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Values in Financial Education

Nadine Bryant

Honors Project

Submitted to the University Honors Program
at Bowling Green State University in partial
fulfillment of the requirements for graduation with

University Honors

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Introduction

Teaching young people about financial matters can be difficult. Even though there are many different kinds of programs that are available to use (Fox et al. 2005), it is still tough to get adolescents to understand concepts like the importance of saving for retirement and their futures. Another concept that is difficult to teach adolescents is the idea of values. Values are beliefs and ideas that individuals believe are important and key to the way that they live their lives (Browne & Keeley 2008). Teaching adolescents to recognize their values can help them make decisions that align with what they believe is important. Having this harmony between actions and beliefs is essential and allows for an individual to have an internal peace.

This project is based on the idea of bringing values learning into financial education programs. I worked closely with the directors of a program called Finances 101 to bring a new values component into their program. By bringing the idea of values to Finances 101, I have made an attempt to increase the impact that the program has on the students who participated in the program. I believe that if students can understand their values they will be more likely to make financial decisions in an informed and purposeful manner.

Review of Literature

Values in Education

Values, according to M. Neil Browne and Stuart M. Keeley in their book Asking the Right Questions: A Guide to Critical Thinking, are ideas that a person feels are worthwhile or important in their lives. Values influence our everyday decisions. Every single time we make a choice we are using our values as a basis for that choice. Understanding values and the relationship that they have to our everyday lives is extremely important, and helps us to better understand ourselves and the reasons we make decisions.
In an article by Sanker (2004), the author argues that there is a dire need to bring values back into Kindergarten through 12th grade education. Currently, according to Sanker, there seems to be a trend in education to teach children in a way that does not involve values, but instead focuses on fixing problems such as adolescent sexual activity and promiscuity. The author makes an argument that if educators would teach children as well as adolescents to find values in things like education and being honest these problems would fix themselves. Teaching children values, as Sanker says, will help them find value in their lives and in their decisions.

Huitt (2004) also supports the idea that teaching values to children and adolescents is a very important way to teach them to be socially responsible. The author gives a specific example of a school which was researched that focused much of its education programs on teaching students to recognize values and maintain and develop morals and values that lead to harmonious lives. The school teaches students how to build positive character. As evidence that this education style is good for students, the author cites that 100% of students that graduate from that school are accepted to an accredited four year college. Therefore, from this article it can be seen that teaching students to recognize and develop good values can be beneficial to their lives as wholes.

Financial Education Programs

We live in a world where financial education is of the utmost importance. It seems as though more and more baby-boomers are growing to retirement age each day without being prepared to financially support themselves in their retirement (Lusardi 2008). In their article, Mitchell and Lusardi (2007) take a look at many different surveys that are given by national councils, such as the National Council on Economic Education. All of the surveys mentioned in
Values in Financial Education

their article point to the fact that Americans especially are struggling in their efforts to remain well educated on financial matters such as saving and investing in stocks and bonds.

Financial education programs can indeed impact the level of financial literacy that Americans have. Clancy, Ginstein-Weiss, and Schreiner (2001) found that people living at or below the poverty level benefited tremendously from financial education. The authors conducted a study about how financial education impacted the amount of savings that poor people were able to build up in their Individual Development Accounts. They found that many poor people lacked the basic knowledge of how much to save and how to reach their goals through savings. With financial education, these people were able to learn how to save and reach their goals. Research has found that when employers provided savings seminars for their employees the amount of savings that the individuals accumulated increased dramatically, especially for particularly poor employees (Lusardi 2003). In their article, Hilgert, Hogarth, and Beverly (2003) found a significant connection between an individual’s knowledge about financial matters and their actual financial behavior. This implies that those who are taught about financial responsibility are more likely to actually act more financially responsible.

Recently there has been a surge in funding being given to create financial literacy programs, particularly for school aged children and teenagers, according to authors Bernheim, Garrett, and Maki (2001) who conducted a study to find the actual effects of mandated school programs for teenagers on their future responsibility. They conducted a phone survey of students who had participated in these mandated programs years before, and measured the success of the programs by the amount of savings that the individuals had at the time of the survey. They found that adults who were mandated to participate in financial education in high school were
significantly more financially educated in general and were also more likely to have a significant amount of savings for their future.

In their article, Fox, Bartholomae, and Lee (2005) give an overview of several different kinds of financial education programs. The first type of program focuses on broad subjects of personal finances, and is often taught to school aged children or adolescents. Also discussed are other types of financial education programs put on by financial institutions, community centers, and local colleges. The authors found that there are three major types of programs being offered to consumers currently. The first type is programs that are broad in their subject matter; teaching about budgeting and balancing a checkbook. Then there are programs which focus on savings and retirement preparation. The final type of program that the authors found are programs about home buying and mortgage preparation. The authors discuss how programs measure their impact, stating that many programs lack the tools necessary to truly measure their effectiveness.

In order to really see the impact of financial education, especially for school aged children, there needs to be long term measurements of success for each participant.

Overview of Project

**Research Questions**

Through the work that was done with the Finances 101 program, I hoped to be able to bring a basic knowledge of the concept of values to the high school aged students. By bringing them to a basic understanding of values, my hope was that they would be able to recognize what is important to them so that they can use their values to more efficiently guide their decisions in their lives, specifically in regards to financial matters. In particular, I came up with three research questions that I had hoped to find answers to while working on this project. First, do high school age students typically link financial literacy knowledge with their ideas relating to
Values in Financial Education

personal values? Second, is Finances 101 an engaging way to help high school students learn about financial literacy? And third, what do high school aged students value in terms of financial literacy before and after Finances 101?

Timeline of Project

| October 2011, volunteered at Finances 101 to observe the program |
| October 2012, facilitated discussion and oversaw completion of VIW to approximately 700 high school students |

Overview of Finances 101

Finances 101 is a program that is put on by local credit unions across Northwest Ohio. Several representatives of the credit unions came up with an idea to teach high school students about financial decisions by having them work through a financial scenario. They created displays and booths that together represent a month’s worth of financial situations. For example, there is a booth in the game where the high school students, after finding out how many children they have in their scenario, find out how much they have to pay in child-care for the month. Another booth requires that the high school students pay for their utilities. They also get to buy a car and a home in the course of the game. The students move through each booth in a group and try their best to come out at the end of the scenario with the most money left over for the month (Appendix A). The program is put on every spring and fall at local post-secondary education institutions. The program in the spring has less than half the amount of participants as the program in October. Information gathered from both sessions of the program was used to support conclusions.
Procedure

In an effort to teach the high school participants how to recognize their values as they relate to financial matters a values inventory worksheet (VIW) was used (High School Financial Planning Program). The VIW was set up with ten pairs of values related to financial decisions. The values ranged from personal hygiene and clothes to education to vacations. The students were given a hypothetical situation to imagine that involved having an extra 100 dollars at the end of the month to spend on something of their choice. They were then asked to choose from each pair where they would like to spend their extra money (see Appendix B). Upon completion of the VIW each value was tallied and the values which had the most tallies were said to be the students’ financial values. The VIWs were sent out to each school in advance of the program to have the students fill it out before they had any experience in the Finances 101 game. Then after the game the students were asked to fill out the same VIW again.

Discussions were conducted with a majority of the students as they completed the VIW. These discussions were used to gauge how much high school aged students knew about values and their thoughts about the relationship between values and financial education. A discussion was also conducted with one of the coordinators for Finances 101 about how effective the program seems to be in educating high school students about financial matters.

In order to teach students about values as they went through the Finances 101 program, I met with a group of college students who were being trained to serve as guides for the participants as they went through the game (Appendix C). I gave a presentation about values in front of approximately 40 college students, educating them on ideas such as the basic definition of values and how to recognize and resolve value conflicts. Since there were several different high schools that participated in Finances 101, I was unable to meet with every group of high
school students individually. Therefore I educated the guides in the hopes that they would share my message of values with the high school students as they went through the program.

**Measurement Tools**

During the Finances 101 program I was able to actually sit down with a majority of the groups of high school students as they finished the game while they filled out their VIWs. During this time I was able to discuss a few different topics with the students. These discussions were used to answer my first research question, which was to find out if high school age students typically link financial literacy knowledge with their ideas relating to personal values. In order to form conclusions about my second research question which asked if Finances 101 is an engaging way to help high school students learn about financial literacy, I interviewed one of the coordinators for the Finances 101 program. Finally, my third research question seeking to find out what high school aged students value in terms of financial literacy before and after Finances 101 was answered using data collected from the VIWs that the students filled out.

**Findings**

**Question 1: High School Students’ Understanding of Values**

During the discussions which were held as the students filled out the VIW, I asked the students how much they knew about values before they had completed the VIW. A majority of the students did not appear to know anything at all about values before the program. A few of them appeared to know the basic definition of values, but did not seem to know how values applied to their lives or their financial decisions. I then asked the students how they felt the VIW and Finances 101 impacted their understanding of values. This question elicited many different responses from the high school participants. Many of them said that they felt like the game really gave them an understanding of money which made them rethink what they had thought
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was important before. A few others said that just being asked to choose which values they would pick over another made them seriously consider their values in general.

Question 2: The Level of Engagement of Finances 101

During the interview with the coordinator for Finances 101 it became apparent that Finances 101 is a highly effective and engaging program for high school aged students. The coordinator cited discussions that she had had with students, as well as evaluative tools that were given to many of the volunteers at the program. During her discussions with the participants after they had gone through the program, she discovered that the students learned a lot about personal responsibility in financial matters. The volunteers gave the most support for the idea that Finances 101 is an engaging way to educate students about financial matters. They were able to give evidence to the coordinator that the students were highly engaged in the activities throughout the program. They were active participants in the learning experience. The coordinator for Finances 101 has found through her work as a professor and as a coordinator for the program that keeping students actively engaged leads to longer retention of the material presented. Therefore, it is concluded that Finances 101 is indeed a highly engaging way to teach high school students about financial matters.

Question 3: Values of High School Aged Students

In analyzing the data taken from the VIWs there were two interesting themes that were evident (Appendix D). The first theme that was evident was that in the VIW that the students completed before they came to Finances 101 the majority of them indicated that they would rather spend their money on a car rather than on their education. This result changed dramatically in the VIWs that were filled out after the program, in which a majority of students indicated that they would spend the extra money on education, rather than a car. A second theme
was that in the VIWs filled out before the program students indicated that they would rather spend their extra money on clothes and appearance than retirement and savings. In the VIWs after the program, students indicated that they would rather spend their extra money on retirement and savings. Retirement and savings was also chosen far more consistently over other options in the VIWs after Finances 101.

These results indicate a significant change in the things that high school students valued before and after participating in Finances 101. High school students in general valued more financially responsible options the second time that they filled out the VIW. The specific and exclusive cause of this change cannot be deduced, but it is worth noting that these changes occurred after the students participated in a financial education program, as well as after some education on values and the impact of values on their lives.

Roadblocks and Challenges

Throughout the project I encountered a few setbacks. One of the major causes of these setbacks was communication between the credit unions and myself. There were many people working with me so that I could participate in the Finances 101 program, but there seemed to be some miscommunications. The people who put together the program did not quite understand what I wanted to do with the students, and so it was difficult for me to get them to be completely on board. It was also difficult for me to convince them to give me what little time that they didgive me to really teach the students the lesson about values. In the end I worked with the volunteer college students to educate them on my lesson so that they could teach the high school participants. This seemed to be more effective than trying to teach all of the high school students in a very short amount of time.
Conclusions and Implications

*Implications from Research Question 1*

The discussions with the high school participants were very informative and enlightening. They highlighted the importance of values education in high school. Many students said that they did not know anything about values, which was astonishing to me. The answers that were given reiterated to me that my project was important. Students did not seem to understand how values relate to the decisions that they make in their lives. Even if I only gave those students a glimpse of values education it seemed to be more than some of them had ever had before. Given these conclusions and the findings that indicate that high school students do not know much at all about values implies that more values education might be beneficial in helping to teach students how to make educated and sound decisions regarding financial matters, as well as in other situations in their lives.

*Implications of Research Question 2*

Through the interview that was conducted it was indicated that students were highly engaged in their learning experience while participating in the Finances 101 program. This level of engagement seemed be very effective in helping the students learn about financial matters. The evidence that students did indeed seem to learn an important lesson about financial matters through their engagement in the program was very convincing. Therefore, I believe that the Finances 101 program and its high level of engagement can and should be used as a premise for other financial education programs.

*Implications of Research Question 3*

The results from the VIWs indicated that high school students seemed to change their values after participation in Finances 101. They tended to value more financially responsible
decisions. This indicates that with more education on the importance of making good financial
decisions, and perhaps some more in depth education on the impact of values on these decisions,
students will become more financially responsible, and perhaps more responsible in other aspects
of their lives as well. There is an apparent need for more education, and the results that were
found here indicate that further education would be effective.
Citations


Appendix A

A PowerPoint presentation used to give an overview of Finances 101 to volunteers

**FINANCES 101 – The Game**

- What is Finances 101?
  - A financial game of life - where you pay bills, make choices, and possibly support a family - based on the luck of the draw, the roll of the dice and the spin of the wheel!

**Sponsored by the Northwest Ohio Credit Unions**

- What is Finances 101?
  - A financial game of life
  - Job assignment
  - Pay bills/Write Checks
  - Check Register
  - Other types of payment
    - Electronic
    - Debit Card

It's time to play the game!

**Station 1**

Students deposit a check for 10% of their monthly salary in the CU House.

The check should have been prepared at the introduction table.

**Supplies Needed**

Credit Union “House”

**Station 2**

1. Student rolls dice to see if they have any children (max. 3). Student should enter this on the program; it affects other costs throughout the game.
2. They pick a card to determine any discounts on daycare.
3. Student finds payment amount on chart & adjusts it based on card drawn.
4. This is a debit card payment, so student records and subtracts the amount in their check register.

**Supplies Needed**

Two white dice, daycare playing cards
Station 3
1. Student picks a card
2. Student scratches card to reveal a number that determines their health benefits
3. If they get a 1 they must pay based on their family size and record the cost in the checkbook register.
   
   
   Student should enter this on the program; it affects other costs throughout the game.

Supplies Needed
Scratch-off cards, coins

Station 4
1. Student must choose a house or an apartment based on their family size and their salary.
2. This is an electronic payment & needs to be subtracted in the check register.
   Make only one entry based on the "TOTAL" column on the far-right.

Station 5
1. Student must choose either basic or deluxe utilities from the chart. Student completes the check and records the cost on check register.
2. Student chooses a sucker and matches the colored bottom to the chart. Student records corresponding addition or subtraction on check register.

Supplies Needed
Sucker tree & suckers colored to match the chart

Station 6
1. Student rolls dice and finds corresponding number on chart.
2. Have student look at the Benefits line on their program to see if they have insurance. Then student writes correct cost in register.

Supplies Needed
2 Dice (primary color)
Station 7
1. Student must roll dice:
   Odd # = bad credit
   Even # = good credit
2. Student picks one transportation option (new or used car or public transportation)
3. Total car payment = monthly payment (based on good/bad credit) + insurance + gas
4. Subtract the total amount from check register as one entry

Supplies Needed
2 Dice (primary color)

Station 8
1. Pick a grocery card
2. Based on family-size, find grocery cost on chart then add/subtract card amount
3. Fill-in adjusted total on check
4. Record amount in check register

Supplies Needed
Grocery playing cards

Station 9
Wheel of Fortune/Misfortune
1. Student spins the game wheel
2. Student adds or subtracts from the check register based on the landing spot.

Second Chance
Only available for students that have a negative balance.

Student draws a card and if they received more income it is entered in the checkbook register as a deposit.

Supplies Needed
Wheel, 2nd chance cards

Station 10
1. Student must choose 1 clothing & 1 personal care option for each family member.
   They can be different for each person.
2. Add up the total cost for all family members.
3. Subtract this amount from the check register

Station 11
1. Student calculates 3% of credit card debt. This should have been calculated at introduction table.
2. Must pay at least 3% but may pay more if money is available in checkbook.
3. Student writes payment amount in register.
   Point to the chart showing the minimum payment & higher payment scenarios to show the value of paying more than the minimum.
Station 12

1. Student must choose 2 fun things to do with their family based on available money

2. Subtract total cost, if any, from check register
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Appendix B

Financial Values Inventory

Your values are beliefs or ideas that you consider important or desirable. Everyone has values, but everyone does not value the same things equally.

To help you recognize some of your own money values, read the pairs of words below, then check one item in the pair that would be your first choice in answering the question, “If you had an extra $100, which of the two items would you spend it on?” You must make one choice in each pair.

- Church/Charitable Giving
- Social Activities/Eating Out
- Education: Self/Others
- Housing (Dream Home/Vacation Home)
- Personal Appearance/Grooming/Dress
- Hobbies/Sports
- Education: Self/Others
- Car
- Personal Appearance/Grooming/Clothes
- Retirement Savings/Investments

Now total up the number of times you checked each item in the pair activity:

<table>
<thead>
<tr>
<th>Item</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Church/Charitable Giving</td>
<td></td>
</tr>
<tr>
<td>Social Activities/Eating Out</td>
<td></td>
</tr>
<tr>
<td>Retirement Savings/Investments</td>
<td></td>
</tr>
<tr>
<td>Social Activities/Eating Out</td>
<td></td>
</tr>
<tr>
<td>Vacation/Travel</td>
<td></td>
</tr>
<tr>
<td>Church/Charitable Giving</td>
<td></td>
</tr>
<tr>
<td>Housing (Dream Home/Vacation Home)</td>
<td></td>
</tr>
<tr>
<td>Vacation/Travel</td>
<td></td>
</tr>
<tr>
<td>Hobbies/Sports</td>
<td></td>
</tr>
<tr>
<td>Car</td>
<td></td>
</tr>
<tr>
<td>Hobbies/Sports</td>
<td></td>
</tr>
<tr>
<td>Education: Self/Others</td>
<td></td>
</tr>
<tr>
<td>Hobbies/Sports</td>
<td></td>
</tr>
<tr>
<td>Education: Self/Others</td>
<td></td>
</tr>
</tbody>
</table>

Adapted from the High School Financial Planning Program (NEFE®), 1992.
A PowerPoint presentation about values that I presented to the guides for Finances 101

WHAT ARE VALUES?

What are values?
- Beliefs or ideas that are important to you or someone else
- Guiding forces in decisions we make
- Make us who we are

Examples
Examples

- Family
  - What impact might this have on decisions made?

Examples

- Learning or gaining knowledge
  - How might someone act if they valued this?

Examples

- Financial security
  - How would this value impact decisions made?

Value Conflicts and Decisions

- What is a value conflict?

Examples

- Loyalty vs. Honesty
  - When might these values conflict?

Examples

- Competition vs. Cooperation
  - When might someone have to choose?
Examples

- Generosity vs. Financial success

- What situation might cause this to be a conflict?

How are value conflicts resolved?

- By making choices based on values that are most important to you.

What's the point?

- Recognizing values will help a person make decisions that they will be more happy with in the long term

- Knowledge of values might help make messages from Finances 101 more applicable to participants’ lives

- Ask participants questions about their values
  - “What value do you have that has lead you to this decision?”
  - “Did you have to make a value choice to make that decision?”

FINDING YOUR VALUES

Value Survey
### Appendix D
Results from Values Inventory Worksheets

<table>
<thead>
<tr>
<th>Value Pair</th>
<th>Before Finances 101</th>
<th>After Finances 101</th>
</tr>
</thead>
<tbody>
<tr>
<td>Church/Charitable Giving</td>
<td>13.1%</td>
<td>26%</td>
</tr>
<tr>
<td>Social Activities/Eating Out</td>
<td>86.9%</td>
<td>74%</td>
</tr>
<tr>
<td>Education</td>
<td>49%</td>
<td>54%</td>
</tr>
<tr>
<td>Housing (Dream Home)</td>
<td>51%</td>
<td>46%</td>
</tr>
<tr>
<td>Personal Appearance/Clothes</td>
<td>53.5%</td>
<td>59.8%</td>
</tr>
<tr>
<td>Hobbies/Sports</td>
<td>46.5%</td>
<td>40.2%</td>
</tr>
<tr>
<td>Education</td>
<td>32.3%</td>
<td>55.6%</td>
</tr>
<tr>
<td>Car</td>
<td>67.7%</td>
<td>40.2%</td>
</tr>
<tr>
<td>Personal Appearance/Clothing</td>
<td>53.1%</td>
<td>30.2%</td>
</tr>
<tr>
<td>Retirement Savings/Investments</td>
<td>46.9%</td>
<td>69.8%</td>
</tr>
<tr>
<td>Retirement Savings/Investments</td>
<td>51%</td>
<td>75.8%</td>
</tr>
<tr>
<td>Social Activities/Eating Out</td>
<td>49%</td>
<td>24.2%</td>
</tr>
<tr>
<td>Vacation/Travel</td>
<td>83.7%</td>
<td>80.6%</td>
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<tr>
<td>Church/Charitable Giving</td>
<td>16.3%</td>
<td>19.4%</td>
</tr>
<tr>
<td>Housing (Dream Home)</td>
<td>59.2%</td>
<td>66%</td>
</tr>
<tr>
<td>Vacation/Travel</td>
<td>40.8%</td>
<td>34%</td>
</tr>
<tr>
<td>Hobbies/Sports</td>
<td>30.3%</td>
<td>38%</td>
</tr>
<tr>
<td>Car</td>
<td>69.7%</td>
<td>62%</td>
</tr>
<tr>
<td>Hobbies/Sports</td>
<td>45.4%</td>
<td>34.7%</td>
</tr>
<tr>
<td>Education</td>
<td>54.6%</td>
<td>65.3%</td>
</tr>
</tbody>
</table>