Educating parents: the EvenStart financial literacy program

Andrew Chodkiewicz, Betty Johnston, Sallie Sunders, Keiko Yasukawa
Centre for Popular Eduction, University of Technology, Sydney

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1. Background

Taking a whole family approach and drawing on a popular education principles are key features of an innovative financial literacy pilot program that commenced among low income communities in the Australian in 2004.

The Finance First a joint initiative of YWCA NSW and the Citigroup Foundation based in Sydney funded the research and development of two parts - one for parents and the other for children attending primary school (Years 1 to 6 in NSW). The YWCA in NSW provides a broad range of community programs and services for women, families and young people and includes advocacy and social justice campaigns for a more just and equitable society as part of it work.

The *EvenStart* financial literacy parent education program was researched and developed by a team from the Centre for Popular Education at UTS and piloted in three school community locations. While the *MakingCents* children's program was developed by a curriculum team from the NSW Department of Education and Training and piloted in a number of government schools in NSW.

Both parts were developed separately but designed to be offered together to both parents and children in school communities in low income areas across NSW. This paper reports on the pilot of the *EvenStart* financial literacy parent program which ran over 2 months in 2004.

Financial Literacy

What do we mean by financial literacy in an Australian context? One view is that financial literacy is 'the ability to make informed judgements and to take effective decisions regarding the use and management of money' (ASIC 2003: 10). This view sees the work of education programs assisting people to acquire knowledge and skills, so that they are able to make more effective decisions about money and finance in their daily lives.

Another view also focuses on the individual decision making processes involving spending or investing money (CFLT 2004: xi) – which leads to a focus on individual attitudes and skills as consumers. - "…as consumers, we need to accept responsibility for our financial outcomes. We need to be able to manage our way around complex consumer and financial markets while avoiding scams and other pitfalls (p5)."

A different view taken by popular educators is that financial literacy as well as being focussed on individual attitudes and skills it is also about people learning more about the factors that shape their financial situation, learning about how things work in order to take actions to change those things in the financial system that oppress them. This involves learning about the economic and social forces that shape our lives – it more about sharing community knowledge, about rights and about collective action (Bond & Boucher 2000).

Popular education " values what people know and experience in their lives and communities. The participants define and express what they know, what they want to learn and how to go about learning it" (Highlander Center 1997:2). In taking that approach - in that sense the process sets out to be inclusive, transformative and empowering for participants.

Popular educators also point to the need to make choices about who should be educated – and suggest it is the more disadvantaged, low income members of communities who should be a major focus of any financial literacy education efforts.

Context

What are some of the features of the financial landscape impacting on low income communities in Australia? A major change over recent years is the declining rate of household saving, the move away from a savings approach to a spend and credit culture where as a society Australia has a negative saving rate. This follows the financial deregulation policies of the 1990s and the increasing promotion of and ease of gaining credit (Brain 2001).

A feature of the banking and finance sector over recent years is the increasing level of financial exclusion in low income and regional communities - with banks and related services closing branches and offices, people forced to pay higher banking fees and charges, having to travel longer distances to access cash machines (Connolly & Hajaj 2001). On the other hand the ANZ survey (ANZ 2003:3) found a high level of banking inclusion based on the finding that Australia had only 3 % of people who did not have an everyday banking account.

Alongside this has been a major increase in the levels of household debt, including among low income communities, with increasing number of bankruptcies and people seeking crisis help from financial counselling services. The impact of changes in the labor market, gambling, increasing number of financial scams and schemes targeting low income communities, together with increasingly punative welfare policies were contributing to the increased financial pressures on families in these communities (Social Policy Research Centre ????) .

Why education programs?

Education programs are seen as one important way of helping to change people's attitudes and behaviour in order to deal with these pressures and make more effective decisions about their money and finances. The recent Australian government financial literacy task force identified over 100 organisations in Australia delivering consumer and financial literacy initiatives aimed at a wide range of different audiences (CFLT 2004: 49).

A feature of the Australian landscape is the role played by banks and major financial institutions in developing various financial literacy programs, often in partnership with a non-government organisation. These include programs such as the ANZ program developed with Financial Counsellors of Australia Network, ASIC and OTEN, the Commonwealth Bank *Dollars and Sense* website, and the Financial Planning Association and McGraw Hill's *Dollar Smart* program for high school students.

A number of other initiatives are being taken by non –government agencies working in low income communities across Australia include intensive family work such as Benevolent Society pilot in NSW; the Brotherhood of St Laurence *Saver Plus* program in partnership with ANZ; and Anglicare in Tasmania developed a *My Money My Future* program.

Schools have been recognised as important sites. A number of recent mapping exercises have been carried out including the Australia's Securities & Investments Commission's research into the status of financial literacy education in Australian secondary schools (ASIC 2003) and the NSW Department of Education and Training (DET 2003) which found a growing number of programs being provided by schools with most focussed on students in high school and none including parents.

Why financial literacy education for parents?

In response to the increasing complexity of the financial marketplace in countries, the shifting of responsibility for financial well-being from institutions to individuals, a growing concern about what are seen as disturbingly low levels of financial literacy among the population (FSA 2000, ANZ 2003) and evidence that relatively few households follow recommended financial management practices (Hogarth et al 2003), efforts are being made at a national level to also focus on financial literacy education across various groups in the community (CFLT 2004, ASIC 2003, Braunstein & Welch 2002, Adflag 2000, ASIC 2000).

In Australia the ANZ survey (ANZ 2003: 4) found a strong correlation between financial literacy and socio-economic status. The groups with the lowest levels of financial literacy were those groups with low levels of education, not working or in unskilled work, on low incomes, with low savings levels, single, and at both ends of the age profile. This suggests there is a need for financial literacy education programs to focus specifically on groups within socio-economically disadvantaged communities.

While parents have not been identified as a specific group for financial literacy education, school education programs have been focussing on reaching parents - especially parents in designated low income areas - delivering targeted parent education programs or sessions to parents usually at school in school time. In NSW the school education system (DET) provides some of these programs under its Priority Schools Funding Program. A particular focus has been literacy behaviour and managing children's behaviour (Hayes & Chodkiewicz 2003, new PSFP initiatives??).

Most of these programs focus on individual parents - providing information and developing new skills to work with their children at home. An emerging area of interest is in whole family approaches and those that focus on parent communities (see Sue Knights refs).

2. EvenStart parent project

The YWCA Finance First initiative was the first in Australia to focus specifically on both children and parents in primary schools. The main aims of the *EvenStart* parent project were to research, develop and pilot a financial literacy education program for parents that addressed the main financial issues they faced in their lives; work with parents in school communities to empower and transform they way they dealt with financial matters for themselves and their families; and offer a parent program that complemented and worked alongside the *MakingCents* program for primary school aged children.

Methodology

The research phase of the project set out to identify the main financial literacy issues that faced parents from low socio-economic backgrounds in the three pilot locations. The main research questions were focussed on parents and their families, pedagogy and organising the program. They included the following questions:

- What were the main issues involved in parents talking to children about money?
- What were the main problems parents were experiencing around money & finance?
- What should the program cover -the main topics?

- How best to teach the program?
- How should the program be organised?

The development team used a number of methods to gather data including a short literature review; interviews with each of the school principals involved in the pilot, with a number of practitioners (financial counsellors working in the pilot communities), and selected staff from both YWCA NSW and Citigroup; and focus groups with parents in each of the three pilot schools.

Research

The literature review highlighted that educating both parents and primary school aged children would be an innovative step in financial literacy education in Australia. Whereas in other fields a variety of initiatives and approaches aimed at reaching at primary school children and their parents in low income communities were being undertaken – especially in tackling literacy {TO ADD refs}.

Much of the literature about financial literacy programs was descriptive or outlining useful approaches or models. To date there have been few longitudinal evaluative studies of programs and there are acknowledged difficulties in assessing the ongoing impact of programs. The evidence emerging from studies of effectiveness of US financial literacy education programs is mixed and show improvements in certain aspects of personal financial management (Braunstein & Welch 2002: 445).

The interviews with practitioners highlighted the growing demand in the pilot communities for financial counselling services and increased pressure on these services. Counsellors explained that most of their time was spent working one to one with clients and each of the services had developed their own financial planning and budgeting system to assist people to better manage their finances.

While education activities - mainly short group sessions - were included in their work, counsellors could only devote a small part of their time to it. All said they would like to have more time and specific funding to enable them to do more educational work. The association representing financial counsellors in NSW (FCAN) emphasised the importance of educational programs for both children and parents and strongly supported the YWCA initiative.

The focus groups with parents showed that there was a genuine interest among parents for a financial literacy education program aimed at parents that could be offered at the school for the school parent community.

An important starting point for any adult program was the need to explore attitudes to money and people's 'money stories' (Saunders et al 2002, Mackay 2001, Wilson 1999). Despite concerns about the privacy of money matters and the discussion of money in a school community, parents were willing to talk about money and share their own 'money stories'.

Finding out about ways of talking to children about money - especially primary school aged children - was mentioned as one of the most important reasons for a parent to attend the program. Parents said they were looking to the program to help them develop better attitudes and skills with their children and money.

Parents also indicated that topics such as budgeting, saving, managing credit and debt, finding out about financial frauds and scams, as well as sharing local information and making new local connections were important and felt they should be included in a parent education program.

When asked about aspects of organising the program, most felt that a program needed to run more than just one session. They indicated they would attend a program of up to 5 sessions and that they would be happy to attend sessions that ran between 1 and 2 hours each time.

Most parents suggested running sessions during the day and indicated that starting just after school commenced or finishing just before the end of classes in the afternoon would be the best time for scheduling the sessions. There was little interest in attending a program that ran after school or in the evenings. Family commitments, getting to school, and safety issues in the neighbourhood at night made it unlikely that many parents would attend sessions held at night.

Development

For the pilot of the *EvenStart* parent program a set of facilitator's guide covering five x two hour sessions, a resource folder for facilitators, and a set of session handouts for participants were developed and training provided for both facilitators and coordinators at each of the three sites.

The program started by engaging with parent's money stories and their views and experiences with money. Ways of talking to children about money was also included in the first session and carried through in each of the following sessions. Other sessions focussed on the skills needed to keep track of money - by budgeting and identifying pressure points and priorities - together with topics on credit and debt, and the sources and the costs of borrowing money. Being more aware of financial scams, rights as a consumer, how to deal with both large and small institutions, and where to go for help when needed were also included. The final session focussed on ways of saving, buying smarter, low cost options tips for families, and concluded with information about ways of connecting with the local community and available local resources and networks

A feature of the *EvenStart* parent program was the introduction of a fictional family scenario, who appeared in each session. Each scenario highlighted the family's financial adventures that were related to the main topics covered in the session. Also a program scrapbook was proposed as a way of involving parents, collecting local information, comments and suggestions. Evaluation sheets were included for facilitators to obtain participant feedback in both the first and last sessions of the program.

Given the strong commitment to informal and incidental learning in developing the program and the importance of building relationships throughout the program - a feature of each sessions was the time available for parents to mix during breaks, to organise the morning teas at each break, and a number of extras organised at each site including a video screening, additional handouts for participants (calculators, boxes of fruit and vegetables, local guides / information sheets) and an end of program lunch for participants.

Pilot

The *EvenStart* parent program was piloted in three government schools including an inner city school with 199 enrolments, an outer city school with 526 enrolments, and a north coast rural centre school with 260 enrolments (DET 2004:45-52).

All three schools were recognised as socio-economically disadvantaged and were part of the NSW Department of Education's Priority Schools Funding Program (PSFP) which provides additional assistance to those school with high concentrations of students from low socio-economic backgrounds. Across NSW there were 533 PSFP schools out of 2,244 government schools in NSW (DET 2004).

The pilot program was able to engage facilitators in each of the three locations who also were working as financial counsellors in a local or nearby financial counselling service. This meant the facilitators had specific knowledge of financial matters, experience in the local community, and a set of adult facilitation skills. Also they were assisted by a local YWCA coordinator who also had experience in the local community and worked on other YWCA programs with disadvantaged groups in the area.

Considerable effort was made to communicate with parents at each of the three pilot schools, using items in school newsletters, letters and notes to parents from the school, informal contacts with parents at the school, contacts with parents by school administrative staff, community liaison personnel and a YWCA coordinator at each school location.

As a result the pilot program ran successfully in all three locations, with most of the participants who started the program following it through until the end. However only one of the three school sites saw a large parent community engagement with program, with 20 – 25 parents attending and the program generated a waiting list as well. At the other two school communities it was much harder to engage with parents, to attract their interest in the program, and finally to have parents take part in the program – as a result two school groups were quite small with six and five parents respectively.

The outer city school group were the largest and most diverse, with mostly single non working mothers who were all government housing tenants, as well as a few women who were married with husbands who were working and paying off a home loan, and one grandparent.

The inner city group was small and comprised mainly single indigenous women, while the north coast rural group was also small and decided to meet at a local community club rather than at the school, and in addition to the single mothers attending included an older married couple.

Although both the children's and parent's program were designed to be run concurrently, in practice this was not possible to ensure in any (? 2 out of 3 or 1 out of 3) of the three locations.

3. Findings

To try and assess the effectiveness of the pilot program a number of evaluation methods were used to gather data in a qualitative, naturalistic way (Athanasou 1995) including feedback from participants during the program, a post program evaluation session with facilitators and coordinators, and an evaluation report carried out by an external evaluator (RPR 2004).

The feedback from participants during the program was obtained at the end of both the first and last sessions of the program. The post-program evaluation session included a focussed discussion with the three facilitators and site coordinators involved in the pilot including the YWCA Finance First Coordinator and two members of the UTS team. The evaluation report included feedback from the parents, teachers, facilitators and site coordinators in each of the three pilot locations.

It is important to note that these findings are qualitative and provide a range of useful insights as a case study, but are not generalisable, and while making a contribution to our knowledge cannot replace the evidence that can be gained from larger scale piloting and longer term / longitudinal research.

Parents

The evaluation report (RPR 2004) found that the program was rated highly by participants. Parents rated the program overall as highly positive. Parents also reported a range of positive outcomes including specific improvements in their:

- management of money;
- ability to talk to children about money and encourage them to save
- making connections with other parents in the school community.

Some parents also reported that they had noticed positive changes in their children's attitudes and behaviour with money as a result of their children taking part in the *MakingCents* program at school. This points to the value of running both parts of the Finance First program together with both parents and children in the same school community.

Parents also indicated they wanted to know more detail about what their children were doing in the *MakingCents* children's program and would have liked the opportunity to visit their child's classroom while the program was running.

Reaching the parent community

The pilot engaged a large group of parents in one location, while small groups of parents took part in the other two locations. This points to what is one of the major challenges of programs of this kind - reaching the most disadvantaged in low income communities.

Both the facilitators and coordinators highlighted the challenges of engaging the hard-to-reach parents in their school communities, as well as shaping a program that addressed the specific needs of various groups in that school community.

Schuchardt et al (1991) suggested three key principles in trying to reach the hard-to-reach low income families including understanding the audience, cooperating with local agencies and working with volunteers in a community to reach their peers.

The *EvenStart* pilot drew on all three principles and as the evaluation report concluded that the high retention rate showed that " parents were comfortable with the program facilitators and found the course interesting and beneficial " (RPR 2004 : 5).'This points to the effectiveness of developing a program that was researched, and grounded and directly related to the experiences and needs of the parent communities.

Facilitators / Coordinators

Facilitators found the *EvenStart* program provided the basis for a valuable learning experience for parents in areas where there were few such opportunities for parents, and where the parents involved were keen to take up any learning programs.

They also highlighted what Braunstein & Welch (2002: 456) suggest is a major challenge - how to develop one program that addresses the wide variety of needs that arise out of people's different backgrounds and circumstances – differences in their prior experience, language, cultural background, marital status, and current financial situation.

They felt the *EvenStart* program could be improved by adapting and/or developing modules to address the specific needs of single parent families, indigenous women, non English speaking communities and single income mortgage families living in low income communities. One way of doing this was to develop a range of scenarios for each session to address these needs.

Among the additional topics suggested was more information about the welfare system and particularly the variety of social security payments, about how to save money on a low income, and about more practical activities and things they could do with their children involving money.

One facilitator suggested that it would be good to develop and offer a one-off introductory parent session that could work in both school and other community settings. It could be used as a stand alone session or become an introduction to both the parent and/ or children's program.

Another suggested it was worth piloting a whole of family approach in school communities, bringing parents and children together at the start and the end of each of their programs. This would further strengthening the connections between the parent and children's programs and deepen the learning experience for both parents and children.

4. Discussion

Parent community

The involvement of the parent community with their children's schools in disadvantaged areas varies considerably. As the pilot demonstrated significant numbers of parents were engaged by the program in one of the three communities. The engagement in that community was clearly linked to the strength of that particular school community at the time. It reflected the efforts made at the school over a number of years to reach out and involve its parents in the life of the school and to make those parents feel part of the school community. It reflects efforts, usually driven by the school principal or the school executive, and supported by class teachers, school liaison staff, as well as the work of the local YWCA coordinator to engage with the parent community.

The small numbers in the two other locations highlight the difficulties of engaging with some school communities. It also reflects the particular difficulties in organising school based activities that are provided for specifically for parents. Despite the recent rhetoric around the role and importance of parents in school communities (including specific programs and initiatives across many disadvantaged schools), parents often remain isolated, not included in meaningful ways in school activities, seen mainly in a volunteering or fund raising roles - beyond the school fence (Hayes & Chodkiewicz 2003).

Parents and children

A feature of the Finance First initiative is the development of both a children's and a parent's program. The success in working with a school education system and locating the *MakingCents* children's program in a key learning area and across three primary school stages should ensure the children's program is taught across primary schools in NSW.

The future is not as clear for the *EvenStart* parent program. The pilot clearly shows the tensions in trying to organise, link and align two separate components and audiences within a school community – the children's program and the parent's program.

While FinanceFirst is an important innovative aspect, it appears that unless the parent program can be built into a statewide school education program, such as a component within the PSFP program that can be supported at a regional, area and a school level, there is likely to be a rapid disconnection between the two programs.

Also because of the need for considerable organisational effort and resources required in bringing together sufficient parent participation in *EvenStart*, and the challenges of finding facilitators across NSW with the necessary mix of skills and experience to deliver the parent program effectively, it places the parent component at risk in any future development of the programs.

Pedagogy

The results of the pilot provide some support for the effort to develop the program drawing on research with parents from the school communities, the experience of other financial literacy education programs and popular education principles.

It is difficult from the evidence gathered from the pilot to draw conclusions about the empowering and transformational learning impacts of the parent program. What the feedback from both parents and facilitators points to are some improvements in a number of aspects that indicate improvements in capacity within the school community and within families.

Drawing on Flowers (2003) for indicators of impact on the school community, the feedback suggests improvements among parents as a group in engagement in the school community (community engagement), particularly individual parents who previously experience social exclusion; in community participation, collaboration and ownership in their learning; as well as a mix of instrumental change and learning, interpretive change and learning, and some indication of emancipatory change and learning.

Parents were also pointing to positive changes that were taking place within their families- especially in their relation ships with their children in relation to money matters, and in being able to talk to their children.

5. Conclusion

A major achievement of the project was developing and piloting a financial literacy education program for both children and parents. The evaluation report concluded that the Finance First project was innovative in its approach and focus on disadvantaged communities and there were “no Australian programs that address the needs of primary school children in the area of financial literacy education” (RPR 2004:5). The Finance First initiative is also important because it has focussed specifically on low income communities, who so far in Australia have received modest attention in the development of financial literacy education programs.

Another aspect has been the development of a strong collaborative relationship involving a prominent non-government organisation, a major bank, and two educational authorities. As well as the commitment of the state education department to incorporate the children’s program into its statewide school curriculum for the three stages of primary school covering the primary school years from 1 to 6. For the parent program the challenge remains to find a way of building it into the work of either the YWCA or the involvement of the education department through its targeted program for disadvantaged lowsocio-econoimic schools.

At the same time the pilot program with parents has highlighted an ongoing challenge - engaging with the hard to reach parents, who we assume are the ones who may need and could benefit most from taking part in all or part of the program.

This has been an important education initiative and points to the need for ongoing sustained support for the Finance First. While the pilot has provided a range of valuable insights about the impact and value of the initiative it also points to the need for longer term longitudinal studies to try and develop better deeper understandings about the impact of program like Finance First on both parents and their children.

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