

Making Financial Education Inclusive for All Students

***Conversations
with Master
Educators***



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The Need

I, Pam Whalley, had been offering personal finance professional development programs for several years using an award-winning k-12 curriculum. The curriculum had been field-tested and was found to be very successful in fostering learning in all income groups. After one such training, a teacher told me that the materials weren't relevant to her low-income classroom. I was both puzzled and concerned. No one else had ever shared this concern. How could this be? Then while teaching a class of pre-service teachers about decision-making, I had my epiphany. We were looking at a lesson designed for elementary students that was built around choosing which toys to include on a gift wish list. One of my students became quite emotional about the lesson, sharing that she had hated these types of lessons as a child because no one in her family ever received presents—her parents couldn't afford them. Every time these types of lessons appeared, her student felt compelled to lie about her personal experiences because she didn't want anyone to know that she was different. That was my “aha” moment. She would do well on the test but would be alienated by the material because it did not reflect the reality of her life.

The “aha” moment for an elementary teacher occurred when she had a guest speaker leading a discussion in her classroom. She noted that the children talking about the things they buy and the things they have were her children of poverty. She knew that they were not telling the truth. “They were talking about buying a Wii and all these fancy games and their beautiful homes, and I knew that some of them were living in shelters. I remember leaving that day so beside myself and upset to think that these kids have to build this imaginary life to impress their friends because they're feeling so insecure. They just wanted to be equal to everyone else.”

For a high school teacher, it was observing students disengaging during a lesson on budgeting. When asked why, a student responded he was never going to have enough money to budget, much less save. A lesson on spending generated the “aha” moment for another teacher. Students were asked to share how they spent their money and a student responded he had no money. The educator knew the student had an after-school job, so she was confounded by his reply. Further questioning revealed the student gave his parents his paycheck to help pay the family's bills.

For another teacher, the “aha” moment happened during college. His parents grew up in poverty, and when their economic situation improved, his mom became focused on spending. He earned a scholarship to a very prestigious school where he observed that the wealthy kids didn't own the most expensive phones and other technology. The rich kids weren't interested in consumption, but in wealth building. He brings this lesson to his classroom seeking to move his students from a consumption focus to a wealth-building mindset.

What do these comments have in common? In all cases, students responded negatively to lessons that failed to reflect their real-life experiences. Many students felt they had to construct an alternative narrative of their lives to fit in and in some cases overspending to preserve this illusion. The lessons that generated these responses illustrated the bias inherent in the vast majority of financial education curriculums—what I call **income bias**.

Financial education materials, like most public school curriculums, are written by and for the largest market segment—the middle class. In my case, I was not only insensitive to the bias in the lesson, but I was also blind to how my personal experiences led me to believe that my middle-class financial background was shared by my students. As an educator, I was careful not to assume this about my religious and racial background, but I wasn't aware of how often I did this in financial areas. These “aha” moments made me aware of the problem. It turns out that once you see the bias, you begin to see it across curriculums and in your classroom.

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Identifying and adjusting for these differences can be the difference between a lesson that resonates with all students and one that leaves a quarter of your class unchanged in any meaningful way.

Studies evaluating the effectiveness of financial education programs repeatedly conclude that there is a need for materials that are relevant for children from low-income households. But in real-world classrooms, students come from a wide range of financial circumstances. Schools don't place their low-income students in one classroom, their middle income in another, their high income in a third. This means that we need to first become aware of the bias in existing materials and then find ways to make our existing financial education classes more inclusive to children from all income levels. It isn't enough to take a curriculum and "fix" it. You can't design a curriculum for that mythical class of homogeneous low-income students. The more I considered the challenges of addressing this issue, the more I knew that I needed help in discovering ways to address it. I knew that whatever solution that was found had to be useful both to teachers entering the classroom for the first time and to those of us with significant experience under our belts. Then it hit me—I knew where some of the answers to this problem were—in the hands of teachers who successfully meet this challenge on a daily basis. I reached out for help to teachers who have been active in our financial education network and asked for volunteers to help write a "How-To" guide filled with practical insights on how to make our classrooms inclusive for low-income students. I made this request at a time of tremendous upheaval in our schools as the pandemic pushed us all into the new world of online teaching. Despite the resulting demands on their time, a core group of teachers stepped up to meet on a weekly basis to discuss the methods they used to create economic inclusion.

Why would time-strapped teachers spend precious hours every week to address this need? Because financial educators are passionate about their students' need for financial education. Financial education is not required in our state and even in states where it is required, it is rarely required kindergarten through high school. This means that teachers frequently integrate the materials into a wide variety of subject areas, ranging from standalone high school personal finance classes to art (this teacher's motto—no more starving artists). They teach personal finance because they know their students need this material to have a degree of control over their lives.

This work is designed to help educators make their financial education classes more inclusive by recognizing the differences in perspective and experience of students from low-income households. Identifying and adjusting for these differences can be the difference between a lesson that resonates with all students and one that leaves a quarter of your class unchanged in any meaningful way. It is not a magic bullet; it doesn't provide you with a checklist of steps to follow that will fix your lessons. Instead, it provides you with insights into the methods of a talented group of educators who effectively bridge these gaps in their classrooms. For pre-service and novice teachers, we hope this book will give you permission to learn and use new methods to open your classroom, not only to low-income children but to all children, expanding their world to include multiple perspectives. Our goal is to share with you where we have found problems in our standard curriculums, and how we work to fix them. This is just the beginning of this conversation. We hope that you will share your techniques with us at wacefe.org.

The Importance of Making Financial Education More Inclusive for All Students

Financial education materials implicitly assume that all children share a common middle or upper-middle-class background. That children have gone with mom or dad to the credit union or seen them bank online. Their family is banked. Their family has credit cards. They might not handle them well, but they have access to them. But this isn't true for many children.

The online learning environment brought about by the COVID-19 pandemic has graphically highlighted the challenges and inequities facing our students, whether it be students who are embarrassed by where or how they live refusing to turn on their video cameras, or by issues highlighting unequal access to the Internet or computers. The challenge for teachers has been to balance empathy and awareness of the constraints facing students with high expectations for all students, regardless of economic background. To do so requires us to recognize the types of challenges faced by students from low-income backgrounds.

Many of the challenges arise from a lack of access, whether it be to preschool experiences, financial education materials, or financial services. Lessons, stories, and examples used to teach personal finance reflect the 2020s version of the 1950s nuclear family—a two-income household. The family lives in what is becoming a cashless world, paying for groceries with a debit or credit card, depositing checks using banking apps, buying a home, and having two children and a dog. Rarely do the stories or examples reflect the reality of single-parent households, LGBTQ parents, or grandparents raising grandchildren. If our experiences and our curriculums don't reflect the world of our students, how do we ignite student interest? This is the question we hope to address in this booklet.

This guidebook is designed around the basic elements of any standards-based personal finance curriculum. You may wish to access it segment by segment. Each segment is roughly designed to flow from advice for elementary educators to middle and high school topics. However, there are three basic building blocks that are common to all of the recommendations.

Building Block One: The Importance of Building Relationships with Our Students

To effectively teach most students, we must build relationships with them. This is especially true for our low-income students. In some instances, this is accomplished by teachers being transparent about their own financial choices or challenges. Most of us have faced financial challenges and/or made financial mistakes. If you are comfortable sharing your mistakes, this can make you more accessible. My students know that my first checking account was such a disaster that I closed it and began checking life anew at a different credit union. We talk about why I got into such a mess and, more importantly, how I could have avoided the problems. Students' knowledge of our past experiences gives them permission to share their experiences. Many teachers of personal finance have overcome tremendous financial challenges and entered the field explicitly to prevent students from making the same financial missteps they did.

In the words of one teacher, by sharing her story, she can tell them that "I'm right there with you. I was a dropout. I had to figure it out later. I'm going to keep you guys in school and we're going to make sure that you don't make the same mistakes that I did...if you get caught in a

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situation where you need help or advice, come to me.” Do you need to be this courageous? No, but we can all share points in our lives where we made or are making financial choices. Every teacher involved with this project placed building relationships with their students as the key to successfully reaching low-income students.

Building Block Two: Teach the Language of Personal Finance

Like all areas of specialization, personal finance has a language. Recall your first discussion of a computer problem with your IT person. She probably asked you if you tried rebooting your computer and then rattled off a list of incomprehensible questions. If you are like most of us, somewhere in the discussion you shut down and stopped processing information. Why? Because it was like she was speaking Greek—you have no idea what she was talking about.

If you don’t know the language, personal finance can seem like it is filled with secrets, tricks that everyone else knows that you do not. Some of this is the result of a lack of exposure to the such language. Exposure is important in making students comfortable with the topic. Even hearing the vocabulary gives children an advantage in learning. They might not know what the word means, but it isn’t foreign to them. Just like you learned over time that reboot means to turn the computer off and then back on, students will begin to pick up the vocabulary. Even if they don’t learn the language well this time, the next time they hear it, it will no longer be novel, so it will be less frightening. Financial language is perhaps more frightening than most subject-specific vocabularies because there are whole cable channels devoted to it, so it seems that everyone else already knows it. Students from all income levels may not be receiving this information, but students from middle- and upper-income levels will see and hear it modeled more often at home.

Building Block Three: Build the Expectation of Success

Building the expectation that your students will exhibit positive financial behavior and be financially successful as they define it is part of the power of building relationships. A recent study found that seventy percent of Americans define themselves as middle class which is mathematically impossible if we define the middle class in economic terms. In anthropological terms, the middle class is composed of two parts: households having a common set of aspirations like the desire for economic stability now and during retirement; homeownership; a better life for their children; and the capacity to achieve these goals. As one of our team noted, it is important that we do not downplay these expectations for students from low-income households. We need to build them up and show our students a pathway to achieving their goals. The middle class is not income but financial security.

Beware the Bias in Popular and Inaccurate Interpretation of the Marshmallow Test

In the 1960s, a Stanford professor created a study to measure the ability of young children to delay gratification. The children were given a marshmallow and told they could eat it now, or, if they could wait a few minutes, they would be given a second marshmallow. The study then tracked the children for a long period of time, generating abundant data in the process. When the data was analyzed, researchers concluded that children experiencing poverty, who as a group were less likely to wait for the second marshmallow, were impulsive and had difficulty delaying gratification. Researchers concluded these traits were why low-income children were less likely to save later in life. Teachers were advised to focus on teaching them to be less impulsive and to learn to wait. The problem? The conclusion was not accurate. People are not poor because they cannot wait, they don’t wait because they are poor. When confronted with the one now or two later choices, children from low-income households thought it likely that both marshmallows would disappear if they waited, so they rationally chose the option most likely to result in a reward. In a world of food insecurity, you eat now, not later. That is not impulsive, that is rational.

Decision Making

Consider how many times you have heard people say that someone is poor because they waste their money on expensive shoes, cell phones, custom accessories for cars. Another way of saying this is that they are poor because they make bad decisions. If only they didn't waste their money, the reasoning goes, they would be able to afford a higher standard of living. The solution seems so straightforward—just teach them how to make good decisions. After all, the decision-making process is not complicated—state the problem, list the alternatives, determine the criteria, evaluate how well each alternative meets the criteria, and then decide. The process can be simplified for younger students by decreasing the number of alternatives and focusing on weighing the pros and cons. **But the simplicity of these processes is deceiving.**

Consider deciding whether to save or spend money. The advantages and disadvantages associated with saving and spending vary by income level. From a middle-class child's perspective, the advantages to saving include that when you put it in the bank you can earn interest, you can add money to the account over time, you can save to buy something more expensive later, it's safe, and the adults in your world will probably be pleased. The disadvantage? You must wait. You postpone the enjoyment that you could have received from buying now until some point in the future. Now consider this decision from the perspective of a child from a low-income household. Because you may not have access to a savings account (we will discuss the reasons for this in a later section), money set aside for future use may not be safe—you could lose it. This makes saving riskier. Living in a household that is unbanked or underbanked¹ means that when the household needs funds to pay an unexpected bill, they cannot easily borrow from a financial institution. Where do they go for money? To family and friends. A child's decision to save money means that those funds are not available to help a community or family member when they need it. This may be especially true in households where the cultural imperative is to help the family first. As educators, we should recognize the validity of this perspective. Saving, in this instance, is perceived as selfish. While the decision-making process is the same, the criteria are very different, not worse, just different.

One way to make teaching decision-making more inclusive is to focus on the process using stories where the character's² options and criteria are very well laid out. Students can apply the steps to the character's choices and discover the range of criteria that people think is important. They then can move on to more real-world decisions such as what to do at recess or during study hall. As their skills increase, replicating the Consumer Reports' approach³ to evaluating products provides students the opportunity to choose criteria and evaluate products from an analytical perspective. As you challenge them to apply the process in their own lives, it is important to be aware of and respect the diversity of their criteria.

Living in a household that is unbanked or underbanked means that when they need funds to pay an unexpected bill, they cannot easily borrow from a financial institution. Where do they go for money?

Budgeting

There is nothing inherently wrong with using the typical lesson as long as we recognize the nuclear family bias and at a minimum, note that these families are in the minority.

“Hurray, we get to study budgeting,” said no student ever. The term conjures visions of deprivation and sacrifice—I can’t buy what I want because my budget won’t allow me. But that isn’t what budgeting is about. Budgeting is about looking at our spending to determine if our money is going where we want it to. It is a tool that gives us control over our financial life.

One inclusive method of teaching budgeting is to explore the earning and spending patterns of hypothetical families. This is a non-threatening approach for students (and adults) who are reluctant to share their personal or family financial information or who have no regular income sources. It is also a good way to practice reviewing spending and differentiating between wants and needs. Students aren’t shy about identifying the “bad” decisions made by someone else. The hypothetical families in these lessons are frequently attempting to achieve some financial goal like saving for a house or car or saving for college. Students are charged with reviewing the family’s spending and recommending ways that the families could change their spending to meet their goals. One educator recommends personalizing this by using, as an example, someone the student knows—like someone who works at the school (who has, of course, volunteered for this process) and who wants to save for a big-ticket item. The point is to see if they can recommend a way for others to achieve their goals. To make this more personal, you could look at a hypothetical student who wants to save for a school event such as an expensive field trip.

Unfortunately, there are relatively few lessons built around the diverse families of the real world—LGBTQ families, single-parent households, or foster families. Lessons based on households with variable income flows, like people paid for piece work, on commission, or in tips are also scarce. The Consumer Financial Protection Bureau has a lesson, “Tracking Income and Benefits” (https://files.consumerfinance.gov/f/documents/cfpb_your-money-your-goals_financial-empowerment_toolkit.pdf [module 3]) that meets some of these needs. There is nothing inherently wrong with using the typical lesson as long as we recognize the nuclear family bias and at a minimum, note that these families are in the minority.

Reality fairs presented by credit unions are a means of reinforcing classroom lessons with participation in a simulation. Students are assigned roles that include information about earnings, family, and financial obligations. The family situations assigned reflect a broad crosscut of society. They are then challenged to use their assigned income to buy the things that they want and need from volunteers manning tables that sell housing, transportation, pets, etc. Even before the debriefing, volunteers hear students saying things like “kids are too expensive,” “I need a better job when I get out of school otherwise I’m going to have to live at home,” and my own personal favorite “I wonder how long I can keep living with mom and dad.”

Professional athletes provide another avenue to discuss budgeting in a nonthreatening way. Many professional athletes came from hard places and went from playing in college for room and board to earning millions in the pros. In many ways, this is like winning the lottery—an event that frequently does not end well. The sudden influx of money seems unlimited, and many spend freely without a plan or even a proper record. They fall prey to investment scams recommended by friends and relatives. They place their funds in the hands of a money manager with little oversight. They move from a student world that requires identifying and prioritizing needs over wants to a situation where wants and needs seem to be identical. It’s not surprising that “78% of NFL players who are retired for only two years file for bankruptcy, and after five years of retirement, 60% of NBA players suffer the same fate.” Classroom discussions about how and why this happens can be powerful motivators to study budgeting. Assigning students to play the role of money managers for a newly drafted athlete requires them to impose their own definitions of wants and needs to the budgeting process. This method can be applied to anyone who lives paycheck to paycheck, like the couple whose income and earnings are shown in the table on the next page.

HOW TO MAKE \$500,000 A YEAR AND STILL FEEL AVERAGE

GROSS SALARY	\$500,000
401K Contribution Wife	\$18,000
401K Contribution Husband	\$18,000
Salary after 401K Contribution	\$464,000
40% Effective Tax Rate	\$185,600
NET SALARY	\$278,400
EXPENSES	
Childcare (two children)	\$42,000
Food for Four (includes date nights every two weeks)	\$23,000
Mortgage (P&I)	\$60,000
Home Maintenance	\$5,000
Property Taxes (\$1,500,000 home)	\$20,000
Property Insurance	\$2,500
Three Vacations a Year	\$18,000
Car Payments (BMW 5 Series, Toyota Land Cruiser)	\$9,600
Gas	\$5,000
Car Insurance	\$2,000
Life Insurance (\$3 million term)	\$2,500
Clothes for Four People (no fancy bags, shoes, or threads)	\$9,500
Children's Lessons (sports, piano, violin, academics)	\$12,000
Charity (Feed the Children, college alumni)	\$18,000
Undergrad and Graduate Student Loan Debt (10-20 years)	\$32,000
Miscellaneous (something always comes up)	\$10,000
TOTAL COSTS	\$271,000
WHAT'S LEFT	\$7,300

Source: FinancialSamurai.com <https://www.financialsamurai.com/scraping-by-on-500000-a-year-high-income-earners-struggling/>.

To make the process more personal, some educators recommend the money diary approach. For most students and adults, this is the first step in gaining control of their finances. We ask students (6th to 12th grade) to write down everything they buy and all the money they receive over the course of a month. At the end of a month, they look at their spending and divide it into categories such as school supplies, food, entertainment, and clothing. Next, they total their spending in each category. With the arithmetic done, they ask themselves *is this how they want to spend their money?* If not, how can they change their spending to be more aligned with their financial goals?

One avenue for initiating the spending/ budgeting conversation is to focus on the family's spending on food. One teacher noted, "Food is the only subject they will talk about it because it's a way of talking about money indirectly."

This assignment is NOT designed to share with other students because of the personal nature of the data. Some students don't have any income flows. Others, even those with jobs, have no spending record because they hand their paychecks over to their family and have no say in spending decisions. For those students, you can share the results of your own spending diary (I do one every couple of years and share them with my students). The first year my spending on books was much higher than I thought. My students noticed right away and advised spending less. Of equal importance, they brainstormed ways for me to meet my desire for reading materials while spending less money—an area in which low-income children shine. In case you are wondering, their advice included shopping at used bookstores, selling my books, and using the library more. Alternatively, students can create spending diaries based on characters in books. *When Alexander Used to Be Rich Last Sunday* provides an accessible example for elementary students.

Numerous online apps exist to help people track their expenses (think of them as online spending diaries), and then compare their actual spending on each spending category to their desired level of spending. The apps can alert you if you are spending more on a category than your planned level. How do households that are cash only implement their budgets? The simplest way is to use the envelope method. Just like with the app method, the household tracks its spending and assigns each spending item to a category such as groceries, gas, health care, dining out, savings and others, being careful to keep the number of categories relatively small. Then they write the name of each category and their desired level of spending on that category on the outside of an envelope. When they receive income, they cash the checks (usually in \$5, \$10, or \$20 bills) and divide the cash into the corresponding envelopes. As purchases are made, the funds are taken from the appropriate envelope. After a few months, people begin to know where they are financially by the thickness of the envelope. If entertainment money is spent too quickly, the envelope will be empty before the next income is received. At that point, they know to stop spending on that category or borrow it from another category which can lead to a cascading series of choices. I recommend adding an envelope for fees (costs of check cashing, money orders, Western Union funds transfers) to highlight the expenses they generate. This process is not one where spending rules are imposed by others, it is one where people can impose the rules on themselves.

Budgeting is a tool that students frequently want to share with their families. But this discussion can be fraught with emotion. We know that more parents talk to their children about sex than about money, so how can students start the conversation? One avenue for initiating the spending/ budgeting conversation is to focus on the family's spending on food. One teacher noted, "Food is the only subject students will talk about with their family because it's a way of talking about money indirectly. As opposed to asking mom and dad why they did not pay the car insurance or why they are late on the credit card bill—it's safer to ask them how much does a potato cost or how much does butter cost?" In this teaching scenario, students research low-cost recipes (this would be great to do in a family and consumer science class) and share their recipes. They can then demonstrate to their household how they learned that if you cook at home, \$50 can cover five meals whereas \$50 at restaurants will pay for a lot less—it's a non-threatening subject.

This is an area that many educators utilize to emphasize the differences between needs and wants. This begins in kindergarten and continues through high school. When examining the budget of a hypothetical family, middle and high school students don't hesitate to classify spending in these categories, but the difference between a want and a need at a personal level can be less apparent. In some cultures, consumption is an important proxy for wealth, even if wealth is an illusion.⁴ This may be especially true if you come from poverty.

Spending Methods: Banking and Alternative Banking Instruments

According to a 2018 survey by the Federal Reserve Bank of San Francisco, 22% of people use cash as their primary means of payment, behind debit and credit cards. The use of cash varies by age with those from 18-25 and over the age of 45 using it the most. As bank and credit union branches continue to close across the country, banking deserts (areas with no branches) are growing. The focus now seems to be on measurements by census tracts. Using this measurement, 4% of people live in a banking desert, and an additional 4% will be in a desert if a branch closes. In fact, 59% of zip codes currently have no bank branches making banking more inconvenient and expensive in terms of time. Additionally, research indicates that branch accessibility in lower income communities correlates with more mortgage applications and lower borrowing costs. People who rely on cash for spending incur much higher transactions costs including paying fees to cash checks, purchasing money orders, paying bills online through third parties, and taking out loans. The average unbanked family with an annual income of around \$25,000 will spend about \$2,400 per year, almost 10% of its income, on financial transactions, more than they spend on food. This topic may be the most important in personal finance—becoming banked (opening an account at a bank or credit union) provides people with access to financial services—no cost check cashing, lower-cost debit cards, and credit cards. With the credit history that results from using these products, auto loans and mortgages are more affordable and accessible. For those needing short-term, small (typically less than \$1,000) loans, credit unions are even beginning to offer payday loan-type products at lower costs.

Unbanked or underbanked people live in the world of alternative banking instruments. For them, it is both difficult and costly to cash paychecks, pay bills, or shop online. Prepaid debit cards can meet some of these needs. They don't require a bank account (which can be problematic for people whose credit history is poor, who lack a social security number, or who simply do not trust banks). Funds are loaded on the card and you can spend up to the amount loaded, but many of these cards charge significant fees.

Teachers can have a huge impact in this area simply by introducing students to the basics of banking. First, banks and credit unions take deposits and make loans. The deposits are safe not only from theft but also from bank failure.⁵ The existence of deposit insurance is especially important to recent immigrants who come from countries where deposit insurance doesn't exist. There can be confusion about what deposit insurance covers so you should explain that it does not protect you from accidentally overdrawing your account, it protects your money if the bank fails. If you have \$100 in the bank and the bank goes out of business, your \$100 is still there. The insurance company will make your funds available as soon as it can, frequently overnight. As a customer, you may not even know anything has happened until you see a new name on your bank. Second, credit unions and banks offer a variety of accounts that can be broken into two categories, checking and savings. Just as students shop for shoes, they should

Becoming banked (opening an account at a bank or credit union) provides people with access to financial services—no cost check cashing, lower cost debit cards, and credit cards. With the credit history that results from using these products, auto loans and mortgages are more affordable and accessible.

Every time you have an opportunity to bring in local representatives of banks and credit unions, even if only for career day presentation, begins the process of making connections with the students.

shop for checking accounts. They can use the decision-making model to choose the best account for them. When you have an account, you are eligible for services, including notary services, money transfers, protection from people fraudulently forging checks, and debit cards.

Standard financial education curriculums do a good job of describing bank/credit union accounts and the pros and cons of opening such accounts. What they don't provide is the personal connection that can break down the suspicion and animosity between low-income communities and the banking sector. This is especially true for students of color. To them, banks can be viewed as the big enemy. "The banks created redlining. Students and their parents know that cops can shoot you with a bullet, but banks can kill your community." Armed with this knowledge, teachers can acknowledge this experience with lessons about redlining, unequal appraisals, and other forms of discrimination. Instruction on these topics is too often ignored in history classes. These practices are not something that happened long ago but persist today. They negatively impact the willingness of populations to open bank accounts, and bank accounts are people's first steps into the financial sector.

How can educators help break down the barriers between people and banks/credit unions? Given the suspicion of banks exhibited by members of various cultural communities, it is incumbent on us to become aware of cultural attitudes within our school communities. The suggested tours and guest speakers are ways to build trust. Our team advises making the relationship more personal by taking students on tours of local credit unions or inviting guest speakers from the bank or credit union, especially if the speaker is representative of the local community. Hosting a financial education night where community members can interact with bank representatives through games and question and answer sessions provides people the opportunity to ask questions in a non-threatening atmosphere. Putting a human face on these firms begins the conversation. As all educators know, the 25-mile rule holds in our classrooms. You can teach the most inspired lesson on bank services and your students will ignore you. A guest speaker, because they are from outside the school, can say exactly the same thing and be viewed as an expert. Every time you have an opportunity to bring in local representatives of banks and credit unions, even if only for career day presentation,⁶ begins the process of making connections with the students. Students can ask them the nuts-and-bolts questions about opening an account that they might be too embarrassed to ask in a more formal setting such as:

QUESTION: What types of identification is needed to open an account?

ANSWER: *This varies from financial institution to financial institution*

QUESTION: Do they need an adult to sign on to the account?

ANSWER: *Yes, if they are less than 18 years old).*

QUESTION: Do either or both of the applicants (adult and minor) have to have a social security number?

ANSWER: *No, though policies vary. Credit unions are more apt to accept applicants without a social security number.*

QUESTION: Can you be denied an account?

ANSWER: *Yes. If you are, you can ask how to change that.*

QUESTION: How old do you have to be to have a checking account?

ANSWER: *Thirteen with adult supervision.*

There used to be an old advertisement for a company that sold diamonds. The tag line was "Now you have a friend in the diamond business." Using guest speakers from credit unions and banks will make your students feel like they have a "friend in the financial services industry."

Credit

In financial education, it is easy to assume that when people make what appear to be poor financial decisions it is because they do not know any better. For example, if people use payday loans it must be because they do not know that they know they could pay less at a credit union, or they do not know how to get a loan from a bank. Viewed from this perspective, once again, the solution is easy—just go and apply for a loan. But not everyone has access to bank loans, lines of credit, credit cards, and mortgages. One in five Americans are unbanked or underbanked (someone is underbanked if they have used or are using alternative credit instruments like payday loans or pawn shops) and this portion of our population has typically little to no access to standard loan instruments.

Teaching Credit in Elementary Classrooms

Many people ask why you would waste precious class time on teaching credit to elementary students. They believe that elementary students are just too young to understand it. But this ignores the reality that even pre-kindergarteners create and participate in “credit markets” all the time. They lend and borrow toys with their siblings and friends. They borrow pencils and crayons from their teachers. They borrow books from the library. It is by examining these purest forms of credit markets that we can most easily observe the basis for credit—that credit depends on trust. For someone to be willing to lend you something, they must trust that you will return it in good working order. Trust runs both ways—the borrower must trust that the lender will be fair when they lend them something, that the lender won’t lend out an item that’s ready to break or doesn’t work.

Elementary teachers can help students become more trustworthy by recognizing and praising trustworthy behavior such as returning borrowed pencils or library books. Teachers can lead brainstorming sessions on ways to improve students’ ability to remember to return things, like putting their library book in their backpack when they finish reading it or leaving themselves notes. Being trustworthy and responsible is an important life skill that empowers students in all areas of their lives.

Understanding Credit in All Communities

There are those who object to teaching middle and high school students from low-income families about credit on the grounds that it is not relevant to their current or future lives. People believe that when these children grow up, no one is going to lend them money. But this perspective is inaccurate in several ways:

- ▶ It implicitly assumes that to be poor is to be untrustworthy.
- ▶ It assumes the student’s financial future is already foreordained—because they are poor now, they will always be poor.
- ▶ It only recognizes formal credit markets like loans from financial firms. Many local groups and families have created their own credit markets to compensate for a lack of access to formal loan instruments. In these community/family groups (both large and small), if you have money left over after paying your bills and someone needs funds, you lend it to them. This means if at some later date if you need money, someone will lend to you. There are many advantages to this type of informal market. You do not need a financial history, a checking or savings account, or a regular paycheck (this is particularly important to people who depend on tip income, piece work or are self-employed), and you do not need to depend on an impersonal bank who will only evaluate you based on your assets and credit history. There are problems with these less formal arrangements. You do not have a credit history, you do not accumulate savings because you lend out your excess funds, and you may not be paid back.

Lack of a credit history or having a poor credit history can result in higher costs for insurance, making it difficult to rent an apartment or turn on utilities. It can even hinder promotion at work, especially in the military.

- Lack of a credit history or having a poor credit history can result in higher costs for insurance, making it difficult to rent an apartment or turn on utilities. It can even hinder promotion at work, especially in the military. From recruitment to security clearances, to promotions, military services view financial wellbeing as reflected by a good credit history as a proxy for the individual's trustworthiness, reliability, and level of responsibility.

Accessibility to Credit Markets

Formal loan markets may be avoided by low-income communities. Redlining policies have excluded many people of color from the housing market. Because homes are the primary source of wealth for most households, excluding people of color from the real-estate market has lowered their level of wealth vis-à-vis white households. The experiences arising from the real estate bubble in the early 2000s further exacerbated this mistrust. Unscrupulous mortgage brokers gave out high-risk, high-cost mortgages to people who didn't qualify for conventional mortgages and frequently to those that did. When the bubble burst, these households lost everything. Many borrowers trusted the mortgage brokers and didn't believe that a "banker" would sell them something they couldn't afford. Thus, not only do low-income children suffer from a lack of access to mainstream financial services they also exhibit a lack of trust in these firms.

An easily accessible source of funds is payday loans. Payday loans are simple—it's like going to the neighborhood convenience store. You take your pay stub, fill out a form, and you walk out with money. The lender is not required to determine your ability to repay the loan or afford the loan. The cost is simple—\$5 or some other fixed dollar value. While the lender is required to provide APR information (annual percentage rate), the dollar price is more user-friendly. Many of these firms have hired members of the local communities to work in and manage these stores. People feel like the employee has their back and can be trusted. Employees build personal relationships with their customers, reinforcing the perceived level of trust. These loans are especially popular to members of the military.⁷

Loans that Pique our Students' Interest

While it is important that we understand payday loans and discuss them with our middle and high school students, ultimately they don't find them very relevant to their lives. How do we generate student interest in credit? Through that bridge to adulthood—cars. Most teens dream of owning a car, but fewer consider how to pay for it. A cash-only purchase requires students to save for the vehicle and, given the high cost of cars and trucks, will be relatively rare. This means that they will need to decide how to finance it. You can drive down "auto row" in most communities and see the enticing signs—"No Credit Check Loans," "No Credit, No Problem." These ads lure young people in with the promise of obtaining easy credit. You can turn in the dealer's lot and drive off today with a car. As is true so often in life, the devil is in the details. With the price of "easy credit" set at rates of 29% plus, there is nothing easy about paying for that vehicle once it is yours.

Students are excited by the prospect of owning a car, they are interested in learning the process, and they do not want to be taken advantage of. This is your hook to teach credit. It is, after all, just another component of consumer decision-making except the cost requires some explanation. Several teachers recommended that you require students to show their consumer decision making skills by having them shop for car loans (both online and in-person) and then share back to the class. Teachers report that this is an "aha" moment for students. They discover what they need to know to apply for loans and how eligibility depends on credit scores.

How do we generate student interest in credit? Through that bridge to adulthood—cars. Most teens dream of owning a car, but fewer consider how to pay for it.

They will be surprised by the variation in quoted rates. These rates can easily be used to calculate the total cost of car loans at different interest rates. Invariably, a student will go home and tell a parent that they shouldn't take out the easy credit loan. Whether you should or shouldn't do something is rarely as cut and dried as in-class examples make them out to be. One parent responded to this assignment by noting that the assignment makes the financing cost be the primary criteria but if you need a car to get to work tomorrow, you may not have the time or energy to search out less expensive options. Building a discussion of possible criteria into the lesson plan provides a helpful reminder that dollars aren't the only criteria that is important.

These types of lessons assume that the teen will be buying a car. However, they typically only look at part of the costs—they don't include insurance, gas, maintenance, and parking. As a result, they provide a great springboard into lessons on these topics. After looking at all of the costs, we should then turn our focus to whether or not they need a car. While this decision is unique to each student, teachers can guide students through the process using a lesson for urban youths from FHI 360.⁸

Credit Cards

Another credit topic of great interest to students is credit cards. Like all types of credit, they can be your best friend or your worst enemy.⁹ When discussing the use of credit in general, lessons need to emphasize using credit as a tool. There are a number of advantages to using credit cards including increased safety for online purchases and being able to spread out payments over a long period of time in emergency situations. While the interest cost is high, it is less than the cost of a payday loan so credit card financing may be the low-cost option for short-term, low-dollar borrowing. That said, credit cards available to young people typically come with high-interest rates and fees and low credit amounts (the amount that you can borrow). Just search the "worst credit cards" on Google to see the terms on some of these cards. Like with car loans, students need to learn to shop for credit cards.

Students need to know their credit history, especially if they don't think that they have one!

Shopping for most types of credit requires a credit history or credit score. All students, middle school and up, should check their credit report at www.annualcreditreport.com. This is a truly free resource that will not result in being contacted by lending agencies or other financial firms marketing products. Young people are frequent victims of identity theft, and, unfortunately, the thieves are often people they know. Parents can request that the credit agencies freeze their children's credit reports which will prevent people from taking out credit in their names.¹⁰

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Earning an Income

By some estimates, 85% of the jobs that will exist in 2030 hadn't been invented in 2016. While this figure may be too high, it reflects that the needs of employers will change in ways that we can't predict over the working lives of our students. How do we prepare students to participate in an economy that we can't predict? The consensus among our group is that we need to prepare students to be lifelong learners, to be nimble and versatile in the face of change, and to ensure that our students have the skills that are called for in virtually all jobs.

Unfortunately, the emphasis historically has been on a single post high school goal—college. We are slowly moving to a definition of post high school education where apprenticeships, certificates, and technical school training are included under the heading of college.

Job Preparation in Elementary School?

We begin introducing children to the broad range of jobs that exist in elementary school. This is especially important for children from low-income households where they may observe a diverse range of jobs. For children of color, especially female children of color, the impact of a lack of role models is particularly problematic. As noted by Gen. Jacqueline Van Ovost, the nation's highest-ranking woman in uniform, "It's hard to be what you can't see." Historically educators have sought to introduce students to a variety of jobs by inviting children's parents to speak about their jobs. This is problematic for many low-income children because their parents may be less able to take time away from work. The children may not want to draw attention to their parents' jobs, or their parents may not speak English. Even assigning students to interview their parents about their jobs as homework can be problematic. I vividly recall the answer sheet of one student who interviewed his mother about his father's job (he didn't interview his mother because, and I quote, "Mom doesn't do anything.") What did the father do for a living? He was "a workaholic." You can imagine the conversations at the open house where the interviews were posted. (In the child's defense, I knew the father and he was a workaholic.) The amusing answers are, of course, the least of your problems with this assignment. Some parents may object to answering the child's questions because they think that the information will be shared with the government, especially if the parents are immigrants from countries with authoritarian regimes. Objections may also arise if their parents are undocumented, or if they work in the underground economy.

To eliminate these problems, we recommend that teachers reach out to local businesses and governments for guest speakers who reflect the student population when possible. Tours of area businesses offer the opportunity to see jobs in action. At younger ages, the trades are far more interesting than white-collar jobs. As students age, job shadows allow them to experience a number of different employment settings. Junior Achievement has a long-established job shadow program. When debriefing these visits, educators focus on the skills required for each position (a firefighter has to be able to climb tall ladders). It is also important for the teacher to repeatedly point out the skills common to all fields—reading, math, technology, and working in groups.

Middle and High School Focus

Middle and high school educators in Washington focus on the high school and beyond plans. The idea behind these plans is that students will identify their skills, subjects of interest, and academic areas that need improvement to help them design a course of study that prepares them to reach their ultimate career goals. Unfortunately, the emphasis historically has been on a single post-high school goal—college. We are slowly moving to a definition of post-high school education where apprenticeships, certificates, and technical school training are included under the heading of college. Some of the "post-high school training" like technical programs and certificates are available in the high school or in a dual degree format, where students can simultaneously graduate with a high school degree and a certificate or two-year associate's degree from a community college. These programs lower the cost of post-high school training making such training attainable to low-income students and should be discussed as a part of all students' high school and beyond plans.

Paying for post-high school education is an increasing challenge. Summer jobs will no longer cover the cost. Laddering degrees is one pathway. A student whose ultimate career goal is becoming an RN, could enroll in a paramedic program, obtain their certificate, work as a paramedic, and then take an LPN training, moving along the ladder to an RN. Alternatively, students could begin jobs at companies that underwrite the cost of tuition like McDonald's or Starbucks. Completing your first two years at a local community college while living at home is another approach. Scholarships and grants can seem out of reach to many students, not just first generation or children from economically challenged households. But here is where students with strong soft skills can stand out in their essays.

Challenges to Completing the High School and Beyond Plan

One challenge for students attempting to complete the high school and beyond template provided by the Office of Superintendent of Public Instruction lies in interpreting the questions. The first section instructs students to write a personal profile describing their skills and abilities. Many low-income students need help in identifying their skills. For example, when I attempted to lead a brainstorming session on identifying skills in a group of low-income, first-generation middle school students, I was met with silence. Finally, a student responded they didn't have any skills. I was flabbergasted because, just the day before, there were two students who stepped up to help the rest of us design a website. Another student drew an amazing logo for a hypothetical company. I knew that several cared for their siblings after school, tutoring them on their homework. Every one of them was bilingual, but they did not recognize that these were skills. One member of the team noted the important role teachers play in creating self-esteem through self-awareness. He said that "our job is to praise, highlight what students can do, and praise their skills" because if you don't think that you have anything to offer, you don't believe that you have the skills to be successful.

Instructors may need to help students interpret some of the other questions in the templates. A question like: "How are the classes that you are currently taking going to help you achieve your goals?" can be broken down into a series of smaller questions. You can ask if the student if they are going to be required to talk, write, or use computers in their desired future job. If so, how are their classes preparing them to do this? What classes should they take to improve their skills?

The focus can not solely be on academic skills. Employers are concerned that young people lack soft skills. Members of our teaching brain trust employ a variety of approaches to reinforce the importance of soft skills. One educator emphasizes the importance of being on time and following directions. Recognizing that many of her students come from families who have never had full-time jobs, she makes her lessons resonate with students by playing soft skills charades. The charades teach them to identify soft skills so they can articulate which of these skills they have to future employers. Employers have told another teacher they want employees who show up to work and show up on time, so she awards points for coming to class on time. Still, another teacher emphasizes what he calls the "basic stuff—show up for work, don't argue with your boss." He motivates them by providing them with a knowledge of what money can do for them—help them achieve a desirable level of living.

Too often low-income students do not recognize that soft skills make them more marketable. Students underestimate soft skills by saying it's just showing up, but it is more than that. It shows employers that you are conscientious, and you are putting in the effort. Online learning has helped students acquire the soft skills that complement the hard skill of Zoom literacy. The extra effort necessary to find Internet access, especially in rural areas, shows a commitment to learning. All around us, adults struggled to adapt to working from home with tech help from their employers, IT personnel, and hardware purchased by their employer to make their jobs easier. Meanwhile, students from low-income households (without broadband service and with insufficient computer hardware) made it to class, did the work, and participated.

Too often low-income students do not recognize that soft skills make them more marketable. Students underestimate them by saying it's just showing up, but it is more than that. It shows that you are conscientious, you are going to show up for work, and you are putting in the effort.

As educators, we should remind them that they have skills—that it was the skills that got them the interview. We need to be their cheerleaders—to encourage them to keep trying.

They showed perseverance and problem-solving skills. One teacher noted: “The kids who have bad wi-fi connections...those kids who fight through it, should be continuously complimented by teachers. They are succeeding at multitasking and showing the perseverance necessary for success. Praise, praise. That is what we got to do.” The earned praise builds self-confidence and resiliency, both necessary job skills.

Daily entry tasks (activities in which students engage during the time they enter a class and the class formally begins) are another tool recommended to promote consistency and confidence. The entry task is based on questions posted before class and all students are required to respond. Students who do not know the answer can look up the answer. Entry questions relating to employment and income include “What type of careers interest you? Would you rather sit at a desk or move around all the time?” “Do you want to work with a bunch of people or all by yourself?” “Why do you think it is important to have perfect paperwork when you apply for a job?”

Job Search Skills for High School Students

Resume writing is a challenge for youth from low-income families because they may lack access to informed advice from family members experienced with writing these documents. Our teachers recommend providing templates and feedback at all steps in the process. Group work can be very valuable in resume writing as not only do they allow students to receive feedback from their work group, they may feel safer to ask questions without fearing that they will look uninformed.

Students from low-income households face additional challenges in interviewing. Many are worried that they won’t receive a fair shake in interviews because they do not know how to dress or that they be will be discriminated against. Mock interviews are a great tool to use. You can invite local business people to “interview” your students or have students practice interviewing each other. I arrange for a business person to conduct a model interview with a ringer who exhibits every poor interview skill that we could come up with (both the interviewer and the interviewee knew to expect this). If your students are too self-conscious and unwilling to participate in mock interviews, you can use videos to illustrate your points. Several of our group also recommend creating a clothing closet where students can find no-cost interviewing/ job clothes. Dry cleaners and laundries are often great sources of free clothing, as are community groups like Kiwanis.

Resiliency is also part of the interviewing process. Low-income children are resilient, and we need to build that resiliency into the job application process. Helping students see that they won’t always get the job, they wouldn’t always be the best fit for a job opening is just part of the interviewing process. We need to share that just because the interviewer says they will let you know doesn’t mean they will. Even when they do not get the job, they need to know to thank the prospective employer for the time that they spent interviewing them and to ask if the interviewer would tell them how they can better prepare themselves so they can get a job next time. As educators, we should remind students that they have skills—it was the skills that got them the interview. We need to be their cheerleaders—to encourage them to keep trying. It sounds so trite but knowing how to weather the storms that they are going to go through will help them persevere in the job application process.

You Have the Job, Now What?

Several educators emphasized the importance of leading all students through the onboarding process, having them complete the new job paperwork (W-4, I-9), calculate their first paycheck (gross and net), and complete end of the year forms (W-2, tax return).

For a brief description of a career unit, see Appendix—Building a Careers Unit.

Risk Management

The younger the student, the more important it is to make the topic of risk management personal. An elementary educator has students identify the risks that they take when they step out of their comfort zone, whether it be by attempting to make a new friend, lending a fragile toy, or learning something new. She emphasizes that anytime they try to succeed at any task, they are choosing to take the risk of failing. But even if they fail at the task, they have still succeeded at making progress towards their goal. One of her students wisely observed that if you want to do something, you have to take a risk. You may not succeed, so you'll need a backup plan. At this level, that backup plan is the way that they manage risk.

At the middle school level, risk management can move beyond the personal/family world into the community with illustrations pulled from their lives or the lives of others within their orbit. When a fire destroyed the apartment of a classmate, the student's family lost everything. There were discussions about how they would manage. The family had no insurance because they couldn't afford both insurance and food, so the student and his family needed a backup plan. They were able to move in with relatives and relied on the Red Cross for the replacement of some of their belongings.

A different approach to insurance at the middle school level is to discuss insurance that they may be unaware they have—state and federal insurance programs like the Survivors and Disability Insurance portions of Social Security, and Medicaid. These programs are like private insurance of the same type. This enables you to explore questions like what happens if a parent dies when you are 14? How are you protected?

Teens' response to the risk of possible personal injury varies by circumstance. Some students play the probabilities—they perceive the risk of them personally being injured or killed to be minimal, and they take chances to commensurate with this view. Here, once again, the recommended approach is to make the topic personal. One teacher leads discussions about the difference in her students' attitudes towards risk and her own. Another teacher shares her family's experience after the death of her father. She was in the fourth grade, her mother was left responsible for four children under the age of twelve, and the challenges her mother faced. She also shared her experiences as the parent of a child who participated in rodeos and how she responded to the risks inherent thereby having very good insurance.

Some students in low-income communities weigh the costs of different types of risk. Not buying auto insurance means they risk getting a \$600 ticket if they are caught. At that point, they can pay the ticket, buy car insurance, or sit in jail for a few days. If they cannot afford the ticket, they cannot afford the insurance, so they pay with their time.

Insurance

Another approach is through sports. Consider how professional sports teams approach risk. First, the players' contracts prohibit them from undertaking some activities in which they could be injured. But the insurance does not stop there. One teacher shares what happened when a Seahawks player was injured on the field. The team had a \$7.1 million dollar insurance policy on the player's legs. If you read sports contracts, athletes are not allowed to ski, they are not allowed to high dive. Someone who teaches economics does not need to throw a touchdown, so her legs are not insured. The amount and type of insurance you need depends on the kind of life you lead. You must bring these really big examples—where they say wow LeBron James has insurance on his knees because they are valuable. When you buy insurance, you need to think about how much you value yourself.

Some students play the probabilities—they perceive the risk of them personally being injured or killed as minimal, and they take chances to commensurate with this view. Here, once again, the recommended approach is to make the topic personal.

Investing

The three most common investments that students will make over the course of their lives are investments in themselves (education), in real estate (their home), and in financial products like stocks, bonds, or mutual funds.

Teaching investing is challenging. The challenge begins with the common use of the terms saving and investing as if they are interchangeable. People think that it is the length of time that differentiates the two, that savings are funds that are set aside for a shorter period. It is true that funds that are saved, like funds that are invested, are put away for future use. But funds that are invested are put aside with the goal of generating income. Money that is saved is put aside for future expenditure; it isn't meant to generate income. Money is used to buy investments like stocks in order to generate income in the form of dividends and capital gains.

The three most common investments that students will make over the course of their lives are investments in themselves (education), in real estate (their home), and in financial products like stocks, bonds, or mutual funds. Viewing education as an investment can be a huge motivating factor in encouraging students to complete high school. There is an eye-opening lesson (see Appendix: *What's it Worth to Be in Class?*) that has students calculate how much they are "earning" per hour as a result of graduating from high school. Spoiler alert: over \$51 per hour. Considering post-high school training as an investment is a powerful approach because it has students analyze both the costs and returns from different training options.

For many people, their home is the largest component of their wealth. The presence of redlining, discrimination in appraisals, and other systemic biases in mortgage lending have contributed to wealth inequality in the US. While home buying may seem distant to middle and high school students, it is important to include this in discussions of investment options to plant the seed. The escalating cost of housing in many markets has effectively blocked or postponed this option, making the third option an increasingly important part of people's portfolios (a portfolio is just a collection of financial holdings—another term that students enjoy using because it sounds so intellectual).

Teaching Money and Capital Markets

The third investments are financial instruments like stocks, bonds, and mutual funds. Entrepreneurship education and classroom economies provide teachers with natural pathways to introduce the basics of investing especially for low-income elementary and middle school students. The hands-on nature of forming a business engages students from all economic backgrounds, especially children who are immigrants or the children of immigrants. The act of founding a business involves skills similar to those required to successfully invest in stocks. Entrepreneurship education requires students of all ages to observe existing businesses, carefully examine how they function, and see what needs they meet. Students then look at the world around them and discover what needs/wants are not being met. They use this information to design a product or service that meets these needs. For students to take the next step, founding their business, they will require funding, either through loans or by selling stock in their companies.

Many educators have the budding entrepreneurs apply to financial intermediaries for loans (after a discussion with a willing bank or credit union partner). For some students, this will be their first personal interaction with a financial firm. Because it is for a group loan, many of the psychological and legal barriers to becoming banked don't exist in this activity. Alternatively, students could sell "shares" (portions) of their company to others in exchange for dividends (a portion of the firm's profits). Students can weigh the costs of obtaining money from both sources—the interest on loans or sharing a portion of the profits (if any) with shareholders. Selling shares would be more equitable within the mini-economy framework because all students earn

classroom money. A public sale would require marketing those shares to friends and family who may lack the were-with-all to purchase them. Shares could be sold at minimal prices (\$1 or less) with most of the funds needed to underwrite the purchase of supplies coming from contributions from other sources such as PTAs, Chambers of Commerce, or community firms. The Federal Reserve Bank of St. Louis has short videos explaining these options designed for elementary, middle, and high school students.¹¹

Investment Games

Another popular tool to hook low-income children of all ages is stock market simulations (see NextGen Personal Finance, The Stock Market Game, and the Council for Economic Education). One high school teacher challenges his low-income students to use their experiences as teens to discover products and thus firms to invest in. He encourages them to walk around town and report back what firms they see, like Caterpillar equipment being used to construct buildings, or people wearing Nike's. He encourages their participation by making them believe that they can see the future better than he can because they're kids, so they understand trends and fashions. He gets them interested in finding products on their streets or in their homes in which they would like to invest. Once they find some products, they look for interesting stories about the firms. The Stock Market Game has lesson plans based on companies that make things that high school students would find boring, but that elementary students like, such as chocolate.¹² What is interesting, is that the high school process described above is similar to that employed by elementary students who choose companies based on their knowledge of the firm's products.

Community Observations

Another motivational hook for teaching investing to low-income children is to ask them if they know anyone who is working past retirement age and, if so, why? The class then learns about the size of Social Security payments and explores investing as a path to higher retirement income. Numerous lessons illustrate that if you start investing for retirement when you are young, even in small amounts, it will build over time. That's why, when we create our budget examples, we always make sure we leave at least a little bit of money to invest. The students then construct their own stock portfolios within the framework of a stock market competition. One teacher has her students look at the mutual funds and employee retirement accounts, as well as IRAs, and Roth IRAs.¹³

An alternative game, Stax from NextGen Personal Finance, enables students to create portfolios and watch how they perform over time based on real data. Your students will enjoy it so much that many will, on their own, play it multiple times. They learn that what you earn may vary, but your average rate of return over time is much higher than in a savings account.

Guest Speakers

When teaching about investing, teachers frequently bring in investment professionals to speak to their students.¹⁴ Prior to their presentations, educators should introduce the concept of fiduciary responsibility—another well-beloved term by middle and high school students because it sounds so intellectual. Not all advisors are fiduciary investment advisors. If they are, they have a duty to put the interests of their customers before their own. For example, they won't engage in churning, a process where the advisors encourage investors to buy and sell stocks just to generate sales commissions. Investment advisors provide all relevant facts and seek the best prices and returns for their clients. It is very important for low-income students, particularly those who are financially vulnerably, to learn about investment scams and pyramid scams, especially those run by trusted organizations or members of their community. The scammers build on personal relationships in order to take advantage of people and their money.

It is very important for low-income students to learn about investment scams and pyramid scams, especially those run by trusted organizations or members of their community. The scammers build on personal relationships in order to take advantage of people.

Some behavioral economists and personal finance specialists recommend teaching all children an investing rule of thumb like save 10% of your income, put half into an emergency fund, and then buy target date mutual funds.

There are extra challenges associated with teaching about bonds¹⁵, mutual funds,¹⁶ and Exchange Traded Funds¹⁷ (ETFs) because such investments aren't part of the typical strategy used to win a stock market game-type competition.¹⁸ Students don't tend to be interested in bonds until the stock market performs very poorly. Guest speakers can make bonds both more real and more interesting. You can invite the person who manages the bonds for your school district to speak in your class. They can discuss what the district uses the bonds for and why people might buy them. Teaching how bonds work is important because people invest using different strategies to accomplish different goals across their lives. Someone nearing retirement will want the safety of bonds, but for most middle and high school students, buying bonds can seem irrelevant.

Because investing gets complex relatively quickly, there are those who advocate only teaching the most basic components of investing that are well covered in standard personal finance curriculums. Testing shows that students from all income levels can and do learn this. Unfortunately, the problem for most people is translating this knowledge into action. Some behavioral economists and personal finance specialists recommend teaching all children an investing rule of thumb like save 10% of your income, put half into an emergency fund,¹⁹ and then buy target-date mutual funds.²⁰ It's a simple thing to remember. You don't have to research individual companies or balance your portfolios or go online and buy and sell stocks and bonds. This approach can be problematic for low-income households due to a lack of access to brokerage firms and/or banks, the mistrust of financial firms, and affordability challenges. But if an investor can and is willing to do it, it's an easy approach to remember and follow. You are not going to stay up and worry about it as much as you would if you were actively managing a portfolio. Also, because you can set it up with a brokerage to buy into the fund with every paycheck, you gain the advantages of dollar-cost averaging without even having to know what it is.²¹ But none of this typically happens unless people take the first step—opening a checking account or savings account.²²

Conclusion

We hope that as a result of reading this guidebook, you have discovered some of the barriers to learning and embracing the lessons of personal finance confronted by our students from low-income households. We hope that these experiences will lead to your own “aha” moment that will motivate you to work to decrease these barriers in your own classroom. As you devise your own tools, please go online and share them at wacefe.org. The collaborators of this publication know that we do not have all of the answers, or, indeed, know all of the challenges. But we do know that sharing what we learn with other teachers improves the lives of our students.

Appendix One: Meet the Contributors

Brian Aytch

Brian is a teacher at a small alternative high school in the Seattle area. Brian was first introduced to the Stock Market Game eight or nine years ago. Brian currently teaches special education and economics. Brian has worked with a variety of student demographics. He also works with young men that have been incarcerated and put into re-entry programs. Brian's passion is providing financial education to communities that have been historically disenfranchised from financial institutions. Part of this work is working with groups that are in prisons and linking teachers with various community resources.

There is a realization that special education is a population that is regularly preyed upon. When teaching the Stock Market Game, Brian will invite a diverse group of speakers intentionally that reflect the demographics of the students in order to help build trust in the financial system



Brian Aytch

Betty Beier

Betty is a newly retired teacher with 20 years of experience in the public-school arena. Prior to that, Betty worked in private industry doing many things such as office management, manufacturer's representative, wholesale buyer, and other early teaching opportunities. Upon leaving the private industry, Betty became a caregiver for her ill husband and at that time ran an in-home daycare that included disadvantaged children. Upon encouragement from friends and family, Betty entered college to get her teaching certificate, although teaching was not her first priority. Betty received a double major in English and Spanish. As time went by Betty reflected on things that had impacted her life and realized most things revolved around a solid education that would allow her to impact students. Betty has been able to bring her passion for financial education to many students over the years! Fostering a close relationship with her students, Betty realized an opportunity to empower students and their families with a better understanding of decision-making.

Betty had personally made every mistake in personal finance and did not want her students to do the same so she sought out opportunities to educate herself in personal finance. Betty is one of the first teachers to attend FEPPP teacher trainings and is has served on many FEPPP workgroups and served as a FEPPP Financial Fellow. Betty continues to work with FEPPP on the Education Committee and Executive Committee. Betty attended curriculum review and design in Washington DC as well as attended Council for Economic Education conventions.



Betty Beier



Kandy Bowlsby

Kandy Bowlsby

Kandy Bowlsby is passionate about empowering people in the community with the knowledge and resources needed to thrive both economically and socially. Working in the financial industry greatly changed the trajectory of Kandy's life economically as she grew up in poverty. She grew up in a single-parent household. Her mother, a Mexican farm worker, worked relentlessly to ensure a brighter future for her children. As the oldest of three siblings, Kandy inherited a caregiver role to help with her family. Taking on such a great responsibility established core values that would later be used to help others. Her career at HAPO Community Credit Union started in Operations in 2009 where she quickly found her passion...to serve people. This is where she honed her most impactful skill set, which she used to help guide her members in the right direction with their financial goals. Today she is the Financial Education Manager at HAPO where she has the opportunity to reach adults and youth of the community within HAPO's footprint and beyond.



Bobby de Grouchy

Bobby de Grouchy

Bobby has been a school teacher for nearly twenty years for the Clover Park School District in Lakewood, Washington. During that time he has taught elementary through high school. Currently he teaches at Hudtloff Middle School. He was born in the Philippines and grew up in Tacoma, Washington. Bobby received his Bachelor's degree from Whitman College and his Masters in Urban Education from the University of Pennsylvania. Bobby has led professional development in a wide range of topics including assessment, cultural responsiveness, and technology education. Bobby became involved with the Financial Education Public-Private Partnership in 2018 after his students entered the Security Industries Stock Market Game with Pam Whalley. Bobby was selected as a FEPPP fellow that year and began leading Professional Development on integrating Financial Literacy in the classroom. He currently is the Middle School representative on the FEPPP Executive Committee.

Bobby lives in Steilacoom, Washington with his wife Miriam and his son Ethan. Bobby is committed to providing financial education to the underserved and underbanked. His commitment is driven by his own experience and that of his family. His own Filipino background, as well as his wife and son's Korean and Native American ancestry, keep them involved in serving traditionally underserved populations in their local community. Bobby is honored to be a school teacher and encourage students to be prepared and successful in their futures.



Tracy Godat

Tracy Godat

Tracy Godat was born and raised in Twin Falls, Idaho and attended college at Idaho State University. After college Tracy moved to Olympia, WA and worked many years as a legal assistant. Tracy chose to leave corporate America to raise her family while running two home-based businesses. Tracy started her public service in early 2006 at the Higher Education Coordinating Board and began employment at the Office of the Superintendent of Public Instruction later that year. Tracy has supported the Financial Education Public-Private Partnership (FEPPP) in many roles since early 2007. Tracy is currently the Executive Director of FEPPP and has a passion for bringing financial education to all K-12 students through partnerships and collaborative efforts statewide. In 2015, Tracy, on behalf of FEPPP, led the legislative charge which resulted in the adoption of Washington State Financial Education K-12 learning standards

Mylene Leasure

Mylene is the Financial Education Coordinator for HAPO Community Credit Union. Mylene believes that each of us has a story; no matter how different they are, it holds great power to make an impact. In her position as a financial education coordinator, she has the privilege to inspire the young and old to rise and see past the barriers, whatever they may be. As an immigrant who grew up most of her life in poverty, she knows firsthand that financial hardship can hinder someone from thriving. She is driven by her relentless nature of thinking outside the box and finding solutions to serve the underrepresented and underserved. With more than eight years of experience in the financial industry and 20 years in customer service, she embodies the credit union philosophy of “people helping people.”



Mylene Leasure

Brenda Leighty

Brenda is a teacher at one of the largest high schools in the state, located in Eastern Washington. Brenda brings a passion for teaching financial literacy. It is a graduation requirement in the school district Brenda teaches at. Brenda has taught at this school for more than nine years. For 25 years prior to teaching, Brenda worked in industry, handling compensation and benefits administration and other work in human resources. Brenda was a teenage mom who dropped out of high school, had a baby at 16, and eventually moved into the projects where she resided for a few years. She then moved into low-income housing which she later found out she qualified for due to her strong work ethic. Personal finance is a passion of Brenda's after years of learning about finances the hard way. Brenda loves to teach students so they can make better choices. She believes education is a person's best investment.



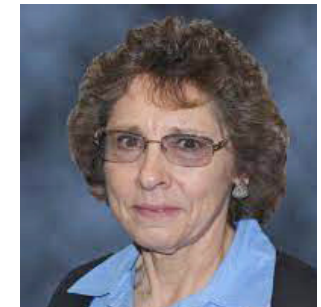
Brenda Leighty

Prior to teaching Brenda received her Bachelor of Science in Business Administration and was an active volunteer for Junior Achievement. Brenda developed an understanding that few students in grades 3-4 had a true concept of money. This experience inspired Brenda to change the course of her education and pursue a master's degree in Education with a Consumer Science and Career and Technical Education emphasis.

Dottie Record

Dottie has been teaching for 25 years and works at an alternative school within the public school system. She is a Career and Technical Education (CTE) teacher in the area of Family and Consumer Science (FACS) education and business. She teaches in a 100% free and reduced lunch school. School culture is 33% Native American, 33% Latino, and the rest is a mix of cultures.

Dottie's career started by teaching and working in a teen program with an on-site child-care called Graduation, Reality and Dual-Role Skills (GRADS). Her first challenge was teaching budgeting to young teen moms without enough money to purchase diapers, formula, and other necessities for their child. She would teach them how to utilize resources that were available to them. She worked with local financial institutions showing students how to set up bank accounts. Part of the GRADS program was teaching students the importance of graduating to make a better life for them and their babies. This involved often educating young moms on non-traditional career paths.



Dottie Record

Dottie realized the importance of financial education and would add money questions or financial literacy discussions whenever she could. Classes relating to nutrition and wellness were a good fit for Dottie to add conversations around risk management that are associated with good nutrition. Dottie taught a class called Resource Management which is similar to what she is currently teaching with Financial Fitness For Life. This was before the Washington State Financial Education Learning Standards were adopted. Dottie now follows state standards and state CTE financial fitness frameworks for the classes. The Key to Financial Fitness and Financial Fitness for Life are the backbone of her teaching.



Pam Whalley

Pam Whalley

Pam Whalley began her career in the classroom at Western Washington University in 1985. She served as director of the Center for Economic and Financial Education from the early 2000s to her retirement in 2023. As director, she presented professional development programs for k-12 teachers, offered community outreach programs on economics and personal finance topics across the state, served as an advisor to state and federal elected officials on economic and financial education, and ran state level student competitions in economics and personal finance. She was a founding member of the Financial Education Public-Private Partnership, an organization that is charged by the legislature with increasing the level of financial capability of Washington's students. In this capacity, she designed and implemented the first k-12 district wide rollout of financial education in the state, presented and coordinated educator professional development including the training of mentor teachers, and collaborated with OSPI in the development of Washington's k-12 standards in personal finance.

She is the author of two financial education books, *Financial Fitness for Life Parent's Guide k-5* and the *Financial Fitness for Life Parent's Guide 6-12*. In 2022, she completed another work, *Making Financial Education Inclusive to All Students: Conversations with Master Educators*. She is also the Washington coordinator of the Security Industries Foundation's Stock Market Game™. Pam's work was recognized by the national Council for Economic Education when the Center was awarded the Albert Beekhuis Award for Excellence in Economic Education. She joined FEPPP as associate director of financial education in 2023.



Mary Zeigert

Mary Ziegert

Mary Ziegert is a fourth-grade teacher at an elementary school in Lacey, Washington. Mary has more than 21 years of teaching experience. Her earlier days of teaching were in Virginia, where she taught history. Mary grew up in Chicago in a somewhat lower, middle-class, high-poverty area. She was in a single-parent home until the age of seven. Most of her friends were also in single-parent or multi-generational living situations. To her, this was the norm. Mary had no formal financial education training until she put herself into business school. At times, Mary lived through poverty which gives her perspective for students going through similar situations. As a young married couple Mary and her husband, Chuck, lived in a house where they ran extension cords from a neighbor's house because they had no power. At times they also carried water from a neighbor's house. Mary and her husband's struggles led them to file bankruptcy twice. Looking back, they realized they had little financial knowledge. Mary's parents didn't discuss finances at home, and they were not able to pay for her schooling. In Mary's strive to be a teacher, she took out an alarming number of student loans because she didn't comprehend the significant debt she was incurring. Learning the hard way has carved the path for financial education becoming a passion for Mary.

It was during a Junior Achievement lesson that Mary realized children were not being truthful about things they were buying or where they live. Mary realized the sorrow she felt about students making up an imaginary circumstance to impress friends based on their financial insecurity. That experience gave Mary the vision of how she would approach financial education in her classrooms. Mary's strategy is to make a personal connection with the parents at the beginning of the school year. This includes grandparents, aunts, guardians, or other caregivers.

Appendix Two:

What is it Worth to be in Class?²³ National Endowment for Financial Education

NAME:

Directions: Calculate how much getting that high school diploma is worth given the estimated median lifetime earnings for the following

Education Level	Lifetime Earnings ²⁴
Professional Degree	\$4,700,000
Doctoral Degree	\$4,000,000
Master's Degree	\$3,200,000
College graduate with bachelor's degree	\$2,800,000
Two-year college associate's degree	\$2,000,000
High School diploma	\$1,600,000
Less than high school	\$1,200,000

1. Figure the difference in potential income between a high school graduate and someone who did not go to school beyond the ninth grade:

2. Divide the potential future earnings of a high school graduate (a) by the number of years typically spent in high school (four). The result is the Potential future additional earnings associated with each year of high school.

\$ _____ (A) Potential additional future earnings for a high school graduate.

(A) divided (\div) by 4 = (B) _____. The potential additional future earnings associated with each year of high school = (B) _____.

3. Divide the potential additional future earnings per school year (2 above) by the average number of school days per year (180). (Round to the nearest whole number):
4. To find the value per hour, assume that 11 hours per day are devoted to school and homework, divide the value per day by the number of hours spent on school (11). The value per hour is:

What is it Worth to be in Class?²³

National Endowment for Financial Education

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Directions: Calculate how much getting that high school diploma is worth given the estimated median lifetime earnings for the following

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Professional Degree	\$4,700,000
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Master's Degree	\$3,200,000
College graduate with bachelor's degree	\$2,800,000
Two-year college associate's degree	\$2,000,000
High School diploma	\$1,600,000
Less than high school	\$1,200,000

1. Figure the difference in potential income between a high school graduate and someone who did not go to school beyond the ninth grade:

$$\text{\$1,600,000} - \text{\$1,200,000} = \text{\$400,000}$$

2. Divide the potential future earnings of a high school graduate (a) by the number of years typically spent in high school (four). The result is the Potential future additional earnings associated with each year of high school.

\\$400,000 (A) Potential additional future earnings for a high school graduate.

(A) divided (\div) by 4 = (B) **\\$100,000**. The potential additional future earnings associated with each year of high school = (B) **\\$100,000**.

3. Divide the potential additional future earnings per school year (2 above) by the average number of school days per year (180).

$$\text{\$100,000}/180 = \text{\$556} \text{ (This is the approximate value of a day's education for a high school graduate rounded to the nearest whole number.)}$$

4. To find the value per hour, assume that 11 hours per day are devoted to school and homework, divide the value per day by the number of hours spent on school (11). The value per hour is

$$= \text{\$556}/11 = \text{\$51.00 per hour}$$

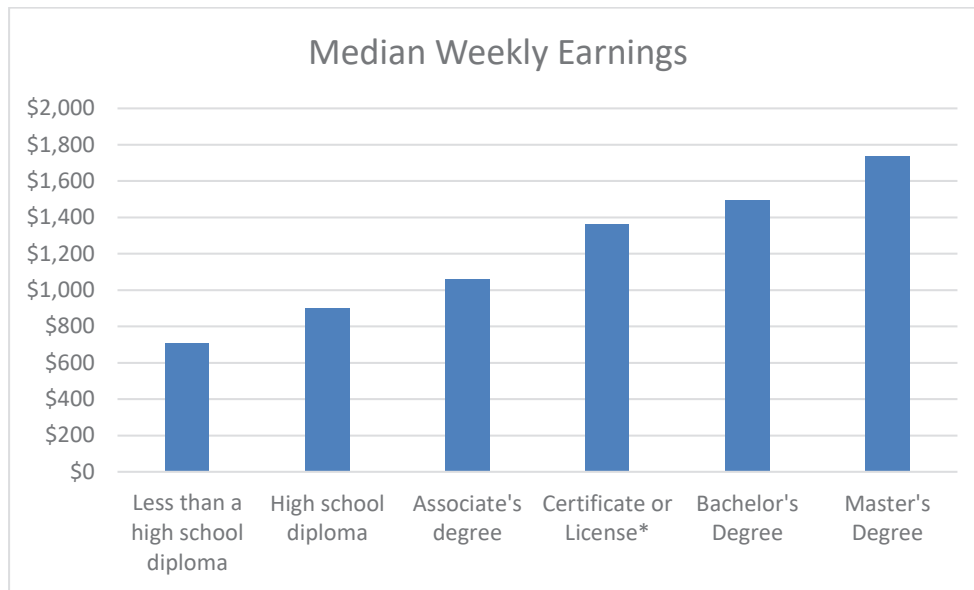
Appendix Three:

Income by Education Level²⁵

Education and Earnings

Name: _____

Median Earnings of Full-time Wage and Salary Workers



Median means that half the people in the category earn less than (and half earn more than) the number given.

Educational Attainment 2023	Less than a high school diploma	High school diploma	Associate's degree	Certificate or License*	Bachelor's Degree	Master's Degree
Median Weekly Earnings	\$708	\$899	\$1,058	\$1,364	\$1,493	\$1,737

Instructions: Study the table and graph above and answer the questions that follow.

1. Calculate the salary difference between

- less than a high school diploma and a high school graduate: _____
- a high school graduate and a graduate from a two-year college (associate's degree):

- a two-year college graduate and a four-year college graduate (bachelor's degree):

- a four-year college graduate and an individual with an advanced degree (master's degree):

2. Calculate the lifetime earnings of each level of educational attainment using the table below. Assume each person works until 70 years of age. Other assumptions include:
- The high school dropout begins full-time work at age 16.
 - The high school graduate begins full-time work at age 18.
 - The graduate of the two-year college begins work at age 20.
 - The employee with a certificate or license begins work at 20.
 - The graduate of the four-year college begins work at age 22.
 - The graduate with a master's degree begins work at age 24.
 - Each person works 50 weeks a year.
 - The person's salary remains the same over time.

Record your answers in the table below.

	Less than a High School Diploma	H.S. Diploma	Associate's Degree	Certificate or License	Bachelor's Degree	Master's Degree
Annual Income						
Years Worked						
Life Earnings						

Extensions:

Calculate the lifetime earnings difference between

- less than a high school diploma and a high school graduate: _____
- a high school graduate and a graduate from a two-year college (associate's degree):

- a two-year college graduate and a four-year college graduate (bachelor's degree)

- a four-year college graduate and an individual with an advanced degree (master's degree)

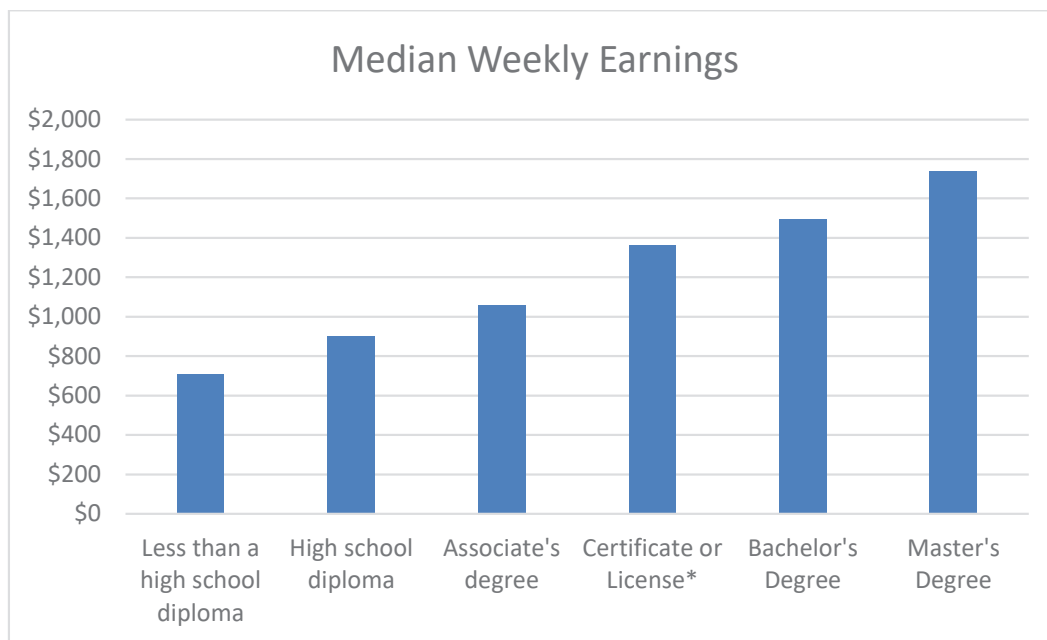
What impact would completing Running Start or a Vo-tech program in high school have on their lifetime earnings?

Income by Education Level²⁵

Education and Earnings

ANSWER KEY

Median Earnings of Full-time Wage and Salary Workers



Median means that half the people in the category earn less than (and half earn more than) the number given.

Educational Attainment 2023	Less than a high school diploma	High school diploma	Associate's degree	Certificate or License*	Bachelor's Degree	Master's Degree
Median Weekly Earnings	\$708	\$899	\$1,058	\$1,364	\$1,493	\$1,737

Instructions: Study the table and graph above and answer the questions that follow.

1. Calculate the salary difference between
 - a. less than a high school diploma and a high school graduate: $\$899 - \$708 = \$191$
 - b. a high school graduate and a graduate from a two-year college (associate's degree)
 $\$1,058 - \$899 = \$159$
 - c. a two-year college graduate and a four-year college graduate (bachelor's degree):
 $\$1,493 - \$1,058 = \$435$
 - d. a four-year college graduate and an individual with an advanced degree (master's degree):
 $\$1,737 - \$1,493 = \$234$

2. Calculate the lifetime earnings of each level of educational attainment using the table below. Assume each person works until 70 years of age. Other assumptions include:
- the high school dropout begins full-time work at age 16.
 - the high school graduate begins full-time work at age 18.
 - the graduate of the two-year college begins work at age 20.
 - the graduate of the four-year college begins work at age 22.
 - the graduate with a master's degree begins work at age 24.
 - Each person works 50 weeks a year
 - The person's salary remains the same over time

Record your answers in the table below.

	Less than a High School Diploma	High School Diploma	Associate's Degree	Certificate or license	Bachelor's Degree	Master's Degree
Annual Income	=50 x 708 =35,400	= 50 x 899 =44,950	=50 x 1,058 =52,900	=50 x 1,364 = 68,200	=50 x 1,493 = 74,650	= 50 x 1,737 =86,850
Years Worked	70-16 = 54	70 – 18= 52	70-20=50	70-20=50	70-22= 48	70-24=46
Life Earnings	=35,400 x 54 =1,911,600	=44,950 x 52 =2,337,400	=52,900 x 50 =2,645,000	= 68,200 x 50 =3,410,000	=74,650 x 48 = 3,583,200	= 86,850 x 46 =3,995,100

Extensions:

Calculate the lifetime earnings difference between

- less than a high school diploma and a high school graduate:* _____
- a high school graduate and a graduate from a two-year college (associate's degree):*

- a two-year college graduate and a four-year college graduate (bachelor's degree):*

- a four-year college graduate and an individual with an advanced degree (master's degree):*

What impact would completing Running Start or a Vo-tech program in high school have on their lifetime earnings?

Appendix Four: Building a Careers Unit

Where do we start in the construction of a high school and beyond plan whether it be at the middle or high school level? There are two schools of thought. One is that you have the students envision what lifestyle they want. There is a simple simulation at Jump\$tart called Reality Check. It leads students through a shortlist of questions about their desired lifestyle post-graduation and then calculates how much they need to earn to achieve that standard of living. More accurate cost estimates can be discovered by students who participate in Reality Fairs offered by Washington Credit Unions. Students are assigned roles, careers, families, and income and then “shop” at a variety of venues for housing, pets, meals (restaurant and home-cooked) cars, and other goods. In the debriefing, students share their discoveries about the cost of living, including the cost of children. Classroom economies at younger grade levels reveal the same information. Junior Achievement’s program which includes classroom curriculum and a capstone simulation at JA Finance Park (where available) is a variation on this theme. (<https://jawashington.org/ja-education-centers/>). Armed with this information, students can begin their career search with at least a vague estimation of the amount they need to earn to support their desired lifestyle. The preparation begins in middle school and continues in high school and beyond, culminating in a formal career plan written by high school students and required for graduation in the state of Washington

Classroom economies can be very powerful teaching tools in career education. Elementary educator Kelsie Fowlkes teaches about careers within the framework of a classroom economy. She “created a ‘newspaper’ with want ads for classroom jobs. She also developed an application process, interview routine, and ‘signing bonus’ for being hired as an employee. Students apply for desired jobs and each job is paid differently depending on the prestige (or amount of work) of the occupation. For example, a banker (who helps manage classroom money) will make \$600 a month. A custodian (who helps maintain classroom cleanliness) makes \$450. Students love the opportunity to work for money, make rent payments and spend money at the class store. This is something they see every day and they are excited to get to experience it. I alter my financial resources each year to mimic real-world experiences. For example, the first month of every quarter, students have the opportunity to purchase rental insurance for an extra \$200. That provides them an extra two weeks to pay rent if they do not have the money one month. I have added credit scores (on a basic level) where students that complete assignments on time, are present every day, etc. have a higher credit score and earn bonus classroom money.”

Alternatively, students can begin by building on the skills, aptitudes, and interests identified through course work at the elementary level and then completing career aptitude tests at the middle and high school grades. *Washington Career Bridge* is a free resource that combines aptitude testing with information on incomes and training choices that is available both in hard copy and online. Like most of these instruments, students complete a questionnaire aimed at identifying their interests and aptitudes. Their answers reveal career clusters (a group of careers that share common features that correlate with their interests). They then research careers in each cluster to determine both the educational requirements and earnings in these positions. Students can also identify educational organizations where they can receive the required training. The idea is for students to identify a goal and what they need to do to obtain it.

Endnotes

- 1 Unbanked households are those who lack a checking or savings account. Underbanked includes people who utilize alternative financial instruments like payday loans.
- 2 Financial Fitness for Life, grades 6-12, Parent Guide, pages 54-55, provides an example of a scripted decision making scenario. This is available for free at: <https://www.econedlink.org/parent-resources/> in English and Spanish.
- 3 Decision-making lesson plans frequently call for students to answer Consumer Reports type questions like what is the best chocolate chip cookie or the best facial tissue? Food is often the default choice because students love food activities and food is easy to evaluate in a group setting. Be aware that certain foods may have negative connotations for low-income students. I routinely used graham crackers for this simulation, unaware that graham crackers are a snack frequently served at low-income preschools leading some students to have a negative perception of them.
- 4 Consumption being used as a symbol of wealth is true across all income levels, but the symbols change across wealth levels.
- 5 To illustrate this, an elementary teacher paid his students with classroom money for turning in homework on time and doing classroom jobs. They would run a class store every other week where the students could spend their earnings. After a few weeks, the teacher would make small sums of money start disappearing from student desks. A classroom discussion would ensue, and a class bank would be formed to protect the cash from theft. Eventually, the teacher confessed, the funds were returned and the students still supported having a bank just in case.
- 6 Such presentations are a two-fer. Your students learn about financial firms and about a career.
- 7 Readings about payday loans can be found at www.econlowdown.org at both middle and high school reading levels. Fast Cash and Payday Loans are accessible nonjudgmental sources that do a good job describing the pros and cons of this type of borrowing.
- 8 Comparing urban transportation options, <https://www.fhi360.org/resources/comparing-public-transportation-options/>
- 9 Mark Schug. Schug is Director of the Center for Economic Education and Professor of Curriculum and Instruction at the University of Wisconsin Milwaukee.
- 10 To freeze someone's credit, they need to contact each of the agencies below.
Equifax - www.equifax.com/CreditReportAssistance
Experian - www.experian.com/freeze
TransUnion - <https://freeze.transunion.com>
- 11 See Understanding Capital Markets at www.econlowdown.org.
- 12 This may be a function of the age of the student. Young students like learning about chocolate.
- 13 She recommends the No Frills Money Skills videos at <https://www.stlouisfed.org/education/no-frills-money-skills-video-series>.
- 14 The Stock Market Game will even find a guest advisor for you.

- 15 “Bonds are investment securities where an investor lends money to a company or a government for a set period of time, in exchange for regular interest payments. Once the bond reaches maturity, the bond issuer returns the investor’s money.” <https://www.forbes.com/advisor/investing/what-is-a-bond/>
- 16 Mutual funds “pool your money together with other investors to purchase a collection of stocks, bonds, or other securities.” www.fidelity.com
- 17 “An ETF is called an exchange traded fund since it’s traded on an exchange just like stocks. The price of an ETFs shares will change throughout the trading day as the shares are bought and sold on the market. This is unlike mutual funds, which are not traded on an exchange, and trade only once per day after the markets close. Additionally, ETFs tend to be more cost-effective and more liquid when compared to mutual funds.” <https://www.investopedia.com/terms/e/etf.asp>
- 18 There has been at least one high school team that won Washington’s Stock Market Game that had substantial ETF holdings.
- 19 Savings totaling anywhere from three to nine months of your income that you can use in case to replace income lost by a layoff or illness.
- 20 Mutual funds whose holdings change over the course of a person’s life. If your target date (typically your planned retirement) is far off, the funds will hold more stocks, as you near retirement the funds move more heavily into bonds.
- 21 If you do not have sufficient funds to buy a share of a stock or mutual fund, you can purchase something called a slice. If we think of the share as being an apple pie, the financial slice is analogous to a piece of the pie—you are a portion of the stock.
- 22 One of the barriers to kids opening an account, to begin building relationships with the financial community, is that children are not allowed to open up their own savings accounts until they are 14 so they need an adult to go with them. If the children want a checking account or debit card, an adult is required. One way to work around this is to open an account online, but there are age requirements.
- 23 2014 National Endowment for Financial Education, High School Financial Planning Program
- 24 Data is from Anthony P. Carnevale, Ban Cheah, and Emma Wenzinger. The College Payoff: More Education Doesn’t Always Mean More Earnings. Washington, DC: Georgetown University Center on Education and the Workforce, 2021. [cew.georgetown.edu/ collegepayoff2021](http://cew.georgetown.edu/collegepayoff2021).
- 25 This lesson is based on Financial Fitness for Life, 6-8, Lesson 4.2. Data Source for Certificate or License: [*https://www.bls.gov/cps/cpsaat54.htm](https://www.bls.gov/cps/cpsaat54.htm)



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Financial Education
Public-Private Partnership

Setting the Washington Agenda for Financial Education