

IMPACT

University of Idaho
Extension

Madison County, 208.359.6216, Fax: 208.359.3286
134 E. Main St., Rexburg, ID 83440

Northwest youth financial literacy program partnership

AT A GLANCE

University of Idaho Extension partners with Northwest Farm Credit Services and CoBank to expand youth financial literacy programs throughout Idaho and the Northwest.

The Situation

While the issue of youth financial literacy has gained attention among many decision makers in recent years, youth continue to face complex challenges that too often prevent them from achieving financial success. For example, the level of national student loan debt surpassed the national credit card debt of \$826.5 billion in June 2010 and is estimated at nearly \$1.2 trillion dollars today. Currently, student loans are the second largest form of consumer debt behind home mortgages.

Credit scores and proper use of credit also play a major role in the financial success of today's youth. Poor credit scores can lead to higher interest rates costing youth hundreds of dollars extra a month. For example, having a credit score of 720 vs 760 costs approximately \$100 extra a month, while a score of 640 vs 760 can cost up to \$600 extra a month. Learning proper use of credit could help youth build respectable credit scores, which could save them substantially in terms of time and money. Such savings could potentially be used to pay down existing debts including student loans creating even further savings in interest payments and improving the long-term financial situation for young adults.

While the need for improved financial knowledge and behavior among youth is ever increasing, some studies have indicated that financial education is not having the necessary impact to produce such changes



Erickson and Hansen delivered "Credit Score Millionaire" to over 700 FFA students at the Spokane Ag Expo in February 2014.

(Mandell, 2006; Peng, Bartholomae, and Cravener, 2007). Some reports are suggesting that certain elements such as program quality are missing in many youth financial literacy efforts (McCormick, 2009).

Our Response

University of Idaho Extension Educators Luke Erickson and Lyle Hansen partnered with University of Idaho 4-H State Director Jim Lindstrom and Senior Director of Advancement Kim O'Neill to develop a funding proposal to expand quality youth financial literacy programming throughout Idaho and the Northwest. The proposal led to the development of a partnership between the University of Idaho, Northwest Farm Credit Services, and CoBank. Northwest Farm Credit Services committed \$280,000 to a four-year program to help expand efforts in Idaho, Montana, Oregon, Washington and Alaska to improve youth financial literacy and economic prospects for

rural communities. Similarly, CoBank committed \$150,000 to the program over two years.

An advisory board was developed that includes state representatives from Northwest Farm Credit Services, CoBank, and Extension representatives from Idaho, Montana, Oregon, Washington, and Alaska. The advisory board met earlier this year and helped plan some of the priority topics, tasks and goals within the scope of the program. They also identified the target age range of the program: Youth and young-adults ages 16-24. Preliminary program topics have also been fine-tuned based on feedback from youth needs assessments.

Building on the successes of their current programs including, "Credit Score Millionaire," and "Teens Kredit Card," Erickson and Hansen are developing new, engaging youth financial literacy programs. What sets these programs apart from many traditional financial educational programs is the level of participant engagement and opportunities for energetic and dynamic learning. One example is a project being developed in collaboration with Barbara Chamberlin of the New Mexico State University Extension Instructional Design and Educational Media department. The goal of this project is to teach youth about credit and credit scores through a "space" themed narrative, with opportunities for consequential learning through character decisions and social interaction.

During the next four years of the program, Erickson and Hansen will continue to collect up-to-date needs assessment data, and hold regular advisory board meetings to understand the changing needs of youth in the target regions. Corresponding programs will be developed based on new and innovative research. Multi-state and regional conferences and workshops will be held that will expand on a "train-the-trainer" program delivery model which will train Northwest Farm Credit Services employees, Advisory Board members, 4-H professionals and Extension Educators, 4-H leaders and volunteers, and even older youth to deliver the core programs in their communities.

Program Outcomes

By the end of the four year funding period, Hansen and Erickson plan to establish a recognizable brand of quality youth financial literacy materials with many of the following characteristics:

- Naturally engaging programs
- Flexibility for individual *or* class use
- Dynamic learning experiences including learner directed navigation in fictional educational worlds

- Supplemental materials that allow for further participant education and parental involvement
- Guides and videos that help volunteers/instructors deliver the programs effectively without the need to be a content expert

The Future

The current and future successes of this program rely heavily on effective partnerships. First, the program authors bring experience and academic knowledge to the table for effective program development and delivery. Second, supportive administration at the University of Idaho helped build an environment conducive to large-scale programs and for building effective relationships with external parties like funders and state representatives. Third, CoBank and Northwest Farm credit Services provided much needed funding to support youth financial literacy. And fourth, adult youth educators are instrumental in the actual delivery of these program to youth in the five north-west states.

FOR MORE INFORMATION

Luke Erickson, Extension Educator
University of Idaho Extension, Madison County
134 E. Main St.
Rexburg, ID 83440
Phone: 208.359.6216
Fax: 208.359.3286
E-mail: erickson@uidaho.edu

Lyle Hansen, Extension Educator
University of Idaho Extension, Jerome County
600 2nd Ave. W.
Jerome, ID 83338
Phone: 208.324.7578
Fax: 208.324.7562
E-mail: lhansen@uidaho.edu