why is financial education important? What is "financial education?" What financial education

initiatives are underway? Are they working – and how do we know? Data from a community development credit union, provided as a case study, hint at the potential relationships between financial education and community involvement and give us some hope that financial education programs really are making a difference in communities, and that we will some day be able to document those differences more robustly.

Johnson, E. and M. Sherraden (2007). “From Financial Literacy to Financial Capability among Youth.” *Journal of Sociology and Social Welfare* 34 (3), 119-146.

Abstract: Youth in the United States are facing an increasingly complex and perilous financial world. Economically disadvantaged youth, in particular, lack financial knowledge and access to mainstream financial institutions. Despite growing interest in youth financial literacy, we have not seen comparable efforts to improve access to financial policies and services, especially among disadvantaged youth. Instead of aiming for financial literacy, an approach widely promoted in the United States, we suggest aiming for financial capability, a concept grounded in the writing of Amartya Sen and Martha Nussbaum. Building on research in the United Kingdom, the paper proposes that financial capability results when individuals develop financial knowledge and skills, but also gain access to financial policies, instruments, and services. The paper addresses theoretical and pedagogical approaches to increasing financial capability, followed by examples of programs in the United States. In the conclusion, we discuss implications for policy, practice, and research.

Jump\$Start Coalition. “Annual Survey of Personal Financial Literacy among High School Students.” 2004, 2006, 2008 available from <http://www.jumpstart.org>.

For educational materials, see also the Jump\$Start Coalition Clearinghouse, <http://www.jumpstart.org/search.cfm>. The Clearinghouse uses the Educational Materials Review Checklist as a guide in the selection of materials to be included in the database.

Kozup, J. and J. Hogarth (2008). “Financial Literacy, Public Policy, and Consumers’ Self-Protection—More Questions, Fewer Answers.” *Journal of Consumer Affairs* 42 (2), 127–136. <http://www.blackwell-synergy.com/action/showPdf?submitPDF=Full+Text+PDF+%2856+KB%29anddoi=10.1111%2Fj.1745-6606.2008.00101.x>

Abstract: The article discusses various reports published within the issue, including one that examines organizing frameworks for effective education delivery and environmental factors that moderate the effectiveness of programmatic efforts as well as cases of best and worst practice, and another on how consumers can be educated in the most effective manner to help them realize their financial goals.

Lerman, R. and E. Bell (2006). "Financial Literacy Strategies: Where Do We Go From Here?" Networks Financial Institute *Policy Brief* 2006-PB-10.

http://www.networksfinancialinstitute.org/Lists/Publication%20Library/Attachments/28/2006-PB-10_Lerman-Bell.pdf

Abstract: The evolution of market economies has dramatically broadened the opportunities of consumers, workers, investors, and firms. Financial services have become especially free and accessible, but also increasingly complex. For the new financial freedom to help most people, they must understand their choices and the likely implications of alternative decisions. Unfortunately, many Americans have a weak grasp of basic personal finance principles. This paper emphasizes the importance of financial literacy in an increasingly complex market economy and examines the current state of financial education in the U.S. and abroad. We explore two methods of delivering financial knowledge - through broad financial curriculums and through more focused "teachable moments." After examining the pros and cons of each, along with the evidence about their effectiveness, we suggest that a combination of the two perspectives, with the specific topics and behavioral strategies varying by target audience. We conclude by calling for a more rigorous evaluation of the effects of existing programs.

Loibl, C. (2008). "Survey of Financial Education in Ohio's Schools: Assessment of Teachers, Programs, and Legislative Efforts." Ohio State University P-12 Project.

<http://p12.osu.edu/reports/Loibl.PersonalFinanceEducation.pdf>

Abstract: This project addressed the scope and determinants of personal finance instruction in Ohio high schools. Through a survey, the project identified the personal finance topics taught in Ohio high schools, which teachers are teaching the courses, and which students attend the classes; determined the personal finance education and knowledge of high school teachers and their sources of information; compared legislative efforts concerning personal finance education in Ohio to other state legislative efforts; and conducted a meta-analysis of existing financial literacy programs and training available to Ohio K-12 teachers.

Lucey, T. (2007). "The Art of Relating Moral Education to Financial Education: An Equity Imperative." *Social Studies Research and Practice* 2 (3), 486-500.

<http://socstrp.org/issues/PDF/2.3.15.pdf>

Abstract: To achieve a fully participatory society, all participants should receive equal opportunities for understanding the processes of acquiring, managing, and developing financial resources. The author argues that financial education processes do not meet the needs of all children, because they do not account for differences in child development prompted by various economic contexts. He contends that these contexts prompt judgment patterns among individuals having economic differences and that efforts toward social equity necessitate the exploration of moral issues related to personal finance. He recommends use of the arts to enable student discovery and reconciliation of financial judgments so

that students may construct understandings of the social issues that prompt financial inequities and may explore ideas to challenge them.

Lucey, T. (2005). "Assessing the Reliability and Validity of the Jump\$tart Survey of Financial Literacy." *Journal of Family and Economic Issues* 26 (2), 283-294.

Abstract: Financial education represents an area of popular interest, owing largely to the Jump\$tart surveys of financial literacy. However, while the surveys represent indicators of financial knowledge among high school seniors, these measures have not been statistically validated. This article describes an assessment of the surveys' reliability (internal consistency), and validity. It reports a moderately high degree of consistency overall, however, discloses low to moderate internal consistencies among subscales. It also finds significant response differences to one quarter of comparable items between surveys. The researcher observes challenges to affirming the surveys' validity and offers statistics suggesting social bias among survey items. He calls for further research into measures of financial literacy.

Lucey, T. and K. Cooter (2008). *Financial Literacy for Children and Youth*. Athens, GA: Digitaltextbooks.biz.

Abstract: This book demonstrates that financial literacy needs to become an important component of the K-12 curriculum in all U.S. schools. The authors unveil that our schools do too little to ensure that students leave school prepared to manage their financial lives.

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Epilogue

Lucey, T. and Giannangelo, D. (2006). “Short Changed: The Importance of Facilitating Equitable Financial Education in Urban Society.” *Education and Urban Society* 38 (3), 268-287.

Abstract: Through this literature review, the authors explore financial education’s relevance to urban society. They consider research measuring children’s financial development by observing environmental influences that affect both financial learning and personal judgments. These conditions necessitate financial curricula addressing associated challenges. The authors recommend a cooperative rather than competitive financial education curriculum. Such a framework would employ student-centered instruction to create awareness of the societal consequences for financially based personal judgments related to financial differences.

Lusardi, A. (2008a). "Financial Literacy: An Essential Tool for Informed Consumer Choice?" Joint Center for Housing Studies, Harvard University.
http://www.jchs.harvard.edu/publications/finance/understanding_consumer_credit/papers/ucc08-11_lusardi.pdf

Abstract: Increasingly, individuals are in charge of their own financial security and are confronted with ever more complex financial instruments. However, there is evidence that many individuals are not well-equipped to make sound saving decisions; they do not possess adequate financial literacy. This paper demonstrates widespread financial illiteracy among the U.S. population, particularly specific demographic groups. Those with low education, women, African-Americans, and Hispanics display particularly low levels of literacy. Financial literacy impacts decision-making. Failure to plan for retirement, lack of participation in the stock market, and poor borrowing behavior can all be linked to ignorance of basic financial concepts. While financial education programs can result in improved saving behavior and financial decision-making, much can be done to improve these programs' effectiveness.

Lusardi, A. (2006). "Financial Literacy and Financial Education: Review and Policy Implications." Networks Financial Institute *Policy Brief* 2006-PB-11.
http://www.networksfinancialinstitute.org/Lists/Publication%20Library/Attachments/27/2006-PB-11_Lusardi.pdf

Abstract: In recent years, as workers have gained an unprecedented degree of control over their pensions and savings, the importance of financial literacy and financial education has increased considerably. Large changes in the structure of financial markets, labor markets, and demographics in developed countries have led to this change. Consumers have a bewildering array of complex financial products – from reverse mortgages to annuities – to choose from, making saving decisions increasingly complex. Knowledge about the working of compound interest rates, the effects of inflation, and the working of financial markets is essential to make saving decisions. Several initiatives have been undertaken to improve financial literacy. The Organization for Economic Co-Operation and Development (OECD) comprehensively defines financial education as “the process by which financial consumers/investors improve their understanding of financial products and concepts and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being.” Building upon this definition, I provide a review of the current state of financial literacy and financial education programs, and discuss whether workers possess the financial literacy necessary to process information and formulate saving plans.

Lusardi, A. (2008b). "Household Saving Behavior: The Role of Financial Literacy, Information, and Financial Education Programs." NBER Working Paper No. W13824

Abstract: Individuals are increasingly in charge of their own financial security after retirement. But how well-equipped are individuals to make saving decisions; do they possess adequate financial literacy, are they informed about the most important components of saving plans, do they even plan for retirement? This paper shows that financial illiteracy is widespread among the U.S. population and particularly acute among specific demographic groups, such as those with low education, women, African-Americans, and Hispanics. Moreover, close to half of older workers do not know which type of pensions they have and the large majority of workers know little about the rules governing Social Security benefits. Notwithstanding the low levels of literacy that many individuals display, very few rely on the help of experts or financial advisors to make saving and investment decisions. Low literacy and lack of information affect the ability to save and to secure a comfortable retirement; ignorance about basic financial concepts can be linked to lack of retirement planning and lack of wealth. Financial education programs can help improve saving and financial decision-making, but much more can be done to improve the effectiveness of these programs.

Lusardi, A., Ed. (2008c). *Overcoming the Saving Slump: How to Increase the Effectiveness of Financial Education and Savings Programs*. Chicago: U of Chicago, P. 2008 (forthcoming).

Abstract: The great majority of working Americans are unprepared to face the difficult task of planning for retirement. In fact, the personal savings rate has been holding steady at zero for several years, down from 8 percent in the mid-1980s. *Overcoming the Saving Slump* explores the many challenges facing workers in the transition from a traditional defined benefit pension system to one that requires more individual responsibility, analyzing the considerable impediments to saving and evaluating financial literacy programs devised by employers and the government. Mapping the changing landscape of pensions and the rise of defined contribution plans, Annamaria Lusardi and others investigate new methods for stimulating saving and promoting financial education drawing on the experience of the United States as well as countries that have privatized their welfare systems, including Sweden and Chile. This timely volume pinpoints where human resources departments, the financial industry, and government officials have succeeded—or failed—in bridging the way to a new retirement system. As the workforce ages and more pensions disappear each second, Lusardi's findings will be invaluable for economists and anyone facing retirement.

Lyons, A., L. Palmer, K. Jayaratne, and E. Scherpf (2006a). "Are We Making the Grade? A National Overview of Financial Education and Program Evaluation." *Journal of Consumer Affairs* 40 (2), 208–235.

Many financial education providers still do not have a basic level of evaluation capacity and are unable to identify program outcomes and design effective evaluation instruments. It is difficult to propose a national evaluation strategy

without a basic understanding of current evaluation capacity and of the critical gaps in program evaluation. In addition, there has been little discussion about the challenges facing financial professionals and educators who are on the "front lines" delivering and evaluating programs. The purpose of this survey article is to address these critical gaps in the literature and to provide an overview of the current state of financial education and program evaluation. Using qualitative and quantitative data collected from financial professionals and educators nationwide, this study provides insight into what can be done to build national evaluation capacity and conduct more effective program evaluations.

Lyons, A. (2005). "Financial Education and Program Evaluation: Challenges and Potentials for Financial Professionals." *Journal of Personal Finance* 4 (4), 56-68. <http://www.ipfp.k-state.edu/documents/jpf/04/04/education.pdf>

Abstract: The objectives of this article are threefold: (a) to provide an overview of current evaluation methods, (b) to discuss the challenges financial professionals face in conducting more rigorous program evaluations, and (c) to identify the potentials for improving existing efforts by making recommendations as to how the financial education professional can realistically overcome these challenges and conduct more effective program evaluations. Improving program evaluation results in better programs and initiatives, which in turn lead to an overall improvement in the financial wellbeing of families and the economic vitality of their communities.

Lyons, A. and U. Neelakantan (2008). "Potential and Pitfalls of Applying Theory to the Practice of Financial Education." *Journal of Consumer Affairs* 42 (1), 106–112. <http://www.blackwell-synergy.com/action/showPdf?submitPDF=Full+Text+PDF+%2846+KB%29anddoi=10.1111%2Fj.1745-6606.2007.00097.x>

Abstract: Researchers are increasingly using interdisciplinary theory to bring rigor to the practice of financial education. Practitioners often do not see the value of the theory because it does not coincide with their observations of how people behave, and researchers do not yet have enough experience with interdisciplinary theory to demonstrate its usefulness to practitioners. If carefully applied, theory can be used to set appropriate financial goals and to positively change consumers' financial behaviors. Better communication can bridge the gap between theory and practice to the benefit of the consumer.

Lyons, A., Y. Cheng and E. Scherpf (2006b). "Translating Financial Education into Behavior Change for Low-Income Populations." *Financial Counseling and Planning* 17 (2), 27-45. <http://www.afcpe.org/doc/Vol%201721%20Lyons.pdf>.

Abstract: The impact that financial education had on the financial behaviors of (a) the agency staff who were trained to deliver the program and (b) the low-income individuals who participated in the program was investigated. Specifically, the

researchers examined the relationship between total number of financial education lessons completed, prior financial experience, and improvement in individuals' financial behaviors. The results provide some evidence that financial education may result in improved financial behaviors. However, the findings suggest that prior level of financial experience may matter more than the number of lessons completed. Researchers may want to re-examine the indicators currently being used to show program impact and whether financial knowledge is the appropriate catalyst to foster behavior change.

Lyons, A., M. Rachlis, M. Staten and J. Xiao (2006c). "Translating Financial Education into Knowledge and Behavior Change." *Consumer Interests Annual* 52, 397-403.
http://cnr.consumerinterests.org/files/public/Lyons_TranslatingFinancialEducationintoKnowledgeandBehaviorChange.pdf

Abstract: The number of financial education programs continues to flourish. However, research measuring the effectiveness of these programs has been more limited, primarily because of a continued lack of understanding among financial education providers about how to measure program impact. In general, the empirical rigor of these studies is still far from satisfactory, and only recently have a few studies attempted to present program impact within the context of a theoretical framework. This paper reviews a session held at the 2006 conference of the American Council of Consumer Interests highlighting research related to financial education program evaluation, summarizing each of 4 papers and some of the discussion highlights of this conference session.

Mandell, L. (2006). "Financial Literacy: If it's So Important, Why Isn't It Improving?" Networks Financial Institute *Policy Brief* 2006-PB-08.
http://www.networksfinancialinstitute.org/Lists/Publication%20Library/Attachments/30/2006-PB-08_Mandell.pdf

Abstract: Financial literacy has assumed greater importance in our society as the result of the increasing complexity of financial products and the simultaneous cutting of economic safety nets by government, employers and even parents who worry about their own retirements. If the problem isn't solved and consumers don't look out for themselves, they may exercise a "put option" by throwing themselves on the mercy of taxpayers when they cannot support themselves in retirement. In addition, a lack of financial literacy may contribute to seemingly "irrational" behavior that distorts financial markets. Measured financial literacy scores among high school seniors is low and has even declined since 1997. More distressing is the fact that students who take a course in personal finance end up no more financially literate than those who don't. Tracking students who took such a course over a 5 year period shows no positive impact on financial literacy, attitudes toward thrift or behavior. The only bright spot is the stock market game which consistently increases literacy scores, indicating that teaching should be interactive, contemporary and "fun."

Mandell, L. (2007a). "Financial Literacy of High School Students." In Xiao, J., Ed., *Handbook of Consumer Finance Research*, 163-184. See entry under Xiao, J.

Mandell, L. (2008). "High School Financial Literacy." Forthcoming in *Overcoming the Savings Slump*, A. Lusardi, Ed. See entry under Lusardi, A.

Mandell, L. and L. Klein (2007b). "Motivation and Financial Literacy." *Financial Services Review* 16, 105-116.

[http://www.olc.edu/~jolson/socialwork/OnlineLibrary/Mandel%20and%20Klein%20\(2007\)%20Motivation%20and%20financial%20literacy.pdf](http://www.olc.edu/~jolson/socialwork/OnlineLibrary/Mandel%20and%20Klein%20(2007)%20Motivation%20and%20financial%20literacy.pdf)

Abstract: This paper examines the hypothesis that low financial literacy scores among young adults, even after they have taken a course in personal finance, is related to a lack of motivation to learn or retain these skills. The research is based upon the latest national Jump\$Start survey of high school seniors and uses financial literacy scores after controlling for socioeconomic, demographic, and aspirational characteristics that have historically predicted these scores. We analyze the relation of financial literacy scores to responses to three questions designed to measure motivation to be financially literate. We found that the motivational variables significantly increased our ability to explain differences in financial literacy.

Martin, M. (2007). "A Literature Review on the Effectiveness of Financial Education." Federal Reserve Bank of Richmond Working Paper No. 07-03.

https://www.richmondfed.net/publications/economic_research/working_papers/pdfs/wp07-3.pdf

Abstract: This survey summarizes current research on financial literacy efforts. Because most financial literacy programs are relatively new, much of the literature reviewed here is also new and part of a field that is still developing as a program of research. However, we can conclude that financial education is necessary and that many existing approaches are effective. Among the findings are that some households make mistakes with personal finance decisions; mistakes are more common for low income and less educated households; there is a causal connection between increases in financial knowledge and financial behavior; and the benefits of financial education appear to span a number of areas including retirement planning, savings, homeownership, and credit use.

Meier, S. and C. Sprenger (2008). "Selection into Financial Literacy Programs: Evidence from a Field Study." Federal Reserve Bank of Boston Public Policy Discussion Paper No. 07-5.

<http://www.bos.frb.org/economic/ppdp/2007/ppdp0705.pdf>

Abstract: As financial literacy has been shown to correlate with good financial decisions, policymakers promote educational programs to improve individuals' financial decisions. But who selects into educational programs and who acquires information about personal finance? This paper, in a field study with more than

870 individuals, offers individuals free information about their credit reports (and credit scores). About 55 percent choose to participate in this small counseling program. To test whether those who self-select to acquire information about personal finance differ from those who do not on (normally) unobservable characteristics, we elicit time preferences, using incentivized choice experiments. Our results show that the two groups differ sharply in their discount factors: those who choose to acquire information do not discount the future as much as those who choose not to acquire information. This result has implications for financial education programs.

Morton, J. (2005). "The Interdependence of Economic and Personal Finance Education." *Social Education* 69 (2), 66-70.

Abstract: In an increasingly complex financial world, personal finance education is more important today than ever. Nevertheless, the number of states incorporating personal finance concepts into their academic standards is not rising significantly, and students are demonstrating few gains, if any, in their knowledge of those concepts. One reason for this paradox is that personal finance education does not have a home in the American school curriculum. The natural home for personal finance education is in the economics curriculum, which is one of the core subjects in the No Child Left Behind law. Economics provides the organizing principles and logic that could be the structure for personal finance education, helping to strengthen it so that K-12 students will learn the concepts and skills of personal finance they need to make informed choices throughout their lives.

National Association for State Boards of Education (NASBE) (2006). *Who Will Own Our Children: The Need for Financial Literacy Standards*. Alexandria, VA: NASBE.

Abstract: Staggering personal debt, skyrocketing bankruptcies, and the elimination of pension plans have imperiled the nation's economic and social security, and called into question the ability of American consumers to manage their financial destiny. In light of this grave threat to individuals, families, and the country as a whole, a national call for states to establish financial education as a core academic subject in all grades—from Kindergarten through graduation—was made by the National Association of State Boards of Education (NASBE). The urgent recommendation is part of a broader list of policy proposals issued from a national commission that spent a year scrutinizing the fiscal condition of the American family and the status of financial education in K-12 schools.

National Council on Economic Education (2007). "Survey of the States: Economic and Personal Finance Education in Our Nation's Schools in 2007: A Report Card." <http://www.ncee.net/about/survey2007/NCEESurvey2007.pdf>

Abstract: What isn't taught isn't learned. No longer is the question: "should we take action on improving economic and financial literacy?" The question is "how

will we do it?” The National Council on Economic Education (NCEE) “Report Card,” sponsored by State Farm®, provides the only national set of data that tracks the progress of economic and personal finance education via detailed state by state “snapshots” and attendant data. States haven't made enough progress on their commitment to offer or require economic and finance education in our nation's schools. Consequently, the majority of students aren't receiving the essential real-life economic skills they need to become knowledgeable consumers, prudent savers and investors, and productive members of the workforce.

National Endowment for Financial Education (2004). “Motivating Americans to Develop Constructive Financial Behaviors.” Denver, CO: NEFE.
http://www.nefe.org/Portals/0/NEFE_Files/Research%20and%20Strategy/Personal%20Finance%20Papers%20white%20papers/03Motivating%20Americans%20to%20Develop%20Constructive%20Fin%20Behaviors_May04.pdf

Abstract: A group of distinguished financial educators, researchers, behaviorists, practitioners, nonprofit members, and service providers from throughout the country convened in May 2003 under the sponsorship of the national Endowment for Financial Education (NEFE) for a think tank titled “Motivating Americans to Develop Constructive Financial Behaviors.” With the stated goals of identifying ways to inspire and maintain positive changes in the way money is managed by individuals and families in American households, participants examined potential approaches, messages and media most likely to help reverse the kind of negative behaviors that have led to potentially devastating problems, such as low savings rates, ballooning debt load, and inadequate retirement planning. Guided by insights and themes drawn from research papers and articles, . . . the group examined the various barriers to changing financial behavior and considered potential catalysts for positive change. . . . [P]articipants developed actionable points for two primary change agents: Professionals and individuals. For professionals, encompassing educators, organizations and practitioners, participants created a list of best practices; for individuals, the group generated a series of practical, readily applicable steps for improving financial circumstances.

Organization for Economic Co-Operation and Development (OECD) (2006). “The Importance of Financial Education.” *Policy Brief*.
<http://www.oecd.org/dataoecd/8/32/37087833.pdf>

Abstract: This *Policy Brief* looks at the importance of financial education, and how the OECD is helping governments achieve it. One key challenge is convincing people that they are not as financially literate as they think they are.

Organization for Economic Co-Operation and Development (OECD) (2005). *Improving Financial Literacy: Analysis of Issues and Policies*. Paris: OECD.

Abstract: This book, the first major study of financial education at the international level, contributes to the development of consumer financial literacy by providing information to policymakers on effective financial education programmes. It is also intended to promote the exchange of views and the sharing of experience in the field of financial education. It analyses financial literacy surveys in member countries, highlights the economic, demographic and policy changes that make financial education increasingly important, and describes the different types of financial education programmes currently being offered in OECD countries. Finally, this book evaluates the effectiveness of financial education programmes and suggests actions policymakers can take to improve financial education and awareness.

Osteen, S., G. Muske and J. Jones (2007). "Financial Management Education: Its Role in Changing Behavior." *Journal of Extension* 45 (3).

<http://www.joe.org/joe/2007June/rb2.shtml>

Abstract: Managing personal finances is a crucial but difficult issue. Many writers are concerned about whether or not Americans are prepared to handle their finances as personal debt and bankruptcies grow. While some educators believe that financial education can improve a family's financial security, others question the effectiveness of such programs. The study reported here examined the results of Money 2000™ and its ability to influence behavior and financial preparedness. Participants made greater use of banks and less use of loan and check cashing services, increased savings, and decreased debt. The data supports financial literacy training as enhancing financial well-being.

Parrish, L. and L. Servon (2006a). "Policy Options to Improve Financial Education: Equipping Families for Their Financial Futures." New America Foundation, Asset Building Program. http://www.community-wealth.org/_pdfs/articles-publications/state-assets/paper-parrish-servon.pdf

Abstract: Financial education is needed now because children and adults show low levels of financial education at a time when the financial services landscape has become highly complicated just as consumers are most responsible for making their own financial decisions. Americans are not saving, and bankruptcy and debt rates are growing. Financial education initiatives should be taught at teachable moments, starting at an early age and should address both the supply of and demand for financial knowledge. Recommendations include a mandated course on personal finance prior to high school graduation and establishing a savings and investment account for every American child born. Adults require opportunities for financial education in conjunction with accounts; states should especially provide financial education to TANF recipients. Public awareness campaigns, penalties levied against predatory lenders, workplace financial education and a Financial Services Corps for spreading access to financial planning are further recommended.

Parrish, L., H. McCulloch, K. Edwards and G. Gunn (2006b). "State Policy Options for Building Assets." New America Foundation.

http://www.newamerica.net/files/Doc_File_3134_1.pdf

Abstract: States continue to play an important role in helping low- and moderate-resource families save and build wealth. New America Foundation presents a range of ideas to broaden savings and asset ownership, from low-cost to those requiring substantial investment, to alter longer-term outlooks and prospects for struggling Americans, in policy areas including financial education, savings, serving unbanked and underbanked populations, homeownership, retirement planning, entrepreneurship, tax refunds, wealth sharing, asset limit reform and asset protection.

Peng, T., S. Bartholomae, J. Fox and G. Cravener (2007). "The Impact of Personal Finance Education Delivered in High School and College Courses." *Journal of Family and Economic Issues* 28 (2), 265-284.

Abstract: This study investigates the impact of personal finance education delivered in high school and college. Outcomes of interest were investment knowledge and household savings rates measured years after the financial education was delivered. A web-based survey with questions about participation in financial education, financial experiences, income and inheritances, and demographic characteristics was administered to 1,039 alumni from a large Midwestern university. Participation in a college level personal finance course was associated with higher levels of investment knowledge. Experience with financial instruments appeared to explain more of the variance in both investment knowledge and savings rates. No significant relationship between taking a high school course and investment knowledge was found. Financial experiences were found to be positively associated with savings rates.

Risinger, C. (2005). "Teaching Consumer Literacy with the Internet." *Social Education* 69 (2): 96-98.

Abstract: Are you ready to hear about another "gap" between U.S. education and education in other nations? While surfing the internet for the sites mentioned in this column, I found out that nations such as Finland, Thailand, Australia, Wales, and Northern Ireland are doing more about preparing K-12 students to be intelligent consumers than we are in the United States.

Seidman, E., K. Murrell and M. Koide (2007). "Public Policy Ideas to Improve Financial Education and Help Consumers Make Wise Financial Decisions." New America Foundation, Financial Services and Education Project, Asset Building Program.

<http://www.newamerica.net/files/Public%20Policy%20Ideas%20to%20Improve%20Financial%20Education.pdf>

Although the number of financial education programs has grown over the last decade, few policies have been enacted to evaluate, support and expand effective financial education and increase financial capability. Although the government is not the only entity that can help improve financial education, there is an important role for the government sector to play that complements the efforts of the private sector, the nonprofit sector, and the efforts of individuals to take personal responsibility to access financial education. All levels of government can develop policies that help prepare youth and adults to make wise financial decisions. This report identifies some policy ideas that were generated by financial education experts—including practitioners, researchers, and financial institution representatives—during the New America Foundation’s Roundtable Meeting on March 21-22, 2007 in Washington, D.C. The policy ideas included in this report can improve financial education and help consumers increase their financial capability. For the purposes of this report, financial capability can be defined as developing the skills and confidence to be aware of financial opportunities, to know where to go for help, to make informed choices, and to take effective action to improve financial well-being. Financial capability links education with appropriate products and services to make the education relevant.

Shockey, S. and S. Seiling (2004). “Moving into Action: Application of the Transtheoretical Model of Behavior Change to Financial Education.” *Financial Planning and Counseling* 15 (1), 1-12. <http://www.faircredit.org/files/61.pdf>

Abstract: This study used the Transtheoretical Model of Behavior Change to assess change in financial behavior over a 4-week period among participants enrolled in an IDA financial education program. All six money management behavior means increased. Participants who advanced at least one stage are expected to double their chances of taking action on their new behavior.

Suiter, M. and B. Meszaros (2005). “Teaching about Saving and Investing in the Elementary and Middle School Grades.” *Social Education* 69 (2), 92-95.

Abstract: For several years, advocacy groups have recognized the need to strengthen financial education in the K-12 schools. Current statistics support their concerns. Financial illiteracy in the United States is astoundingly high. From 1992 to 2000, disposable personal income for Americans rose by 47 percent, but personal spending rose by 61 percent. In those eight years, the overall personal savings rate fell from nearly 6 percent to zero. Half of all Americans today are living paycheck to paycheck. Fifty percent of all adults have not started saving for retirement. For many Americans, unpaid credit card balances exceed 401(k) balances. These are but a few of the statistics that point out the importance of preparing young people to manage their personal finances intelligently.

Thaler, R. and C. Sunstein (2008). *Nudge: Improving Decisions About Health, Wealth and Happiness*. New Haven: Yale UP.

Abstract: Every day, we make decisions on topics ranging from personal investments to schools for our children to the meals we eat to the causes we champion. Unfortunately, we often choose poorly. The reason, the authors explain, is that, being human, we all are susceptible to various biases that can lead us to blunder. Our mistakes make us poorer and less healthy; we often make bad decisions involving education, personal finance, health care, mortgages and credit cards, the family, and even the planet itself. Thaler and Sunstein invite us to enter an alternative world, one that takes our humanness as a given. They show that by knowing how people think, we can design choice environments that make it easier for people to choose what is best for themselves, their families, and their society. Using colorful examples from the most important aspects of life, Thaler and Sunstein demonstrate how thoughtful “choice architecture” can be established to nudge us in beneficial directions without restricting freedom of choice. Nudge offers a unique new take, from neither the left nor the right, on many hot-button issues, for individuals and governments alike.

Valentine, G. and M. Khayum (2005). “Financial Literacy Skills of Students in Urban and Rural High Schools.” *Delta Pi Epsilon Journal* 47 (1), 1-9.

Abstract: In the past decade, a growing number of studies have established considerable deficiencies in financial literacy among students and adults in the United States. The purpose of this paper is to further examine the relationship between the nature of economic socialization of high school students in urban and rural schools and their financial literacy at aggregate and disaggregated levels based on the scores of high school students on a personal finance quiz and the students’ demographic characteristics.

Varcoe, K., A. Martin, Z. Devitto, and C. Go (2005). “Using a Financial Education Curriculum for Teens.” *Financial Counseling and Planning* 16 (1), 63-71.

<http://www.afcpe.org/doc/Vol1617.pdf>

Abstract: Many researchers have studied and documented the financial literacy of youth. Even more have developed educational programs or curricula to teach them financial and consumer issues; however,. Few have actually evaluated the effectiveness of their programs. *The Money Talks: Should I Be Listening?* Curriculum, developed by a Cooperative Extension team, was created for teenagers to address what they want to learn about using money. A goal of the team who created *Money Talks* was to evaluate the effectiveness of the curriculum for changing the financial knowledge and behavior of teens. This paper presents research findings from pre- and post-test evaluations to ascertain changes in financial knowledge and/or behavior of participants.

Wagland, Suzanne (2006). “Financial Literacy in the Context of Literacy in General.” University of Western Sydney, Australia.

http://www.cbs.curtin.edu.au/files/Wagland_Paper1.pdf

Over recent decades, the concept of literacy has developed to meet the challenges and demands of the 21 century. In addition to reading and writing, individuals require skills to manage new technologies and the seemingly endless amount of information available. The need to be literate is particularly relevant in the area of personal finance. Over the last two decades, there has been an identifiable shift in most developed nations giving individuals greater responsibility for their own financial wellbeing and long term retirement planning. In response, the financial industry has created new products and services offering greater choice and flexibility in how individuals can manage their funds, but also increasing the complexity with which individuals have to cope. If individuals are to be literate and, in particular, financially literate in the 21 century, they require three essential skills: First, the skills to seek relevant information; second the skills to critically evaluate this information; and third, the skills to utilize this information to make beneficial decisions and solve problems. This paper will first discuss this concept of literacy as it has been developed for information literacy and then use this concept to look at financial literacy. Against this background, the paper will then discuss some issues related to developing financial literacy in Australia.

Willis, L. (2008). "Against Financial Literacy Education." University of Pennsylvania Law School. Scholarship at Penn Law. Paper 208.

<http://lsr.elco.org/upenn/wps/papers/208>

Abstract: The dominant model of regulation in the United States for consumer credit, insurance, and investment products is disclosure and unfettered choice. As these products have become increasingly complex, consumers' inability to understand them has become increasingly apparent, and the consequences of this inability more dire. In response, policymakers have embraced financial literacy education as a necessary corollary to the disclosure model of regulation. This education is widely believed to turn consumers into "responsible" and "empowered" market players, motivated and competent to make financial decisions that increase their own welfare. The vision is of educated consumers handling their own credit, insurance, and retirement planning matters by confidently navigating the bountiful unrestricted marketplace. Although the vision is seductive, promising both a free market and increased consumer welfare, the predicate belief in the effectiveness of financial literacy education lacks empirical support. Moreover, the belief is implausible, given the velocity of change in the financial marketplace, the gulf between current consumer skills and those needed to understand today's complex non-standardized financial products, the persistence of biases in financial decision-making, and the disparity between educators and financial services firms in resources with which to reach consumers. Harboring this belief may be innocent, but it is not harmless; the pursuit of financial literacy poses costs that almost certainly swamp any benefits. For some consumers, financial education appears to increase confidence without improving ability, leading to worse decisions. When consumers find themselves in dire financial straits, the regulation through education model blames them for

their plight, shaming them and deflecting calls for effective market regulation. Consumers generally do not serve as their own doctors and lawyers and for reasons of efficient division of labor alone, generally should not serve as their own financial experts. The search for effective financial literacy education should be replaced by a search for policies more conducive to good consumer financial outcomes.

Willis, L. (2008). "Evidence and Ideology in Assessing the Effectiveness of Financial Literacy Education." U of Pennsylvania Law School, Public Law Research Paper No. 08-08; Loyola-LA Legal Studies Paper No. 2008-06.

Abstract: Financial literacy education has long been promoted as key to consumer financial well-being. Yet the claim has never had more than negligible statistically significant empirical support. This review (1) sets forth the model of financial literacy education underlying public support for these programs today, (2) identifies pervasive and serious limitations in existing empirical research used by policymakers as evidence of the effectiveness of this education, and (3) recommends a number of alternative public policies suggested by the existing research.

Xiao, J., Ed. (2007). *Handbook of Consumer Finance Research*. NY: Springer Publishing.

Abstract: Debt consolidation; pension givebacks; Social Security under siege; bankruptcies and foreclosures; Americans' financial lives are fraught with issues, challenges, and potential threats, in record numbers. The *Handbook of Consumer Finance Research* surveys the social aspects of consumer behavior, offering latest data and original research on current consumer needs as well as identifying emerging areas of research. This volume starts with current concepts of risk tolerance, consumer socialization, and financial well-being, and moves on to salient data on specific settings and populations, including: Healthcare spending and retirement savings; Online shopping and e-banking; Family finances: marriage, parent/child communications, student spending; Financial concerns of special groups: minorities, seniors, the poor; Management issues of business-owning families; Consumer protection in fair lending. Given the current climate of rising debt and negative savings, the Handbook is timely and instructive reading for educators, researchers, and policymakers who wish to develop or evaluate financial education programs, design research initiatives, and understand better how to help families with the economic problems of our times. It can also serve as a graduate text in economics, finance, consumer science, business, and family studies.

