Culturally Responsive Community Based Financial Literacy Education: Practical Implications from a Mixed Methods Study of Financial Educators

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Abstract: This paper provides a summary of findings of a mixed method study of 271 financial literacy educators in community-based programs and offers practical implications for culturally responsive pedagogy.

Financial literacy education (FLE) is a need for adult learners. As many researchers have noted (Anthes, 2004; Lyons et al., 2006), the financial system is growing in complexity. The economic recession since December of 2007, along with high debt rates and an unemployment rate as high as 10.6% early in 2010, suggest an even greater need for FLE, and for greater attention to cultural issues in doing so (Vitt, 2009). While many studies have been conducted about various aspects of adult financial education, there is often limited attention to cultural issues or to low-income populations in community-based programs in the research literature. Most studies and FLE programs tend to be grounded in behaviorist models, based on the assumption that if educators deliver appropriate financial information, learners will change their financial behavior, the primary goal of FLE. There is a good deal of literature from the fields of psychology and health drawing on the transtheoretical model of behavior change that indicates that there are stages to altering one's behavior, from pre-contemplation to preparation, to actually making the change and sticking to it. Some have discussed these stages specifically related to financial literacy (Spader, Ratcliffe, Montoya, & Skillern, 2009; Xiao et al., 2004), in which the authors attempt to identify the exact stages at which change takes place. These studies offer great insight for FLE; yet it is also helpful to attend to cultural issues in the design and implementation of educational programs. While more researchers and FLE experts are recognizing the relationship between culture and financial education in general, there is a paucity of research studies that focus on culture or the pedagogy that financial educators use when conducting FLE programs.

In light of the lack of literature that deals with pedagogy in FLE in community based programs, at last year's AERC conference, we presented the overall results of a large mixed methods study funded by The National Endowment of Financial Education® (see Taylor, Tisdell, & Sprow, 2010). The purpose of the study was to explore financial educators' teaching practices in community-based programs, with particular attention to cultural issues. The study was theoretically grounded in a sociocultural framework informed by critical and culturally responsive educational theory (Guy, 1999, Gay, 2010), in Hays (2001) ADDRESSING framework on how to address cultural complexity, and in those transformative learning discussions that foreground with race and culture (Johnson-Bailey & Alfred, 2006; Taylor, 2009; Tolliver & Tisdell, 2006). The critical discourses in adult education related to race, culture, and literacy (Prins, 2005; Sheared, et al., 2010) were an additional influence. The purpose of this year's paper is to present the implications of the study for culturally responsive education practice for financial and adult education. In order to provide context, we first present an overview of the study and its findings, which is also discussed in detail in the report to the sponsor (Tisdell, Taylor, & Sprow, 2010a).

A Summary of the Study and Its Findings

Given that the research literature indicates that teaching beliefs shape educators' practice (e.g., Pratt & Associates, 1998), the study examined educators' beliefs about teaching, how they go about choosing or developing curriculum, the particular teaching strategies they use, and the evaluation methods they employ. 271 financial educators, approximately 10% ethnic minorities, and approximately 70% female, completed a survey exploring these issues. Further, 15 interviews were conducted from among those who indicated in the survey the greatest attention to cultural issues and transformative learning approaches in the adult learning environment.

Educator Beliefs About Teaching

A summary of these beliefs about teaching indicate that financial educators believe that: (a) financial education is predominantly about providing understanding of financial issues; (b) learners' attitudes and behaviors are shaped by sociocultural factors and family legacies; and (c) learners' beliefs and behaviors about money are affected by emotions, which relate to the larger context of their lives. 95.5% of survey respondents, including all of the people of color, indicated that they believed it is important to approach teaching by taking into account differences among learners. More than 95% believe the primary purpose of FLE is to provide information and to help people make informed financial choices. Slightly more than 50% indicated that its purpose was also "to help individuals contribute to society," and "to help learners confront financial inequities in their lives and in the community;" people of color rated this more highly than the White respondents (statistically significant at $p < .05$). In addition, the interviewees indicated a strong belief that helping learners deal with their family scripts and emotions around money is crucial to effect change in behavior. As one interviewee put it, "Because the dollars are not the legacy. The attitudes are the legacy!"

Educator Use of Financial Education Curriculum

The curricular findings indicate that educators: (a) do tailor curricular materials to meet learners' needs; and (b) focus primarily on household budgeting, credit and debt reduction, and savings topics. 40.6% of these community-based educators made use of a curriculum that is either pre-published for financial education (such as *MoneySmart*) or developed by their organization. Most thought the curricular materials were more or less reflective of the life circumstances of the learner, although gaps were noted; thus they tailored materials accordingly.

Pedagogy in the Financial Education Classroom

In regard to the teaching strategies or the pedagogy they use, educators indicated that they: (a) teach by presenting information through multiple means; (b) use interactive approaches to teaching; and (c) teach by sharing stories. Finally, their approach to culturally responsive pedagogy involves translating information in a manner appropriate to the culture of the audience. More specifically, the survey respondents were asked to evaluate the effectiveness of various teaching strategies on a Likert scale of 1 (least effective) to 5 (most effective), such as lecture, small or whole group discussion, drawing on learner experiences, sharing one's own financial experiences, featuring stories from diverse groups, discussion of community financial issues, and use of cultural art forms. Overall, the items seen as most effective were drawing on learner experiences (M=4.22), small or large group discussion (M=4.19), educators sharing their own financial stories (M=3.82), and the use of stories featuring members of diverse groups (M=3.77).

Evaluating Success in Financial Literacy Education

In regard to evaluation, the findings indicate that: (a) to some extent, program evaluation is done with written evaluations and pre- and post-testing; (b) educators often evaluate their teaching effectiveness based on verbal or written feedback from the learners; and (c) behavior change in the learners is difficult to track and evaluate, but is a valued evidence of the effectiveness of the programs. The statistics indicate that formal evaluation strategies are somewhat limited. 31.8% do pre and post tests; 43.4% do written or online evaluations immediately after the course is over. Only 9.4% do follow up evaluation more than 3 months following the program, and 8.2% do no evaluation.

Implications For Financial Education Practice

The study offers several implications for practice that are discussed in depth in the resource that was developed for practitioners (Tisdell, Taylor, & Sprow, 2010b). These implications center on six primary recommendations and are offered to help guide educators in attempting to facilitate a culturally responsive and transformative learning approach to FLE.

1. Address the Complexities of Culture

Attending to issues related to the complexities of culture and the sociocultural context of financial education in community-based settings is complicated, and people often assume that culture simply refers to race/ethnicity without recognizing that race/ethnicity is just one dimension of many components associated with culture (Vitt, 2009). As mentioned previously, Hays (2001) provides a model that analyzes how multiple dimensions of culture inform people's lives. "The ADDRESSING framework [age, disabilities, religion/spiritual, ethnicity, socioeconomic status, sexual orientation, indigenous heritage, national origin, and gender] offers a system for organizing and addressing these cultural influences and groups in the form of an acronym" (p. 5). Using Hays' model, financial educators can take into consideration the cultural influences in relation to both their own lives and the financial realities of their learners' lives. This framework is useful when developing stories or activities about financial situations that their learners might relate to; it can help educators focus on the many cultural influences that affect these adult learners' lives; and it can guard against appearing to assume that all members of a cultural group might think the same way about financial issues. Financial educators also need to consider other aspects of culture and subculture that are not addressed by the ADDRESSING framework, such as military or homeless culture, that might create unique financial realities. Thus, the many complexities to culture need to be explored and learned about, so that financial educators can appropriately tailor their teaching to fit the needs of their learners.

2. Foster a Culturally Responsive Critically Reflective Practice

This study found that financial educators held certain beliefs about the practice of teaching financial literacy (e.g., the purpose of financial education, their understanding of the sociocultural context, or the emotional nature of money). These teaching beliefs offer a window into understanding how financial educators make meaning of their teaching experience. It is also consistent with research in the field of teacher education that indicates that teachers' beliefs about teaching and learning have a tremendous impact on their behavior in the classroom (Gay, 2010; Pratt, 1998; Taylor, 2003). An awareness of beliefs that shape teaching comes from developing a critically reflective practice, a hallmark of fostering transformative learning during which "we identify and scrutinize the assumptions that undergird how we work" (Brookfield, 1995, p. xii). It becomes culturally responsive, critically reflective practice when it pays particular attention to the (often unconscious) assumptions we make about race, culture, or gender (Sheared, et al., 2010). To develop a reflective practice in financial literacy education is an ongoing process that requires effort, time, and a commitment to becoming a better educator. Brookfield (1995) recommends that educators continually work at developing an understanding: (a) of their own autobiography, as a learner and as a teacher; (b) of students and colleagues insights about teaching; and (c) of the theoretical and practical literature on teaching. His work and others' work (Sheared, et al., 2010) also highlight the importance of considering some of these issues in light of culture, gender, race, and economic class.

3. Assist Learners in Engaging Their Beliefs about Money

Just as educators have many beliefs about teaching that affect their practice, learners also have conscious and unconscious beliefs about money. Helping learners to get in touch with their beliefs and attitudes about money, which are very often rooted in their families of origin, as well as their cultural values, is essential for an effective practice in financial literacy. Without developing an awareness of these beliefs, learners are not likely or able to change their financial behavior that is directly related to these beliefs. Klontz, Kahler, and Klontz (2008), in their book for financial planners and counselors, *Facilitating Financial Health*, offer some specific exercises to help learners become aware of these deeply held beliefs. They suggest, for example, encouraging the sharing of stories about money and the role it plays in the lives of learners, discussing hypothetical financial situations and ways learners might respond to them, and using art (e.g., drawings, symbols, objects) to help learners express their beliefs and feelings about money, about their financial situation, about their hopes for the future, or about any aspect of the process of learning about financial management that is sometimes difficult to verbalize.

4. Adapt Curriculum to Reflect Learners' Life Circumstances

Making the curriculum and course materials reflective of the learner's life circumstances, has the potential to assist them in making financial changes, and contributes to the effectiveness of culturally responsive teaching. When the curriculum speaks directly to their lives and to the communities in which they live, learners are able to readily apply what they are learning, such as in tracking spending, making and maintaining a household budget, or long-term goal setting. Sheared et al. (2010) note that often learners of color are not represented in curriculum materials, and their cultural realities or life experiences are neglected in educational activities. Valuing the cultural and communal lives and reflecting the "circumstances, values, beliefs and needs" (Klontz et al. 2008, p. 25) of learners can only enhance their learning experience.One way to ensure that the curriculum reflect learners' lives is to utilize translators and materials in the first languages of the learners, when possible. Another method to adapt curriculum is to use stories of the experiences of other learners themselves as a valuable resource. Educators can encourage learners to share their experiences, both positive and negative, in ways that enhance the content of the curriculum, while also being nonthreatening to learners. Individual experience is the starting point for group dialogue that encourages critical reflection of a learner's assumptions and beliefs about money. As Tyler (2009) points out, "One beauty of this authentic storytelling that has its genesis in the teller's interpretation of his experience lies exactly in its potential for fostering learning, for shifting meaning perspectives, and establishing shared understanding or even values" (p. 139), thereby expanding the knowledge of all learners and increasing the meaning for learners in similar situations.

5. Continually Develop Strategies for Evaluation

The findings of this study also indicated that financial educators predominantly use informal methods to evaluate their success in the classroom. When planning for evaluation, it is important to consider its role before the educational endeavor begins. It is not something to be thought about when the program is already completed, thus ensuring that the proper data will be collected (Caffarella, 2002). Evaluation of an educational program can be separated into two areas when preparing to conduct assessments: implementation and outcome. When assessing how a program is implemented, pre-assessment data can be collected from learners at the outset of a program. During the program, the use of critical incident questionnaires (Brookfield, 1995), ascertaining learners' feelings about the program to that point is useful. Observations, amount of participation and interaction during class, and post-program assessments about course content can also be useful. The ultimate goal of financial education is positive behavior change; thus outcomes assessment is considered valuable among educators, but is often inconsistent in its implementation. Outcomes assessed can include (a) the knowledge, skills, and attitudes of learners, (b) the application of knowledge, and (c) the long- and short-term impact of the classes.

6. Remember that Financial Behavior Change Is a Multi-stage Process

For financial educators the findings revealed that it is important to remember that changing any behavior, including financial behavior, takes time and is a multi-stage process. Some of the wider financial counseling literature discusses change, some grounded in the transtheoretical behavioral change model and drawing on the work of Prochaska, Norcross, and DiClemente (1995), who discuss the stages of behavior change. These stages include the pre-contemplation, contemplation, and preparation stages that precede behavior change itself, and then the stages of actual action, and maintenance of the new behavior. A full description of the stages can be found in the full study report (Tisdell, Taylor, & Sprow, 2010a). The important information that can be gained from understanding the stages of change is that information can be presented in a variety of ways to encompass learners at different stages. For example, educators might participate in a goal-setting activity that appeals specifically to those learners who are in the preparation stage, while also demonstrating the positive benefits of change to those in the contemplation and pre-contemplation stages, perhaps resulting in forward movement through the stages for all learners in the activity. Recognizing that learners are at different stages when they arrive in class is a key factor in successful learning for financial change (Klontz, Kahler, & Klontz, 2008).

Conclusion

The culturally responsive theoretical framework of financial education that informed this study foregrounds the *connection between* the individual and the sociocultural context. The implications for practice discussed above, developed in light of the findings of the study, are not intended to offer cookbook solutions to culturally responsive financial education, but rather concrete suggestions as a beginning. Hopefully, they offer potential for further research (perhaps action research) and practice of culturally responsive financial education.

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