

**Center for Economic Education
Performance Progress Report**

Primary Author
Radha Bhattacharya, Ph.D.
Professor of Economics
Director, Center for Economic Education
Department of Economics
Mihaylo College of Business and Economics
Phone: 657-278-3652
Email: rbhattacharya@fullerton.edu
Office: SGMH 3357

Year established: 1965

Year of last review: 2013

Date the review is being submitted: May 31, 2016

2. Mission and Goals:

Mission of the Center for Economic Education: The Center for Economic Education promotes economic and financial literacy in schools (K-12), institutions of higher learning, and in the larger community. The Center seeks to establish in Orange County and in California, a financially literate community that has basic knowledge of economic principles of decision making, managing money, and investing. The Center conducts high-quality research on financial and economic literacy.

Goals of the Center for Economic Education:

Goal #1: Provide economic and financial literacy skills to K-12 schools

Goal #2: Develop and maintain a strong emphasis on research on economic and financial literacy

Goal #3: Train Cal State Fullerton students in delivering the Center's mission

University-level missions and goals

The University's mission that "learning is preeminent" is implemented by the Center. The increasing complexity of economic issues today requires that students develop an early understanding of the economic system within which they must operate. By providing a jumpstart on financial and economic literacy, the Center provides a strong foundation for today's youth in personal financial management, thereby promoting the economic stability of communities. Therefore, the Center also delivers the University's mission of playing a key role in the "intellectual, cultural and economic development of our region."

The Center fulfills Goal 1 of the Strategic Plan of the University by being "responsive to workforce needs." The Center trains Cal State Fullerton students to mentor K-12 students and through such mentoring, Cal State Fullerton students develop leadership skills, communication skills, and hands-on knowledge toward developing business plans, reading business and economic news in the Wall Street Journal, and learning investment skills through the stock market game simulation program.

The Center fulfills Goal 2 of the Strategic Plan of the University by offering the IDA (Individual Development Account) program to low-income students. This matched incentivized savings program reduces students' financial burden of attending Cal State Fullerton, and it is hoped this will speed the time to graduation.

The Center fulfills Goal 4 of the Strategic Plan of the University by applying for grants and contracts in the field of financial and economic literacy.

College and Department level mission and goals:

The Center contributes to the development of workforce-ready students in the future. The Center thereby supports the mission and vision of Mihalyo College to develop business leaders "...who shape the regional economy and advance the intellectual capital of our region."

The Center's focus is also to test the effectiveness of its financial and economic literacy programs and is in alignment with the College's goal of generating high-quality applied research of a collaborative nature that will benefit academia and the community. The Center is a rich source of research projects, teaching experience, and internship opportunities to our graduate and undergraduate student body. The Center also offers our students the opportunity to collaborate with economics faculty working on Center-affiliated research. Thereby, the Center fulfills the University's goal to "enhance scholarly and creative activity" and one of the department's goals to

provide internships and hands-on research and teaching experience to our graduate and undergraduate students.

3. Activities that took place in 2013-2016

Activities pertaining to Goal #1: Provide economic and financial literacy skills to K-12 schools

1. Offered teacher-training workshops to high-school economics teachers in September 2013 for 31 teachers, December 2013 for 7 teachers, and August 1, 2015 for 150 teachers.
2. Hosted competitions for high-school students that test economic and financial literacy
 - Fast Pitch competition for high-school students to pitch a business plan: February 2014, November 2014, November 7, 2015: More than 400 high school students attended, more than 200 competed
 - Hosted Business and Economics Olympiad on March 14, 2015: 111 students attended, 11 schools participated
 - Hosted Business and Economics Olympiad on April 16, 2016: around 200 students and 14 schools participated.
3. Developed curriculum material for high-school economics teachers for Business Plan during Fall 2015 culminating in the FastPitch competition on Nov 7, 2015; Collaborated with National Startup League. Provided curriculum for Financial Literacy and Economics and Business news during Spring 2015 and Spring 2016 culminating in the Business, Financial Literacy and Economic Olympiads of March 14, 2015 and April 16, 2016
4. Offered the Stock Market Game (SMG) to high schools: Enrolled 12 -14 high schools each in each semester of Spring 2015, Fall 2015 and Spring 2016 competitions of the Stock Market Game.

Activities pertaining to Goal #2: Develop and maintain a strong emphasis on research on economic and financial literacy

1. Explored funding opportunities of Center research with FINRA Financial Industry Regulatory Authority, AFI Assets for Independence, Health and Human Services, and National Endowment for Financial Education, NEFE.
2. Presented research in national and international conferences and publish peer-reviewed research that measures the impact of the Center's programs.

Research Papers and Presentations:

1. Integration of a Financial Literacy Curriculum in a High-School Economics Class: Implications of Varying the Input Mix from an Experiment. *Journal of Consumer Affairs*, 2015. Presented at the Eastern Economic Association Meetings in 2015.
2. The Effectiveness of Financial Literacy Instruction: The Role of IDA Participation and the Intensity of Instruction. *Journal of Financial Counseling and Planning*, forthcoming, June 2016. Presented at the American Economic Association meetings in December 2014.
3. Don't Do As I Do, Do As I Say? Evidence on the Inter-Generational Transmission of Financial Attitudes. Accepted with revisions pending in the *Eastern Economic Journal*
4. Changes in Aptitudes, Changes in Attitudes: Results from a Financial Literacy Intervention Experiment. Presented at the *Western Economic Association Meetings*, 2015
5. The Interaction of Financial Attitudes and Financial Knowledge: Evidence for Low-Income Hispanic Families. Under Review in the *Atlantic Economic Journal*

Activities pertaining to Goal #3: Train Cal State Fullerton students in delivering the Center's mission: Trained six graduate students with research methodology skills in data analysis in Fall 2013-Spring 2016: measured the gain in knowledge of high-school students from pretest to posttest, data entry subject to IRB regulations, learned sophisticated estimation techniques.

Activities pertaining to Goal #4

Improve upward economic mobility of low-income communities

1. Recruited Individual Development Account (income-eligible) program participants from Fall 2011-2016: 3 students from Girls Inc.; 36 students from Abrazar Inc., and 41 students from three Title 1 middle schools; 199 Cal State Fullerton eligible students
2. Will Provide financial literacy instruction to Girls Inc. and Abrazar Inc. IDA students (June 18, 2016)
Provided financial literacy instruction to 155 CSUF State Financial Aid IDA students (April 8, 2016)
Provided financial literacy instruction to 83 students in the 2012 Financial Fitness camp and in 56 students in the 2014 Financial Fitness Camp.
Provided financial literacy instruction to several after-school programs in Placentia Yorba Linda Unified District school s and Fullerton District School students : I Will Save, I Can Save, and Financial Genius
3. Enable IDA asset purchase (i.e., higher education) for high-school students and CSUF students, i.e., enroll in the next semester of college or university in Fall 2016.

4. Organizational Structure and Governance:

The Center serves as the program arm of the National Council for Economic Education (<http://www.councilforeconed.org/>) and the California Council for Economic Education (<http://www.ccee.org/>). The Center submits reports of its activities to the California Council on Economic Education and receives a renewal of affiliation status with the national Council. Additionally, the Center director attends periodic meetings with other Center for Economic Education directors in the state, held in Los Angeles three times a year, to provide updates of the Center's activities and explore state-wide collaboration efforts. The Center is also one of the Centers of Excellence of the Mihaylo College of Business and Economics. The Center director meets with the Associate Dean and/or with the Senior Development Director twice a year and also meets with other Center directors at biannual center retreats where each director provide brief updates on center activities.

The list of members of the Advisory Board from whom the Center director seeks counsel is listed in the Appendix. The economics faculty members on the board were particularly helpful in connecting economics graduate students with the applied research activities of the Center and /or in conducting research for the Center. The high-school economics teachers on the Board guided the Center director in designing the annual Olympiad and FastPitch competition events so that it is aligned with their curricula. Much of the Center's activity has been dictated by the guidelines of the National and California Council on Economic Education, by the requirements by our two major donors: U.S. Bank and Wells Fargo, and our federal grantor, Assets for Independence. The Center submits periodic progress reports to AFI. All research activities of the Center are in compliance with the Institutional Review Board (IRB).

5. Resources and Sustainability:

Sources of Revenue: \$50,000 per year from U.S. Bank for 2010-2016; \$20,000 per year from Wells Fargo Bank for 2012-2016; \$150,000 total from HSS Assets for Independence (AFI) 2010-2015; and \$35,000 grant from Mihaylo College

Based on the success of the Center's events and the concurrence of the donors' and the Center's goals in promoting financial literacy, the Center director is confident that the donors' grants will be renewed every year. The Center director will submit annual applications for such renewal to the senior development directors of Mihaylo College and the CSUF Foundation. The Center director will apply for the October 2016 AFI five-year grant to implement a state-wide IDA for the Cal State University system. Inferring from the successful implementation of the current AFI grant from HSS, the Center director is hopeful of receiving future AFI grants.

Staff: Center half-time administrative assistant (June 2011-present). Graduate Student for research assistance and teaching financial literacy: up to 20 hours per week (June 2011-present). Undergraduate student assistants: up to 20 hours per week (August 2012-present). Intermittent paid hours to several graduate and undergraduate students for assistance with several Center projects on an as-needed basis: (Spring 2011-present)

Faculty: Center Director, Radha Bhattacharya (Economics) works on applied research for the grant-related projects on the effectiveness of financial literacy with Professor Andrew Gill (Economics). Center Director receives assigned time from the state. Faculty who assist the Center receive shared assigned time or FSC payments for service rendered.

Office space: The Associate Dean, MCBE, assigns the Center's office space. The Center is located in SGMH 3357 suite C. The Center shares its reception area with the Center for International Business, and the Business Honors Program. The two centers and the Business Honors program contribute to a sustainable use of resources by sharing equipment and space.

6. Highlights and Accomplishments:

The Youth Individual Development Accounts Economic Empowerment Program is an incentivized savings account for college tuition and educational expenses. While most IDA programs are for purchase of assets such as a house or business, the Center's IDA program is unique since it is geared toward youth for the "purchase" of college education. This innovative program is expected to increase the college attendance rate of children in low-income families and have a positive impact on their upward economic mobility.

In November 2015, we developed an innovative pilot IDA program with Cal State Fullerton students where we match their savings over a six-month period so that the accumulated savings and our match can be used for tuition or education supplies from the campus bookstore. This program has a direct impact on reducing the financial burden of low-income students' attending college because it will pay for textbooks, the cost of which has been rising phenomenally. The Center exceeded its enrollment capacity and had to place students on a waiting list. Based on overwhelming interest in this IDA program, the Center hopes to expand its scope and apply for new AFI grants.

The Olympiad for Business, Financial and Economic Literacy is the first of its kind that brings under one umbrella several components of business, personal finance, and economics. The Olympiad is a fun and energy-packed event that has become the signature event of the Center every April.

The Center's researchers have presented/published five research papers that measure the impact of the Center's programs on financial and economic literacy knowledge of the community.

The undertakings highlighted above indicate that the Center engages its diverse stake holders—K-12 students and teachers, donors, policy makers, and researchers. The innovative and effective practices described above that teach youth about saving, making a budget, decision making as consumers, investing, and identity theft—all enable youth to function effectively in a complex global economy.

7. Planning and Strategic Outlook:

The Center has annually recurring events that have a proven record of successfully aligning with the Centers Mission and Goals: FastPitch 2016 is on October 29, The Teachers Workshop is in September 2016, and The Olympiad is in April 2017. The Center's strategic planning process is based on the following: increasing the number of schools participating in the Olympiad and FastPitch competitions, expanding the participation of low-income schools, and increasing the number of teachers participating in the teacher workshops, especially those who teach in schools in low-income neighborhoods.

In order to meet the growing need of financial and economic literacy education, the Center needs to increase the number of qualified Cal State Fullerton business and economics student mentors who travel to school sites to motivate students to play the stock market game either in the classrooms or as after-school clubs. The challenges to achieve these objectives lie in recruiting qualified Cal State Fullerton student mentors to travel to local K-12 schools and train K-12 students in playing the stock market game and in obtaining funds to train these student mentors and pay them for mileage and their time. The solution would be to clearly identify these needs in the grant proposals and to recruit qualified students from the Applied Securities Analysis Program (ASAP). Another challenge is to increase teacher participation in our workshops. The solution will be to work closely with the teachers on our Board to identify and address the needs of teachers in our workshops.

The above goals were established over the course of several meetings when the donors, the Center director, and the senior development directors of Mihaylo College and the Philanthropic Foundation met to discuss the grant deliverables. Feedback from high school teachers is taken into account every year to improve delivery of the goals. The Center aspires to play a larger role in the policy arena with regards to the implementation of financial literacy education in the curriculum of high schools as per AB 166 signed in 2013. Only 17 states in the country require students to take a course in personal finance. California is *NOT* one of these 17 states that require personal finance to be taught in high schools. The Center will harness the expertise of Cal State Fullerton's departments of community and government relations and public affairs to communicate with public officials in implementing financial literacy in the K-12 curriculum in California. The wealth of research done by the Center to show the impact of financial and economic literacy training will validate the Center's efforts in guiding public policy.

Appendix:

List of members of the Advisory Board of the Center for Economic Education

Dr. Dipankar Purkayastha, Professor of Economics and Department Chair

Dr. Andrew Gill, Professor of Economics

Dr. Kristin Kleinjans, Associate Professor of Economics

Mr. Dan Adler, Economics teacher, Long Beach Polytechnic High School, Long Beach, CA

Mr. David Johnson, Economics teacher, El Dorado High School, Placentia, CA

Mr. Jibin Park, Economics teachers, Los Altos High School, Hacienda Heights, CA

Ms. Wendy Salaya, Economics teacher, Wilson Classical High school, Long Beach, CA

Ms. Karen Clark Yamamoto, Economics teacher, Western High School, Anaheim, CA