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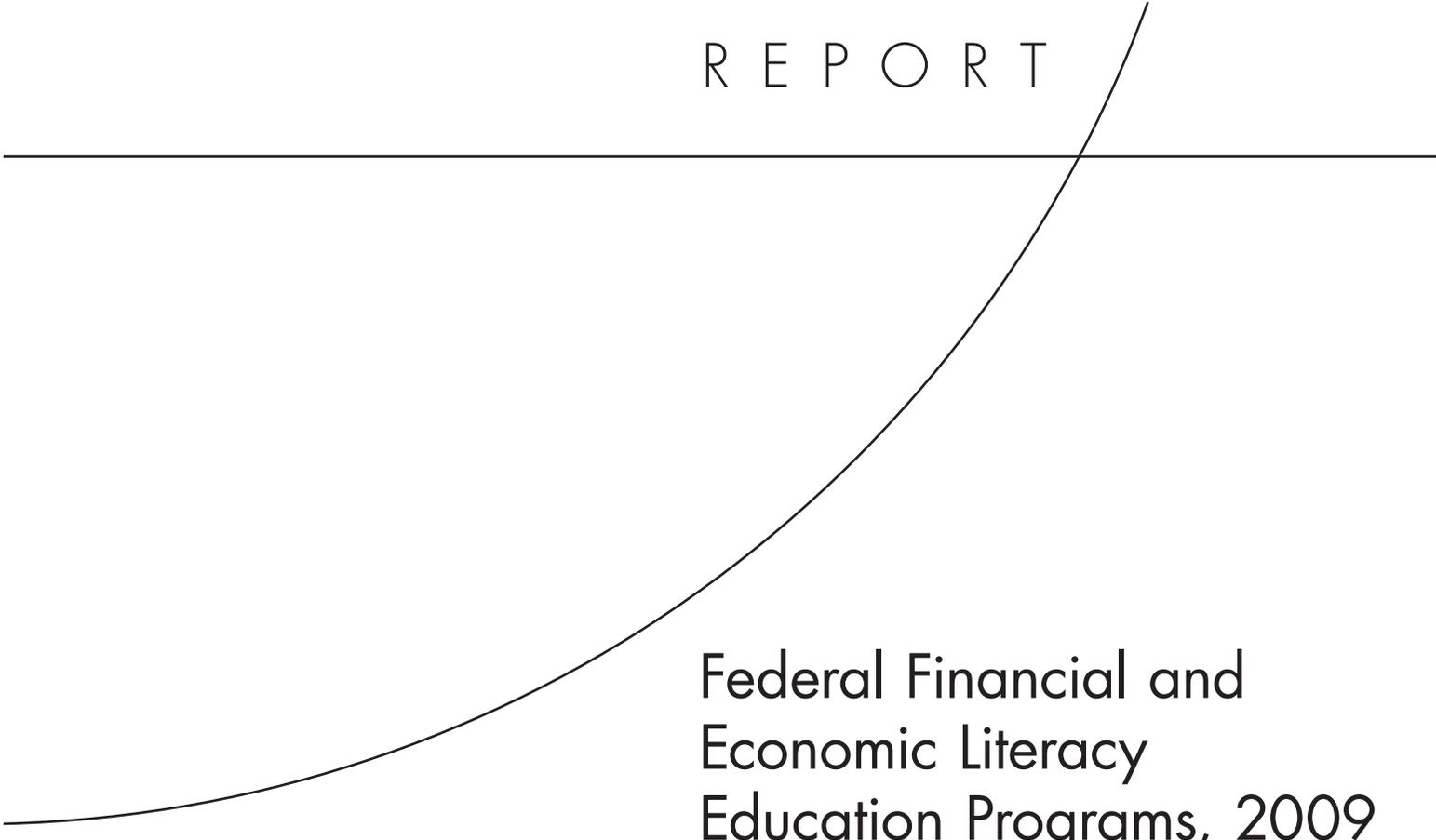
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R E P O R T

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# Federal Financial and Economic Literacy Education Programs, 2009

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Prepared for PowerTrain, Inc.



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This research was prepared for PowerTrain, Inc. and was undertaken within RAND Labor and Population, a unit of the RAND Corporation.

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Published 2010 by the RAND Corporation  
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## EXECUTIVE SUMMARY

To assist the Departments of Education and the Treasury in complying with the provisions of the Credit Card Accountability Responsibility and Disclosure Act of 2009 (P.L. 111-24), RAND was asked to review and summarize survey data on federal financial and economic literacy education programs collected by the Departments of Education and the Treasury. Representatives from all National Financial Literacy and Education Commission (FLEC) members (including a FLEC representative) and the U.S. Mint were requested to self-identify and provide information on what they considered to be financial and economic literacy education programs within their agencies. This report provides a brief overview of the literature on financial literacy and education, analyzes the survey data, and provides recommendations for future evaluations.

For the purpose of cataloguing federal financial and economic literacy education programs, Treasury and Education adapted the following definition: “any ongoing effort to educate, inform, and help the population, or specific segments of the population, in financial and economic literacy matters. Programs should have clear, measurable objectives and goals.” The survey responses were standardized according to five main criteria: program purpose, content, delivery formats, target audience, and evaluation goals and method.

Many federal agencies and departments have long-standing financial education programs that vary in depth, focus, and form depending on the agency’s overall mandate. Twenty of the 21 surveyed agencies as well as the FLEC itself reported conducting a total of 56 financial and economic literacy education programs. The interpretation of what constituted a “program” varied widely across agencies. At one end of the spectrum, a number of programs focus primarily on information dissemination and educating the public about issues and initiatives that are related to individual agency mandates, while at the other extreme, there are more-intensive programs intended to deliver comprehensive financial education and skill development.

The scope and goals of the programs reported also varied widely: While a majority of programs had a goal related to raising awareness about specific agency mandates or initiatives, almost three-quarters of the programs also aimed to change attitudes and behavior related to financial issues. Some of the variation in the responses reflects agencies’ decisions on whether to report a very broad scope of activities as separate programs or collectively as a single, larger-scope program.

Program content was categorized by coverage of six core topic areas (savings, credit, budgeting, insurance, homeownership, and retirement). Most programs addressed multiple core subjects, and in the majority of cases the main topic area reflected the mission of the agency. A small number of programs, such as the Federal Deposit Insurance Corporation's (FDIC's) Money Smart program, offer comprehensive curricula that cover a range of financial skills.

All agencies and almost all programs reported offering resources online, although the majority also reported providing print materials. Half of all programs reported the use of direct person-to-person engagement, and a quarter indicated disseminating information using alternative media, such as emails and online videos. Most programs reported targeting one or more key population groups (such as the young, the elderly, women, immigrants, or employees), with about one-third of programs targeting all of the categories listed in the survey questionnaire. While the survey responses are not sufficiently detailed to permit a full analysis of duplication, the data suggest multiple overlaps in subject areas and target audiences that bear more thorough investigation.

More than half of all programs, and almost all agencies, reported ongoing or planned evaluation activities. However, the wide range of metrics and methods made it difficult to systematically establish effectiveness or to compare results across programs and agencies. For example, many programs reported significant efforts to measure program outputs, including the use of participant questionnaires and, in a small number of cases, testing. For a smaller number of programs, impact evaluations were reported with the goal of understanding the effects of the program on participants. However, relatively few evaluations actually reported systematically implementing pre- and post-designs or a control group, which indicates that actual program effects could not be clearly identified. While some variation in evaluation is consistent with the wide variation in the types of reported program offerings, as well as agency goals and structure, the data also suggest that insufficient technical and financial resources and failure to plan strategically may act as constraints.

For future federal evaluations, it will be important to clearly define what constitutes a financial and economic literacy education program and the appropriate scope and goals of such programs. Efforts should be made to provide more accessible centralized clearinghouses for materials, program information, and evaluation results in order to promote learning and to investigate the duplication of resources. In addition, the development of a standardized evaluation toolkit based on best practices for various program types would facilitate both agency capacity-building and overall evaluation of

the federal financial education strategy. At the federal level, future evaluations should take into account the differences in size, scope, mission, and organizational structure across agencies, and incorporate these into study design, data collection, and analysis. As with agency evaluations, it is critical that such evaluation efforts make realistic allowances for time, resources, and strategic planning.