

Financial Literacy and Curriculum: A Comparative Study of the United States and China

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INTRODUCTION

- As the global financial market has grown, it is critical to achieving better educational attainment and financial literacy competence for enhancing overall life quality (Lusardi & Mitchell, 2014).
- Financial literacy is defined as “a combination of awareness, knowledge, skill, attitude, and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing” (OECD, 2018).
- Previous studies have investigated reasons for people’s low-level of financial knowledge and ways of effective teaching on financial literacy (Chen & Volpe, 1998; Lusardi & Mitchell, 2007; Shim et al., 2010).
- A growing number of countries are planning or teaching financial education in school, either through the curriculum or through pilot programs. Yet, scant previous evidence using international data to analyze differences in financial literacy across countries, especially addressing the implementation and effectiveness of financial education at school.
- In 2015 results, while Chinese students (from Beijing, Shanghai, Jiangsu, and Guangdong, B-S-J-G) showed the highest average score among participant countries, American students stayed around the international average. What makes such differences? Whether financial curriculum at school is one of the keys?

RESEARCH QUESTIONS

- How has financial literacy been taught in schools in the United States and China?
- What are teachers’ perceptions of the current needs and gaps in financial literacy education?

METHODS

Qualitative Inquiry: Interpretive tradition

We conducted in-depth interviews that lasted 60 minutes with three teachers (two from the United States and one from China). During the interview, we investigated what curriculums and materials are used and how they organize financial education classes. For data analysis, we conducted the first round of open coding and further rounded coding to synthesize similar patterns and find emerged themes. And we collected and analyzed relevant artifacts regarding lesson materials and online resources that participants provided.

Limitations:

- Difficulty in recruiting high school teachers having experiences in financial education in both countries.
- We were supposed to use the 2018 PISA financial literacy data for conducting quantitative analysis. But, due to the delay of data release, we used the 2015 data to show two countries' score comparison briefly. Since it did not include items that we care for the most, we are planning further data analysis once 2018 PISA data releases.

RESULTS

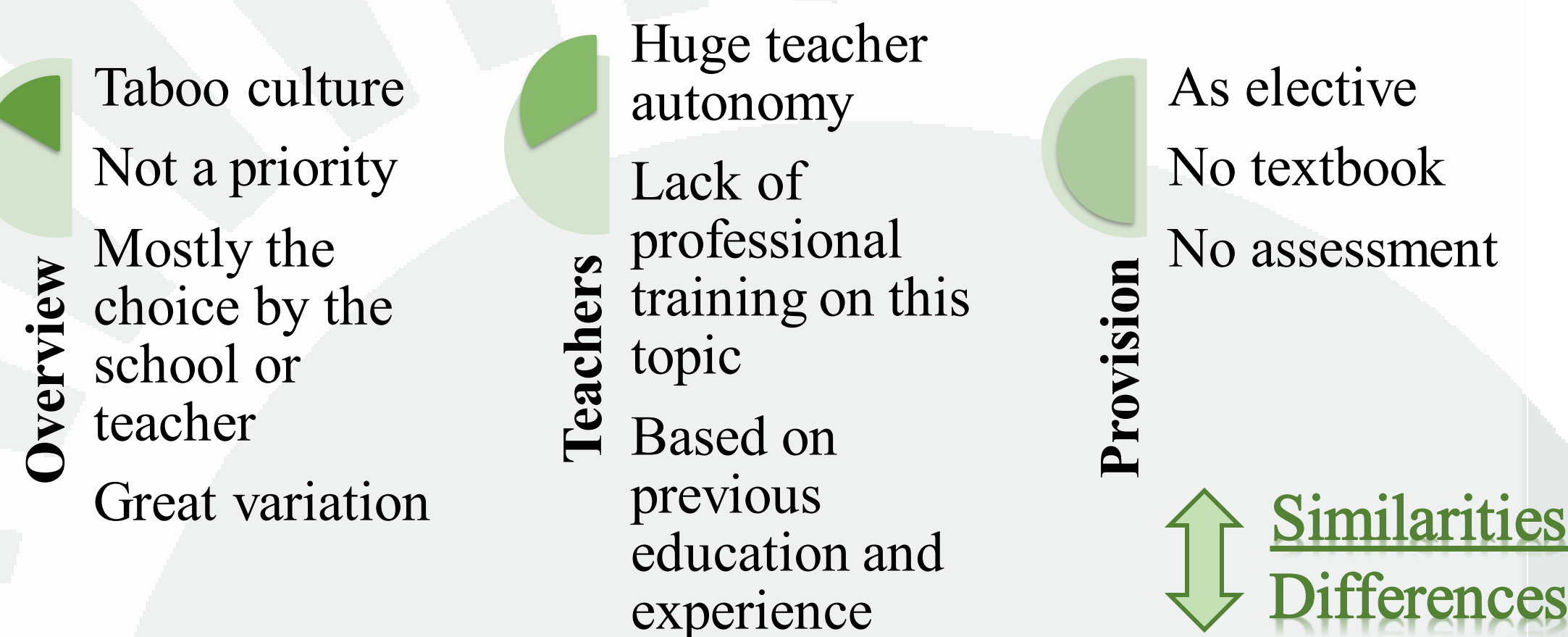
PISA 2015 TELLS US

	UNITED STATES	OECD AVERAGE	B-S-J-G (CHINA)
MEAN SCORE	487	489	566

When asking “Have you ever learned how to manage your money in a course?”

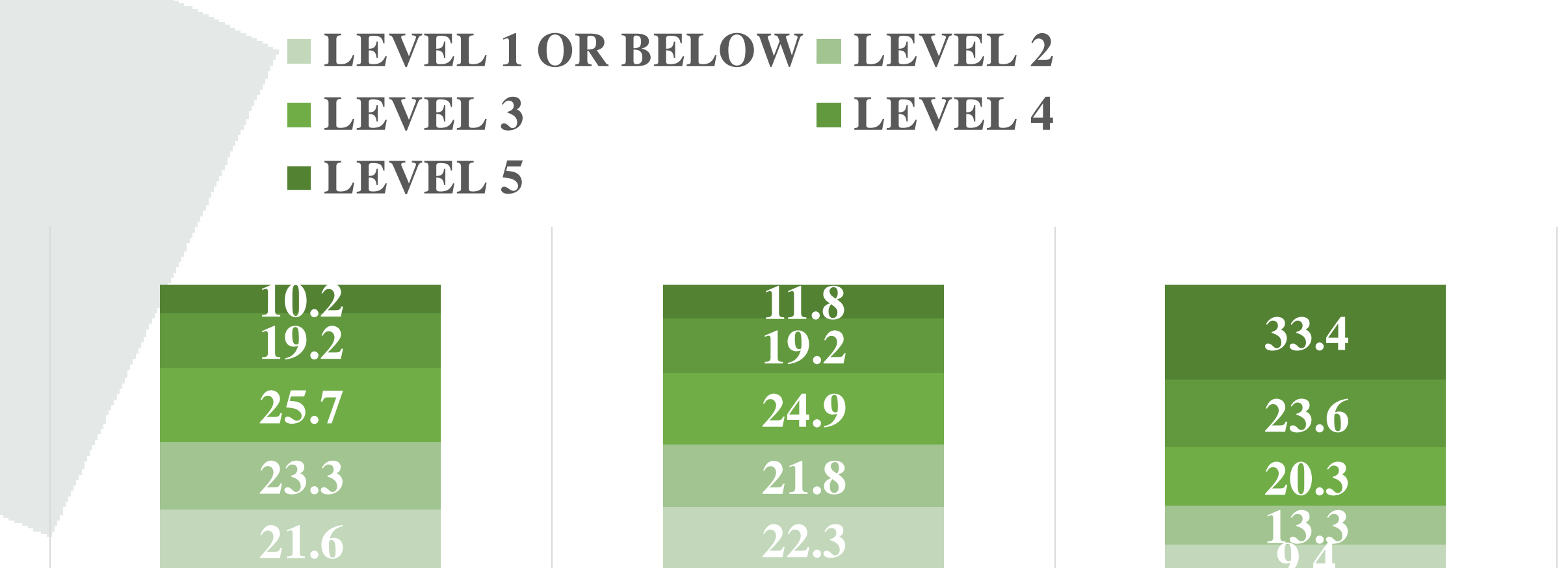
- Nearly double the United States participants claimed they took such courses, as compared to the Chinese participants.
- More than half of the United States participants said they took such course as an activity outside school.

THE INTERVIEWS TELL US



	United States	China
OVERVIEW	<ul style="list-style-type: none"> National, but only standard Vary at the state and district level 	<ul style="list-style-type: none"> Implementation Suggestion Flexibility at the school and regional level
CLASS TYPE	<ul style="list-style-type: none"> Typical incorporated in Economics course Personal Finance Course (elective) Depending on schools, the serving grades vary. 	<ul style="list-style-type: none"> Politics Course <ul style="list-style-type: none"> as part of the popularization of knowledge about the market economy School-based Course (elective, provided by organizations outside of schools)
RESOURCE	<ul style="list-style-type: none"> Online materials <ul style="list-style-type: none"> (Dave Ramsey, NEFE, Khan Academy, Next Gen Personal Finance) Active online communities 	<ul style="list-style-type: none"> Cooperated with non-profit organizations and universities Pilot schoolteacher communities governed by government institutes
HINDRANCE	<ul style="list-style-type: none"> Messy materials from different organizations 	<ul style="list-style-type: none"> Ambiguity of curriculum definition

% OF STUDENTS AT EACH LEVEL OF PROFICIENCY IN FINANCIAL LITERACY



UNITED STATES OECD AVERAGE - 10 B-S-J-G (CHINA)

DISCUSSION

- We find more similarities than differences in financial education at schools in these two countries
 - Although both countries’ participants agree with the significance of financial literacy, it still stays as an elective course, not a requirement due to a lack of consensus of this education priority among schools, parents, society.
 - Students have limited (or none) exposure because most schools provide personal finance courses as electives. Money-management topics may be covered as part of the required Economics or Politics courses but depends on teachers.
 - Teachers spend overtime hours to learn, find resources, and prepare for courses since they heavily relied on college education, personal experiences, online materials, and external organization programs, not on continuous and systematic professional development.
 - Due to taboo culture, which people tend to avoid money talk, young people have lost chances to learn financial literacy knowledge.
- Views towards the OECD PISA financial literacy assessment of students:
 - May not be that comparable due to the sampling bias (e.g., students in the most well-developed areas in China vs. overall US students)
 - Most 15-years-old students in the United States and China don't care or have exposure to financial knowledge.
- SUGGESTIONS for how to promote student's financial literacy competency through financial education at school:
 - Starting financial education at school as early as possible.
 - Providing regular, periodical courses.
 - Having assessments on both financial attitudes and knowledge.
 - Guiding effective internet researching and information filtering.
 - Constructing social consensus regarding financial education's significance may be more critical than advancing the curriculum.

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We are happy to hear from you. Please feel free to contact us through ohyujin2@msu.edu or lijawei@msu.edu. Thanks for your time and attention!