

IN BRIEF

Speaking of Money: *Equipping Youth and Families to Navigate Finances in Their Everyday Lives*

Today's young people enter a financial world vastly different from previous generations. As they enter and move through adulthood young people will be increasingly responsible for saving for their own retirement, medical costs, and other major expenses that are less and less likely to be offered by their employers or the government. In addition, a growing income gap complicates the challenges many youth and families face.

These kinds of issues have led experts to actively promote financial literacy as crucial to young people's futures. They see the case for this education as self-evident. Yet a number of concerns have been raised about the field, which point toward the need for new strategies that can help to address the underlying issues. These concerns include:

- limited evidence of program effectiveness in having a lasting impact on student knowledge or financial behaviors
- a persistent myth that financial knowledge is a primary driver of financial decisions, given that so many psychological and other factors play major roles in choices
- the danger of "blaming the victim" by putting primary or sole responsibility on the individuals for their financial situation

- the limited relevance of the core content of many financial literacy programs, particularly for low-income youth and families
- questions about whether to focus on financial "literacy" or financial "capability"

Innovative efforts are needed to strengthen the supports and educational opportunities available to equip children, youth, and families to navigate these issues. Here are five recommendations:

- Link youth development and financial literacy. Many Developmental Assets® likely contribute to youth making better financial choices.
- Offer relevant, engaging content that addresses specific money-related challenges that the students are facing.
- Focus on engaging marginalized populations in ways that are relevant and empowering.
- Provide opportunities to think critically about money and finances in their own lives.
- Emphasize shared responsibility that includes distinct and complementary roles and expectations for schools, families, youth organizations, and communities.

Equipping children, youth, and families to navigate the everyday world of money requires more than knowledge of financial-related terms. It requires intentional efforts to help people in communities with practical knowledge and support as they work through the day-to-day challenges of managing their money. Linking these money issues to the broader context of their development and their day-to-day lives presents opportunities for learning, growth, and responsibility that will not only strengthen their financial capabilities, but will help them thrive.



Search Institute and Capital One designed Bank It, a free financial literacy program that focuses on helping youth and parents become more comfortable talking about money and understanding basic financial principles that they can use in their everyday lives. All Bank It workshop materials may be downloaded at no cost from www.bankit.com.