

## Request for OMB Approval for Generic Clearance for Collection of Information Evaluation of the My Classroom Economy Program

### REQUEST

The U.S. Department of the Treasury requests OMB approval of an information collection with four components that will be used to gather information from youth, their parents, and teachers who are participating in “My Classroom Economy,” a classroom-based financial capability program. The evaluation is only testing the results of My Classroom Economy for 4<sup>th</sup> and 5<sup>th</sup> grade students, and the participating school district(s) are not administering the program to children in other age groups. The program is being studied and evaluated by the Center for Financial Security at the University of Wisconsin, under contract with the U. S. Treasury. This research will inform Treasury officials and the Federal Financial Literacy and Education Commission (FLEC) on strategies for providing financial education to students during the school day. The overall information collection will include the following four components:

1. Parental consent and family demographics (9 question survey)
2. Student baseline survey
3. Student post-intervention survey
4. Teacher post-intervention (9 question survey)

Information about the source of each survey question is provided in Exhibits B-D at the end of this document.

### OVERVIEW

The U.S. Department of the Treasury Office of Consumer Policy has contracted with the Center for Financial Security at the University of Wisconsin to conduct a formal evaluation of My Classroom Economy (MCE) an innovative experiential financial education programs for elementary age students. MCE creates a simulated classroom economy where elementary school students learn to make financial decisions through experience.

My Classroom Economy Program -

Financial capability is a key ingredient to developing informed financial consumers, but existing school curricula rarely have the resource or time to provide detailed financial education in K-12 programming. Economic simulations offer a way to teach through the classroom management process with experiential learning which does not take away from other instructional time. Experiential learning may also better engage students and help them build skills. This project will evaluate My Classroom Economy (MCE), which is free to teachers nationwide at [myclassroomeconomy.org](http://myclassroomeconomy.org) (also attached as an Exhibit A: [MyClassroomEconomy\\_Grades\\_4\\_and\\_5.pdf](#)). This classroom-based economy that also serves as a classroom management system is used on over 10,000 classrooms nationally and was first developed by an award winning elementary teacher in Los Angeles.

The MCE program is an innovative hands-on learning program which is designed to help students develop positive financial skills and habits by managing their own resources. MCE is fully integrated into the daily schedule of the classroom. As such, is it not a curriculum or a stand-alone financial capability course. Students “earn” credits by holding a classroom job such as taking attendance, and they spend their earnings on necessary expenses like paying rent for their desk and taxes for supplies and on items for sale in the classroom store. For example, students may learn over time from the experience of struggling to make rent payments or being unable to purchase more desirable items in the store because they made frivolous

spending decisions early on. The salience of experiences such as these – or the opposite when a student is able to successfully save for a goal – is predicted to result in a substantial and lasting effect on students. MCE is a promising model that could be made widely available to schools across the nation at low cost to the government.

This study will test the effects of MCE on 4th-5th grade students' financial knowledge, attitudes, and behavior. Teachers have been randomly assigned into treatment and control groups. Teachers in the treatment group will implement the program during August-October 2015. Teachers in both the treatment and control groups will receive training in implementing MCE from the School District. Students in both groups will complete surveys at the beginning (August) and end of the study (November), matched to school administrative data on academics and behavior. The administrative points include

- Attendance: days absent (all codes) and days tardy (all codes)
- Academic grades or standards-based reporting measures
- Retention (any prior year retention)
- STEM-related scores:
  - o FCAT and FSA Math scores: Level and Developmental Scale Score (DSS) for 4th-5th grade, FY14-current
  - o FCAT Science scores: Level and Developmental Scale Score (DSS) for 5th grade, FY14-current
  - o Diagnostic results for 4th and 5th grade Math and Science

We hypothesize the program will lead to greater student engagement, which the administrative data capture. Matching the administrative data to the student survey data will allow us to model program effects more precisely. We will then compare changes over the study period between the two groups. This is the first study of any simulated economy in elementary school classrooms. The results of this study will inform future efforts to improve financial literacy and subsequent outcomes for K-12 students.

#### Research Design -

The research team will identify and recruit only one or two medium to large school districts to participate in the study. The team is targeting a study sample size of approximately 80-100 classrooms with a total of approximately 2,000-3,000 students.

No sampling or other statistical methods will be used to select the survey respondents or extrapolate or generalize the study results to a wider population. All eligible students in classrooms participating in the evaluation will be invited to participate. All students who agree to participate will be asked to respond to a baseline and follow-up surveys. The results will be analyzed (along with available administrative data) for assenting students only to provide information on the impact of MCE. The findings will therefore be specific to the interventions and populations tested.

This evaluation is designed to measure outcomes related to:

1. Do experiential financial management simulations embedded into the classroom generate improvements in financial knowledge, intentions, perceptions, and behaviors relative to classrooms without such programs? (survey data)
2. Do teachers comfort levels increase related to teaching financial topics when part of a simulation relative to classrooms with no financial management simulations? (teacher survey)
3. Does exposure to financial management simulations increase the rate of parental and teacher financial socialization (discussions about personal finance)? Financial socialization is the process

whereby children acquire financial knowledge, attitudes and behaviors (Shim et al. 2009) (parent and teacher survey)

4. Do students who are exposed to an embedded simulation show improvements in academic behavior relative to students who use the standard model? "Embedded" means that the program is integrated into the classroom experience throughout the school day, rather than being delivered through a standalone curriculum delivered at distinct intervals. (survey + school performance data)
5. Which students more sensitive to the MCE approach than other student? This analysis will measure whether student demographics influence measured responses to MCE. (student survey and school data)

### **Constructs of Outcomes:**

- Attitude about saving (positive) vs. immediate consumption (negative)
- Materialism (less)
- Money management behavior – (positive behavior)
- Financial socialization (talk more about finances)
- Objective Financial knowledge (Quiz Score Increase)
- Math performance (Improved school performance)
- Teacher openness to teaching financial topics (increase)
- Cynicism about work (decrease)
- Future orientation, expectations, optimism (increase)
- Propensity to plan (increase)
- Delayed gratification (increase)
- Financial self-efficacy (increase)
- Conscientiousness at school (increase)

Information about the source of each survey question is provided in Exhibits B-D at the end of this document.

Participation will be completely voluntary.

Participants will include students, their parents, and teachers.

- Students -- The evaluation is only testing the results of My Classroom Economy for 4<sup>th</sup> and 5<sup>th</sup> grade students, and the participating school district(s) are not administering the program to children in other age groups. Students who volunteer to participate in the evaluation will be surveyed twice in person on-site at school. The first information collection will collect baseline information in the form of an assessment evaluating financial knowledge, attitudes, and behaviors relevant to the participants' age level. A second assessment will be administered following implementation of the MCE program in the classroom to enable the research team to identify and analyze changes associated with the intervention. In addition, the research team will collect administrative data regarding grades, attendance, and behavioral issues will be collected from the schools. Finally, the research team will collect records of how participating students in the intervention classrooms spend their MCE program "money."
- Parents -- Parents of students participating in the evaluation will be surveyed one time in order to gather data on family demographics and financial attitudes and behaviors. The survey has 9 questions.

- Teachers -- Teachers in classrooms participating in the evaluation will be asked to complete a brief survey about their experience delivering financial education and impressions of MCE. The survey has 9 questions.

All consent forms, data collection (survey) instruments, and research designs reviewed and approved by the University of Wisconsin-Madison Education Research and Social and Behavioral Sciences Institutional Review Board (IRB).

## **A. Justification**

### **1) Circumstances Necessitating the Data Collection**

The Secretary of the Treasury chairs the Federal Financial Literacy and Education Commission (FLEC). The Treasury Office of Consumer Policy provides executive leadership for the FLEC. The Commission is focusing its efforts this year on identifying innovative and effectiveness strategies and approaches for improving the financial capability of young people and has a strong interests in identifying effective low-cost classroom-based programs such as MCE. The proposed evaluation and surveys will strengthen Treasury's understanding of how financial capability may be affected by the MCE program and similar interventions.

### **2) Use of the Data Collected**

The information collected will be used by the research team in its study and evaluation of the MCE program. The work will be used to promote Treasury and the FLEC's understanding of likely outcomes of classroom-based financial capability interventions.

The research team will provide Treasury with an analysis of the aggregate results of the surveys as part of the final report for the overall research on the MCE program. Treasury expects that final report and findings will be published. The publication will not include any information pertaining to specific answers or individuals.

Use of Information Technology -- The surveys will be administered in person in the classrooms to assure the highest quality data and lowest burden of participation by respondents. The research team will not use any information technology for this purpose.

### **3) Efforts to Identify Duplication**

Based on knowledge of research in the field of financial education and financial access, the research team believes that similar research data are not available from other sources.

### **4) Impact on Small Entities.**

Not applicable

### **5) Consequence to Federal Activities.**

This proposed information collection is for research purposes. The research may inform future policy activities.

### **6) Circumstances Requiring Special Information Collection**

Not applicable.

### **7) Solicitation of Comments on Information Collection**

Treasury published a notice for public comment in the Federal Register on May 27, 2014. No comments were received.

**8) Payment or Gift to Respondents, Other than Remuneration of Contractor or Grantees.**

The research team will not provide any incentives to students participating in the MCE study. Parents who complete the survey will be given a small financial incentive (approximately \$5). Schools will be provided funding for implementing MCE in their classroom. The amount of funding will depend upon the number of classrooms in the study, but the research team anticipates it will be approximately \$100 per classroom.

**9) Assurance of Confidentiality**

Treasury does not have statutory authority to assure the confidentiality of information collected via the planned surveys. However, Treasury and the research team will, to the extent allowed by law, ensure that all information gathered will remain ~~confidential~~ private to the extent permitted by law including, for example, the names of respondents and their answers.

The institution that will handle personally identifiable data –the University of Wisconsin Survey Center – is trained and experienced in data security protocols.

**10) Additional Justification for Questions of a Sensitive Nature**

There are no questions of a sensitive nature.

**11) Estimated Burden of Information Collection**

Type of Intake	Estimated # of Respondents	Number in Intakes	Average Intake Time	Total Burden Hours
1) Parental consent and family demographics survey	3000		15 minutes	45000 minutes (750 hours)
2) Student baseline survey	3000 <sup>1</sup>		20 minutes	60000 minutes (1000 hours)
3) Student post-30 intervention survey	3000		20 minutes	60000 minutes (1000 hours)
3) Teachers post-10 intervention survey	100		15 minutes	1500 minutes (25 hours)
Total				2,775 hours

**12) Estimated Total Annual Cost Burden to Respondents**

The Research Team estimates there will be no annualized capital/start-up costs for the respondents to collect and submit this information.

<sup>1</sup> 3,000 is the maximum estimated number of students who will participate in the evaluation.

**13) Estimated Cost to the Federal Government**

Costs related to data collection will be approximately \$88,000.

**Reasons for Change in Burden Estimates**

Not applicable

**14) Plans for Tabulations, Statistical Analysis, and Publication**

Research findings will be published at the end of the project. The final report will describe only high-level aggregate results and the researchers' analysis of findings from the collected information together with administrative data. The results will be analyzed to provide information on the impact of the intervention. The finding will not include any participant-level information.

**15) Reasons Why Displaying the OMB Expiration Date is Inappropriate.**

Treasury is not seeking an exemption from the requirement to display the OMB Expiration date.

**16) Exceptions to Certification Requirement of OMB Form 83-1**

Treasury is not seeking any exceptions to the certification requirements.

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## Question Mapping to Literature: Student Instrument (Exhibit B)

Question	Adapted From:
1	For each question, check the best answer for you:
a.	How good are you at making decisions about how to spend your money? BCE
b.	How good are you at keeping track of what you spend your money on? BCE
c.	How hard is it for you to avoid spending any money you have right away? BCE
d.	How important is it to keep track of how much money you earn and spend using a budget? BCE
e.	How hard will it be for you to support a family financially when you are an adult? MKPH
f.	How likely are you to have a good job as an adult? SHNT
2	For each question, check the best answer for you:
a.	How useful is what you learn in math? FMMMM
b.	How well do you expect to do in math this year? MGMR
c.	How positive are you about your future? ECDK
d.	How likely are you to stop and think about something before you do it? ECDK
e.	How confident are you about making decisions that deal with money? ECDK
f.	How well can you see your life in 10 years? PSID-CDS
3	For each question, check the best answer for you:
a.	How often do you set goals for yourself? LNSZ
b.	How often do you set goals for the next few days for what you want to achieve? LNSZ
c.	How often do you have a plan for how your free time will be used in the next few days? LNSZ
4	For each question, check the best answer for you:
a.	How often do you ask yourself if you really need something before you buy it? LNSZ
b.	How often do you have a plan for how you will spend money? LNSZ
c.	How often does your family talk about how you spend money? LNSZ
d.	How often do you talk to your family about financial issues? NLSY79-CYA
5	For each question, check the best answer for you:
a.	Some kids think that saving money is only for adults. How often do you think that way? ECDK
b.	If they had a chance, some people would go through life without ever working. How often do you think that way? MKPH
c.	How often do you feel in control over how your future will turn out? ECDK
d.	How often do you pay attention in class? ECDK
6	For each question, check the best answer for you:
a.	How much have your teachers taught you about how to manage your money? BCE
b.	How much have your parents taught you about how to manage your money? BCE
c.	How much do you think it is a good idea to save money? BCE
d.	Before making a choice, how often do you tend to think about the good things and the bad things about the choice? LNSZ
7	For each question, check the best answer for you:
a.	How much do you like to own things that impress people? BD
b.	How much would you rather save money for a rainy day than spend it now on something fun? NLSY79-CYA
c.	How much better does it make you feel to have your free time planned out for the next few days? NLSY79-CYA
8	Ruth is paid by a company to sell magazines. She is paid \$1 for every subscription she sells. This is called a... FCS
9	Jose gets a paycheck every two weeks that he works. What is this called? FCS
10	People who own things may earn money by renting them to other people. FCS
11	A plan for spending your money is called a... FCS
12	David has to pay \$750 in rent for his apartment this month, but only has \$500 in FCS

	<u>income. What should he do?</u>	
13	<u>Juan put his money in a savings account. The payment that the bank makes to Juan for the use of his money while it is deposited in the bank is called...</u>	FCS
14	<u>Marisa was paid \$50 but \$10 was subtracted from her pay and sent to the city to pay for roads, police and other services. What is that \$10 payment called?</u>	FCS
15	<u>David just found a job that pays \$2,000 per month. He must pay \$1,000 for rent and \$600 for everything else he needs. How long will it take him to save \$800?</u>	FCS
16	<u>Imagine you have to pay \$2 per week to use your desk at school, but you also have the option to buy the desk for \$35 and never pay per week again. If there are 15 weeks left in the school year, is it a good idea to purchase the desk if you have \$35 you can use to buy your desk today?</u>	FCS
17	<u>Suppose you have \$100 in a bank account that pays an interest rate of 10% per year. How much would you have in this bank account at the end of 2 years if leave your account alone?</u>	BCE
18	<u>Roberto borrows \$100 from a bank but has to pay back \$110. What is the extra \$10 he has to pay called?</u>	BCE
19	<u>Jane sets up a lemonade stand to sell drinks at the park. She paid \$3 for sugar, \$4 for fresh lemons, and \$3 for cups. Jane made \$12 in revenue from selling lemonade. How much profit did Jane make?</u>	BCE
20	<u>The Smiths have \$750 in income, and \$800 in expenses this month. They are saving money this month.</u>	BCE
21	<u>Tracy has \$250. She wants to buy a nice backpack for \$100 and buy a new tablet for \$200. She decided to buy a simple \$50 backpack. Tracy must have decided it was more important for her to have a nicer backpack than a tablet.</u>	CEE
22	<u>Which is closest to the cost of one ticket to a newly released movie at a regular movie theater?</u>	CEE
23	<u>Which is closest to what one week's worth of groceries cost for a family of 4?</u>	CEE
24	<u>Ming wanted to buy a fancy notebook for school and save her money to buy a computer. Ming decided to buy a plain notebook that is less expensive so she can save more money for the computer. Ming's decision is an example of...</u>	CEE
25	<u>Jill had \$50 in her checking account. She made a withdrawal of \$10 and a deposit of \$20. What is Jill's balance in her checking account?</u>	BCE
26	<u>For each question, check the best answer for you:</u>	
a.	<u>In the last month, have you received an allowance?</u>	BCE
b.	<u>In the last month, have you gotten money from a job?</u>	BCE
c.	<u>In the last month, have you gotten money from your family for doing chores?</u>	BCE
d.	<u>Do you currently have a bank account in your own name?</u>	BCE
e.	<u>In the last month, have you received spending money or money as a gift?</u>	BCE
f.	<u>Do you make your own decisions about how to spend your money?</u>	BCE

### **TEACHER SURVEY (EXHIBIT C)**

1	<u>How often do you teach or discuss topics related to personal finance with your students?</u>	BCE
2	<u>Currently, how prepared do you feel to teach your students about personal financial topics?</u>	BCE
3	<u>In the last 2 months, did you and your classroom take part in the My Classroom Economy program?</u>	BCE
4	<u>How would you rate your experience with My Classroom Economy overall?</u>	BCE
5	<u>Would you continue to use the My Classroom Economy program?</u>	BCE
6	<u>During the program, how often did you typically offer students opportunities to earn income?</u>	BCE
7	<u>During the program, how often did you typically offer students opportunities to buy items at the store or auction?</u>	BCE

8	<u>What is your gender?</u>	<u>BCE</u>
9	<u>How many years have you been teaching professionally?</u>	<u>BCE</u>

**PARENT SURVEY (EXHIBIT D)**

<u>#</u>	<u>Question</u>	<u>Adapted from</u>
1	<u>Does your child currently have a savings account at a bank or credit union in his or her own name?</u>	<u>BCE</u>
2	<u>Do you have a dedicated college savings account for your child?</u>	<u>BCE</u>
3	<u>Does your child receive an allowance or get paid for doing chores?</u>	<u>BCE</u>
4	<u>How often is your child responsible for managing and spending his or her own money for small purchases?</u>	<u>BCE</u>
5	<u>How much does your child's school teach him or her about managing and spending money?</u>	<u>BCE</u>
6	<u>How often do adults in your household discuss financial topics like saving, borrowing, and budgeting with your child?</u>	<u>BCE</u>
7	<u>How well do the adults in your household manage their personal finances?</u>	<u>BCE</u>
8	<u>Since the beginning of this school year, how has your child been performing in school overall? Would you say your child's performance is...</u>	<u>BCE</u>
9	<u>What is the highest level of education either you or your spouse or partner has completed?</u>	<u>BCE</u>

<u>CODE</u>	<u>CITE</u>
<u>CEE</u>	<u>Council for Economic Education</u>
<u>PSID-CDS</u>	<u>Elizabeth Odders-White, Charles Kalish, Timothy St. Louis, Kasey Wiedrich, Emory Nelms, Report Providing Recommendations on How to Test Hypotheses. Consumer Financial Protection Bureau Financial Education Metrics Development and Research Support Services CFP-12-Z-00019. 2015</u>
<u>ACKR</u>	<u>Appleton, J. J., Christenson, S. L., Kim, D., &amp; Reschly, A. L. (2006). Measuring cognitive and psychological engagement: Validation of the Student Engagement Instrument. Journal of School Psychology, 44(5), 427-445.</u>
<u>BD</u>	<u>Banerjee, Robin, and Helga Dittmar. "Individual differences in children's materialism: The role of peer relations." <i>Personality and Social Psychology Bulletin</i> 34, no. 1 (2008): 17-31.</u>
<u>BCE</u>	<u>Batty, Michael, J. Michael Collins, and Elizabeth Odders-White. "Experimental Evidence on the Effects of Financial Education on Elementary School Students' Knowledge, Behavior, and Attitudes." <i>Journal of Consumer Affairs</i> 49, no. 1 (2015): 69-96.</u>
<u>NLSY79-CYA</u>	<u>Elizabeth Odders-White, Charles Kalish, Timothy St. Louis, Kasey Wiedrich, Emory Nelms, Report Providing Recommendations on How to Test Hypotheses. Consumer Financial Protection Bureau Financial Education Metrics Development and Research Support Services CFP-12-Z-00019. 2015</u>
<u>BD</u>	<u>Elizabeth Odders-White, Charles Kalish, Timothy St. Louis, Kasey Wiedrich, Emory Nelms, Report Providing Recommendations on</u>

	<a href="#"><u>How to Test Hypotheses. Consumer Financial Protection Bureau Financial Education Metrics Development and Research Support Services CFP-12-Z-00019. 2015</u></a>
<a href="#"><u>ECDK</u></a>	<a href="#"><u>Elliott, William, Eun Hee Choi, Mesmin Destin, and Kevin H. Kim. "The age old question, which comes first? A simultaneous test of children's savings and children's college-bound identity." Children and Youth Services Review 33, no. 7 (2011): 1101-1111.</u></a>
<a href="#"><u>ECL</u></a>	<a href="#"><u>Elliott, William, Gina Chowa, and Vernon Loke. "Toward a children's savings and college-bound identity intervention for raising college attendance rates: A multilevel propensity score analysis." Sociology Mind 1, no. 04 (2011): 192.</u></a>
<a href="#"><u>FCS</u></a>	<a href="#"><u>Florida Curriculum Standards</u></a>
<a href="#"><u>FMMMM</u></a>	<a href="#"><u>Fredricks, Jennifer, Wendy McColskey, Jane Meli, Joy Mordica, Bianca Montrosse, and Kathleen Mooney. "Measuring Student Engagement in Upper Elementary through High School: A Description of 21 Instruments. Issues &amp; Answers. REL 2011-No. 098." Regional Educational Laboratory Southeast (2011).</u></a>
<a href="#"><u>LNSZ</u></a>	<a href="#"><u>Lynch, John G., Richard G. Netemeyer, Stephen A. Spiller, and Alessandra Zammit. "A generalizable scale of propensity to plan: the long and the short of planning for time and for money." Journal of Consumer Research 37, no. 1 (2010): 108-128.</u></a>
<a href="#"><u>MKPH</u></a>	<a href="#"><u>McLoyd, Vonnie C., Rachel Kaplan, Kelly M. Purtell, and Aletha C. Huston. "Assessing the Effects of a Work-Based Antipoverty Program for Parents on Youth's Future Orientation and Employment Experiences." Child development 82, no. 1 (2011): 113-132.</u></a>
<a href="#"><u>MGMRN</u></a>	<a href="#"><u>Miller, R. B., Greene, B. A., Montalvo, G. P., Ravindran, B., and Nichols, J. D. (1996). Engagement in academic work: the role of learning goals, future consequences, pleasing others, and perceived ability. Contemporary Educational Psychology, 21, 388-422.</u></a>
<a href="#"><u>MGMR</u></a>	<a href="#"><u>Miller, Raymond B., Barbara A. Greene, Gregory P. Montalvo, Bhuvaneshwari Ravindran, and Joe D. Nichols. "Engagement in academic work: The role of learning goals, future consequences, pleasing others, and perceived ability." Contemporary Educational Psychology 21, no. 4 (1996): 388-422.</u></a>
<a href="#"><u>SHNT</u></a>	<a href="#"><u>Simon, A., S. Harnett, E. Nagler, and L. Thomas. "Research on the effect of the InnerResilience Program on teacher and student wellness and classroom climate: Final report." Metis Associates: New York City (2009).</u></a>