

My Classroom Economy Evaluation: Early Findings

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This brief highlights early findings from an evaluation of the My Classroom Economy (MyCE) financial education program, which is underwritten by Vanguard. The evaluation is funded by the U.S. Department of the Treasury's Financial Empowerment Innovation Fund and conducted by the Center for Financial Security (CFS). The project follows an earlier Treasury-funded evaluation of a curriculum-based financial literacy program combined with in-school banking, also conducted by CFS. Results from that study are summarized in a brief available at go.wisc.edu/ml1th7.

In contrast to more traditional classroom financial education programs based around lesson plans, MyCE takes an experiential approach to teaching financial knowledge and skills. Students learn financial lessons through direct experience: they earn classroom "dollars" for jobs they perform, use this currency to pay rent for their desks, and are subject to bonuses and fines as determined by their teacher. Past research suggests that the experiential approach is a promising teaching strategy, with the added strength that it minimizes time away from other classroom activities.

Although considerable momentum has built behind the idea of teaching financial literacy in schools, few studies have identified effective financial education strategies for school-aged children. This is the first evaluation the authors know of that uses rigorous techniques to examine the effect of a simulated economy on elementary school students' financial knowledge, attitudes, and behavior. Because this approach requires limited additional instructional time in the classroom, the results of the evaluation are expected to be of wide interest to educators, policymakers, and researchers.

My Classroom Economy

MyCE materials are available free of charge from myclassroomeconomy.org, where teachers can

Summary of Early Findings

Several statistically significant results have emerged from the survey data.

- Of the teachers in the treatment group, 95% reported using the program regularly, and 93% plan to continue using it.
- Parents and students in the treatment group were much more likely to report that their schools were teaching students about money management than those in the comparison group.
- Students in the treatment group exhibited greater increases in their tested financial knowledge than did those in the comparison group.
- Students in the treatment group reported talking to their families about financial issues and about how they (students) spend money. They reported having these conversations more often than students in the comparison group.
- Students in the treatment group were more likely to report that they were doing a good job keeping track of their spending than were students in the comparison group.
- Students in the treatment group were more likely to report receiving money for a job than students in the comparison group.

download documents or request paper copies. While this evaluation focuses on 4th- and 5th-grade students, MyCE materials are available for all grades, K–12. The program becomes increasingly complex at higher grades, incorporating more financial activities into the classroom economy. Students in this evaluation were about 9 years old, on average.

With MyCE, students earn and spend classroom "dollars" through a simulated economy. Teachers assign each student a job, from which he or she earns

income. Students then spend their money renting or purchasing their desks and have the opportunity to buy items at classroom stores or auctions. MyCE also acts as a classroom management system, allowing teachers to establish rules for awarding bonuses and imposing fines. MyCE can be highly customized for individual classrooms. For instance, each teacher creates his or her own lists of classroom jobs and defines what behaviors are subject to bonuses and fines (sample lists of [bonuses](#) and [fines](#) are available on the program's website).

The School District of Palm Beach County

In the fall of 2014, CFS issued a national call for school districts interested in collaborating on the MyCE evaluation; the School District of Palm Beach County (SDPBC) was selected as the partner district. By enrollment, SDPBC is one of the 15 largest school districts in the nation. As a county-based district, SDPBC serves students from diverse socioeconomic and racial and ethnic backgrounds. The district has a district-wide financial literacy coordinator and a strong research and evaluation department.

Although MyCE is well aligned with Florida's financial literacy standards, the decision to participate in a particular financial literacy program ultimately rests with principals and teachers in the district. CFS and SDPBC worked together to recruit schools and teachers for the evaluation in spring 2015. As a result of that effort, 113 teachers across 24 schools agreed to participate in the evaluation, with the understanding that some schools would be randomly assigned to the comparison group and required to delay use of the program.

Evaluation Process

CFS randomly assigned schools that volunteered for the evaluation into treatment and comparison groups. The treatment group implemented MyCE over the first 13 weeks of the 2015-2016 school year, the district's first trimester for elementary students. The comparison group delayed using the program until the second trimester. This design is critical to establishing the causal effects of MyCE on measured outcomes.

Teachers in both the treatment and comparison groups attended an in-person workshop the week before school started. During the training, teachers

started preparing materials for their classrooms and learned more about the evaluation.

Data Collection

To measure program outcomes, CFS developed student, parent, and teacher surveys. The University of Wisconsin Survey Center worked with the district to collect the baseline and follow-up surveys at participating schools during the weeks of August 31 and November 9, respectively.

The student surveys measured financial knowledge, behaviors, and attitudes. These surveys were administered to students in both the treatment and comparison groups at the start and end of the trimester. This design allows us to compare changes from the beginning to the end of the trimester between the two groups.

Brief parent and teacher surveys were administered at the end of the first trimester. The parent surveys focused on financial socialization practices (e.g., providing an allowance), and the teacher survey gathered feedback on the implementation of MyCE and on teaching financial literacy more generally.

In addition to the survey data, SDPBC is providing administrative data on student demographics, grades, and test scores from the previous and current school years. These data will be incorporated into future analyses to complement data from the survey measures. SDPBC will provide the final set of administrative data in summer 2016, once all of the 2015–2016 data are compiled.

Early Results

CFS recently received the survey and preliminary administrative data and has started analyzing the datasets. Baseline and follow-up survey data were matched for 1,972 students, 1,150 from the treatment group and 822 from the comparison group. Overall, the survey response rates for teachers and parents were quite high; surveys were collected from 97 teachers and 791 parents, for response rates of 84% and 40%, respectively.

The statistical analyses focus on comparing changes from baseline to follow-up between the treatment and comparison groups. The results summarized in the rest of this brief cover the survey data and may be subject to further refinement and revision over the coming months. The administrative data and any revisions to the survey data will be covered in a final

report to be released in fall 2016. All of the results highlighted below are statistically significant.

Use of My Classroom Economy

Several data points confirm that teachers assigned to the treatment group followed through and used the program in their classrooms. Among teachers in the treatment group:

- 95% reported using MyCE regularly
- 93% reported that they will continue using MyCE.
- On average, teachers who used MyCE held 3 to 5 auctions during the trimester.

Responses from the student and parent surveys also reflect a high level of engagement with the program:

- At the end of the study period, students and parents in the treatment group were much more likely to report that teachers were teaching about money management than were students and parents in the comparison group.
- In the treatment group, 86% of students reported having at least one chance to buy items from the classroom store, with 25% having 6 or more opportunities to do so; 59% of students in the treatment group actually bought something from their classroom store.
- In the treatment group, 95% of students reported earning a bonus during the trimester.
- In the treatment group, 75% of students reported incurring a fine, and 15% failed to pay rent and therefore could not participate in the classroom store at least once during the trimester.
- By the end of the trimester, about one-third of students in the treatment group had purchased their desks, versus continuing to rent.

Effects on Financial Knowledge

The student baseline and follow-up surveys included a 13-question financial knowledge quiz. Responses to the 13 questions were combined into an overall score. Students in the treatment group exhibited a greater increase in their financial knowledge scores than the comparison group. Scores in the treatment group improved about 7-10% more than scores in the comparison group, or by about one quiz question. This finding is quite significant in light of the fact that teachers did not cover specific financial

content in the course of the program, since MyCE is an experiential program rather than a lesson-based curriculum.

Financial Socialization

At follow-up, students in the treatment group reported talking to their families about financial issues and how they (students) spend money more often than did students in the comparison group. In addition, students in the treatment group were more likely to report receiving money from a job. Finally, students in the treatment group were more likely to report that they were doing a better job keeping track of their spending than were students in the comparison group.

Conclusions

The survey results presented here provide early evidence of the effects of MyCE on student outcomes. Overall, the data show that teachers who were randomly assigned to the treatment group followed through and used the program in their classrooms. Students' survey responses show that they were engaged with the program. The results from the financial knowledge quiz indicate that the program was effective in increasing students' financial knowledge. In addition, participating in MyCE also led students to talk with their parents about financial topics more often.

Going forward, we will further refine the analysis of the survey data and incorporate administrative data from SDPBC, including grades and test scores. SDPBC will provide those data in the summer of 2016, once they have been compiled at the district level for the 2015–2016 school year. CFS will issue a final report on the evaluation in the fall of 2016.

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