

Book Review

Delivering Financial Literacy Instruction to Adults

Rebecca J. Travnichek

Authors/Editors: **E. Thomas Garman and Alan J. Gappinger**

Publisher: Heartland Institute of Financial Education (2008)

ISBN 978-0-9792115-0-8

This resource/textbook is designed as an information source for financial practitioners and human resources personnel to improve financial education program delivery to adults in traditional and nontraditional classroom environments. It is divided into 17 chapters written by the co-authors and other experts in fields of adult learning and program development. To facilitate understanding of the book's content, this reviewer has grouped the chapters into five themes: justification for financial education to improve financial literacy, preparing the instructor, understanding the adult learner, developing and evaluating effective educational programs/counseling, and marketing worksite-based financial education.

Theme 1: Why Improve Financial Literacy?

In Chapter 1, the authors define financial literacy as “one’s knowledge of facts, concepts, principles, and technological tools that are fundamental to being smart about money management.” They provide an overview of financial education and financial literacy, sharing trends and statistics to justify why the current financial crisis has made it important and which agencies and organizations are taking the lead to improve financial literacy.

Financial literacy in the workplace is a growing phenomenon and is the focus of the third chapter. Many employees do not have the basic skills necessary to make good financial decisions. Employers are beginning to realize that when their employees are experiencing financial distress, it carries over into the workplace. Employers may experience multiple negative impacts from an employee’s financial distress, including absenteeism, tardiness, loss of revenue from lost sales, theft from the jobsite and from other employees, and many others. Author E. Thomas

Garman developed a model to depict an employer’s return-on-investment as a result of worksite-based financial education; he also justified why it is profitable to initiate educational programs to improve the health and wealth of current and future employees.

The third chapter delves deeply into workplace financial programs. The authors discuss the value propositions for financial education depicted by a national leader in workplace financial education, William J. Arnone, Director, Ernst & Young LLC. The six categories of value propositions are legal, bottom line, human resources, benefits, culture, and social/moral. Arnone demonstrates the value of providing employee financial education to improve employee and employer financial situations as well as impacting the overall workplace environment. This chapter also informs readers about the Heartland Institute of Financial Education, their efforts in workplace financial education, and their certification program—Certified Financial Educator® (CFEd™).

Chapter 4 identifies financial educators as individuals who provide effective educational programs to empower people to possess the “A,B,Cs of Financial Literacy.” “A” is a positive “Attitude” about financial matters, “B” involves practicing good financial “Behaviors,” and “C” means exhibiting “Control” over personal finances and having the “Confidence” to be financially successful. The authors provide examples of good and poor financial behaviors, both of which can be used in many different capacities. This chapter also lists financial topics of interest to employees and employers, discusses why workplace financial education can fail, and provides ideas on how to develop an effective workplace financial education program.

Rebecca J. Travnichek, Ph.D., AFC®, Family Financial Education Specialist, University of Missouri Extension, PO Box 32, Savannah, MO 64485-0032, travnichekr@missouri.edu, (816) 324-3147

Theme 2: How to Become a Financial Educator?

The focus of Chapter 5 is the golden rule of instruction—“*Teach unto others as you would have others teach unto you.*” The authors define an instructor as “an adult responsible for instructing other adults.” This chapter details what it takes to be an instructor, including attributes that make an instructor outstanding—caring about their subject, basic competence in their subject, and a passion to share their knowledge with others. Also, included are the authors’ characteristics of a successful instructor (knowledge of oneself, knowledge of the learner, knowledge of the subject, knowledge of appropriate instructional techniques, and knowledge of administrative requirements and ethical responsibilities), the roles and responsibilities of an instructor, and 10 principles to assist in teaching adults effectively.

Chapter 6 is about communication and how important it is for instructors to have the ability to communicate clearly and concisely. Instructional communication utilizes a model to transfer learning verbally (the words said), non-verbally (how it is presented), and paraverbally (how it is said). Effective instructional communication is a three-part model that can be summarized as “first, tell them what you’re going to tell them, next, tell them, and then tell them what you told them.” An effective financial education program will have an opening to arouse interest and let learners know what to expect from the program, the presentation or application of information and concepts or skills, and a conclusion/evaluation to summarize the material. Throughout this process, an instructor’s speaking, listening, and questioning skills must be fine-tuned to become an effective instructor.

Theme 3: Adult Education and Who Is the Adult Learner?

Chapter 7 provides readers with a discussion of andragogy compared to pedagogy. Malcolm Knowles indicates that “andragogy is premised on at least four crucial assumptions [a fifth one was added later] about the characteristics of adult learners that are different from the assumptions about child learners on which traditional pedagogy is premised.” The five assumptions are self-concept, experience, readiness to learn, orientation to learning, and motivation to learn. Knowles’ approach and his assumptions, as well as a discussion about andragogy vs. pedagogy, are explored further in the chapter.

Adult learners and the adult learning process are the focus of Chapter 8. Adult learners exhibit certain characteristics

that must be understood when designing financial education. There is a discussion of four critical elements of adult learning, as well as an explanation of the adult learning process. The authors provide instructors with pertinent information that can be used to develop consistently effective financial education programs. This chapter also discusses, at length, the adult learning process in the context of Dr. Robert M. Gagné’s information-processing model. This model encompasses a variety of methods and techniques that adults can use to remember information and data in the short-term and long-term memory, including association, rehearsal, mnemonic devices, and semantic meaning.

Chapter 9 identifies 12 principles of adult learning. Danah Zohar, author of *The Quantum Self, The Quantum Society, and Rewiring the Corporate Brain*, looks at adult learning in terms of quantum physics (energy)—due to the use of dialogue. The principles are interconnected and related so that using only one is not possible; all of the principles must be present for adult education to be effective and successful. Needs assessment, safety, sound relationships, sequence, praxis (“action with reflection or learning by doing”), respect for learners as decision makers, ideas/feelings/action, immediacy, clear roles and role development, teamwork, engagement, and accountability encompass the 12 principles and practices that should be combined by instructors of adult learning.

Theme 4: What Is a Financial Education Program, and Is It Effective?

Chapter 10 recognizes the importance of communicating effectively with adult learners. Adult learners attend financial education opportunities because they choose to do so; thus, instructors must communicate through a learning environment conducive to meeting learner needs. Instructors must allow adult learners to communicate through their life experiences, whether through hands-on activities or open discussion (three-way communication). Working through communication blocks, adult learner biases, and preconceived notions is a challenge, but it is critical to being a successful financial educator. Oftentimes, adult learner fears and concerns about not knowing about financial issues can cause communication barriers for instructors. Adult learners will also be at varying stages of behavioral change which necessitates varying levels of communication in learning opportunities.

In most cases, adult learners do not want just instruction; they want someone who has “been there and done that,”

a coach. Most adult learners are after the whole deal; they want to improve their total life experience or holistic planning; therefore, preplanning with other professionals may be necessary to meet learner needs. Adult learners want to be able to measure the progress of their financial lives, and an evaluation tool, such as the Personal Financial Well-Being (PFW) scale, can accomplish this and serve as a financial wellness starting point. This chapter also provides numerous tips/techniques to enhance classroom communications with adults.

When combining research and thoughts of many professionals in the field, it is often difficult to specify one right answer. In the 11th chapter, the authors summarize the thoughts of many of the contributors to the book. A variety of approaches and issues are described related to power and control over teaching and self-direction of adults. Facilitating discussion, disclosure, coverage of materials within specified time frame vs. additional time required for learning by doing, how and what we assess in learning, learner starting point, limitations of learners' experience, and incorporating experiences (learner and instructor) are all aspects that are utilized to provide quality teaching experiences to adult learners.

Chapter 12 indicates that even experienced instructors should use an organized lesson plan in developing educational opportunities. Such organization ensures that instructional objectives are met, keeps instructors organized and on topic, serves as presentation cues, and ensures the time schedule is followed. Various components of developing a lesson plan are described in detail, with particular focus on sequencing techniques. The chapter includes a sample lesson plan for readers.

Delivering educational programs is the subject of Chapter 13. An instructor must "select a set of methods and activities that will match instructional needs." Methods of instruction include formal and informal lecture, guided discussion, case-study, and role-play. The authors explain each method and provide advantages and disadvantages in its use as well as selection appropriateness. This chapter also encourages instructors to consider instructional activities with regards to relevancy, manner of implementation, and clearness of debriefing.

Chapter 14 focuses on motivation of the adult learner to learn. This skill is key to ensuring your educational opportunities are successful. The authors specifically discuss methods to motivate if the learner has learner-acquired

helplessness—past, poor classroom learning experience in a traditional classroom situation. An instructor is responsible for both the instructional process and the human relationships and interaction in the learning situation. The authors share numerous actions that can be used to assist in motivating learners, including the use of rewards.

Evaluation may be even more important than the learning experience. Chapter 15 discusses rationales for conducting program evaluation to verify that instructional objectives are meeting requirements, learners are able to perform what was intended, and/or the presentation was effective. It also discusses uncovering problems, such as inadequate objectives or unsuitable presentation method. The authors discuss different methods of evaluation, various aspects and components of each method, and examples of each type.

Theme 5: Future of Worksite Financial Literacy Education?

Measuring Financial Program Effectiveness is the title and topic of the 16th chapter. The focus is on workplace financial education. Effectiveness is frequently measured using questionnaires to determine learner enjoyment of the program and what the learner's intentions/plans are following the program with respect to making financial behavior changes. Employers must be convinced of the effectiveness of financial education at the worksite. The authors encourage the use of the Personal Financial Well-Being Scale to provide evidence to employers that a "successful workplace financial program will decrease employees' financial distress and increase their financial well-being." Another source of evidence involves projecting the employer's potential return on investment—a potential impact on the company's bottom line.

The final chapter portrays financial literacy education as "widespread and [a] popular national movement." This chapter indicates that individual CFEd™ may be the ideal contact to work with employers in their home communities because of training and access to the Heartland Foundation's resources to share with employers. The authors also include information and potential resources for financial educators to work with employers and community leaders to move toward national financial literacy.

Recommendations

Financial professionals (counselors, planners, researchers, and educators) will enjoy reading *Delivering Financial Literacy Instruction to Adults*. It brings together the an-

swers to our basic questions, what, why, where, when, who, and how, when dealing with financial literacy education. The book contains multiple examples: list of good financial behaviors to be used as potential evaluation questions, potential evaluation instruments, and many more ideas that can be directly applied. With the in-depth discussion of the design and development of financial literacy education, this resource could be used as a textbook or supplemental reading for a personal finance college course or for in-service training of frontline financial educators.

When looking specifically at workplace financial education, this book provides the foundation to develop a proposal or outline with which to approach local employers. If a direct connection between employee financial distress and a business's bottom line can be demonstrated, employers may be more likely to initiate financial education programs at the workplace. The book will also be useful for financial services industry professionals who occasionally deliver adult education programs but for whom financial education is not their primary job responsibility.