

impact

of the College of Agriculture and Life Sciences



Economic Development and Quality of Life for People and Communities High School Financial Planning Program

Issue

To enhance the financial well-being of teenagers in their adult years, it is essential that they become knowledgeable about personal finance. This is especially true considering current trends reflecting rising personal bankruptcies, consumer credit delinquencies, and inadequate savings for retirement among adults. Studies concerned with the financial knowledge of teens have reported that teenagers are progressing into adulthood without the basic skills and knowledge it takes to make educated financial decisions once they are on their own. Additionally, the spending power of teens continues to increase. Survey results released in April, 2002 by the National JumpStart Coalition for Personal Financial Literacy show high school seniors know even less about credit cards, retirement funds, insurance, and other personal finance basics that they did five years ago. On average, participants (12th graders) answered 50.2 percent of the questions correctly - a failing grade based on the typical school grading scale.

What has been done?

Since 1991 the University of Arizona Cooperative Extension in partnership with the National Endowment for Financial Education (NEFE), and local teachers, have educated high school students about basic money management and financial planning concepts. Over the past 10 years, the University of Arizona extension faculty have worked with classroom teachers to provide support for the HSFPP Curriculum. A new partnership with the Arizona Credit Union League, Inc. is providing a tremendous opportunity for additional classroom support and professional development for teachers. Many of their professionals across the state are willing to team up to increase the financial literacy of youth. Additionally, the Students in Free Enterprise (SIFE) at the University of Arizona are willing to assist with the program. The University of Arizona Cooperative Extension will continue to promote and expand the HSFPP in the state of Arizona.

Impact

Approximately 80,121 Arizona high school students and other young people have increased their knowledge of money management skills since this program began. As a result of participating in the NEFE High School Financial Planning Program (HSFPP), 86 percent of students demonstrated an increase in financial knowledge or behavior when dealing with money; 92 percent reported three months later that they believed the way money is managed affects their future; 84 percent felt confident in making financial decisions, 58 percent changed spending habits and 56 percent improved saving habits.

Establishing a savings account was identified by the greatest number of students when asked about the most important thing they did as a result of participating in the HSFPP. This finding is particularly noteworthy since a recent study from the National Bureau of Economic Research indicates that if you teach a teen to save, he or she will save more as an adult.

"I compare prices when I shop. I know more about credit and insurance, and I feel more confident about money." -participant

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Contact

Janice Shelton, agent, family and consumer sciences
La Paz County Extension P.O. Box BL
The University of Arizona
Parker, AZ 85344-4064
Tel: (928) 669-9843, FAX: (928) 669-9763