



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

Issue

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. According to a 1999 survey by Teenage Research Unlimited (TRU), Northbrook, IL, teens spent \$153 billion of their own and family money, an increase of 8.5 percent over the previous year.

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. A new national partnership was formed with the Credit Union National Association (CUNA) that will provide additional support for expansion of the program through training models for credits union professionals interested in working with high schools in their local communities.

Funding

University of Arizona Cooperative Extension
National Endowment for Financial Education (NEFE)

Contact

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Impact

Approximately 50,235 Arizona high school students and other youth 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. Other identified changes as a result of participation in the HSFPP are:

- 47 percent know more about cost of credit
- 27 percent compare prices when shopping
- 31 percent used a spending plan or budget
- 30 percent repaid their debts
- 35 percent began tracking their expenses
- 29 percent of teens started saving
- 36 percent wrote down money management goals
- 45 percent knew that questions to ask when shopping for auto insurance

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 an insurance, and I feel more confident about money."

—participant

"I've been saving it up and using it when I really need it and not spending it on impulses. I put it in the bank. I have time to think about each thing I want to purchase."

—participant