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The Keys to Financial Success Course and Online Training

Andrew T. Hill, Ph.D
Economic Education Advisor
Federal Reserve Bank of Philadelphia
Keys to Financial Success

• 51-lesson course plan for teaching a high school personal finance course.

• Relies heavily on lessons from *Financial Fitness for Life; Learning, Earning, and Investing*; and *Practical Money Skills*.

• School pledges to offer the course at least one semester each school year.
The Features of the *Keys* Program

Partnership with University of Delaware Center for Economic Education since 2001. Goals:

- Provide training and materials for educators to support the teaching of a semester course in personal finance.
- Use accurate materials grounded in the “economic way of thinking.”
- Provide flexibility for the teacher to use the materials in a variety of classes.
- Assess program effectiveness with pre- and posttesting.
Keys to Financial Success

- Course covers:
  - Goals & Decision Making
  - Careers & Planning
  - Budgeting
  - Saving & Investing
  - Credit
  - Banking Services
  - Transportation Issues
  - Housing Issues
  - Risk Protection

- Our research using pre- and post-test scores indicates that students who take the course, on average, increase their personal finance knowledge by over 60 percent.
Lesson 1.1: How to Really Be a Millionaire

Lesson Description
In this lesson, students take part in a collaborative activity that asks them to identify 15 financial statements as being either true or false. The activity helps students identify characteristics that financially successful people have in common.

Concepts
Decision-making
Wealth building

Time Required
60-90 minutes

Materials
Financial Fitness for Life Teacher Guide
- pp. 1–4, one copy for the teacher
- Visual 1.1: The Millionaire Game, p. 3, one copy for each student
- Visual 1.2: Rules for Improving Your Financial Life, pp. 6, one copy for the teacher
- Visual 1.3: “Keys” Card, one copy for each group of three students

Financial Fitness for Life Student Workbook
- Exercise 1.1: The Millionaire Game Score Sheet, p. 3, one copy for each group of three students
- Theme 1 Introduction: The Economic Way of Thinking, pp. 1–2, one copy for each student

Keys Materials
- Handout T1.1: “T” Card, one copy for each group of three students
- Handout T1.2: “F” Card, one copy for each group of three students
- Handout T1.3: “Millionaire” Card, one copy for each group of three students

Procedure
1. Discuss the following:
   a. Why is it important for you, as a teenager, to learn about personal finance concepts? (If you don’t know the concepts, you may make mistakes when making decisions concerning your income. You might get into debt, make poor financial decisions, and fall for frauds, scams, or schemes. You may not be saving enough to retire and do what you want later in life. These poor financial decisions may even decrease the opportunities available to you later in life.)
   b. Do you have a part-time job? (Answers will vary)
   c. Do you ever seem not to have enough money to satisfy your wants and pay the bills associated with your car, cellphone, or entertainment? Why? (Answers will vary)
   d. Do you save at least part of your paycheck? (Answers will vary)
   e. What are you saving for? (Answers will vary)
   f. Where do you save your money? (Answers will vary)
   g. What is the interest rate your savings are earning? (Answers will vary) If you are saving money in a bank account, you may be receiving interest on your savings. If you are saving money in a piggy bank or a jar at home, you are not

Clear structure with numbered and color-coded lessons covering the nine course themes.

Each lesson includes a list of the concepts covered and lists the student-centered learning outcomes that will be achieved by the procedure.

Lesson description introduces the teacher to the purpose of the lesson and provides a brief description of the procedure.
Curriculum materials are color-coded throughout the manual to make it quick and easy for teachers to locate the relevant materials.

Each lesson includes a detailed procedure, which often refers the teacher to more detailed procedure steps contained in the associated curriculum packages.
Throughout the procedure and closure, carefully constructed discussion questions check for students’ understanding and draw the students into the learning process.

Each lesson includes a specific closure section.

Each lesson includes assessment items to check for student achievement.

Every lesson is benchmarked to national personal finance and economics standards as well as the Common Core.

Structure of a Keys Lesson
The Multiplier Effect

- **180+ Schools**
- **10,000+ Students Annually in DE, NJ, PA**
- **400+ Teachers**
- **400+ Teachers**
- **Trained Trainers**

1. Trainers
2. Trained
3. Teach in
4. Reach
5. 180+ Schools
6. 10,000+ Students Annually in DE, NJ, PA

Federal Reserve Bank of Philadelphia
University of Delaware
Center for Economic Education and Entrepreneurship
How the Keys Curriculum Works

19 lessons

6 additional lessons

6 lessons

7 lessons

KEYS MATERIALS

Used in 23 Keys Lessons

Trained Teachers (Pedagogical Content Knowledge)

STUDENTS
While Keys was designed as a semester course, we have many teachers who teach using the model in other formats:

- Yearlong personal finance course
- Yearlong “Enhanced Economics” courses (50% personal finance, 50% economics)
- Block scheduling
Keys Teacher-Training Program

• Familiarizes participants with the Keys model, how to set-up their course, and the extensive curriculum materials.
• Emphasizes the development of pedagogical content knowledge through extensive use of lesson demonstrations.
• Gives teachers the opportunity to see many Keys lessons in action before they have to teach them to their own students.
The features and effectiveness of the Keys to Financial Success curriculum

Carlos J. Asarta, Andrew T. Hill, Bonnie T. Meszaros

Article Info

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Assessment
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Abstract

The global financial crisis of 2007-2008 generated a renewed interest in teaching personal finance in the secondary curriculums in the United States and in many countries around the world. This paper examines the features of a successful and widely used high school personal finance curriculum, Keys to Financial Success, which is offered by a consortium of partners in Delaware, Pennsylvania, and New Jersey and is available to teachers from the Federal Reserve Bank of Philadelphia. Using the Financial Literacy for Life High School Peer-to-Peer Programm, pre- and posttest results are reported for 417 students who participated in a one-semester Keys course during the 2011-2012 and 2012-2013 academic years. The survey results indicate that the teaching of characters in the Keys curriculum, and the implementation of a one-semester Keys course, significantly improve the average personal finance knowledge of students in each of the student's real concept areas of the FFL-HS test. These results contribute to the growing literature showing the positive effects of a well-designed personal finance course taught by properly trained teachers on the financial knowledge of high school students, and should be of interest to an international audience.

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Study Design

– Pre- and posttest students using a nationally-normed personal finance instrument (FFFL-HS Test)
– Compare our results to FFFL-HS Test norming results

– The 2011-2012 and 2012-2013 Cohort (Semesters)
Findings From Our Other Studies

• Students whose teachers did better on the end-of-training posttest do better in their *Keys* courses. (Chambers and Hill, 2015)
• Females do very slightly better overall than their male counterparts in *Keys*. (Hill and Asarta, 2016)
• *Keys* eliminates the gap in personal finance knowledge between younger and older high school students. (Hill and Asarta, 2018)
Overall Results with FFFL-HS Test

- Keys students exhibit large and highly statistically significant gains in all topic areas on the *FFFL-HS Test*.

![Graph showing overall results with FFFL-HS Test](image)

Source: Asarta, Hill, and Meszaros (2014)
Overall Results with Test of Financial Literacy

- Keys students exhibit large and highly statistically significant gains on the *TFL Test*.

![Graph showing test results with and without instruction for Keys students pretest and posttest.](chart)

Source: Preliminary Results
What Did We Learn?

• *Keys to Financial Success* works.

• With *Keys* students learn significantly more than with *FFFL* alone.

• Training and materials matter.

• Metrics allow us to fine-tune training to improve student outcomes.
Our 2016/2017 Pilot

Fractional Reserve Banking and Money Creation
The “Keys Basics” Online Teacher Training

• Coming in Second Quarter 2018
• Provides an introduction to the Keys to Financial Success program and access to the Keys curriculum materials.
• Six of 51 lessons are demonstrated on video.
• Professional development
• Not a perfect substitute for the 30-hour in-person training.
• Online participants will need Council for Economic Education’s Virtual Economics 4.5
The Keys to Financial Success Themes

**NINE THEMES**

- Goals and Decision-Making
- Budgeting
- Careers and Planning
- Saving and Investing
- Credit
- Banking Services
- Transportation Issues
- Housing Issues
- Risk Protection
Exercise 8.1: Call-In Show

**QUESTIONS**

a) What is disposable income?

b) What does Dr. Saver recommend as the three parts of a family budget?
Keys to Financial Success
Lesson 3.4
The Story of John & Marcia

Family Budget

Fixed Expenses

Variable Expenses
KEYS TO FINANCIAL SUCCESS
Lesson 3.4
Teaching Tips: Extending the Lesson on Budgets

Andrew Hill, Ph.D.
Economic Education Advisor
Federal Reserve Bank of Philadelphia

Budgets Are Beautiful Call-In Show

EXERCISE 8.1

CLASS PERIOD:
For More Information

• Keys to Financial Success
  www.philadelphiafed.org/keys

• Federal Reserve Bank of Philadelphia economic education programs
  www.philadelphiafed.org/education
Getting Access to Training

• **Keys to Financial Success Training**
  July 9–13, 2018; 8:00 a.m.–3:30 p.m.
  Federal Reserve Bank of Philadelphia
  Registration Opens Soon

• **“Keys Basics” Online Training**
  Coming Second Quarter 2018
  E-mail andrew.hill@phil.frb.org to be added to the notification list.
Decisions, Decisions
New Personal Finance Materials from the Federal Reserve Bank of St. Louis

https://www.stlouisfed.org/education

Kris Bertelsen, Ph.D.
Senior Economic Education Specialist
Federal Reserve Bank of St. Louis
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Disclaimer
The views expressed in the presentation are mine and not the views of the Federal Reserve Bank of St. Louis or the Federal Reserve System.
Making Personal Finance Decisions Curriculum Unit

The *Making Personal Finance Decisions* curriculum teaches valuable personal finance lessons grounded in economic theory. The curriculum is divided into 10 themed units, with each unit containing two lessons. The twenty individual lessons employ a variety of teaching strategies designed to engage students in the learning process and equip them with the knowledge and skills necessary to make informed personal finance decisions.

No-Frills Money Skills Video Series

The No-Frills Money Skills video series covers a variety of personal finance topics. The brief videos use clear, simple language, and graphic elements so that viewers can better visualize the personal finance content being presented. In the end, they will see how important these concepts are to their everyday lives.

To provide students with online questions following each video, register your class through the [Instructor Management Panel](#) or download a pdf of the classroom discussion questions. [More about the Q&A Resources for Teachers and Students »](#)
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Making Personal Finance Decisions Curriculum Unit

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Compelling Question

How can a decisionmaking process help you make informed decisions?
Visual 1B.1: PACED Decisionmaking Model

Step 1: P—Define the Problem. Why must you make a choice?

Step 2: A—List the Alternatives. What are your possible options?

Step 3: C—Determine the Criteria. What standards are important to you?

Step 4: E—Evaluate the Alternatives. How well does each alternative meet each criterion?

Step 5: D—Make the Decision. Which option has the most favorable trade-offs?
### Visual 1B.2: Smoke or Be a Millionaire?

#### Age | Annual deposit ($) | Total deposit ($) | Annual 9% interest ($) | Total interest/Return ($) | Year-end balance ($)  
--- | --- | --- | --- | --- | ---  
18 | 2,190.00 | 2,190.00 | — | — | 2,190.00  
19 | 2,190.00 | 4,380.00 | 197.10 | 197.10 | 4,577.10  
20 | 2,190.00 | 6,570.00 | 411.94 | 609.04 | 7,179.04  
27 | 2,190.00 | 21,900.00 | 2,566.45 | 11,372.52 | 33,272.52  
60 | 2,190.00 | 94,170.00 | 79,353.40 | 871,282.01 | 965,452.01  
61 | 2,190.00 | 96,360.00 | 86,890.68 | 958,172.69 | 1,054,532.69  
62 | 2,190.00 | 98,550.00 | 94,907.94 | 1,053,080.63 | 1,151,630.63

*Note: APR, annual percentage rate. As of April 1, 2016, the average price of cigarettes was $5.96 per pack. The average stock market return over the past 50 years (1966-2015) was 9.61 percent.*

New No-Frills Money Skills Videos: Insurance

Episode 6 - Insurance: Protecting Yourself from Damage

Video

This episode begins with examples of activities with varying amounts of risk and introduces insurance, explaining how it is used to transfer or reduce risk. With a story about a homeowner, students learn several key insurance related concepts and terms.
New No-Frills Money Skills Videos: Insurance

Episode 7 - Understanding Car Insurance: Paving the Way Video
This three-part episode uses a radio talk show format to explain various aspects of car insurance. From the responses to questions from callers, students learn several key concepts and terms related to car insurance. The content for these videos was reviewed by members of the Missouri Insurance Education Foundation.
New No-Frills Money Skills Videos: Insurance

Over one million enrollments annually

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Awards
Hi, Kris.

Another lunch in the cafeteria? Yeah!

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New No-Frills Money Skills Videos: Insurance
New No-Frills Money Skills Videos: Insurance
New No-Frills Money Skills Videos: Insurance

https://www.stlouisfed.org/education

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800-332-0813 ext. 48368
System Economic Education Resources

Princeton Williams
Federal Reserve Bank of Dallas
princeton.Williams@dal.frb.org
Elementary Print Publications
Children’s Literature Lessons

Alexander, Who Used to Be Rich Last Sunday

JUDITH VIORST
Illustrated by RAY CRUZ
Building Wealth

A Beginner’s Guide to Securing Your Financial Future

For Teachers

• Printed guide in English and Spanish
• Tablet version and online guide
• 12 classroom lessons with interactive PDF’s and comprehensive procedure docs
Printed Guide

• Provided to teachers as a class set (50 copies)
• Topics
  – Define personal wealth
  – Use a balance sheet to determine net worth
  – Set financial goals
  – Track daily spending
  – Create a budget
  – Plan an investment strategy
  – Control debt
• Includes a comprehensive glossary
Digital Access

Tablet Version

Online Guide
Classroom Lessons

• The Balance Sheet
• Developing a Budget
• Put It in the Bank
• Owning versus Renting
• Stocks—Owning Part of a Company
• Bonds—Lending Your Money

• Diversification
• Investing for a Lifetime
• Risk and Return
• Use Credit Wisely
• Are You Credit Worthy?
• Term Loans
Save and Invest Lessons

• Stocks—Owning Part of a Company
• Bonds—Lending Your Money
• Diversification
• Investing for a Lifetime
Wealth-Building Assets

Wealth-building assets are assets that generally appreciate over time or provide a return.

Stock Appreciation

Dividends
# Building Wealth with Stocks

<table>
<thead>
<tr>
<th>Wealth-Building Assets</th>
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<tbody>
<tr>
<td>Savings Account</td>
<td>$ 500</td>
<td>$ 500</td>
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<tr>
<td>Stock (100 shares)</td>
<td>5,000</td>
<td>5000</td>
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<tr>
<td>Total</td>
<td>$ 5,500</td>
<td>$ 5500</td>
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<table>
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<tr>
<th>Liabilities</th>
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<tbody>
<tr>
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<table>
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</thead>
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<tr>
<td>Assets</td>
<td>$ 5,500</td>
<td>$ 5500</td>
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<tr>
<td>Liabilities</td>
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<tr>
<td>Net Worth</td>
<td>$ 4,500</td>
<td>$ 4500</td>
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</tbody>
</table>

Stock Price: 50

- **Reset**
- **Sell Stock**
- **Receive Dividend**

$.75/share * 100 shares quarterly
$3.00/share annually
$1000  BOND  $1000

The United States of America

10 Year Note
Issued: 10/15/2011
Matures: 10/15/2021
5% Paid Annually

$50  $50  $50  $50  $50  $50

$50  $50  $50  $50  $50  $50
Building Wealth Mutual Funds
A Lifetime of Investing

- Allocation 1
  - $890419

- Allocation 2
  - $890419

- Allocation 3
  - $890419

- Allocation 4
  - $890419

Allocate
Returns
Year 40

Value ($) vs. Year

Reset
Questions?

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www.federalreserveeducation.org
www.dallasfed.org/educate
www.buildingwealth.org