



# High School Financial Planning Program®

*Making a Difference*

## Relevance

Today's economic situation has increased the need to raise financially literate young people, but research studies and surveys point to a serious lack of financial preparedness. Statistics include:

- Of the 4,000 high school seniors who took the 2008 Jump\$tart Personal Finance Survey, only 48.3% correctly answered the questions. Texas seniors fared only slightly better by correctly answering an average of 49%.
- According to a 2009 Young Adults & Money Survey, those between ages 23-28 admit that they don't feel adequately prepared to make good financial choices when it comes to using debt wisely (28%), saving for the future (40%), or investing their money (43%).
- Those in the 18-24 age bracket spend nearly 30% of their monthly income just on debt repayment – double the percentage spent in 1992.
- 45% of college students are in credit card debt, with the average debt being more than \$3,000.
- The number of 18 to 24-year-olds declaring bankruptcy has increased 96% in 10 years.

Those who successfully manage their financial resources learn to set priorities on their spending; control immediate gratification in favor of important goals; and balance income, spending, and saving.



## Response

Since 2005, Texas schools have been required to include personal financial literacy in any course meeting a graduation requirement for an economics credit within the social studies curriculum. The National Endowment for Financial Education® High School Financial Planning Program (NEFE® HSFPP®) is one curriculum approved for personal financial literacy education in Texas. Through its partnership with NEFE, Texas A&M AgriLife Extension Service educators, in cooperation with the Cornerstone Credit Union Foundation, have promoted the curriculum enrichment program since the early 1990s through direct teaching and teacher in-service trainings. AgriLife Extension educators play an important role in helping teachers and schools to implement the Texas personal financial literacy requirements by providing this free and non-commercial curriculum.

HSFPP's six-unit program provides youth, grades 8 to 12, with a greater understanding and ability to manage their personal finances in the areas of goal setting, budgeting, and saving. It uses unique games, simulations, case studies, and interactive exercises to provide hands-on experiences to test and apply the financial principles and concepts that will start students along the path of financial independence.

## Results

Since 2001, almost 800,000 Texas students have been impacted by the material covered in HSFPP. A national evidence-based evaluation demonstrated that as little as 10 hours of instruction can lead to significant outcomes. Based on survey responses from several hundred teachers and 4,800 high school students across the country:

- Before the program, less than half of the students said they understood checking accounts, debit cards, and

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credit ratings. After HSFPP, a majority of students indicated they understood the importance of credit ratings (62%) and how checking accounts (62%) and debit cards (64%) work.

- More than 70% of the students said they had improved saving behaviors, while an equal number said they had improved spending behaviors.
- About 40% of the students began to write goals for managing their money, to save money for their needs and wants, and to track their expenses.
- Only 40% of the students felt confident about making financial decisions prior to participating in HSFPP. That number rose to 66% immediately after the program; after three months, 79% reported they felt confident in their decision making.

### Texas Success Stories

- In 2013, AgriLife Extension educators and volunteers in 7 counties reported conducting 36 sessions and 871 total contacts utilizing the materials.
- In Ward County, five of the modules were taught in the 2013-14 school year to 15 students at an Education Center that is a dropout recovery campus. Post-test results showed increases in money management knowledge about recognizing needs and wants, tracking spending habits, and in reading and understanding a paycheck.
- In Deaf Smith County, 73% of participants reported learning new information; 68% of the youth indicated they probably or definitely will use a budget to manage personal money and will track personal expenses.
- In Lynn County, 93% of participants have an excellent or good understanding of making (financial) decisions and of actual basic living expenses, while 80% have an excellent or good understanding of the difference between wants and needs, income, creating a spending plan/budget, and the relationship between education, career choices, and their earning potential.
- The program has been utilized by Texas educators prior to engaging students in a simulation activity, *Welcome to the Real World*, that challenges students to develop workable budgets based on being “assigned” specific careers at the age of 25.



### Student and Teacher Comments

- “The workbook and activities are extremely helpful. They help me to understand how to plan financially for the rest of my life.”
- “This book has enabled me to learn more about smart investing and what I need to do with my money in the future. Because of this book, I feel more prepared and secure with my money as I go off to college.”
- “The content of each lesson and the abundance of resources make this curriculum a very beneficial tool for teachers and students. This program truly prepares kids for the important financial decisions they will face in the future.”

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