Taylor & Francis
Online

The Journal of Economic Education ›
Volume 43, 2012 - Issue 3

3,057 Views | 72 CrossRef citations to date | 13 Altmetric

RESEARCH IN ECONOMIC EDUCATION

What Does Financial Literacy Training Teach Us?

Bruce Ian Carlin & David T. Robinson

Pages 235-247 | Published online: 19 Jul 2012

Cite this article https://doi.org/10.1080/00220485.2012.686385

Sample our
Economics, Finance,
Business & Industry Journals
>> Sign in here to start your access
to the latest two volumes for 14 days

Abstract

The authors use data from a finance-related theme park to explore how financial education changes investment, financing, and consumer behavior. Students were assigned fictitious life situations and asked to create household budgets. Some students received a 19-hour financial literacy curriculum before going to the park, and some did not. After controlling for demographic variables, the authors show that the treatment effects of the financial literacy program are strong. Students were more frugal, delayed gratification, paid off debt faster, and relied less on credit financing after training. Students who attended training showed greater uptake of decision support that was offered in the park, which indicates that decision support and financial literacy training are complements, not substitutes.

Keywords :

decision support financial literacy training

Keywords:

JEL codes A21 D14 D18

Acknowledgments

The authors thank Viral Acharya, Doug Bernheim, Annamaria Lusardi, John Lynch, Adair Morse, Bill Walstad, and seminar participants at Vanderbilt University, Georgetown University, Duke University, the 2012 American Economic Association meetings, and the 2010 Fall NBER Corporate Finance meeting for helpful comments and feedback. The authors also thank and acknowledge colleagues at Junior Achievement of Southern California for helpful discussions and guidance throughout the project. This work was conducted in compliance with IRB human subject guidelines and was approved by the IRBs at Duke and UCLA. Dan Blanchette provided excellent research assistance.

Notes

1. One exception is Bernheim and Garrett (2003), who show that financial education leads to higher aggregate savings; however, behavior at the individual level is not measured in their study.

2. A full description of the curriculum is available in Carlin and Robinson (2009), and at http://www.jasocal.org.

3. Examples are taken from the JA Finance Park Student Workbook, which is available upon request.

4. Additional details can be found online at http://www.nber.org/papers/w16271.

5. Tables are available upon request.

6. Confidentiality requirements prevent us from disclosing the name of the school. However, it is in the South Los Angeles area, and is approximately 52 percent black and

47 percent Hispanic in student makeup. It has an API score of 1, placing it in the lowest decile, and has around two percent of students at or above California state-level math proficiency.

7. These results can be found in greater detail online at http://www.nber.org/papers/W16271.

8. This question is also explored in greater detail in Carlin and Robinson (2012).

9. Difficulty in extrapolating beyond the scenarios used to illustrate educational principles is discussed in the educational psychology literature. See, for example, Thompson, Gentner, and Lowenstein (2000) or Gentner, Lowenstein, and Thompson (2003).

Related Research Data

Libertarian paternalism
Source: Unknown Repository
Learning and transfer: A general role for analogical encoding.
Source: Journal of Educational Psychology
Avoiding Missed Opportunities in Managerial Life: Analogical Training More Powerful Than Individual Case Training
Source: Organizational Behavior and Human Decision Processes
Financial Education and Timely Decision Support: Lessons from Junior Achievement
Source: The American Economic Review
Financial Literacy Among the Young
Source: SSRN Electronic Journal
The effects of financial education in the workplace: evidence from a survey of households
Source: Journal of Public Economics
Education and Saving: The Long-Term Effects of High School Financial Curriculum

Related research

People also read | Recommended articles | Cited by 72

Financial literacy of high school students: Evidence from Germany

Carsten Erner et al.
The Journal of Economic Education
Published online: 13 Apr 2016

Is there a link between financial literacy and financial behaviour? >

Kwame Mireku et al.
Cogent Economics & Finance
Published online: 1 Apr 2023

The effects of game-based financial education: New survey evidence from lower-secondary school students in Finland >

Panu Kalmi et al.
The Journal of Economic Education
Published online: 21 Feb 2022

Information for

- Authors
- R&D professionals
- Editors
- Librarians
- Societies

Open access

- Overview
- Open journals
- Open Select
- Dove Medical Press
- F1000Research

Opportunities

- Reprints and e-prints
- Advertising solutions
- Accelerated publication
- Corporate access solutions

Help and information

- Help and contact
- Newsroom
- All journals
- Books

Keep up to date

Register to receive personalised research and resources by email

Sign me up

Copyright © 2026 Informa UK Limited Privacy policy

Cookies Terms & conditions Accessibility

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG

Taylor & Francis by informa