

# Financial Education in New England: A Survey of Needs, Challenges and Practices

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January 2013

The Financial Education Unit at the Federal Reserve Bank of Boston is in the process of refining a multi-year strategy for improving financial capabilities in New England. In order to better understand the scope and reach of current initiatives, avoid duplicating efforts, and begin to build relationships with organizations throughout our district, the Financial Education Unit retained an independent researcher to gather critical intelligence on the needs of financial education providers from the non-profit, public and private sectors. The data collected will be used to identify the resources used throughout New England, understand gaps, and make an informed decision on the role that the Bank can play in the future.

Data were gathered primarily from people who provide financial education and whose efforts help increase the financial literacy or asset-building capacity of **adults** in the six New England states: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. In this report, such individuals are referred to as "financial educators" and the adults they support are referred to as "participants."

Data were gathered in three phases:

- Interviews with stakeholders at State Treasurers' departments and other state offices
- Interviews with financial educators
- A survey of financial educators

## 1 Most Significant Findings

- The network of financial educators in New England is dispersed and decentralized. Beyond Massachusetts, there is little coordination of efforts. There are large geographic areas not included in our sample, and several important participant populations that are not being reached by educators involved in this research. Because of the sampling method, it is not possible to determine if there are no educators serving these regions or populations, or if the educators serving them are disconnected from the group of individuals included in our study. In any event, there are significant gaps in the network of educators.
- Respondents say the largest challenge they face is attracting participants to the learning opportunities they provide. Qualitative data suggest three reasons for this: lack of awareness about opportunities, lack of motivation to attend, and social stigma related to attending. Most opportunities are promoted mainly by word of mouth, print, or web advertising.

- Respondents provide instruction primarily through traditional channels, such as one-on-one counseling and multisession classes. Less than one-third use new technology to provide online content.
- Respondents are generally dissatisfied with follow-up support provided once the formal education opportunity has finished. This is true for both individual follow-ups and peer support groups.
- Participants served by our sample tend to skew older and lower income. Several groups with strong needs for financial education (e.g., people transitioning off welfare, substance abusers) appear to be underserved, with far fewer than one-half of our respondents serving these populations.
- Respondents perceive participants as having relatively limited online access; they are relatively unlikely to refer their participants to interactive online resources, such as webinars or tracking tools, and they are unsatisfied with the tools available. Many respondents indicated that they are interested in capacity-building webinars for their own professional development but are dissatisfied with the options available to them.
- Approximately three-quarters of respondents have received some type of training in financial education, most from government agencies or other non-academic organizations, such as United Way or NeighborWorks. They report that they would like better training in cultural awareness, which they consider an important component of their work.
- About one-fourth of our respondents connect to other educators through online communities; most of these are using general social networking tools such as Facebook or LinkedIn rather than blogs, listservs or communities tailored to the needs of financial educators.
- Approximately two-thirds of respondents report that their organizations assess the effectiveness of resources. Respondents also expressed a need to acquire a more advanced understanding and better tools for evaluating their own programs and evaluative information about resources available to them.
- Respondents get resources to share with their participants and to further their own knowledge from a range of providers. Most providers serve only a small proportion of the educators in our sample.
- Not surprisingly, many respondents expressed a desire for additional funding to provide incentives, hire more staff, and provide better resources.

## 2 Methodology

Interviews were conducted with five stakeholders and six financial educators in October 2012. Survey data were gathered from 89 financial educators throughout New England during the second two weeks of November 2012. Participants were selected largely as a convenience sample, and therefore may not be representative of all New England financial educators.

### 2.1 Stakeholder Interviews

Stakeholders include personnel at the Federal Reserve Bank, with Massachusetts Financial Education Collaborative, and with staff from the State Treasurers of Maine, Massachusetts, New Hampshire, and

Vermont. Unfortunately, it was not possible to schedule conversations with representatives from Connecticut or Rhode Island. Interviews with stakeholders ran 30 to 45 minutes, and focused on the knowledge they have of financial education in New England, what they hope to learn from the research, and how they will use research findings. The five stakeholder interviews were conducted between October 4 and October 11, 2012. Stakeholders comprised personnel in State Treasurers' offices and organizations such as the Massachusetts Financial Education Collaborative (MFEC), who are actively involved in New England Financial Education.

## 2.2 Financial Educator Interviews

Financial educators include educators from Connecticut, Maine, Massachusetts, New Hampshire, and Rhode Island. Unfortunately, it was not possible to schedule conversations with representatives from Vermont. Interviewees serve a range of populations including community college students, low-income adults, veterans, seniors, refugees and immigrants, and inmates. Interviews with educators ran 45 to 60 minutes and focused on the audiences they serve, the services they provide, and the resources they use. In particular, interviews asked about how educators find and select resources, which resources are most useful to them, and what resources they would like to have. The interviews also focused on digital resources (web pages, mobile apps, social media, etc.) to the extent possible. Most interviewees were not using digital resources or were using them in a non-interactive way (e.g., downloading PowerPoint presentations or printing pdfs), so qualitative data on these resources are limited. The six educator interviews were conducted between October 9 and October 19, 2012. Interviewees were suggested by personnel at the Federal Reserve Bank of Boston and by stakeholders.

## 2.3 Surveys

Eighty-nine (89) financial educators completed the survey between November 8 and November 21, 2012. Only those individuals who self-identified as providing financial education to adults in New England completed the survey. In addition, because the Federal Reserve Bank was concurrently conducting a survey of employees at banks and credit unions, personnel at financial institutions were not included in the sample, due to concerns about survey fatigue in that population.

Invitations to the survey were distributed through stakeholders and others identified by Federal Reserve Bank personnel as having connections with a large number of financial educators. In addition, a modified "snowballing" technique<sup>1</sup> was used: both the invitation to complete the survey and the survey itself included a request to invite others to complete the survey. It is therefore not possible to give an exact number of invitations sent, nor to compute a response rate.

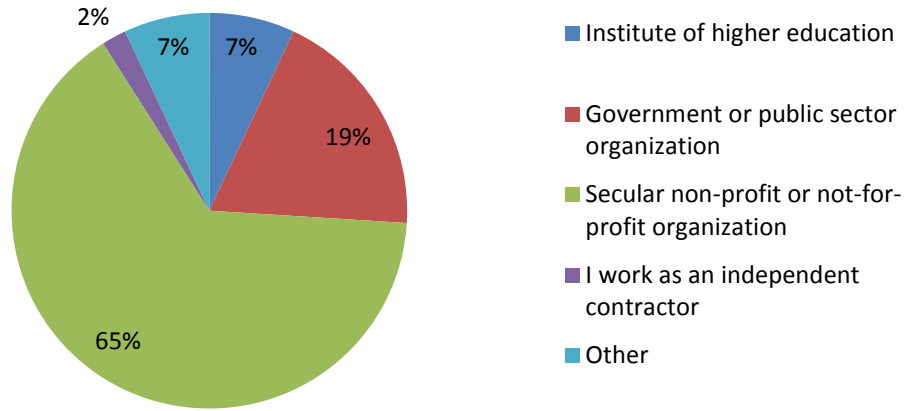
Of those who responded to the survey:

- 2/3 (65%) are from secular non profits or not for profits
- 1/5 (20%) are from government organizations

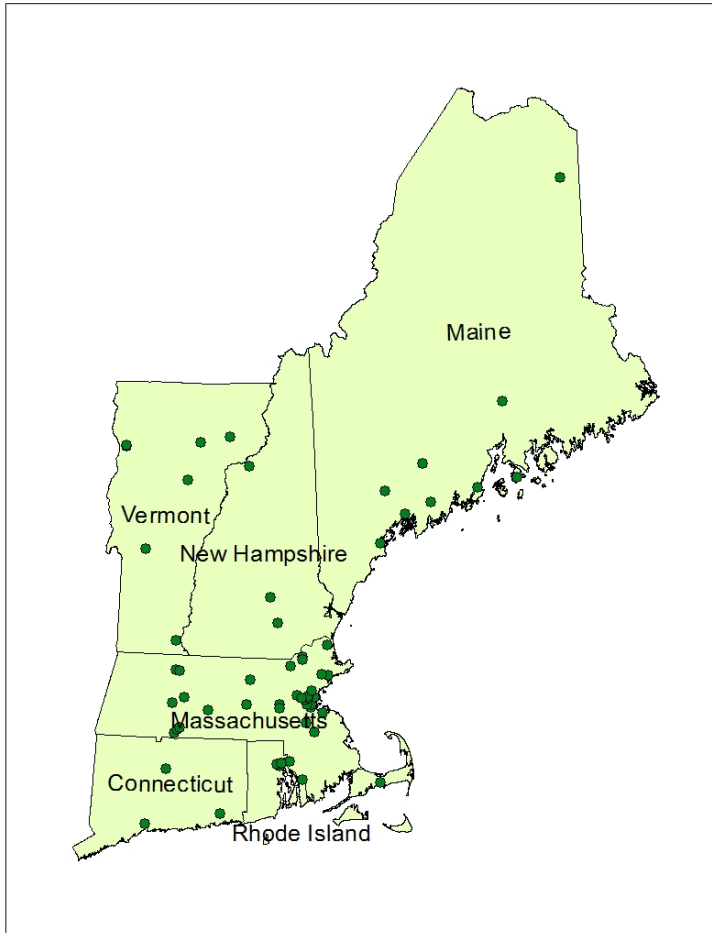
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<sup>1</sup> Snowball sampling uses a small pool of initial informants to nominate, through their social networks, other participants who meet the eligibility criteria and could potentially contribute to a specific study; these participants nominate further participants through their networks, who nominate further participants, and so on. See <http://www.fort.usgs.gov/landsatsurvey/SnowballSampling.asp> for a more complete description.

**Which of the following best describes the type of organization you work for?**



Respondents are not distributed evenly across New England.



More than two-thirds (70%) serve Massachusetts, while fewer than one-sixth (13%) serve Connecticut or Rhode Island (several respondents serve multiple states). Given the method of data collection, it is impossible to tell if the preponderance of MA respondents reflects a true disparity in availability of resources, or if it is simply a function of the Federal Reserve Bank’s location and the presence of networks such as MFEC that were able to distribute the survey to many financial educators in the state.

Note also that many of our respondents (62%) provide the majority of their services in or near major cities. However, many providers work in multiple locations; nearly one-half (46%) serve rural regions, and more than one-half (57%) serve suburban areas.

The survey included questions about populations served, content presented, format of education, and resources used – with a focus on online and mobile resources, marketing, and educator training. The complete text of all survey questions, along with a full data summary (descriptive statistics for close-ended questions, and all verbatim responses to open-ended questions) is provided as an appendix to this report.

### 3 Detailed Findings

The findings below reflect data from the survey as well as from interviews with stakeholders and educators.

#### 3.1 Participants

Survey respondents serve a variety of audiences.

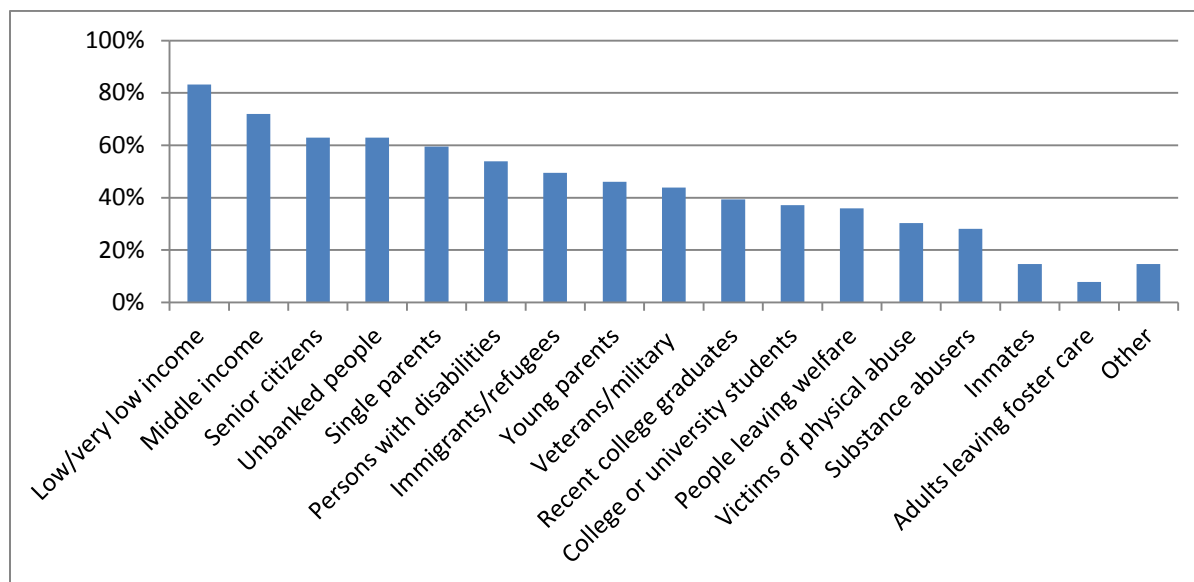
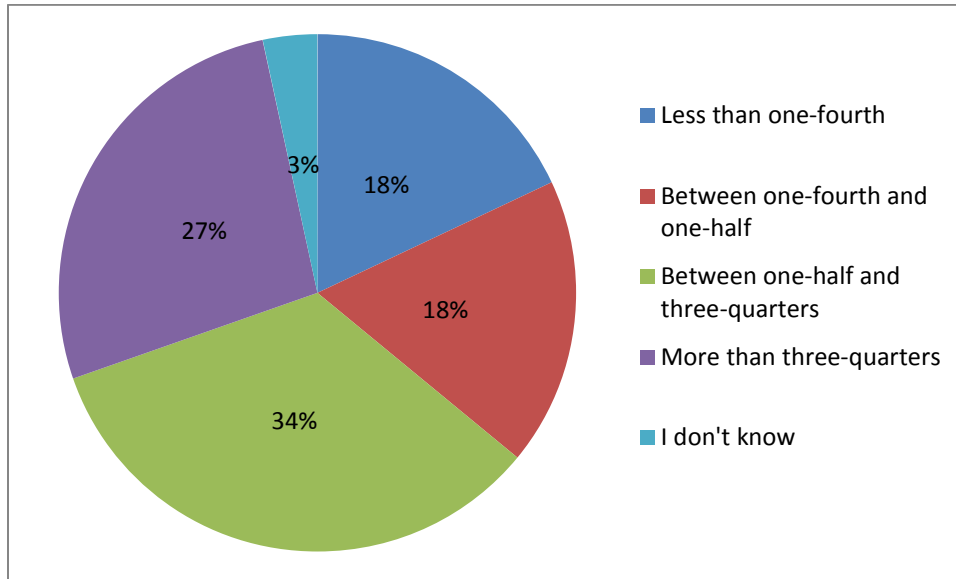


Figure 1: Which of the following types of participants do you work with? Note that respondents could select more than one response, so percentages sum to more than 100%

- More than three-quarters (83%) reach low income individuals and almost three-quarters reach middle income (72%); the survey did not ask specifically about upper income individuals
- One-half (49%) serve immigrants or refugees; not surprisingly, foreign language resources tend to be used significantly more by those who serve immigrants (39%) than those who do not (24%). Those who serve immigrant populations report slightly more challenges in obtaining materials in languages other than English (2.94 vs. 2.62 on a scale of 1-5) and in overcoming cultural barriers (2.67 vs. 2.42 on a scale of 1-5), but these differences do not reach statistical significance. Note that with a sample of fewer than 50 respondents in both the immigrant-serving and non-immigrant-serving samples, we have little power to detect differences
- Many respondents serve older individuals: almost two-thirds (63%) serve seniors; while slightly more than one-third serve college students (37%) or recent graduates (39%)
- There are relatively few respondents (well under one-half) providing education for individuals in difficult situations:
  - People transitioning off welfare (36%)
  - Victims of physical abuse (30%)
  - Persons with substance abuse issues (28%)
  - Inmates (15%)
  - Young adults transitioning out of foster care (8%)

We asked respondents what proportion of their participants they believed to have online access.



**Figure 2: What proportion of your participants do you estimate have regular online access via computer, laptop, or mobile device?**

Reported online access is relatively low among participants. It is possible that respondents' perceptions of participants' online usage are inaccurate, as these numbers are significantly lower than the general research suggests.<sup>2</sup>

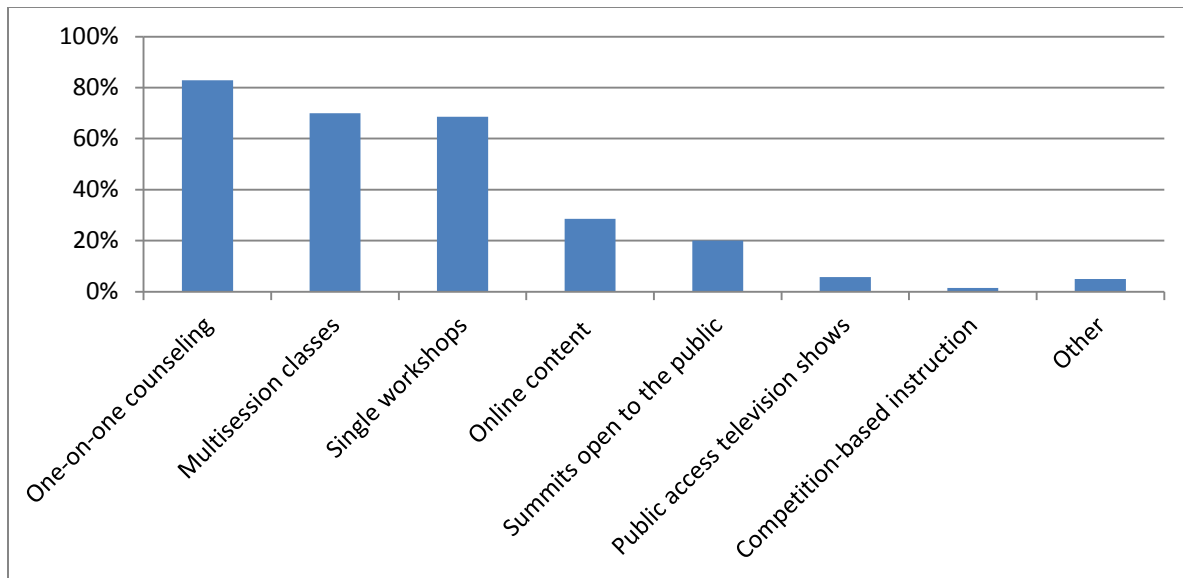
## 3.2 Content Shared

The survey included a number of questions about the type and format of content presented to participants, as well as the providers of this content.

### 3.2.1 Traditional Content

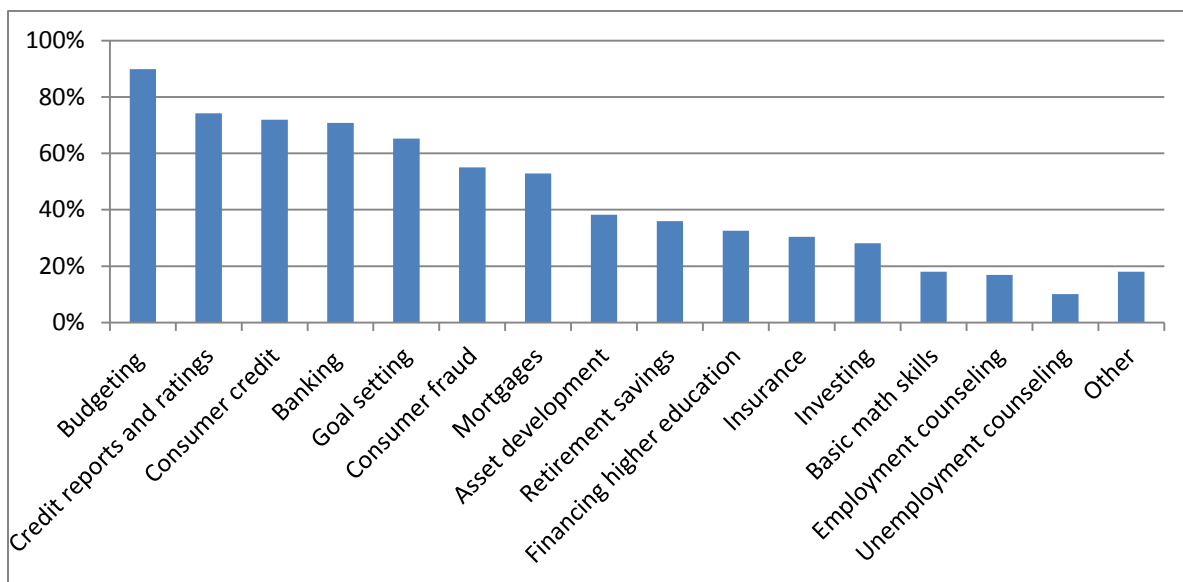
More than three-quarters (79%) of respondents provide direct instruction to participants either in person (e.g., classes, workshops) or remotely (e.g., webinars).

<sup>2</sup> See for example The Pew Internet & American Life Project (2012), Pew Charitable Trust, which reports that 81% of people living in the US use the Internet, including 68% of those earning less than \$30,000 per year.



**Figure 3: Which of the following formats do you use to present direct instruction? Percentages are of those respondents who report presenting direct instruction. Note that respondents could select more than one response, so percentages sum to more than 100%**

Virtually all respondents who provide direct instruction do so in person, via one-to-one counseling (83%), multisession classes (70%), or single workshops (69%). Less than one-third (29%) utilize digital media to share content online. As noted above, many respondents perceive participants as having limited online access. Thus, they may have little motivation to create online resources.



**Figure 4: What type of content do you present to participants? Note that respondents could select more than one response, so percentages sum to more than 100%**

The majority of respondents present information about budgeting (90%), credit reports (74%), consumer credit (72%), or banking (71%). While approximately two-thirds (65%) of respondents present content on goal setting, relatively few provide instruction about specific goals beyond getting or paying a



mortgage (53%). Only one-third or fewer provide content around developing assets (38%), saving for retirement (36%), financing higher education (33%), investing (38%), or finding employment (17%).

As seen in the table below, respondents get resources from a variety of providers.

Provider	Percent of Respondents
Financial institutions such as banks or credit unions	49%
Federal Deposit Insurance Corporation (FDIC)	48%
MoneySmart	47%
Federal Reserve Banks	31%
NeighborWorks	28%
Consumer Financial Protection Bureau (CFPB)	26%
FINRA Investor Education Foundation	20%
National Endowment for Financial Education (NEFE)	18%
MyMoney.gov	17%
Massachusetts Financial Education Collaborative (MFEC)	15%
Jump\$tart	13%
United Way	13%
Asset Platform	11%
Center for Responsible Lending	11%
Doorway to Dreams (DQ2D)	11%
Credit Building Alliance	10%
What's My Score	9%
Practical Money Skills	8%
Credit card companies	8%
Family Economics and Financial Education (FEFE)	6%
Port Jobs	3%
Center for Financial Social Work	1%

Table 1: From which of the following providers do you get resources to use or share with your participants? Note that respondents could select more than one response, so percentages sum to more than 100%

However, most providers are utilized by a small subset of respondents.

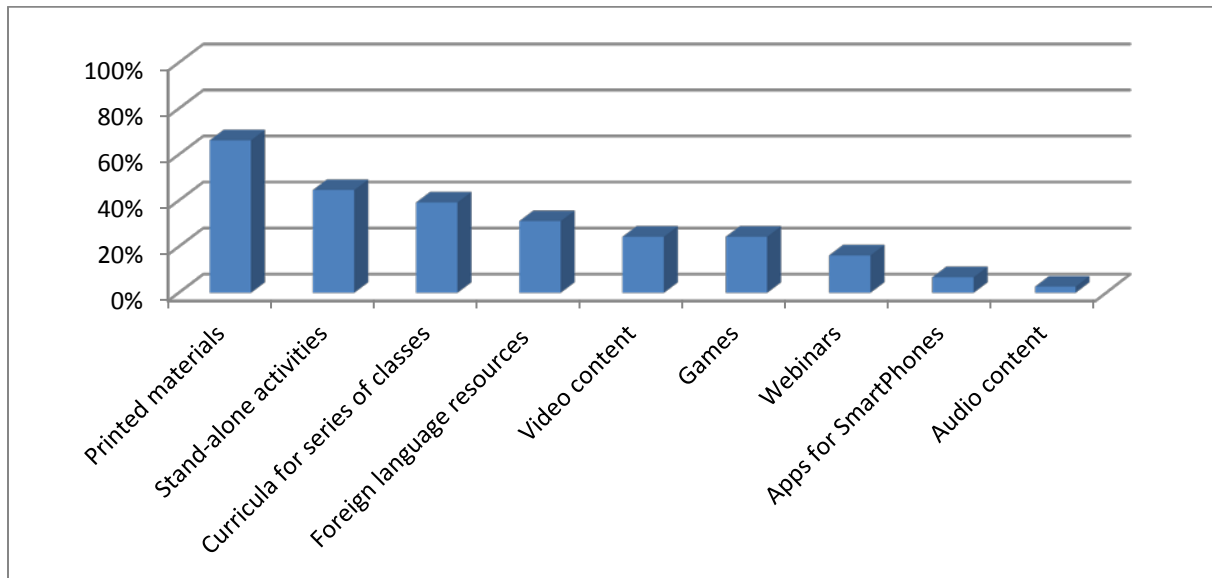
- The FDIC and its program MoneySmart each reach nearly one-half of respondents<sup>3</sup>
- All financial institutions combined also serve nearly one-half of respondents
- The Federal Reserve System provides resources to almost one-third of respondents
- NeighborWorks reaches slightly more than one-fourth of our sample
- No other provider reaches more than one-fourth of our sample
- Many providers are only being utilized by 10-15% of respondents

There is an opportunity for most providers to reach a larger audience

<sup>3</sup>Many respondents indicated that they used resources from the FDIC *and* resources from MoneySmart, but several indicated using one, but not the other. It is possible that respondents were unaware of FDIC's involvement with MoneySmart.

### 3.2.2 Digital Content

More than three-quarters (83%) of respondents report that they download resources from the Internet. However, most of these are traditional resources, such as PDFs and presentations (66%), classroom activities (45%), and curricula (39%).

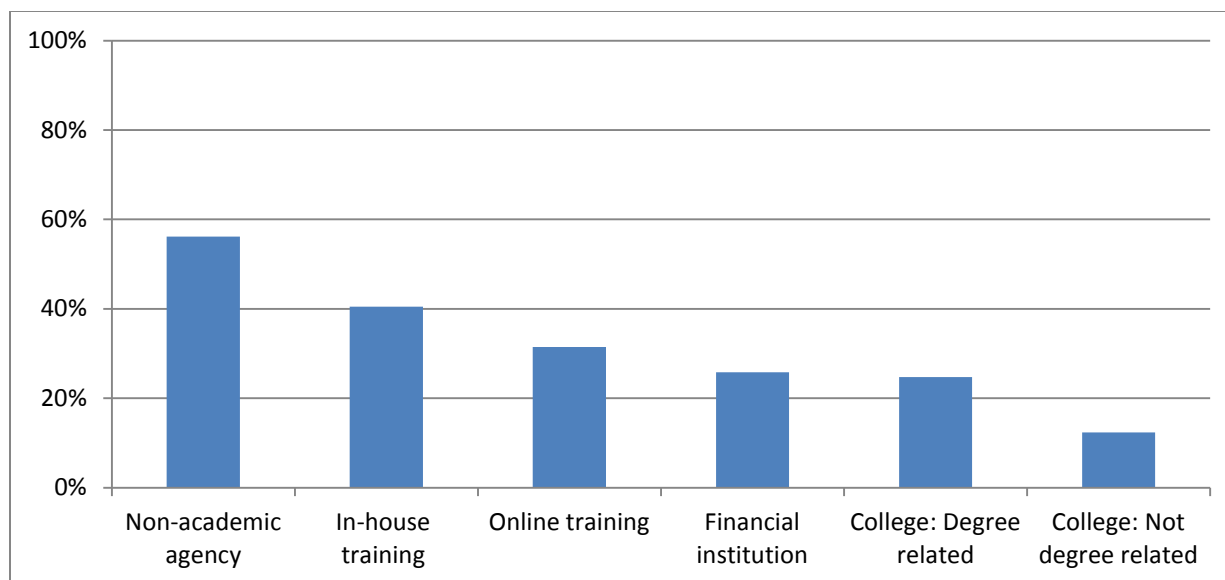


**Figure 5: Which of the following types of resources do you download from the Internet to use or share with participants? Percentages are of those respondents who report downloading resources. Note that respondents could select more than one response, so percentages sum to more than 100%.**

Relatively few respondents take advantage of video (24%) or audio (3%) or of interactive resources such as games (24%) or webinars (16%). Also, as discussed below in the section on gaps in resources, respondents do not generally consider digital content to be as important as traditional face-to-face interaction. If the Federal Reserve Bank hopes to increase usage of digital resources, it should consider providing information and training to financial educators to help them both to understand the benefits of online content and to use that content more effectively.

### 3.3 Financial Education Training

Slightly more than three-quarters (78%) of respondents have had some type of financial education training.



**Figure 6: What types of financial education training have you had? Percentages are of those respondents who report having had financial education. Note that respondents could select more than one response, so percentages sum to more than 100%**

Respondents' training experience is relatively diverse, with no single source attracting a majority of trainers. Slightly more than one-half (56%) of respondents have received training from a governmental or non-academic organization, such as United Way or NeighborWorks. In addition, most respondents continue to get resources to increase their own knowledge and understanding as educators. As the table below shows, they get resources from a range of providers.

Provider	Percent of Respondents
MoneySmart	45%
Federal Deposit Insurance Corporation (FDIC)	45%
Financial institutions such as banks or credit unions	40%
Consumer Financial Protection Bureau (CFPB)	37%
Federal Reserve Banks	36%
NeighborWorks	31%
MyMoney.gov	21%
Your own State Treasurer's office	20%
Massachusetts Financial Education Collaborative (MFEC)	19%
National Endowment for Financial Education (NEFE)	19%
FINRA Investor Education Foundation	17%
Jump\$tart	13%
Center for Responsible Lending	11%
Asset Platform	11%
Family Economics and Financial Education (FEFE)	10%
Doorway to Dreams (DQ2D)	10%
Credit card companies	10%
Practical Money Skills	10%
United Way	10%

Credit Building Alliance	8%
What's My Score	6%
Port Jobs	3%
Center for Financial Social Work	2%

Table 2: From which of the following providers do you get resources to increase your own knowledge and understanding as a financial educator? Note that respondents could select more than one response, so percentages sum to more than 100%

As seen above with resources for participants, most providers are utilized by a small subset of respondents.

- The FDIC and its program MoneySmart each reach nearly one-half of respondents<sup>4</sup>
- More than one-third of respondents get resources from financial institutions, CFPB, and The Federal Reserve Banks
- No other resource reaches more than one-fifth, and many are being utilized by only 6-11% of respondents

There is an opportunity for most providers to reach a larger audience.

### 3.4 Online Learning Communities

Only about one-fourth (27%) of our respondents use online communities or social media to connect with other educators. Most of these are using LinkedIn or Facebook. Respondents did not indicate if they were involved in specific groups or communities devoted to financial education on these networks, or if they merely link to colleagues.

LinkedIn has several groups devoted to financial education, the largest of which, Financial Literacy & Education, has just over 1,000 members and is fairly active. Facebook does not have any pages dedicated to financial education as we are defining it in this research, though several organizations that provide financial education maintain pages on Facebook; these pages are relatively inactive.

A few respondents utilize webinars or listservs from trainings.

*All graduates of the Teachers Summer Institute we hold (3 graduate credits) are part of a wiki community. Our Center also uses Twitter and Facebook to reach our teachers, alumni, and others. We also have a grant to create a Professional Learning Community of teachers in a pilot, and at the end of the project we will be creating a best practices website with the ability of teachers to post questions and comments geared toward others that are teaching the topic.-Open-ended Survey Response*

The few respondents who are involved in these communities rate their satisfaction with online communities higher than those who are not, but the sample size is far too small to draw any conclusions based on this observation. Overall, slightly less than one-half (46%) of respondents who use online communities are satisfied with them. A similar proportion (46%) of respondents who do *not* use online

<sup>4</sup> Many respondents indicated that they used resources from the FDIC *and* resources from MoneySmart, but several indicated using one, but not the other. It is possible that respondents were unaware of FDIC's involvement with MoneySmart.

communities express interest in them. There may be an opportunity to engage trainers in such a community, especially if it provides features and functionality beyond what is available on such general networking sites as LinkedIn and Facebook.

### 3.5 Challenges

Respondents were asked to rate the severity of various challenges facing financial educators. Each challenge was rated on a scale of 1 (No challenge at all) to 5 (An extreme challenge).

	Mean Rating	% Rating 4 or 5
Attracting participants to the instructional opportunity	3.22	42%
Obtaining resources in languages other than English	2.81	28%
Concerns about using resources that are branded by commercial parties	2.74	29%
Lack or limitations of ratings or reviews for resources	2.72	29%
Cultural or language differences between educator and participant	2.55	18%
Lack or limitations of evaluation for your own resources	2.52	22%
Lack or limitations of partnership or support from other financial educators	2.51	25%
Limitations of knowledge about resources available online	2.45	16%

Table 3: How much of a challenge does each of the following pose to you?

#### 3.5.1 Attracting participants

The biggest challenge is attracting participants to the learning opportunity. More than four out of ten respondents (42%) consider this to be a big challenge (rating=4) or an extreme challenge (rating=5); all other challenges had less than one-third of respondents rating them big or extreme.

The challenge of attracting participants was also mentioned by virtually all interviewees, and in many of the responses to open-ended questions in the survey.

*Biggest impediment is no "buy-in." People don't have a reason to attend unless they are receiving a direct benefit (first-time homebuyer, IDA match, etc.), or unless it's required, e.g., for Section 8 funding (although that's not legal). –Open-ended Survey Response*

Anecdotal evidence suggests that many people with need for financial education do not even know it exists. Better marketing could help.

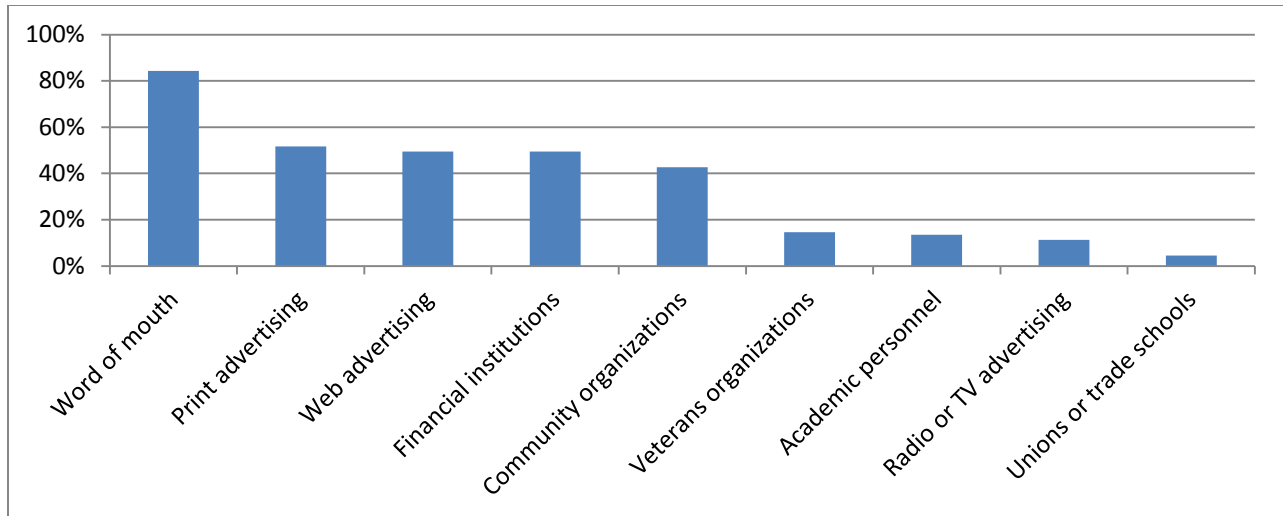


Figure 7: How do you market your program to potential participants? Note that respondents could select more than one response, so percentages sum to more than 100%

The most common form of marketing is word of mouth (84%). This may be an effective method among communities where many individuals are participating in and talking about financial education opportunities. However, word of mouth is unlikely to spread to underserved communities in which few, if any, members are attending financial education opportunities. The next most popular forms are print (52%) and web (49%) advertising, which may not be reaching the individuals with greatest need because they are mostly likely to appear in publications and web sites related to finance, and these resources may not reach underserved individuals. Almost one-half (49%) market through financial institutions; this may be an effective method, at least for individuals in the banking system.

Relatively few financial education organizations market through

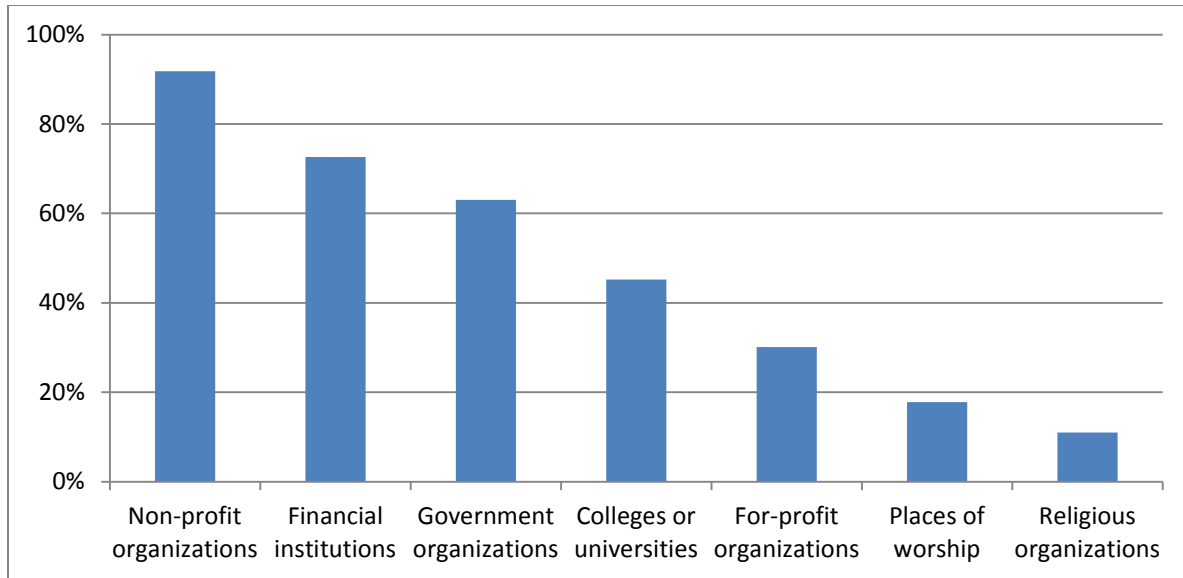
- Religious or community organizations (43%)
- Veteran or military organizations (15%)
- Schools or academic institutions (13%)
- Unions or trade schools (4%)

Qualitative data from the interviews suggest that partnering with other organizations may be an effective method of reaching prospective participants.

*We have a "Women in the Trades" advisory group that is very helpful in supporting us and sending women to us.-Educator Interview*

*We don't advertise; we tend to partner with groups where people already are: going to a school to reach students, or working with the Council on Aging to reach the elderly.- Educator Interview*

More than three-quarters of our respondents (82%) say their organization partners with other organizations.



**Figure 8: Which of the following types of organizations do you or your organization partner with? Percentages are of those respondents who report partnering with other organizations. Note that respondents could select more than one response, so percentages sum to more than 100%**

Our respondents are most likely to partner with

- Secular non-profits (92%)
- Financial institutions (73%)
- Government organizations (63%)
- Colleges or universities (45%)

Making better use of these channels might allow a greater reach to individuals who might not otherwise be aware of financial education opportunities. Even if individuals are aware of the resources available, they may be hesitant to participate because of lack of motivation or the perceived stigma associated with needing help with financial matters.

*There are psychological barriers to talking about personal finances. Also, people think "I'm not good at math" or "Ick! I don't want to do that." –Stakeholder Interview*

*Finances in general are a taboo in our society, so there's a real or perceived barrier.- Educator Interview*

### 3.5.2 Gaps in Available Resources

We asked respondents to rate the *Importance* of various resources, and their own *Satisfaction* with the resources available to them. We asked about three types of resources.

- General classroom resources
- Online resources
- Educator trainer resources

For each resource, we had respondents rate how *Important* they believe the resource to be on a scale of 1 (not at all important) to 5 (extremely important), and how *Satisfied* they were with the resources available to them, also on a scale of 1 (not at all satisfied) to 5 (extremely satisfied). If a respondent reported that the resource was not available to them, this was scored as 0. A gap score was computed for each variable, the gap being the difference between importance and satisfaction:  $Gap = (Importance - Satisfaction)$ . While the *Importance* and *Satisfaction* ratings are ordinal, these types of gap scores are often used to estimate the relative development opportunity across similar items.<sup>5</sup> Resources with the largest gaps are considered to present the greatest opportunity, and so are presented and discussed before resources with smaller gaps.

The largest gaps are seen in the educator trainer resources, driven primarily by the somewhat higher importance ratings respondents give to these resources. These ratings may be due in part to respondents' experience with training resources: Their own success and development as financial educators is influenced directly by educator resources.

### 3.5.2.1 Educator Training Resources

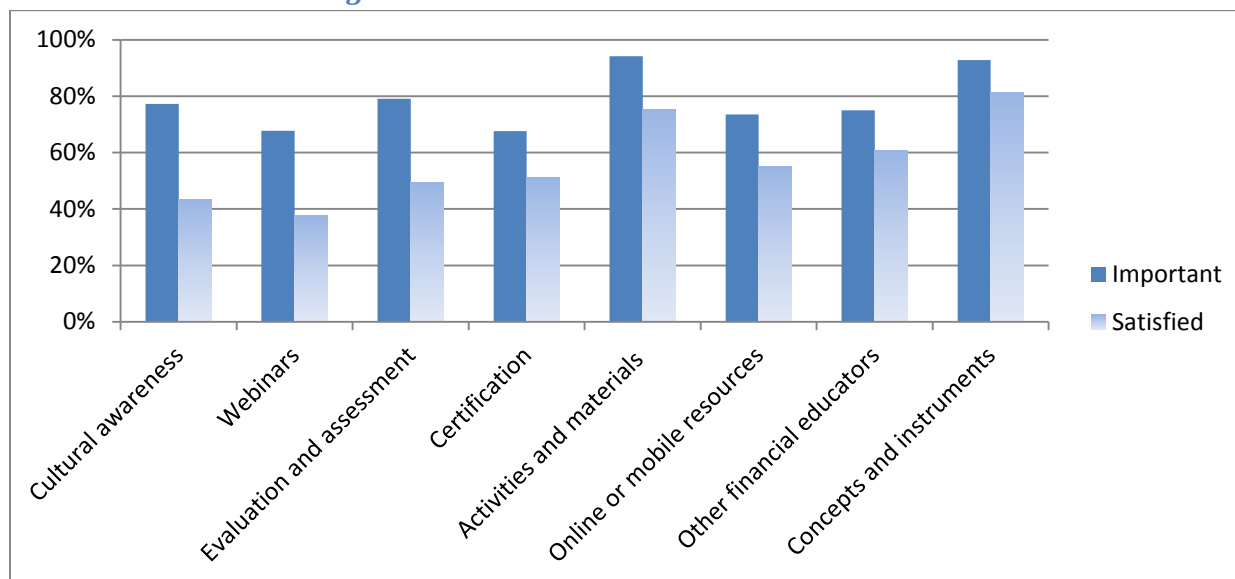


Figure 9: Percentage of respondents rating each resource as *Very or Extremely Important*, and percentage reporting that they are *Very or Extremely Satisfied* with the resource. Percentages are of those respondents who report having had financial education training.

	Important	Satisfied	Gap
<b>Capacity-building webinars</b>	3.86	2.58	1.28
<b>Cultural awareness training</b>	4.08	2.87	1.21
<b>Training in evaluation and assessment</b>	4.16	3.01	1.15
<b>Certification/official recognition of training</b>	3.90	2.99	0.91
<b>Specific activities and materials to use with your participants</b>	4.44	3.74	0.70

<sup>5</sup> See, for example, Berry, Leonard L.; A. Parasuraman (1991). *Marketing Services: Competing Through Quality*. New York: Free Press. Several commonly used formulas were tried (I-S, 2I-S, (I-S)\*I), and they gave similar results. This formula was chosen on the basis of its simplicity and comprehensibility.



<b>Access to online or mobile resources</b>	3.84	3.20	0.64
<b>Information about specific financial concepts and instruments</b>	4.41	3.83	0.58
<b>Connection to other financial educators</b>	3.94	3.39	0.55

Table 4: Mean *Importance* and *Satisfaction* ratings for each resource, along with computed gap score (*Importance-Satisfaction*)

There is a good opportunity to meet unmet needs via capacity-building webinars (*Important* to 68% but *Satisfactory* only 38%). This may be a way for the Federal Reserve Bank to provide training at relatively low cost. In addition, webinars, being online interactive tools, may be effective channels for demonstrating the benefits of online resources to educators and may help them see the advantages of using such tools, both in the educational opportunities they provide, and in the types of resources they recommend to their participants.

There is also a gap in cultural awareness training, with more than three-quarters (77%) of respondents saying that it is very or extremely important, and less than one-half (43%) saying they are very or extremely satisfied with what is available. The gap is significantly larger for those respondents who provide education to immigrants (5.59) than those who do not (4.56). This is because those who educate immigrants are more likely to rate these resources as very or extremely important (85% vs. 67%), though there is no significant difference in satisfaction (51% very or extremely satisfied vs. 49%).

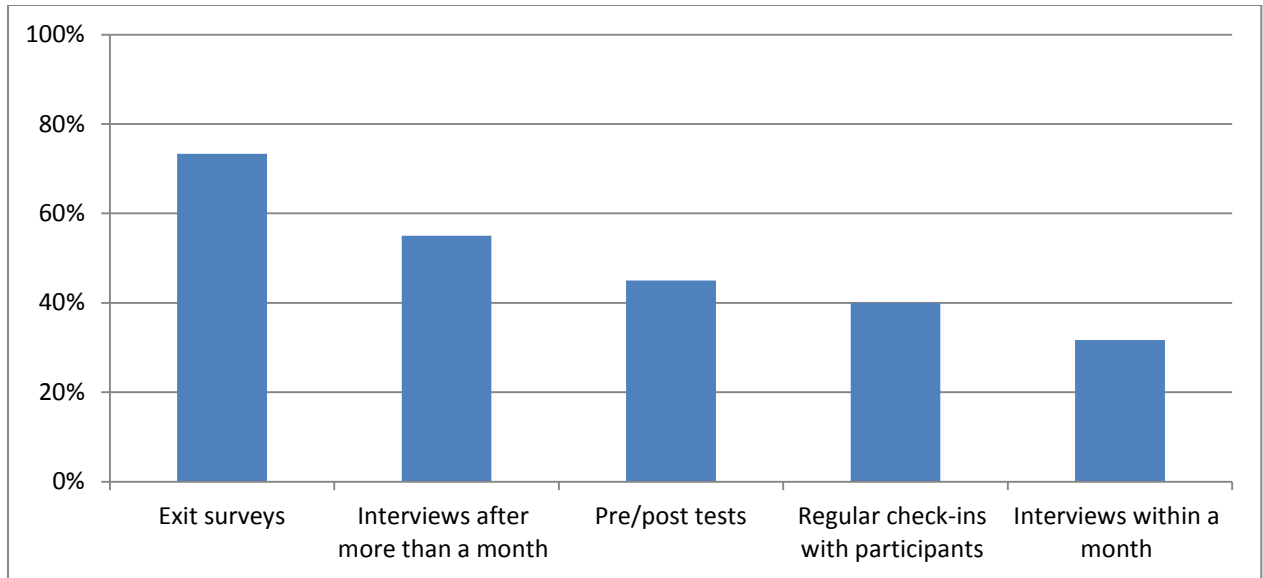
*I can also ask people who are more directly working with the Hispanic community – that's a hard nut to crack because this is really around trust.-Educator Interview*

*Cultural diversity training extends well beyond the recognition of different sociological and ethnic communities. I believe a persistent challenge in diversity training is recognizing the economic barriers many underserved populations face and the effects those barriers have on their behaviors, understanding of economic principles and relation to the educator.-Open-ended Survey Question*

Finally, there is an opportunity to provide training in evaluation and assessment (*Important* to 79% but *Satisfactory* to only 49%). This need for better evaluation and assessment reflects comments received during interviews.

*We've done some evaluation, but it hasn't been robust. We don't have the skills or the resources for that.-Educator Interview*

In addition, about one-fourth (22%) of respondents say that the lack or limitations of evaluation for their resources is a big or extreme challenge. About two-thirds (67%) of respondents report that their organization assesses the effectiveness of its resources.



**Figure 10: Which of the following types of assessment have you or your organization conducted? Percentages are of those respondents who report that their organization conducts assessment or evaluation. Note that respondents could select more than one response, so percentages sum to more than 100%**

However, the types of assessment used are relatively simple. The most common method is exit surveys, which are used by nearly three-quarters (73%) of respondents who do assessment. There is an opportunity to provide value by supporting educators' ability to create more robust evaluation opportunities. MFEC has already begun addressing this issue through its Logic Model training. The Federal Reserve Bank of Boston may be able to support and develop MFEC's effort to allow more programs to assess their own effectiveness and develop strategies for increasing their value to participants.

### 3.5.2.2 Instructional Resources

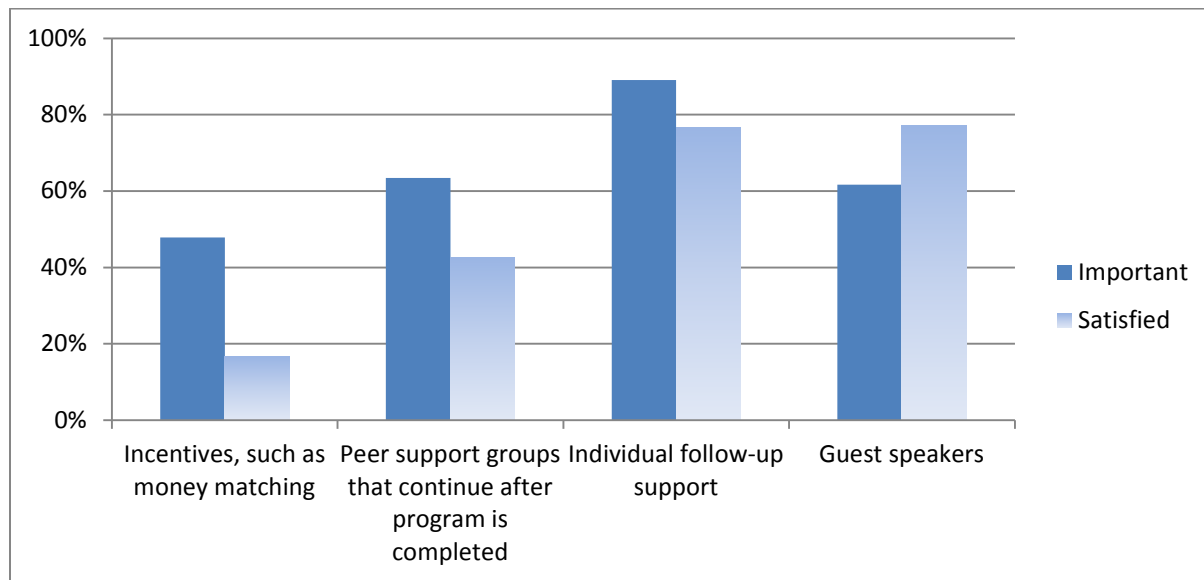


Figure 11: Percentage of respondents rating each resource as *Very or Extremely Important*, and percentage reporting that they are *Very or Extremely Satisfied* with the resource

	Important	Satisfied	Gap
<b>Incentives, such as money matching</b>	3.46	2.10	1.36
<b>Peer support groups that continue after program is completed</b>	3.83	3.21	0.61
<b>Individual follow-up support</b>	4.39	3.97	0.42
<b>Guest speakers</b>	3.88	3.84	0.04

Table 5: Mean *Importance* and *Satisfaction* ratings for each resource, along with computed gap score (*Importance-Satisfaction*).

By far the largest gap is for incentives, such as money matching, with only 17% of the respondents saying they are very or extremely satisfied with the resources available.

*The most effective models are the match savings program or on a specific asset development track like home, car, or college. However, it is frowned upon to design programs that rely on the match because it is not sustainable or fiscally prudent for my organization to do. Nor do we have the capacity to nurture such a wrap-around service approach.-Open-ended survey response*

Given that funding to provide incentives may be difficult to arrange, it may be more fruitful to focus on the next largest gaps, both of which concern follow-up support after program completion. Individual follow-up support is more likely to be seen as important (89%) than peer support groups (63%), but respondents are also more likely to be satisfied with opportunities for individual follow-up (77%) than peer support (43%), with the result of a significantly larger gap for peer support.

Encouraging programs to provide continuing support may give additional stability to participants after program completion. In addition, maintaining communication with participants would allow for more robust evaluation of actual behavior change.

### 3.5.2.3 Digital Resources

Slightly more than one-half (51%) of respondents use online or mobile resources in their programs or refer such resources to participants.

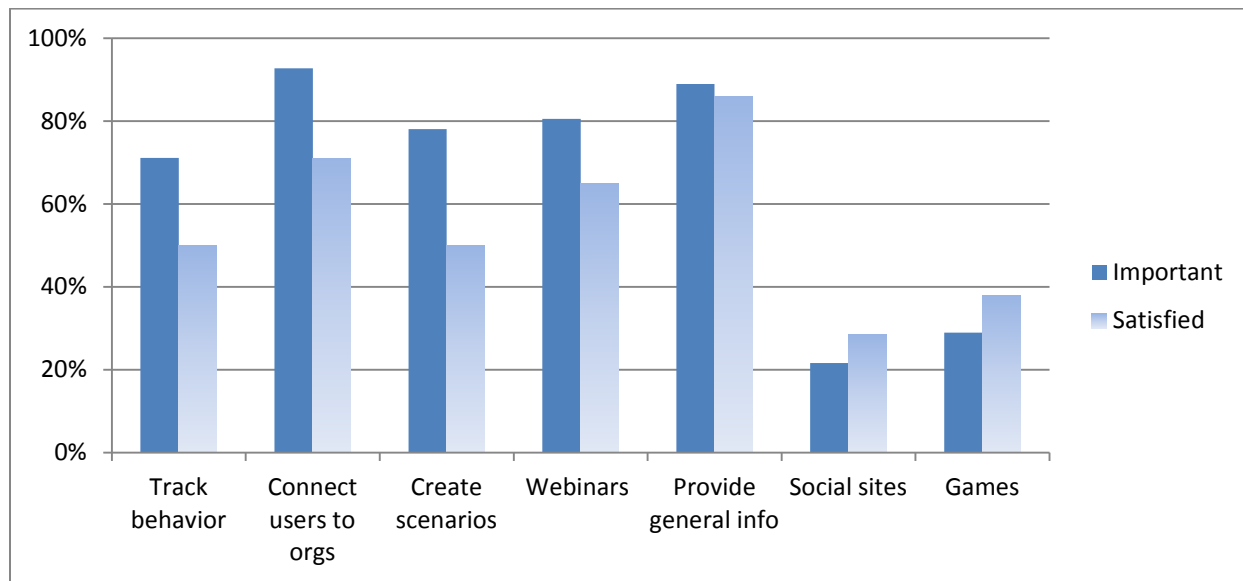


Figure 12: Percentage of respondents rating each resource as *Very* or *Extremely Important*, and percentage reporting that they are *Very* or *Extremely Satisfied* with the resource. Percentages are of those respondents who report using online or mobile resources.

	Important	Satisfied	Gap
Sites that allow users to track their own behavior	3.95	3.21	0.74
Sites that connect users to organizations that can provide support or training	4.29	3.68	0.61
Sites that allow users to create different scenarios and see the outcomes	3.95	3.34	0.61
Webinars or interactive tutorials	4.07	3.54	0.53
Sites that provide general information about financial matters	4.24	4.00	0.24
Games	2.97	2.86	0.11
Social sites that allow users to share and compare their behavior with friends	2.92	2.93	-0.01

Table 6: Mean *Importance* and *Satisfaction* ratings for each resource, along with computed gap score (*Importance-Satisfaction*)

Respondents consider information sites to be the most *Important*, particularly sites that connect users to further support and training (93%) or that provide general information about financial matters (89%). Respondents indicate that these sites are generally *Satisfactory* (71% for support and training; 86% for general information sites). Respondents place somewhat less *Importance* on more interactive online tools such as webinars (80%), sites that allow users to create different scenarios (78%), or sites that allow users to track their own behavior (71%). This may reflect respondents' perception of participants as having limited online access. However, satisfaction is significantly lower for interactive sites (65% for webinars, 50% for scenario and behavior-tracking sites). This reflects findings from the interviews,

where respondents said that it was difficult to find compelling online resources, and therefore they didn't use them extensively.

*We can impact students when we can get in front of them and provide them with compelling education. It's hard to engage them with print publications or web pages. – Stakeholder Interview*

*There's so much online, unless you have a good incentive, it's boring. There's a lot of noise. You need something to hook people in.-Stakeholder Interview*

If there were more effective sites available, it is possible that educators would make more use of them and view them as more important.

### **3.5.3 Communication and Connection**

The difficulty faced in distributing the survey reflects the lack of centralization in New England financial education. Interviewees showed a range of awareness of both resources available to them and others working in the field. Similarly, some survey respondents reported partnering with multiple organizations and getting resources from a number of providers, while others were more isolated, with little input from the larger financial education community.

Massachusetts educators have the opportunity to learn about each others' work through such events as MFEC's Educator Summit. Furthermore, both MFEC and Massachusetts State Treasurer's office are devoting resources to identifying and cataloging the resources available. However, information is less widely disseminated in the rest of New England.

*Obviously we can't know everything and things are changing on a daily basis, so how do you keep up with that? – Educator Interview*

Several interviewees and survey respondents noted the need for a centralized system, such as a clearinghouse, where both educators and participants would be able to locate resources to meet their needs. This is somewhat reflected in the survey data, where one-fourth of respondents (25%) say they face big or extreme challenges in partnering with other financial educators, and one-sixth (16%) say they face challenges finding resources online.

*We want to develop a state-wide clearinghouse that educators, counselors, parents could go to seek out resources. – Stakeholder Interview*

*Publicize lots of available resources and offer community-based classes or lectures, seminars.-Open-ended Survey Response*

In addition to information about resources, respondents said they wanted evaluative information about which resources are most effective. Nearly one-third of respondents (29%) said it is a big or extreme challenge to find ratings or reviews of existing resources.

Several interviewees suggested that peer reviews would be an effective way of sharing this information. Many educators share information about resources with colleagues informally, and an online clearinghouse of resources and educators' experience with these resources could meet several needs.

*There's a plethora of curriculum out there. Need to take time to learn about the quality, how applicable it may be to a given group. It would be good to have that information in an accessible way. – Educator Interview*

*How do you shop for **good** resources? Anyone can set up a website. It would be helpful if there was a central place people could go. - Educator Interview*

### 3.5.4 Funding

The survey did not specifically ask about challenges surrounding funding, in part because this is a known issue for virtually all financial educators and in part because the Federal Reserve Bank is not in a position to provide additional funding. However, many respondents mentioned issues related to funding in the open-ended questions.

*Our challenge is in funding. Most of our offerings come through the assistance of volunteers. We are grateful for this but if we were provided funding, the agency could hire someone who could grow the program we have into something better than it already is for the community.-Open-ended Survey Response*

*We need funding to continue to educate future homebuyers. It is taking more time than ever before to counsel buyers in order to get them ready to purchase.-Open-ended Survey Response*

A couple of respondents did provide some suggestions as to how to get funding, such as by partnering with businesses.

*Business sponsors are always needed to underwrite presentation costs and provide prize incentives for stronger participation by students or adults attending. -Open-ended survey response*

## 4 Implications for the Future

The data suggest several opportunities to increase the effectiveness and impact of financial education throughout New England. In many cases, these opportunities can be best met by better utilizing and coordinating existing resources, rather than creating new ones.

- Currently, financial education is decentralized. While there are groups of educators who know of each other and sometimes share resources, there is no mechanism to coordinate resources throughout New England. Creating a database of all resources available would provide great benefit to educators and participants alike. In addition, it will provide insight into whether the areas that are underrepresented in this sample (e.g., geographic locations like rural Connecticut, or populations like victims of substance abuse) are completely unserved or are served by

educators unconnected to the network reached by this survey. This would entail a large-scale, long-term effort to identify educators across the region and detail the types of resources they use and provide. It will be a large undertaking, but is one that is likely to provide significant benefits.

- The biggest challenge that educators report is the difficulty of attracting participants. Respondents note that individuals are unlikely to take advantage of educational opportunities unless there is a financial incentive (e.g., matching funds) or attendance is required to receive some type of benefit, such as a low-interest car loan. If an effort is made to identify educators, it will be easier to coordinate efforts to publicize and promote financial education efforts in the region and to building community so that providers can support each others' offerings.
- There is a range of sophistication and understanding around evaluation and assessment, coupled with a need for accurate information about available resources. Educators should avail themselves of opportunities to partner with more sophisticated evaluators. This will provide expertise as well as support and training for individual educators, allowing them to better assess their own programs and the resources they are using. The evaluation effort can be aligned with the database of resources described above, providing additional insight into the areas where each program or resource is most effective, thus allowing educators and participants alike to select resources best suited to their needs.
- Many respondents express dissatisfaction with the quality of follow-up support provided to participants after program completion. This applies to both individual follow-up support and peer support groups, with peer support groups providing a larger opportunity for improvement. Encouraging follow-up support, whether individual or peer-driven, would help achieve a number of benefits: enhancing the effects of the learning opportunity, providing continued connection to financial education and possibly increasing word-of-mouth promotion, and maintaining a connection to participants that would allow for long-term evaluation of resource impact.
- Educators face particular challenges in cultural awareness and don't think current train-the-trainer options address the issue sufficiently. Some appropriate tools may be identified among existing resources and disseminated; if not, this may be an area where it would be fruitful to focus attention on developing new resources.
- Digital and online resources are an inexpensive way to reach a large number of educators and participants at relatively low cost, but educators are not using new technologies as effectively as they might. . This may be a reflection of several items uncovered in the data:
  - There are many lower-quality resources available online, and little information about how to differentiate good materials from poor
  - Many educators perceive that participants have limited online access, and so may be hesitant to recommend interactive resources that require significant time at a computer or mobile device
  - The social networking tools that most educators are using to connect with one another (Facebook and LinkedIn) are not optimized for their use, and so may provide limited benefits

- It may be necessary to educate educators about the benefits of digital resources, and create several customized experiences that are aligned with their needs, before such tools are widely adopted. It may be helpful to create one or two resources that address identified needs, such as evaluation or cultural literacy, to demonstrate to educators that online tools can be beneficial to them. Educators expressed an interest in capacity-building webinars, and this may be an effective way of introducing them to online content.

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