

Financial Literacy Education to Reduce Equity Gaps

SBAA 2022 Societal Impact
Haile College of Business
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Total Business School Enrollment: 2,462

I. Description of the Innovative Strategy or Program.

In recent years, there has been increased interest in providing financial literacy education to improve the financial well-being of high school graduates. By May of 2022, there were 13 states that required a financial literacy course for graduation and many other states introduced financial literacy education mandates. Mandates introduced by state legislators varied in how they were implemented; some required a course, a program, or some embedded expectations in the standards. What is consistent is most of these new policies were unfunded mandates.

In 2018, Kentucky passed House Bill 132, requiring that every high school student receives financial literacy education before graduation. Their mandate did not require a class but proposed that the requirement can be met through a “program.” Additionally, the mandate to introduce financial literacy education was unfunded. Each school would be required to train its own educators, develop a financial literacy education curriculum, and provide classroom time for the classes. We expected that the burden of introducing

financial literacy education would be higher for less-resourced schools and, therefore, would be less impactful in areas that would need financial education the most.

Given the lack of experience and resources available to high schools in our region, the Haile College of Business introduced programming to assist schools to meet this educational gap. As a commitment to our role as a resource to our region and considering our societal impact, we developed a new financial literacy education program. The program developed by the Haile College of Business had several initiatives.

1. First, the College introduced an *Educator Training Program* that provides educators with pedagogical and curriculum training to teach financial literacy successfully. Since 2018, we have trained more than 150 high school educators. Every summer, we welcome a new cohort of educators, provide them with content knowledge, and connect them to additional resources.
2. Second, the Center for Economic Education provided educator support throughout the academic year in the form of a *Professional Development Group*. Support ranged from lesson plan development, guest speakers, and campus visits. Providing educators with a community allows them to invest continuously in their learning and professional development.
3. Third, the Haile College of Business developed a General Education financial literacy course called *Financial Pathways to Success (FLC101)*. This course is available to all students at NKU and is designed to meet the individual and society general education requirements. The course was designed to emphasize the importance of financial literacy education in narrowing equity gaps in society.

4. Fourth, we worked closely with the *School-based Scholar program*, Northern Kentucky University's dual credit program. The partnership with School-based Scholar allowed us to provide financial literacy education to all qualifying high schools in our region. Participants in the program meet the high school financial literacy mandate and earn college credit that is transferable to colleges. Our program has increased access to college education, which aligns with our university's strategic plan and the Kentucky Legislator's goals.
5. Finally, to lead the financial literacy education discussion and design an effective curriculum, the Haile College of Business supported scholarly and applied inquiry research. The research was recognized by the National Economic Educator's Association and the National Endowment for Financial Education as the best research in financial education in 2021.

The financial literacy education program at the Haile College of Business is a unique program because of its multiple interventions designed to support high schools. The introduction of a financial literacy general education course allows us to provide quality financial literacy education that meets NKU's accreditation expectations. The program also aligns with Haile College of Business' mission "*To deliver innovative student-centered experiential learning that prepares our graduates for success in a global society, to contribute to the economic development of our regions and beyond, and to engage in relevant scholarly and applied inquiry.*"

II. Societal Impact of the Strategy or Program

Since its inception, roughly 1200 high school students have enrolled in the course. There are 150 educators that have been trained by our faculty through the Center for

Economic Education. In 2020, 60% of the high school students who took Financial Pathways to Success enrolled at Northern Kentucky University and 30% of those declared majors within the Haile College of Business.

Our economic and financial literacy education programs are designed to help shed light on the wealth inequities and gaps. Faculty leading this initiative has also conducted research on racial and gender financial literacy gaps that have received national attention. CEE director, Abdullah Al-Bahrani, received the National Endowment for Financial Education's Best Paper in 2021 for his co-authored paper, "Racial Differences in the Returns to Financial Literacy Education", which was published in the journal of Consumer Affairs. Faculty research has also been recognized by National Association for Economic Educators.

III. Description of applicability or transferability to other institutions.

This program is transferable and applicable in states that have recently introduced unfunded financial education mandates. Universities can support their local educators and students and help build a relationship with local students to improve enrollment. The most challenging aspect of this program design is developing a general education course that teaches financial literacy education and meets general education requirements.

Haile College of Business' efforts has received funding from local and regional financial institutions. Receiving financial support and volunteer support by industry leaders has been vital to the success of the program but also is a sign of the value it provides to our community. Over the last two years, we have received more than \$200,000 in grants and sponsorships to support increased financial literacy education to reduce equity gaps in our region.