Bridging the Financial Literacy Gap: Empowering teachers to support the next generation
About PwC

PwC US helps organizations and individuals create the value they’re looking for. We’re a member of the PwC network, which has firms in 157 countries with more than 208,000 people. We’re committed to delivering quality in assurance, tax and advisory services.

In 2012, PwC US launched Earn Your Future (EYF), a five-year, $160 million commitment focused on helping students develop critical financial skills and providing educators with the resources and training to teach those skills in schools. In April 2015, PwC US extended EYF by an additional $30 million, increasing its overall commitment to $190 million. EYF is now one of the largest and broadest corporate commitments to financial literacy within the US. The additional commitment supports new research, expanded professional development opportunities, and additional scale for organizations that are revolutionizing the field. PwC US and the PwC Charitable Foundation, Inc. each play significant roles in advancing financial literacy in the marketplace. For more information on the PwC US commitment to EYF, visit www.pwc.com/eyf.
Introduction

The wealth gap in the United States is threatening Americans’ aspirations for social advancement and equal opportunity. Minorities, women and the least educated have some of the lowest financial literacy rates in the nation, a major concern for businesses that see attracting a more diverse workforce as a business imperative.

Our nation’s teachers are critical to helping curb the gap in financial education. While the responsibility of financial education has traditionally been left to parents and guardians, K-12 educators increasingly view it as a shared responsibility that schools can and should take on, starting in the early grades. Educators see the value of teaching students to budget, prepare for the future and become better financial decision makers. But educators need more support to adequately teach these skills.
What is the state of financial education in the US today?

10 Trends According to Educators:

1. Teachers don’t feel comfortable teaching financial education. Only 31% feel “completely comfortable,” 51% feel “moderately comfortable” and 18% feel “not comfortable at all.”

2. Few K-12 teachers incorporate financial education into their classroom. Only 12% address personal finance in their lessons.

3. Four primary barriers exist. Many teachers lack appropriate curriculum, qualifications, take-home materials, and feel that financial education isn’t seen as a critical skill for college and career readiness.

4. Teachers want more support. Teachers’ needs include curriculum materials and professional development. Respondents often crave time off and funds to attend related professional development.

5. Teachers seek resources on their own. Respondents are often not provided with materials they need so they find them in other sources, such as free websites or from other teachers.

6. Financial education should start earlier. 67% of teachers believe it should start in elementary school.

7. Teachers worry parents/guardians aren’t doing their part. 65% of teachers feel that it is at least somewhat unlikely that their students are receiving any financial education at home.

8. Millennials* are champions of financial education. The younger generation of teachers is more likely to think that instruction should come primarily from the classroom.

9. Millennials are better at seeking funds than their more experienced colleagues. Less experienced teachers are twice as likely to seek money for financial education.

10. Educators cite tremendous benefits in providing financial education to young people. Kids who receive education earlier are better at budgeting, planning for the future, understanding debt and decision making.

* Teachers born between 1980 and 2000
Teachers still don’t feel comfortable teaching financial education.

- 18% are not comfortable at all
- 51% are moderately comfortable
- 31% are completely comfortable

Teachers are often asked to teach subjects that they are not fully credentialed in. For instance, marketing teachers might be asked to teach personal finance because they have a business background. Educators are also personally struggling with financial concepts, so they expressed a concern with teaching a subject they still don’t fully grasp themselves.

69% of educators say a lack of qualified teachers is a top challenge for financial education.

How comfortable would you be teaching financial education tomorrow if your school or district asked?

- 18% Not at all comfortable
- 51% Moderately comfortable
- 31% Completely comfortable
Overall, very few teachers incorporate financial education into their classrooms.

While 92% of K-12 educators surveyed nationwide believe financial education should be taught in schools, only 12% do so.
Teachers cite four top barriers to teaching financial education.

Teachers currently teaching financial education cite the following challenges:

1. A lack of appropriate curriculum (78%)
2. A lack of qualified teachers (69%)
3. A lack of financial education materials to share with parents/guardians (68%)
4. A predominant view that financial education isn’t seen as a critical skill for college and career readiness (62%)

78% Say they need more appropriate curriculum.

69% Think there is a lack of qualified financial education teachers.

68% Need take home financial education materials to share with parents.

62% Say financial education isn’t seen as critical for college and career readiness.
Teachers want more support for teaching financial education.

Educators say they need more curriculum, professional development, and funds for financial education than their school currently provides.

Curriculum plans or course materials for financial education units or courses

- Schools currently provide: 26%
- On teachers’ wish lists: 69%

Professional development for teaching financial education

- Schools currently provide: 16%
- On teachers’ wish lists: 67%

Release time to attend professional development for teaching financial education

- Schools currently provide: 15%
- On teachers’ wish lists: 55%

Funds to attend professional development for teaching financial education

- Schools currently provide: 14%
- On teachers’ wish lists: 59%
Many teachers turn to free online resources to teach financial education. Since teachers are not provided with the resources they need to teach financial education, they often find materials elsewhere:

- 64% found free supplemental resources online
- 46% collaborated with other teachers to locate resources and/or develop curriculum
- 39% had curriculum supplied by the school/district
- 33% purchased resources with personal funds
- 12% used grant money to buy resources

Where teachers find curriculum resources to support teaching financial education:

- 64% Found free supplemental resources online
- 46% Collaborated with other teachers to locate resources and/or develop curriculum
- 39% Were supplied by their school/district
- 33% Purchased resources with personal funds
- 12% Used grant money to buy resources
Teachers agree we should start teaching financial education sooner.

While 67% of K-12 teachers believe the best time to start teaching financial education is in elementary school, only 21% of teachers indicate that their school or district actually does so.
Financial literacy should happen at school and at home.

92% of teachers agree that financial education should happen at school and at home, and most teachers believe parents/guardians could do more.

65% of teachers feel that it is at least somewhat unlikely that their students are receiving any financial education at home.

At School:
Who should be responsible for teaching financial education to students?

- 49% Primarily at home, and supported by classroom instruction
- 43% Primarily through classroom instruction and supported by parents/at home
- 2% Through classroom instruction exclusively
- 3% Don’t know/none of the above
- 3% By parents/guardians at home exclusively

At Home:
How likely is it that your students receive financial education at home?

- 26% Somewhat likely
- 5% Very likely
- 38% Somewhat unlikely
- 38% Not at all likely
- 4% Don’t know/not sure
- 2% Don’t know/none of the above

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Millennial teachers are champions of financial education.

Younger teachers are stronger supporters of teaching financial education at an early age, and use classroom time to do so. Millennials see the value of financial education because they experienced the biggest economic recession since the Great Depression. They are also struggling with multiple sources of loans and debt as they try to establish their careers and place in society as adults. The generation is therefore keenly aware that financial knowledge is critical to their students’ economic success.

**Millennial Teachers**

- 62% believe we should start financial education in elementary school.
- 47% believe financial education should come primarily through classroom instruction, supported by parents/guardians at home.

**Non-Millennial Teachers**

- 51% believe financial education should come primarily from home, supported by classroom instruction.
- 42% believe financial education should come primarily through classroom instruction, supported by parents/guardians at home.
Millennial teachers use grants to fund financial education.

Given that financial literacy education is still not mandated nationwide, teachers that are looking to integrate it into their classrooms often have to seek supplemental grants. Millennial teachers are increasingly savvy at seeking and securing these additional funds. This can be attributed to the fact that they are digital natives who are more comfortable leveraging technology to secure grants from the government, companies and private foundations. Millennials are also more open to using crowdsourcing techniques to secure funding for financial education.

20% of millennial teachers say they’ve sought grants for financial education

10% of all other teachers have sought financial education grants
Teachers see tremendous benefits in providing financial education to our kids.

Educators say financial education helps students learn to budget, to understand debt, to prepare for the future, and to think critically. Educators clearly view financial education as an opportunity to set their students on the right path for success later in life.
Conclusion

Despite teachers’ support of financial education, there are a series of obstacles to overcome in order to make it a more regular part of classroom instruction. Teachers need appropriate curriculum materials, more professional development and more take-home resources to share with families. In addition, school stakeholders need to recognize that personal finance is a fundamental skill to college and career readiness.

In order to bridge the gap between educators’ support for financial education and the current lack of resources, we must push for systemic support of financial education, such as opportunities to teach business and economics at all levels, starting in elementary school. We must also work to connect teachers with high-quality financial education materials that align with proven standards. Finally, we need to expand professional development and training for financial education so that teachers feel as comfortable teaching personal finance as they do reading, writing or math.
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