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Designing, implementing and assessing a financial education curriculum in the Juvenile Justice Commission

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DESIGNING, IMPLEMENTING AND ASSESSING A FINANCIAL EDUCATION CURRICULUM IN THE JUVENILE JUSTICE COMMISSION

By
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Professor

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Abstract

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Designing, Implementing and Assessing a Financial Education Curriculum in the New Jersey Juvenile Justice Commission
2001
Dr. Kathleen Sernak
Education Leadership

The purpose of the project is to determine the effectiveness of a financial education curriculum on the understanding and application of financial resources to begin a financial plan for the future. This study will provide insight into the current financial practices and beliefs of incarcerated youth in the State of New Jersey and the impact the financial education curriculum has on the reliance of State aide and welfare.

The data was collected through a pen and pencil survey, informal interviews and record abstraction. The sample was derived from five New Jersey Juvenile Justice Commission programs and institutions. The sample was incarcerated juveniles from various counties in the State of New Jersey, primarily from low socio-economic backgrounds.

The survey and interviews indicate that there is a strong need to inform students in our nation about healthy financial practices. The interviews indicate that the students are comfortable relying on public assistance to survive and do not concern themselves with finding viable employment or saving money. It would bean asset to mandate a financial education curriculum in all programs and institution so the students do not continue to contribute to the stunt of economic growth.

Mini-Abstract

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Table of Contents

DESIGNING, IMPLEMETING AND ASSESSING A FINANICIAL EDUCATION CURRICULUM IN THE JUVENILE JUSTICE COMMISSION

Introduction

Teenagers in the United States today are being brought up in the world of credit. If they cannot afford something, they buy it with a credit card and worry about it later. Credit card debt can manifest itself early in life and create problems for years to come. As the complexity of our financial system is further compounded by the myriad of new options over the Internet, young adults find themselves less able to make financial decisions that will not affect them in the future.

The Public Interest Research Group survey in 1998 found that 38% of the students responsible for their own credit report paying off the balance each month. Thirty-six percent pay as much as they can and the remaining students that are responsible for their own bills report they pay only the minimum balance or pay late.

In 1996, teens spent $103 billion and influenced others to spend billions more. The average teen in the Unites States spends $4,400 each year. With an increase in income and spending, teens are becoming victims of frauds and scams. A national survey of 1,509 soon to graduate seniors indicated that their knowledge of the financial world was very limited, making them more susceptible to financial fraud.

Teenagers are not the only United States Citizens coping with financial problems more now than in the past. In 1997, over ten thousand people in New Jersey filed for bankruptcy. Clearly with the number of personal bankruptcies and inadequate retirement savings, the need to teach financial education in our high schools is critical. We certainly should have empathy for the challenges confronting our nation's high school teachers, and administrators dealing with overcrowded curriculum, but we must also recognize the disastrous affects of not properly preparing our students for the financial realities of modern life.

The students of the New Jersey Juvenile Justice Commission often express a lack of interest in finances. They feel they will make enough money on the streets to spend freely. It is much easier for them to participate in illegal activities then to work for minimum wage. The students have a difficult time maintaining their lifestyle, they do not understand budgeting their money to save for things they really need. The result is often jail or death. If students learn to budget and invest their money, there will be a better chance of holding a job and staying off welfare staying out of jail.

Conceptual Framework

Topic and Research Problem

The intern would like to asses the need for financial education among incarcerated youth in the New Jersey Juvenile Justice Commission. The intern would like to understand how implementing a financial education curriculum with high risk students effects their understanding and application of financial practices. In addition, the intern would like to learn the impact of financial education on the attitude toward reliance on public assistance as a means of primary income.

Purpose of the Project

The purpose of the study is to determine the effectiveness of the financial education curriculum on the understanding and application of financial resources to begin a financial plan for the future. This study will provide insight into the current financial practices and beliefs of incarcerated youth and modify current practices that have turned the students to illegal means for making money or placed them in serious debt. The project will enable the students to return to their communities with the skills to budget a new, legal, source of income.

A financial education curriculum is mandated by the New Jersey Juvenile Justice Commission to be enforced in the year 2001. The intern will help prepare the teachers to implement the curriculum in their classes by providing workshops and seminars at various sites throughout the State of New Jersey. The intern will chair a committee to develop and implement the financial curriculum in the programs and institutions of the New Jersey Juvenile Justice Commission. The committee will use the High School Financial Planning Curriculum as a base. (NEFE, 2000) The teachers will be afforded the opportunity to explore different techniques and methods and share them with teachers to ensure the incorporation of the financial education curriculum into the classrooms of the NJJJC.

The programs and institutions of the NJJJC will incorporate the financial curriculum into both life skills and mathematics classes at least twice a week in addition to the already mandated curriculum. The intern will facilitate communication between the programs and institutions and serve as a liaison for the Juvenile Justice Commission to the New Jersey Coalition for Financial Education. The intern will chair a training committee and facilitate training at the state education meetings for the New Jersey Juvenile Justice Commission. The work on this committee will serve as a tool to transition the teachers and support staff into using the newly mandates curriculum. The

New Jersey Coalition for Financial Education will be a valuable resource to allow teachers and student to become involved in the curriculum.

Delimitations and Limitations

The project will include most of the students within the NJJJC. A teacher from each of the NJJJC facilities, three secure units and thirty residential programs, will participate in the training for the curriculum. There are two large secure units, one female secure unit and various residential programs in the State of New Jersey. The population is primarily males, age fourteen to nineteen and females from the Valentine Unit in Bordentown, falling in the same age bracket.

The population is roughly sixty-five percent African American, twenty-five percent Hispanic and ten percent Caucasian. Large percentages of the families qualify for state and federal aid and come from low socio-economic backgrounds. The male students have been sentenced to the New Jersey Training School for Boys from their respective county courts for varying sentences and crimes. The girls are sentenced directly to the Valentine Unit to complete their sentence. The population of students are from various counties in the State of New Jersey the dissemination of the counties are as follows: Atlantic County 10% of the students, Camden County 18.4%, Cumberland County 1.3%, Essex County 6.5%, Hudson County 2.6%, Mercer County 1.3%, Middlesex County 13.1%, Monmouth County 9.2%, Passaic County 18.4%, Salem County 2.6%, Union County 13.1%, and 1.3% of the students are from Warren County.

The teachers in the NJJJC are constantly being introduced to new curriculum and programs that will serve the high-risk population of students. It is very difficult to convince the teachers that a program will work or will capture the interest of students. There may be a difficult time implementing the curriculum into the various programs and institutions. It will be important to convince the teachers that the economic stability in the future depends on teaching future generations how to spend and invest their money wisely.

The students often express that jobs do not pay enough and are unwilling to obtain legal employment in place of selling drugs or stolen merchandise. More money is made in a short period rather then spending hours at a job making minimum wage. Peer pressure may influence their decision to express an interest in the financial curriculum.

Significance

The students of the NJJJC appear to have a need for financial education. There seems to be a misconception of the average salary a person makes and money spent in one year. More often than not students' families use welfare as a crutch and do not seek viable employment and the students deem public assistance as a normal means of income. (Bernheim, 1997) The financial education curriculum would serve as a means to educate the students about the workforce and the average American's spending habits. The project will make its major contributions in the NJJJC Programs and Institutions.

Overview Questions and Subquestions

- How does the presence of a financial education curriculum affect the students spending and budgeting habit upon graduation?

    - How will a Financial Education Curriculum make a difference in the attitude and willingness of the students to accept the responsibility of joining the workforce?
    - Upon completion of the financial curriculum with the students, be willing to accept the responsibility of obtaining a full or part time job rather than returning to the illegal activities that had them sentenced to the Juvenile Justice Commission?
- What are important skills relating to financial education according to the committee results and workshops?
    - How would the teachers implement the curriculum into either mathematics or a life skill curriculum?
    - How are these policies congruent with the standards the Department of Education will set forth for the revision of the Core Curriculum Standards in 2002?
    - What specific aspects of financial education did the students and teachers find most useful?

Chapter 2

In 1962, President Kennedy outlined the four basic consumer rights. The rights are the right to information, the right to choose the right to complain and the right to safety. In 1975, President Ford added a fifth consumer right to the list, the right to consumer education. (Opiela, 1999) The citizens of the United States, twenty-five years later have still not taken advantage of their fifth consumer right. Our school systems deprive students of a healthy financial future by not exposing them to courses in financial education.

The financial education process often begins informally by age five, even preschoolers know a quarter equals twenty-five cents. Financial planner feel that by age ten a child ought to understand the principles of banking, comparison-shopping and the value of merchandise, as well as have a savings account. By age twelve, young people should be able to conduct their own transactions, save, invest and budget their money. Once teens start working, they are ready for goal oriented financial planning. Just like adults, young people need to define their financial goals. (Brown, 1999)

Three influential organizations, the National Association of Securities Dealers, the North American Securities Administrators Association, and the Investor Protection Trust, called four out of five Americans, "financially illiterate." The groups are launching Financial Literacy 2001, the biggest initiative in history to teach high school students about personal finance. (Hoffman, 1998) Many people fail in the management of their first consumer credit experience, establish bad financial management habits and stumble through their lives by trial and error. Informing people about personal finance could prevent this. (Duguay, 2000)

A spike upward in the number of New Jersey State residents declaring personal bankruptcy in the past few years provides some counterpoint to the rhetoric about the fitness of New Jersey Economy. In 1997, consumer bankruptcy filings totaled 1,350,118, up twenty percent from the total non-business filings of 1, 125,006 in 1996 according to the Administrative Office of the United States Courts. (O'Neil, 1999) Dara Duguay, executive director of the Jump$tart foundation for financial education feels that:

> Unless we take action on the education front, the bankruptcy cycle is destined to continue. Many of our young people will end up in bankruptcy court if they are not taught personal finance basics before they become self-supporting adults.

Teens have a much different mindset when it comes to money then in past generations. Unlike their grandparents who learned their financial lessons during the depression, the formative economic event for the past two generations was inflation experienced in the in the 1970's and 1980's to model their personal finances after. It comes down to this for today's teenagers, if you want it, buy it today, even if you have to drop it on MasterCard, because if you try to accumulate the cash to purchase it, whether it is a home or a stereo, the price is always going to go up faster than your ability to multiply your money. According to Teenage Research Unlimited, a market research firm based in Northbrook, Illinois by the end of 1997 teenagers pumped approximately one hundred forty one billion dollars into the economy through purchases that include soft drinks, compact disks, fast food, clothes, computer games, movies and athletic footwear. This is ten billion more dollars than 1996. (Brown, 1999)

Understanding how to make decisions, use resources wisely and exercise rights and responsibilities in the market place is important to economic survival and growth. Financial education empowers teen to take responsibility for themselves. (Opiela, 1999)

It is time that everyone between the ages of three and nineteen ought to be learning the basic concepts of money and the fundamentals of investing. The reason is simple experts say: young people need to have an appreciation of the American Economic System and an understanding of how basic personal finances can influence their lifestyle. By the time they are older, barriers are built between them and money. Teenagers tend to put their cash in low interest checking and saving accounts with the thought that this is their only option. (Brown, 1999) Extensive research shows that young people generally do not understand basic information regarding personal finance, including the variety of checking and savings accounts, investments and credit. (DeBard, 1995)

In response to this research the Jump$tart Coalition was formed to advocate for the inclusion of personal finance as a curriculum requirement for all high school students. (Saunders, 1999) Jump$tart's purpose is to evaluate the financial literacy of young adults; develop, disseminate and encourage the use of guidelines for kindergarten through twelfth grade to teach about personal finance. (Opiela, 1999) The coalition believes all young adults need to be financially literate to make informed decisions. The group has a specific goal: by the year 2007, every student will be financially competent by the time they graduate high school. (Opiela, 1999) This works in conjunction with the State of

New Jersey Core Curriculum Content Standards. Each student in New Jersey is required to meet specific standards before completion of school in order to receive a high school diploma.

Michael McAuliffe, a certified credit counselor and President of Family Credit Counseling in Oak Park, Illinois advises clients from all walks of life including successful doctors and lawyers who share one common denominator: they have gotten into financial trouble because they never learned money management skills in school or from their parents. (Meisner, 1997) Relatively few students get financial education in school. The American Savings Education Council (ASEC) survey found that only 21% of high school and college students have taken a course on personal finance, which leaves 79% that, have not. (O'Neil, 1999) The Youth Financial Education Act (HR2871) authorizes the Secretary of Education to provide grants to state education agencies to develop and integrate youth financial education programs for students in elementary and secondary schools. The legislation authorizes appropriations of at least one hundred thousand dollars for each year between fiscal year 2000 to 2004. States that submit approved plans shall be allocated at least five hundred thousand dollars. HR 2871 requires states to use the grants to provide funds to local education agencies and public schools to carry out financial education programs for students in kindergarten through twelfth grade based on the concept of achieving financial literacy through the teaching of personal financial management skills, and the basic principles involved with earning, spending, saving and investing. The public schools must carry out professional development programs to prepare teachers and administrators for financial education and monitor and evaluate the programs. HR 2871 also directs the secretary to provide a grant for or contact with an entity with substantial financial education experience for a term of five years. (Schott, 1999) Findings indicate that these financial education mandates have significantly raised both exposure to financial curricula and subsequent asset accumulation once exposed students reached adulthood. These effects appear to be gradual rather than an immediate reflection of implementation lags. (Bernheim, 1997)

Researchers compared the savings rates of those who went to school in states that required some form of financial education at the time the students attended high school to those who went to school in states that did not require it. They found that on average students who were exposed to the required courses had significantly higher savings later in life. (O'Neil, 1999) Elizabeth Shriever, (1997) director of the National Endowment for Financial Education (NEFE) High School Financial Planning Program (HSFPP) and Jane Schuchardt, national program leader pointed out that as students mature, they encounter an increasingly complex marketplace, where earnings may not support spending habits and easy access to credit cards can pose great financial risk. In commenting on the results of the study they expressed their organizations satisfaction that financial education can prepare teenagers to successfully meet these challenges.

Many studies have been conducted in the last several years. The Jump$tart Coalition conducts a study of their progress every three years. The first study was conducted by Laura Boyce in 1997 and then again in 2000. The study evaluation of the National Endowment for Financial Education High School Financial Planning Program, (1997 – 1998) was conducted by Laurie Boyce, PhD at the University of Wisconsin and Sharon Danes, PhD from the University of Minnesota, both of whom are faculty affiliated with the Cooperative Extension System. (Bernheim, 1997) The students participating in the study were predominately high school seniors (52%), female (55%) and from communities of less than twenty-five thousand residents (36%). (Opiela, 1999)

The initial study involved a total of 4,107 students in 188 schools throughout the country. The follow-up examination was sent to 1,857 students whom the 418 qualified responses were received. The students were asked a series of questions concerning their money management, behavior, financial knowledge and level of confidence in dealing with money both before and after their exposure to the NEFE HSFPP. The follow up phase was conducted three months later to determine the longer-term effects of the program. (Bernheim, 1997) The program was developed by NEFE and is provided without charge to high schools nationwide through a long-term partnership with the United States Department of Agriculture Cooperative State Research Education and extension service, USDA-CSREES. (O'Neil, 1999)

The researchers have concluded from their study that teachers, parents and financial professionals of all kinds should work together to encourage schools to include personal finance education in their coursework. Teaching professional coursework to teens does make an impact both immediately and later in life. Dr. Danes feels that it is one of the goals of educators to help young people become employable citizens, yet they are not taught to use the income they earn from employment wisely. (Bernheim, 1997)

When asked where they learned most about managing money 60% of the surveyed students said, "at home from my parents." Fewer than 11% said in class at school. (McSoud, 1997) Close to two thirds (62.1%) said they would have no liability if their credit was stolen and a thief ran up $1000.00. Nearly a third (30%) said retirement income received from a company is called social security. (McSoud, 1997)

On average in the 1997 study participants answered 57% of the questions correctly a failing grade based on the typical grade scale used by schools. The fact that students were able to choose correct answers on average more than half of the time was due largely to several questions that tested their terminology rather than reasoning ability. (McSoud, 1997) When asked to assess their understanding of basic financial matters and money management most students gave themselves a high grade. Fifteen percent say they understand financial matters very well, 67% say they understand them fairly well, 18% think they do a very good job of managing their money and 38% say they do a good job. While some behavior confirms this positive self-appraisal by students, the survey found they need more personal finance education and discipline. (O'Neil, 1999) Among those who feel they do a very good job of managing their money, 27% do not think that saving regularly is a high priority. Fifty-four percent feel it is important to save money and only 23% make a budget and stick to it. Jump$tart's continued research in 2000, indicated a decline in knowledge about personal financial matters. The participant answered only 51% of the questions correctly, down 6% from the 1997 study. Executive Director of the Jump$tart Coalition pointed to the continued lack of personal finance requirements in most state curriculum standards as a likely factor on score decline. (Duguay, 2000) The survey results underscore serious concerns about young people's ability to make educated financial decisions once they are out on their own. (McSoud, 1997) When it comes to personal finance topics such as paying taxes, using a credit card or savings toward retirement, today's high school seniors know less today than they did three years ago. (Duguay, 2000)

Three months after participating in the NEFE program, 58% of the respondents said they improved their spending habits and 56% said their savings habits had improved. 39% had started a savings account. This change is especially noteworthy in view of research indicating that those who are taught to save as teenagers will also save more during adulthood. (McSoud, 1997) The studies show that financial literacy while by no means the sole cause appears to be among the more important factors affecting the number of bankruptcy filings. (O'Neil, 1999)

Bernheim, Garret and Maki (1997) found that curriculum mandates increase exposure to financial education and ultimately elevate the rates at which individuals save and accumulate wealth during their adult lives. (O'Neil, 1999) Huddleston-Casas, Danes and Boyce (1999) found significant increases in knowledge, self-efficacy and financial responsible behaviors by those who completed a high school financial planning course. (O'Neil, 1999)

America's young adults lack the basic personal finance knowledge needed to make the most of their money now and in the future. A recent survey shows that 58% of students learn most of what they know about money management from their parents. Clearly with today's rising number of personal bankruptcy and inadequate retirement savings, the need to teach financial literacy in our high schools is critical. (Schriever, 1999)

Findings from the National Bureau of Economic Research (NBER) study indicate that high school personal finance education has the long-term effect of increasing later savings and wealth. (Bernheim, 1997) The national study was done to determine if the curricula that has arisen from high school financial education mandates has had an effect on financial decision making adults. (Bernheim, 1997) The study indicates the mandates lead teens to save more money later in life. (O'Neil, 1999) Inspite of the criticism often directed at teenagers for their spendthrift ways, today's students could and do respond positively to instruction aimed at improving their money management skills. The study indicates that as little as ten hours of classroom instruction can effect significant knowledge and behavioral changes in how teens handle their money. A follow up evaluation conducted as part of the overall study also shows that the teens positive change last over time. (Bernheim, 1997)

The 1999 Youth and Money Survey released by the American Savings Education Council (ASEC), the Employee Benefit Research Institute (EBRI), and Mathew Greenwald and Associates found that most students feel confident about their understanding of basic financial matters such as saving, investing, credit, and budgeting. This "knowledge" does not necessarily reflect in students' attitude and behavior. According to the survey, the vast majority of students ages 16-22 have never taken a class in personal finance. Two thirds of the students admit they could use more lessons on money management and 9% of all students are rolling over credit debt each month. (O'Neil, 1999)

The findings reveal that about fifteen to twenty years after high school wealth is greater by one year of earnings for those who received instruction in personal finance compared to those who did not. To illustrate, a person with an income of $40,000.00 who received no high school instruction in personal finance might have a net worth of $30,000.00 (excluding housing). This compares to a person with a similar $40,000.00 income that completed a course in personal finance and has a net worth of $70,000.00.

(Bernheim, 1997) The results of the survey contribute to the body of evidence that shows education can be a powerful tool to stimulate personal savings.

Many students talk about how difficult it is for them to save money. Easy access to credit cards compounds the problem. (Gordon, 2000) College campuses are filled with promotions in their student center offering prizes to sign up and receive credit cards with high interest rates. Students away from home for the first time with very little income see the credit cards as an avenue to independence. Unfortunately, more often then not they do not know how to handle the responsibility. We live in an instant gratification culture. We want things, and we want them now. Young people in their early 20's want everything their parents have. They do not realize it takes time, patience and savings. (Meisner, 2000)

Most people have strong feelings and opinions about money, based on childhood experiences and the values and beliefs of their families. (DeBard, 1995) Children who are very well organized in schoolwork and other areas, they'll probably be well organized financially. If they are disorganized, they will have disorganized money habits. (Meisner, 2000) Teaching personal finance may not be able to change the behavior totally, but it may be able to help the students get organized.

The lifelong benefits of teaching children good money habits make it worth the effort. Children who are not taught these lessons pay the consequences for a lifetime. (DeBard, 1995) The primary concern of educators is that kids learn about credit. Credit is an important part of our culture. Children need to understand credit because they are going to need it. They will need to build their credit history in order to get a mortgage. (Meisner, 1997) Experts agree that honest discussion about money should begin at an early age. Even very young children can be taught to save by dropping coins into a piggy bank. Parents tell their kids, "I experimented with drugs when I was your age, but they will not tell them, I make $40,000.00 a year." It is difficult to understand why no one wants to tell their kids what their mortgage, rent or car payments are. It should not be a secret. While some believe that personal finance should be taught at home, the reality is that many parents cannot or will not address this topic with their children. Teaching financial lessons to kids ranks high as one of those subjects that many busy parents would rather avoid. Talking openly about financial matters is often considered taboo in families, a subject to be avoided. Ironically, financial literacy is an area of increasing importance in our society and that too many adults have not yet mastered. (Meisner, 1997)

By not including personal finance in their curriculum, school systems are sending millions of young people into the marketplace without any basic skills in personal finance. This is putting them at high risk for becoming adults who end up over their heads in debt, in bankruptcy court or without adequate savings to retire. (Duguay, 2000)

Chapter 3

In the previous chapter the researcher documents the history of financial education in secondary schools and the decline of personal savings in the United States with a primary focus on New Jersey. A review of the history revealed the need for financial education in the high school and elementary school settings to ensure the survival of the economy in the future. The efforts include, but are not limited to: mandating financial education standards in the state curriculum, establishing training opportunities for teachers and programs for those on the brink of financial trouble with viable solutions rather than high interest loans. None of the programs either individually or collectively, holistically addresses the problem of decreasing personal savings among residents of New Jersey or the United States as a whole. To only realize some aspects would eventually require the intervention of the federal government to demand a financial education program be instituted in all primary and secondary school settings.

The research is designed to gauge the need for financial education curriculum among incarcerated youth, in this setting and upon the release of the student, by utilizing three distinct data gathering procedures. As the literature review indicated, students who are not well organized and have trouble in school are at an even greater risk for financial disaster. The first source required the development of a pen and paper selection test administered by teachers in a classroom setting. The instrument was administrated to a sample of students in four distinct facilities: Valentine, a secure unit for girls; The Stabilization and Reintegration Program or Boot Camp, a secure Unit for Boys; Edison Prep, a residential program for boys and girls; and Ocean Residential, a residential home for boys. The survey was administered to 14 females and 35 males totaling 49 students. (Appendix A)The second source was the personal interviews of a sample of students from each of the formerly mentioned facilities by the researcher. The third was the student files kept at each of the facilities. The relevant content was uniformly extracted by utilizing an information extraction instrument. Copies of these instruments are found in Appendix B and Appendix C.

Data Gathering Instruments

The researcher developed the assessment instrument that consisted of multiple-choice questions in conjunction with an assessment test developed by the Jump$tart Coalition used to survey students on a national level. The survey combined questions developed by the researcher and questions previously used in the study conducted by the Jump$tart Coalition, the result being a 49 question multiple-choice survey. The wording on some of the Jump$tart survey questions were modified so the student population could better understand the terminology. The Jump$tart survey was appropriate for an eleventh and twelfth grade reading level and the students from the New Jersey Juvenile Justice Commission average a fifth or sixth grade reading level. The survey tested the sample of their understanding of topics such as income, money management, savings and investments, spending and credit. The interviews included topics such as reliance on public assistance and planning. The dependent variables, the students from the four residential programs, are measured through the instrument's assessment questions.

The test is a good determent for predictive validity. If an individual's raw score was high with the instrument, he would most likely do well with future financial endeavors. Face validity allowed the researcher to get an impression of content validity by examining the assessment procedure and the items included in the interview. (Taylor, 1994)

Sample

A convenience sample was selected for this research due to the structure of the population. Because not all judicated youth are assigned to the four units randomly, it was not possible to get a truly random sample. Students are assigned to the units based on appropriateness of behavior and risk of escape. To allow for a diverse population, a secure unit for girls (Valentine Unit), a secure unit for boys (Stabilization and Reintegration Program) and two residential programs for minimum-security units (Edison Prep and Ocean Residential) were chosen. It was not possible to get access to students from an maximum security unit for three reason: (1) the students that were accessible refused the survey, (2) many students were not permitted to use paper and pencil in segregation units and (3) the students were not mentally capable of completing the survey in one sittings, thus time would not allow them to complete the survey and other work assignments.

Data Gathering Procedures

The research design utilized three distinct data collection methods: interview, survey and content analysis. Gaining interview access and permission to survey incarcerated youth required administrative approval from the executive office of the New Jersey Juvenile Justice Commission and the Attorney General's Office. Once the request for permission to conduct research in the NJJJC was approved, the following process transpired.

Application of Interview Questionnaire

The students were interviewed in an informal setting at their residence hall. The interviews lasted approximately thirty minutes with each student. Interviewees were informed that participation was voluntary.

The students' regular teachers administered the survey to the students in a classroom setting. The students were given very little instruction and no time limit. They were told simply to do the best they could.

During the interview, students were asked questions about their income, family income, money management and reliance on the welfare system and state and federal aid referred to as public assistance. The students were also questioned about their perceptions regarding the government providing their families with food, money and shelter. Other questions in relation to strategic planning and occupational goals were discussed. The interviews were tape-recorded and some note taking was implemented for clarity.

Data Analysis

A systematic process was employed to analyze the gathered information from the sample of interviews, surveys and files. Analysis of the interviews consisted of the researcher writing a short summary after the completion of each interview. All responses were color-coded. For example, if an student had previously been on public assistance, then the researcher color-coded that response blue than if the student had no experience with public assistance, it was highlighted green. All interview summaries were periodically reviewed in order to discover patterns within the information.

The instruments were scored twice, once by a student assistant and a second time for accuracy by the researcher. The surveys were hand scored because a scan tron machine was not accessible to the researcher. After scoring the survey the responses were coded into an excel spreadsheet designed by the researcher. The tabulation involved counting responses and the use of StatPak software. (Gay, 1999) All responses including, gender, race and geographic location were coded in the survey. The survey results were compared to the Jump$tart Coalition national survey of high school students.

<u>Research Design Limitations</u>

The use of nonrandom sampling of judicated youth affects the ability to generalize to a broader population. Furthermore, the sample size is small and the results may not generalize to other correctional or other organizations that exercise coercive power. The interview questionnaire was not pre-tested and the result affects internal validity.

The students have a tendency to speak in terms that will benefit the future of their incarceration period. They will give positive answers if they feel it will benefit at their parole hearing.

Content Analysis

Content analysis is a widely accepted technique for making inferences about data by systematically and objectively identifying specified characteristics of messages. The qualitative content analysis requires that the researcher make impressionistic judgments about the phenomena under investigations. (Taylor, 1994) When content analysis is employed as a method in research, impressionistic judgments may be unintentionally subjective. In addition, external validity is threatened due to the small sample used in the research. Replication of the study should include a larger sample. Content analysis was employed through the analysis of the personal interviews of students and the abstraction of data from the NJJJC records and publications.

Chapter 4

Chapter 3 describes the research design utilized to analyze the understanding and implementation of financial education and the standards within the New Jersey Juvenile Justice Commission (NJJJC) regarding financial education. The design is intended to measure the hypothesis stated in Chapter One that the intervention in financial practices and financial education is necessary for a significant increase in student understanding of the financial world and their own personal financial matters.

The bifurcated data gathering method consisted of structured interviews with students from various NJJJC programs and the analysis of existing NJJJC records, documents and other published and non-published materials reveals that there was no significant increase in the understanding and application of financial matters with the recent implementation of the NJJJC financial education curriculum. However, a review of current literature indicates that over a longer period there would be significant increase in savings and a decrease on the reliance of public assistance. This study was conducted over a six-month period of time, which would not allow for significant change in student behavior to take place. Most of the students at the time of the pretest had not been released into the community to apply the material they had been exposed to in their financial education class.

Historically speaking, financial education is not part of the formal curriculum in most schools. Financial education was only taught at home or in crisis centers after bankruptcy hearing and credit management enforced by the courts. (Duguay, 2000) The lack of financial education being formally taught may account for the low test scores and the low interest from the students of the NJJJC. Detailed information concerning the interview and survey results is provided below. The information has been separated into two categories. The first offers an analysis of information derived from the interviews and the content analysis of NJJJC records and files, and the second offers analysis derived from the survey.

Interviews and Record Abstraction

The interview instrument consisted of structured, open-ended questions designed to measure the hypothesis. The hypothesis stated there is a need for financial education within the NJJJC to increase savings and decrease reliance on public assistance. The responses were categorized according to content. For example, students were asked if they or anyone in their family has ever used public assistance. The intent of this question was to gain insight into a pattern of reliance among NJJJC students on public assistance. Another question pertained to formal classes students participated in regarding financial education. The interview questions and record abstraction were used to establish background information about the students; for example, information being extracted was pertaining to prior sentencing, and Department of Youth and Family Services Involvement (DYFS).

Section I: Background Information

The average age of the students interviewed was 17. The ages range from 15- 18 years old. The NJJJC records indicate that more than 80% of the students had been incarcerated multiple times. Each incarceration ranged from approximately one to two years with time being served about six to eight months. Ninety percent of the students had only one parent listed in their file. The Division of Youth and Family Services was involved with approximately 20% of the cases surveyed.

Only 10% of the students interviewed had ever participated in formal financial education classes. Approximately 50% stated they had reviewed purchasing items and taxes in their mathematics classes in the elementary school grades.

Approximately 10% of the students interviewed have never had a bank account. During the interviews, about 80% of the students indicated that they would never have a bank account. When asked for reason, the primary reason given was a lack of trust in the banking system. A large percentage of the students were concerned that they would lose their money if the bank was robbed or the teller would steal their money when they deposited it in the bank. A few of the students stated that the banks cost too much and were unfriendly.

Approximately 70% of the students have been employed either under the table or by check. None of the students indicated ever filing taxes with the State or Federal Government.

Section II, Current Practices

At the time of the interview, none of the students paid any bills on a regular basis due to their incarceration. The subsequent statistics were presented to the students regarding a scenario when they are released from the NJJJC. Ninety percent of the students stated that they do not have any bills that they pay on regular basis. The same 90% do not have a car and use either public transportation or rely on a friend to travel.

About 80% claim they pay for the majority of their meals. The remaining 20% have their meals paid for by a parent or guardian the majority of the time.

As far as clothing is concerned, 80% claim they pay for all of their clothing or receive clothing as gifts for holidays and birthdays. Ten percent say they do not purchase any items of clothing for themselves; a parent or guardian pays for the merchandise. The remaining 10% claim their clothes are paid in part by a parent or guardian and in part through purchases they make themselves.

When it comes to paying the bills, the students' answers varied greatly. About 50% claim that a parent or guardian pays the rent. The majority of the respondents were unsure of what a mortgage was and had no indication of aspiring to ever own a home. Thirty percent of the students claim that the rent is paid for by someone not living in the residence. Examples given were a father paying child support, a grandparent paying for rent and food while residing elsewhere or with money from a law suit. Of the 40 respondents, 20% were unsure how the rent was paid.

The majority of the students were unsure who, if anyone paid utility bills. Approximately 65% indicate that the utilities were included with the rent. This did not include the phone bill. In most cases, the phone bill was paid for with a money order or cashiers check on a monthly basis. The phone in many cases had only local access or could not make outgoing calls from their phone.

The remaining students claim that one person in the household on a regular basis paid the bills. Someone other than the student pays the majority of the day-to-day bills. Ten percent of the students stated that they know that the bills are paid by check and mailed to the company. Another 10% stated that they never really thought about the bills in the household before the interview.

Approximately 60% of the students claimed to have benefited from public assistance at some point during their life i.e.; welfare, food stamps, low cost housing, family counseling, or Medicare. Seventy percent know someone first hand that has used or is currently using public assistance. Almost 20% of the students claimed that there is no negative connotation to using public assistance; it is simply a way of life. The same 20% do not have any plan intact to avoid public assistance in the future.

One student claimed it was unfair that the government no longer paid for each additional child brought into a household. His peers agreed that a more substantial amount of money should be given to families with kids, "at least enough money to survive." They did not see the welfare payments as a supplement to the income, but rather a source of primary income.

The role models for financial matters were a vague topic with the students. About 10% of the students had a solid grasp of how the bills were paid and money was budgeted for added expenses or emergencies. The students for the most part, were not learning responsible financial practices in the home. This serves to reinforce the hypothesis proposed in Chapter 1; there is a need for a financial education curriculum in the NJJJC.

When planning, 80% of the students claimed they would never have to worry about money. The remaining 20% expressed concern about where money would come from and how to budget what money they earn. Only 40% of the students had goals set for after graduation from high school, to either attend college or obtain employment in construction or a related field. The remaining 60% either plan to finish high school or obtain a GED and have no career goals or listed idealistic careers such as a basketball player, helicopter pilot, or football player.

Survey Results

The students taking the survey scored particularly low on the content questions. The mean score for the NJJJC students was 33.4% compared with 51.9% on the national survey conducted by the Jump$tart Coalition. The standard deviation for the sample of students from the NJJJC was 19.12. There was no significant difference between the males (33%) and females (28%). On average, the students answered the questions about spending correctly more often than any other subtopic, 47%, compared with the Jump$tart average of 54%. The questions regarding savings and investing were answered correctly 32% of the time, compared with the national average of 45.2%

The students were unsure of themselves when it came to planning for after high school. Thirteen percent of the students had no plan to attend any type of school or training program after high school, compared with 1.7% of the high school students taking the survey.

The percentage of parents completing levels of school was higher in some incidences then the Jump$tart survey students. Ten percent of the students' parents never completed high school, where 12.7% of the high school students' parents never completed high school. However, a gap becomes apparent with regard to college education. Nineteen percent of the students' parents had some college education and 24% had a college degree. The number of high school student's parents with some college education is 24% and with a college, degree is 32%.

When planning for the future 61.6% of the students from the Jump$tart survey intend to work in a professional field such as a nurse, doctor, lawyer, computer programmer or teacher. This can be compared to only 29% of the student population aspired to enter a professional field.

Students learned financial education in very different places. Forty three percent of the students learned to manage their money at home, compared with 57% of the Jump$tart students. Neither sample learned responsible money management in school, with the students naming talking to friends at 30% and 0% from managing their own money.

Summary

Both the survey and the interviews indicate there is a strong need to inform students in our nation about healthy financial practices, the NJJJC student population in particular. The interviews reveal that the students are comfortable relying on the government to pay for their basic needs. The students from the NJJJC consistently rely on public assistance as a primary source of income. There is no stigmatism within this incarcerated population in regards to public assistance.

The students have little knowledge of, or trust in, the banking system. They consistently scored lower in areas of saving and investing. This indicates that there is little knowledge coming from the home or school setting in regards to saving for the future. The students are not concerned about the future of themselves or families and are ill equipped as to how to plan financially. Compared with the results from the Jump$tart survey, the NJJJC scores significantly lower then the national students.

Chapter 5

As the complexity of our financial system is compounded further by the myriad of new options available through the latest technology, young adults find themselves less and less able to make financial decisions that will benefit them in the future. Society should have empathy for the challenges confronting our nation's high school teachers and administrators, but must also recognize the disastrous effects of not properly preparing our youth for the financial realities of the modern world.

Poor retirement planning, debilitating debt, and bankruptcy are some of the predicaments that await future generations. To turn this around we must stop relying on parents and guardians to enlighten our youth about money management and begin teaching personal finance in schools, youth programs and juvenile prisons. At risk, youth will suffer the most without the formal education because there is no role model to employ at home.

The inmates interviewed in this study had little concept of financial matters. The analysis indicates that they repeatedly rely on public assistance as a primary source of income. These practices will begin to drain government funds and increase taxes on the public if the government must continue to pay for food and shelter for years after the inmate was released from prison. The survey indicated that the inmates scored a 33.4% on the test dealing with financial matters. They scored particularly low, 25%, with saving and investing indicating they have very little understanding of how to plan.

The inmates of the NJJJC express a lack of interest in personal finances. They claimed in interviews that in the future they would make enough money to spend freely with out setting realistic career goals to earn money. If the inmates learn to budget, save, and invest their money, the need to turn to illegal activities or public assistance diminishes.

A spike upward in the number of personal bankruptcies in New Jersey the past several years provides some counterpoint to the rhetoric about the fitness of the New Jersey economy discussed in previous chapters. Many individuals will end up in bankruptcy court if they do not begin to take their finances seriously.

The literature review discusses how students looking for fast money could easily become targets of fraud, swindles and high interest loans they cannot repay. (Opeila, 1999) The inmates in the NJJJC have become high risk for these situations due to their lack of understanding in the financial world. Understanding how to make decisions, use resources wisely and exercise rights and responsibilities in the financial world is important to economic survival and growth.

Findings from the National Bureau of Economic Research study indicate that high school personal finance education has the long-term effect of increasing later savings and wealth. (Bernheim, 1997) The inmates from the NJJJC are in dire need of some formal education to motivate them to save money and prepare for their future.

Based on these results one can conclude that highly interactive, reality based courses in money management that provide intensive and applied instruction in personal finance are appropriate for developing money management skills among high risk youth. In order to develop individuals who are financially literate, two things should happen. First, states must realize that high school is the appropriate time and place to provide students with instruction in personal finance. The school is in fact the place where, according the to the Jump$tart and NJJJC survey, 88% of youth spend their teen years.

The second solution would be for organizations that already work with high risk high school students such as the NJJJC, should be encouraged to develop curricula that facilitates sound basic financial decision making, relevant to their clients lives. Until programs exist, students will continue to lack the basic financial skills to save and invest for the future and will depend on programs that the taxpayers pay for.

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Appendix A

Research Instruments

Financial Education Survey
Rowan University

1. Which of the following statements best describes your right to check you credit history for accuracy?
    a) you cannot see your credit history
    b) your credit record can be checked at any time for free.
    c) if you are turned down for credit based on your credit report, the record can be checked for free.
    d) all credit records are the property of the U.S. Government and access is only available to the FBI and lenders.

2. Which of the following is true about sales tax?
    a) the federal government will deduct it from your paycheck
    b) it makes things more expensive for you to buy
    c) you don't have to pay the tax if your income is very low
    d) the national sales tax percentage rate is 6%

3. If you had a savings account at a bank, which of the following would be correct concerning the interest that you would earn on this account?
    a) earnings from savings account interest would not be taxed
    b) sales tax may be charged on the interest that you earn
    c) income tax may be charged on the interest if your income is high enough
    d) you cannot earn interest until your 18th birthday

4. Which of the following instruments is not typically associated with spending?
    a) ATM (Automated Teller Machine) Card
    b) cash
    c) Certificate of Deposit
    d) credit card

5. Jerry has a good job on the production line of a factory of his hometown. During the past year or two, the state in which Jerry lives has been raising taxes on its business to the point where they are much higher than in neighboring states. What effect is this likely to have on Jerry's job?
    a) he is likely to get a large raise to offset the effect of higher taxes
    b) high business taxes can't have any effect on Jerry's job
    c) higher business taxes will cause more businesses to move into Jerry's state, raising wages
    d) Jerry's company may consider moving to a lower-tax state, threatening Jerry's job

6. Under which of the following circumstances would it be financially beneficial to you to borrow money to buy something now and repay it with future company.
    a) when you really need a two-week vacation
    b) when some clothes you like go on sale
    c) when the interest on the loan is greater than the interest you get on your savings
    d) when you need to buy a car to get a much better paying job

7. If you have caused an accident, which type of automobile insurance would cover damage to your own car?
    a) collision
    b) comprehensive
    c) term
    d) liability

8. Walter must borrow $10,000 to complete his college education. Which of the following would NOT be likely to reduce the finance charge rate?

a) if his parents cosigned the loan
b) if his parents took an additional mortgage on their house for the loan
c) if the loan was insured by the Federal Government
d) if he went to state college rather than a private college

9. Tim and Rebecca just had a baby. They received money as baby gifts and want to put it away for the baby's education. Which of the following is likely to have the highest growth over the next 18 years?

a) a U.S. Government savings bond
b) a checking account
c) a savings bond
d) stocks

10. Many people put aside money to take care of unexpected expenses. If Pedro and Susanna have money put aside for emergencies, in which of the following forms would be of LEAST benefit to them if they needed it right away?

a) checking account
b) savings account
c) stocks
d) invest in a down payment on the house

11. If you are behind in your debt payments and go to a responsible credit counseling service such as the Consumer Credit Counseling Services, what help can they give you?

a) they can force those who lent you money to forgive all your debts
b) they can get the federal government to apply your income taxes to pay off your debts
c) they can cancel and cut up all your credit cards without your permission
d) they can work with those who lent you money to set up a new payment schedule that you can meet.

12. Len has just applied for a credit card. He is an 18 year old high school graduate with few valuable possessions and no credit history. If Len is granted a credit card, which of the following is most likely way that the credit card company will reduce ITS risk?

a) it will charge Len twice the finance rate it charges older credit holders
b) it will require Len to have both parents co-sign for the credit card
c) it will make Len's parents pledge their home to repay Len's credit card debt
d) it will start Len out with a small line of credit to see how he handles the account

13. Jim just found a job with a take home pay of $950 per month. He must pay $400 for rent and $100 for groceries each month. He also spends $100 per month on the transportation. If he budgets $50 each month for clothing, $100 for restaurant and $50 for everything else, how long will it take him to accumulate savings of $750?

a) 5 months
b) 10 months
c) 12 months
d) 15 months

14. Mike has saved $6,000 for his college expenses by working part-time. He plans to start college next year and needs all of the money he saved. Which of the following is the safest place for his college money?

a) locked in his closet at home
b) stocks
c) corporate bonds
d) a bank savings account

15. Many savings programs are protected by the Federal government against loss. Which of the following is not?

a) a Bond issued by one of the 50 States
b) a certificate of Deposit at the bank
c) a U.S. Treasury Bond
d) a U.S. Savings Bond

16. Your take home pay from your job is less than the total amount you earn. Which of the following best describes what is taken out of your total pay?

a) federal income tax, sales tax and social security contribution
b) federal income tax, property tax, and Medicare and social security contributions
c) social security and Medicare contributions
d) federal income tax, social security and Medicare contributions

17. Which of the following types of investments would best be protected the purchasing power of a family's savings in the event of a sudden increase in inflation?

a) a U.S. Government Savings Bond
b) a Certificate of Deposit at a bank
c) a twenty-five year bond
d) a house financed with a fixed rate mortgage

18. If you went to college and earned a four year degree, how much more money could you expect to earn than if you only had a high school diploma?

a) about 10 times as much
b) a lot more, about 70% more
c) a little more about 20% more
d) no more, I would make about the same either way

19. Bob and Cindy are the same age. At age 25, Cindy began saving $2,000 a year while Bob saved nothing. At age 50, Bob realized theat he needed money for retirement and started savings $4,000 per year while Cindy kept saving her $2,000. Now they are both 75 years old. Who has the most money for his or her retirement account?

a) Bob, because he saved more each year
b) they would each have the same amount because they put away exactly the same
c) Cindy, because she has put away more money
d) Cindy, because her money has grown for a longer time at compound interest

20. Which of the following credit card users is likely to pay the GREATEST dollar amount in finance charges per year if they all charge the same amount per year on their cards?

a) Barbara who always pays off their credit card bill in full shortly after she receives it
b) Ellen, who generally pays off her credit card in full, but occasionally will pay the minimum when she is short of cash
c) Nancy, who pays at least the minimum amount each month and more when she has the money.
d) Paul who only pays the minimum amount each month

21. Jack and Ron are young men. Each has a good credit history. They work at the same company and make approximately the same salary. Jack has borrowed $2,500 to buy a car. Ron has borrowed $2,500 to take a foreign vacation. Who is likely to pay the lowest finance charge?

a) they will both pay the same because they have almost identical financial backgrounds
b) Ron will pay less because people who travel overseas are better risks
c) Jack will pay less because the car is collateral for the loan
d) they will both pay the same because the rate is set by law

22. Inflation can cause difficulty in many ways. Which group would have the greatest problem during periods of high inflation?

a) young couples with no children who both work
b) young working couples with children
c) older, working couples saving for retirement
d) older people living on fixed retirement income

23. Which of the following statements is NOT correct about most ATM (Automated Teller Machine) cards?

a) you must have a bank account to have an ATM Card
b) you can generally get cash 24 hours a day
c) you can generally obtain information concerning your back balance at an ATM machine
d) you can get cash anywhere in the world with no fee

24. If your credit card is stolen and a thief runs up a total of $1,000 but you notify the issuer of the credit card as soon as you discover it is missing, how much will you be responsible to pay?

a) none
b) $50
c) $1000
d) $500

25. Retirement income paid by company is called"

a) Social Security
b) rents and Profits
c) 401K
d) pension

26. Wendy works her way through college earning $15,000 per year. After graduation her first job pays $30,000. The total dollar amount Wendy will have to pay in Federal Income Tax in her job will:

a) be lower than when she was in college
b) stay the same as when she was in college
c) go up a little from when she was in college
d) double, at least from when she was in college

27. Which of the following statements is true?

a) your bad loan payment record will not be considered if you apply to another bank for a loan.
b) people have so many loans it is very unlikely that one bank will know your history with another bank.
c) banks and other lenders share the credit history of their borrowers with each other and are likely to know of any loan payments that you have missed
d) if you missed a payment more than 2 years ago, it cannot be considered in a loan decision

28. Which of the following best describes the primary sources of income for most people age 20-35?

a) profits from business
b) dividends & interest
c) rents
d) salaries, wages, tips

29. Heather and Alexis are employed by the same company and earn the same pay. Heather spends her free time taking work-related classes to improve her computer skills; while Alexis spends her free time socializing with friends and working out at a fitness center. After five years what is likely to be true?

a) Alexis will make more because she is more social
b) Heather and Alexis will continue to make the same money

c) Heather will make more money because she is more valuable to her company
d) Alexis will make more because Heather is likely to be laid off

30. If the following persons had the same amount of take-home pay, who would need the greatest amount of life insurance?
a) a young single woman without children
b) an elderly retired man, with a wife that is also retired
c) a young married and without children
d) a young single woman with two young children

31. What is you gender?
a) male
b) female

32. What are your educational plans after high school?
a) no further education is planned
b) attend a 2-year college or junior college
c) attend a 4-year college or university
d) other plans for training or education
e) don't know

33. What is the best estimate of your parents' total income last year? Consider annual income from all sources before taxes?
a) less than $20,000
b) $20,000 to $39,999
c) $40,000 to $79,999
d) $80,000 or more
e) don't know

34. How do you describe yourself?
a) White or Caucasian
b) Black or African American
c) Hispanic American
d) Asian American
e) Native American or American Indian
f) Other

35. What is the highest level of schooling your mother or father completed?
a) neither completed high school
b) completed high school
c) some college
d) college graduate or more than college
e) don't know

36. What type of work do you in intend to do when you finish school?
a) manual work such as truck driver, laborer, farm worker
b) skilled trade such as plumber, electrician
c) service worker such as secretary, food service worker, office worker, police officer, firefighter
d) professional worker such as nurse, computer programmer, lawyer, doctor, teacher, engineer
e) other or don't know

37. When you start to work full time, after you finish your education, how much do you expect to make per year before deductions for taxes and other items?

a) under $15,000
b) $15,000 to $19,999
c) $20,000 to $29,999
d) $30,000
e) Don't know

38. Whose credit card do you use?

a) my own
b) my parents'
c) both my own and my parents'
d) none, I don't use a credit card

39. Do you have an ATM (Automated Teller Machine) card?

a) yes
b) no

40. Which of the following best describes your automobile driving?

a) I don't have a driver's license
b) I have a driver's license but no car in the family that I can drive
c) I drive the family car, which is used bu others, and help pay for the insurance
d) I drive the family car, which is used by others, and don't help pay for the insurance
e) I drive my own car and help pay for the insurance
f) I drive my own car and don't help pay for the insurance

41. How would you describe your employment history?

a) I work full time in the summer and part time in the summer
b) I work full time in the summer and don't work during the school year
c) I work part time in the summers and part time during the school year
d) I have never been formally employed outside the home

42. What kind of bank account do you have?

a) I don't have a bank account
b) I have a savings account but no checking account
c) I have a checking account but no savings account
d) I have both a savings and checking account

43. Which of the following is true about your ownership of stocks and mutual funds (circle all that apply)?

a) I own no stocks or mutual fund
b) I own stock in my own name
c) I own stock in my parents name
d) I own mutual funds in my own name
e) I own mutual funds in my parents' name

44. What is your high school class level?

a) senior
b) junior
c) sophomore
d) freshman

45. Compared to other people your age, how much do you feel you know about managing your money?
    a) more than most
    b) about the same as most
    c) less than most
    d) don't know

46. Where did you learn the most about managing your money?
    a) at home from my family
    b) at school in class
    c) from talking with my friends
    d) from magazines, books, TV and the radio
    e) from experience in managing my own funds

47. Which of the following classes have you had in high school? (Circle as many as apply)
    a) an entire course in money management or personal finance
    b) a portion of a course (at least a week) in money management or personal finance
    c) an entire course in economics
    d) a portion of a course (at least a week) in economics
    e) a class in which we played the Stock Market Game

48. How often did your parents discuss money matters with you or in front of you?
    a) never
    b) rarely
    c) sometimes
    d) often

49. How would you describe the allowance you received when growing up?
    a) I did not receive a regular (weekly or monthly) allowance, I was given money only when I needed it
    b) I received a regular allowance that depended on the completion of some household chores
    c) I received a regular allowance and did not have to perform chores for it.

Appendix B

Research Instruments

Face to Face Interviews
Random Sample of Inmates

1. Age

2. Amount of time incarcerated

3. Any basic knowledge of financial education, budgeting or financial planning?

4. Have you ever had any formal financial classes either with your home district or while incarcerated in the Juvenile Justice Commission?

5. Have you had any type of formal employment where you received a paycheck on money on a consistent basis?

6. Do you have now or have you ever had a bank account? Do you plan to have one in the future?

7. Do you currently have any bills to pay? What do you pay for on a monthly basis? Who pays for your food, clothing and shelter?

8. Have you or any member of your family ever-used public assistance, i.e.: welfare, social security, and food stamps?

9. Who is the role model for financial matters in your home? Who pays the bills? How are they handled? On a weekly, biweekly or monthly basis?

10. Do you have any plans for the future concerning financial matters? What are they?

Appendix C

Research Instruments

Financial Education Masters' Thesis
Rowan University
Record Abstraction Instrument

Number: ___________ Date:___________________________

1. Type of Guardian: (parent, grandparent, foster, group home etc.) __________________
____

2. Any indication of public assistance? ____
   a. If yes what indication? ____
   b. How much time in years or months? ____________________________________

3. Has there been DYFS intervention? ____
   a. length of time____
   b. results of case____

4. Guardian employed?____
   a. full or part time employment? _______________________________________
   b. Anyone else in home employed? ______________________________________

5. Any indication of student employment? ______________________________________

6. Comments: ____
____
____
____
____
____

Appendix D

Definitions

Definitions

Bankruptcy

A voluntary bankruptcy case is a legal proceeding filed by a debtor who seeks relief specifically provided for by a federal law bankruptcy code. The bankruptcy proceedings must be brought in United States District Court and is normally referred to the bankruptcy court for that district. The Bankruptcy Code provides five types of bankruptcies: Chapter 7 for liquidations, Chapter 9 for municipal bankruptcies, Chapter 11 for reorganizations, Chapter 12 for adjustments of debts and family farmers and Chapter 13 for adjustments of debts of an individual with a regular income. These types of bankruptcy are commonly called "chapters" because each type is covered by different chapters of the bankruptcy code.

Core Curriculum Content Standards (CCCS)-

The CCCS represent the knowledge and skills that the New Jersey students are expected to know and be able to do by the time they graduate from high school. The CCCS are an attempt to define the meaning of "thorough" in the context of the State constitutional guarantee that all New Jersey students will receive a "thorough and efficient" education. The CCCS were adopted by the State Board of Education in May 1996, and will be reviewed every five years and revised if necessary.

The CCCS cover seven content areas including language arts literacy, mathematics, science, social studies, visual and performing arts, comprehensive health and physical education and world languages. There are workplace readiness standards that cut across the content areas focusing on career preparation, technology, problem solving, self management, and safety. In each content area, there is a set of standards each followed by a descriptive statement that defines what the standard means and cumulative progress indicators that identify what students must know and be able to do by the end of grades 4,8, 11 and 12 to achieve the standards. (NJ DOE)

Division of Youth and Family Services (DYFS)

The mission of the Division of Youth and Family Services is to protect children, support families, ensure permanency for children and prevent violence and family disruption. Permanency planning guides all intervention with children and families through the timely systematic actions and decisions that ensure the achievement of a safe, stable, permanent home for children.

Juvenile Justice Commission

The New Jersey Juvenile Justice Commission was established to operate State services and sanctions for juveniles involves in the juvenile justice system and for developing a statewide plan for effective provision of juvenile justice services and sanctions at the State, county and local levels; to establish a Stste/Community partnership Grant Program through which the State will provide incentives to county and local governments to encourage the provision of services and sanctions for juveniles adjudicated or charges as deliquent and programs for the prevention of juvenile delinquency.

New Jersey Coalition for Financial Education

The purpose of the coalition is to improve the knowledge of New Jersey citizens, especially high school students, about credit and investing. It also serves to develop user friendly teaching tools that can be easily infused into existing classes. In particular, the group focuses on predatory lending practices and credit rip offs because there a few teaching materials on this topic.

Biographical Data

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