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The Effects of Me and My City on Primary School Students' Financial Knowledge and Behavior

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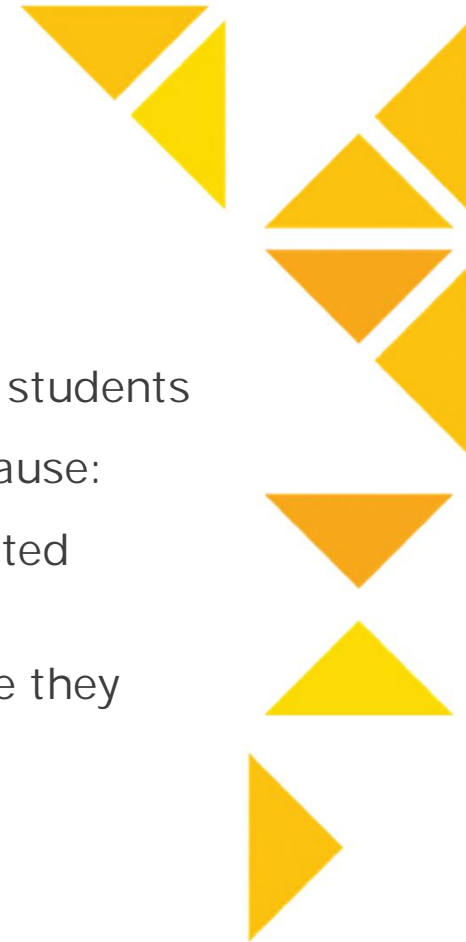
GFLEC, George Washington University



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Economic Education for Primary School Students

- ▶ I present an evaluation of experiential learning methods for primary school students
- ▶ Primary school students are an interesting, though challenging, group because:
- ▶ They encounter limited economic decision-making situations and have limited previous exposure to economic education
- ▶ However, habits of saving can be acquired early and there is some evidence they persist into adulthood (Brown and Taylor, 2015)
- ▶ The entire cohort can be still reached at school





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Learning environment "Me and My City"

- ▶ Inspired by the JA BizTown
- ▶ Two parts: classroom work of 10 hours and visit to the physical learning environment
- ▶ Students are assigned to companies they work for
- ▶ Different roles: CEOs and other roles
- ▶ B2B transactions, consumers in spare time
- ▶ Virtual transactions with payment cards
- ▶ Role play not entirely free, but follows a script





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Me and My City: continued

- ▶ The cities are run both by program employees and university student volunteers
- ▶ Funding for the program comes from the public sector, private foundations, and private companies
- ▶ In less than 10 years, the program has achieved national coverage





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Study design

- ▶ Evaluation of the learning environment
- ▶ Dependent variables are economic knowledge and reported savings behavior
- ▶ This is analyzed by using two surveys, a pre-test (before the learning environment takes place) and post-test (after it has taken place)
- ▶ The two surveys can be matched at the student level
- ▶ The aim of the study is to investigate whether economic knowledge and saving behavior improve after the learning environment has been completed





Study design, continued

- ▶ Primary schools were contacted in five Finnish towns: around one half of the contacted schools agreed to participate (in Helsinki, less than that)
- ▶ Teacher and parental consent asked as well
- ▶ No control group because of technical difficulties: all schools in participating municipalities participate in the program
- ▶ Classes took place in different municipalities in different times: it is thus possible to exploit time variation in responses to rule out some alternative explanations (e.g. general maturing)
- ▶ Survey conducted via the internet
- ▶ Knowledge score based on 20 questions
- ▶ Savings score based on three questions
- ▶ Questionnaire the same in pre- and post-tests
- ▶ Sample of 902 primary school pupils taking place in both pre- and post-tests





An example of a question

- ▶ *John saves on a bank account. The compensation paid on his savings account is called*
- ▶ Wage
- ▶ Credit
- ▶ Interest
- ▶ I do not know





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Another example

Library is a public service. How are its costs covered?

- ▶ The users of the library pay for the service proportionally to the amount they borrow books.
- ▶ By donations made by rich people.
- ▶ From tax revenues
- ▶ I do not know





Results concerning economic knowledge

	Pre-test	Post-test	T-value of the difference
Kuopio (N=149)	11.85 (2.89)	13.40 (2.98)	4.56***
Helsinki (N=182)	10.90 (2.96)	13.09 (2.87)	7.35***
Mikkeli (N=160)	11.65 (2.82)	14.03 (2.87)	7.98***
Joensuu (N=160)	11.78 (2.89)	13.66 (3.32)	5.40***
Seinäjoki (N=220)	11.70 (2.85)	13.42 (2.86)	6.32***
Entire sample (N=902)	11.56 (2.90)	13.51 (2.98)	14.12***



Results concerning savings behavior

	Pre-test	Post-test
Which of the following describes best your attitudes towards money?		
- I save for the future	56.2%	56.7%
Do you save for specific goal?		
- Yes	53.3%	53.4%
When you receive money from your parents, how often do you save part of it?		
Most of the time or always	67.5%	71.1%
Sum of the 3 items	1.75	1.79



Regression results

Variable	Knowledge score	Knowledge score	Knowledge score	Savings index	Savings index
Post-test	1.562** (0.605)	1.636*** (0.562)	1.330** (0.551)	-0.126 (0.185)	-0.193 (0.182)
Boy		0.0119 (0.166)	0.00167 (0.159)	0.0821 (0.0558)	0.0820 (0.0553)
Rural school		0.382* (0.206)	0.328* (0.196)	0.0907 (0.0674)	0.0743 (0.0670)
CEO		1.079*** (0.194)	0.982*** (0.188)	0.0973 (0.0663)	0.0479 (0.0670)
CEO*Post-test		0.126 (0.196)	0.151 (0.199)	0.0523 (0.0662)	0.0447 (0.0649)
Has a bank account			0.798*** (0.173)	0.0964* (0.0572)	0.0563 (0.0573)
Plans ahead			1.424*** (0.185)	0.240*** (0.0598)	0.168*** (0.0594)
Knowledge score					0.0503*** (0.0091)
Constant	9.572*** (0.297)	9.167*** (0.333)	7.684*** (0.365)	1.413*** (0.140)	1.027*** (0.157)
Number of observations	1,803	1,803	1,803	1,803	1,803
R-square	0.115	0.150	0.205	0.029	0.049





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Questions about the perceptions of the program

- ▶ Did Me and My City increase your interest towards economic issues?
- ▶ Did you learn during Me and My City useful skills to manage your personal finances and succeed in work life?
- ▶ Did Me and My City increase your interest in saving money?





Student perceptions

Option	Increase in interest in economic issues	Learned useful skills	Increase in interest in saving money
Not at all / do not know	15.5	7.7	24.4
Yes, somewhat	51.9	47.5	45.1
Yes, a lot	32.9	44.8	30.5





Results related to student perceptions

- ▶ Dependent variables: difference in economic knowledge / savings behavior (other coefficient omitted)

	Difference in economic knowledge	Difference in savings behavior
Increase in interest in economics: somewhat	0.82** (0.34)	
Increase in interest in economics: a lot	1.00*** (0.36)	
Increase in interest in saving money: somewhat		0.11 (0.08)
Increase in interest in saving money: a lot		0.23** (0.09)
R2	0.04	0.02



Conclusions

- ▶ Me and My City learning environment is associated with an increase in financial knowledge
- ▶ No evidence of increase of reported savings behavior on average
- ▶ For students perceiving an increase an interest in savings an increase in reported saving behavior appears
- ▶ The experiential learning program seems to be well suited for young students with limited prior exposure on economic issues
- ▶ Longitudinal evidence would be needed

