

# The Making Cents Project



April 13, 2023

NEFE's Personal Finance Ecosystem

# NEFE'S PERSONAL FINANCE ECOSYSTEM

APPLICATIONS IN THE CLASSROOM

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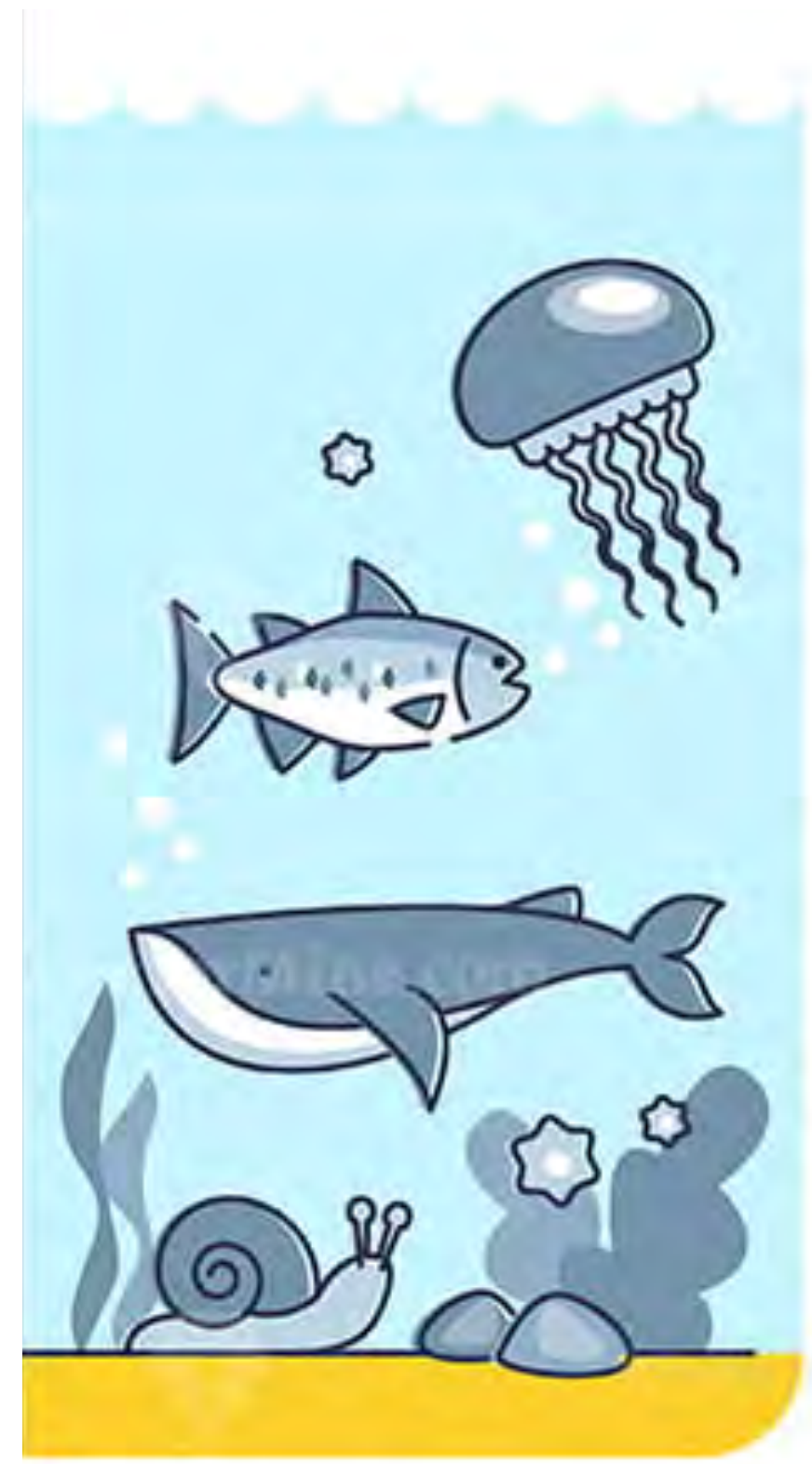
April 13, 2023



**What comes to mind  
when you hear the  
term ECOSYSTEM?**



**A system made up of an ecological community of living things interacting with their environment especially under natural conditions**

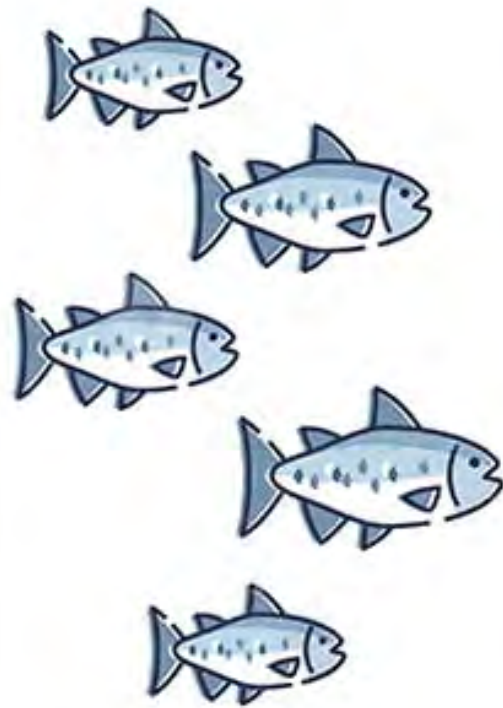


# COMPONENTS OF THE ECOSYSTEM

**ORGANISM**



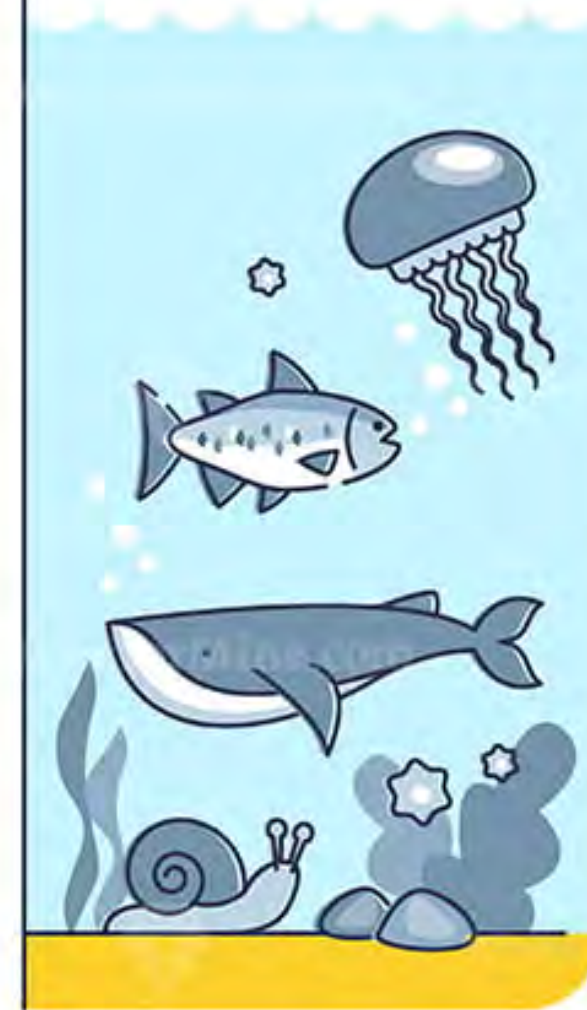
**POPULATION**



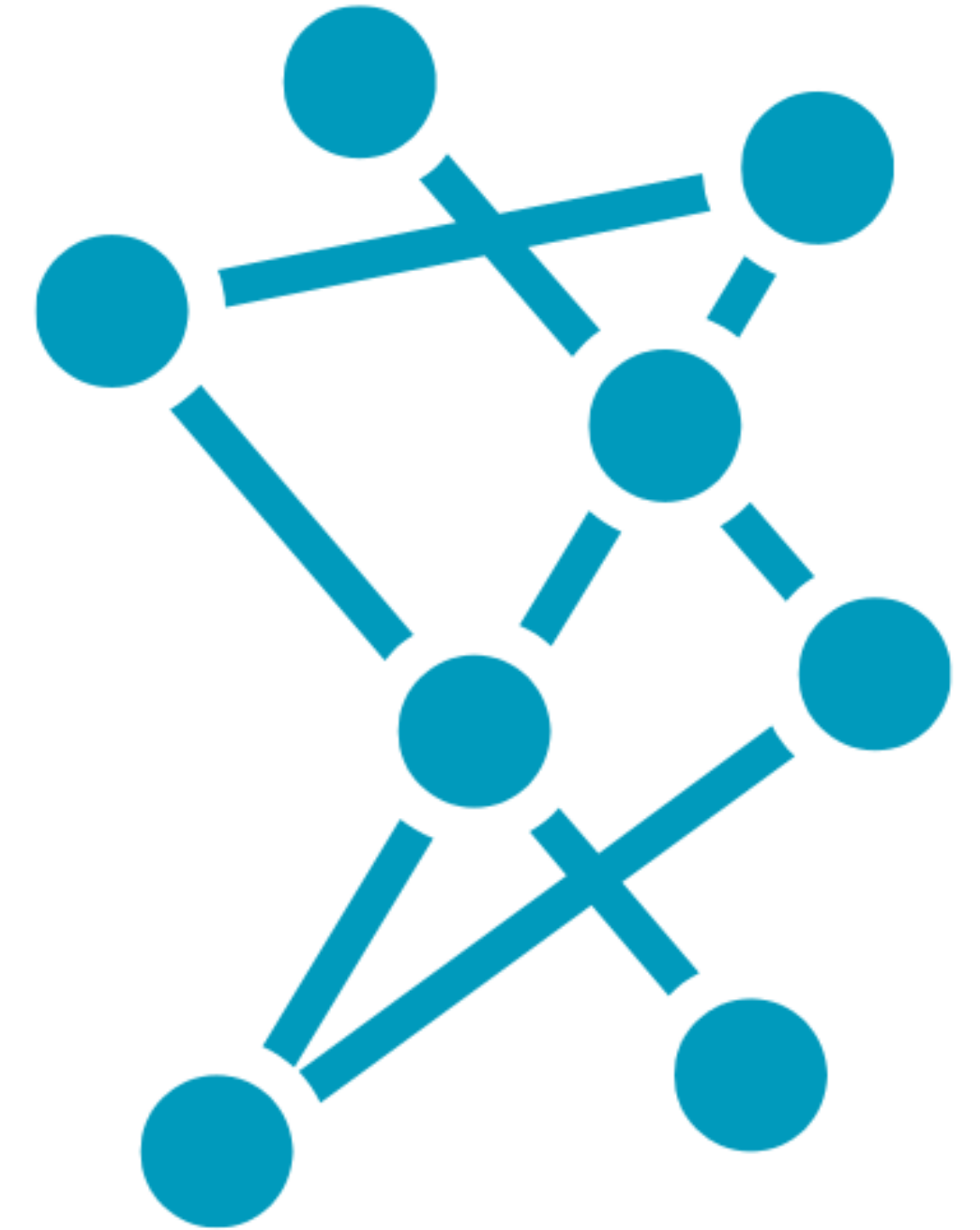
**COMMUNITY**



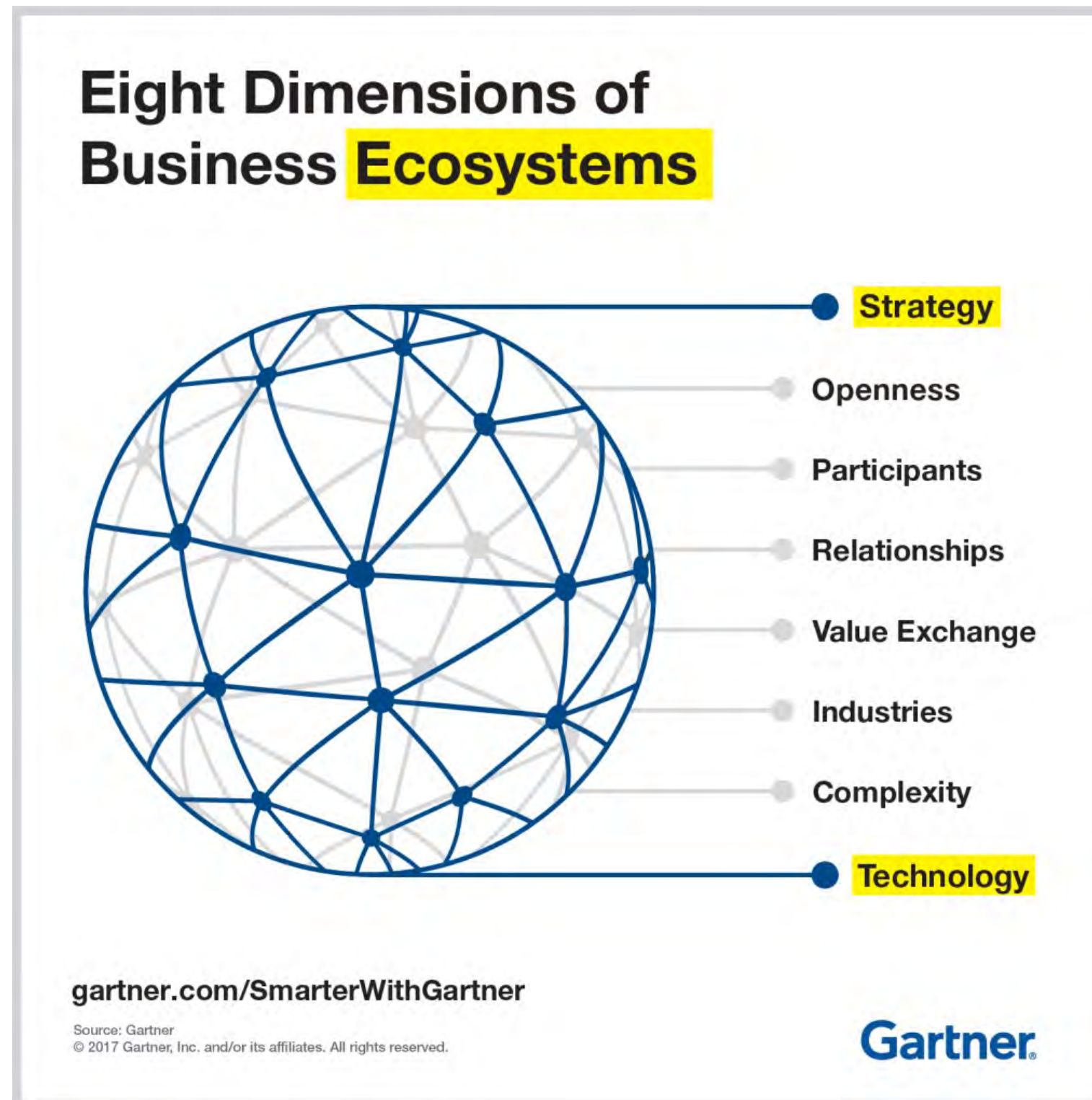
**ECOSYSTEM**



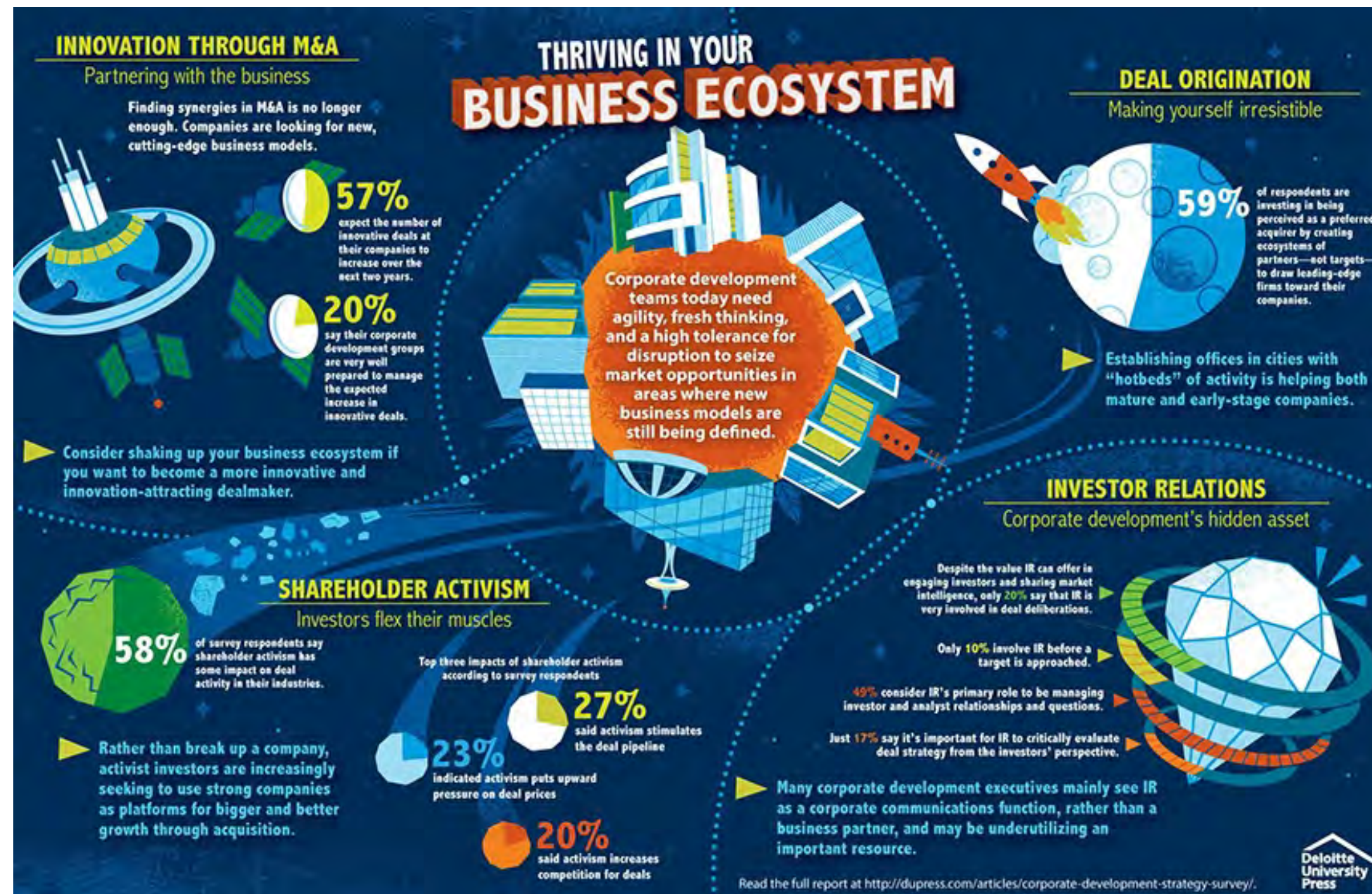
Something (such as a network of businesses) considered to resemble an ecological ecosystem especially because of its complex interdependent parts



# Business Ecosystems



# Business Ecosystem in Action





# A Learning Ecosystem



# Urban Higher Education Ecosystem

THE U.S. NEEDS AN  
ALIGNED URBAN  
HIGHER EDUCATION  
ECOSYSTEM THAT:

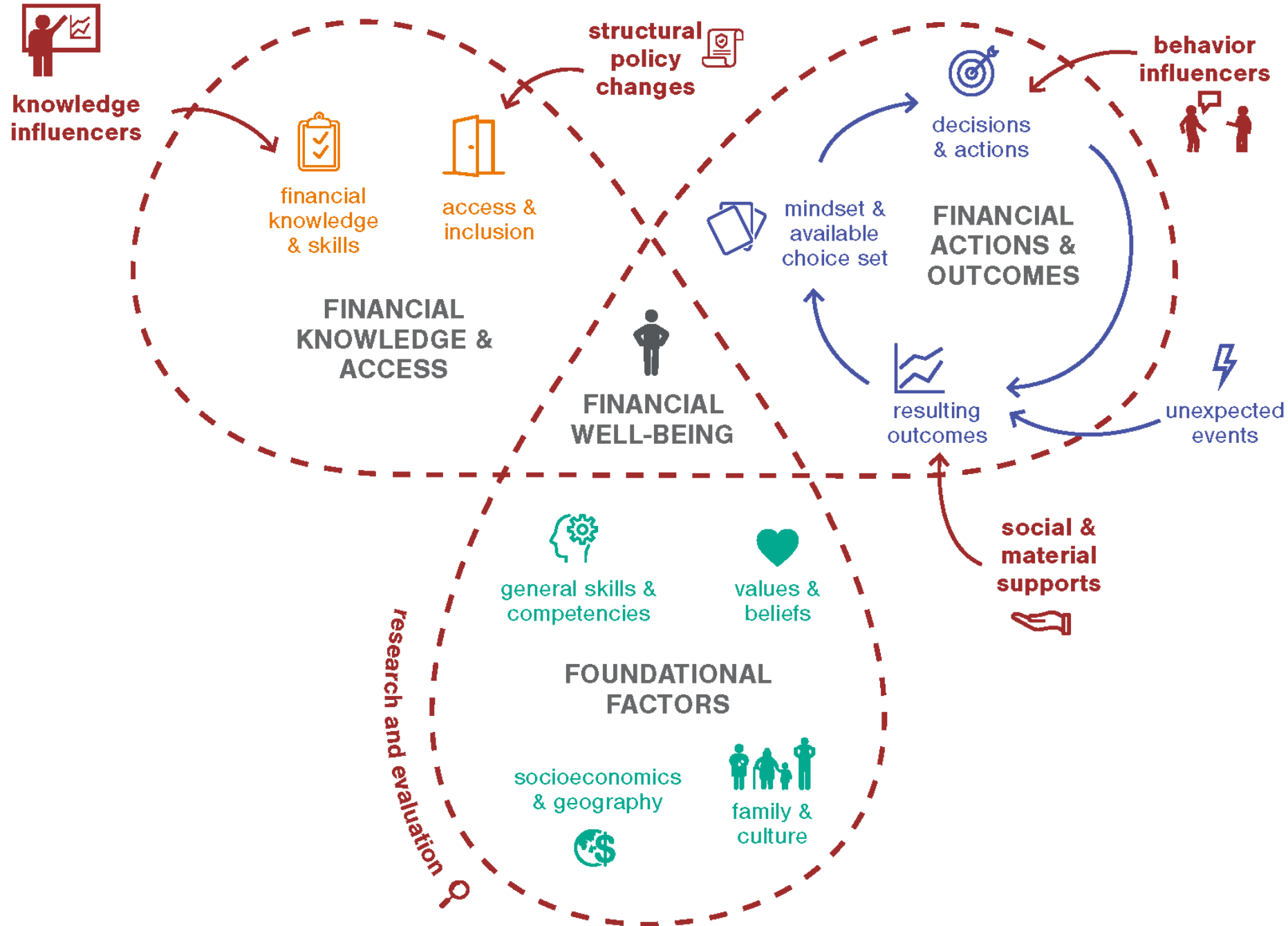
- ✓ Puts students at the center
- ✓ Connects and coordinates around their needs
- ✓ Reduces silos and inefficiencies where efforts are duplicative

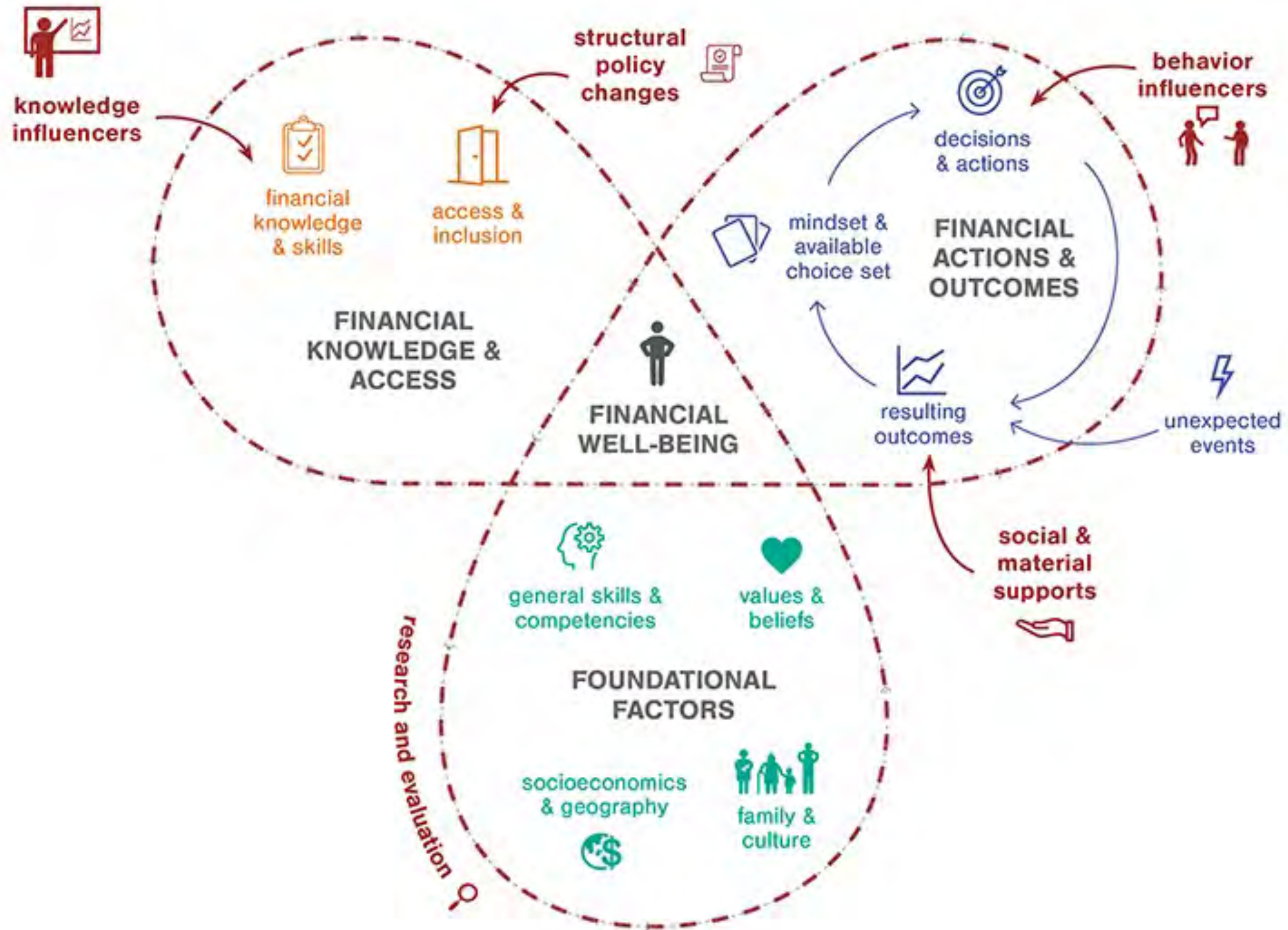


A WELL-FUNCTIONING ECOSYSTEM  
WOULD INCLUDE COORDINATION BETWEEN:



# The Personal Finance Ecosystem





# Urban Higher Education Ecosystem

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ALIGNED URBAN  
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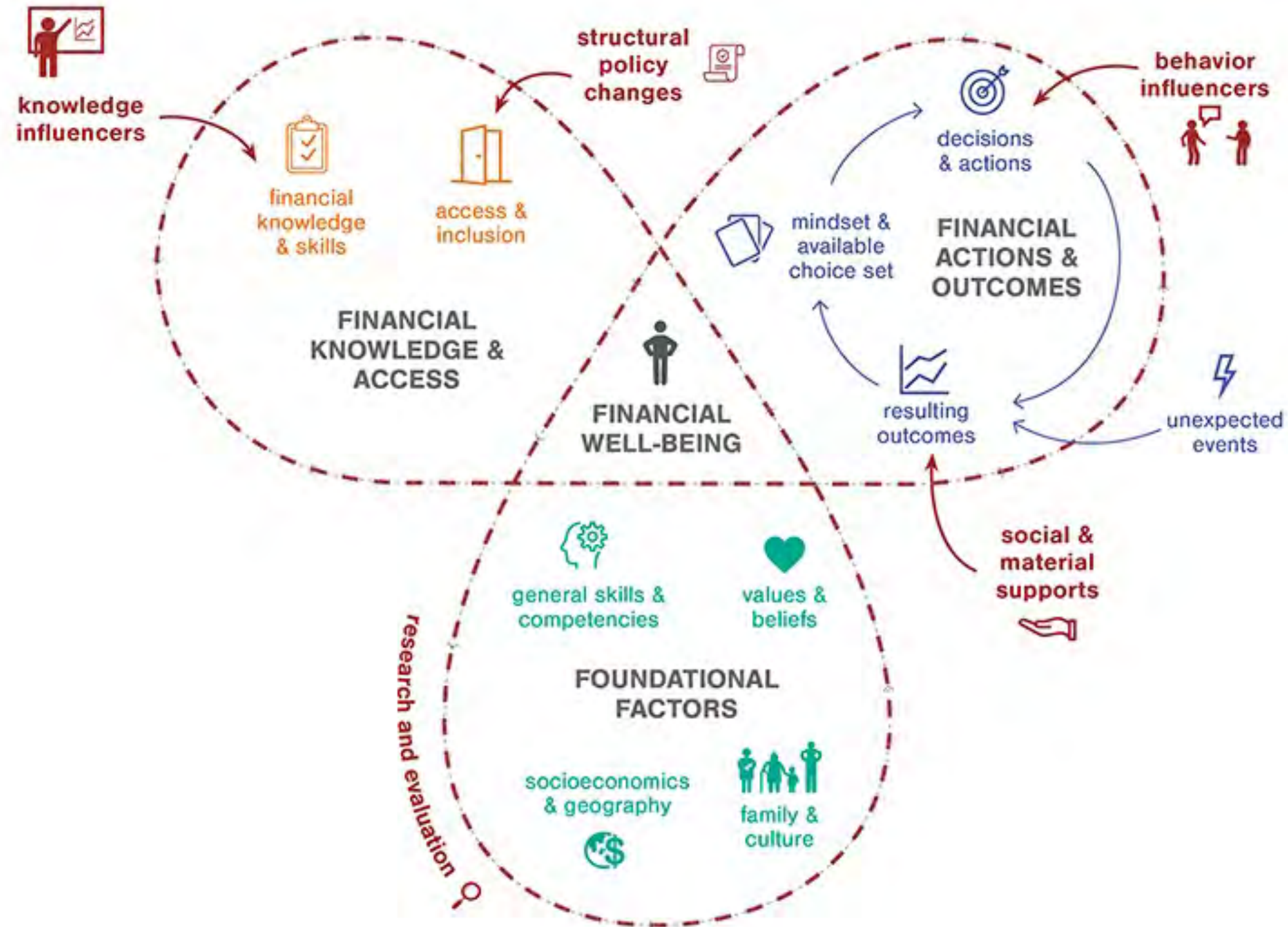
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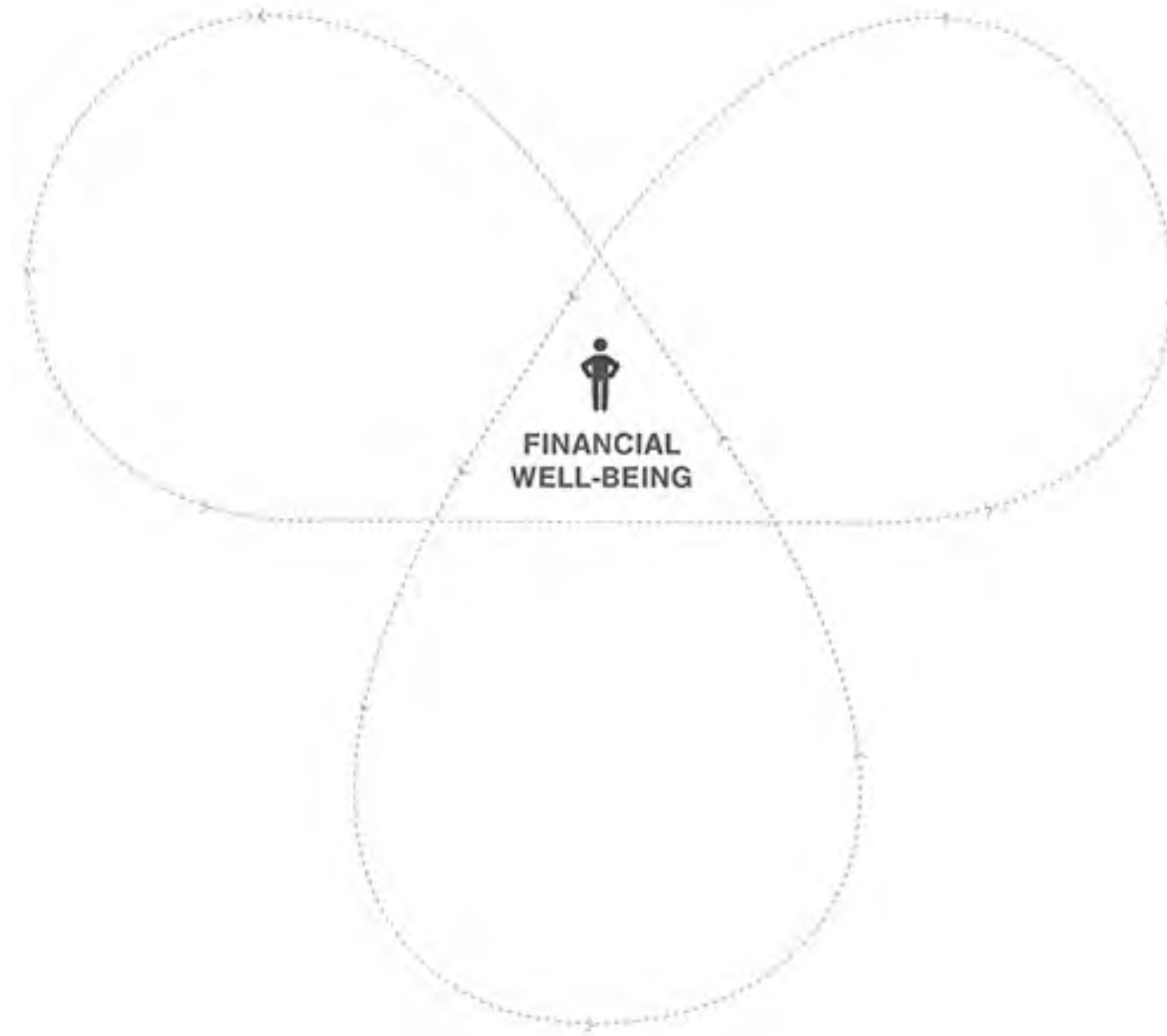
A WELL-FUNCTIONING ECOSYSTEM  
WOULD INCLUDE COORDINATION BETWEEN:



# The Personal Finance Ecosystem



# Financial Well-Being



# Financial Well-Being

- Everyone has a level of financial well-being
- Changes over time
- It's not a single endpoint
- Self-assessed or subjective
- Different for every person



**FINANCIAL  
WELL-BEING**





**No Pain**

**Mild**

**Moderate**

**Severe**

**Very Severe**

**Worst Pain Possible**



**0**

**1-3**


**4-6**

**7-9**

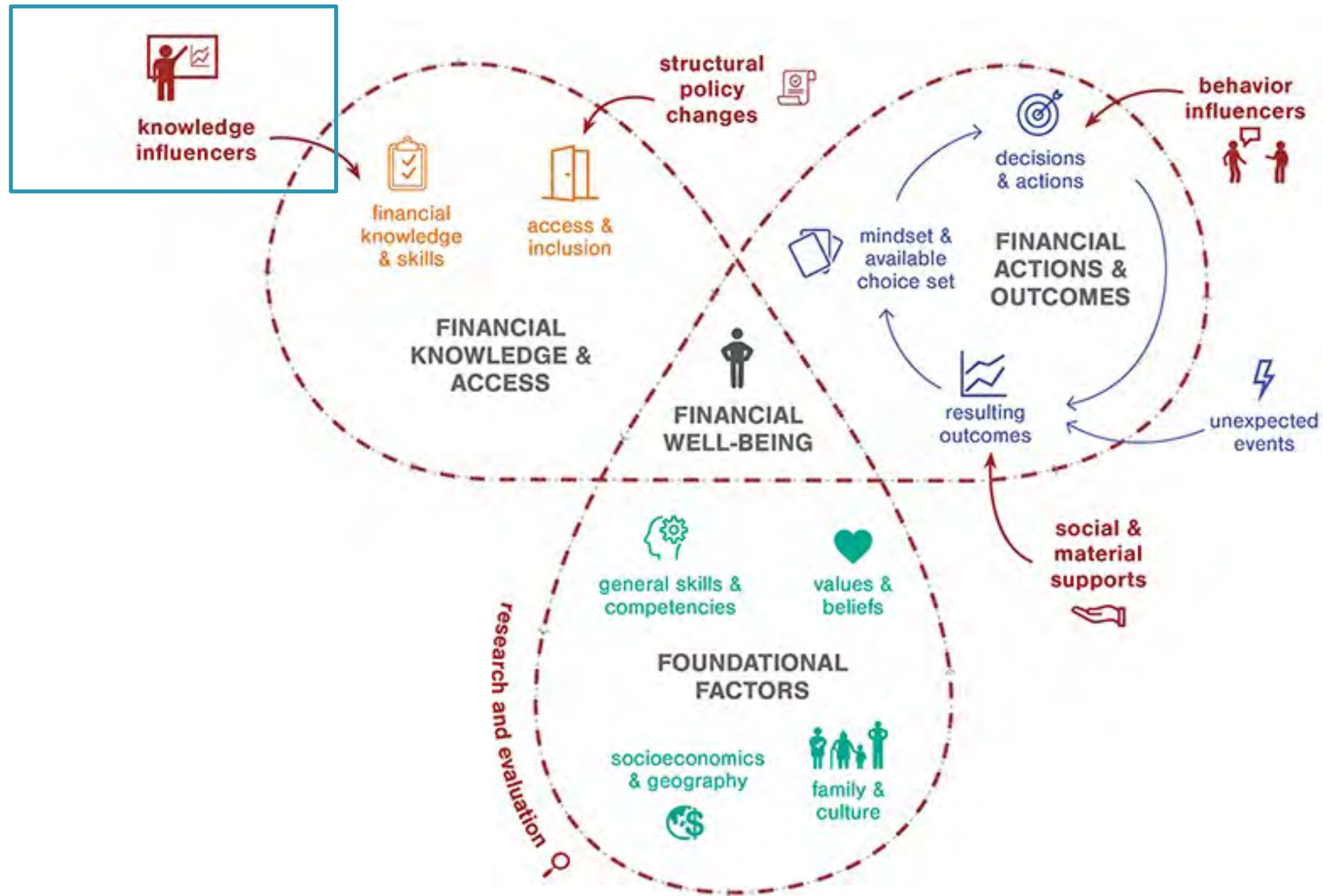
**10**



# Financial Well-Being

- Includes
    - Satisfaction with managing present situation
    - Feeling of having choices
    - Feeling some control over life
    - How you feel about the future
- 

# The Personal Finance Ecosystem



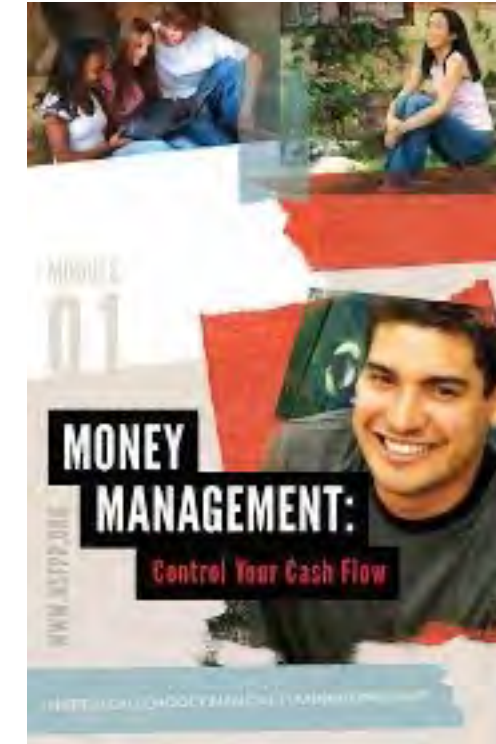
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# The Personal Finance Ecosystem



# The High School Financial Planning Program

Sunset in 2021



# A New Strategic Plan

## Strategic Plan Highlights

As one of the first organizations to wholly dedicate its efforts to delivering free, quality financial education, NEFE continues to embrace and contribute to best practices in collaboration, research and evaluation. This is our passion and always will be. We are proud to build on our legacy. As such, for the next five years our concentration will be:



### OUR FOCUS

#### REDEFINING FINANCIAL EDUCATION

We are amplifying our role as a champion of effective financial education, pursuing theories, research and policy based on equity, innovation and impact. We will openly discuss the limitations of financial education within the financial well-being landscape, recognizing that education alone is not enough to overcome systemic barriers toward full financial inclusion.

#### BUILDING AND MOBILIZING COMMUNITY

We will expand and connect a more robust network of scholars, intermediaries and advocates to explore new levels of leadership, partnership and community alignment. We will listen to understand and openly share what we have learned to steward unity.

#### RESEARCH IN ACTION

We elevate rigorous, innovative and thought-provoking research that focuses on the foundations of the personal finance ecosystem. We are intentionally advancing our research agenda through thoughtful partnerships that inform the field and further influence financial education outcomes.

#### IMPROVEMENT WITH PURPOSE

We are continuously reviewing all policies and practices with the aim of capitalizing on efficiencies, leveraging staff talents and sustainably allocating our resources.

#### ELEVATING EFFECTIVE PRACTICE

We continuously reflect on our successes as well as failures to speak authentically and transparently about what works and what doesn't in improving financial well-being. Educational and behavioral change theories are tested for validity through research and practice, so that the guidance we offer originates from proven results.

- Redefining financial education
- Research in action
- Elevating effective practice
- Building and mobilizing community
- Improvement with purpose

# The Personal Finance Ecosystem



Home » Initiatives » The Personal Finance Ecosystem



## Initiatives

### The Personal Finance Ecosystem

Purpose

Core Concept: Financial Well-Being

Core Concept: Foundational Factors

Core Concept: Financial Knowledge and Access

Core Concept: Financial Actions and Outcomes Cycle

Catalysts for Change

The Role of Research, Evaluation and Policy

Personal Finance Ecosystem in Action

A History of NEFE's Personal Finance Ecosystem

Financial Education Policy Convenings

Evaluation 101

## The Personal Finance Ecosystem

The Personal Finance Ecosystem is a visual roadmap that lays out the foundations that underpin an individual's state of financial well-being. It was developed by NEFE to demonstrate financial education's role in an individual's financial well-being and within the broader environment.

In doing so, it gives context to the factors that influence financial well-being and manages expectations for what interventions and efforts aimed at influencing financial well-being realistically can achieve.

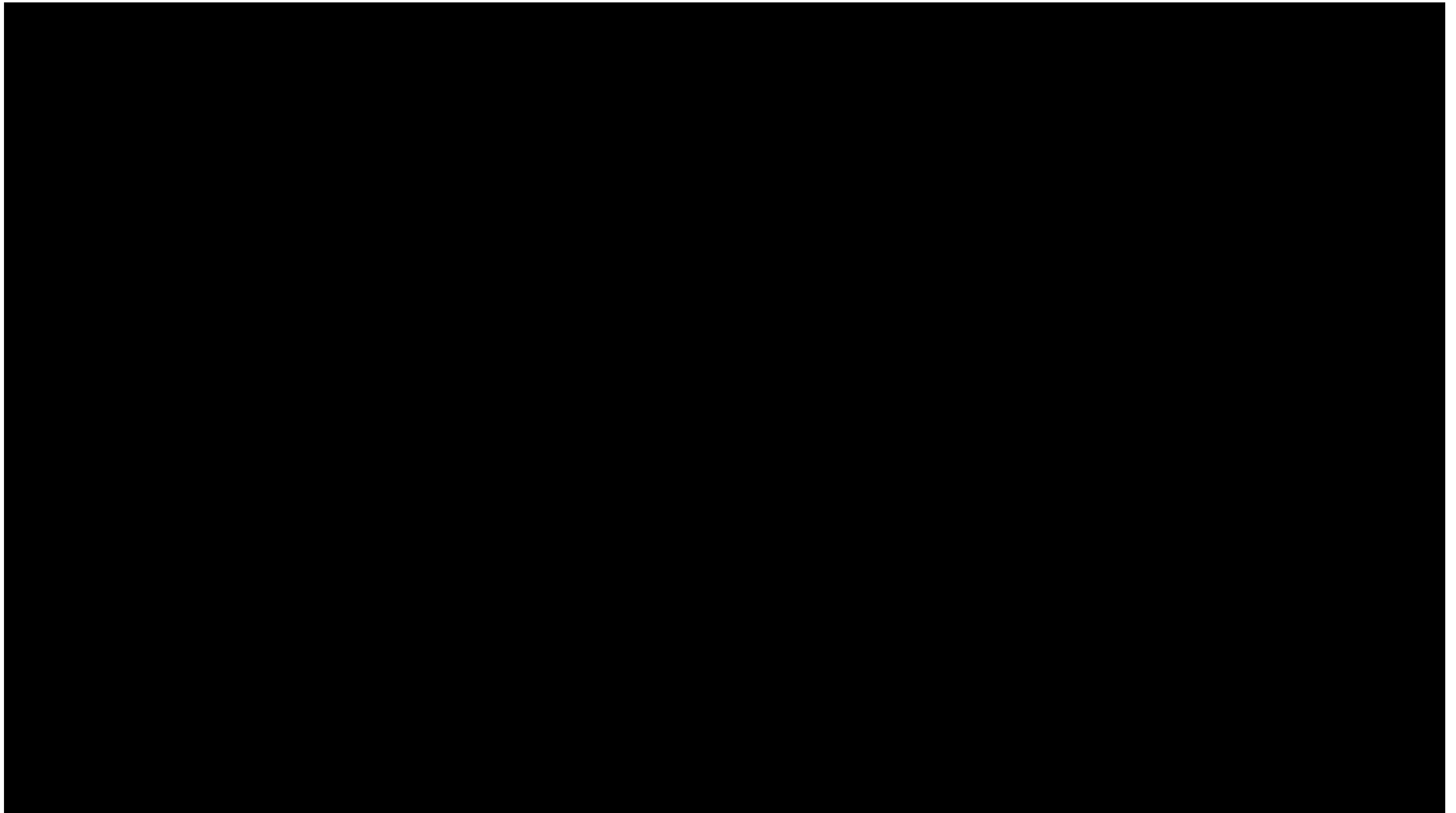


This is the third iteration of the Ecosystem and is an evolving framework, subject to change. More historical context, as well as links to the first two versions, is available for reference.

DOWNLOAD THE GRAPHIC

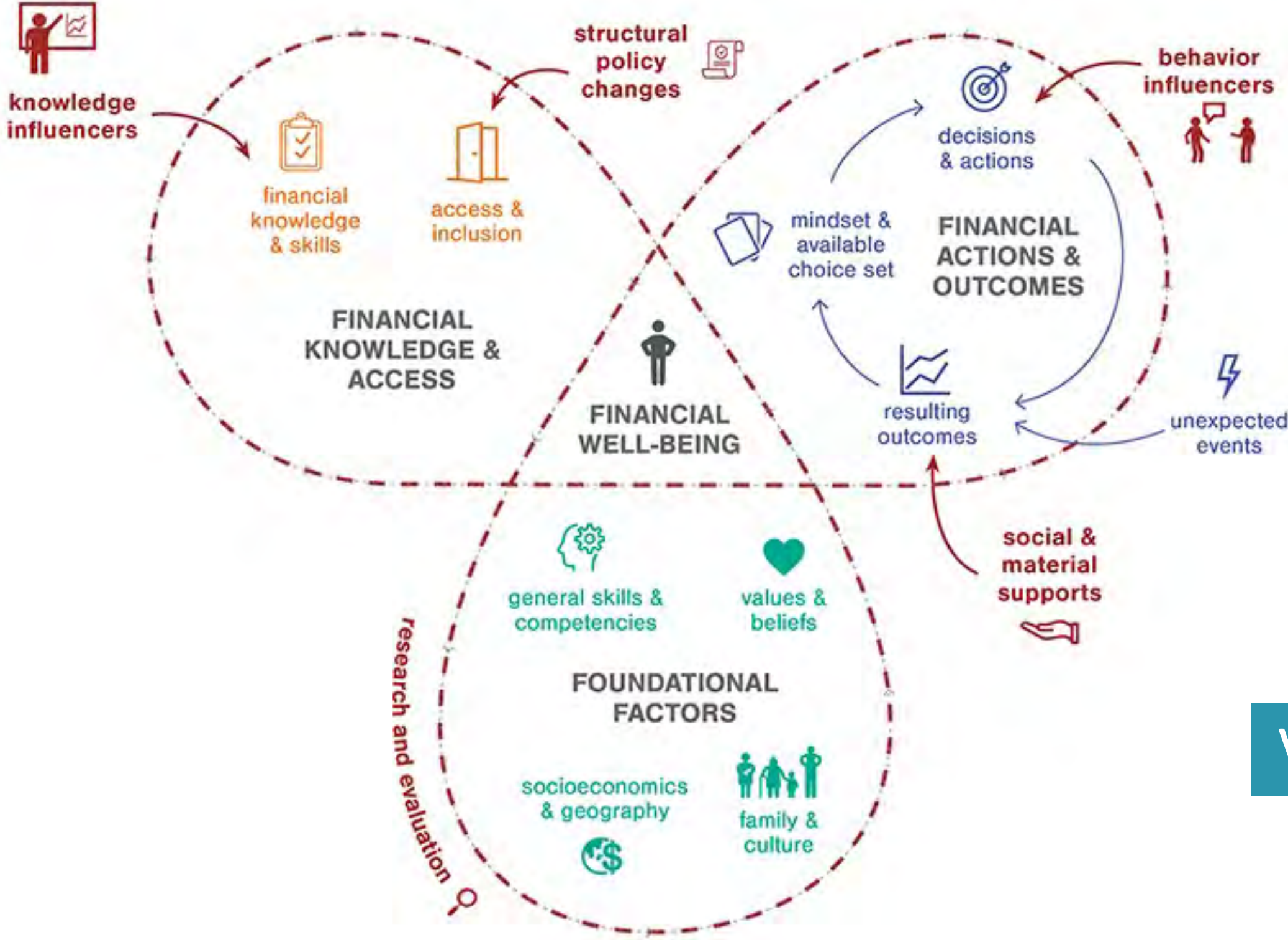
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# The Personal Finance Ecosystem

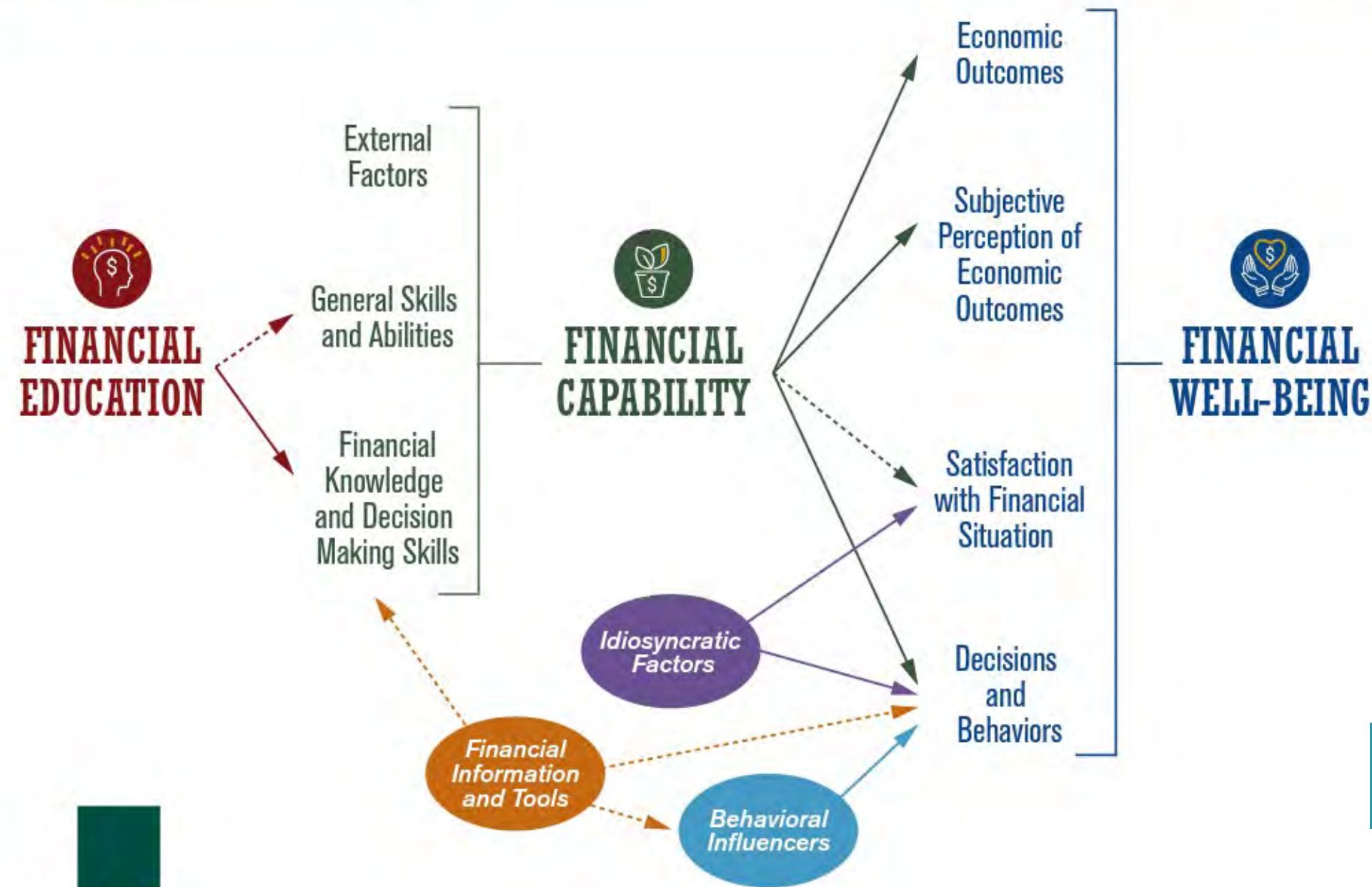


VERSION 3 | 2022

# The Personal Finance Ecosystem

Defining the Personal Finance Ecosystem

[www.NEFE.org](http://www.NEFE.org)



VERSION 1 | 2019

# The Personal Finance Ecosystem

## Defining the Personal Finance Ecosystem

www.NEFE.org

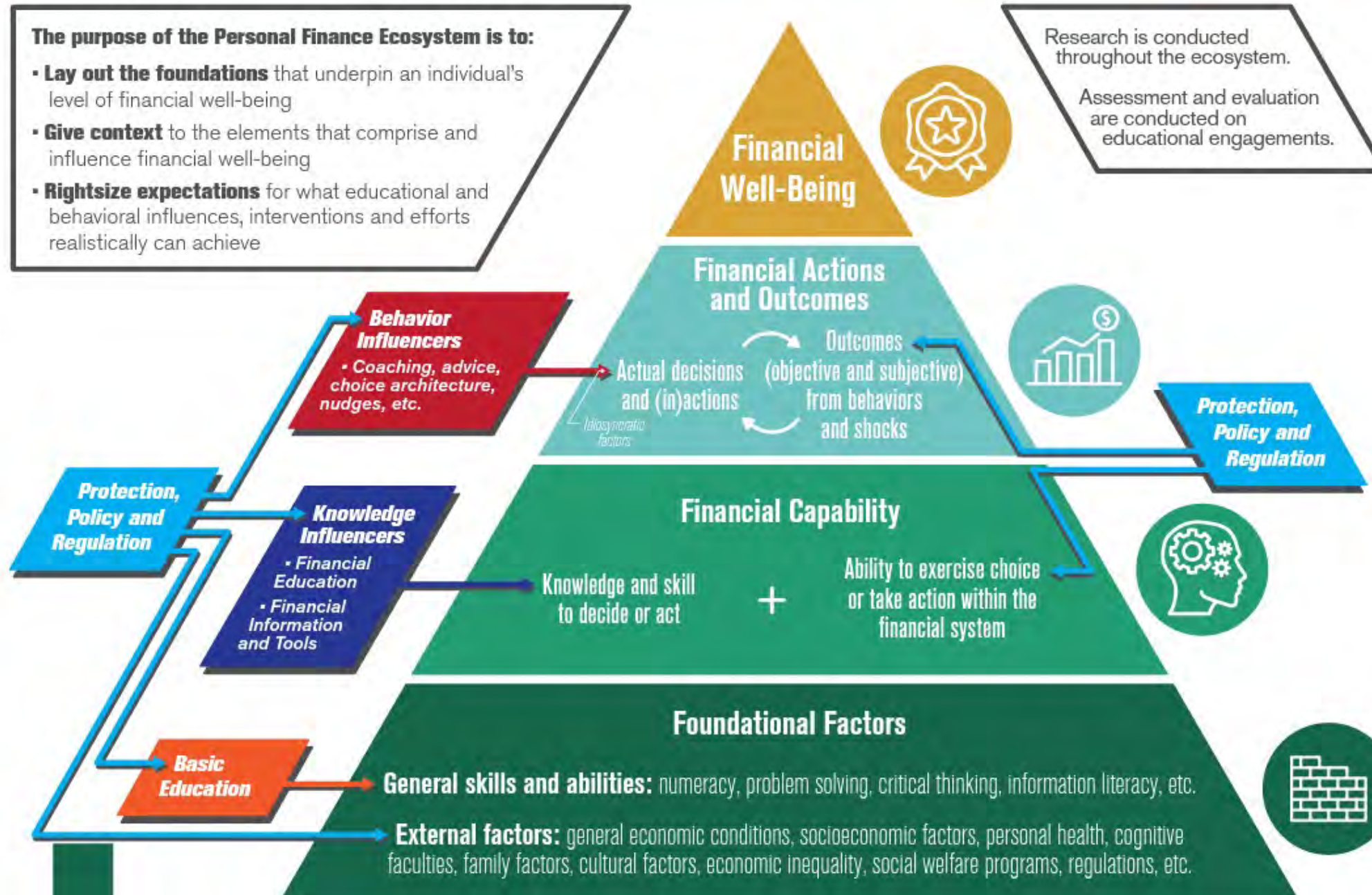
*This is an evolving framework and is subject to change. Please visit www.nefe.org for the latest version.*

### The purpose of the Personal Finance Ecosystem is to:

- **Lay out the foundations** that underpin an individual's level of financial well-being
- **Give context** to the elements that comprise and influence financial well-being
- **Rightsize expectations** for what educational and behavioral influences, interventions and efforts realistically can achieve

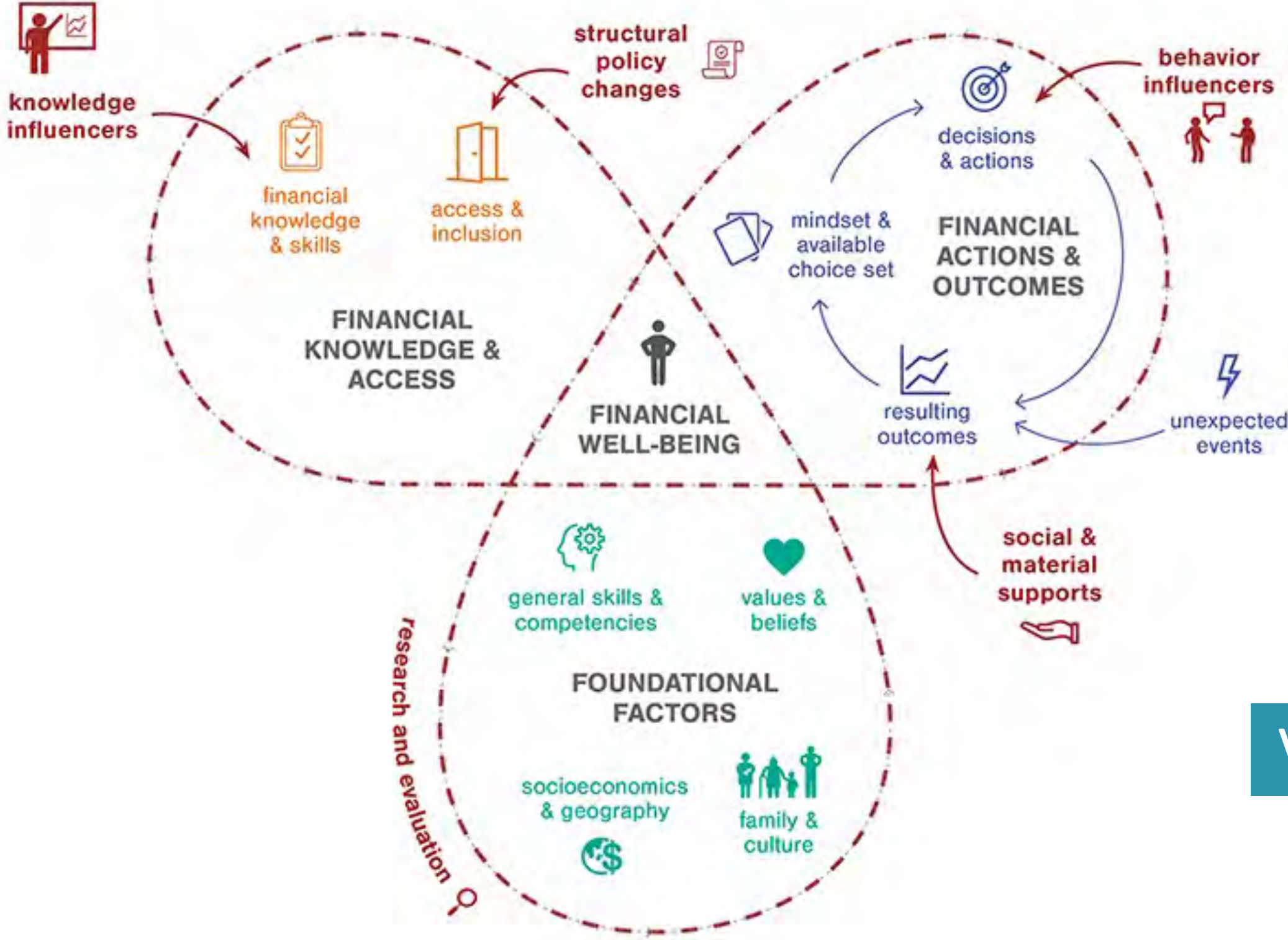
Research is conducted throughout the ecosystem.

Assessment and evaluation are conducted on educational engagements.



VERSION 2 | 2019

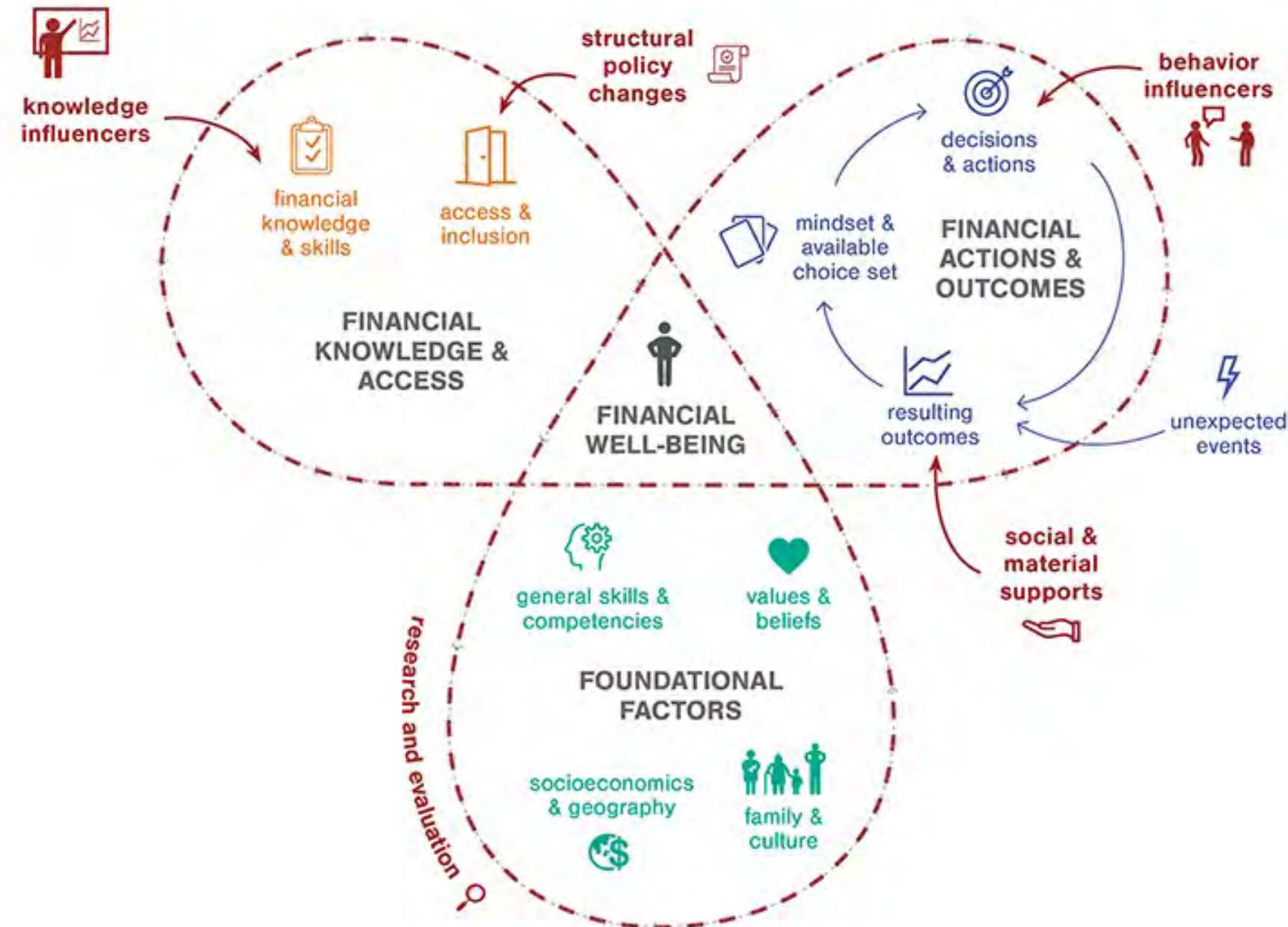
# The Personal Finance Ecosystem



VERSION 3 | 2022

# The Personal Finance Ecosystem

## for K-12 Educators and Students



# Students and Financial Well-Being

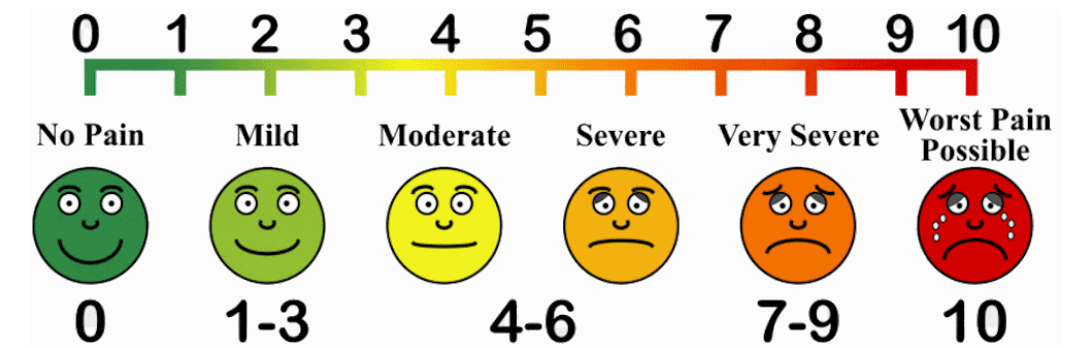
- Satisfaction with managing present situation
- Freedom to exercise choice
- Feeling in control of finances
- Outlook for future prospects



**FINANCIAL  
WELL-BEING**

# Students and Financial Well-Being

- You and a friend
  - Similar financial situations
  - Very different level of financial well-being



# Students and Financial Well-Being

## Misconceptions

Your financial well-being is pre-determined based on your upbringing or socioeconomic status.

A person's financial well-being is a fixed state—unlikely to change over time.

There is little a person can do to improve their financial well-being.

Financial knowledge is the key to financial well-being.

## Proper Conceptions

Financial well-being may be influenced by factors such as upbringing or socioeconomics, but it is not pre-determined.

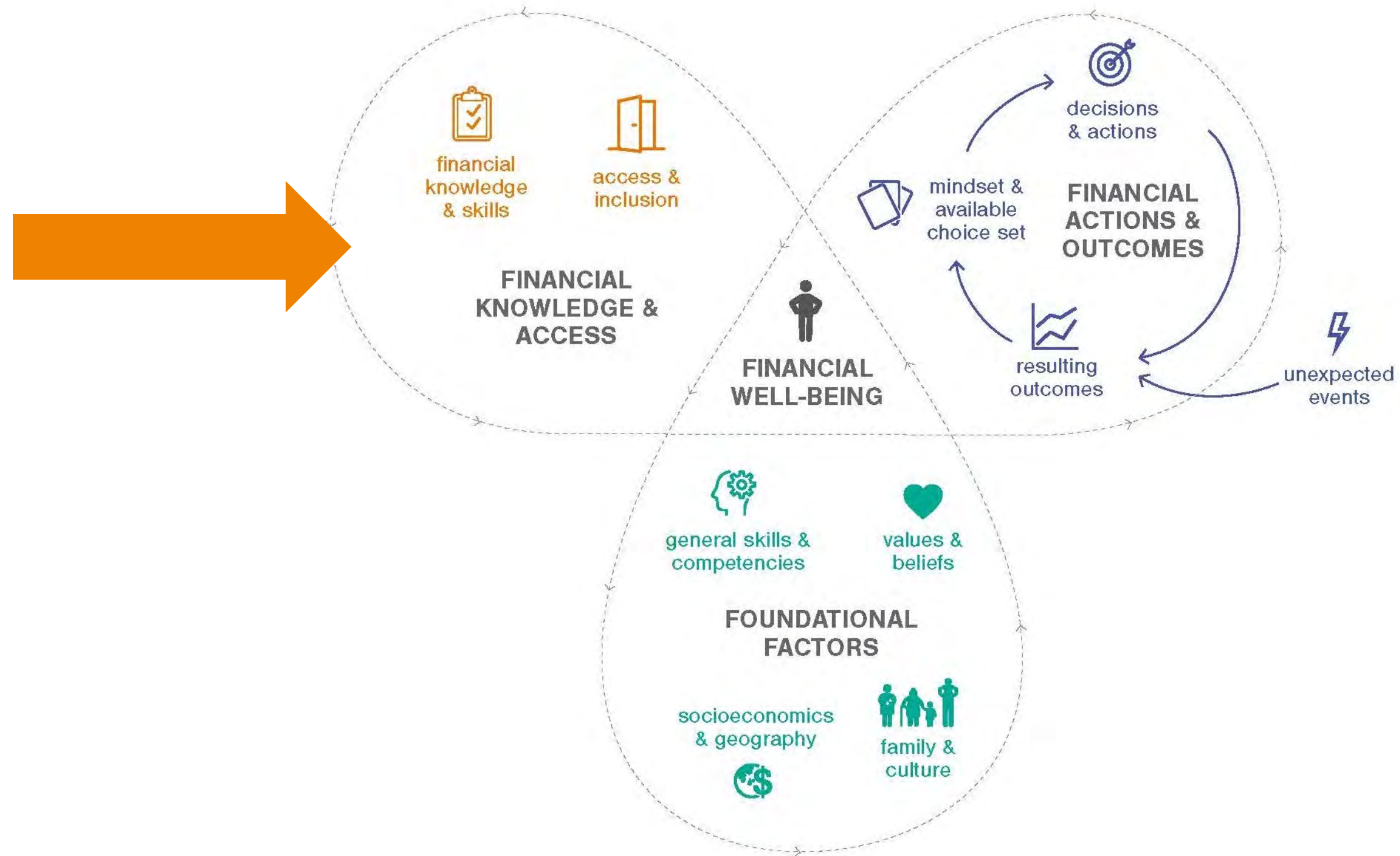
Financial well-being is an ever-changing state.

A person's financial well-being can be improved through a variety of factors and influences.

Many factors influence financial well-being. No single factor is more important than the others.



# Core Elements



# Financial Knowledge & Access

An individual's **ability**  
to act in their own  
**self-defined** best  
financial interest



# Financial Knowledge & Skills



## Financial Knowledge

Objective **mastery** of financial definitions, terms, and concepts

## Financial Skills

Determines whether an individual can make **decisions** with that knowledge

**Skill puts  
knowledge  
into action.**

# Access & Inclusion



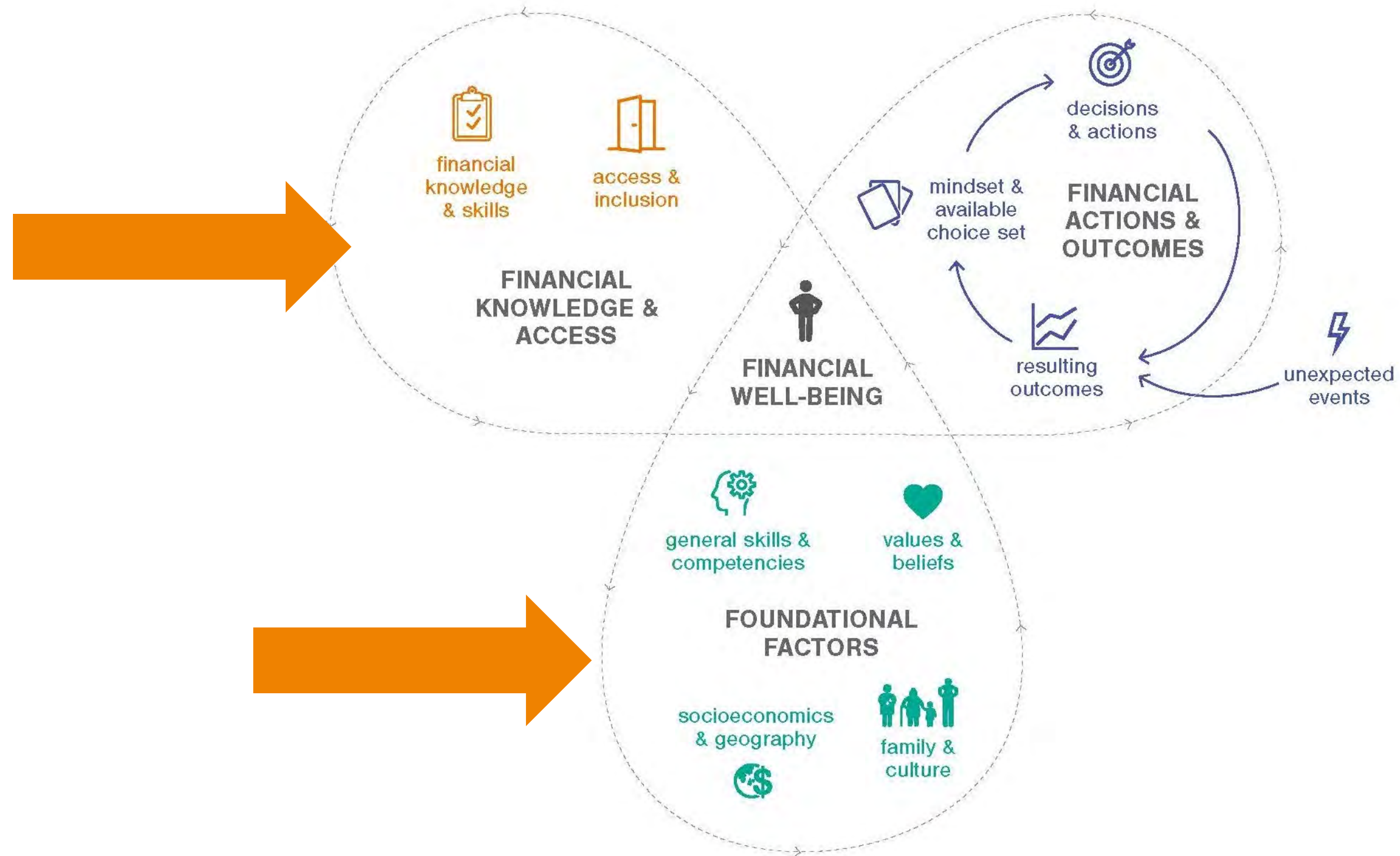
## Participation in Financial Society

The opportunity and awareness to **take action** and **exercise choice**

within financial markets, the financial services industry, and all aspects of financial life

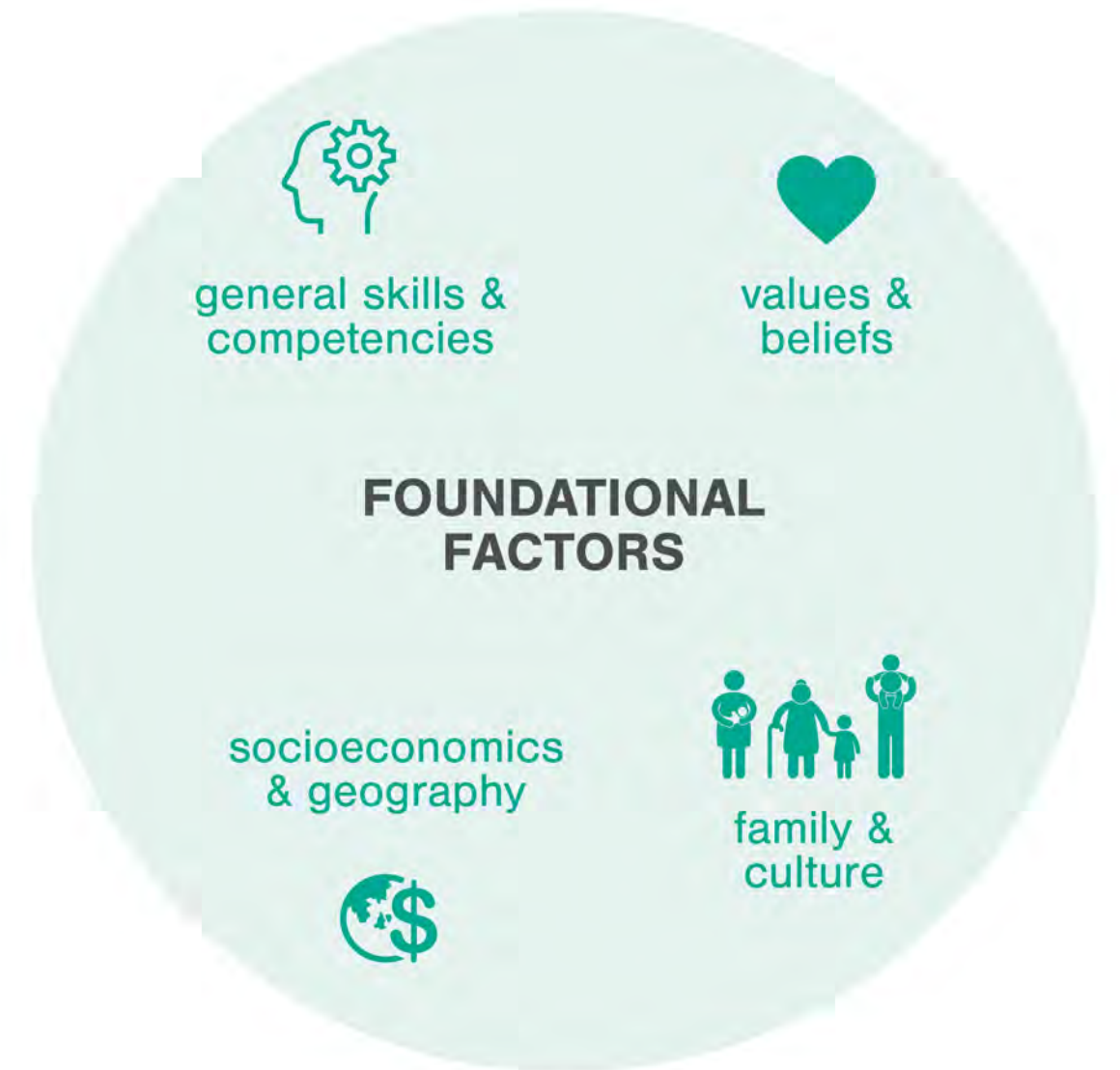
Many individuals face systemic barriers to full inclusion.

# Core Elements



# Foundational Factors

Includes both **internal** and **external** factors that influence each part of the framework



# Foundational Factors



## General Skills & Competencies

Basic literacy and numeracy

Problem-solving skills

Critical thinking

Information literacy

Executive function

Self-advocacy

Communication

Persistence



## Values & Beliefs

Motivation

Affect

Attitudes

Cognitive bias

Time discounting

Risk preference

Stress

Trust in the financial system

# Foundational Factors



## Family & Culture

Personal factors

- Family socialization
- Family composition
- Culture



## Socioeconomics & Geography

Overarching factors

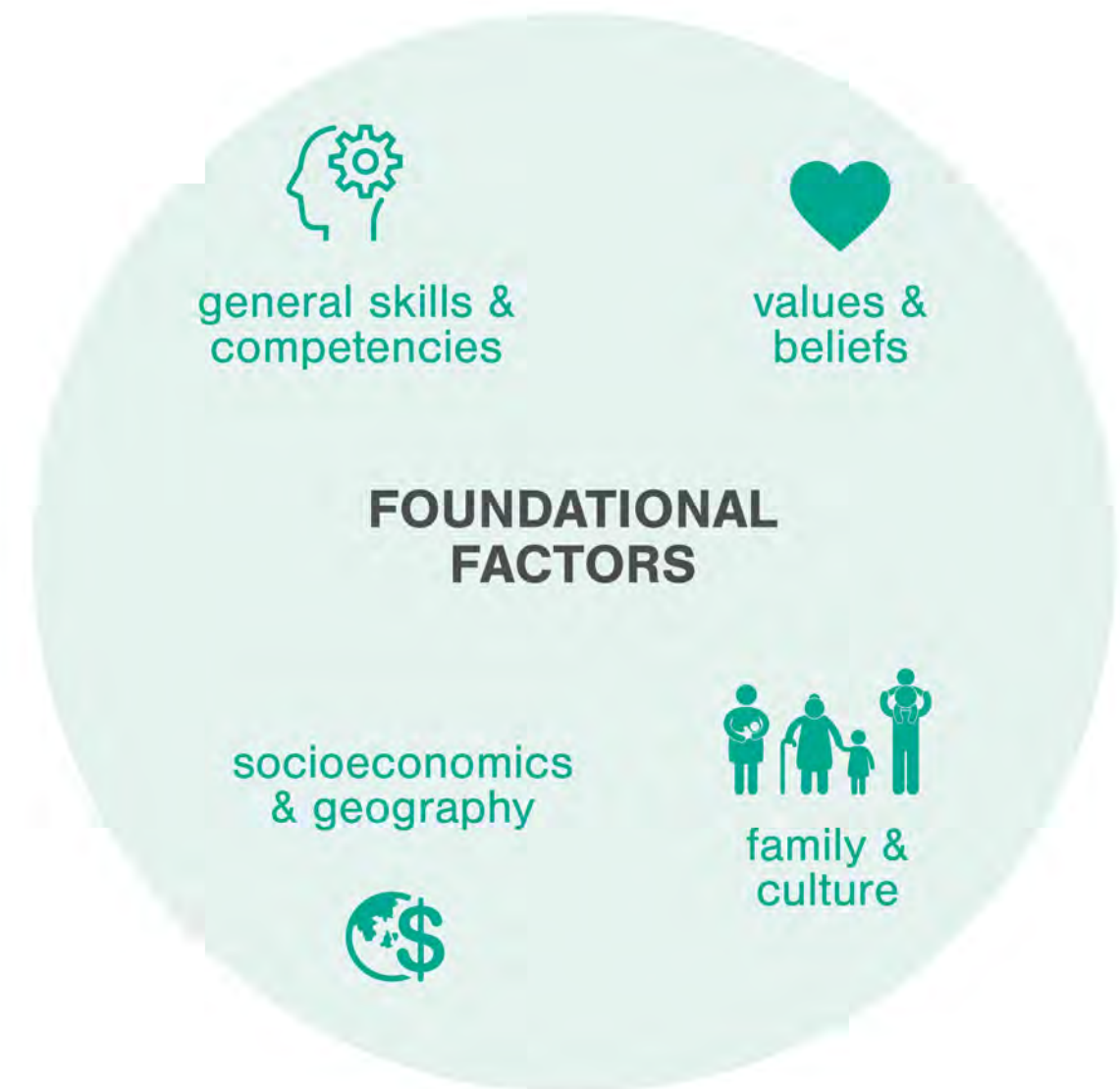
- State of the economy
- Socioeconomics and systemic inequality
- Issues specific to a particular region or locale



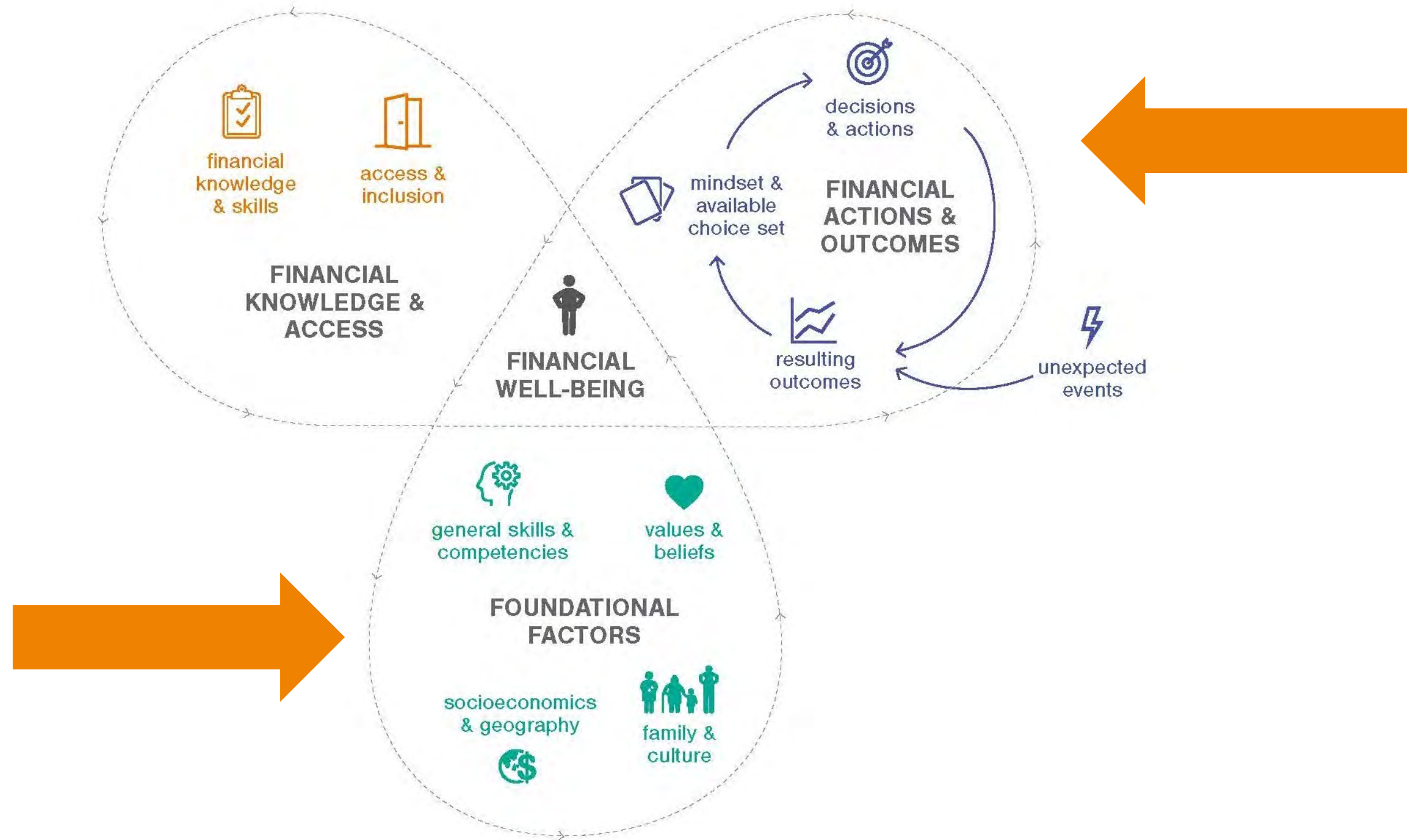
# Discussing Foundational Factors

Guide students to understand the role these factors play—both in general and for them specifically

- What are some examples of when a person's reading, writing, or math skills might impact them financially?
- How could having a hard time advocating for oneself or communicating effectively lead to financial troubles?
- Why is trust in the financial system a factor that could impact a person's financial well-being?
- When does the economy impact an individual's personal finances?

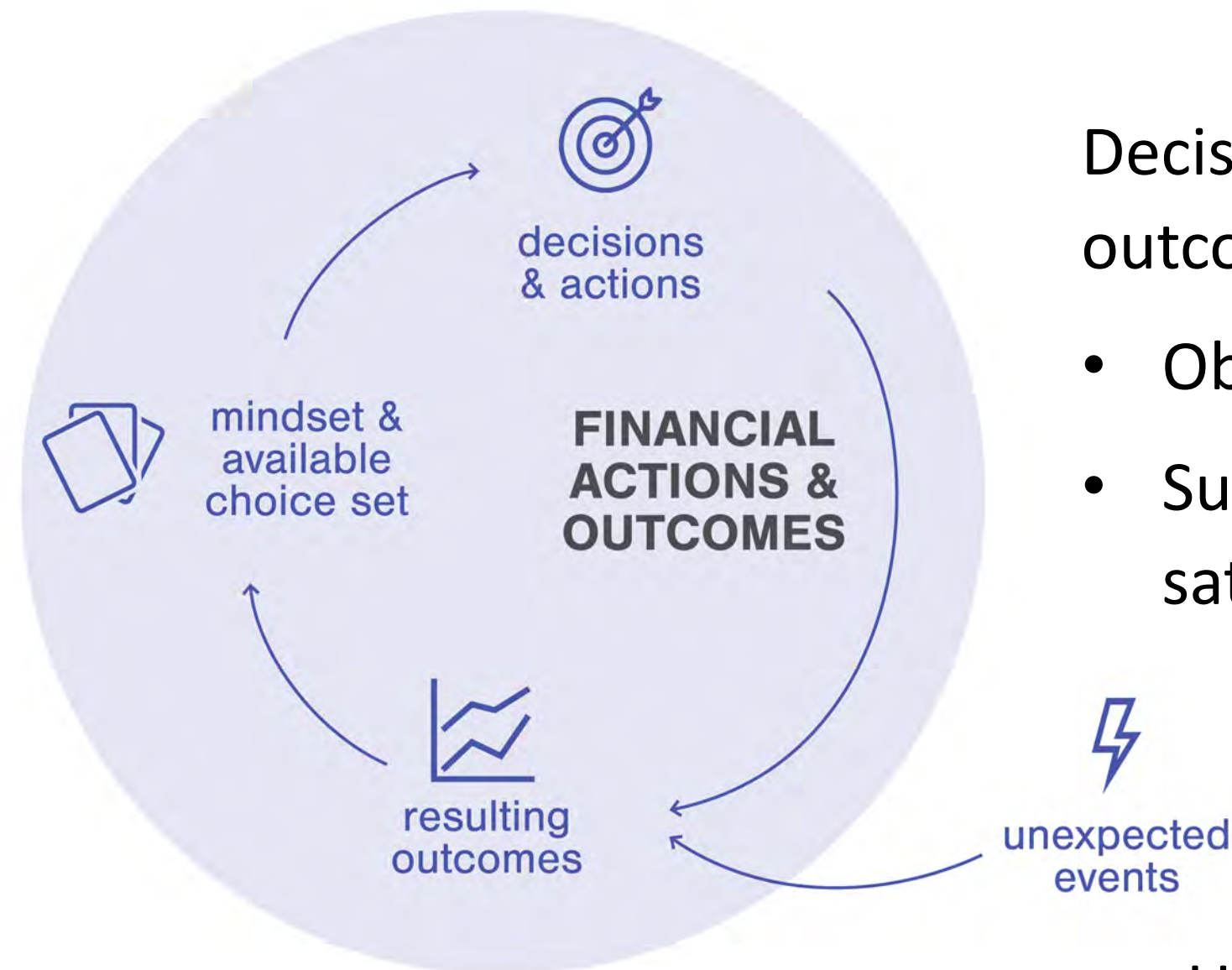


# Core Elements



# Financial Actions & Outcomes

Cycle begins and is influenced by knowledge and skills



Decisions and actions lead to outcomes which can be:

- Objective (new bank account)
- Subjective (feeling of satisfaction)

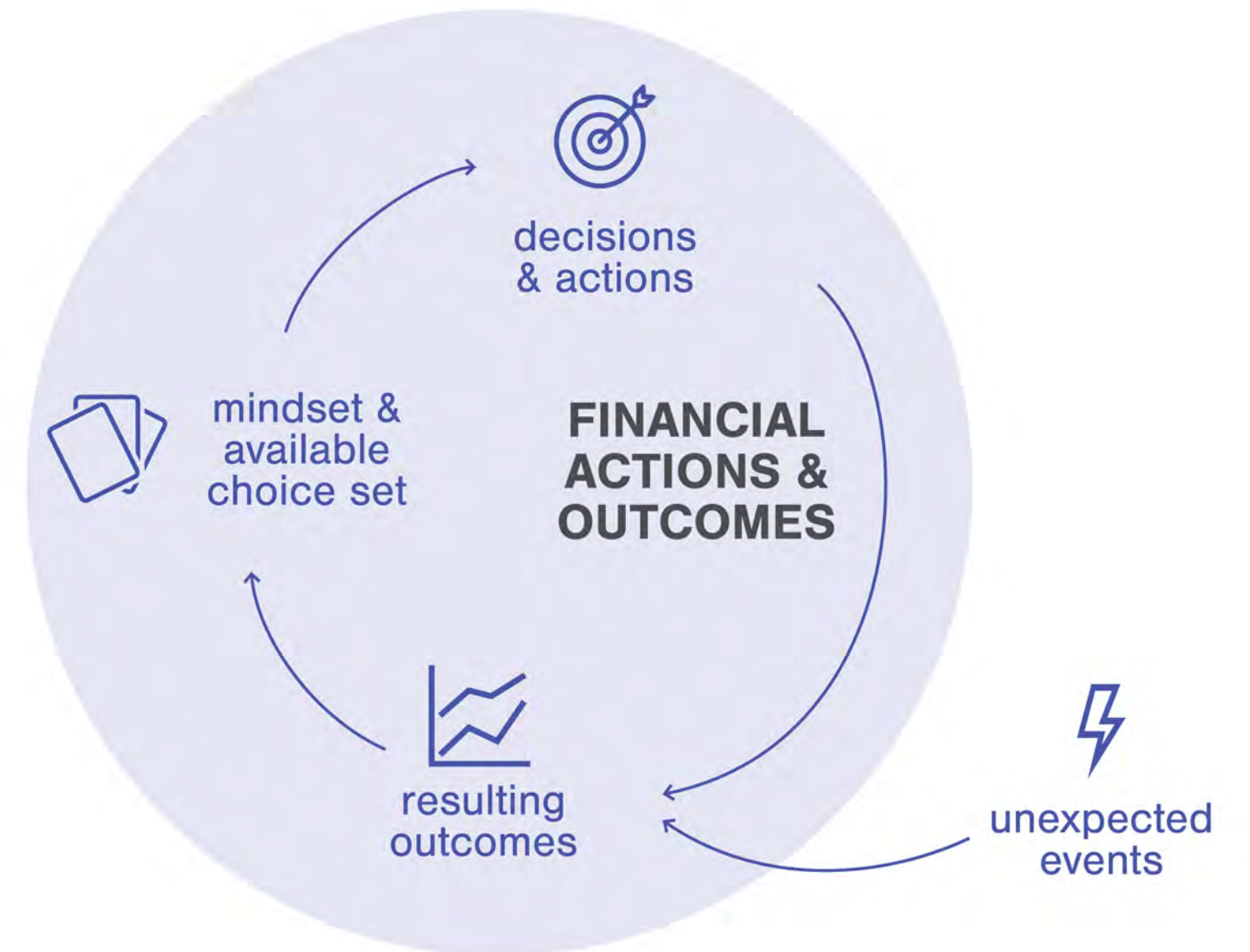
Unexpected events can be negative or positive

# Financial Actions & Outcomes

## Role Plays and Simulations

- Earning and Spending
- Budgeting
- Saving and Investing

## Study of Behavioral Finance



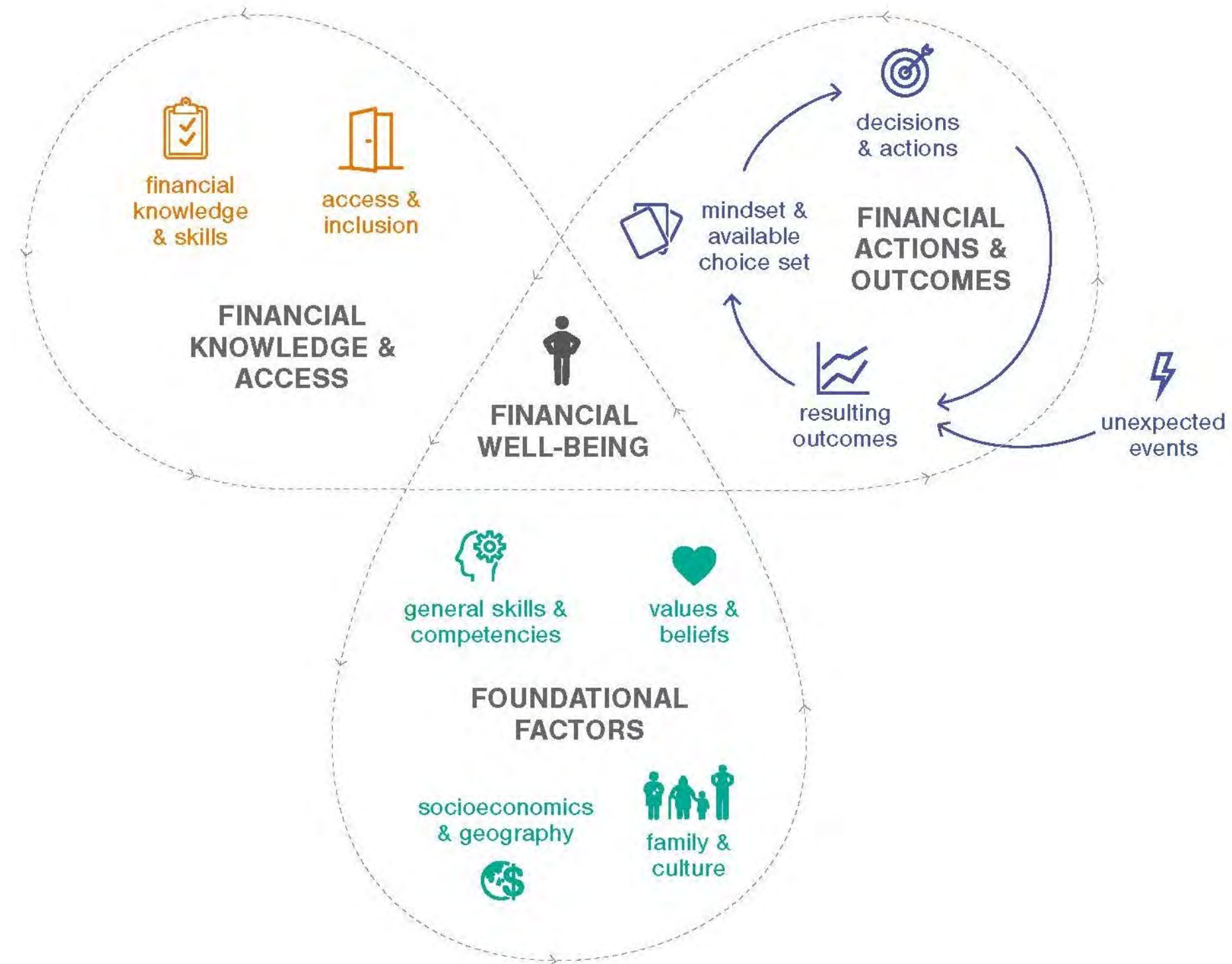
# Financial Actions & Outcomes

Think of a financial decision that you or someone you know has made.

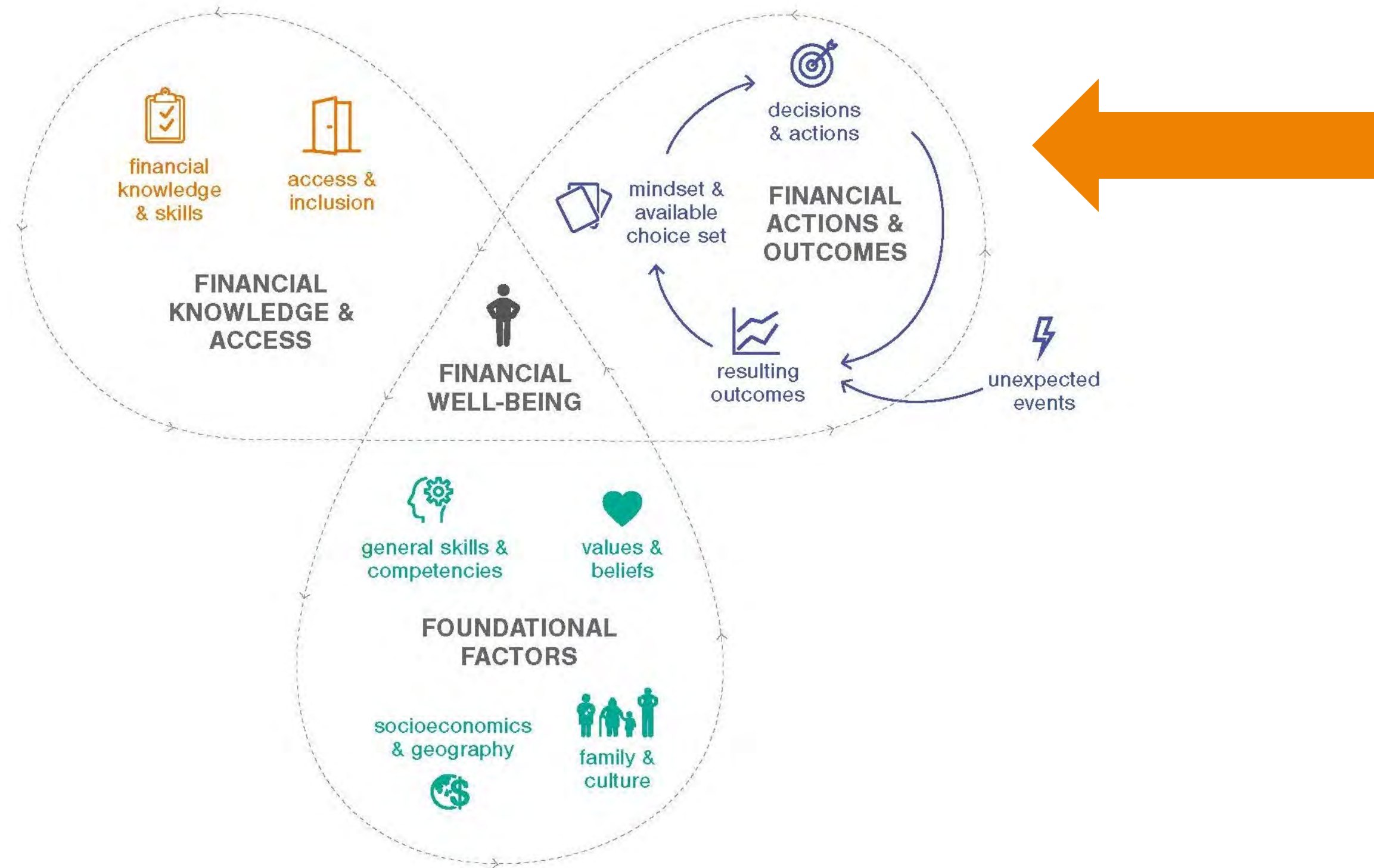
- Can you identify the components of this loop?
- What mindset did you or the other person go into the decision having?
- What choices were available at the time?
- What decision was made or action taken?
- Was an unexpected event involved?
- What was the resulting outcome?
- How will this experience impact future financial actions?



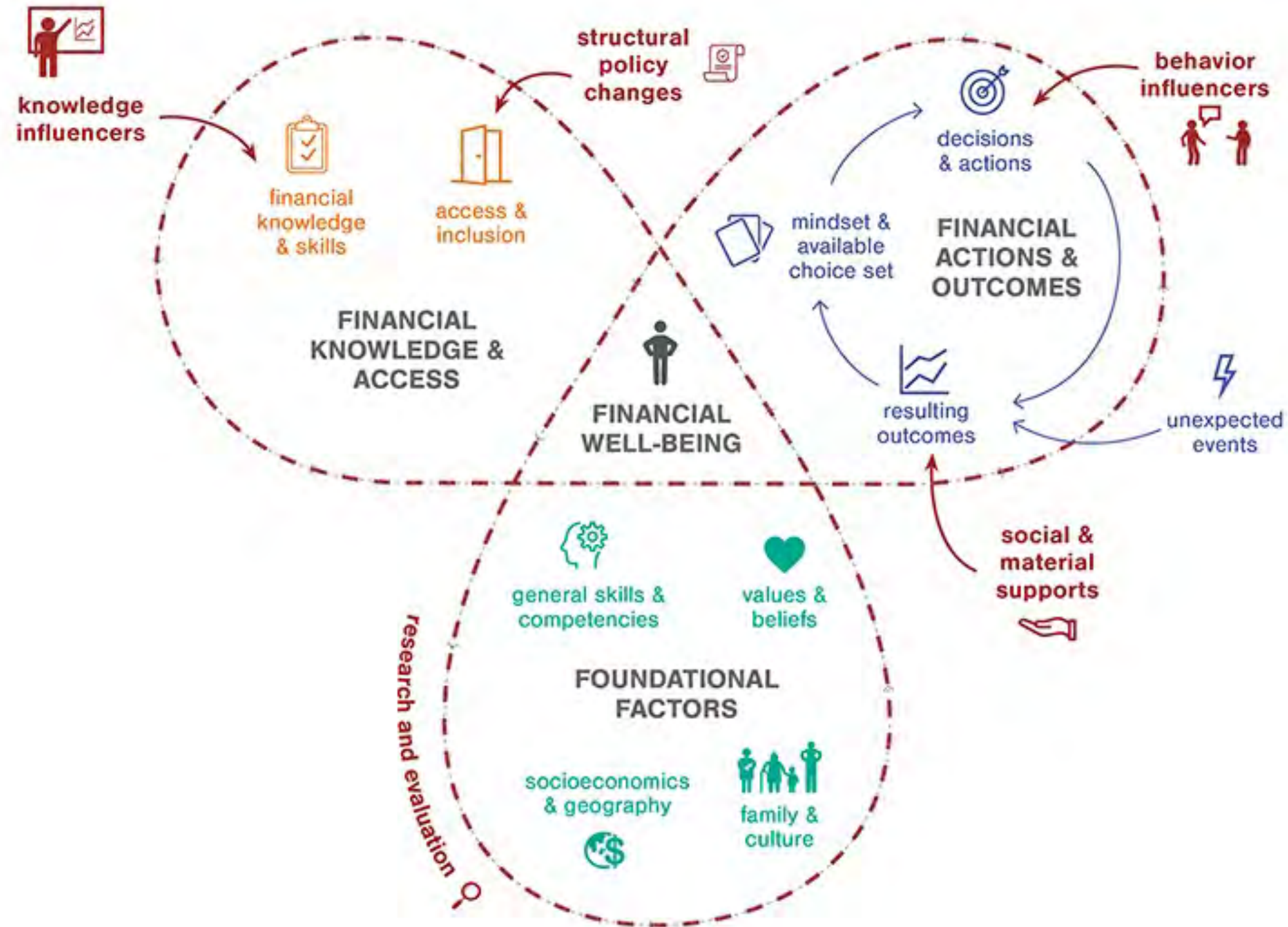
# Financial Actions & Outcomes



# Core Elements



# Catalysts for Change

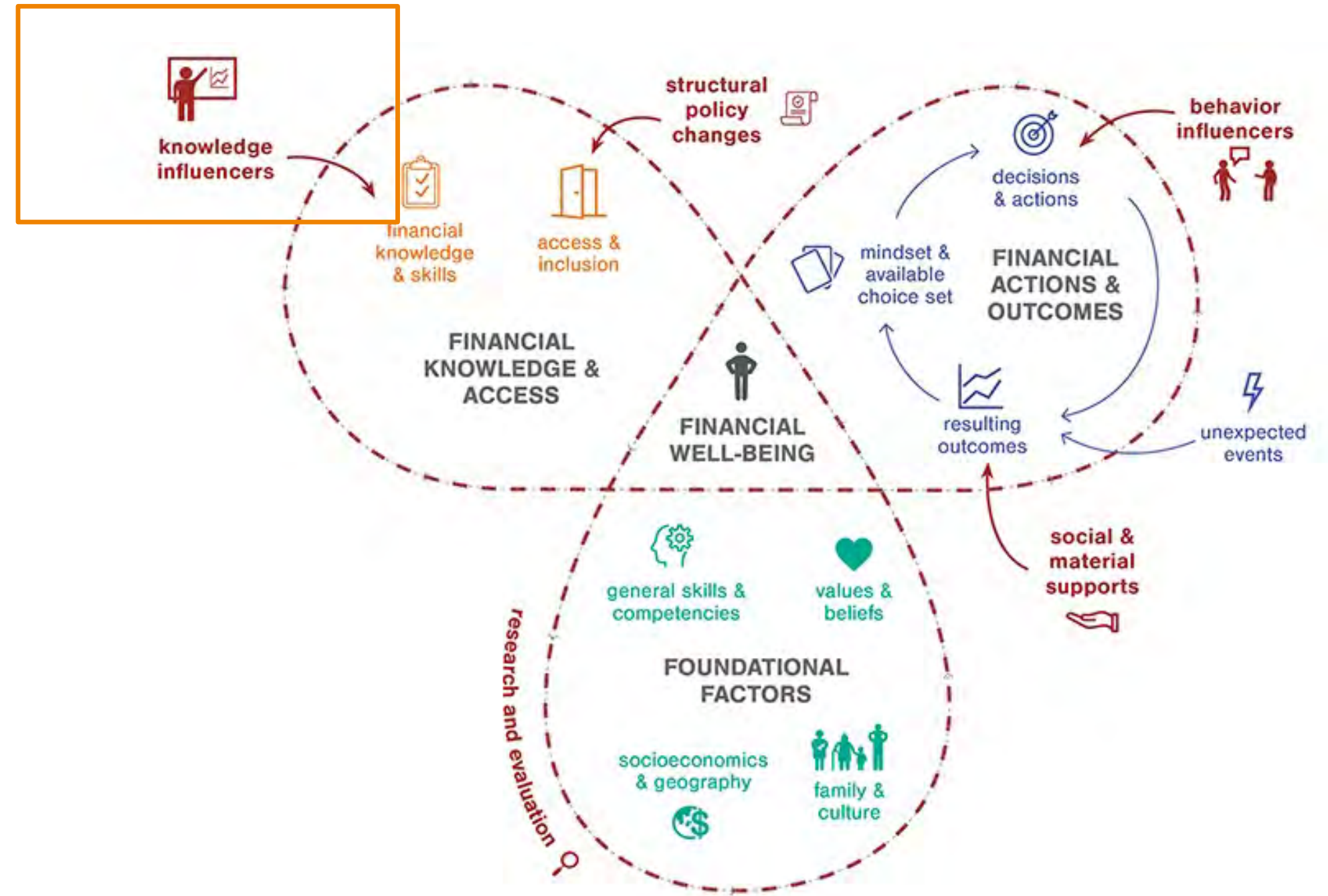




# Educators as Catalysts for Change

## Knowledge Influencers

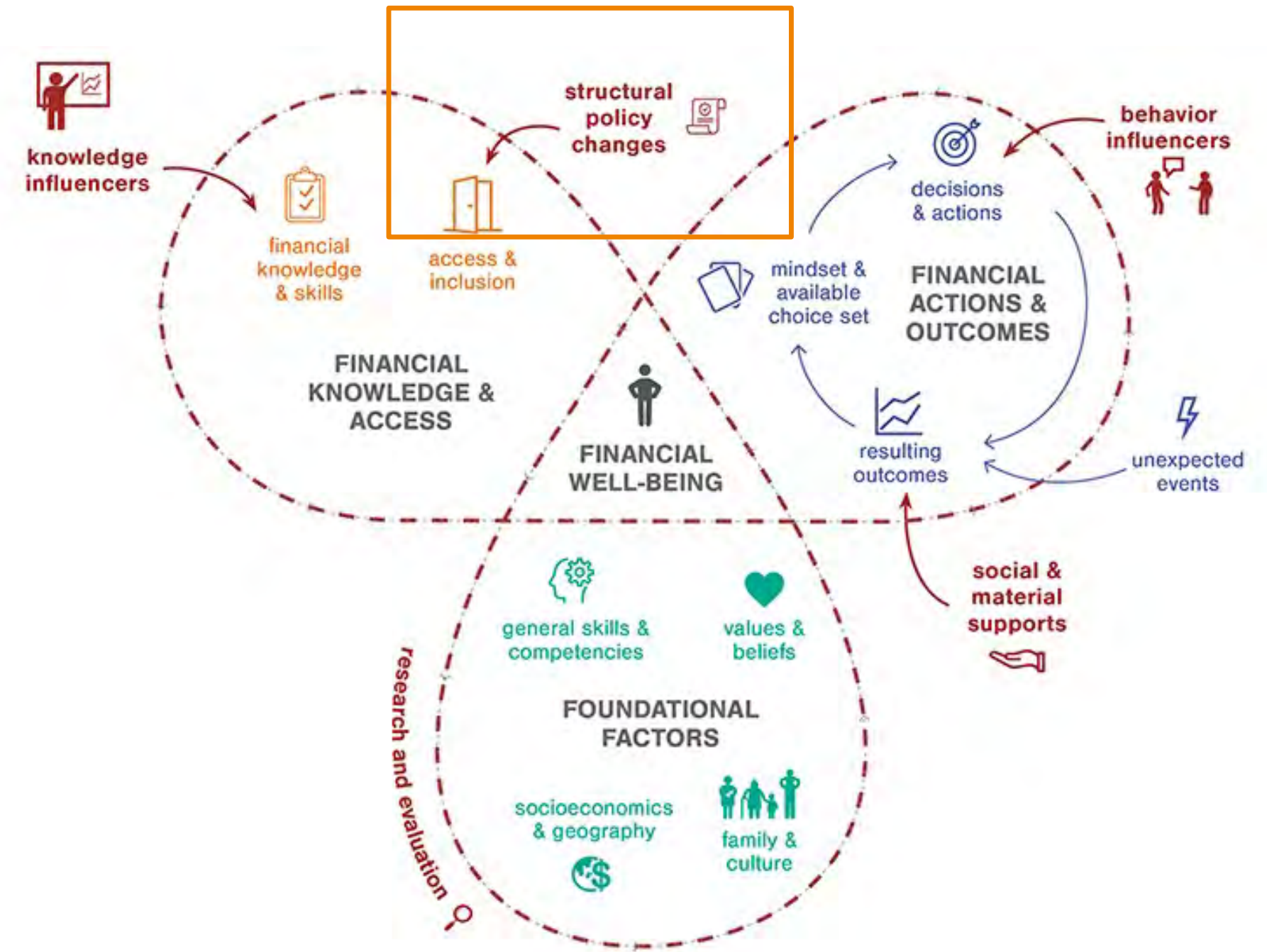
- Build knowledge
- Develop skills
- Access trustworthy sources of information
- Use financial tools



# Educators as Catalysts for Change

## Structural Policy Changes

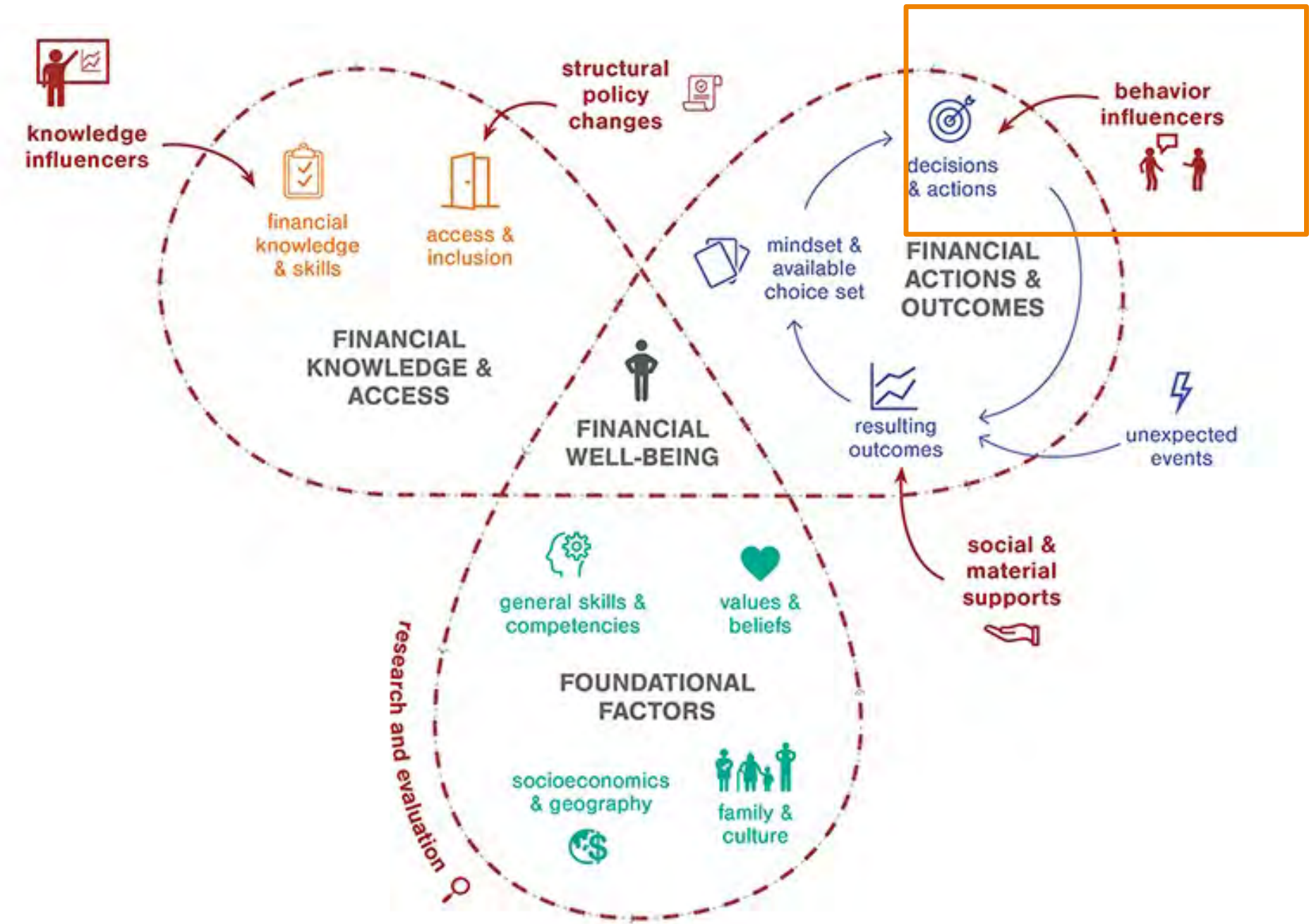
- Advocate for policies that make sure all students have access to financial education in school
- Make students aware of opportunities to advocate for change



# Educators as Catalysts for Change

## Behavior Influencers

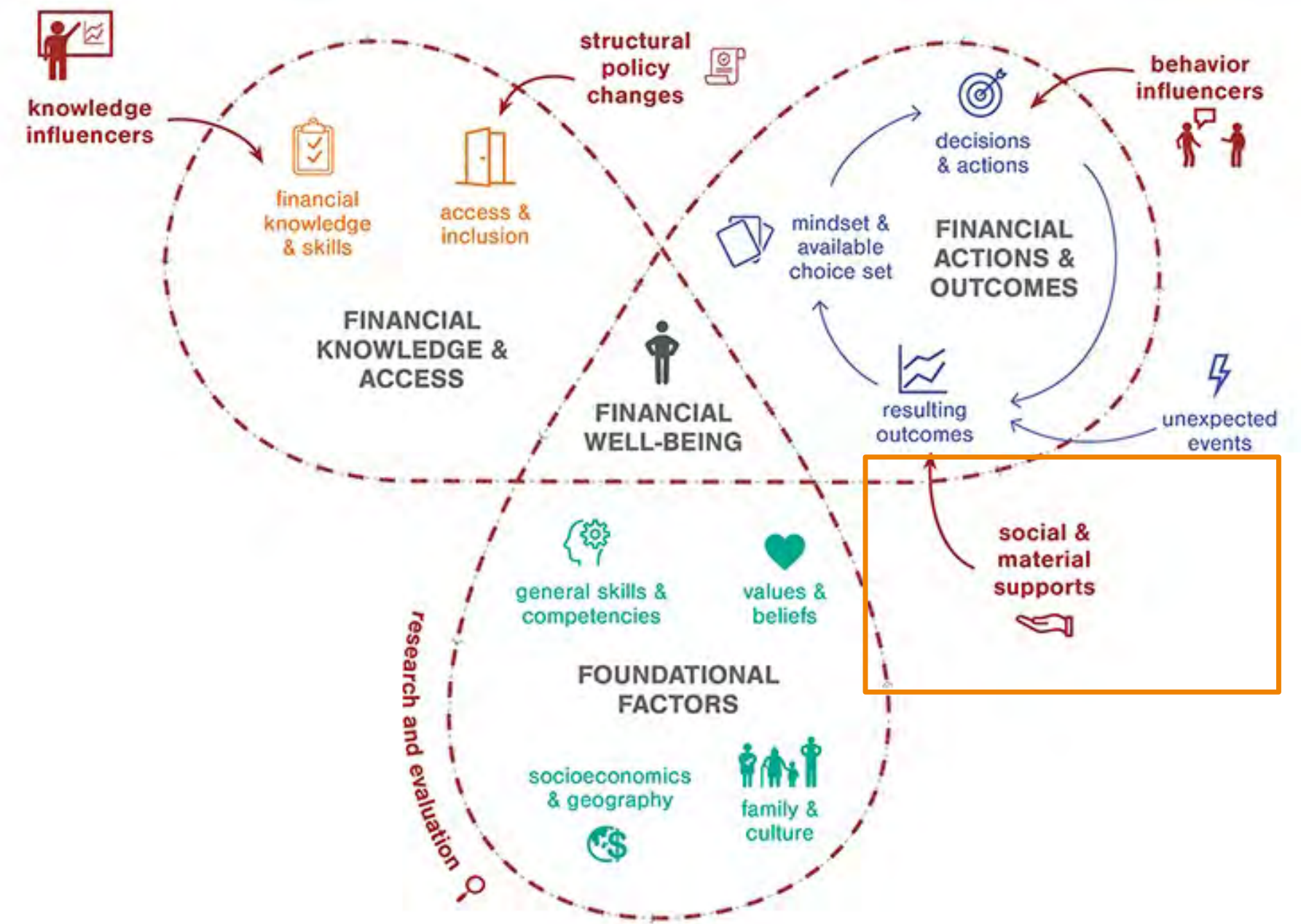
- Change behaviors and mindsets
- Explore behavioral finance
- Practice simulating financial decisions



# Educators as Catalysts for Change

## Social & Material Supports

- Introduce students to available sources of assistance
- Discuss qualification requirements



# The Personal Finance Ecosystem





# Questions for Self-Reflection

How can I **introduce this to my students** so they can view the many factors that play a role in one's financial well-being?

What aspects of the Personal Finance Ecosystem am I most **comfortable addressing** with students? Why is this?

Are there elements of the Personal Finance Ecosystem that **I want to understand** better?

What **preconceptions** do my students have about financial well-being and the factors that influence it?

How has **my own financial well-being** changed over time? How does each element of the Ecosystem impact my **current state** of financial well-being? Am I comfortable offering any of these as **examples** for students?

Do and/or should I **differentiate my instruction** for students based on their **level of financial well-being** and/or specific elements of the Personal Finance Ecosystem?

# The Personal Finance Ecosystem



## Initiatives

### The Personal Finance Ecosystem

Purpose

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Core Concept: Foundational Factors

Core Concept: Financial Knowledge and Access

Core Concept: Financial Actions and Outcomes Cycle

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# Coming Soon: Educator Resources

## Educator Guide

**Personal Finance Ecosystem: A Companion for K-12 Educators**

## Classroom Activities

**What Influences Financial Well-Being?**

*Hexagonal Thinking Activity and Facilitated Discussion*

**Financial Well-Being and You**

*Self-Assessment Activity and Facilitated Discussion*

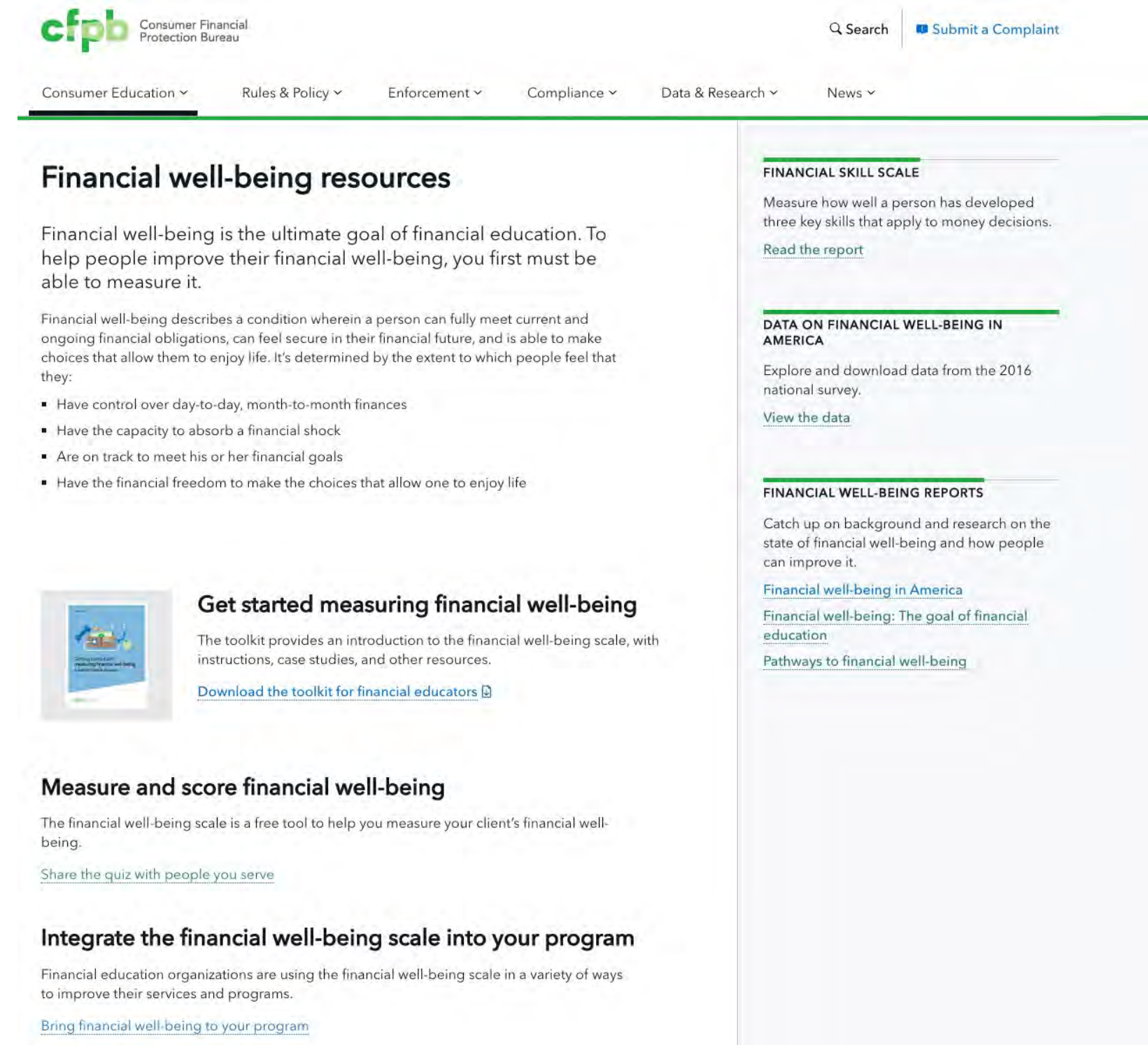
**Examine the Narrative**

*Scenario-Based Activity with Group Presentations*

NEFE.ORG



# CFPB & Financial Well-Being



The screenshot shows the CFPB website's navigation bar with the logo and menu items: Consumer Education, Rules & Policy, Enforcement, Compliance, Data & Research, and News. A search bar and 'Submit a Complaint' button are also visible. The main content area is titled 'Financial well-being resources' and includes a paragraph defining financial well-being, a list of five characteristics, and three resource sections: 'Get started measuring financial well-being' (with a toolkit download link), 'Measure and score financial well-being' (with a share link), and 'Integrate the financial well-being scale into your program' (with a link to bring the scale to your program).

**Financial well-being resources**

Financial well-being is the ultimate goal of financial education. To help people improve their financial well-being, you first must be able to measure it.

Financial well-being describes a condition wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow them to enjoy life. It's determined by the extent to which people feel that they:

- Have control over day-to-day, month-to-month finances
- Have the capacity to absorb a financial shock
- Are on track to meet his or her financial goals
- Have the financial freedom to make the choices that allow one to enjoy life

**Get started measuring financial well-being**

The toolkit provides an introduction to the financial well-being scale, with instructions, case studies, and other resources.

[Download the toolkit for financial educators](#)

**Measure and score financial well-being**

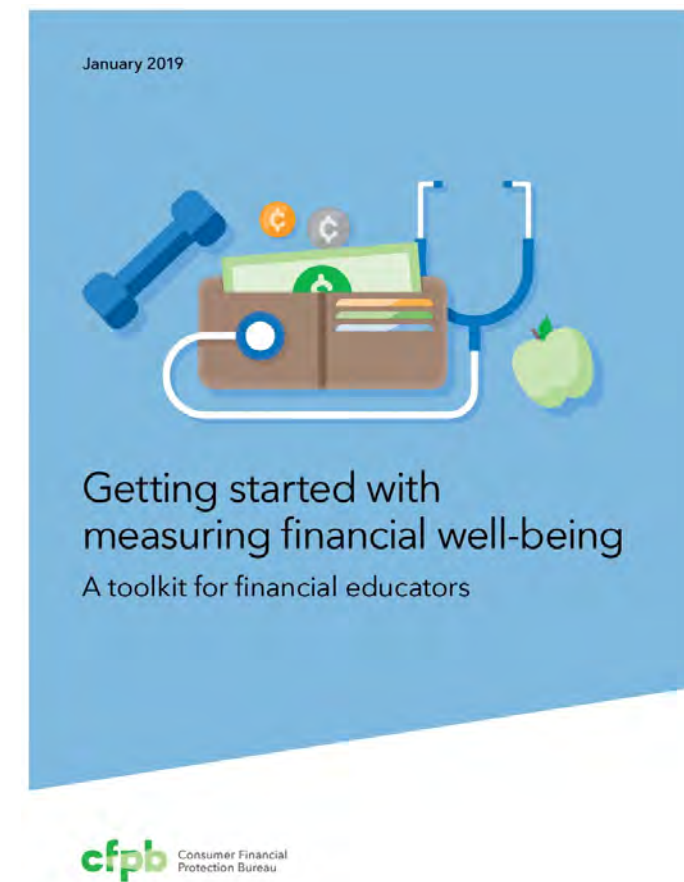
The financial well-being scale is a free tool to help you measure your client's financial well-being.

[Share the quiz with people you serve](#)

**Integrate the financial well-being scale into your program**

Financial education organizations are using the financial well-being scale in a variety of ways to improve their services and programs.

[Bring financial well-being to your program](#)



The graphic features a blue background with icons of a dumbbell, a wallet with coins, a stethoscope, and an apple. The text reads: 'January 2019', 'Getting started with measuring financial well-being', and 'A toolkit for financial educators'. The CFPB logo is at the bottom.

January 2019

Getting started with measuring financial well-being  
A toolkit for financial educators

cfpb Consumer Financial Protection Bureau



# CFPB & Financial Well-Being

## Defining Financial Well-Being

Consumers can experience financial well-being—or a lack of it—regardless of income. It's a highly personal state, not fully described by objective financial measures. Instead, well-being is defined as having financial security and financial freedom of choice, in the present and in the future.

	Present	Future
Security	Control over your day-to-day, month-to-month finances	Capacity to absorb a financial shock
Freedom of Choice	Financial freedom to make choices to enjoy life	On track to meet your financial goals

# What Influences Financial Well-Being

What influences financial well-being



# Find Out Your Financial Well-Being

## Part 1: How well does this statement describe you or your situation?

I could handle a major unexpected expense

This statement describes me  Completely  Very well  Somewhat  Very little  Not at all

---

I am securing my financial future

This statement describes me  Completely  Very well  Somewhat  Very little  Not at all

---

Because of my money situation, I feel like I will never have the things I want in life

This statement describes me  Completely  Very well  Somewhat  Very little  Not at all

---

I can enjoy life because of the way I'm managing my money

This statement describes me  Completely  Very well  Somewhat  Very little  Not at all

---

I am just getting by financially

This statement describes me  Completely  Very well  Somewhat  Very little  Not at all

---

I am concerned that the money I have or will save won't last

This statement describes me  Completely  Very well  Somewhat  Very little  Not at all

## Part 2: How often does this statement apply to you?

Giving a gift for a wedding, birthday or other occasion would put a strain on my finances for the month

This statement applies to me  Always  Often  Sometimes  Rarely  Never

---

I have money left over at the end of the month

This statement applies to me  Always  Often  Sometimes  Rarely  Never

---

I am behind with my finances

This statement applies to me  Always  Often  Sometimes  Rarely  Never

---

My finances control my life

This statement applies to me  Always  Often  Sometimes  Rarely  Never

## About you

Select your age group. This changes the scoring calculation.

18-61  62+

Select how you completed the questionnaire. This changes the scoring calculation.

I read and answered the questions myself  I read the questions to someone else and recorded their answers



# Map Your Money Journey

< Resources for Practitioners / Youth Financial Education

[Learn About the Building Blocks](#)

[Teach the Building Blocks](#)

**Assess the Building Blocks**

[Financial Terms Glossary](#)

[Explore Financial Education Resources and Research](#)

## Assess development of the building blocks of financial capability

CFPB has resources for assessing young people's progress toward achievement of the financial capability milestones.

To help young people develop the building blocks of financial capability, it's important to gauge what they know, understand, and can do.

To support this effort, we have designed a series of assessment tools informed by the CFPB's measurement guide. These tools assess the attitudes, skills, and habits a young person has by measuring their development of three interconnected building blocks of financial capability: executive function, financial habits and norms, and financial knowledge and decision-making skills. You can use this information to measure childrens' progress and inform classroom teaching.

### Administer the youth financial capability survey

CFPB has developed a financial capability survey to help young people understand their own financial capability including their areas of strength and areas for growth. They can use this information to reflect on what they may do to improve their financial capability.

[Start the "Map your money journey" survey](#)

[Use a classroom activity](#)



Identifying young people's emerging financial capability at a specific moment in time gives a picture of what developmental milestones have been achieved. In addition, it can show progress over time. Students can use an online survey or you can administer a PDF version at home or in the classroom using the grade-level specific materials below.

#### Elementary survey

**Grades 3-5**

[Read the teacher guide](#)

[Go to the online survey](#)

[Download the PDF survey](#)

[Score the PDF survey](#)

#### Middle school survey

**Grades 6-8**

[Read the teacher guide](#)

[Go to the online survey](#)

[Download the PDF survey](#)

[Score the PDF survey](#)

#### High school survey

**Grades 9-12**

[Read the teacher guide](#)

[Go to the online survey](#)

[Download the PDF survey](#)

[Score the PDF survey](#)



consumerfinance.gov

# Map your money journey - High school

Managing money is an important skill for everyone to have. Take this survey to find out where you are today and then plan your financial future.

## Survey instructions

Here's what you do:

- Answer 30 questions as honestly as you can. Your answers will be private.
- Find out about your current money smarts and skills.
- Explore things you can do to manage your money better.

## Part 1

How often does each statement describe you or your situation?

This statement describes me	Most of the time	Often	Sometimes	Rarely	I don't know
1. When I have a problem to solve, I find out as much information as I can about it.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I try to think of many different approaches when I'm solving a problem.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. When I make a decision, I go with my "gut feeling" and I don't think too much about the consequences.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. I spend a lot of time thinking about how what I do today will affect me in the future.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. I'd rather save my money for an important purchase than spend it immediately on something that doesn't matter much to me.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

How often does each statement describe you or your situation?

1. When I have a problem to solve, I find out as much information as I can about it.

Most of the time    Often    Sometimes    Rarely    I don't know

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2. I try to think of many different approaches when I'm solving a problem.

Most of the time    Often    Sometimes    Rarely    I don't know

---

3. When I make a decision, I go with my "gut feeling" and I don't think too much about the consequences.

Most of the time    Often    Sometimes    Rarely    I don't know

---

4. I spend a lot of time thinking about how what I do today will affect me in the future.

Most of the time    Often    Sometimes    Rarely    I don't know

---

5. I'd rather save my money for an important purchase than spend it immediately on something that doesn't matter much to me.

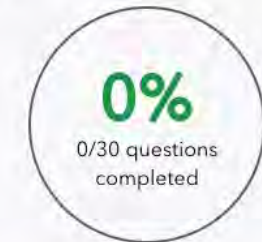
Most of the time    Often    Sometimes    Rarely    I don't know

---

6. I will give up what I want today to get what I want in the future.

Most of the time    Often    Sometimes    Rarely    I don't know

Your survey progress  
0 of 30 questions completed



- Section 1 (in progress)  
Questions 1-6
- Section 2  
Questions 7-11
- Section 3  
Questions 12-16
- Section 4  
Questions 17-20
- Section 5  
Questions 21-26
- Section 6  
Questions 27-30



# NEFE'S PERSONAL FINANCE ECOSYSTEM

APPLICATIONS IN THE CLASSROOM

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April 13, 2023