Thank you for joining us for today’s webinar:

My Classroom Economy Evaluation: An Experiential Approach to Building Youth Financial Literacy

The webinar will begin promptly at 12pm CT (1pm ET, 11am MT, 10am PT)
My Classroom Economy Evaluation: An Experiential Approach to Building Youth Financial Literacy

September 21, 2016
12pm-1pm CST
Brought to you by:
Center for Financial Security
at the University of Wisconsin- Madison
My Classroom Economy Evaluation: An Experiential Approach to Building Youth Financial Literacy

- Welcome
- Presentations
  - Introduction to the project
  - About My Classroom Economy
  - Insights from the classroom
  - Findings and implications
- Q & A
- Sign off
Our Presenters

**Collin O’Rourke**  
Senior Research Specialist  
University of Wisconsin-Madison  
Center for Financial Security

**Aaron Standish**  
Financial Literacy Coordinator  
School District of Palm Beach County

**J. Michael Collins**  
Director, Center for Financial Security  
Associate Professor  
University of Wisconsin-Madison
My Classroom Economy Evaluation: An Experiential Approach to Building Youth Financial Literacy

Louisa Quittman
Director, Financial Security
Office of Consumer Policy
U.S. Treasury
My Classroom Economy: Project Background

Collin O’Rourke
Center for Financial Security
University of Wisconsin-Madison
Senior Research Specialist
My Classroom Economy

• K-12 materials available at myclassroomeconomy.org
  ◦ Evaluation focuses on grades 3-5
• Experiential approach
  • Classroom jobs and “dollars,” payday and banking, spending on desks and auctions (or stores)
  • Classroom management system: Promote positive behaviors and enforce rules
  • Highly customizable
• Contrasts with curriculum-based programs or lesson plans
My Classroom Economy Core Activities

01 Planning and preparation
02 Introductory activities
03 Ongoing activities
04 Program wrap-up

Source: Vanguard
# Core Components

## Jobs
- Four core jobs: Banker, Police Officer, Messenger, and Clerk.
- Each job needs an appropriate salary. The highest pay should go to the most responsible positions.
- **List of jobs**
- **Payday Procedures**

## Rent
- A student's salary, $800, does not quite cover the bi-weekly rent. To make up the difference, students need to earn bonus money.
- Students who do not meet their rent payments should face some loss of privilege within the system.
- Students who manage to save 3x the bi-weekly rent amount can purchase their desk and be free of rent payments going forward.
- **Rent procedures**

## Bonuses
- In addition to the salary, students can earn bonus money by performing well academically and participating in extracurricular activities or for good behavior.
- Students need to earn bonuses to make rent and save up for the auction. In addition, bonuses can be useful incentives for your own class goals.
- **Bonus List**

## Fines
- The role of fines is to help students understand costs and consequences—it is not to punish them.
- Although the Police Officers write tickets for fines, you control the process through an offense log.
- **Fine procedures**

Source: Vanguard
Experiential Approach to Financial Education

• Existing studies focus on curriculum or lesson plan based models, often for older grade levels
• Experiential approach
  • Focus on development of behaviors, attitudes, habits
  • Minimize time commitment and training needs
• Elementary students
  • Greater focus on early grades, recognizing children’s cognitive development and economic understanding
Partnership with the School District of Palm Beach County

- Started winter 2014-2015
- County-based district
  - Large and diverse student population
  - Financial Literacy Coordinator and Department of Research & Evaluation
- School and teacher recruitment at the end of the 2014-2015 school year
  - Involvement was voluntary; randomized volunteers
  - Administrators could sign up whole grade level
- Balance evaluation requirements with teachers’ day-to-day responsibilities
Implementation

- Teachers from 24 schools agreed to participate
  - 115 classrooms and 1,972 students
- Schools assigned to treatment and comparison groups
  - Treatment group implemented MCE 1st trimester
  - Comparison group delayed until 2nd trimester
- Surveys
  - Student: *Beginning and end* of the 1st trimester
  - Parent: End of the 1st trimester
  - Teacher: End of the 1st trimester, end of year feedback
The School District of Palm Beach County

- **Palm Beach County, FL**
  - Population = 1.4 million (larger than 11 states)
  - Geographically = size of the state of DE

- **School districts are county-based in FL**

- **SY17 Enrollment > 185,000 students**

- **111 traditional elementary schools**

- **~90,000 elementary level students**
  - 33% white, 28% black, 33% Hispanic
  - 61% of K-5 students qualify for free or reduced lunch
  - 18% are English Language Learners
SDPBC Interest

- Law passed by the FL Legislature in 2013 requiring Social Studies standards to include financial literacy.
  - Also requires financial literacy to be included in high school graduation requirements, as part of required credit in economics.

  - 6 new standards added for:
    - Grade 4 – 28 new benchmarks
    - Grade 8 – 38 new benchmarks
    - Grades 9-12 – 56 new benchmarks
SDPBC Interest

- FL first state to adopt (in almost entirety) the Council for Economic Education’s National Standards for Financial Literacy.

- Through the generous support of community partners, SDPBC secured a 2-year grant for a Financial Literacy Liaison to serve the district and community (recently extended additional 2 years.)
  - #1 focus is teacher training.

- My Classroom Economy included as part of SDPBC’s Elementary Financial Literacy Curriculum Progression Guide. (in 4th grade)
  - MCE covers 14 of the 28 benchmarks (more if advanced modules are introduced.)
My Classroom Economy Implementation

- **5 trainings** were held over 2 days across the county during preschool sessions.
  - **94 teachers** were trained (3 hour training sessions.)
    - Note: more teachers were added to the study after the training sessions.
  - Participants **received funding** to support the purchase of items for auctions and stores **and other resources** to support implementation.

- **MCE does not require** as much **formal training** on financial literacy topics as more traditional curriculums because the students learn as they ‘do.’

- **Elementary teachers from a wide variety of backgrounds feel comfortable** using the MCE program, even though they may not be comfortable with personal finance material.
Teacher Feedback

- Surveys and interviews indicated **high satisfaction among teachers**, as most continued to use the program after the study period, and plan to continue using the program this school year.

Feedback from teacher surveys:

- “[MCE] was a very well-rounded program. It taught my students a lot about life from a financial standpoint.”
- “I thought this was a great program and feel it should be implemented in all classrooms across the district.”
- “This is an amazing program that enriches math skills and supports classroom management. Thank you!!!”
- “GREAT program, my class loved it, eye-opener for the students about their future.”
My Classroom Economy: Findings and Implications

J. Michael Collins
Director, Center for Financial Security
Associate Professor
University of Wisconsin-Madison
Field Study Results

- **MyClassroom Economy**
- **Palm Beach County, Florida**
  - 3rd, 4th and 5th Graders
  - 115 classrooms
  - 24 schools randomly assigned
  - 1,972 student assessments Sep and Nov 2015
  - 763 parent surveys Nov 2015

- Measure changes in **quiz scores**, **budgeting**, **economic socialization** and **behaviors**
Measures

• University of Wisconsin Survey Center and School District collected the baseline (August 31) and follow-up surveys (November 9)

• **Surveys measured outcomes across six areas**
  – Developed based on measures validated in prior studies

<table>
<thead>
<tr>
<th>Topic Area</th>
<th>Sample Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Knowledge</td>
<td>A plan for spending your money is called a . . .</td>
</tr>
<tr>
<td>Budgeting</td>
<td>How often do you have a plan for how you will spend money?</td>
</tr>
<tr>
<td>Financial Socialization</td>
<td>How often does your family talk about how you spend money?</td>
</tr>
<tr>
<td>Economic Experience</td>
<td>Do you currently have a bank account in your own name?</td>
</tr>
</tbody>
</table>
Impacts

Sigma units (% of std dev)

• Knowledge: 13
• Budgeting: 11
• Socialization: 19
• Econ Experience: 21

13% indicates an effect size of one-tenth of a standard deviation. Effects are all statistically significant at the 5% level or better.
Student Engagement

- Majority of students (60%) reported buying at least one item
- 3 out of 4 reported paying a fine
- 95% received bonuses
  - Evidence of classroom management tool
- Average student had an MCE account balance of $1,295
- About one in three students (32%) bought their desks, instead of paying weekly rent
Ongoing Effects...

- Students more likely to have bank accounts
- Students more likely to engage in money management outside of school.
- Parents reported school taught about money at school
- Teachers reported high satisfaction: 95% will use again
  - Classroom management system and as a financial education program.
  - Teachers with no experience teaching financial content were successful after just three hours of formal training.
MCE Yields Consistent Gains

- Student’s financial knowledge, budgeting, socialization, and financial experiences after 10 weeks.
  - No measurable effect of MCE on student’s self-reported planning for the future or levels of self-control
  - If implemented for full school year, perhaps larger effects
- Teachers liked the program; few barriers to implementation.
- Effects similar to a prior study of formal, classroom-based financial education lessons (Batty, Collins, & Odders-White, 2015)
- Could be operated concurrently with a traditional financial education curriculum.
  - Combination of experiential learning and classroom learning over school years may develop stronger financial capability in adulthood.
  - Engaging parents more directly could enhance the development of financial capability even further.
Q & A

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Please remember that today’s webinar was recorded and will be posted on our website: cfs.wisc.edu within two business days.

Please contact Hallie Lienhardt with questions:

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