Financial Foundations for Educators

Student Impact Study

The Financial Literacy Group

Knowledge is Power

Executive Summary

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Jump$tart Financial Foundations for Educators Student Impact Study

In this study we discovered that educating high school teachers on the basics of consumer finance as it relates to their own lives makes those teachers significantly more effective in enhancing the financial literacy of their students. This finding sheds light on a question that has long plagued the financial literacy field, "What kind of teacher professional development actually gets results with students?" In this study generously supported by Fidelity, the National Endowment for Financial Education, and the Wells Fargo Foundation, ten teachers from the metropolitan Washington, DC area attended the Jump$tart Financial Foundations for Educators ("J$FFE") professional development program in 2019. Through over one thousand prior and subsequent data collections, the students of those teachers were found to have improved in financial literacy appreciably more than the students who were taught by the same teachers *before* those teachers completed the J$FFE program. Given the magnitude of the increase in student knowledge, it is hard to overstate the significance of this finding to the future of the J$FFE program and the financial literacy field writ large.

> After receiving the J$FFE training...teachers increased their student impact **threefold.**

The J$FFE program's downstream impact on students was substantial. High school students of teachers without the benefit of the Jump$tart professional development registered an 8% average personal finance knowledge gain from their class. After receiving the J$FFE training, however, those same teachers increased their student impact threefold. On average, student knowledge scores increased by a remarkable 24% between the beginning and end of the semester immediately following their teachers' participation in the J$FFE program. The training appeared to greatly amplify the course's positive effect on student knowledge.

This effect was even more pronounced on certain subgroups of students, particularly those from communities that have been historically financially underserved. For instance, African American students saw their lift in financial knowledge increase by four times—from 5% to 21%—when compared to their scores from being taught by a teacher who received the Jump$tart professional development. Moreover, this four fold rate of improvement was significantly higher

than their White counterparts who saw their knowledge gains roughly double from 13% to 29%. Hispanic students also saw a strong lift in knowledge rising from a 14% increase in the semester before the teachers participated in the J$FFE program to an improvement of 25% in the semester after. Likewise, students from households in which the parents' or guardians' highest level of educational attainment was a high school diploma, experienced knowledge gains almost seven times better than their peers living in a household with a college-educated parent or guardian. Similarly, unbanked students improved their scores more than their financially included peers by a knowledge-increase ratio of 4.9 to 1.

Predictably, but worth noting, the training appeared to have a strong impact leveling the playing field for teachers with less experience. Teachers with less than ten years of experience had students that improved their scores more than students of teachers with ten or more years of experience by a factor of 12. This suggests that the J$FFE program can help teachers who are earlier in their careers close the gap with their more experienced peers.

The bottom line? The J$FFE professional development program proved itself to be highly impactful on the precise audiences and in precise ways its designers intended nearly ten years earlier. But *why* was it so effective? A focus group with participating teachers at the conclusion of the study took us beyond the data to discover an answer to that critical question.

Most teachers in the study were quick to contrast the J$FFE professional development with other more traditional financial education trainings they had taken that emphasized pedagogy, using specific curricula and student-centered activities. One teacher put it this way, "They taught a lot of information under the assumption that I, as a teacher, already knew the material in depth and they were teaching us how to teach the material but not 'what does it encompass?'" She went on, "In other words, there was no background knowledge. They assumed you came in with all of that background knowledge." A number of teachers shared similar experiences.

When the focus group turned to the specifics of the J$FFE program, however, most of the teachers stressed the importance of the fact that the Jump$tart professional development was teacher-focused and content-driven. One of the participants summed up the sentiment of the group when he stated that the J$FFE training "was especially helpful in not just furthering my knowledge, but it allowed me to bring a new level of confidence into the classroom and start to have conversations with students and generally with other people."

The proven effectiveness of content-based, teacher-focused professional development like the J$FFE program has important implications for the field of financial education. Today most teacher training consists of instruction in pedagogy and curriculum-specific lessons and activities for students. While some of these traditional trainings may show positive results for both students and teachers, in light of these findings, it is now reasonable to ask if those trainings would be *more* effective on improving student outcomes if they were provided *after* teachers were first instructed in the content of personal finance, as they are in the J$FFE program. Based upon what we have discovered in this study, perhaps all future financial literacy professional development should be preceded by a content-based, teacher-focused program as a universal prerequisite.

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