

Money Talks

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Money Talks: Should I Be Listening?

Money Talks, a teen financial management curriculum, is a series of ten attractive newsletters with corresponding leaders' guides designed to be "hands-on" and facilitated in a variety of venues including local schools, after-school programs, Independent Living Centers, and with youth on military bases throughout California. The newsletters focus on helping teens discover their money personality and spending habits, easy ways to save, shopping tips, banking, car buying, credit, and food buying.

Building on the successful curriculum, University of California Cooperative Extension staff and specialist collaborated to create a fun, attractive, and educational web version of the curriculum, www.moneytalks.ucr.edu, with additional interactive games, Ask \$am – a Q&A section, two short videos titled "Making Your Dreams Come True" and "Taking the Road to Good Credit," and additional related resources. When visiting the website, users can access information in both English and Spanish. Thus, both the newsletters and the website combine effectively to address the need to increase teen financial literacy and to foster general youth self-sufficiency. The curriculum is currently being used throughout California and in several other states.

Rationale. Alan Greenspan, Chairman of the Federal Reserve Board, remarked on the importance of elementary and secondary school basic financial education in providing the foundation for financial literacy and helping young people avoid poor financial decisions (Federal Reserve Board, 2001). National surveys indicate that today's teens spend \$175 billion annually (Teenage Research Unlimited, 2003), but the average score for high school seniors on a national money management test was 52.3%, a failing grade by standard grading systems (Jump\$tart Coalition, 2003, and 1997). Additionally, findings from the 2002 Jump\$tart survey indicate that existing personal finance classes aren't reaching teens—with the exception of interactive games played in classroom settings—and concludes that "personal finance is taught most effectively to high school students if it is both interactive and relevant."

Needs Assessment. The Money Talks curriculum is the result of three years of research. A financial needs assessment survey was administered in four Southern California counties in five distinct sites (incarcerated teens, teen migrant education programs, teen pregnant and parenting programs, teens in public high school, and teen youth groups). The survey asked the teens about their sources of income, use of their money, what types of financial information they would like to receive, and how they would like to receive financial information. Findings from the assessment were used to create the Money Talks curriculum. Money Talks is a program for teens based on what teens said they wanted to learn and how they wanted to learn offering opportunities for classroom and interactive learning.

Results. Based on pre and post-test surveys, preliminary analyses indicate that the newsletters are successful in engaging and educating our teens. After being involved with the program, teens reported increased number of times talking with their family about their use of money, understanding the importance of savings, family finances, and how the family's money should be spent. The teens also reported thinking more about saving money for the future with an increase in the number of teens who saved some money weekly (74% prior vs. 90% after the program).

Conclusion. It is our role to teach our youth how to develop into successful and self-sufficient adults. Inherent in this outcome is the role of teaching our youth how to successfully manage their personal finances. The research community and the government have agreed that youth financial literacy is a primary issue for youth development – especially for at-risk youth. Based on our needs assessment and subsequent pilot study, we believe that the Money Talks curriculum and the exciting new website will address this need and be a valuable contribution to youth financial literacy education.



Money TALKS

Should I Be Listening?

Newsletters for Teens • Leader's Guides • Interactive Website • Video & CD Resources
www.moneytalks.ucr.edu

Money Talks— Should I Be Listening?

Attention: *Life Skills High School Teachers*
&
Community Leaders of High School Students

Money Talks is a new financial literacy curriculum developed by the University of California. The Money Talks materials are available to you **FREE** in English or Spanish on the Internet!

These resources include:

- 4 attention-grabbing newsletters for your students, *Money Personality*, *Savings Made Simple*, *Shopping Savvy*, and *Car Costs*.
- A Teachers Only section with teacher's guides to accompany each newsletter, on-line assistance, and links to economic research and resources
- A video of teens talking about saving money, *Making Your Dreams Come True*
- Interactive financial games to reinforce students' learning and expand their financial savvy
- Links to other fun financial sites

Pre-/post-tests are available to measure how much your students' financial knowledge increases

The time is now for your students to start learning about making financial choices.

To order materials or for more information, contact:

Connie Costello at (909) 787-5241

Email: connie.costello@ucr.edu

Website: <http://moneytalks.ucr.edu>

Agarra la onda ... ¡cuida tu dinero!
Programa de educación financiera para jóvenes



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TEENS AND MONEY



STATISTICS

- U.S. population currently includes more than 32 million teens aged 12 to 19
- Teens spent \$170 billion in 2002
- Teen spending averaged \$101 per week in 2002.
- Four categories dominate teen spending: clothing/jewelry; food/snacks; entertainment; personal care.
- California 12th graders scored 47.1% on a financial knowledge test.
- Out of 4,000 teens nationwide, only 35.1% knew that retirement income paid by a company is called a pension and 21.2% thought there was a national sales tax of 5.5%.
- Half of all teens who are college students have four or more credit cards up from 27% in 1998.

The Economy and Teens

Despite a lackluster U.S. economy, the one population group who has spending power in today's society is teens, our future leaders. Consensus is that teens have and spend more money each year than teens in previous years. Their spending averaged \$101 per week in 2002. The U.S. population currently includes more than 32 million teens aged 12 to 19. This population has increased steadily since 1992, as children of Baby Boomers have entered their teen years. Teens (17-19 years) spent \$170 billion in 2002. The bad news is that even though these teens are spending their money today, it doesn't mean they are financially ready to do so. This raises the question: How familiar are teens with basic financial terms/concepts about money matters? A recent study, sponsored by the National Jump\$tart Coalition stated that California 12th graders scored 47.1% on financial knowledge, with the national average being between 51.9%-57.3%. Another nationwide study revealed that 72% of teens indicated they understood money issues well. This shows us that teens' knowledge about money and their perception about what they know appear to be out of balance. Teens spending behavior and their limited understanding of money management can promote money habits that may lead to costly mistakes today and in the future. This is why financial literacy is so crucial at this early stage in their lives.



A complete financial literacy package

Teens Want to Learn About Personal Financial Management

Money management tools have changed considerably in recent years, primarily because of technology advances. Alan Greenspan stated at a National financial youth meeting that, "fostering education that will enable individuals to overcome their reluctance or inability to take full advantage of technology advances and product innovations in the financial sector can increase economic opportunity." Basics like opening a checking account and owning a credit card are not the only concepts teenagers need to understand these days to help with their personal finances and overall economic opportunities. Today, there are tools like: ATM cards, debit cards, online banking, software programs and more to help with personal financial management. Providing financial education to teens about how these tools work is essential. A recent study revealed that 1,000 students 16-22 years of age had never taken a class in personal finance. Another study indicated that teens can and do respond positively to instruction aimed at improving their money management skills. Teens have stated that their preferred method of learning about money was during school. They wanted to learn about personal financial management through mediums like television, radio, websites, magazines, newsletters, etc. It is our responsibility as educators, business people, community leaders, media consultants and consumer advocates to get the word out to teens that personal financial management literature and mediums exist and that we are here to help our leaders of tomorrow!



Educate teens about personal financial management

Sources: (1) American Savings Education Council. *Two Thirds of Americans Students Say They Need To Know More About Money Management*. Education Council News Release, April, 26, 1999. (2) Applied Research. *Extension of Knowledge*. Public Service: <http://cealameda.ucdavis.edu/> (3) Danes, S.M. Huddleston- Casas, C. & Boyce, L. (1997). *An Evaluation of a Financial Planning Curriculum for Teens*. Proceeding of Association for Financial Counseling and Planning Education. (4) Jump\$tart Coalition's Annual Meeting. Remarks by Chairman Alan Greenspan, Financial Education, April 3, 2003. (5) Parents, Youth and Money Survey, Executive Summary, 2001. (6) Teenage Research Unlimited. *Teens Spent \$170B in 2002*. March 24, 2003. (7) The Tool for the Hispanic Advertising and Media Professional Hispanic Ad. www.hipanicad.com/cgi-bin/news/newsarticle.cgi?article_id.com (8) Education Council. *The Youth and Money Survey*. 1999. (9) Varcoe, Karen. (1999). *Teens and Adults' Perceptions Regarding Money Management Education and Delivery Systems*. Proceedings of Association for Financial Counseling and Planning Education. (10) Zollo, P. (1995). *Wise up to Teens: Insights into Marketing and Advertising to Teens*. Ithaca, New York: New Strategist Publications, Inc.