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Abstract: *This paper discusses the findings of a mixed method study (282 surveys and 15 interviews) of pedagogical techniques and strategies of financial literacy educators in community based settings.*

There is a growing need in society today for people to be financially literate considering the alarming increase in bankruptcy rates, high consumer debt levels, and low savings rates (Anthes & Most, 2000). Financial literacy education (FLE) provides "individuals with the knowledge, aptitude and skill base necessary to become questioning and informed consumers of financial services and manage their finances effectively" (Mason & Wilson, 2000, p. 5). Despite an amplified need research suggests that Americans in general lack basic financial knowledge and are often poor managers of their personal finances (Anthes, 2004; Chen & Volpe, 2002). A response to this concern has been a growing personal finance education industry. A recent Fannie Mae report identified a host of financial education programs, predominantly nonformal programs, located in workplaces, community and faith-based organizations, cooperative extension agencies, community colleges, military services, and the private sector (Consumer Bank Association, 2005; Vitt et al., 2000). Studies that particularly focus on FLE programs in community settings aimed primarily at low-income groups (Klein, 2007; Vitt et al., 2000) have shown learner populations including Latinos, African Americans, people with disabilities, immigrants, and elderly people, with a demonstrated need for education in retirement financing, homeownership, credit and debt, saving, and investing (Vitt et al., 2000). The large majority of the studies on FLE programs focus on the content and/or effectiveness of the programs, ignoring the uniqueness of the populations being served. Furthermore, many financial literacy educators are making use of "canned programs" with a standardized curriculum that relies too much on delivery of financial information, with little attention to pedagogy that attends to the needs of diverse group in a culturally responsive way. Recognizing the challenges FLE programs face, particularly those that engage diverse groups in community based settings research is needed to better understand their pedagogical approaches. Therefore, the purpose of this mixed method study was three-fold: (1) to identify (through a nationwide survey) techniques and strategies financial educators currently use to educate adults from underserved population groups in community-based financial education programs; (2) to identify the extent to which they are teaching or developing programs based on socio-cultural and transformative adult learning theory; and (3) to explore from among those who appear the strongest, how they actually implement transformative and culturally responsive curriculum and pedagogy in practice.

Theoretical Framework

As also noted by Klein (2007), most FLE programs have been developed with little or no attention to adult learning theory, inclusive learning environments, or culturally responsive teaching; rather they have been grounded more in financial risk investment models, life cycle consumption theories, or behavioral modification models adapted from a health behavior model or a combination thereof (Lyons & Neelakantan, 2008). This study is grounded not only with an adult learning theoretical orientation, but is more specifically focused through the lenses of transformative learning, critical and culturally responsive curriulum/pedagogy that deals with differences in gender, race, culture, and social class, of which there are ample insights in adult education research (Guy, 1999; Jerryson-Bailey & Alfred, 2006; Lee & Sheared, 2002; Taylor, 2008; Tisdell & Tolliver, 2009). These adult learning theoretical orientations foreground issues of curriculum and pedagogy specifically aimed at the needs of adult learners of multiple groups to facilitate learning that can lead to sustained changes.

Methodology

This sequential mixed methods study (Creswell, et al., 2003) began with an online survey, consisting of a range of questions about the: a) demographics of both the educators and their learners (to inform who educates and for whom); b) the type, location, curriculum, and objectives of the FE program (to inform the environment in which it takes place); c) educator beliefs about FLE (to inform financial education philosophies); d) classroom practices utilized and those found to be most effective (to inform pedagogy); and e) beliefs and practices that specifically pertain to inclusive and culturally responsive pedagogy. 488 financial educators logged into the survey, with 282 completed surveys. Of the completed surveys, individual responses indicated that 245 teach financial education in a community-based setting and 37 do not. Frequency counts were run on all items and a statistical software program (PASW Statistics 18) was used to further analyze the survey data, predominantly around gender (using t-tests) and race/cultural differences (predominantly through chi square analyses). The results of the survey were used to formulate the semi-structured qualitative interview questions of financial educators working in those programs that appear to be most culturally responsive (Creswell & Plano Clark, 2007). Fifteen qualitative interviews were conducted, each lasting approximately one hour, using questions designed to probe more deeply into pedagogical practices and philosophical beliefs about adult teaching, learning, and feelings related to money. This mixed method analysis afforded the opportunity to confirm and strengthen the findings upon integration of the two data sets (Creswell & Plano Clark, 2007).

Survey Findings

In terms of some general information regarding the demographics of these educators (n=278) 75.9% (n=211) were female and 24.1% (n=67) were male. In terms of race, 63.9% (n=246) identified as White; 5.7% (n=22) as Black or African American; 1.4% (n=6) as Asian; .5% (n=2) as Native Hawaiian or Pacific Islander; .3%(1) as Native American; .8 (4) as other. 2.9% (n=8) identified as Latino/Hispanic, which suggests that approximately one quarter (25.5%) of the respondents chose not to identify their race or ethnicity. In terms of how they identify as educators in light of their background knowledge of financial issues, 17.2% (n=58) chose either Certified Financial Planner (CFP) or CPA; 40.5% chose “primarily a financial educator:” 3.8% (n=16) chose “financial services provider”; 6.7% (n=21) indicated they were a financial educator who also teaches literacy, and 21.6% (n=91) chose “other.” In terms of where they learned their knowledge of financial issues, we asked participants to choose the top two ways they learned about financial issues; these were through college and university classes, and learning on their own. The remainder of this discussion centers on those teaching in community-based programs.

As for the race and ethnicity of learners who they teach, the respondents indicated that the majority was: 61.5% (n=158) White, 23% (n=59) Back/African American, 7.8% (n=20) Latino; 1.2% (n=3) Native American; .4% (n=1) Asian/Asian American. Nevertheless, 58.2% (n=149) also indicated that at least 25% of the participants in most of their classes are made up of people other than the majority. These community-based educators teach identified 59.9% of the learners that they teach as low income, whereas 40.1% were identified as middle-income.

Beliefs and Curriculum

Because the study was particularly interested in the educator's philosophical orientation to financial literacy and curricular and pedagogical issues for this study, a number of items asked participants to consider these issues. 95.5% (n=253), including all the people of color, indicated that they believed it's important to approach teaching by taking into account differences among learners, while 4.5% (n=12) thought one should teach all learners the same way. From a curricular standpoint 40.6% of the community based educators made use of a curriculum that is either pre-published for financial education (such as MoneySmart) or developed by their organization, and another 33.5% modify their curriculum based on a prescribed/published curriculum, which means that nearly 75% rely to some degree on these pre-designed curricula. Most thought the curricular materials were more or less reflective of the life circumstances of the learner, with a mean score of nearly 3.9 on a likert scale of 1-5.

The top three topics most commonly identified as part of the curriculum were: household budgeting; credit scores and credit management; and savings.

Pedagogy and Evaluation

In terms of teaching strategies, respondents were asked to evaluate how effective the following teaching strategies are on a likert scale of 1-5: lecture, small or whole group discussion; drawing on learner experiences; shearing one's own financial experiences; workbook activities; simulation/role plays; stories from diverse groups; offering courses in languages other than English; films/TV clips; discussion of community financial issues; and use of cultural art forms. Overall, the items seen as most effective were drawing on learner's experiences (M=4.22), followed by small or large group discussion (M=4.19). Sharing educator's financial story was next (M=3.82), with featuring members of diverse groups was next (M=3.77). There were a few statistically significant differences between groups with men more likely than women to rate lecture as more effective at the $p<.05$ level. There was a statistically significant difference between people of color and white people in their rating of sharing stories of members of diverse groups, and creation of cultural art forms, with people of color rating these items higher than their white counterparts. From the standpoint of evaluation, most evaluated their effectiveness by the level of interaction in the classroom. 31.8% do pre and post tests; 43.4% do written or online evaluations immediately after the course is over. Only 9.4% do follow up evaluation more than 3 months following the program, and 8.2% do no evaluation.

Going Deeper: Qualitative Findings

While the survey data provided insight on curricular and pedagogical issues for a large group of FL educators across the country from a "bird's eye" perspective, the qualitative interviews provided far greater insight to what these educators believe and what they actually do.

Financial Literacy as "Understanding"

The meaning of financial literacy was quite varied among the participants, however at the core of their conceptions was a shared emphasis on the importance of understanding, both of being knowledgeable of essential financial information closely entwined with an understanding of its relevant to their personal financial situation. More specifically, the former understanding focused on specific skills, such as for example, Sally, who stated: "To be financially literate, you've really got to understand the credit world well" or Janine who stated a financially literate person was: "Somebody who can plan." And as Gloria, a community educator, stated: "a financially-literate person either understands or knows where to get that information." However, not only was it important to have access to essential financial information, it also needed to be understood within context of one's personal financial situation. For example, Sophie stated that a financially literature individual is one who "would be able to interact with a bank in non-self destructive ways." She went on to explain that this means "to be able to open a bank account and keep it above the balance zero balance and know what you have in there and to be having some financial goals that you are working towards and to be saving." Similarly, Gloria emphasized: "to be financially literate, a person would be knowledgeable first of all, they will increase their awareness of how you would use money… develop skills in that area of using money that's going to affect you and your family's well being. And it's going to be associated with not only cognitive, social, [but also] emotional, physical, and financial well being." Within all these comments (and sometimes direct statement) is the notion that information is necessary to change one's financial behavior, which appeared to be the implicit goal of these educators.

Pedagogy of Presentation and Interaction

Like teaching in general the pedagogical approaches used by the participants relied predominantly on a presentation of financial information with a strong emphasis by educators to have an interactive educational experience. For example, Louise stated: "I have a PowerPoint and we have a workbook and we'll follow the PowerPoint and the comics in the workbook and we want the PowerPoint just to hit on what the topics are going to be because nobody wants you to read your PowerPoint to them." Despite this reliance on a structured presentation of a defined curriculum there seems to be a strong awareness by the educators that learners need to be more actively involved for significant learning to take place. In response to this concern, many of the educators included financial stories from their own lives or former students to make the curriculum more relevant and meaningful. For example, Nettie states: "I am storyteller…. I talk about how some people have a money personality. You know, some people are savers and people are not savers. And so I'll bring a story out about how my son is this way and my daughter is this way." Along with storytelling there was a reliance on exercises (financial activities, games) used both individually and in small groups. For example, Jerry describes an activity: "We do an exercise with people to find a hobby that they do that they really like and then come up with ways that they might make money on it. What are the steps they need to take to just make some side money on that… people really like that." Similarly, Gloria discusses them in to context to small groups: “We have exercises. We have group work where they’re talking with each other. They might be talking in circles, although sometimes they’re talking to me. Sometimes they’re talking to each other.”

Content and Context Driven Pedagogy

As mentioned previously, the financial education classes are driven largely by the content, in that the instructors feel it necessary to ensure that the learners learn about specific issues that are seen as most important. However, financial educators are often sensitive to the context and needs of the specific groups they teach, as they make it their practice to alter the curriculum content based upon the group they are teaching. The educators are making active adjustments depending on what they perceive as the needs of their learners—for the women, for the homeless, for those with low income, or for learners of color. Some educators assess students at the beginning of the classes, “to see where they’re coming from” (Debra), while others utilize stories told by their learners as indicators of their needs. One educator discussed learners’ shame for their financial histories and how she might change or alter her approach to prevent their negative feelings to inhibit their learning. Other educators use their experience with particular groups to assist them with preparation of their curriculum. One educator called upon her past work in prison settings to utilize an effective kinesthetic approach to learning about budgeting with prison populations. It was clear that while educators are deciding upon their curriculum based on traditionally accepted content for financial literacy, they are also using their judgment to determine with their learners need most.

Toward a Culturally Responsive Pedagogy

While most of these educators emphasized understanding information, they did also attend to context and some cultural issues. However, this was discussed more in light of what financial issues were faced in their community rather than a fully conscious consideration of ethnicity or race, but these educators, emphasized the importance of knowing the community. Sophie who does financial education in a homeless shelter discussed developing a case study around the financial and cultural realities of issues faced by her group. Vera, who is Latina, and does much FLE in the Latino and African American community, tends to act as a cross-cultural communicator with financial specialists who may come give presentations but who have no idea how to deal with the community. She translates some of the financial “jargon” to the community context. Gloria, who is African American, explained, “I let the culture drive the lesson” and went on to say, “I learn about the community” but explained, “I don’t have to be Asian to be able to work well in an Asian community… I just have to care.” But for her caring meant that you actually do take some time to learn something about how this particular community works around financial issues. As she said, “In an Asian community, and in most communities of color, actually, it is not abnormal to have multi generations living under the same roof,” and went on to discuss what this might for how they might deal with financial issues. From a pedagogical perspective, those who were the most culturally responsive tend to use what comes up in the group/community and have the group work through how to deal with issues financially while they provide information. They emphasize that all people regardless of cultural groups, have strong emotions about money, that are often connected to their dreams; and they work with them to get in touch with their family/money script about money. Gloria also noted that she often has an interested member of a community shadow her at other educational events to learn information to act as educators in their own communities. From a pedagogical perspective, many also emphasized going with what's hot; using a combination of dyads who might also function as coaches later on, group movement, and developing refrigerator cards of some action steps.

Discussion and Conclusions

Looking back over the findings in relationship to the purpose of the study the techniques and strategies currently used to educate adults from underserved population groups in community-based FL programs seemed to both stress the presentation of instrumental financial information couched within an interactive educational experience that emphasizes the sharing of personal stories in small and large group settings. These particular programs seem implicitly responsive to difference through a conscious awareness of community interest and needs, implying on some level a socio-cultural approach to teaching FL. But due to the instrumental nature of financial literacy education, there is strong tendency for practice to be shaped more by the text (financial literacy information) than by educational setting and interest of the learners. Interestingly, nearly 75% of the participants rely to one degree or another on published/ curricula though approximately 1/3 of the respondents modify the curriculum in light of their learners' needs. Many of the qualitative interviewees recognize that there is also an emotional component to financial literacy, and some take into account emotions, while also providing information, and in their pedagogy of presentation and interaction try to help participants develop strategies that will facilitate behavior change in light of the context of their lives. There is, however, pedagogical variety among these educators, and long term evaluation of the effects of FL is a bit of a challenge. The varied approaches to FL education and the need for evaluations pose a challenge for both improving FL in general for underserved populations and for educating future FL educators. In response to this challenge, more research is needed in developing core financial objectives, and at same time is being appreciative of community and learner differences.

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