

Adolescent Health Issue Brief

Promoting Teen Health Through Financial Literacy

Program Contact:
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Background

The Administration for Children and Families provides funding for the Personal Responsibility Education Program (PREP). The goal of PREP is to prepare teens for adulthood by offering programs with proven positive outcomes in counties with high teen birth rates.

Overview of the Got Money! Conference

The Got Money! Conference was collaboratively designed by Asset Builders and the Wisconsin Medical College in 2010 as part of PREP. Asset Builders is a Wisconsin based nonprofit organization that promotes financial literacy through a variety of programs. The mission of Asset Builders is to enhance the quality of life and self-determination of low and moderate income youth, families, and communities through financial education and wealth-building strategies.

The Got Money! conferences received a Governor's Financial Literacy award in 2014 for excellence and innovation in programming and build on established financial literacy efforts of the Governors' Council Committee on Financial Literacy, the Department of Financial Institutions, and the Jumpstart Coalition. The Jumpstart Coalition is a national coalition composed of representatives from businesses, government agencies, financial institutions, and education organizations.

The Got Money! conferences teach important finance lessons to about 500 youth each year. While each conference is different, the typical format includes busing 125 high school or middle school students to a nearby community college or neighborhood center for a half-day field trip with three to four breakout sessions. Asset Builders and partner agency staff choose from seven engaging and youth-friendly classes that are taught by PREP agency staff, Asset Builders, and local financial experts.

Key Concepts taught at Got Money! Conferences:

- Establishing a good credit record by paying bills on time.
- Knowing the power of compound interest.
- Knowing the formula for calculating net worth and knowing why net worth is a true measure of wealth.
- Knowing the importance of having a household budget and how to start making a budget.
- Understanding the importance of having an account with a bank or credit union.

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Research on the Importance of a Strong Financial Education

In 2016, Asset Builders authored a report for the PREP program called "Economic Literacy as part of the Adolescent Health and Wealth Education Program Report," which explored the connection between financial literacy, wealth, and health.

The report looked at the number of families living in poverty using the official poverty measure calculated by the U.S. Census Bureau.⁴ The current definition is \$24,000/year for a family of four.⁴ According to the Wisconsin Council on Children and Families, over a quarter of a million children grow up in poverty in Wisconsin, which is about one in every five children.⁴ This rate was even higher for Milwaukee County, where one in three, or 32% of the youth, live in poverty. The 2015 Annie E. Casey Kids Count Data Book substantiates the Council's data by pointing out that child poverty rates are increasing in Wisconsin, as they are nationally.⁴

The report also included a literature search to identify factors to substantiate the axiom that wealthy people are healthier. One of the articles cited in the report is "*Disparities in Health Care for Minorities: An Ecological Perspective.*"³ Here the article author, Jeanette E. South Paul stressed that the reasons for the association between wealth and health are that wealthier people³:

- Live in areas where healthier food is more readily available.
- Have access to better education, including health-related education.
- Have access to preventive medical care because of insurance coverage and income to pay for medical care.
- Have access to infrastructures that facilitate healthy lifestyles such as exercise facilities and walkable neighborhoods.

Recognizing the links between financial literacy, wealth, and health, Asset Builders has focused efforts primarily on low income youth living in high poverty communities. The hope and expectation is that the Got Money! Conferences will not only improve the financial wellbeing of these youth, but also their current and future health outcomes.

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Engaging Teens as Leaders

PREP has adopted the motto “nothing for us, without us,” when it comes to engaging the teens served by the program. As of 2016, PREP is developing youth leaders through the Youth Advocates for Health program. The Youth Advocates for Health group includes 15 teens ages 12-21 representing eight counties. Teen Health Advocates review program content and advise sub-recipient programs on how to better engage teens. PREP works to cultivate youth on many levels, basing curricula, activities, and conferences on the Social Learning Theory and the Positive Youth Development framework. The Got Money! conferences provide one example of how these two approaches combine to spark youths’ interest in their own human capital.

Test Your Financial Literacy IQ

This test is an example of an activity youth participate in during the Got Money! conferences:

Circle either True or False for each statement below.

- | | | |
|-------------------------------------------------------------------------------------------|------|-------|
| 1. Income and wealth are essentially the same thing. | True | False |
| 2. Normally a car is an appreciating asset. | True | False |
| 3. A mortgage is an asset. | True | False |
| 4. Your credit report is kept at the city clerk’s office. | True | False |
| 5. The rule of 72 tells you how long your savings will last into retirement. | True | False |
| 6. Bonds are more risky than stocks and therefore normally yield a higher rate of return. | True | False |

Answer Key: 1F, 2F, 3F, 4F, 5F, 6F

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Evaluating the Impacts of the Got Money! Conference

In the first four years of PREP, the Got Money! conference was successfully implemented 24 times in three cities and reached over 3,713 Wisconsin youth. **Below are the key findings from the student feedback forms and evaluations:**

- Students gained an understanding that opening a savings or checking account was one of the most important things they can do to advance their financial future.
- Students learned that investing and entrepreneurship are two important avenues for building wealth.
- Students reported learning that it is important to begin saving early (at a young age) and that it is important to have a good credit score.
- Students indicated that they enjoyed the door prizes and interactive games.
- Students indicated that they would like these topics addressed: buying and maintaining a car, how to earn money, and developing a Plan B when Plan A doesn't work out.
- Students reported acquiring their knowledge regarding financial matters from their parents, schools, and other family members, and less so from television, friends, or on their own.
- Students overwhelmingly indicated that they enjoyed the Got Money! conferences and would recommend that their peers attend if given the chance.

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1. Robert Wynn (2016) Economic Literacy as part of the Adolescent Health and Wealth Education Program Report. Asset Builders
 2. Wisconsin's Model for Personal Financial Literacy Standards, Wisconsin Department of Public Instruction. Dpi.wi.gov/finance/standards
 3. Jeannette E. South-Paul's, Disparities in Health Care for Minorities: An Ecological Perspective, pages 209—225
 4. Annie E. Casey Foundation "Kids Count" Data Book Annual Report on How Children are Fairing in the United States 2015
 5. Wisconsin Council on Children and Families, WisKids Policy Brief, page 6 Fall 2013
http://www.wccf.org/assets/child_poverty_in_WI.pdf
 6. Urban Initiatives Brief, How Are Income and Wealth Linked to Health and Longevity? www.Urban.org
 7. Schiller, J. S., J. W. Lucas, and J. A. Peregoy. (2012) Summary Health Statistics for U.S. Adults: National Health Interview Survey, 2011."



WISCONSIN DEPARTMENT
of
HEALTH SERVICES

Division of Public Health
P-01766D (05/2020)