



TRENDS IN INNOVATION AND IMPACT

THE YEAR AHEAD FOR FINANCIAL EDUCATION IN 2024

January 2, 2024

At the 2022 Financial Education Innovation & Impact (FEI&I) Summit, NEFE articulated Access, Quality, and Impact as the key guiding principles for cross-disciplinary and cross-sector collaboration to enhance the field of financial education.

Our industry continues to evolve, and the potential has emerged for even greater advancement in the financial well-being of individuals, families and communities. NEFE's role as a centralizing voice and champion of effective financial education motivates us to articulate the opportunities present for the field's next chapter, and to call the field to act together toward transformative change.

To that end, we have synthesized themes from the [2022 FEI&I Summit](#) into an outline for the field to inform our work over the next several years.

Increasing Access to Effective Financial Education

NEFE describes **Access** as the ease with which [all people can obtain financial education](#) in a way that accommodates different life circumstances, as well as the way technology improves a person's ability to find education and information.

The financial education field could benefit from a strategic, collaborative approach to advancing the field through policy at both the state and federal levels. The recent tremendous increase of states signing K-12 financial education graduation requirements into law presents an opportunity to improve financial education on a large scale—particularly to support implementation, guarantee equitable access, elevate teacher training, and refine curricula to be most effective.

OPPORTUNITY AREAS

Even with financial education legislation, [access to high-quality financial education is not yet equitable](#). Students in well-resourced school districts are far more likely to receive personal finance instruction than students in other districts.

While the financial education field is small but mighty, most organizations focus on advocating for financial education at the grassroots level. More proactive and collective work is needed at the grass-tops level to further promote access to and impact of financial education. Additionally, a centralized federal voice is missing from financial education conversations.



NEFE'S COMMITMENTS

Our public policy work examines state legislation on [K-12 financial education mandates](#) and focuses on research-informed ways to implement quality financial education. Our [Policy and Advocacy team](#) has elevated promising practices for K-12 financial education requirements, translated research into policy insights, and connected these resources with legislators and advocates. Recognizing that legislation is a powerful tool in increasing access, we have supported this work with a lens on ensuring high-quality financial education.

In research, NEFE has [funded a grant](#) with RAND Corporation to evaluate the efficacy of Nevada's financial education mandate for students in grades three through 12. In addition, our project with St. Louis University will develop a scale for individual financial access, enhancing understanding of the impact of environmental factors on financial well-being. A grant funded to Knology [examined the impact of greater spending](#) on youth financial education upon the experiences and challenges of low- and moderate-income Americans.

Our [three-year strategic partnership](#) with the Colorado Community College System is focused on expanding access to financial education for working students by providing easily accessible online financial skills training. The project begins in early 2024.

Finally, media can be an important channel for accurate financial information and news. NEFE's [long-term partnerships with RTDNA and SABEW](#) support and encourage journalists from all disciplines to regularly and effectively report on consumer finance issues.

Advancing the Quality of Financial Education

When discussing **Quality**, NEFE considers the caliber of both financial education materials and the mechanisms used to deploy them; the [degree to which education adjusts for cultural, economic, racial, and geographic differences](#), and the field's integration of nontraditional educational methods and patterns of information consumption.

Programming, practice and direct service have evolved as the field of financial education has grown. Analyzing available evidence of effectiveness and widely communicating the value of financial education serves both the field and the public. As the financial education field matures, there is a need to create standards of practice and dissemination of research that support consistency, quality and continuous improvement.

OPPORTUNITY AREAS

Financial education curricula are not designed to best support all students, as there is a lack of cultural variability and relevance in most curricular offerings. Customization of learning materials for different populations would improve both the relevance and student mastery of financial concepts.



Due to an ongoing national teacher shortage, teachers without subject-matter preparation often are asked to teach financial education. Most financial education K-12 state mandates are unfunded, which leads to a burden on schools and teachers and inequitable access for students. Financial and technical support are needed to properly implement quality financial education.

NEFE'S COMMITMENTS

Quality is the underpinning of all NEFE's work and central to our mission. We seek to advance quality throughout all our strategies, initiatives and partnerships. Over the next several years, we will dig deeper into the attributes that make up quality financial education, including learning more about each of the [Five Key Factors for Effective Financial Education](#).

We host visiting scholars whose work gives nuance and depth to the field's understanding of financial well-being in order to expand the body of research knowledge and make space for crucial voices. Our [collaboration with Chloe B. McKenzie](#) seeks to properly capture and explain the phenomenon of financial trauma. Through 2024, our [ongoing series with Stephanie Cote](#) will investigate historical contexts, present barriers and successes, and future visions for economic thriving in Native Nations.

Our [partnership with the Appalachian College Association](#) tests an array of implementation strategies at seven colleges serving primarily rural, first-generation students. Our evaluation findings will be disseminated at the project's conclusion, creating a number of tested models that can be replicated, adapted and localized for various populations.

NEFE has sponsored several [in-progress research projects](#) related to quality financial education:

- Texas Tech University is assessing the Klontz Money Script Inventory-Revised (KMSI-R)'s validity on non-White samples and examining which money scripts are most at risk for lower financial literacy and financial self-efficacy.
- Lewis & Clark College is working to identify underlying racial assumptions within national financial literacy standards.
- The University of Tennessee – Knoxville, in a project co-funded by the FINRA Investor Education Foundation, will provide insights to increase the effectiveness of high school personal finance courses in Tennessee, which has had financial education graduation requirements since 2013.



Improving Financial Education Outcomes and Impact

We articulate **Impact** as the success with which the industry is [advancing financial well-being outcomes](#) among various groups with unique circumstances and needs, what the data show in terms of successes and gaps, and the quality of assessments in analyzing outcomes.

Proper evaluation of interventions and rigorous foundational research are core components of effective financial education. Capacity in this realm has greatly increased over the past decade, yet financial-education-specific projects still make up a relatively small part of the overall research and evaluation space. Adding capacity in terms of dollars, time and expertise would have benefits across the sector.

OPPORTUNITY AREAS

Evaluation is a cornerstone of successful project and program implementation, but time and cost barriers prevent widespread adoption of evaluation activities, especially among smaller- or under-resourced communities and organizations.

Research on the individual-, community-, and national-level returns on investment for providing financial education is underexplored. The field lacks a unified story on how this work contributes to overall well-being for individuals, families and society.

Financial education research continues to affirm its value, but the general public does not share a strong understanding of why financial education matters. Competing information from the commercial sector, mass media, social media and profit-seeking organizations can overshadow the neutral and reliable sources of financial information for learners and consumers.

NEFE'S COMMITMENTS

Our [research funding priorities](#) center on strengthening measurements, addressing systemic inequality, examining limitations in data, and focusing on interventions for youth. Since 2006, we have invested more than \$6.6 million in grant funding for rigorous, innovative and actionable research that increases the field's body of knowledge, provides insight into financial behavior and contributes to a better understanding of effective educational practices.

Research with the University of Alabama tested how the inclusion of "don't know" or "refuse to answer" as options on financial knowledge surveys could [lead to misleading results](#) on the true levels of financial knowledge of participants. An ongoing grant-funded project with Boston College is developing a series of survey measures that capture the nuance and complexity of various aspects of the [Personal Finance Ecosystem](#).



Other projects in the research sphere include building a standardized assessment to provide teachers with a reliable tool to evaluate elementary, middle, and high school student learning in alignment with the [National Standards for Personal Financial Education](#).

NEFE has also worked for the past several years to validate existing measurements and scales for accuracy and validity and identifying phenomena for which no such scale currently exists. In addition, our [ongoing public opinion polls](#) provide actionable data on financial well-being and continue to build support for financial education.

Beyond empirical and qualitative data, storytelling is a powerful tool in showing impact. For the past two years, [we have collected stories](#) from more than 100 students, advocates, researchers and policymakers to show the real-world impact of quality financial education.

CALLS TO ACTION

NEFE remains dedicated to creating spaces for cross-disciplinary and cross-industry collaboration to advance quality, effective financial education. Our upcoming [2024 Financial Education Innovation & Impact Summit](#) will build momentum to address the greatest challenges in our sector.

NEFE asks the broad network of stakeholders across the Personal Finance Ecosystem to act together and drive toward meeting the gaps present in our field. Our recommendations are presented below.

RESEARCH PROFESSIONALS AND ORGANIZATIONS

There is a great need for large-scale, national experimental research on the effects that financial education has on long-term financial wellness for young adults. Addressing this research gap would add significant value to the field's body of research knowledge.

Progress in high-quality research on financial education has been one of the field's greatest achievements over the past thirty years. Building stronger engines for dissemination and research translation will improve approaches in public policy and in educational interventions.

POLICYMAKERS AND GOVERNMENT INSTITUTIONS

Consider city-focused or regionally focused financial inclusion programs paired with financial education. Include evaluation that is based on population-specific impact measurements, and investigate the true costs and returns of the implementation of statewide K-12 financial education requirements.



FUNDERS, GRANTMAKERS, AND FOUNDATIONS

The prevalence of financial education programming has grown considerably in the past decade. Funds should be focused on population subsets where additional dollars can have an immense impact. For example, funding the implementation of financial education mandates in the lowest-income school systems, regionally or nationally, and providing support for research on culturally competent best practices for financial education will advance education that works for everyone. Ensure evaluation support is properly funded, and that evaluation findings are widely disseminated for the benefit of the greater field.

LEADERSHIP IN FINANCIAL EDUCATION

Financial education can have great benefit when aligned with other catalysts for change across the Personal Finance Ecosystem. The field should move to link our work to existing quality-of-life measurements to illustrate education's benefit in the context of financial well-being. In addition, policy momentum has been building steadily, and the leading voices in our sector should work to align with one another to build a strong federal policy agenda with education as a key component.

NEFE's Vision for the Future

We have invested more than 30 years toward advancing high-quality financial education that has real, measurable impacts. The field's next chapter depends on stakeholders' ability to coalesce around meaningful and collective change at society-wide and systemic levels. We envision a nation where everyone has the knowledge, confidence and opportunity to live their best financial life—a vision that can only be achieved when we embrace the forward momentum in our space and act together toward fulfillment of our shared missions.

The National Endowment for Financial Education (NEFE) champions effective financial education. We are the independent, centralizing voice providing leadership, research and collaboration to advance financial well-being. As one of the first organizations to wholly dedicate its efforts on improving the effectiveness of financial education, we continue our legacy of strengthening action-oriented research agendas, mobilizing intermediaries, and creating better solutions for researchers, educators, practitioners and policymakers. For more information, visit www.nefe.org.

This paper was co-authored by Beth Bean, Ph.D., SVP – Research & Impact, and Amy Marty Conrad, Managing Director – Insights.

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