

## Research Proves Financial Education Works



*Financial education that starts early and is repeated is key to success*

**LAKE FOREST, IL, April 11, 2017** — An important study released in the Spring issue of *The Journal of Private Enterprise* confirms that elementary school students as young as third grade are not only able to understand key concepts about finance and economics, they're eager to.

Many parents think teaching young kids about money is beyond a child's ability to grasp. It is a common misconception that children don't understand money, but it simply isn't true and this new [research](#) backs that up.

The study, conducted by Mark Schug, Ph.D., a nationally recognized financial and economic education scholar and his colleagues Mary Suiter Ph.D., at the Federal Reserve Bank of St. Louis, and Eric Hagedorn, Ph.D., at University School of Milwaukee and formerly at the University of Texas El Paso, tested over 2,500 Chicago area third graders before and after they completed a six-week financial literacy course. Until now, there has been little documented research that measures financial literacy in young children.

The groundbreaking study, "[A Collaborative Approach to Financial Literacy in the Chicago Public Schools](#)," confirms what financial experts have been saying since the 1960s: young children can – and want to – learn about money. In fact, the 2,500 third graders' attitudes and knowledge about money improved significantly after completing the lessons. Schug and colleagues reported that teachers liked it, parents liked it, and more importantly, the kids ate it up.

*"... our effort reveals that children can make progress toward becoming financially literate. This finding is important. We would never expect adults to be competent at reading or mathematics if those subjects were not introduced early and repeated regularly in the school curriculum. In the same way, economic and financial education ought to start early and be repeated often. We have evidence that children across grades K–8 can make gains in their economic and financial understanding. All we need to do is teach them."* (Mark Schug, Ph.D.)

The study, conducted using a curriculum developed by [Money Savvy Generation](#) that has been used in Chicago Public Elementary Schools for eight years, focuses on four core components of financial literacy -- Save, Spend, Donate, Invest -- then teaches goal-setting skills around each one. To give the lessons a personal context, each student is given a [Money Savvy Pig](#) piggy bank with four separate slots (one for each category) so they can put what they learn into practice, in their own homes, right away.



Sound complicated? Not to these third graders. Many children start to receive money at a young age in the form of gifts or allowance. They know they can save their money, and they know they can spend it. But according to the study, young children are ready to learn so much more.

“Anything worth teaching our kids is worth teaching more than once – and shaping money behavior is easier than changing money behavior,” explains Susan Beacham, CEO and Co-Founder of Money Savvy Generation, developer of the curriculum used in the study.

One teacher who participated in the study had this to say:

*“I’ve been working with this program for years & have seen children’s attitudes about spending change. Students used to have to spend their money at the ice cream cart man every day, now you can actually see children saving for what they want. I love it when they realize that saving their dollar can add up to buying something else like a book that they want. It starts small, but grows.”*  
(Palmer Elementary)

Young children can – and want to – learn about money. But how young is young? According to Dr. David Whitebread and Dr. Sue Bingham, co-authors of “Habit Formation and Learning in Young Children” (University of Cambridge, May, 2013), children start forming habits and ideas about money by age seven.

That doesn’t mean that your teenager is out of luck. It just means there’s no good reason to put off financial education. When we start children early on the road to becoming smart money-managing adults, everyone wins.

### **About Money Savvy Generation**

Money Savvy Generation (<http://www.msgen.com>) is an award-winning and nationally recognized authority in the field of financial literacy for children. They develop fun, educational programs, books and curriculum, as well as innovative hands-on products to help parents, educators and others teach kids the critical life skills of basic personal finance. The company was co-founded by financial education entrepreneurs Susan and Michael Beacham in 1999. Money Savvy Generation’s most well-known invention is the beloved [Money Savvy Pig](#), a 21st century piggy bank that teaches kids about money choice and how to set goals for those money choices. Money Savvy Generation solutions have appeared on Dr. Phil and have been featured in numerous print outlets, including *The New York Times*, *Time*, *The Washington Post* and *The Wall Street Journal*.

Melinda Voelcker  
Money Savvy Generation  
[Melinda@msgen.com](mailto:Melinda@msgen.com)  
847-234-9477 x203

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