



# Promoting Financial Literacy for Youth in Afterschool Programs



## A Briefing Paper

By Sam Piha and Samantha Fasen

## ABOUT THE AUTHORS



Sam Piha (he/him) has served as founder and president of Temescal Associates since 2007. Sam began his career in 1974 as an afterschool worker, an experience that led to 13 years of classroom teaching and work as a child and family counselor and school social worker. Between 1989 and 2006, Sam managed school-based youth programs at the regional and national levels. He later founded Temescal Associates and The How Kids Learn Foundation, both dedicated to improving the quality of afterschool programs. Sam served as editor and contributing author of several important practice guides and journal articles on afterschool programming. Sam holds a master's degree in Social Welfare.



Samantha Fasen (she/her) joined Temescal Associates and the How Kids Learn Foundation in 2019 and has fully embraced her work with the afterschool field. She helps to coordinate and develop marketing campaigns and multimedia elements to reach a wider audience and share with people the importance of out-of-school time and youth development.



Ren Daraio (they/she) brings over 35 years of experience working in the field of youth development as a facilitator, trainer, and coach. She has experience training and coaching diverse audience groups, from afterschool practitioners and parents to funders and technical assistance providers. Prior to her work with Temescal Associates, Ren was the Deputy Director at the Community Network for Youth Development and a consultant for the Institute for Research and Reform in Education.

## ABOUT THE ORGANIZATIONS

[Temescal Associates](#) is dedicated to building the capacity of leaders and organizations in education and youth development who organizations, and policy makers.

[The How Kids Learn Foundation](#) (HKLF) is a 501(c)(3) organization. It is dedicated to improving the effectiveness of settings that support the education and healthy development of youth. This includes schools and out-of-school time programs. The HKL Foundation provides educational and training activities that promote the capacity of organizations that support the education and healthy development of youth. Examples of activities include conferences, speaker forums, screenings of relevant films, training sessions, coaching sessions, the awarding of digital badges to acknowledge exemplar programs and the learning that happens within these settings. Activities also include the development and distribution of educational materials (papers, self-assessment tools, videos, program guides, etc.). You can see a [catalogue of the resources](#) we've produced for the afterschool field.

**Front Cover Photos:** All photos from [www.pexels.com](http://www.pexels.com).

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Source: [www.pexels.com](http://www.pexels.com)

## INTRODUCTION

Financial well-being is a growing problem for today's youth. For instance, today's youth can amass debt quickly, often in the form of school loans or credit card debt. According to a report by the National Endowment for Financial Education, Generation X youth reported an average debt of about \$60,000 by their late 20s, and their successors — Millennials — had already reached this point in their mid-20s. Most young people receive no formal financial instruction.

We know from research that young people who are financially literate make much better decisions regarding their future finances. However, most young people, especially youth of color, lack access to financial literacy information. This is referred to as *America's financial literacy gap*. White and Asian 15-year-olds, on average, have substantially higher financial literacy scores, while Hispanic and Black students have substantially lower scores when compared to their general population peers, as reported in the [2020 U.S. National Strategy for Financial Literacy](#). Financial literacy is also less common among those in low-income communities.

***“Access to financial literacy is also an equity issue that is directly reflected through racial wealth gaps. Only 27 percent of California high school students attend schools that offer personal finance classes. Ensuring that all young Californians have exposure to financial literacy is a vital step in closing inequality gaps and providing the skills and resources to improve their lives overall.”*** - [Tony Thurmond, California Superintendent of Schools](#)

Every child and adolescent should be exposed to financial literacy education. One would think that schools are the obvious place for this, which would also address the financial literacy gap. However few states require this as part of their requirements for high school graduation. And because of the concern around COVID learning loss, low test scores in math and reading, and other pressures, many schools are not in a position to add financial literacy to their curriculum.

***“While financial education is a growing priority for more schools, districts, and states than ever, gaps in guaranteed access still persist along racial, socio-economic, and geographic lines.”*** – [Next Gen Personal Finance's 2023 State of Financial Education Report](#)



### BLACK AND HISPANIC STUDENTS

In schools with **>75% Black and Hispanic** student population

**7%**  
of students

are guaranteed to take a Personal Finance course of at least one semester before graduation

In schools with **<25% Black and Hispanic** student population

**14.2%**  
of students



### FREE AND REDUCED LUNCH

In schools with **>75% Free and Reduced Lunch** eligibility

**4.6%**  
of students

are guaranteed to take a Personal Finance course of at least one semester before graduation

In schools with **<25% Free and Reduced Lunch** eligibility

**11.4%**  
of students

Source: [NextGen Personal Finance 2023 State of Financial Education Report](#)

## THE ROLE OF AFTERSCHOOL

**Afterschool programs** are especially well positioned to address the need for financial literacy. They have the kids- nationally, 10.2 million young people participate in afterschool programs. (California alone serves 1.6 million young people in school-based afterschool programs. Next year, in 2024, California will be investing over \$4 billion in school- based afterschool programs and many of these programs serve low-income, K-12 youth.)

Afterschool programs have an infrastructure (kids, space, staff, operating protocols etc.) that is already in place to support financial literacy offerings. These programs are more flexible than schools that must get approval on curriculum at the city and district levels. Afterschool programs are also free from the pressures of standardized test scores.

## HOW TO USE THIS BRIEFING PAPER

This paper is designed to raise understanding and awareness of the need for youth financial literacy and identify ways afterschool leaders can address these issues. We recommend that program leaders share this paper with organizational leaders and program staff and consider the best ways to respond to this need.

## TERMS AND DEFINITIONS

The definitions provided here will assist in understanding some frequently used terms in this paper.

- ***Financial literacy***: According to the [U.S. Financial Literacy and Education Commission](#), “*financial literacy encompasses the skills, knowledge and tools that people need to take action and make financial decisions that will support their personal goals.*”
- ***Personal finance***: According to [Investopedia](#), “*personal finance is a term that covers managing your money as well as saving and investing. It encompasses budgeting, banking, insurance, mortgages, investments, and retirement, tax, and estate planning. The term often refers to the entire industry that provides financial services to individuals and households and advises them about financial and investment opportunities.*”
- ***Financial capabilities*** include skills learned through financial literacy but also provides young people with the skills and information needed to access financial institutions, products and markets.
- ***Financial literacy gap*** – According to [Investopedia](#), “*there is a disparity in the rates of financial literacy across racial and ethnic groups in the United States, with Black, Hispanic, and Native American populations tending to have lower rates of financial literacy than White and Asian populations.*” Access to financial literacy is also less common among those in low-income communities.
- ***Afterschool programs*** - Community-based and school-based youth programs that are conducted before or after the school day and during the summer. These programs are also referred to as afterschool, out-of-school time (OST), youth programs or summer learning programs.

***“Together, we can address systemic issues of educational equity and the racial wealth divide. Financial education is about much more than numbers, it’s a means for self-care and social justice.”*** - [Pockets Change](#)



## FINANCIAL LITERACY: AN OVERVIEW



[VIDEO: STUDENT TRAILER- The Most Important Class You've Never Had \(NGPF\)](#)

### What is financial literacy?

According to the [U.S. Financial Literacy and Education Commission](#), financial literacy encompasses the skills, knowledge and tools that people need to take action and make financial decisions that will support their personal goals.

The government website [youth.gov](#) identifies areas of financial literacy and capabilities that a young person should learn about (1-5):

1. *"Frauds, scams and predatory lending practices"*
2. *Public and work-related benefits*
3. *Banking practices, how to open a bank checking account, the basics of internet banking, and several other financial services*
4. *Savings and investing strategies, including how to open a savings account*
5. *Credit use and interest rates, and how to obtain and use a debit card."*
6. Financial management concepts such as setting up a business and making life goals.

*"Schools teach kids the principles of mathematics but very rarely how to implement those learnings for financial planning. Kids may be good with numbers by the time they graduate, but financial planning has many more concepts such as managing debt, profitable or emergency savings, the time value of money, and efficient budgeting. From counting coins in kindergarten to managing the finances of their own business in the future, the price of money needs to be explained to the young minds being nurtured at present."* - [Dr. Nidhi Duggal, Principal](#)

### Why Is Financial Literacy Important for Youth?

Financial literacy is key to helping young people manage money effectively so that they can become financially stable, build assets and achieve their personal goals. The mistakes that youth make can have a great impact in adult life.

*"Research shows that students who have access to high-quality financial education have better financial outcomes as adults that result in less debt and a higher quality of life."* - [Tony Thurmond, California Superintendent of Schools](#)

There are many benefits to being financially literate. According to Financial Coach, Sharath Mascarenhas in [Top 5 reasons why financial literacy is important for youth in 2021](#), they include:

- *“It helps us understand the value of money. When we understand the value of money, we are able to handle our finances in a better way. We will be able to know the importance of budgeting, saving and avoid unnecessary expenditures.*
- *Financial literacy keeps us from being debt slaves. If you are financially literate, you will be able to cut your coat according to your cloth. That means you will only borrow that which you are able to repay.*
- *It empowers us on how to invest and create wealth. Being financially literate generally enlightens us in various ways through which we can invest our money and generate more wealth.*
- *It prevents us from making poor financial decisions. A financially literate person will not be easily lured into Ponzi schemes and gambling. This is because they understand the value of money and how difficult it is to earn it.”*



Source: Vermont Afterschool Inc.

### **Benefits For Young Children**

According to [Brittany Bettini for Entrepreneur.com](#), benefits for children include:

- *“Learning patience and setting an aim - At a young age, children get excited when you help them start saving a few cents now and then. If you make them focus on a particular goal, like getting them something they'd like to buy (a toy, book, or anything at all), they will know how to set an aim and start saving. This will also teach them the importance of patience and how to save more.*
- *Setting up better financial habits - Children nearing adolescence start developing habits. They see their parents and they adopt the values. Letting them know about financial literacy at that age will help them shape their earning, saving and shopping habits. They will know the basic difference between needs and wants. They will start understanding the limits of spending and managing money.*
- *Managing tough financial situations - Once the children reach adulthood, they will be mentally prepared to handle troublesome economic situations, like managing their student loans cost-effectively and efficiently when they reach college. With the help of your teachings, they will have already developed the concept of how the world's financial system works and realized the importance of financial literacy.”*



[VIDEO: Financial Literacy Must Be Taught at Elementary Schools](#)

## AFTERSCHOOL PROGRAMS: WHERE TO START

Promoting equitable access to financial literacy offerings in afterschool takes some work and planning. This takes both action at the program level and the policy level.

### Program Level

- **Gather ideas and feedback** from youth, staff, school personnel and families.
- **Confer with others** in the afterschool field: Providers and national organizations can tell you a lot about how other afterschool programs are incorporating financial literacy.
- **Ages served:** Some afterschool providers serve both young and older youth. Children benefit from financial literacy and there is plenty of curriculum and course materials designed for young children. [Dr. Nidhi Duggal, School Principal](#), makes the case that it's never too early to begin financial literacy. Naturally older youth and teens should be engaged in financial literacy offerings.
- **Family members:** Consider offering a financial literacy session(s) for the adult family members of the young people you serve.
- **Staff Leading sessions:** Decide if your present staff will lead the financial literacy sessions. Identify organizations that can offer a training for your staff. If you want to bring in financial literacy session leaders, you can identify an organization that provides this service.
- **Identify an organization** that has developed curriculum materials and program handouts.
- **Money Club:** The financial literacy offering can be in the form of a "Money Club" where participants can learn about ways to earn money, how to increase their income by investing the savings, the chances of losing the investment money, what to avoid and how to make good investment decisions, credit, and the financial experiences of others and the implications, etc. The Money Club can feature guest speakers from the community, such as bankers, businesspeople, and money savvy members of the neighborhood.
- **Require financial literacy participation** for youth who are employed through the program. Also, you may want to require this of any youth who are engaged in workforce preparation offerings.





Source: [www.pexels.com](http://www.pexels.com)

### Policy Level

If we want to see equitable access to financial literacy, we need to convince funders and policy makers to increase funding and support. Afterschool program leaders can:

- Contact local state and federal policy makers, funders and afterschool networks to make a case for increased financial literacy offerings in afterschool.
- Contact educational leaders and policy makers to ensure that financial literacy is a high school graduation requirement.

### VOICES FROM THE FIELD

To learn more about how and why financial literacy is integrated into afterschool programs, we interviewed Rebecca Fabiano, Executive Director and Founder of Fab Youth Philly. Below are her responses to our questions.



Rebecca Fabiano

**Q: For many youth participants who obtain first time jobs, does Fab Youth Philly offer any financial literacy info on how to handle their money?**

**A:** We provide a workshop on *How to Read Your First Paycheck*, one on creating a budget and in January, we invite them back for a workshop called *I Got My W2, Now What Do I Do?* so they learn about filing taxes.

**Q: Why do you think financial literacy is important for youth?**

**A:** I think financial literacy is very important for youth to learn about because it is a necessary skill to know to achieve various goals, including renting an apartment or owning a home, renting or buying a car, starting a business, getting or continuing education, having a child/ren and for travel and adventure and pursuing one's passions.

**Q: Should this be a higher priority for programs that either employ youth afterschool and/or offer work readiness groups?**

**A:** I absolutely think that programs that provide workforce development programming must include some component of financial literacy. One of the challenges we face is helping teens open bank accounts; at most banks, young people under 18 are required to have a parent/caregiver with them in person. Due to caregivers' work schedules and other responsibilities and the times the banks are open, this can create a real challenge for teens and often delays the opening of an account; as a result, many still rely on check-cashing business, prevalent in Black and brown communities, which take upwards of 15% of the total amount of the check to cash it.

**Q: In your experience, do youth already have much financial literacy and have you experienced a financial literacy gap involving youth of color?**

**A:** My experience is that teens don't have a lot of formal experience with financial literacy. A lot of teens actually know how to manage money very well; they just don't have a lot of it to manage. With the advent of online banking and various banking apps and tools, many teens are introduced to banking in new ways. However, we are finding that some of these new apps don't 'talk to' some of the traditional banking institutions, thus making things like direct deposits difficult, and sometimes impossible, which can ultimately lead to delays in payments, over drafts, etc.

**Q: What are the ages of youth you serve?**

**A:** 15-19 years old.

**Q: Who leads the financial literacy groups- existing staff or others from the outside? If the latter, are they volunteers or people you contract with?**

**A:** This has varied over the years; sometimes we do our own workshops, other times we have guest speakers or go on field trips.

**Q: Are there partners you have enlisted?**

**A:** Banks or other financial institutions.

## MORE ABOUT...



For nearly 25 years, **Rebecca Fabiano** has worked in various capacities across nonprofit and youth-serving organizations, served on boards and helped to build solid youth programs that engage, encourage, and create spaces for positive development. As a program leader, she has successfully raised funds and managed program budgets; hired and supervised staff; developed and sustained strong community partnerships and designed award-winning programming.



**Fab Youth Philly (FYP)** has a unique, holistic model for youth development. Their three-pronged approach to youth development is aimed at creating relevant, engaging, and empowering learning opportunities at the individual, professional, and community level. First, they provide innovative, award-winning summer and afterschool programs for teens with a focus on workforce development programming. Second, they connect with youth development professionals working with or on behalf of youth through their **Center for Youth Development Professionals (CYDP)**, which offers competency-based professional development and

networking opportunities. Third, they consult with other youth-serving organizations to provide a range of consulting services, ranging from curriculum development to retreats and small conferences.

### **WE WANT TO HEAR FROM YOU!**



Source: Temescal Associates

- What is happening in your area and state regarding youth financial literacy?
- What kinds of things are you doing to support youth financial literacy in your afterschool program?
- Would you add any additional resources that would be valuable to afterschool stakeholders?

Email us at [info@temescalassociates.com](mailto:info@temescalassociates.com).

## LINKS TO ADDITIONAL RESOURCES

There are a large number of resources that can be found on the internet. In addition to the links cited in the paper above, we list a number of links below.

### Orgs/ Websites

- [220 Leadership](#)
- [Next Gen Personal Finance \(NGPF\)](#)
- [Vermont Afterschool- VerMoney](#)
- [Pockets Change](#)

### Reports/Articles

- [NextGen Personal Finance 2023 State of Financial Education Report](#)
- [The Case for High School Financial Literacy](#)
- [Facts About Youth Financial Knowledge & Capability](#)
- [Financial Literacy for Youth](#)
- [A Brief History of Financial Literacy and Its Importance Today](#)

### Curriculum/Materials

- [Financial Literacy for All \(List of curriculums\)](#)
- [Smart Money Financial Education](#)
- [The Best Financial Literacy Programs for Youth- Community Point Bank](#)
- [Money Matters: Make It Count- Boys & Girls Club](#)
- [Financial Literacy for Kids- In Charge Debt Solutions](#)
- [Junior Achievement USA- Financial Literacy](#)
- [Mind Treasures- ABC's of Wealth](#)

### For Parents

- [15 Ways to Teach Kids About Money](#)
- [Financial Literacy](#)
- [App for Kids Finance](#)
- [10 Interactive Financial Websites That Teach Kids Money Management Skills](#)



Source: [www.pexels.com](http://www.pexels.com)