

# Prioritizing Investments in Education



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*Investing in financial education tools and resources for youth can begin to address social and economic issues that have impacted communities across the country for generations.*

Communities and families across the country are being impacted daily by a global pandemic, unprecedented unemployment and underemployment rates, a national conversation about racial inequity, and arguably the most unique back-to-school season we've ever seen. Not only has this symphony of crises highlighted the digital divide and students' uneven access to the technology and resources needed to engage in today's educational environment, it has also created questions about their plans beyond K12 education - will they be educationally ready for the workforce, are scholarships for college at risk with the impact of disrupted learning on their grades, how will they finance future education if caregivers' employment has been impacted?

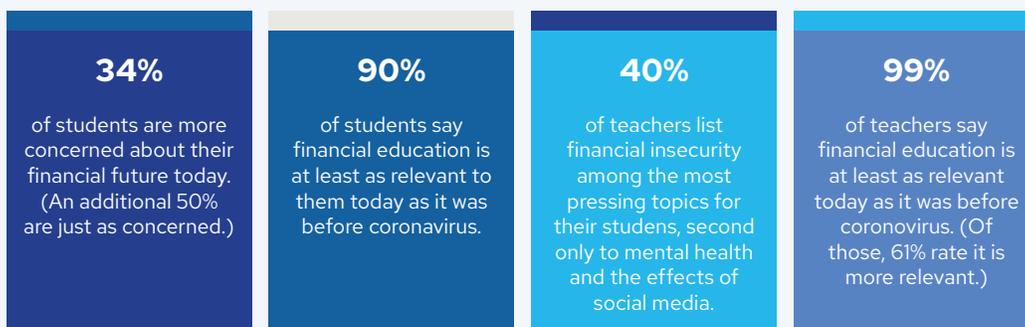
## Amid financial stress, students and teachers say financial education is increasingly relevant.

Based on EVERFI teacher and student survey responses.

A sizeable portion of both students and teachers are more concerned about students' financial futures now than they were before coronavirus, and nearly all students and teachers agree that financial education is at least as relevant - if not more - than it was earlier this year.

### Students

### Teachers



It is with all of these questions, and more, that students, teachers, and families are being asked to return to school. While the return to school presents significant obstacles, it also provides an opportunity to continue to engage youth in a critical conversation about personal finance, all at a time when remote learning resources and financial education are more critical than ever before.

While there is much uncertainty about the impact of the pandemic on students outcomes, there are immediate supports that we know can have a positive influence. Investing in financial education tools for K-12 schools not only provides a near term boost to student skills and confidence, but it can also pave the way for improvements in long term financial decision making and financial outcomes; which is a critical component of closing the wealth gap. Investments in financial education are especially important in low- and moderate-income communities and for students seeking to improve their long-term financial prospects through education.

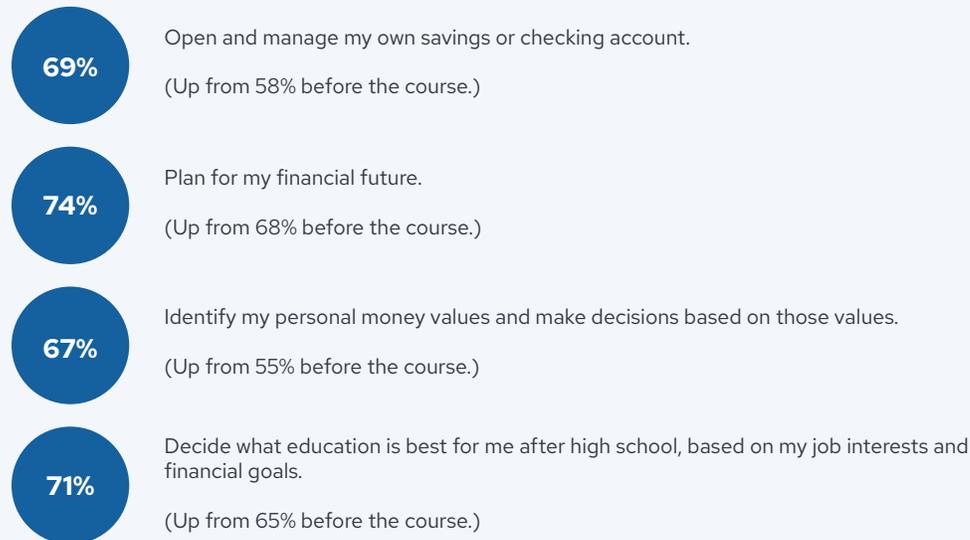
According to the U.S. Bureau of Labor Statistics, 18 out of the 30 fastest growing jobs in the United States require more than a high school education, yet only about half of students who go to college complete their degree. The numbers are even more sobering for low- and moderate- income students, with only 14% of students earning their degree, in large part due to financial concerns. According to the National Financial

Wellness Study by Ohio State University, low- and moderate- income students find themselves under significant financial stress while on campus with 60% reporting that they are worried about paying for school and 50% reporting that they worry about monthly expenses. "Individuals, families and communities that have systematically experienced such socio-economic disparities and ongoing stressful life situations face greater obstacles to achieving and maintaining optimal outcomes at all phases of human development." (American Institutes of Research, 2015). The financial stress of financing a higher education has been compounded by the disparate impact of the Covid-19 pandemic on low - and moderate - income students on college campuses, particularly students of color. For example, 74% of college students on Historically Black College and University (HBCU) campuses are eligible to receive the Pell Grant, based on Expected Family Contribution (EFC). A recent survey of HBCU college students by McKinsey and UNCF showed that 54% of respondents reported a significant decline in financial stability. This calls not only for immediate support, which is being provided by organizations like Netflix and Bloomberg Philanthropies in the form of a \$120M gift to HBCUs and \$100M gift to Black medical colleges, respectively; but also for proactive long-term investments in financial education in communities that HBCU students come from.

Providing financial education at an early age will not eliminate the financial burden that students face while on campus, but it can help students feel more prepared to face financial challenges head on and make responsible financial decisions in preparation for school, while on campus, and early in their post-college careers. In 2019, EVERFI found that first-year college students who reported taking a personal finance management course in high school were 10% more likely to agree that they were prepared to manage their finances during their post-secondary education.

Similarly, survey data from more than 150,000 students who completed an EVERFI financial education course for middle school students shows a substantial increase in financial confidence:

### **% OF STUDENTS WHO FEEL 'PREPARED' OR 'SOMEWHAT PREPARED' TO AFTER TAKING FUTURES.MART.**



By sponsoring Envestnet Institute in Classrooms for students in priority communities, Envestnet is delivering innovative financial education tools that will help demystify concepts ranging from savings and credit to financing higher education, investing, and retirement while preparing the next generation to meet the financial challenges they will inevitably face.

## **About Envestnet Institute in Classrooms**

- **Envestnet Institute in Classrooms supports more than 20 schools across four priority communities**
- **Envestnet Institute in Classrooms reached more than 600 students with critical financial education tools and resources**
- **More than 70% of the schools supported by Envestnet Institute in Classrooms are designated as serving predominantly low- and moderate- income students**

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