

# Family Financial Education

Family Financial Education

## V(A). Planned Program (Summary)

### 1. Name of the Planned Program

Family Financial Education

## V(B). Program Knowledge Area(s)

### 1. Program Knowledge Areas and Percentage

KA Code	Knowledge Area	%1862 Extension	%1890 Extension	%1862 Research	%1890 Research
801	Individual and Family Resource Management	100%			
	<b>Total</b>	100%			

## V(C). Planned Program (Inputs)

### 1. Actual amount of professional FTE/SYs expended this Program

Year: 2008	Extension		Research	
	1862	1890	1862	1890
<b>Plan</b>	9.7	0.0	0.0	0.0
<b>Actual</b>	9.7	0.0	0.0	0.0

### 2. Actual dollars expended in this Program (includes Carryover Funds from previous years)

Extension		Research	
Smith-Lever 3b & 3c 396031	1890 Extension	Hatch	Evans-Allen
	0	0	0
1862 Matching 396031	1890 Matching	1862 Matching	1890 Matching
	0	0	0
1862 All Other	1890 All Other	1862 All Other	1890 All Other
0	0	0	0

## **V(D). Planned Program (Activity)**

### **1. Brief description of the Activity**

The statewide Family Financial Education Team works with trained volunteers and local partners to create community or regional public-private partnerships, to address specific financial education needs identified by community residents, and to provide research-tested resources, training and support for these resources, and analysis for assessment. Family Financial education is delivered through trainings, individual counseling, conferences, workshops, presentations, newsletters, and youth financial education reality simulations addressing the basics of earning, spending, using credit or repairing debt, avoiding bankruptcy, saving, health care, housing, financing higher education and other financial management priorities. Nearly 13,800 adults and 5,324 youth were reached through direct teaching methods in 2008.

Enhancing youth financial literacy: In 2008, UW-Extension Cooperative Extension family living educators and community partners in 18 counties conducted reality simulations for 2,201 middle and high-school students. Events have different names such as Youth Money Smart College, Reality Daze, Reality Fair, The Balancing Act, Mad City Money, and Money Quest-but all feature learning about money by modeling real-life scenarios. Trained adult volunteers step into roles as loan officers, bankers, merchants, salespeople and credit counselors. Of more than 500 middle and high school students who completed a post-session survey, 88% rated the program as helpful or very helpful. Nearly all reported that the reality event increased their confidence in making decisions that deal with money, managing money in the "real" world, and setting goals. A nine-month follow-up evaluation revealed that, of those students who did not do so before the event, 100% report now tracking their spending and comparing prices when they shop. Impact results are summarized in the evaluation studies section of this report and online at: <http://www.uwex.edu/ces/pdande/evaluation/pdf/YFEreport2008.pdf>

Debtor education and counseling: To reduce the number of people using bankruptcy as a periodic budget balancing tool, U.S. Trustees in the Department of Justice made financial counseling and education a requirement to filing for bankruptcy. Where counties lacked the financial education required, UW-Extension Family Living Programs fostered a concerted community-based educational response to address the needs of those filing for bankruptcy and others concerned about their economic security. In 2007-2008, UW-Extension family living educators issued 336 certificates to individuals in Wisconsin, verifying their participation in credit counseling sessions. Certificates for completing debtor education through UW-Extension were given to 300 individuals. In evaluations after debtor education, 99% of participants indicated that they had learned something they could use, and 98 percent said they would begin using a budget at home. In 2008, this comprehensive response extended to St. Croix and Pierce counties family living and community resource development educators mobilizing a Foreclosure Prevention Task Force to address foreclosure rates up by around 500% since 2000.

**2. Brief description of the target audience**

The statewide Family Financial Education Team provides research-based training and support for agency partners, professionals, volunteers and community residents including youth. Of 13,797 adults reached through direct teaching methods in 2008, 89.3% were white, 4.0% African American, 4.0% Asian American, 1.6% American Indian, and 1.0% other identities; 62.8% were female and 37.2% male. Of these, 2.5% (351) identified as Latino/a, who may be of any race. In 2007-2008, 5,324 youth were reached by direct teaching methods, 3,123 enrolled in 4-H Consumer Science curricula and 2,201 participated in youth financial education.

UW-Extension Cooperative Extension colleagues across four program areas on 8 campuses and in 72 counties are connected by email ListServ, online newsletters and shared resources such as statewide WisLine webinars and the national Extension Disaster Education Network (EDEN) to quickly address critical timely issues such as the 2008 record flooding.

Agency partners and professionals include Head Start, Home Visitors, WIC--Women, Infants and Children, county and tribal health and human services, social services, departments of aging and housing, probation and parole, Drug Courts, Wisconsin Department of financial Institutions, Department of Family Services, Department of Revenue, and Wisconsin Housing and Economic Development Authority.

Community members and volunteers include bankers and other financial professionals, business owners, teachers, school administrators and 4-H volunteer leaders. Educational partners include community centers, 21st Century Learning Centers, public libraries, news media, Volunteer Income Tax Assistance, AARP, Community Action Councils, Rural Development Councils, United Way, St. Vincent de Paul and other inter-faith volunteer networks. Educational partners and the 505 volunteers trained in 2008 extended financial literacy through direct teaching methods such as financial education reality simulations and events for youth. Trained teachers, business and community volunteers help middle and high school students plan their spending, write checks, balance their checkbooks, track their spending, and record the costs of living expenses they use in their event scenarios.

Local extension-led teams support Volunteer Income Tax Assistance (VITA) sites in schools, community centers and public libraries. Trained by the Internal Revenue Service and Wisconsin Department of Revenue, VITA volunteers prepare basic income-tax returns in English and Spanish. This free, confidential assistance makes tax time easier for low-wage workers, newcomers, tribal members, older adults and people with disabilities.

Many learn they are eligible for federal and state Earned Income Credit and Wisconsin Homestead Credit. IRS data show that cash returned to these taxpayers through credits improves their well-being and boosts the economy of their community.

Ultimate beneficiaries include middle and high school students and their parents, young adults, low-income families and their children, Spanish-speaking families and their children, older adults, nonviolent criminal offenders, incarcerated parents, extended families and communities.

**V(E). Planned Program (Outputs)**

**1. Standard output measures**

**Target for the number of persons (contacts) reached through direct and indirect contact methods**

	<b>Direct Contacts Adults</b>	<b>Indirect Contacts Adults</b>	<b>Direct Contacts Youth</b>	<b>Indirect Contacts Youth</b>
<b>Year</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>Plan</b>	9000	0	0	2000
2008	13797	0	5324	0

**2. Number of Patent Applications Submitted (Standard Research Output)**

**Patent Applications Submitted**

<b>Year</b>	<b>Target</b>
<b>Plan:</b>	0
2008:	0

**Patents listed**

**3. Publications (Standard General Output Measure)**

**Number of Peer Reviewed Publications**

	<b>Extension</b>	<b>Research</b>	<b>Total</b>
<b>Plan</b>	0	0	
2008	5	1	6

**V(F). State Defined Outputs**

**Output Target**

**Output #1**

**Output Measure**

{No Data Entered}

*Not reporting on this Output in this Annual Report*

<b>Year</b>	<b>Target</b>	<b>Actual</b>
2008	{No Data Entered}	{No Data Entered}

**V(G). State Defined Outcomes**

<b>O No.</b>	<b>Outcome Name</b>
1	Participants will increase their knowledge of financial concepts and personal financial skills.
2	Participants will plan to use financial concepts and positive financial practices.

**Outcome #1**

**1. Outcome Measures**

*Not reporting on this Outcome for this Annual Report*

**2. Associated Institution Types**

**3a. Outcome Type:**

**3b. Quantitative Outcome**

Year	Quantitative Target	Actual
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**3c. Qualitative Outcome or Impact Statement**

**Issue (Who cares and Why)**

**What has been done**

**Results**

**4. Associated Knowledge Areas**

KA Code	Knowledge Area
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**V(H). Planned Program (External Factors)**

**External factors which affected outcomes**

Natural Disasters (drought, weather extremes, etc.)

Economy

Appropriations changes

Public Policy changes

Competing Public priorities

Populations changes (immigration, new cultural groupings, etc.)

Other (Bankruptcy filing)

**Brief Explanation**

**V(I). Planned Program (Evaluation Studies and Data Collection)**

**1. Evaluation Studies Planned**

After Only (post program)

Before-After (before and after program)

Other (Direct Observation)

## Evaluation Results

Enhancing youth financial literacy: Young people urgently need basic financial survival skills. In 2006, the Wisconsin Department of Public Instruction estimated that 80% of state high school students held down jobs and nearly one-third had credit cards in their own names. Yet even those with jobs-are still unable to balance a checkbook or follow basic principles of earning, spending, saving and managing money. The Jump\$tart Coalition for Personal Financial Literacy reports that, "Many young people fail in the management of their first consumer credit experience, establish bad financial management habits, and stumble through their lives learning by trial and error."

Response: Studies have shown that an effective way for young people to learn about day-to-day economic decision-making is through "reality events" - simulations that mimic the real-life economic choices people routinely face. In 2008, family living educators and community partners in 18 counties conducted simulation-type reality events for 2,201 middle and high-school students. UW-Extension Cooperative Extension educators took on a variety of roles, including coordinating the planning committees, handling publicity, recruiting and training volunteers, preparing materials, securing funding, evaluating the programs and participating in the events. A group of family living educators developing simulations worked with an evaluation specialist to conduct a statewide evaluation. The 2008 report Evaluating the Use of Simulations for Youth Financial Education is available at: <http://www.uwex.edu/ces/pdande/evaluation/pdf/YFEreport2008.pdf>

Results: Of more than 500 middle and high school students who completed a post-session survey, 88% rated the program as helpful or very helpful. Nearly all of the respondents reported that the reality event increased their confidence in making decisions that deal with money, managing money in the "real" world, and setting goals to manage money. The majority of youth participants reported changes in knowledge related to their understanding of the cost of buying on credit, what it feels like to pay bills, and the costs of living. Most said they had increased their knowledge of financial concepts such as checking vs. credit card accounts, saving vs. investing, the purpose of insurance, and the importance of saving.

The largest numbers of high school students reported increased skills in being able to determine monthly financial needs, plan for unexpected expenses, and plan for charitable giving. Just over half of the high school students felt that they increased their skills in keeping track of credit card use, spending and income. A middle school participant commented: "[I liked] the openness to ask questions, the friendliness of the teachers and clearness of the ideas."

A nine-month follow-up evaluation revealed that, of those students who did not do so before the event, 100% report now tracking their spending and comparing prices when they shop at least some of the time. Many expressed their desire to plan to avoid unnecessary spending, use a budget, track spending, save for future goals, adjust their spending to make ends meet, and get value for their money.

## Key Items of Evaluation

Motivation to change their financial behaviors is the highest level of change that can be measured at the end of a single time event. Evaluation questions asked what middle and high school participants "plan to do" as a result of attending the financial reality simulation program. Overall, 50% of the respondents planned to make changes in their financial practices on all but one of the expected outcomes. For example, adjust spending to make ends meet (59%), use a budget (57%) and track spending (56%).

The importance of energetic, committed staff and volunteers cannot be undervalued as noted by youth participants. Trained adults who make youth financial education events possible provide opportunities for learning, connections to careers, and serve as role models and mentors. The 2008 Report Evaluating the Use of Simulations for Youth Financial Education is available at: <http://www.uwex.edu/ces/pdande/evaluation/pdf/YFEreport2008.pdf>