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Focused Financial Education for Young High-School Educators

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Abstract

This pilot program engaged young high school teachers in a targeted financial education program. Novice teachers are faced with a growing dilemma: following their passion in education or yielding to financial pressures and finding alternate employment that pays more. The purpose of this program was to better understand how novice agricultural educators view their financial decisions, how these decisions affect their financial well-being, and, based on insights gained from a pre-survey, provide targeted financial education and counseling to better equip them to face their financial challenges. This report provides an overview of the program, its impact on participants as measured by pre- and post-surveys, and potential future steps for Cooperative Extension professionals working with these young educators. Feedback from participants suggests that personal financial planning education is a vital ingredient in the retention of young educators.

Keywords: extension, financial education, novice educators

Introduction

For decades, retaining novice high school teachers has been a challenge, with almost half of teachers quitting within their first five years on the job (Russell 2006). Determinants of novice teacher attrition include challenging work conditions, financial considerations, and insufficient developmental support (Russell 2006). It has been well documented that this shortage of teachers has been felt among agricultural educators for many years (Calvin and Pense 2013; Kantrovich 2007). In fact, it has been suggested that a shortage of qualified teachers is one of the most pressing issues facing agricultural education (Meyers, Dyer, and Washburn 2005). Additionally, 68 percent of all college graduates in 2012 reported student debt, with an average balance of $27,850 per borrower (Reed and Cochrane 2013). Beginning agricultural educators are likely very similar to their peers, and the financial pressure of paying off education loans can be significant.

In response to this trend, a growing number of mentoring (e.g., one-on-one assistance programs), and developmental programs have been implemented nationwide to help retain teachers in the profession. Previous research has found a direct relationship between perceived quality of early career support and teacher retention (DeAngelis, Wall, and Che 2013). Furthermore, colleges of agriculture must repair the overall image of agricultural careers and, specifically, that of agricultural educators by improving job placement and training for agricultural education programs (Calvin and Pense 2013). Given this backdrop, this program was developed to provide novice teachers, defined as those in their second through fifth years of teaching, with developmental knowledge and motivation to successfully manage their personal financial lives.

Program description

This program was a collaborative effort between the department of Communications and Agricultural Education, the Institute for Personal Financial Planning, and the School of Leadership Studies at Kansas State University. It was funded through an Engagement Incentive Grant from the Center for Engagement and Community Development at Kansas State University. Spearheaded by the communications and agricultural education department, the program focused specifically on providing agricultural education teachers with financial education and service learning exposure. The current study examined the financial education portion of the grant activities.

The program proceeded in three distinct steps: program development, program application, and impact evaluation. In the first step, program development, three young Extension agents were interviewed by the personal financial planning researcher. These agents were identified through the state Cooperative Extension network as having started their careers as agricultural education teachers but having left due to financial considerations. These exploratory interviews sought to understand why the agents left the teaching profession and what they thought would have been helpful in allowing them to remain in the classroom. Based on these interviews, a list of common financial concerns was generated to serve as a basis for a pre-survey. This pre-survey, distributed to program participants a month before the program date, assessed participants' current financial situation and knowledge and encouraged participants to self-identify their financial education priorities. Studies indicate the importance of addressing content interests of participants in personal finance education programs (Abdul-Rahman, O'Neil, and O'Neill 2013).

Outcomes from the pre-survey indicated that these novice teachers were primarily interested in (a) managing student loan debt, (b) the basics of home buying and home ownership, (c) fundamentals of retirement planning, and (d) the basics of saving and investing. Other topics by order of importance included understanding income taxes, basics of estate planning, financial planning surrounding children, basics of property insurance, managing consumer debt, basics of life insurance, and the basic markers of financial health and stability. An open-ended question allowed participants to list other areas of great importance to them, which added the following topics: (a) guidance for assessing and buying health insurance, and (b) information for obtaining and managing agriculture loans.

The second step in the process, program application, included novice teachers participating in a financial education workshop during a two-day conference. The first day involved a four-hour session consisting of (1) targeted financial education in a group setting, based upon the top four self-identified financial education priorities listed above; and (2) pairing participants with undergraduate and graduate students from the Personal Financial Planning program to receive personal financial counseling in an individual setting. The final day included a review and follow-up of the previous day's session, as well as an open-group discussion allowing participants to share financial concerns and outcomes from the program.

The final step in the program, impact evaluation, was assessed in two ways. First, immediate feedback was received in the form of an end-of-session survey, which was distributed at the end of the workshop. This survey gathered immediate feedback and guidance on participants' perceptions of the workshop. Second, a more comprehensive follow-up survey was distributed one month following completion of the program. It sought to measure changes in financial knowledge and behaviors that participants attributed to what they had learned through participation in the program.

Participants

Participants for this study were ten agricultural education teachers in their second through fifth years of teaching in high school programs. The majority of the participants graduated from Kansas State University, consistent with the profile of young agricultural educators in the state. The course curriculum for students in the agricultural education program does not include specific personal finance coursework, although farm management is a critical component and has some overlap. Of the ten participants, eight complete pre- and post-surveys were matched with subsequent results reflecting this smaller sample. Subjects ranged in age from twenty-four to twenty-seven, five were female, all were Caucasian, four were married, and seven had no children. Half of the respondents reported total annual household income of less than $45,000; one respondent reported annual household earnings over $75,000. Six of the eight respondents reported household net worth of less than $25,000. The majority of respondents (seven of eight) were renters. None of the respondents reported having a will or legally enforceable estate plan.

Results

Financial knowledge was assessed using well-established and accepted measures developed by Lusardi and Mitchell (2011). While the sample was too small to conduct statistical tests of significance, a comparison of pre- and post-survey responses indicated increased knowledge as related to time value of money, investment risk, and bond investment concepts. Of the five respondents with credit card debt, four reported reducing their debt, and all of them either created or continued a plan to reduce credit card debt in the month following the financial education workshop. Compared to data gathered in the pre-survey, respondents reported increased knowledge and satisfaction with insurance, credit card, housing issues, level of emergency savings, comprehension of household income and expenses, and knowledge of investment decisions. In the month following the workshop, seven of the eight respondents reported examining their household budget, and six of eight followed that budget since the workshop. However, fewer than half indicated they had evaluated or improved their emergency funds, and only half had determined their investment risk tolerance. Interestingly, only three of the eight respondents reported creating or maintaining a list of financial goals, but five of the eight indicated they had made contributions to accomplish their goals. Also, five had contributed to a retirement account outside their teacher retirement plan in the month following the workshop.

Discussion

Maintaining an emergency fund, determining investment risk tolerance, and setting financial goals are difficult for most people, and novice teachers are no exception. Over time teachers can achieve a relatively positive financial position given strong retirement programs, programs to help repay student loans, and strong job security. However, novice teachers must struggle through their early years to establish themselves financially, in the classroom, and in the community. Although descriptive, the results of this study suggest that personal financial education programs could assist novice teachers by improving their ability to understand financial topics and become better at managing their family finances. Further, this program supports previous work indicating that formalized financial education training is an important but deficient component in teachers' professional development (Hensley 2013; Way and Holden 2009). While this goal is currently being championed through the Jump$tart Teacher Training Alliance, a collaborative effort between the National Endowment for Financial Education and the Jump$tart Coalition (Hensley 2013), the hope is that this model can be developed to specifically address agricultural educators. This program implemented similar procedures and can be emulated by state Jump$tart coalitions, colleges of education, and Extension educators, through the assistance of public and private participants, when developing financial literacy education programs for novice teachers.

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