



Financial Literacy Micro-Credentials

Introduction

In collaboration with Digital Promise, with support from PwC USA, the Global Financial Literacy Excellence Center (GFLEC) created twenty financial literacy micro-credentials to support professional development of personal finance educators. Since the inception of this micro-credentialing program in 2016, GFLEC has awarded a total of just nine micro-credentials. To investigate the challenges that have prevented a higher take-up rate of these micro-credentials, GFLEC conducted a qualitative assessment using interviews, surveys, and virtual discussion groups with a total of 30 educators from different states throughout the U.S. Findings from this analysis show that micro-credentialing provides a unique opportunity for teachers to gain additional skills in personal finance. However, maintaining up-to-date resources, providing support, and accessing the correct distribution channels are critical for its success. As financial education continues to be integrated into school curricula, providing high-quality professional development opportunities that meet the needs of teachers will be important to ensuring effective financial education.

Methodology

The twenty micro-credentials were posted on the GFLEC and Digital Promise website in 2016. Numerous marketing campaigns were conducted at key points in the school year to help disseminate information about the micro-credentials. While these marketing efforts have helped increase awareness, engagement has remained relatively low as only nine teachers have been awarded a micro-credential. To understand the factors that have contributed to this low take-up rate, GFLEC conducted an assessment to explore the strengths and limitations of the micro-credentialing program. As part of the assessment, we considered the challenges associated with teaching and implementing personal finance within the broader financial education landscape. The assessment provides a more comprehensive understanding of the challenges facing personal finance teachers currently and the role that micro-credentialing, given its strengths and limitations, may play in helping promote financial education.

The assessment was conducted with a total of thirty teachers; seventeen participated in in-depth interviews and thirteen participated in focus group discussions. Ten of the thirty teachers also participated in a survey. We interviewed individuals from states throughout the U.S. that have varying financial education requirements. Moreover, participating teachers had different backgrounds and levels of experience, which allowed for a more diverse sample and therefore a more comprehensive analysis.

Analysis

Teaching personal finance

Since the financial literacy micro-credentials were initially released in 2016, more states and districts have passed legislation to promote personal finance as part of their regular curricula.

The result is that more students have access to financial education and the opportunity to build a foundation of financial knowledge. However, our assessment found that it has also resulted in new challenges. In states or districts that require personal finance courses, more teachers without proper experience or training in the subject matter are being asked to teach personal finance concepts. Moreover, it is common for these requirements to be unfunded, further limiting a district's capacity to train teachers or hire dedicated and experienced educators with subject matter expertise. Challenges also exist in states and districts that have yet to pass financial education requirements. Educators who teach personal finance—whether as a dedicated course or as part of another subject—often feel professionally isolated; they lack avenues through which they can connect with other personal finance teachers to share ideas and teaching strategies. There is also a lack of consistency in how and when financial education is taught. Some states have opted to implement personal finance through a semester-long required high school course. Others have integrated personal finance concepts within a math or civics course. This variation provides students with a variety of opportunities to access financial education but results in inconsistency in the quality of financial education across states, districts, and even schools.

Another important finding from our assessment is that despite the increase in personal finance courses in schools and the availability of free curricular materials, many teachers lack confidence in their ability to effectively teach the subject matter. This result from our assessment is supported by a previous report, which showed that teachers lack confidence in their ability to deliver financial education.¹ This report also showed that professional development could improve the motivation and confidence of personal finance teachers. However, through our assessment of the micro-credentials we found that professional development must be well implemented to be successful. It should provide tangible skills that teachers can easily apply in their classrooms and opportunities to engage with a professional support network.

Strengths of the micro-credentials

The financial literacy micro-credentialing program provides a unique opportunity for teachers to earn credit that may be applied to continuing education requirements or to enhancing skills in personal financial instruction. Our assessment found that teachers were generally positive about the financial literacy micro-credentials since they provide a professional benefit without an onerous time commitment. The free, online availability of this resource allows teachers to access and apply for a micro-credential when it is most convenient for them. Additionally, having the flexibility to choose among the twenty available micro-credentials gives teachers the opportunity to select topics that are most relevant to their students.

Each micro-credential module focuses on a specific personal finance topic and an accompanying pedagogical approach. This format provides teachers with information on what to teach as well

¹ *Raising Awareness of the Importance of Personal Finance in School: New Insights*. GFLEC Insights Report, May 2019.

as how to teach it. Much of this information can then be applied to the teaching of other personal finance topics. Lesson plans include supporting research and suggest implementation that is open ended and allows for teachers to expand or adapt instruction as needed. The benefit of this open-ended approach is that it flexibly suits different needs and requires teachers to do some of their own research into the topic, therefore gaining more knowledge. We found that experienced personal finance educators were more likely to understand and appreciate the format of the financial literacy micro-credentials than those who were less experienced.

Overall micro-credentials in the field of personal finance are not commonly available. GFLEC's financial literacy micro-credentials fill a need for more professional development and teacher training. However, due to the limited availability of micro-credentials, awareness about the program remains limited. Awareness has increased as a result of marketing campaigns and publicity at conferences. In a recent report from the State Treasury of Rhode Island, GFLEC's micro-credentialing program was highlighted as being of high quality.² However, we found that while some of the teachers in our assessment had heard of the micro-credentials, many were still not clear on the application process or how they would benefit from the program. To explore this challenge further we walked teachers through the application process to understand what elements were most challenging. We found that the requirements to apply for a micro-credential, such as providing two written reflections from students, were not overly burdensome to teachers. Teachers within our assessment stated they were likely to already have those materials, whether or not they were planning to apply for a micro-credential. Therefore, what prevented many teachers from applying was not the requirements for submission but a lack of clear instruction on how to submit the requirements.

Limitations of the micro-credentials

In the three years that the financial literacy micro-credentials have been available, only ten educators have applied and only nine micro-credentials have been awarded. The low number of applicants that GFLEC has received is due to several limitations and challenges of the program. One of the largest limitations we found was that educators were unclear about how they would benefit from being awarded a micro-credential, as that benefit varies widely from state to state and from year to year. Micro-credentials can equate to continuing education credits in some states but not in others. This lack of uniformity and clarity is a barrier to engagement with the micro-credentialing program. While micro-credentialing programs give teachers a unique and convenient opportunity to enhance their skills at no cost, stronger relationships between state departments of education and credentialing organizations is needed in order to establish clear and sustainable benefits.

Another limitation we found was that though the online format provided flexibility, it did not allow for the sharing and exchanging of ideas among participating teachers. The teachers we

² *Fallen Behind: Rhode Island's Personal Finance Crisis and the Urgent Need for Stronger Personal Finance Education in Public Schools*. State of Rhode Island Office of the General Treasurer, December 2018.

interviewed noted value in professional development programs or courses that provide networks of professional support, something that is not available through the current micro-credentialing format.

Micro-Credentials and the Future of Financial Education

School-based financial education has been gaining momentum as more state policy makers and school administrators are prioritizing it within the high school curricula. Some states, such as New Jersey, have even expanded personal finance instruction into middle schools. However, many challenges around the implementation of effective financial education remain. One of the largest challenges is ensuring teachers feel well-equipped and confident in their ability to teach personal finance. Micro-credentials can play a role in overcoming this challenge. Most of the teachers we interviewed liked the idea of micro-credentialing and recognized its professional development value but questioned implementation methods. In order for financial literacy micro-credentialing programs to meet teachers' needs, the format needs to adapt to the ever-changing landscape of education in general, and financial education in particular.

Online credentialing programs provide flexibility but could be further enhanced with in-person support. Additionally, these programs should leverage existing and build new relationships with educational organizations, such as state departments of education. Lack of funding is a major limitation faced by education organizations; free micro-credentialing options therefore can be of fiscal and educational value. However, clear communication about the benefit of micro-credentials is necessary to a program's success. A strong relationship with a state department of education may also facilitate professional support networks. Having teachers go through a micro-credentialing program together could provide networking benefits that augment the knowledge gain. Finally, leveraging the reputations of these organizations can help with marketing and dissemination efforts. We found that information that comes from a trusted source, such as a principal or well-regarded financial education organization, is more likely to be used.

Conclusion

Professional development opportunities for school-based financial education remain limited. Micro-credentials have the potential to fill a gap with a no-cost, flexible option that enables teachers to improve their skills and enhance their careers. However, special attention should be paid to the implementation of micro-credentialing programs for personal finance since school-based financial education can be implemented in many ways. Moreover, personal finance concepts can change quickly, and the resources made available through micro-credentialing programs need to be kept up to date. Given the unique landscape of personal finance, organizations that seek to create micro-credentialing programs should ensure that the benefit to teachers is clear, relationships to state education organizations are strong, and channels for marketing are sustainable.

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