

CFPB Financial Education Exchange

Measuring Youth Financial Capability

April 26, 2018 | 2:00-3:00 p.m. ET

- Meina Banh and Laura Schlachtmeyer, Office of Financial Education, CFPB



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Consumer Financial Protection Bureau

- The mission of the Consumer Financial Protection Bureau is to regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws and to educate and empower consumers to make better informed financial decisions

Office of Financial Education

Consumer Education & Engagement

Consumer Engagement

Financial Education

Our mission:

Educate and empower consumers to make informed financial decisions.

Financial Empowerment

Older Americans

Servicemember Affairs

Students and Young Consumers

CFPB Financial Education Exchange (CFPB FinEx)

CFPB FinEx: an online and in-person opportunity to access CFPB tools and resources, and connect with the CFPB and your peers engaged in financial education.

Our goal is to help you improve the financial well-being of the people you serve.

FinEx regional convenings:

- Dallas, TX
- Fort Worth, TX
- Maryland
- Denver, CO
- Kansas City, MO
- Atlanta, GA
- Sacramento, CA
- Madison, WI
- St. Louis, MO
- Tacoma, WA
- Nashville, TN
- Boston, MA

Monthly e-newsletters

Baseline and follow-up surveys



Number of financial educators signed up for CFPB FinEx: **3029**

Monthly webinars include:

- Fraud prevention for older adults
- Disaster recovery and preparedness
- Resources for servicemembers
- Accessing credit scores
- Managing spending
- Debt collection resources
- Credit card spending
- Libraries as a Financial Education Resources
- Financial Coaching
- Financial Education Programs Serving Immigrant Populations
- Federal Financial Education Resources
- Take Control of Your Auto Loan
- Financial Rules to Live By
- Resources for Parents
- Tips for Strengthening Financial Education Curriculum
- Resources for Parents and Caregivers
- Resources for Financial Caregivers
- Measuring Financial Well-Being
- Owning a Home
- Tax Time Savings
- Your Money, Your Goals Toolkit

Resources for financial educators webpage

Financial education for adults


We help you help the people you serve. For adult financial educators, the tools here show our latest thinking on consumer financial behavior and effective financial education practices.

Featured event


Free webinar about disaster preparedness

Thursday, September 28, 2017, from 2-3 p.m. ET

[View details and enroll](#)



Tools and resources to use with the people you serve



We've gathered our tools, worksheets, and handouts by topic. You can use these resources with the people you serve. You can also [download the inventory](#) of

About us

The CFPB is an independent federal agency built to protect consumers. We write and enforce rules that keep banks and other financial companies operating fairly. We also educate and empower consumers, helping them make more informed choices to achieve their financial goals.

CONNECT WITH US

Join the CFPB Financial Education Exchange (CFPB FinEx) to get the latest news, invitations to webinars, and to learn from your peers.

Email address

The information you provide will permit the Consumer Financial Protection Bureau to process your request or inquiry.

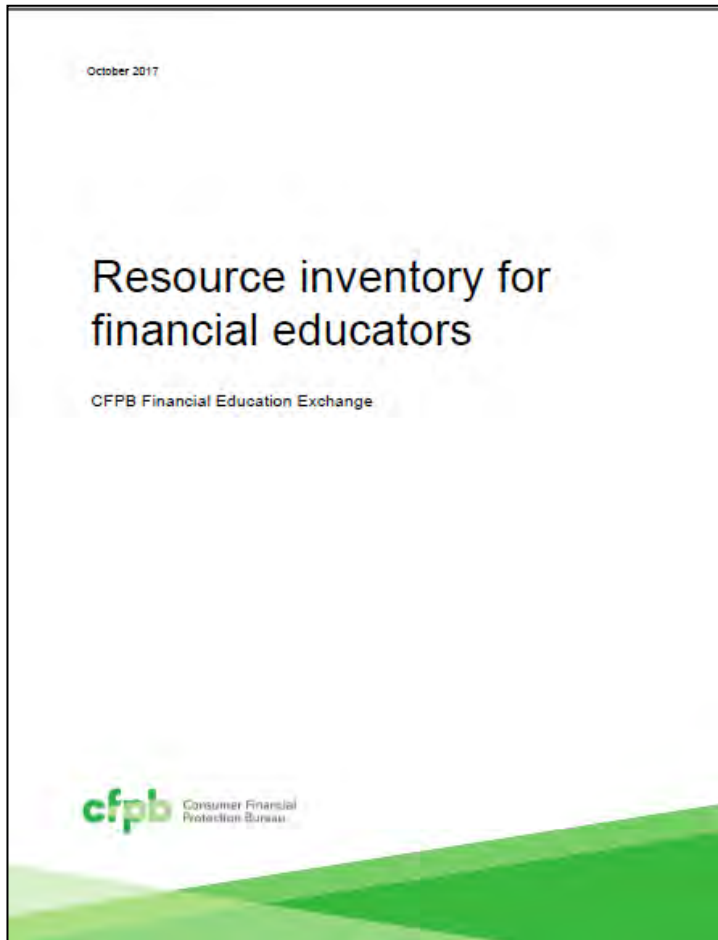
[View Privacy Act statement](#)

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CONNECT WITH OTHERS

Resource inventory for financial educators

Find it at consumerfinance.gov/adult-financial-education



- **Understanding the financial education field and practices**
 - Keep up with the financial education field and with promising and effective practices
- **Understanding consumers**
 - Gain insights into consumer behaviors, motivations, perceptions, and attitudes, including challenges consumers face in the financial marketplace
- **Tools for financial educators**
 - Investigate training materials and toolkits designed to improve your effectiveness and service to clients
- **Tools for consumers**
 - Help your clients with easy-to-digest web tools and guides tailored to their needs

CFPB Financial Education Discussion Group on LinkedIn

Join the discussion!

FINANCIAL EDUCATION DISCUSSION GROUP ON LINKEDIN



Join us on LinkedIn

<http://www.linkedin.com/groups/CFPB-Financial-Education-Discussion-Group-5056623>

It's free!

There is no cost to join our discussion group or LinkedIn.

The Consumer Financial Protection Bureau's

Office of Financial Education is hosting a LinkedIn group to talk about financial education. It's a forum for you - the financial educators, researchers, and thought leaders of the financial education community, to learn about the work of the CFPB, share your thoughts and best practices, keep up with the latest news and research, and learn from your peers in the field.

How to Join

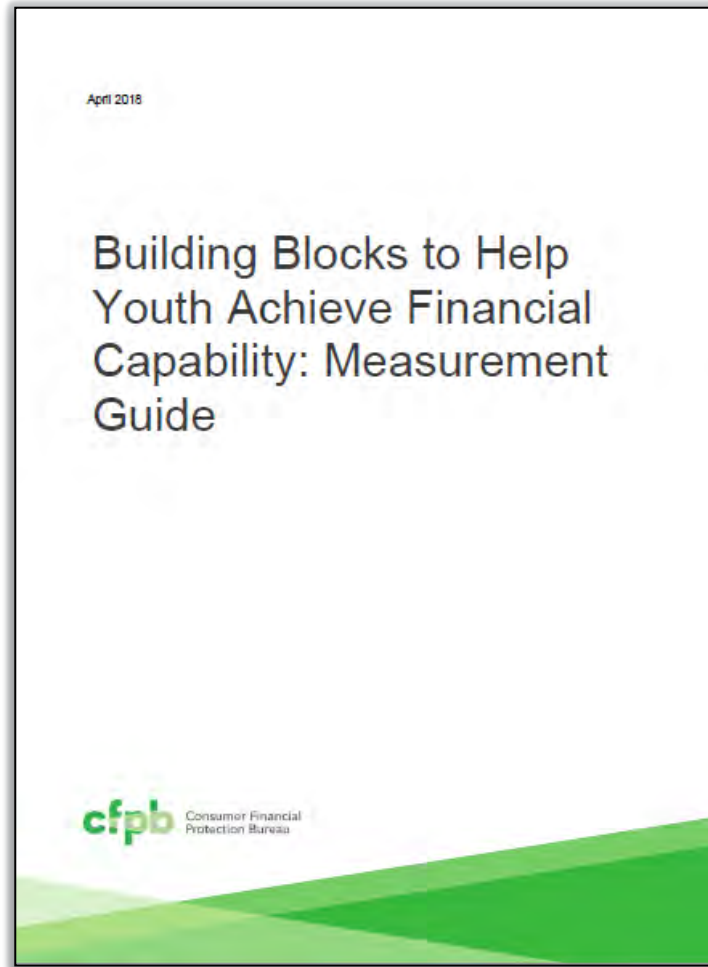
You must have a LinkedIn profile. Search for "CFPB Financial Education Discussion Group" in the "Groups" tab.

For more information, contact Irene Skricki in the CFPB Office of Financial Education (Irene.Skricki@cfpb.gov).

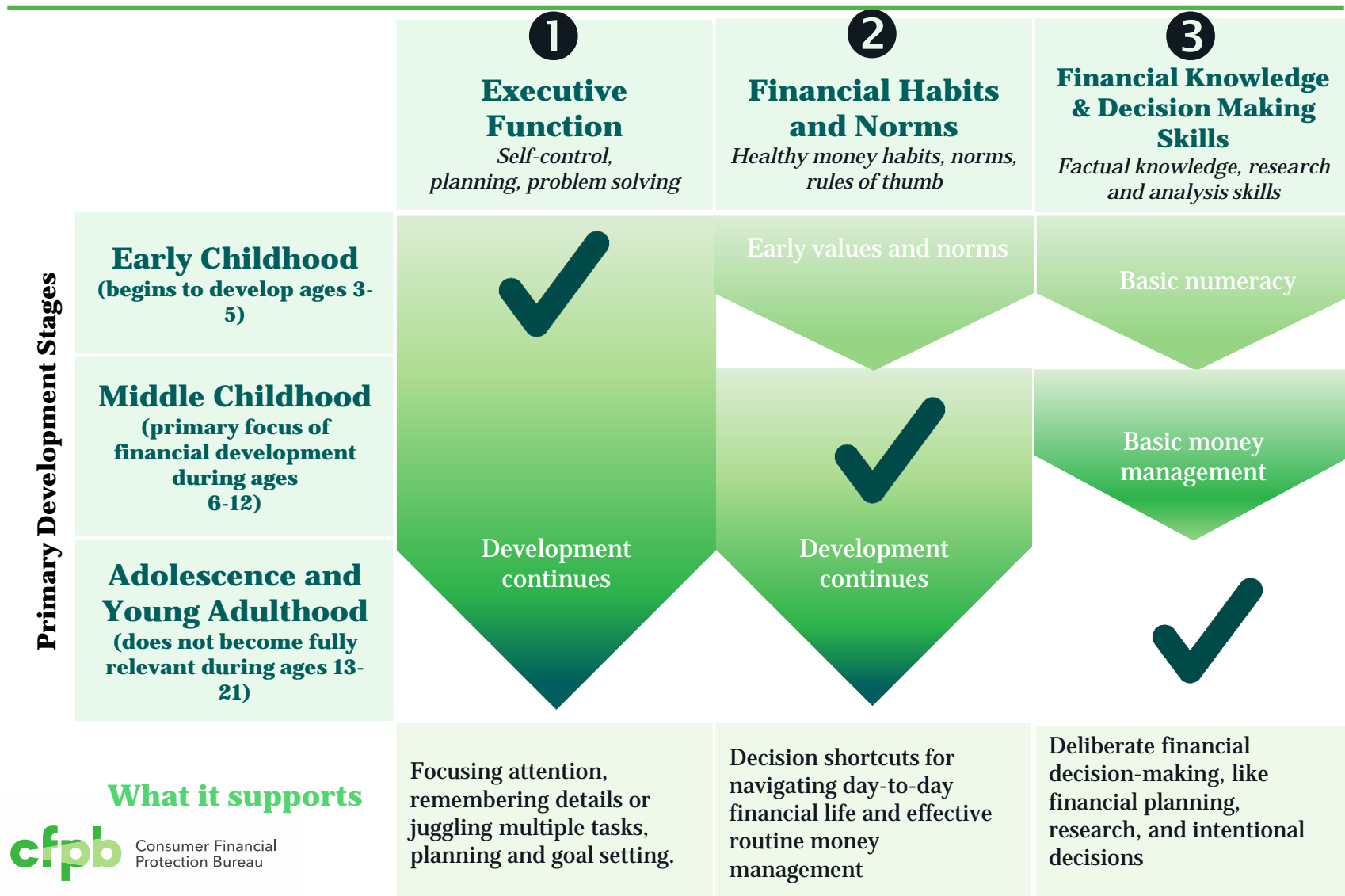
Today's topic:

Measuring Youth Financial Capability

Building Blocks Measurement Guide



What are the financial capability building blocks?



What are the building block milestones?

- The building block milestones outline specific competencies for each building block and each developmental stage.
- Sample milestones include:
 - Does the child begin to demonstrate self-regulation, persistence, and focus? (Executive function, ages 3 to 5)
 - Does the child begin to show a positive attitude toward saving, frugality, planning, and self-control? (Financial habits and norms, ages 6 to 12)
 - Can the teen identify trusted sources of information and process that information? (Financial knowledge and decision-making skills, ages 13 to 21)

What is the purpose of the measurement guide?

- **Goal:** To provide a wide range of stakeholders the means to assess young people's progress toward achievement of the building blocks milestones
- Who can use the guide:
 - Youth program leaders
 - Researchers
 - Education policy leaders
- The guide can be used to:
 - Track program participants' or students' progress over time
 - Provide evidence of a program's or curriculum's strengths and/or identify opportunities for refinement
 - Deepen our understanding of the connection between the building blocks and adult financial well-being

How were potential measures identified?

- **The process of identifying potential measures included:**
 - Review of the academic literature in several relevant fields including education, consumer science, and developmental psychology
 - Review of assessment guides created by educational institutions, non-profits, and state governments
 - Review of publicly available data sets and surveys
 - Consultation with academic and practitioner experts
 - Scan of program evaluations conducted by youth organizations

How were the measures in the guide selected?

- The measures in the guide were selected from the set of potential measures based on the following criteria:
 - How closely does the measure align with the desired outcome?
 - Has the measure been validated? Are there other indicators of quality?
 - Does the measure require modification?
 - How easily can the assessment be administered?
- Other Considerations
 - Some of the measures have been used widely by researchers in the relevant fields, while others are relatively new.
 - Although most of the measures have been validated, the CFPB has not independently tested any of the measures.
 - Users must consider their unique objectives and context when selecting assessment tools.

How to use the Measurement Guide

- Introduction to the building blocks of financial capability
- Suggestions on assessing progress toward the development of the building blocks
 - Review of relevant milestones
 - Presentation of measurement tools and approaches
- Appendix with detailed information on each measure

Selected measures – ages 3-5

Building Blocks	Associated Questions
Executive Function	<ul style="list-style-type: none">▪ Does the child begin to demonstrate self-regulation, persistence, and focus?▪ Can the child demonstrate these qualities when using and managing limited resources like time, money, treats, or belongings?
Financial Habits & Norms	<ul style="list-style-type: none">▪ Has the child developed basic values and attitudes around keeping (saving) and using (consuming) resources?
Financial Knowledge & Decision-Making Skills	<ul style="list-style-type: none">▪ Does the child have early numeracy skills like counting and sorting?▪ Does the child grasp basic financial concepts like money and trading?

Selected measures – ages 6-12

Building Blocks	Associated Questions
Executive Function	<ul style="list-style-type: none">▪ Does the child show the ability to plan ahead and delay gratification?▪ Does the child show future orientation?
Financial Habits & Norms	<ul style="list-style-type: none">▪ Does the child begin to show a positive attitude toward savings, frugality, planning, and self-control?▪ Does the child begin to have positive financial habits, like planning and saving?▪ Can the child make spending and saving decisions aligned with his or her goals and values?▪ Is the child self-confident about completing age-appropriate financial tasks?
Financial Knowledge & Decision-Making Skills	<ul style="list-style-type: none">▪ Does the child understand core basic financial processes and concepts?▪ Has the child successfully managed money or other resources to reach his or her own goals?

Selected measures – ages 13-21

Building Blocks	Associated Questions
Executive Function	<ul style="list-style-type: none">▪ Does the young adult demonstrate critical-thinking skills?▪ Does the young adult demonstrate future orientation?▪ Has the young adult demonstrated the ability to plan ahead and delay gratification?
Financial Habits & Norms	<ul style="list-style-type: none">▪ Does the young adult have a positive attitude toward planning, saving, frugality, and self-control?▪ Does the young adult demonstrate positive money management habits and decision-making strategies?▪ Can the young adult make spending and saving decisions aligned with his or her goals and values?▪ Does the young adult demonstrate appropriate financial self-efficacy?
Financial Knowledge & Decision-Making Skills	<ul style="list-style-type: none">▪ Does the young adult grasp advanced financial processes and concepts?▪ Can the young adult successfully manage money or other resources to reach his or her own goals?▪ Can the young adult identify trusted sources of information and process that information?

Financial knowledge selected measures – ages 13-21

Associated Questions	Selected Measures
Does the young adult grasp advanced financial processes and concepts?	<ul style="list-style-type: none">▪ Brief financial literacy assessment▪ Financial fitness for life assessments▪ Financial IQ
Can the young adult successfully manage money or other resources to reach his or her own goals?	<ul style="list-style-type: none">▪ Goal attainment
Can the young adult identify trusted sources of information and process that information?	<ul style="list-style-type: none">▪ Cognitive reflection test (CRT)▪ Consumer self-confidence: Information acquisition subscale▪ Internet search and evaluation strategies

How should I choose which measure(s) to use?

- The primary consideration is alignment with the objectives of the program or curriculum being evaluated.
- Other considerations include:
 - Who will be completing the assessment?
 - Are multi-method approaches feasible?
 - What resources are available for administering the assessment?
 - How much time is available for administration and scoring?

Are there other considerations?

- When assessing children, each child's developmental stage and the context for the assessment (familiarity with the setting and facilitator, etc.) must be carefully considered.
- When administering surveys to children, special considerations include:
 - Child's age
 - Cognitive load
 - Clarity of questions
 - Risk of social desirability bias

Illustrative Example

How to use the Measurement Guide?

- **Example Question:** Can the young adult identify trusted sources of information and process that information?
 - ❑ Measurement Guide can help users determine which building block this is associated with. **In this case, it is associated with Financial Knowledge (ages 13-21).**
 - ❑ Measurement Guide will recommend measure for the milestone. **One recommended measure is Cognitive Reflection Test (CRT).**
 - ❑ Measurement Guide will provide detailed information on each measure, including: measure's name, associated building block, age group, milestone, format, who administers the measure, background, special considerations and link to the source.

Measure name	Cognitive reflection test (CRT)
Building block	Financial knowledge & decision-making skills
Age group(s)	Ages 13 to 21
Milestone(s)	Can the teen identify trusted sources of information and process that information?
Format	3-question quiz
Completed by	Teen
Administered by	Teacher, program leader, researcher, or other adult
Measure details	<p>Below are three items that vary in difficulty. Answer as many as you can.</p> <p>(1) A bat and a ball cost \$1.10 in total. The bat costs \$1.00 more than the ball. How much does the ball cost? ____ cents (<i>Answer: 5 cents</i>)</p> <p>(2) If it takes 5 machines 5 minutes to make 5 widgets, how long would it take 100 machines to make 100 widgets? ____ minutes (<i>Answer: 5 minutes</i>)</p> <p>(3) In a lake, there is a patch of lily pads. Every day, the patch doubles in size. If it takes 48 days for the patch to cover the entire lake, how long would it take for the patch to cover half of the lake? ____ days (<i>Answer: 47 days</i>)</p>
Relation to milestone	Indirect (measures teens' ability to suppress "fast" or automatic System 1 thinking in favor of the more deliberate or "slow" System 2 thinking needed to seek out and process financial information to avoid mistakes)
Relation to money or personal finance	Indirect

CFPB Tools and Resources on Youth Financial Education

Youth financial education online

Consumer Tools Educational Resources Data & Research Policy & Compliance About Us

Youth financial education


We're here to support the teachers, administrators, and community leaders who help students build financial knowledge, skills, and habits. The tools and resources listed here show recommended policies and practices for K-12 financial education.

★ Featured

Nurturing financial capability

Learn how you can help young people acquire the three "building blocks" of financial capability to navigate the financial marketplace.

[Read blog post](#)



Resources to bring financial education to the classroom

We support K-12 teachers, education leaders, and practitioners by providing information, tools, and resources that lead to more effective design and delivery of financial education. We believe that integrating financial education throughout the K-12 experience represents a promising opportunity to reach consumers at pivotal points in their development and financial lives.

About us

The CFPB is an independent federal agency built to protect consumers. We write and enforce rules that keep banks and other financial companies operating fairly. We also educate and empower consumers, helping them make more informed choices to achieve their financial goals.

STAY INFORMED

Sign up to be notified about upcoming webinars and other financial education resources.

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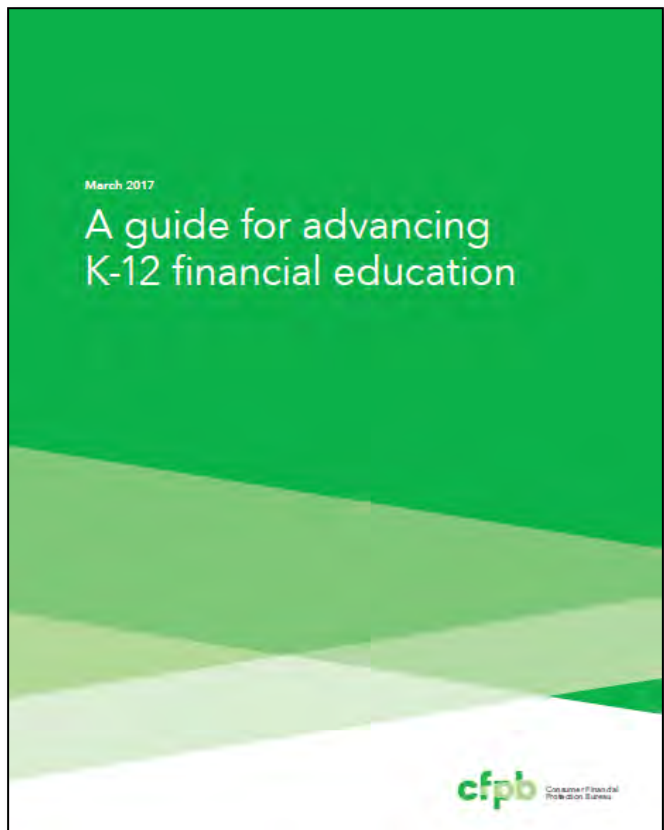
OTHER RESOURCES FOR PROFESSIONALS

Find tools and thinking on consumer financial behavior and effective financial education practices.

[Resources for financial educators](#)

We're working with libraries to provide

Resource Guide for Advancing K-12 Financial Education



If you're ready to:

The resource guide can help you:

Lay the groundwork

Make the case
Create the strategy
Define the structure

Build the initiative

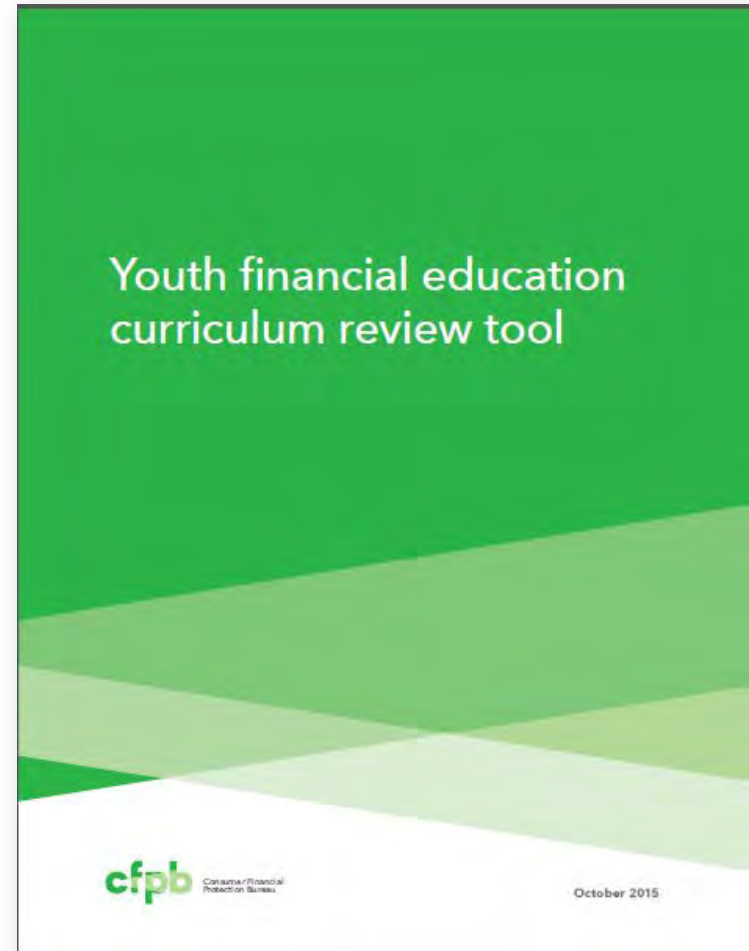
Set standards and requirements
Prepare teachers

Extend the impact

Celebrate success
Scale and refine

Youth Financial Education Curriculum Review Tool

- You can use this resource to select curricula that are:
 - Accurate and unbiased
 - Demonstrably effective
 - Informed by existing financial education content standards & curriculum frameworks
 - Designed to help students develop a range of financial knowledge, skills, and capabilities
- Designed for reviewing financial education curricula and not individual lesson plans or activities



Financial Education Pedagogy

The **CFPB Personal Finance Pedagogy** is a guide to teach personal finance skills to children. It outlines grade-level strategies for instructing K-12 students of all ages with a broad range of skills, habits and attitudes that appear to characterize adult financial capability.

The four (4) part pedagogy:

- Improve executive functioning skills such as planning and problem solving
- Create and encourage positive financial habits and effective money management
- Build financial research skills to compare and contrast options
- Design safe opportunities for youth to practice financial decision making

http://files.consumerfinance.gov/f/documents/092016_cfpb_PedagogyModel.pdf

Money as You Grow: For parents and caregivers

Resources for parents and caregivers

Children learn from watching you earn, shop, save, and borrow - you're the top influence on their financial lives. And you don't need to be a money expert to help them start out strong.



Developing executive function



Building money habits and values



Practicing money skills and decision-making

Make it easy for parents and caregivers to find tools, activities, and information

- New home for the popular moneyasyougrow.org site
- And more: blog posts, social media outreach, and e-mail

Money as You Grow book club: Parent Guides



What's inside the guides:

- The story
- Key ideas
- Something to think about
- Before you read
- Something to talk about
- Something to do (age specific)



Consumer Financial
Protection Bureau

Find it at consumerfinance.gov/money-as-you-grow/

Resources

CFPB's Resources for Financial Educators webpage:
consumerfinance.gov/adult-financial-education

To sign up for the CFPB Financial Education Exchange:
CFPB_FinEx@cfpb.gov

To sign up for the CFPB Financial Education Discussion Group:
linkedin.com/groups/CFPB-Financial-Education-Discussion-Group-5056623