A Case Study of National Financial Literacy Programs for Women

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Abstract: The purpose of this research study is to explore (case study) in-depth the pedagogy of financial literacy programs for women and how these programs address their educational needs.

There is a need in society today for people to be financially literate considering the alarming increase in home foreclosures, bankruptcy rates, high consumer debt levels, and low savings rates (Anthes & Most, 2000; Delgadillo & Green, 2007). Much of this is a result of an inadequate understanding by individuals of how to effectively manage personal finances. Financial literacy provides “individuals with the knowledge, aptitude, and skill base necessary to become questioning and informed consumers of financial services and manage their finances effectively’’ (Mason & Wilson, 2000, p. 5). Despite an amplified need for financial literacy, research suggests that Americans in general lack the basic financial knowledge and are often poor managers of their personal finances (Anthes, 2004; Chen & Volpe, 2002). Low financial literacy, in particular, impacts women who, have a tendency to know less about financial management than men, are less likely to seek out financial education, and have less confidence about managing money (Goldsmith & Goldsmith, 2006; Lusardi & Mitchell, 2007). In addition, financial challenges women face are often a result of income disparities among the sexes, shorter employment tenure, fewer opportunities to save, the financial impact of care giving, and the fact that women are often financial enablers (Anthes & Most, 2000).

A response to this lack of financial literacy has been a growing personal finance education industry. There are a host of financial education programs, predominantly nonformal, located in workplaces, community and faith-based organizations, cooperative extension agencies, community colleges, military services, and the private sector (Consumer Bank Association, 2005; Vitt et. al, 2000). Most research about these programs focus on who is participating, the impact on financial behaviors, and program evaluation. Although important, there has been little attention about the educational practices of the financial education programs (Braunstein & Welch, 2002) and most significantly their relationship to the pedagogical and personal finance needs of women. Furthermore, research has shown that when learning about investment practices women seem to have particular learning preferences, such as, for example, a partiality for learning with an expert and in concert with others (Hira & Loibl, 2007). Further compounding the challenge of educating women in personal finance is that the traditional approach of teaching finance, economics, and/or investment topics are often counter to these learning preferences. They are generally teacher-centered where the educator assumes the responsibility for developing and delivering the course content, using a didactic method, where the educator talks and learners listen, allowing little opportunity for interaction between learners and the teacher (Becker & Watts, 2000; Vihtelic, 1996). Furthermore, most financial literacy programs are “canned” with a standardized curriculum relying on the transmission of financial information.

Recognizing the challenges women face in traditional financial literacy programs, research is needed to understand how national financial literacy programs specifically designed for women are responding to their financial and education needs. To accomplish this objective, this project sought to investigate in-depth several financial literacy programs that have as a part of their mission assisting women in becoming financially literate. More specifically, it meant exploring questions, such as: How do these programs address the pedagogical needs of women when teaching about financial literacy? What is their educational philosophy about educating women? What is the instructional design of the program? By addressing these questions and others, this study begins a process of identifying best practices for educating women in financial literacy and starts to address a major objective the National Endowment for Financial Education (2000) Conference, that of advocating for the exploration of "alternative ways for women to learn about money management" (p. 24). Therefore, the purpose of this research study is to explore (case study) in-depth the pedagogy of financial literacy programs for women and how these programs address their educational needs.

Theoretical Framework

Two theoretical lenses inform this study about the pedagogy of financial literacy programs. One is provided by Pratt and Associates (1998) who identified five teaching perspectives offering a framework and discourse to various pedagogical approaches in the teaching of adults. These different teaching approaches are rooted in beliefs (epistemic, normative, and procedural) about teaching, which are the truths constructed by people that act as guides for behavior and lenses for assessing present and future actions. The five perspectives of teaching include: a) transmission (a commitment to subject matter and content mastery, with an emphasis on lecturing); b) apprenticeship (emphasizes enculturation as a way of knowing through modeling); c) developmental (focuses on adapting knowledge to each learner's level through questioning leading to more complex forms of thinking); d) nurturing (emphasizes relational ways of knowing promoting a climate of caring, trust, and encouragement); and e) social reform (emphasizes a collective approach to questioning the status quo). Although very helpful, this framework lacks an appreciation for positionality and how it shapes pedagogy. Since this study focuses on gender and financial literacy, the second framework engages the literature of feminist pedagogy (Tisdell, 1998; Hayes & Flannery, 2000), which identifies three forms of feminist pedagogy: psychological models, structural models, and post-structural models in relationship to four themes (construction of knowledge, voice, authority, positionality).

Methodology

A case study design was the methodology of this study. Consistent with the purpose of the study, this design allows for "an examination of a specific phenomenon such as a program, an event, a person, a process, an institution, or a social group" (Merriam, 1998, p. 9). In turn, using this design, it involved an in-depth analysis of three financial literacy programs that foreground the financial education of women. The selection of cases involved conducting an in-depth literature review of financial literacy education research, internet searches, and conversations with numerous researchers and practitioners in the field of finance. After reviewing data gathered, three programs were selected for inclusion in this study. Each program has existed for a number of years, provides face-to-face courses or workshops open to the public, and seek to serve a broad and diverse population of women. Data collection involved interviewing six key informants, including program administrators, curriculum developers, and instructors. Data collection also involved conducting a content analysis of individual program curriculum and additional resource material, including program websites, course materials. Each case was analyzed separately to determine what pedagogical techniques were employed to meet the educational needs of women. Following the analysis of each case, a cross case analysis was conducted using a constant comparative method across all three cases.

Overview of Programs

The programs included in this case study are: Wi$eUp: Financial Planning for Generation X & Y Women, Women's Financial Education Series, and Financial Education for Women (pseudonym). The Wi$eUp program, developed and offered through the U.S. Department of Labor Women's Bureau, appears to have the most regularly scheduled courses conducted nationwide by contracted instructors. The program is based upon an eight-module curriculum outlined in the Wi$eUp Handbook; topic areas focusing on money basics, credit, saving, insurance, investing, and achieving financial security. The course can be taken in both face-to-face and online contexts. Second is the Women's Financial Education Series, which is based upon a course originally developed by the AARP and distributed through Cooperative Extensions. The course is currently offered through select Cooperative Extensions. The program offers multi-session workshops based upon the curriculum outlined in the text, *Money Talk: A Financial Guide for Women*, with topic areas in financial basics, insurance, investing, retirement, and financial planning. The third case, Financial Education for Women, was established by a local university from a sponsorship by a large banking institution. It offers courses/workshops in the east coast region. The program does not have a structured curriculum but rather a constantly changing array of workshops with topics about money and debt management, insurance, tax planning, home ownership, and investing.

Finding

Three significant themes emerged from the data: a purpose of personal empowerment; a climate for sharing and networking; and an emphasis on providing information.

Purpose of Personal Empowerment

Each of the programs professed an overarching purpose to empower women in financial decision-making. Doing so, primarily involved accomplishing two things: helping women to take control of their finances; and preparing women for future life stages and/or life events. These criteria were often discussed in conjunction with one another, as is evident in one's program purpose to "help women understand and take control of their financial lives to create financial security and well-being for the future." Accordingly, for women, taking control of finances means not being "afraid to plunge in and take charge of their money," and "understanding how to take care of themselves." Doing so, entails being equipped with the "knowledge and skills" needed to avoid relying on others. This is critical, according to one administrator, who stated, that "too often it has been that women have left that up to men or to their husbands or to their fathers, or their mothers left it up to their fathers and then when a situation changes they know nothing and are very vulnerable." Programs also emphasized a need to prepare women for future life stages and, in particular, for potential situations that could arise, such as divorce or widowhood. One program workbook, for instance, suggests, that "from a financial perspective, it is important to anticipate at least some life stages in order to prepare financially for those stages when they do happen." An administrator of another suggested that her program "empowers women to actually take charge of their financial lives so that they will be able to survive whether they are single or married or divorced or widowed," she continued, "because we find that there are so many women, very smart women, who know nothing about personal finance. And they can be just cut off at the knees when some kind of tragedy happens in their lives." Thus, overall each of the programs professed a need to empower women, so that they may be able to "survive" the potential financial pitfalls to which women are particularly "vulnerable."

Climate for Sharing and Networking

In order to empower women, the programs emphasized the importance of establishing a climate conducive to women's learning needs. This included creating a space that: recognizes the importance of relationships; provides opportunities for sharing financial concerns and asking questions; and is primarily (and ideally) gender exclusive. Each program emphasized the importance of women being able to "participate and network" with another, "because relationships are important to them," and because this allows them to "hear the human side of financial literacy." One administrator referred to courses as a "meeting of peers" while another suggested, it's all about "women relating to women." As such, much of the success of the various programs was attributed to the long-lasting relationships that developed as a result of sharing stories. They also noted the importance of providing a forum for women to ask questions and share their financial challenges. One instructor, for instance, suggested, "it's great in this group setting because they are not afraid to ask questions. They will ask in front of each other… And so this, it's like a camaraderie, we're in this together type thing…." Similarly, another noted that "they feel comfortable sharing stories…so it's delivered in an environment where women feel comfortable talking about the issues." As these comments suggest, part of establishing a climate that provides opportunities for sharing, is an overarching belief that women feel more open when speaking to other women about their financial situations and concerns; thus, it was seen as ideal for the audience to consist of exclusively women. For instance, one administrator suggested, "they're not intimidated because they're in a room with other women" while another stated "being with other women, they have comfort level to speak up." Even further, it was noted that if the class were to consist of both women and men, that women would be more likely to defer to men; one administrator suggesting, "... if they were in a mixed group or primarily men, they would probably tend to be quiet and let the men answer the questions;" another stating, "they learn better, I think, in this surrounding rather than in a mixed class, because very often the women will defer to the men, they don't want to appear stupid."

Emphasis on Providing Information

Each of the programs give greatest attention to providing information/delivering content to course participants. The emphasis on content delivery was discussed in three unique ways: as a way to meet program goals, as a responsibility of the instructor; and as a means to share expert knowledge. The sharing of information was seen as critical to meeting the program goals, in other words, it was the content that made it possible to empower women and provide them with the knowledge and skills to take charge of their finances and prepare for the future. In fact, much of the success of the programs was attributed to the content being provided. One administrator, for instance, attributed the success of her program to the "sound-based curriculum that…keeps on topics that women have interest in and need the information on." Similarly, another suggested that her program's curriculum, "rounds out exactly what almost every individual is going through when it comes to their finances." While it was suggested by each of the program administrators that program instruction varied based upon the individual instructor, it was agreed that the main responsibility of the instructor was to "make sure all the key things in the curriculum are covered." In order to do so, generally instructors used PowerPoint Presentations as the primary teaching tool. In addition, two of the programs provide instructors with outlines and/or speaker's notes so that the instructors of the various workshops "would know what they are supposed to cover" as one administrator noted, or as another stated, so that they "would all be on message." Furthermore, there was an underlying assumption among some that various topics should be delivered to participants by experts within the field of finance. As one administrator who brought in experts to teach particular course components, stated "we're [administrators] not experts, so we would look out there to see who could deliver that." Another stated that by having experts deliver course content, participants would not "have to worry about whether the information was correct or was there bias or what have you." Further, one administrator noted that previously her course had been designed to incorporate small group sessions, but that she discontinued the activity because "nobody really knew anything" and "they [participants] much preferred to get the information from the horses mouth, you know, from the professional."

Discussion

Findings suggest that the financial education programs share similar practices (e.g., expert, and learning in concert with others) and their approaches are consistent with the research on women's learning preferences and financial literacy (Hira & Loibl, 2007). Theoretically, these approaches seem to fall within two teaching perspectives (Pratt & Associates, 1998) that of a transmission (emphasis on content delivery) and a nurturing perspective (opportunities to build relationships and share personal experiences). Despite this apparent symmetry between approaches and preferences, there seems to be an assumption by the programs as well as by many of the participants, that women have little experience with finance, which further supports the rationale for content to take precedence. Like a continuous loop, the emphasis on content also seems to imply that best practice is through transference of information, not necessarily a constructivist engagement with the financial interest of women participants. Yet, at the same time, there appears to be an understanding that women value being able to share stories with one another and ask questions relevant to their personal experiences. Thus, the programs appear to make an attempt at incorporating constructivist ideals by creating a climate conducive to relationship building while maintaining and delivering a structured, content-centered curriculum.

From a critical perspective, however, it is important to recognize that the content itself is instrumental in nature, focusing on financial issues associated with life stages and life crises within a market-driven economy located primarily within traditional familial roles; often viewing women's life experiences through the lens of marital status. Also, the emphasis is about empowering women (who lack financial knowledge) to work and live more successfully within the present economic system. More specifically, although these programs emphasize a need for financial education for women due to the fact that this population is particularly vulnerable as a result of societal factors (e.g., women earning less money than men), the programs seem predominantly concerned with both technical understanding and "psychological developmental emancipation" (Tisdell, 1998, p. 141) rather than developing an awareness of structural forces (e.g., patriarchal norms, deregulation) in society that contribute to the financial illiteracy of the women. Furthermore, this approach reflects a gender exclusive (white, middle-class women) unit of analysis, with little awareness of positionality (race, class, ethnicity, sexual orientation) in the instructional design and how it impacts learning about financial literacy. The implications of these findings are significant, particularly during these contemporary times of economic strife. Potentially, educating others about financial literacy should also consider a social reform (critical) approach, where participants are not seen as lacking something and instead are given the technical knowledge of how to be more informed financially, but also are provided the opportunity to develop a conscious awareness of the social forces that contribute to economic decline and the need for “financial literacy.” In addition, they need assistance in understanding their financial rights and responsibilities so they can legally advocate for themselves and others in making the economic system more responsive (ethically, socially) to those who have less monetary resources and who have been historically marginalized by the market economy.

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