

IMPACT

 University of Idaho
Cooperative
Extension System

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Teens and Teachers Gain Financial Skills Through High School Financial Planning Program

The Situation

Financial management illiteracy is as much a handicap as not being able to read. Financial management is the fourth 'R' in education. There's Reading, 'Riting, 'Rithmetic and Reality. Unfortunately many teens are entering adulthood without financial management 'reality' and are unable to make educated financial decisions. The results of a nationwide survey reported only 57% of teens can correctly answer questions about budgeting, credit use, insurance, inflation and taxes (JumpStart Financial Literacy Coalition, 1997). A 1998 study conducted by JumpStart correlates high bankruptcy rates to inadequate personal finance education.

Idaho households have the 12th highest debt rate in the nation. Consumer debt has been growing twice as fast as wage and salary gains. Financial scams are rampant in Idaho (Idaho Dept. of Finance). Many Idahoans are ill prepared to successfully handle their finances because their formal education never provided any financial management training.

A one-semester Consumer Economics class was made a requirement for Idaho high school graduation in 1994. However, curriculum guidelines for the class weren't established. Some Consumer Economics teachers have no training to teach this important subject.

Our Response

The University of Idaho Cooperative Extension System (U of I CES), in partnership with the National Endowment for Financial Education (NEFE), is educating high school students about money management. We provide teachers with a free curriculum, the High School Financial Planning Program. The U of I CES teaches educators how-to-use the curriculum and incorporate innovative activities into their classes. More than 200 teachers and youth leaders attended Extension-sponsored teacher workshops. Nearly 19,000 teens in high schools and 4-H clubs enrolled in the High School Financial Planning Program during the past decade.

Achievements

As a result of participating in the NEFE High School Financial Planning Program (HSFPP) teens gained money management knowledge and skills to use throughout their lives. A nationwide random survey of the High School Financial Planning Program (HSFPP) impact showed significant, positive change in students' personal financial behavior, confidence and knowledge. The following improvements were documented:

- 47% know more about the costs of credit
- 38% improved their knowledge about investments
- 38% feel more confident about managing money
- 37% improved their skills for tracking spending

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29% of the teens started saving
15% began saving more

After participating in the program students wrote:

"I've been able to save the money to pay off over \$305 in high school senior bills. If I hadn't had this program, I wouldn't be able to receive my high school diploma. Thanks."

Kellogg, ID student

"The most important thing I've done with my money is save it. I've always saved my money in the past, but now I understand how vital it is to have some money in your name even if I'm only a teenager. I'm glad I don't waste money anymore and this program helped me see my priorities."

Rigby, ID student

Establishing a savings account' was identified as the most important thing they did as a result of participating in the HSFPP by the majority of students. This response is noteworthy since the National Bureau of Economic Research indicates that teens who are taught to save will save for the rest of their lives.

Extension HSFPP Teacher training has been very successful.

- 98% of teachers rate HSFPP training as 'valuable' or 'very valuable'
- 98% will recommend this training to another teacher

The following is typical of teacher comments:

"Appreciate the quality content of the presentations. Delighted to obtain many more teaching resources. You did a wonderful job"

Meridian, ID high school teacher

The Future

University of Idaho Cooperative Extension faculty will continue to train instructors and expand the HSFPP in Idaho. New Idaho High School Exit Standards for Consumer Economics and Math will be included in teacher workshops. Training during March 2000 is planned for northern and eastern Idaho teachers. A statewide Teacher Conference is scheduled during August.

For More Information

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