

**TAKE CHARGE AMERICA INSTITUTE (TCAI)**  
Norton School of Family and Consumer Sciences  
The University of Arizona

**SYMPOSIUM ON “IMPROVING THE EFFECTIVENESS OF  
FINANCIAL EDUCATION IN THE CLASSROOM”**

March 27, 2009

University Marriott – Sabino Room

**Preliminary Agenda**

7:30 am Breakfast buffet – Marriott Atrium

8:30 am Call to Order and Welcome

1. Introductions around the table
2. Short overview of the day’s plan
3. Background information about **TCAI research and outreach programs**
  - a. Overview of TCAI founding and programs
  - b. The Family Economics and Financial Education (FEFE) program
    - Why the Univ. of Arizona distributes financial education curriculum to schools nationwide, free of charge - a high-level rationale for this strategy
  - c. Overview of FEFE curriculum parameters
  - d. How our curriculum reform effort has led us to a broader re-think of conventional, classroom-based financial education programs
4. The **national landscape** for high school personal finance education in a classroom setting
  - a. Trends in financial education
  - b. Trends in economic education
  - c. What we know about specific requirements
  - d. Are the two subjects trending toward a blended approach or moving apart?
5. **How well is all of this working?** More specifically, what does existing research tell us about the impact of high school (and college-level?) personal financial education?
  - What do we know about student attitudes, knowledge levels and self confidence with regard to personal finances, before and after they leave high school?
  - What do we know about financial behaviors of young people in the first few years after high school (in college or in the workforce)?
  - What has research shown to be the link (if any) between any of these attributes and the financial education students may have experienced in high school – through formal coursework or other influences such as parental discussions/role modeling; work experience in high school, other determinants of financial socialization, etc.

6. **If there are mixed results from research on outcomes, why?** The research record shows “mixed” results on the linkage between youth-oriented financial education and behavior outcomes. Why aren’t we seeing more definitive outcomes? Possibilities:

- Education programs are ineffective as currently structured?
  - Wrong topics for audience? Content doesn’t match teachable moment?
  - Ineffective pedagogy?
  - Inadequate teacher training?
  - Curriculum focuses too much on information transfer, not enough on developing cognitive and decision-making skills?
  
- Are researchers trying to measure the wrong thing? At the wrong time?
  - Knowledge gained
  - Financial decision-making skills
  - Financial confidence/well being
  - Behavior intentions/plans
  - Actual behavior (but at what margins? Saving? Handling of credit? Budgeting and spending patterns? Other observables that reflect financial choices?)
  
- Perhaps a little of both?

7. **Assertions to tee-up discussion:** Our view is that classroom personal finance courses are overly focused on information transfer. Whether the curriculum is broad (with dozens of topics covered in independent lessons) or more narrow (with just 5 or 6 topic modules), the leading curriculum models typically do not focus on a relatively small set of carefully chosen core topics/concepts that are critical to making informed financial choices. And, there is too little emphasis on student development of problem solving skills (e.g., analytical thinking to identify options, anticipate outcomes, and make choices). Students emerge from courses with more information (maybe) than when they started, but may be demonstrating little improvement in the analytical ability necessary to cope with complex financial choices in the market.

We also think that behavioral economics has made great strides in identifying predictable biases in decisions (especially intertemporal choices and consumption decisions, so common in financial transactions). But, to date, these insights have had almost no influence on standard financial education curriculum.

Over the past decade we’ve seen impressive applications of technology in education. Several of our symposium attendees are experts in this area (pioneering, in fact). Although we at the Institute do not count ourselves as experts, or even very knowledgeable observers, we sense that there is almost certainly an opportunity to incorporate computer games, simulations, and other technology to improve the effectiveness of financial education.

We also think that financial socialization may matter a great deal in shaping financial attitudes, self-confidence and subsequent behaviors. Technology that facilitates social networking may also provide another way to facilitate financial socialization. We sense that relatively little of this is happening in financial education classrooms now, at least at the high school level. This area seems to burst with potential.

All of this is our opinion, at the moment, and subject to debate. We hope and expect it will provide a starting point and ample material for our discussion. In addition, several questions come to mind and we'll discuss these, too, as successive items in the remainder of the agenda. NOTE: the ordering of the items to follow may change – but we'll cover them all.

**LUNCH BREAK:** Luncheon talk by David Laibson (Harvard University, Dept. of Economics)

- **“BEHAVIORAL ECONOMICS AND THE PSYCHOLOGY OF FINANCIAL DECISIONS”**

8. What are the core areas related to personal financial decisions that all consumers need to understand to maneuver in the marketplace? In other words, what would be on the list of “essential” tools in the consumer’s financial decision-making toolkit? How would this toolkit correspond with the overall objectives of a personal finance course?
9. Given the chosen content, what does research in education and learning suggest about the proper mix of information transfer vs. development of cognitive and decision-making skills in a “personal finance” course? In addition, what pedagogy should be employed to effectively teach this content?
10. What would a behavioral economist contribute to the “essential” tool list? Are there decision pitfalls that perhaps could be avoided (or whose effects could be mitigated) through advance warning in the financial education class? Might it be helpful to build in some simple in-class experiments to illustrate how decisions can consistently go astray?
11. In what ways can technology be harnessed to make the concepts more tangible and the choices more relevant to students? Simulations? Computer games? Other features?
12. Reflection on the day’s discussion and wrap-up

6:00 pm      Reception and Dinner, Marriott Ventana Room