

Investing in Our Future

Conference Summary: National Conference on Youth Financial Education & Capability hosted by CFPB on April 30, 2013

CFPB: Our Vision

A consumer finance marketplace...

where customers can see prices and risks up front and where they can easily make product comparisons;

in which no one can build a business model around unfair, deceptive, or abusive practices;

that works for American consumers, responsible providers and the economy as a whole.

CFPB Office of Financial Education Objectives

- ***Build a comprehensive approach to financial education in the U.S.:*** Develop knowledge about what works in financial education and provide opportunities for financial educators to learn about effective strategies.
- ***Promote innovation:*** Test new ideas and share successful innovations with the field.
- ***Educate consumers:*** Provide understandable information that helps customers make informed financial decisions.
- ***Increase outreach and federal coordination:*** Build relationships with all stakeholders. In addition, Director of the CFPB serves as the vice chair of the Financial Literacy and Education Commission.

About the Conference

- On April 30th 2013, CFPB brought together over 100 public, private, and nonprofit organization leaders from across the country dedicated to advancing the financial education and capability of American youth.
- These individuals shared invaluable knowledge and expertise which catalyzed a national dialogue about how to achieve greater coordination, collaboration, and focus around four core areas:
 - Defining a collective vision for the financial education field.
 - Promising practices for including financial education in K-12 schools.
 - The role of innovation and hands-on learning in promoting youth financial capability.
 - Research and evaluation needs.

Agenda

TIME	AGENDA	SPEAKER
8:30 a.m.	Opening Remarks	Camille Busette - Assistant Director, Office of Financial Education, Consumer Financial Protection Bureau
8:45 a.m.	Plenary I: Defining a Collective Vision for the Financial Education Field	Moderator: Janet Bodnar - Editor, Kiplinger's Personal Finance Magazine Ted Beck - President and CEO, National Endowment for Financial Education Nan J. Morrison - President and CEO, Council for Economic Education Laura Levine - President and CEO, Jump\$tart Coalition for Personal Financial Literacy Louisa M. Quittman - Director, Office of Financial Education, U.S. Department of the Treasury Terri Carson - Business and Technology Educator, Prince William County School District , Virginia
9:45 a.m.	Morning Keynote Address	Richard Cordray - Director, Consumer Financial Protection Bureau

Agenda Continued

10:15 a.m.

Plenary II: Promising Practices for Including Financial Education in Schools

Moderator: Beth Kobliner- Personal Finance Commentator and Journalist

Judy Wurtzel- Independent Consultant

Cheri Kelleher- Virtual Schools Program Coordinator, Virginia Department of Education

Brian Page- Personal Finance and Economics Teacher, Reading High School, Ohio

Mary Rosenkrans- Director of Financial Education, Pennsylvania Department of Banking and Securities

1:30 p.m.

Afternoon Keynote Address

Oscar Cruz- President and CEO, Families In Schools

1:45 p.m.

Plenary III: The Role of Hands-On Innovation in Promoting Youth Financial Capability

Moderator: Payal Pathak- Program Manager, International Youth Foundation

Shawn Spruce- Financial Capability Specialist, First Nations Development Institute

Nick Maynard- Director of Innovation, Doorways to Dreams (D2D) Fund

Elizabeth Odders-White- U.S. Bank Associate Professor, Wisconsin School of Business, University of Wisconsin – Madison

David Soo- Office of the Under Secretary, U.S. Department of Education

Agenda Continued

3:15 p.m.

Plenary IV: Research and Evaluation Needs for Building the Policy Case

Moderator: Michael Staten- Director, Take Charge America Institute for Consumer Financial Education and Research, University of Arizona

Heather Morton- Program Principal, Fiscal Affairs Program, National Conference of State Legislatures

Kant Desai- Chief of Policy, Office of the City Treasurer, Chicago

David Mancl- Director, Office of Financial Literacy, Wisconsin Department of Financial Institutions

4:45 p.m.

Closing Remarks

Gail Hillebrand- Associate Director, Consumer Education and Engagement, Consumer Financial Protection Bureau

Major Themes and Key Takeaways

- Both integration of personal finance into existing curriculum and a capstone high school personal finance course are important policy options. However, more research is needed to evaluate the respective returns on investment.
- More resources and incentives are needed for increasing access to high quality teacher training in financial education.
- In a resource-constrained environment, school-based financial education efforts can be strengthened and in some cases significantly expanded by using online and mobile technology.
- Financial education initiatives need to do more than increase financial knowledge, they need to help students develop key skills and decision making abilities.

Major Themes and Key Takeaways

- Financial education practitioners, researchers, and policy advocates need forums in which to share best practices for increasing financial capability.
- Experiential learning opportunities give students a chance to perform real-world financial tasks, make decisions, and see the impact of their choices right away or over time. This type of feedback is essential for fostering learning and developing skills.
- More research is needed to help practitioners and policymakers understand what works in helping young people build financial literacy and capability. What combination of skills, lessons, and habits can help individuals to make sound financial decisions as adults?

Opening Remarks

**Camille Busette, Assistant
Director, Office of Financial
Education, CFPB**

Opening Remarks by Camille Busette

“The financial crisis of 2008 and its ensuing recession has focused significant attention on consumers’ financial capability. The lesson of the last 5 years is that all consumers should be able to make informed financial decisions. Managing one’s finances is clearly a lifelong skill and it is a competency that one should develop early and practice often.” **Camille Busette, CFPB**



Plenary I

Defining a Collective Vision for the Financial Education Field

Plenary I: Defining a Collective Vision for the Financial Education Field

Speakers on this panel shared information on the current state of financial education and their vision for the future, and identified potential pathways to success.



Plenary I: Defining a Collective Vision for the Financial Education Field

- There was broad agreement among panelists that the financial education field should collectively work to:
 - Develop consistent minimum educational standards;
 - Invest in programs that deliver meaningful results;
 - Dedicate resources to increasing access to high quality teacher training;
 - Create opportunities for students to improve financial literacy and decision-making inside and outside of classrooms; and
 - Share results with other practitioners on what works in increasing financial capability.

Plenary I: Defining a Collective Vision for the Financial Education Field

Louisa Quittman and **Ted Beck** emphasized that financial education alone is not a panacea. A combination of strong regulations, financial education, and good products in the market are important to help consumers avoid financial trouble.



Plenary I: Defining a Collective Vision for the Financial Education Field

“Financial education must go beyond simple understanding. Students need context and critical thinking skills and the resources to find answers to financial questions they’ll face, such as whether to buy or lease a car.”
Terry Carson, Prince William County School District



Plenary I: Defining a Collective Vision for the Financial Education Field

- “We would do better to integrate personal finance education at age-appropriate levels so that by the time they’re able to take a full course in personal finance, there is a basis on which that knowledge can be built. If a one-time stand alone course isn’t working, perhaps it’s because we haven’t given it enough of a foundation to succeed.”
Laura Levine.
- **Nan Morrison** talked about the significance of educational standards because they set the destination at which we hope to arrive. Furthermore, they raise the bar and create a common framework for research, curriculum, assessments, and development.

Morning Keynote Address

**Richard Cordray, Director,
CFPB**

Keynote Address by Director Cordray

- Director Cordray announced the release of CFPB’s policy recommendations for supporting youth financial education in a white paper, entitled “Transforming the Financial Lives of a Generation of Young Americans.”
- The white paper provides an overview of the financial decision-making context that Americans navigate, surveys some existing efforts in the K-12 financial education field, and addresses each of these elements with a comprehensive youth financial education strategy.

Keynote Address by Director Cordray

- The recommendations outlined in the white paper are:

Recommendation 1: Introduce key financial education concepts early and continue to build on that foundation consistently throughout the K-12 school years. In addition, CFPB encourages states to make a stand-alone financial education course a graduation requirement for high school students.

Recommendation 2: Include personal financial management questions in standardized tests.

Recommendation 3: Provide opportunities throughout the K-12 years to practice money management through innovative, hands-on learning opportunities.

Recommendation 4: Create consistent opportunities and incentives for teachers to take financial education training with the express intention of teaching financial management to their students.

Recommendation 5: Encourage parents and guardians to discuss money management topics at home and provide them with the tools necessary to have money conversations with their children.

Keynote Address by Director Cordray

“With today’s [white paper](#) and conference, we hope to spark a national conversation about youth financial capability. This is an exciting opportunity to develop a coordinated policy framework that can provide young people with the information, experience, and results they need to be informed and empowered managers of their money.”

Richard Cordray, CFPB



Plenary II

Promising Practices for Including Financial Education in Schools

Plenary II: Promising Practices for Including Financial Education in Schools

Speakers on this panel described a range of challenges, opportunities, and best practices related to providing school-based financial education.

With the adoption of the Common Core State Standards by 45 states and the District of Columbia, there was a particular focus on how this is impacting local and regional efforts.



Plenary II: Promising Practices for Including Financial Education in Schools

- There was broad agreement among panelists that:
 - As many states and school districts move toward implementing the Common Core and developing curriculum there is a significant opportunity to integrate personal finance in English Language Arts and math. Doing so would reach large numbers of students of all grades across the country.
 - Financial education efforts can be strengthened and significantly expanded by using online and mobile technology, especially in a budget constrained environment. In addition, online and mobile mediums can be useful in engaging young people who are already heavy users.
 - There are several professional development challenges facing teachers, therefore, we need multiple strategies to reach them. There is a need for making resources available online through a clearinghouse where teachers can find high quality, trustworthy resources.

Plenary II: Promising Practices for Including Financial Education in Schools

Judy Wurtzel announced the launch of the Money as You Learn website which provides a framework for inserting financial education into the teaching of the new Common Core State Standards. She described 2013 as an opportune time to integrate personal finance into the K-12 curriculum because of the recent adoption of the Common Core State Standards in English Language Arts and mathematics.



Plenary II: Promising Practices for Including Financial Education in Schools

- **Brian Paige** explained that it has been difficult in Ohio to create stronger state requirements for school-based financial education, in part, because they are focused on implementing the new Common Core standards.
- **Cheri Kelleher** shared that the State of Virginia is able to meet forthcoming state law requiring high school students to take a capstone personal finance course by making online courses available to all public school students through the Virtual Virginia website.
- **Mary Rosenkrans** raised the issue that many state leaders don't know what other states are doing to support youth financial education. We need a better way of sharing what works. She advised conference participants to connect with their respective State Department of Education to find out what is already being done to include financial education in schools.

Plenary II: Promising Practices for Including Financial Education in Schools

“What we need to focus on, not just within the [financial education] course but in research, is how can we build that bridge between content knowledge and behavior.”

Brian Page, Reading High School



Afternoon Keynote Address

**Oscar Cruz, President &
CEO, Families In Schools**

Afternoon Keynote Address by Oscar E. Cruz

“We have to connect financial literacy to overall student achievement if we want to make financial education a school priority.”

Oscar Cruz, Families In Schools



Plenary III

The Role of Hands-On Innovation in Promoting Youth Financial Capability

Plenary III: The Role of Hands-On Innovation in Promoting Youth Financial Capability

Speakers on this panel shared insights on how classroom financial education is being combined with experiential or hands-on learning opportunities that may help youth increase financial capability. Panelists discussed the role of matched savings accounts, bank at school programs, online games, and other experiential learning strategies geared at youth.



Plenary III: The Role of Hands-On innovation in Promoting Youth Financial Capability

- Major themes and comments shared by panelists:
 - Financial education is a natural place to use experiential learning because these programs are ultimately trying to shape action and behaviors.
 - Experiential learning opportunities give students a chance to perform real-world financial tasks, make decisions, and see the impact of their choices right away or over time. This type of feedback is essential for fostering learning.
 - It is difficult to observe financial behaviors in young children. Therefore, more research is needed to help us understand what kinds of behaviors could be a proxy for particular behaviors in adulthood, specifically as they relate to financial decision-making and how can we help to shape those behaviors to be positive ones.
 - Experiential learning programs can be difficult to scale because they tend to be high touch.

Plenary III: The Role of Hands-On Innovation in Promoting Youth Financial Capability

- “Financial education, when combined with access to financial tools, can increase a person’s financial capability. If we extend this thinking into the realm of cognitive science and behavioral science, we can argue that these capabilities, when developed at a young age, can track into adulthood” stated **Payal Pathak** who moderated the panel.
- **David Soo** talked about the GEAR UP program which will provide young students with matched college savings account that will have a seed deposit of \$200. This study will examine the role of matched accounts in potentially changing students’ attitudes about college.

Plenary III: The Role of Hands-On Innovation in Promoting Youth Financial Capability

- **Elizabeth Odders-White** talked about a multiyear research study that is examining whether financial education instruction has greater impact on children when they have exposure to financial products and tools at school.
- **Shawn Spruce** described a range of strategies used to help Native American youth improve financial decision-making by providing incentivized savings programs, classroom financial education, and simulated experiential learning programs that are tactile and low tech.
- **Nick Maynard** shared that online games are becoming a pedagogical tool that is organically and repeatedly being used by teachers and students. There is already some evidence that suggests that computer games increase engagement among young students.

Plenary IV

Research and Evaluation Needs for Building the Policy Case

Plenary IV: Research and Evaluation Needs for Building the Policy Case

The return on investment in school-based financial education is unclear, yet policymakers in most states are faced with decisions about whether to require financial education in schools. This panel featured researchers and policymakers who shared insights on the most important research gaps and issues that stand in the way of school-based financial education.



Plenary IV: Research and Evaluation Needs for Building the Policy Case

- Professor **Michael Staten**, who moderated the panel, provided a brief presentation on what evidence currently exists to demonstrate the efficacy of school-based financial education.



Plenary IV: Research and Evaluation Needs for Building the Policy Case

Key themes and research gaps shared by speakers on this panel include:

- Policy advocates need to be able to clearly identify what is effective and set measurable end goals for proposed programs.
- It would be useful to see research on whether the return on investment is better for stand-alone financial education classes or integration into K-12 curriculum. This would be useful to policymakers who have been operating in a budget-constrained environment.

Plenary IV: Research and Evaluation Needs for Building the Policy Case

Kant Desai shared that Chicago's public schools created a financial literacy framework aligned with the Common Core Standards that will be integrated into K-12 social science and mathematics classes and through a one-semester 12th grade personal finance course.

In developing this initiative, there was less focus on long-term outcomes because the school system believed in the implicit value of financial literacy. The program has instead focused on testing the value of delivery mechanisms (e.g. online support, direct instruction, experiential learning, and gaming to give teachers information about how to best implement the program).

Plenary IV: Research and Evaluation Needs for Building the Policy Case

- **Heather Morton** explained that in her work tracking state legislation for the National Conference of State Legislatures, a large number of states introduce financial education legislation frequently but often die in committee. After years of tight budget issues, it is critical that financial education leaders be able to clearly define what's effective and set measurable end goals for proposed programs.
- **David Mancl** has found that while some view money management as a life skill, others want proof that it's worthy of effort and funding. The state of Wisconsin therefore has just finished surveying its approximately 400 school districts to see what is currently being done in financial education so it can better focus its efforts.

Closing Remarks

**Gail Hillebrand, Associate
Director, CFPB**

Closing Address by Gail Hillebrand

“Together we can help to move our country toward a place where all Americans can make the financial decisions and choices that can help them achieve their own life goals. We at the CFPB look forward to working with you on that very important endeavor.”

Gail Hillebrand, CFPB



Contact information

Sunaena K. Chhatry

K-12 Senior Policy & Innovation Analyst

(415) 844-9779

CFPB

Sunaena.chhatry@cfpb.gov

Press Contact

Jen Howard

Assistant Director of Communications

(202) 435-7170

Jennifer.Howard@cfpb.gov