Emerging research indicates that, as with so many life lessons, parents are often the first source of children's lesson in instruction about money for their children—especially when the children are elementary school age, approximately 6-11 years old. During this period, rather than learning a lot about specific money strategies, young children are typically learning some of the basics of personal finance. These lessons usually take the form of general values and beliefs about money and its uses, as opposed to concrete instructions about how to manage it.

To help inform strategies that financial education and capability practitioners serving low-income communities can use to engage parents in their children's financial development, CFED conducted qualitative research to better understand how parents are imparting the initial principles of personal finance to their children. We interviewed 20 parents in low-income households to learn what lessons they may be currently teaching their elementary-age children. We also interviewed 20 adults who had grown up in low-income households to identify lessons they remembered learning during their childhood. We wanted to be sure to capture lessons that were learned through observation and experience as well as those taught explicitly.

Overall, we found that parents are teaching their children a variety of lessons about money, both explicitly and indirectly or implicitly. Parents are generally imparting these principles using everyday opportunities involving money, such as going to the store and paying bills, and they are repeating the same lessons again and again in the hopes that they will stick. The lessons fall into three broad categories—lessons around spending, lessons around saving and lessons around earning—and thematically, they are a mix of strategies for using money and positive values one should have about money. We hope this research will help to inform strategies to engage parents, especially those in low-income communities, in child financial development by providing a window into how families are engaging with young children about money. In addition, this research has the potential to inform further research questions in this area.

HOW TO NAVIGATE THIS PAPER

This paper is organized into three parts. Part one is a review of existing knowledge on the influence of parents on children's financial development. This section briefly lays out the theory behind financial development in the elementary school years. Part two summarizes our interview findings around three key questions: (1) How are parents in low-income households imparting lessons about personal finance to their elementary-age children, (2) What lessons about money and personal finance are parents in low-income households imparting to their elementary-age children and (3) What challenges do parents in low-income households face when trying to teach their elementary-age children about money? Finally, part three highlights the implications of our findings for financial capability providers and future research.
ABOUT CFED

CFED empowers low- and moderate-income households to build and preserve assets by advancing policies and programs that help them achieve the American Dream, including buying a home, pursuing higher education, starting a business and saving for the future. As a leading source for data about household financial security and policy solutions, we promote programs on the ground and investing in social enterprises that create pathways to financial security and opportunity for millions of people.

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THE INFLUENCE OF PARENTS ON CHILDREN’S FINANCIAL DEVELOPMENT: A REVIEW OF EXISTING KNOWLEDGE

Thus far, the main focus of the financial capability field has been on the financial education happening in schools, with an emphasis on increasing and improving children’s financial knowledge. But recent research suggests that financial capability goes beyond simply understanding transactions or how to manage money; it also encompasses a broad range of tacit attitudes and norms that are perhaps more influential in guiding behavior than factual knowledge (Booij et al. 2012; Shim et al. 2009). These values, attitudes, skills and habits underlie a range of important financial behaviors, from credit card usage to saving for retirement, making them critically important to achieving financial well-being in life (Drever et al. 2015). The overarching processes involved in acquiring the skills, attitudes and habits that support financial capability is called financial socialization (Danes 1994). Financial socialization is a process that occurs throughout an individual’s lifetime but is particularly important during childhood, when much of what individuals encounter and learn is brand new. Two key takeaways from the existing knowledge of financial socialization are: (1) Financial socialization becomes particularly relevant during elementary school, and (2) parents are a key influencer in financial socialization in these early years.

Financial socialization is particularly important during the elementary school years

The attitudes, values and norms important to many financial behaviors are not developed at a single point in time. Financial socialization is comprised of developmental processes that stretch back into early childhood and continue throughout one’s life. Past research suggests the foundation for financial socialization is set as early as preschool. Children at this early age acquire skills and values that are critical for future financial capability. For example, children in preschool begin learning to count, a fundamental component of future numeracy (Holden et al. 2015). They also begin developing basic norms of consumerism. Marketing research has even shown that young children are able to recognize popular brand names (Kuhlmann 1983). Because of this focus on seeing and recognizing without a great deal of understanding or applying, John (1999) characterizes this early period of socialization as the “perceptual stage.” However, while children are beginning to be familiar with elements of consumerism at this stage, they generally lack any real understanding and are unable to generalize their experiences (Drever et al., 2015). For example, a child at this stage may understand money as physical coins and paper, but not for its intangible exchange value. Young children at this stage also have trouble applying concepts from one situation to another. For example, a child may understand that toys from a store cost money, but he may not realize that his home, the electricity he uses and the food he eats also cost money.

As they get older, children develop the cognitive capacity for more abstract thinking, which allows for a much deeper understanding of financial information and behavior (Friedline 2015). They begin to learn critical financial lessons, such as where and how a person gets money (e.g. from working at a job), its value...
and the concepts of property ownership and saving (Beutler and Dickson 2008; Friedline 2015). John (1999) distinguishes this deeper understanding of the financial world from the perceptual stage, calling this period between ages 7-11 the “analytic stage.” While basic financial attitudes and norms are being formed during the earlier perceptual stage, financial socialization in large part depends on this deeper understanding.

In addition to being better able to comprehend abstract information, many children during elementary and middle school are becoming more engaged with the financial world. At this age, some children begin receiving an allowance and start making small, independent financial decisions with their pocket money (Furnham 2001). Thus, due to both their ability to learn about financial concepts and their willingness to do so, the analytic stage becomes a crucial period of development during childhood. The analytic stage lays the foundation for continued financial socialization through adolescence, where children have more opportunities to practice what they have learned, strengthening the foundation for financial capability and well-being in adulthood.

Parents are key influencers of financial socialization in childhood

Many agents and factors contribute to financial socialization, including peers, media and personal experiences. However, parents are generally thought to play the largest role in their child’s financial socialization (Beutler and Dickson 2008). For example, when comparing the relative influence of parents, employment and classroom-based financial education, parents were found to have the greatest influence on college students’ financial attitudes and knowledge of personal finance (Shim et al. 2009). The existing research suggests that parents’ influence on their children’s financial socialization occurs through both explicit and implicit communication (Bucciol and Veronesi 2013).

Explicit communication occurs when parents communicate and reinforce particular financial attitudes and behaviors directly, often through conversations that they have openly with their children (Allen 2008). Having explicit conversations about finances within the family may have positive effects. One survey of college students found that those who reported discussing financial matters with their parents and learning about managing money from them also held more healthy financial attitudes (Jorgensen and Savla 2010). Another survey found that students with lower debt had higher levels of financial knowledge, which they reported learning from their parents (Smith and Barboza 2013).

Implicit communication includes modeling financial attitudes and habits (Ward, 1974) or facilitating experiential learning opportunities (Webley and Nyhus 2013). Everyday activities and interactions between parents and children also serve as an important platform for financial socialization. For example, shopping—a typical interaction that involves both parents and children—becomes a model for children’s later consumption activities (Ward et al 1977). Ward (1974) suggests that implicit communication may be a more dominant channel for financial socialization than explicit communication.

As a general matter, the initial formation of attitudes and behaviors regarding money is critically important. Starting children off on the right foot lays a foundation on which future development builds, making children more likely to be financially capable in adulthood (see, Solheim et al. 2011). It’s important to note though that parental impact likely becomes diluted as other influences—such as peers and the media—begin to play a greater role in a child’s life (Drever et al 2015).
Throughout November and December of 2014, CFED’s research team interviewed 20 parents in low-income households to understand lessons they are currently teaching their elementary-age children. We also interviewed 20 adults who had grown up in low-income households to identify lessons they remembered learning in their childhood, either explicitly or imparted by observation and experience. Our interviews took place in the Atlanta, Baltimore, Chicago and Los Angeles metropolitan areas. The key themes from our interviews are organized in this section to answer three key questions: (1) How are parents in low-income households imparting lessons about personal finance to their elementary-age children, (2) What lessons about money and personal finance are parents in low-income households imparting to their elementary-age children and (3) What challenges do parents in low-income households face when trying to teach their elementary-age children about money?

**How are parents in low-income households imparting lessons about personal finance to their elementary-age children?**

Helping their children to do well in the future is a common motivation for parents to teach their kids about money. Parents use words like “happy,” “stable” and “comfortable” to describe the kinds of lives they hope a strong foundation of financial capability can help provide for their children. While the ways in which parents interact with their children about money and financial issues can differ substantially—both from parent to parent and across time—parents commonly act as a support or guide for their children. From our interviews, three key teaching methods emerge when imparting principles of personal finance: explicit explanation through everyday interactions, conscious or observed modeling of financial lessons and repetition of core lessons.

**EXPLICIT EXPLANATION AND EVERYDAY INTERACTIONS**

In the interviews, parents often talked about how they try to teach children financial lessons through their everyday interactions by explicitly advising them or working with them to accomplish small financial goals. These opportunities to teach children about money arise out of certain contexts or experiences, but they do so organically, not because most parents are following some kind of lesson plan. For example, when asked about when conversations about money generally occurred, one parent from Chicago said that he didn’t just start conversations about money with his children out of the blue. These lessons were rarely planned or intentional. Rather, they came up in the course of everyday activities. In subsequent sections of this report, we note the specific contexts in which parents engage their children in conversations about money.

> [When it comes to talking about money,] it’s not like I want to be like, “Everyone stop. I have something important to say.” It’s just, you know, if they come up and they start talking about it, that’s when the conversation erupts.

> – CHICAGO MOTHER OF FOUR CHILDREN

\[1\] For more on our research methodology and analytical process, please see the Technical Appendix.
REPETITION OF CORE LESSONS

The interviews also revealed that parents often teach their children the same lessons about money repeatedly, across the elementary-age range and often into adolescence, hoping the lessons will eventually stick. The older their children get, the more opportunities they have to teach the same lessons in different contexts and in slightly different ways, but the principles remain generally the same. The same situation or experience is often used to teach multiple lessons, and various lessons tend to run together and overlap. The most important point is that most parents do not just teach a lesson once, they repeat it again and again, sometimes in different contexts, sometimes using different methods.

CONSCIOUS OR OBSERVED MODELING OF FINANCIAL BEHAVIORS

Parents often provided stories about how they modeled both positive and negative financial behaviors, attitudes and habits for their children. Some did this specifically because they wanted their children to learn from and copy their own positive financial behaviors. As one mother of five responded when asked how she’s teaching her children about saving money:

> Just by show. Like me, I don’t get everything I want. I get what we need, even though there’s things I want, I save and I put money to the side. If I can’t get it this month, okay, well, I’ll put $20 bucks to the side for this month.

– CHICAGO MOTHER OF FIVE

Other parents wanted to teach their children what not to do by demonstrating and explaining the consequences of their own negative financial behaviors. As one mother shared:

> When I run out of money which I do very often—I tell him, ‘you know what? This is what happens when you spend your money irresponsibly, this happens when you don’t bring enough money home and you’re spending what little bit you have.’ You know, I tell them. They see my frustration.

– LOS ANGELES MOTHER OF FOUR

Modeling financial behaviors definitely has effects on children, as many adult interviewees recalled experiences they had during their own childhoods. One adult respondent explained what she had learned from watching her parents work long hours at multiple jobs all throughout her childhood:
What lessons about personal finance are parents in low-income households imparting to their elementary-age children?

The financial lessons taught to children in the elementary-age range are variations on three themes—spending, saving and earning—but there are significant overlaps among the three categories. This section of the paper examines each of the major categories in greater depth and provides insights using examples from the interviews about when each type of lesson is taught.

LESSONS ON SPENDING

The most basic purpose of money is to serve as a currency for exchange. Not surprisingly, both parents and adults described a series of closely related lessons around how to wisely spend (and not spend) money.

Value your money. Don’t just spend it on any and everything. Spend it wisely…like if you spend it just on anything that you want to spend it on, then when you need something you’re not going to be able to get it because you’re not going to have any money.

– ATLANA MOTHER OF THREE
IMPARTING EARLY LESSONS ABOUT PERSONAL FINANCE

Money is used to acquire goods and services

Money and currency are networks of symbols that children must learn to negotiate, but they also have tangible, concrete forms. Children need to gain an understanding of both aspects of money; they must learn that four quarters is worth one dollar, but also that one dollar is worth a can of soda. Money is a means to any number of ends, and it is important that children understand that, fundamentally, money is first and foremost a medium of exchange. The parents we interviewed understood the importance of this lesson and also how challenging it can be to impart. It takes time, practice and repetition. As one mother said:

Money is everywhere, everything and anywhere you go. You got your car, you got gas. You take the bus, you need to pay the bus. You go to the store, you have to buy the things you need. The things you’re looking at, you can’t just take it and walk out of the store. [The children] have known that for quite some time, too. Right, you have to pay for it. You have to buy it. That’s not yours unless you got the money for it.

– CHICAGO MOTHER OF FIVE

Related to the purchasing power of money is the lesson that money is necessary for survival. All our basic needs, such as housing and utilities, have costs that show up in the form of bills that must be paid with money. The near converse of the lesson about money’s ability to buy almost anything is that almost everything necessary to life needs to be purchased with money.

People say money isn’t everything—and it’s not. But money is what gets you the things that you need or the things that you want. I mean it takes money to do anything. It takes money to get in your car and drive to the store. You know, because that’s gas.

– ATLANTA MOTHER OF TWO

This can be a difficult lesson for young children in particular to understand. Sometimes it takes time and repeated explanations for children to grasp that, as the parent quoted above noted, you have to pay for the things you want in the store, you have to pay for the house you live in and the food you eat.

LESSONS ON SPENDING

- Money is used to acquire goods and services
- Count and account for your money
- Spending money requires making tough choices

OPPORTUNITIES FOR ENGAGING CHILDREN

- When planning shopping
- When selecting items at the store
- When paying for items at point of purchase
- When children want something birthdays or holidays
Count and account for your money

When it comes to using money to make purchases, parents often try to ensure that children know how to account for money in a transaction. This includes being able to count money so there is enough to make a purchase and to calculate how much change is owed. A mother told us that with her children:

I just try to teach them simple math and stuff like that by letting him pay for his own food and stuff like that. We go to the restaurant and I would give him the money. And then I would tell him, ‘how much are you supposed to get back?’ You know, if your meal is $6 and you have a $10 in your hand, how many dollars are you supposed to get back? All my kids still do it to this day. I just give them money to put in their own pocket. You’re going to eventually be to this point. So why not start you off now?

– CHICAGO MOTHER OF FOUR

Many of our interviewees talked about giving their children money for ice cream or snacks and using those payment opportunities to teach them how to make purchases and account for their money. An adult interviewee remembered her father teaching her and her sister how to use the coins they had collected to buy ice cream:

That was more my dad’s thing—’let’s go get candy from the ice cream man.’ I knew how to count a little bit. I remember him saying, get four quarters or I remember 10 dimes. That taught us how to count.

– FEMALE INTERVIEWEE FROM LOS ANGELES

Understanding how to count and account for money goes hand in hand with understanding its necessity for purchasing goods and services, so it is unsurprising that these lessons tend to be taught in tandem. As far as financial lessons go, it is a relatively easy one to teach, as even young children have some opportunities to make purchases.

Spending money requires making tough choices

A third major lesson that interviewees in both groups considered important is that, when it comes to spending money, one has to be willing to make choices. Everything costs money, and money is limited, so everyone, children included, need to pick and choose what they buy. Parents would try to make these comparisons tangible and explicit, particularly with younger children. As one parent explained:

Making choices, yes. And not all the time do you get everything you want. You know, you want Little Caesar’s or do you want McDonald’s? I always give them choices. You can’t have everything because everything costs money. It’s just one thing or the other.

– LOS ANGELES MOTHER OF FOUR

For many, making choices means spending money wisely, focusing on buying the things they truly need rather than focusing on the less important things they want in the moment. One adult respondent recalled his parents telling him over and over about the importance of spending his money wisely:

Saving money and not spending it wastefully. Those were always the life lessons, you know? Don’t spend your money on foolish things. That’s what was always instilled—what was instilled in us was spending money wisely and on the necessary things first, then on the things you want later.

– MALE INTERVIEWEE FROM BALTIMORE
It is not that parents didn’t consider spending money for pleasure acceptable, but they wanted their children to recognize it as secondary to taking care of their daily needs. This is a lesson that parents reported teaching often, especially in contexts in which children could see many items they wanted but did not necessarily need, like the candy aisle at a grocery store.

Another lesson some parents were trying to impart to their children was about making the choice to spend less money on similar items. This could come in the form of avoiding designer brands and expensive retail stores and shopping during promotional sales periods, at discount stores or using coupons at the grocery store. One parent from explained:

My friend got me to do couponing…And he [my son] loves going to couponing with me because he [says]—‘oh, my God, you got it for $0.49’…He even tells me, ‘Mom, you have two dollars on this coupon and it’s $2.49 and so you’re going to get it for $0.49.’ So you know, he knows—he’s cutting it, and he already knows what coupons I have and what to get.

— LOS ANGELES MOTHER OF THREE

This parent took advantage of the hands-on, game-like aspects of cutting and using coupons to engage her son to help her plan their shopping trips and find better deals. At other times, the best choice (or reality) for both parent and adult interviewees is to not spend money at all and forego making purchases. One adult remembered what would usually happen when he asked his parents for things that his friends had:

My friends had this at school, or so and so had that. Well, my mom would tell me straight out, ‘nope it’s not going to happen. This is what we have.’

— MALE INTERVIEWEE FROM LOS ANGELES

Overall, the major lessons about spending were closely related to each other and, in many cases, to the lessons taught and learned about saving covered in the next section.

LESSONS ON SAVING

I want them to know how to save money. I want them to know how to save money.

— BALTIMORE MOTHER OF SIX

We asked all of the adult interviewees two closely related questions: “What were the most important lessons you learned about money during your childhood?” and “What do you think are some of the most important financial lessons parents can teach their children?” All but a few of the adult respondents immediately highlighted the importance of learning to save money. For example, one interviewee recalled her father telling her siblings again and again that they needed to save money so that they would never need to be dependent on anyone else:
He would just tell us to save it. No matter what. Even a dollar. A dollar is a dollar. Saving, it is going to help you at the end.

– FEMALE INTERVIEWEE FROM LOS ANGELES

The parent group also considered lessons about saving to be some of the most important to impart to their children. While the emphasis on the general importance of saving was nearly universal, the actual lessons and strategies our interviewees taught and remembered learning varied. Most interviewees recounted specific tips and tricks to saving – often in the form of common sayings (e.g. “every penny counts,” and “save for a rainy day”). Several themes about savings strategies emerged from the plethora of individual responses.

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**Delay gratification**

Exercising self-control and avoiding purchasing non-essential items, especially when money was scarce, was a key savings strategy cited by multiple interviewees. This was often closely tied to language about self-control and delayed gratification, as well as to prioritizing needs over wants, which was discussed in the previous section. For instance, one parent told us that she frequently tried to get her son to understand that delaying gratification and saving money was a strategy he should embrace:

Jordan shoes and expensive ski caps and all this. I told him, ‘you know, that’s going to go away. But your bank account, if you keep putting money in there, you have something to show for what you’re working for.’

– CHICAGO MOTHER OF FOUR

On the same note, an adult interviewee with children of her own remembered learning from her mother about how important it was to be frugal and to save even when you wanted something very badly. She expressed the hope that her own young children begin learning these lessons and emphasized that teaching them to delay gratification was an early step in this direction:

As soon as they get money, they want to go to the store and buy like, chips and stuff. And I’ll make them, not all the time but most of the time, I’ll make them wait. ‘No, we’re not going. We don’t have to go right now. You can wait. Until the next time we go or until you get another dollar, then you can get more.’

– FEMALE INTERVIEWEE FROM BALTIMORE
A common opportunity that arose for parents to teach this lesson with their children was during shopping trips. As the respondent quoted above noted, children often want immediate gratification and push to purchase items they don’t need and potentially don’t even want very much. Preventing them from purchasing these nonessential items, or at least helping them to see the value in waiting, is an important lesson parents can teach repeatedly over time.

**Put aside money for emergencies**

Along with lessons about frugality and delaying gratification, the necessity of having a financial cushion in case of emergencies was a common theme. An adult interviewee remembered her father emphasizing the importance of not spending all of your money because you never knew when you might need to have a little on hand:

> My dad—one thing that always stuck in my head was always keep at least $5 or $10 in your wallet because you never know what could happen. You can be stranded somewhere. You might need a phone call or to pay someone to drive you somewhere. And to this day, I always keep at least $10 in my wallet.

— FEMALE INTERVIEWEE FROM ATLANTA

Multiple interviewees explained how important they believed it was to teach their children to only spend money on things they really needed so that they always had money left over in case something terrible happened to them, or somebody in a worse situation really needed help. In one noteworthy example, a mother from told us about how her daughter saves her money and then offers it to her family when they need it:

> You know what she does? When it’s an emergency, she’ll come and say ‘mom, remember those $10 [that her mother told her to save]? Yeah. Okay, here they are for us, for the family.’ And I go, ‘mija, those are yours.’ ‘No, mommy, it’s for us.’

— LOS ANGELES MOTHER OF THREE

**Set and work towards savings goals because small amounts add up**

Many parents encouraged positive attitudes and values around saving by providing advice, as well as suggesting specific opportunities for their children to engage in behaviors like setting a specific savings goal. Most commonly, these experiences centered on short-term savings goals, such as saving for a new toy or an item of clothing. These kinds of savings goals were not always planned out ahead of time but often arose in situations of consumer pressure, as a mother noted:

> Sometimes there are specific things that they see on TV. We’ll go to the store and see how much it is, and they’ll start saving for it.

— CHICAGO MOTHER OF FIVE

This active participation is consistent with the literature, which suggests that allowing children to engage in self-directed behaviors has a significant impact on both their attitudes towards that behavior and their self-efficacy (Bandura 1986). By allowing their children to gain experience saving—and to reap the rewards of saving (e.g., being able to buy a toy) or face the consequences of not saving (e.g., not being able to buy a toy)—parents can help their children grow to see themselves as effective savers.
Multiple interviewees emphasized the importance of teaching their children to save even small amounts of money, because eventually it would add up to something bigger. One adult interviewee remembers her parents repeatedly emphasizing the importance of saving a little bit of any money they received. She remembered this being especially the case when she was a young child and her family was living paycheck to paycheck:

They would try to [teach me about saving]—they would definitely encourage it. More so when we got a little bit older, I think. Or like, if we got money for Christmas or something like that. They would be like, no, don’t go crazy on the money that you receive. We get to save it, save it for something that’s really important.

— FEMALE INTERVIEWEE FROM ATLANTA

This interviewee believed that this lesson stuck because her parents repeated it every time she and her siblings received a little money. Parents also noted birthdays and holidays—or any time when children received money as a gift—as useful opportunities to try to teach their children to save.

**Make money harder to access**

Many of the parents we interviewed recognized that easily accessible money is also easier to spend. The lesson for their children is to make money less accessible in order to help them save. Some interviewees highlighted the usefulness of piggy banks and other physical storage containers to keep money if not out of mind, at least out of direct sight and slightly harder to access, as one parent explained:

I call this pickle jar their bank account, okay? It’s about this tall. Right now they got a good $0.75 in there. I’m like, well, even if they find money around, put it in there. Don’t unscrew the top and take it off every time the ice cream truck run around. Put it in there, put it in there. You’ll be surprised at how much you can save up in this thing, you know?

— BALTIMORE MOTHER OF THREE

Similar anecdotes were common among the parents we interviewed. Many had purchased piggy banks or used household items for money storage as learning tools to instill a certain set of values around saving. Parents consistently encouraged their children to actively participate in the saving behavior.

### PIGGY BANKS AREN’T ALWAYS PIGS

The ages at which children first had their own piggy bank ranged from birth to around eight or nine years old, although children rarely started using their piggy banks themselves until they were at least five or six years old. As one parent recounted, when he gave his four-year-old change to put in his piggy bank, the child would usually just throw it on the floor. So while many children may have piggy banks at very young ages, many likely do not really grasp the concept of saving until they are a little older.

**Examples of types of change banks:**

- Traditional piggy banks (shaped like pigs or other animals)
- Old socks
- Medicine bottles
- Pickle jars
- Envelopes
- Large coke bottles
- Dresser drawers
Storing and managing their child’s money created opportunities for parents to explicitly communicate financial lessons around savings and to help guide their child’s behavior. One adult participant remembered struggling with his tendency to make impulse purchases. Eventually he asked his mother to begin holding some of his money for him:

She would start, you know, collecting a little bit of my money. I would forget about it…and just like that, kind of she was my savings account. I didn’t have a bank account and all that stuff when I was young. She was…my savings.

– MALE INTERVIEWEE FROM CHICAGO

While many interviewees talked about children saving their money in piggy banks or change banks, others talked about storing money in a bank savings account. One adult interviewee remembered her mother helping her and her sister open bank accounts so that they could more easily save money for larger purchases:

It was through Bank of America. My mom has all of her accounts through there. We went in with her one day, my sister and I, and they [asked] if we wanted to open an account. We had like, we had to have $20. We added $20 to open it. I had enough and she didn’t. [laughter] [Oh, was this your allowance money that you had?] Yes, that we saved. So and then we had that, had it until I think I was like, 18 and then I got a real account. I would put money in there, and then save up for something and then take it out. I learned how to use the account very young.

– FEMALE INTERVIEWEE FROM LOS ANGELES

Finally, many parents of young children also reported saving money for their children without actually involving them in the process, opening savings accounts or setting money aside in other ways. In most of these cases, parents reported that they planned to eventually tell their children about these accounts but not necessarily allow them access. In some cases, these funds were earmarked for college, but the majority of interviewees did not specify an explicit goal, but instead emphasizing the importance of just saving something specifically for their children.
LESIONS ON EARNING

He wants to do something around the house. So I have to pay him. You know, like I think that’s the most responsible way because if I give it to them, they will not…cherish it like if they were to work for it. If you give the kids money all the time, they don’t see it, the value of a dollar.

– LOS ANGELES MOTHER OF FOUR

The last big set of lessons our interview participants talked about teaching and learning was centered on earning money. Especially in the early years, parents can facilitate experiential learning opportunities connected to earning income. Many of the parents we interviewed indicated that they provide their children with “earned income,” either through an allowance or other means, creating an important opportunity to talk about money. In this way, income offers parents the chance to impart general lessons, such as the importance of hard work, while also supporting and connecting lessons about saving and spending.

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<thead>
<tr>
<th>LESSONS ON EARNING</th>
<th>OPPORTUNITIES FOR ENGAGING CHILDREN</th>
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<tbody>
<tr>
<td>A strong work ethic is important in life</td>
<td>Allowances, often for doing chores</td>
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<tr>
<td>Education is important for increasing your earning potential</td>
<td>Entrepreneurial activities like selling candy or mowing lawns</td>
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<td></td>
<td>Conversations about college</td>
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<td></td>
<td>Conversations about parent’s job or lack of job</td>
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A strong work ethic is important for earning money and for life

Before even mentioning money and income, some parents spoke powerfully about the importance of instilling a strong work ethic in their children. When asked about the most important lesson he could teach his children, one parent said:

Learning to work. That’s the biggest thing that I’m trying to put out there: that you’re going to have to work. That’s what’s important. So when you don’t see Daddy, it’s only because I’m working.

– ATLANTA FATHER OF EIGHT-YEAR-OLD
Another parent in Chicago recounted her own personal philosophy about work, which she was trying to impart to her child:

> It feels good. It's a good feeling. And you don't have to ask anybody. You worked hard for that. You earned that. It's like, if I don't have it, you just don't have it. And you know, if we don't have it, we are going to work until we get it.

— CHICAGO MOTHER OF TWO

In this example, hard work is tied directly to the concept of earning: “You worked hard for that. You earned that.” Even when the connection wasn’t made explicitly, it was the major implication of most interviewees’ comments about hard work. Nearly all the parents interviewed believed that their children—and all children—needed the values of hard work and conscientiousness in order to succeed in the workplace later in life.

Among the parents we interviewed, the most common method used to impart lessons to elementary-age children about the connection between working hard and earning money was the provision of an allowance. The specifics of that allowance system varied substantially from family to family, but among those we spoke with, it was common to connect the allowance with chores. As one parent in Baltimore explains:

> So if I give them a little—you know, it could be like $0.50 or a dollar or something—they are excited. They are children. Children—kids don’t expect a lot. So if I give them a little something, it gives them something to run for. So they are like, ‘oh, yeah, mommy gave me a dollar if I cleaned up.’ Well, guess what? The next time I come to the house, they’re like, ‘well, shoot, if I keep cleaning, I’m going to keep getting money.’ So that’ll teach them how to be more responsible and give them more stuff. A better outlook on things. When they go out into the real world, they won’t be lazy at what they do at their job.

— BALTIMORE MOTHER OF THREE

In addition to an allowance, a few parents encouraged their elementary-age children to earn income by facilitating employment or entrepreneurship opportunities. As one parent from Los Angeles explained when discussing her older sons:

> So I used to buy them boxes of chocolates, and they used to sell them. You know, we have a lot of reunions, and like, ‘oh, we’re going to have a Sunday brunch—oh, no this comes to be a Sunday party,’ you know. So they sell it to the same family members. So they would be done with a box in that one day. Come next week, I would buy them another.…That was their way of getting money.

— LOS ANGELES MOTHER OF THREE

Adult interviewees, too, considered the value of a strong work ethic and its connection to money a very important lesson. One adult interviewee who had two young children of her own, argued for the importance of teaching even very young children that doing work leads to tangible rewards, tying together the twin concepts of money or rewards as earned, and work as necessary to acquire money or goods. Another adult interviewee recalled learning this lesson at a very young age. When asked if he received an allowance, he explained:
Well, I had to work for it. I had chores, and if I didn’t do them, I didn’t get an allowance, but I always wanted to buy baseball cards and things like that. If I ever wanted any of that stuff, my mom or dad would never get it unless I had earned it. And they may not give me the money directly, but they’ll be like, ‘if I buy you this pack of baseball cards, are you going to wash my car?’ ‘Yes.’ You know, and as soon as I got that pack of baseball cards, you best believe as soon as I got home, the hose is outside, go wash the car. Before I could even open them and play with them.

– MALE INTERVIEWEE FROM ATLANTA

As soon as his own children, currently four and five years old, are a little older, he plans to begin imparting this lesson to them.

**Education is important for increasing your earning potential**

Along with hard work, the importance of getting a good education and staying in school was reiterated time and again by interviewees from both groups. Nearly all of the interviewees in the parent group and a majority from the adult group tied education directly to higher earnings and financial stability. In many cases, interviewees from both groups suggested that their own lives would have been very different had they stayed in high school or gone to college, while in other interviews, this idea was unstated but strongly implied. There was no singular reason given by interviewees for not finishing or increasing their education. Some reported having to support other family members, either their own children or younger siblings, while others began working during or right after high school and either did not have the time for school or preferred the immediate benefit of having an income to the potential future benefit of a higher earnings.

What did come through strongly in the interviews was that, regardless of the reason for not finishing school, it was not a choice parents wanted their own children to make. One parent recounted a conversation she had with her children about the importance of getting a college degree:

Kids are dropping out of school left and right. You know, and they don’t know the struggle. Like you think that, oh, yeah, you can’t—you’re not going to get the job you want. You’re going to settle for these low jobs. You know, because you’re not going—you don’t have the education or the experience to move to where you want to go. You know, it isn’t about what you take in college. It’s about—people don’t even look at that. All you need is the thing that say[s], ‘I have a bachelor’s degree,’ and they will hire you…It’s hard out there. I don’t want my babies to grow up struggling.

– BALTIMORE MOTHER OF THREE

Another parent made a similar point, tying her own lack of money to her lack of education:

I’m like, ‘I don’t have no money. I ain’t got no money.’ And they say, ‘well, why don’t you have no money?’ I said, ‘because I got no job.’ That’s why you need to stay in school: so that you ain’t like me and you got money.

– CHICAGO MOTHER OF FIVE

This parent continued to emphasize the importance of education, noting that it was the single most important lesson she wished she had learned growing up.
HOW DOES FINANCIAL DEVELOPMENT CONTINUE AFTER ELEMENTARY SCHOOL?

While we focused the interviews on lessons during a child's elementary school years, many parents also had older children (ages 12-17). Their stories about these children provide some insight into how financial socialization continues into adolescence. Financial lessons in the teenage years are similar to those taught to younger children, but they also evolve to reflect the increased autonomy, expanded social networks and wider set of options that older children face. As with other age groups, the lessons that facilitate financial capability can be understood as related to spending, saving and earning money.

**Spending**

Discussions about spending in adolescence often center on “wasteful spending.” As middle and high school students explore their newfound independence, their parents find that they require more forceful and direct conversations, especially with regard to savings goals. Parents experiencing financial strain may use these discussions about prioritizing spending to impart strategies for managing money. In some cases, particularly in low-income families, parents sometimes ask that their teenage children contribute to household expenses.

**Saving**

With bigger savings goals and a wider variety of opportunities to work toward these goals, teenagers exert greater control over their money management than younger children do. This is in part due to the fact that many children enter the labor force in mid- to late-adolescence. Parents often use the occasion of an adolescent child beginning employment to connect the importance of savings with both the more expensive, socially significant purchases of adulthood, as well as with the broader and longer-term concept of economic mobility. Some adults remembered specific strategies their parents conveyed during this stage, such as building rewards into the process of saving, while others recalled parents modeling negative behavior.

**Earning**

In contrast to younger age groups, conceptions of employment, entrepreneurship and hard work become increasingly important for the age 12-17 cohort. Employment in particular takes on a new role as the primary context for conversations about managing money, as children’s access to money shifts from parents (e.g., allowances) to compensation for direct services (e.g., mowing lawns) or participation in the formal economy (e.g., food service). This shift allows parents to emphasize clearer connections between lessons about the value of money and hard work and to concretely delineate “wants” versus “needs.”
What challenges do parents in low-income households face when trying to teach their elementary-age children about money?

Many parents we spoke to expressed that they sometimes found it difficult to effectively teach their children about money. Several themes related to the challenges they face are described below.

KIDS HAVE A HARD TIME UNDERSTANDING MONEY AND FINANCIAL CONSEQUENCES

In the interviews, parents talked a lot about how it’s hard for kids, especially younger kids, to fully grasp certain financial lessons. The biggest issue is that money and all its related lessons are abstract and intangible, which makes it hard for young children to understand. One interviewee with a young son had a great deal to say about the challenges inherent in helping children understand the value of money, as well as what it means to both spend and earn money. As she reflected:

He doesn’t have the idea of, well, how do you get money? You know, for him it’s just kind of like, I ask you what I want and I get what I want—he’s not putting into a thought like, ‘wait a minute, money’s hard to get’...it’s really easy for me to just provide it for him, rather than to sit down and say, ‘look, we can’t. The money that we get comes from here, and we only have this much money for these things, and we have to make it stretch.’ And I think that’s really hard for my son to be able to register that. Like, it’s really hard for him to accept that.

– LOS ANGELES MOTHER OF ONE

A second issue is that the consequences of poor financial decisions are usually not immediate. This makes it difficult to show how financial actions can have consequences. As one adult interviewee explained:

I think kids, they only think short-term. They only think of ‘what am I going to do tomorrow? What am I doing Friday? What am I doing for the weekend?’ I don’t think they really see farther than that.

– FEMALE INTERVIEWEE FROM BALTIMORE

It is very difficult for parents to help their children understand the long-term impact of financial decisions. After all, the results of financial mistakes are often not apparent until many years later, and financial outcomes are rarely the result of a single poor decision. Interviewees from both groups mentioned this challenge. In order to help their children think long term about their finances, parents would try to focus on the most tangible aspects of money—like purchasing goods—and tell stories about themselves, friends or relatives to illustrate the consequences of financial decisions.

CHILDREN’S’ WANTS ARE INFLUENCED BY PEER AND MEDIA PRESSURES

Kids, even at a young age, start feeling peer and media pressure related to consumption. This came up frequently in our interviews. As one adult recalls:
Even though now I know it makes sense why my mom would want me to get three off-brand [pairs of] shoes because I would have more you know, and it would last longer. But as a kid you want what’s in style, and you know, you worry about what other people think when they look at you, you know? And I didn’t want people to think like, I was poor or I was a dork. You know what I mean? Like I wanted to just fit in. That’s what it comes down to.

– FEMALE INTERVIEWEE FROM BALTIMORE

Parents recognize the pressures children feel to buy goods that help establish social status and allow them to feel equal to their friends. As one parent says:

Especially in the school, my boys will tell me—my 9 year old, my 6 year old will say when they’re getting ready for school, ‘mom, can I have a couple dollars for school?’ I’ll say, ‘well, what do you need it for?’…. [They see their friends with money. They see their friends with cell phones, you know. Um, they bring their little Wii games, and it’s, ‘mommy, I want that. I want to buy it, they have it.’

– CHICAGO MOTHER OF FOUR

Notably, while there is some degree of peer and media pressure on children in elementary school, both media and peer pressure seem to become much bigger issues once children enter adolescence. So, while peer and media pressures were discussed in the interviews, they were mentioned as an emerging dynamic that could have larger impacts as the child ages.

PARENTS WORRY ABOUT BURDENING CHILDREN PREMATURELY

When asked about the challenges they faced in teaching their children about money, many parents explained that they wanted their children to be children and not spend their childhoods worrying about money. This issue of preventing children from worrying about the family’s financial situation is difficult to navigate, as it can be seen as somewhat at odds with the desire to teach children about money. A few parents reported talking to their kids about the family’s finances, but others felt strongly that it was not something children, particularly young children, should be involved with. As a mother of three reflected, when asked if she ever talks to her children about the family’s finances while paying bills:

Well, that’s kind of a hard thing to do because I want them to stay in the child’s place. Don’t worry about mommy’s bills, but still be, you know, courteous about the lights and the water.

– BALTIMORE MOTHER OF THREE

A related challenge that arose in the interviews was the guilt parents feel about saying no to their children when they ask for things, even if they are doing so in order to impart strong financial values:

Kids want to spend their money on what they want to spend their money on. And you are trying to be the person like, ‘no.’ ‘Mommy, can I go to the ice cream truck?’ ‘No.’ And it makes you look like the bad guy, but really you’re trying to look out for them. You know, and it hurts my heart to see them walk away from the door sad and stuff.

– BALTIMORE MOTHER OF THREE
PART THREE

IMPLICATIONS

Our research suggests that it is important to encourage parents to talk to their kids about money because parents are shaping their children’s views, whether purposefully or not. In general, parents have an interest in teaching their kids about money. They recognize that personal finance is a life skill that will help their children in the future. However, challenges such as worrying their children or feeling guilty about saying “no” may limit efforts to actively engage their children in conversations about money. As evidenced by our interviews with adults who grew up in low-income households, parents have a powerful impact on shaping their children’s initial views and values about money, whether or not they know it. These findings provide insights into how parents are imparting financial lessons to their elementary-age children, what lessons they are teaching and the challenges they face. In light of these insights, we offer several recommendations to financial education and capability-building providers and researchers.

How can financial education and capability-building providers help parents in low-income households to teach their elementary-age children about money?

Based on insights from the existing knowledge on the influence of parents on their children’s financial development and the insights provided through our interviews, we offer a few recommendations to practitioners serving parents in low-income households:

1. **Help parents recognize their role in teaching children about money.** Practitioners can help make parents aware that they are imparting lessons about money to their children and reinforce that financial skills are life skills, just like social manners, health care and hygiene. Parents can start teaching their children about money through everyday activities. We highlighted many opportunities for lessons about money throughout this report in *Opportunities for Engaging Children* sections. Activities like reading books that deal with money or show a character making decisions related to spending, saving and earning also provide good opportunities for parents to engage with their kids about money. For more ideas, the Consumer Financial Protection Bureau has a website dedicated to helping parents become aware of their role in teaching children about personal finance (http://www.consumerfinance.gov/parents/).

2. **Don’t focus too much on specific concepts, but, rather, teach key lessons about spending, savings and earning that can be established and reinforced.** Money as You Grow (www.moneyasyougrow.org) was created as a resource for parents by the President’s Advisory Council for Financial Capability to provide helpful principles of personal finance and activities for parents to use to engage with their children about money. A primary resource on the site is a list of financial concepts children should know by certain age ranges and activities to help the children learn those concepts at that age. Since our interviews showed that parents are repeating basic lessons on core topic areas, future resources for parents should follow this natural heuristic and provide a variety of activities on the basic principles of money in a variety of contexts so that the same lessons are repeated over time, perhaps by providing a matrix of activities that parents could engage in with their children and adapt as they get older, rather than a list of specific financial concepts tied directly to different age ranges.
3. **Encourage parents to continue repeating lessons on the basic principles of money as their children grow.** Both groups we interviewed talked about the importance of repetition in helping concepts stick. The lessons that stuck with people were likely reinforced over and over again throughout their childhood and lifetime. Practitioners can encourage parents to continue engaging with their children about money by reminding parents that lessons are unlikely to be absorbed in one discreet interaction, but rather are learned over time due to repetition and reinforcement.

4. **Develop interventions, activities and tips that parents can integrate into everyday activities with their children over time.** Our research finds that parents are using organic opportunities to talk with their children about money, so any new resources should be designed to fit into a normal, everyday context. The opportunities mentioned most frequently in our interviews were around shopping or point of sale transactions: going to the store, buying ice cream from a truck, getting change from a cashier. Another key context appears to be birthdays or holidays, when children might receive money as a gift or need to purchase gifts for others. Additionally, the resources available to parents should include materials that help parents overcome some of the key challenges to engaging with their kids about money, such as helping children understand the concept of money and the long-term consequences of financial decisions.

**What additional research could be done to inform existing strategies for parents in low-income households to teach their elementary-age children about money?**

In addition to the recommendations for practitioners, our research has illuminated key questions for future research:

1. **Beyond lessons on earning, saving and spending, what additional lessons about personal finance that should be imparted to elementary-age children?** Resources for parents, like Money as You Grow, place an emphasis on consumer protection (i.e. it can be dangerous to share information online, a savings account will protect your money) in the recommended lessons for parents to teach their children, even in the elementary school years. Lessons related to protection were rarely mentioned in our interviews, suggesting a need to explore whether or not consumer protection should be part of the suite of lessons parents should impart to their children at these ages.

2. **How does establishing initial lessons about personal finance during the elementary school years affect financial development in later years?** Children’s initial lessons about personal finance are considered important both in the existing knowledge base on financial development and in anecdotes about how people develop financial capability. But it’s not clear how learning those lessons affects future financial development in adolescence and beyond. More work needs to be done to better understand how financial capability develops over one’s lifetime and its impact on later economic outcomes.

3. **Are there differences in the lessons about money and personal finance being taught to children in households of different socio-economic, ethnic or educational backgrounds?** Our interviews only focused on identifying the lessons about personal finance being imparted in households with low incomes and low assets. However, it would be interesting to see if these principles are universally shared across households of different financial backgrounds or if there are differences in the principles being imparted across different segments of the population.
4. **Are parents practicing the same lessons they impart to their children?** In our interviews, we talked about the financial lessons parents imparted to their children, but we didn’t always explicitly discuss whether or not the parents practice those principles themselves. It would be interesting to understand whether or not there’s a gap between the financial values and behaviors espoused by parents and their actual behavior, and to understand how those dynamics impact the way the lessons are imparted to their children.

5. **How can school-based financial education curriculums complement or build off of the lessons established by parents to help children develop their financial capability?** Finally, as we start to better understand what children are learning about finances at home, it might be helpful to explore how school-based financial education curricula can complement or build upon the knowledge gained outside the classroom. For example, would it be helpful to reinforce the lessons that parents started establishing? Are there certain experiences from home life that might be universal learning moments to reinforce in the classroom setting? Thinking about how learning in the classroom can help reinforce the less structured learning outside the classroom could be helpful in establishing more consistent reinforcement of financial capability in children’s development.

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**CLOSING**

Whether or not they know it, parents are a driving force in how their kids understand, view and use money. While their children’s financial outcomes as adults may be largely influenced by forces beyond the parents’ control, parents can and do influence the initial formation of their children’s values and principles of personal finance—especially through lessons around spending, saving and earning. With our interviews, we are only scratching the surface of what parents do to engage their children on these topics. We hope practitioners will help to draw more attention to this issue and provide resources to guide parents in imparting these important life skills to their children. Further, we hope that additional research will help develop strategies that can support parents in guiding their kids on the path to a strong financial future.
IMPARTING EARLY LESSONS ABOUT PERSONAL FINANCE

WORKS CITED


IMPARTING EARLY LESSONS ABOUT PERSONAL FINANCE

TECHNICAL APPENDIX

To help inform practices in building youth financial capability in low-income communities, we believe it is essential to understand what attitudes, behaviors and skills related to money elementary-age children are learning and how parents, the primary influencers of those initial building blocks, impart those lessons. Given the limited amount of existing literature on the subject, we sought to answer two key questions with our research: First, what lessons about money and finances are imparted on children in low-income household during the elementary school years? Second, how are parents imparting the lessons to the children during this life stage?

Interview sample
We conducted interviews with two distinct groups: 1) parents of elementary-age children currently living in low-income (at or below 200% of the federal poverty guideline), asset-poor households; and 2) young (20s-early 30s) adults who experienced income and asset poverty as children but are no longer income or asset poor as adults. We conducted 44 total interviews in four cities: Baltimore, Atlanta, Chicago and Los Angeles.

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Parents of elementary-age children
Our first group of interview participants comprised adult parents of elementary-age (6-11 years old) children living at or below 200% of the federal poverty guideline who were also asset poor (referred to as the “parents” or “parent group” or “parent interviewees”). See Attachment A for specific screening criteria. We were interested in exploring what lessons about money they were trying to impart to their children and which ones they thought were the most important for their children to learn. We were also interested in learning about the types of challenges they encounter when trying to help their children gain the financial knowledge, skills, attitudes, habits and behaviors that may lead to future financial well-being.

Adults who grew up in low-income households
We also wanted to explore what financial knowledge, skills, attitudes, habits and behaviors learned in childhood were perceived as being particularly useful to adults who grow up in poverty and managed to achieve financial stability in adulthood (referred to as the “adults” or “adult group” or “adult interviewees”). See Attachment B for specific screening criteria. We were particularly interested in anything adults who have exited poverty feel they learned directly or indirectly from their parents, what they believe they learned from other sources and any specific financial socialization experiences they recall. We were also interested in learning what people who have escaped poverty think children from low-income and low-asset family backgrounds should be taught in order to improve their own chances of exiting poverty.
Interview protocol and analysis

Interview participants were recruited using a national mall-based marketing research company. See Attachments A and B for the questionnaires used to select participants, and see the Appendices C and D for the complete interview protocol for each group. Each interview lasted approximately one hour. The interviews were all transcribed and analyzed by coding key themes that emerged from the text. See Attachment E for details of our qualitative data analysis methodology. We did not find evidence of age differences in lessons or methods used by parents in our analysis. As we had hoped, we did see significant overlap in the lessons parents are currently teaching their children and the lessons adult interviewees remembered learning. The adults’ stories tended to be more narrative in form and, because they were recalling the entirety of their childhoods, often included important details from their young adult years, but the major lessons and themes were very similar across both groups.
ATTACHMENT A

PRE-SCREENING QUESTIONS FOR LIQUID ASSET POOR PARENTS LIVING AT OR NEAR INCOME POVERTY

**Note: Instructions for the recruiter are in bold + italics.**

Introduction
Hi! My name is [recruiter's name] with C & C Market Research. I’m conducting a brief survey about how people feel about their current and past financial situation. The information is completely confidential and will never be shared. Would you please help me by answering a few questions?

[ ] No = Terminate
[ ] Yes = Continue

Current Financial Situation
First, I have a few questions about your current situation.

For #1b, out of the five total subjects needed from this group for the study, ensure that there is at least 1 child in each age range (hard quota).

1a. Do you have any children currently between the ages of 6 and 11?

[ ] No = Terminate
[ ] Yes = Continue

1b. Which age range does/do your child/children fall into?

[ ] 6-7
[ ] 8-9
[ ] 10-11

2. How many people currently live in your house, apartment, mobile home, or other dwelling? Please include yourself in this number. Exclude roommates that pay their own expenses.

a. Any people who live in the same dwelling for 6 months or more a year should be included.

3. Do you financially support anyone who DOES NOT live with you? “Financially support” means paying/providing at least half of their living needs such as housing, food, clothes, health care, education costs, etc.

[ ] No = Skip to Q5
[ ] Yes = Continue to Q4

4. If yes, how many people, outside of your household, do you financially support?
5. Which of the following ranges includes your household’s annual income? Please include the combined pre-tax income of all the people in that live with you.

[ ] Less than $20,000  [ ] $60,000-$64,999
[ ] $20,000-$24,999  [ ] $65,000-$69,999
[ ] $25,000-$29,999  [ ] $70,000-$74,999
[ ] $30,000-$34,999  [ ] $75,000-$79,999
[ ] $35,000-$39,999  [ ] $80,000-$84,999
[ ] $40,000-$44,999  [ ] $85,000-$89,999
[ ] $45,000-$49,999  [ ] $90,000-$94,999
[ ] $50,000-$54,999  [ ] $95,000-$99,999
[ ] $55,000-$59,999  [ ] $100,000 or more

Determine the participant’s family size by adding the number of people provided as answers to Q2 and Q4.

Circle the participant’s family size on the Income Table.

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<tr>
<th>FAMILY SIZE</th>
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<td>$79,999</td>
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Is the annual income provided in Q5 LESS THAN OR EQUAL TO the annual income listed for the participant’s family size on the Income Table?

No = Terminate
Yes = Continue

6. Which of the following ranges describes how much your household has in savings? Savings can be money held in cash, bank accounts, stocks, mutual funds and/or retirement accounts.

[ ] Less than $3,000  [ ] $8,000-$8,999
[ ] $3,000-$3,999  [ ] $9,000-$9,999
[ ] $4,000-$4,999  [ ] $10,000-$10,999
[ ] $5,000-$5,999  [ ] $11,000-$11,999
[ ] $6,000-$6,999  [ ] $12,000-$12,999
[ ] $7,000-$7,999  [ ] More than $13,000
Savings is the amount of cash or money that can be liquidated quickly from bank accounts and other interest-earning assets; and equity in stocks, mutual funds and retirement accounts (IRAs, 401(k)s and KEOGH accounts).

It does not include equity in businesses, vehicles, homes and other real estate.

Circle the respondent’s family size on the Savings Table.

<table>
<thead>
<tr>
<th>FAMILY SIZE</th>
<th>AMOUNT IN SAVINGS</th>
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<td>11</td>
<td>$12,999</td>
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</table>

Is the amount in savings provided in Q6 LESS THAN OR EQUAL TO the amount in savings listed for the respondent’s family size on the Savings Table?

No = Terminate
Yes = Continue

Request to Continue/Demographics & Disqualifiers

Thank you for answering my questions. I am pleased to inform you that [recruiting company], a local market research firm, is looking for people like yourself to participate in a research project to learn more about the financial skills, habits, attitudes, behaviors and information that are helpful to your situation. This would involve a 60 minute discussion with you and a researcher that is purely for research purposes and involves no sales or promotions of any kind. In fact, you will be reimbursed for your services. However, before I can schedule for an interview, I need to ask you a few more questions.

7. Which of the following ranges includes your present age?

[ ] Under 20
[ ] 20-25
[ ] 26-30
[ ] 31-35
[ ] 36-40
[ ] 41-45
[ ] Over 45
For #8, out of the five total subjects needed from this group for the study, strive for a similar distribution as represented in the metropolitan area you are recruiting in (soft quota).

8. Do you consider yourself to be part any of the following race or ethnic groups? You may choose as many groups as you like.

[  ] American Indian or Alaskan Native
[  ] Asian
[  ] Black or African American
[  ] Latino or Hispanic
[  ] Native Hawaiian or Other Pacific Islander
[  ] White
[  ] Other, please describe: ____________________________________________________________

For #9 & #10, out of the five total subjects needed from this group for the study, strive for some diversity: single vs. married and employed vs. unemployed (soft quotas).

9. In terms of your marital status, are you:

[  ] Single
[  ] In a domestic partnership/living with a partner
[  ] Married and living together
[  ] Married and separated
[  ] Divorced
[  ] Other

10. Which of the following best describes your employment status?

[  ] Employed, working 40 or more hours per week
[  ] Employed, working 1-39 hours per week
[  ] Not employed, looking for work
[  ] Not employed, NOT looking for work
[  ] Retired
[  ] Disabled, not able to work

11. What was the highest level of education you completed?

[  ] Elementary, junior high or middle school
[  ] High school degree or equivalent (e.g. GED)
[  ] Associate’s degree/ 2-year college (e.g. Associate of Arts, Associate of Science)
[  ] Bachelor’s degree/4-year college (e.g. Bachelor of Arts, Bachelor of Science)
[  ] Master’s degree (e.g. Master of Arts, Master of Business Administration)
[  ] Doctoral degree (e.g. Dr. of Philosophy/Ph.D., Juris Dr./J.D., Dr. of Medicine/M.D.)
Invitation and Schedule

Thank you for answering all my questions. I am pleased to invite you to participate in a discussion for a research project about the financial skills, habits, attitudes, behaviors and information that are helpful to your situation. As I mentioned before, the discussion will last approximately 60 minutes. In return for your participation, you will receive seventy-five dollars ($75).

12. Can I schedule you for a meeting now?

[   ] No = Terminate
[   ] Yes = Continue

<table>
<thead>
<tr>
<th>PARTICIPANT’S NAME</th>
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ATTACHMENT B
PRE-SCREENING QUESTIONS FOR UPWARDLY MOBILE ADULTS

**Note: Instructions for the recruiter are in bold + italics.**

Introduction

Hi! My name is [recruiter’s name] with C & C Market Research. I’m conducting a brief survey about how people feel about their current and past financial situation. The information is completely confidential and will never be shared. Would you please help me by answering a few questions?

[   ] No = Terminate
[   ] Yes = Continue

Current Financial Situation

First, I have a few questions about your current situation.

1. Which of the following ranges includes your present age?

   [   ] Under 25 = Terminate
   [   ] 25-35 = Continue
   [   ] Over 35 = Terminate

2. How many people currently live in your house, apartment, mobile home, or other dwelling? Please include yourself in this number. Exclude roommates that pay their own expenses.

   - Any people who live in the same dwelling for 6 months or more a year should be included.

3. Do you financially support anyone who DOES NOT live with you? “Financially support” means paying/providing at least half of their living needs such as housing, food, clothes, health care, education costs, etc.

   [   ] No = Skip to Q5
   [   ] Yes = Continue to Q4

4. If yes, how many people, outside of your household, do you financially support?
5. Which of the following ranges includes your household’s annual income? Please include the combined pre-tax income of all the people that live with you.

[ ] Less than $20,000  [ ] $60,000-$64,999
[ ] $20,000-$24,999  [ ] $65,000-$69,999
[ ] $25,000-$29,999  [ ] $70,000-$74,999
[ ] $30,000-$34,999  [ ] $75,000-$79,999
[ ] $35,000-$39,999  [ ] $80,000-$84,999
[ ] $40,000-$44,999  [ ] $85,000-$89,999
[ ] $45,000-$49,999  [ ] $90,000-$94,999
[ ] $50,000-$54,999  [ ] $95,000-$99,999
[ ] $55,000-$59,999  [ ] $100,000 or more

Determine the participant’s family size by adding the number of people provided as answers to Q2 and Q4:

_______

Circle the participant’s family size on the Income Table.

<table>
<thead>
<tr>
<th>FAMILY SIZE</th>
<th>ANNUAL INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$24,999</td>
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<td>2</td>
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</table>

Is the annual income provided in Q5 GREATER THAN the annual income listed for the participant’s family size on the Income Table?

No = Terminate

Yes = Continue

6. Which of the following ranges describes how much your household has in savings? Savings can be money held in cash, bank accounts, stocks, mutual funds and/or retirement accounts.

[ ] Less than $3,000  [ ] $8,000-$8,999
[ ] $3,000-$3,999  [ ] $9,000-$9,999
[ ] $4,000-$4,999  [ ] $10,000-$10,999
[ ] $5,000-$5,999  [ ] $11,000-$11,999
[ ] $6,000-$6,999  [ ] $12,000-$12,999
[ ] $7,000-$7,999  [ ] More than $13,000
Savings is the amount of cash or money that can be liquidated quickly from bank accounts and other interest-earning assets; and equity in stocks, mutual funds and retirement accounts (IRAs, 401(k)s and KEOGH accounts).

It does not include equity in businesses, vehicles, homes and other real estate.

Circle the respondent’s family size on the Savings Table.

<table>
<thead>
<tr>
<th>FAMILY SIZE</th>
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Is the amount in savings provided in Q6 GREATER THAN the amount in savings listed for the respondent’s family size on the Savings Table?

No = Terminate
Yes = Continue

Childhood Financial Situation

I’d also like to ask a few questions about your experiences as a child. In particular, I’d like you to think about your experiences during elementary school, which includes ages 6-11.

7. To what extent do you agree or disagree with the following statements. Please answer using a scale from 1 to 7. 7 means you agree completely while 1 means you disagree completely:

My family usually had enough money for things when I was growing up. ____________

I grew up in a relatively wealthy neighborhood. ____________

I felt relatively wealthy compared to other kids in my school. ____________

Please add up the respondent's answers for the three statements. ____________________________

If the sum is:

11 or lower = Continue
12 or higher = Terminate
8. Do you remember if any of the following happening during your childhood:

- [ ] A parent or guardian lost a job and was out of work for an extended period of time.
- [ ] Your family couldn’t afford to buy food or sometimes used food stamps.
- [ ] Your family was evicted or lived in a shelter, with other relatives, or another location that was not your home.
- [ ] Someone in your family needed to see a doctor or go to a hospital but couldn’t because it cost too much.
- [ ] Your lights or heat were turned off because of non-payment of bills.
- [ ] At times in your childhood you received free or reduced-price meals in school.

*Did the respondent experience 2 or more of the above statements during childhood? If:*

- No = Terminate
- Yes = Continue

---

**Request to Continue/Demographics & Disqualifiers**

Thank you for answering my questions. I am pleased to inform you that C & C Market Research, a local market research firm, is looking for people like yourself to participate in a research project to learn more about the financial skills, habits, attitudes, behaviors and information that are helpful to your situation. This would involve a 60 minute discussion with you and a researcher that is purely for research purposes and involves no sales or promotions of any kind. In fact, you will be reimbursed for your services. However, before I can schedule for an interview, I need to ask you a few more questions.

*For #9, out of the five total subjects needed from this group for the study, strive for a similar distribution as represented in the metropolitan area you are recruiting in (soft quota).*

9. Do you consider yourself to be part any of the following race or ethnic groups? You may choose as many groups as you like.

- [ ] American Indian or Alaskan Native
- [ ] Asian
- [ ] Black or African American
- [ ] Latino or Hispanic
- [ ] Native Hawaiian or Other Pacific Islander
- [ ] White
- [ ] Other, please describe: ____________________________________________

*For #10 & #11, out of the five total subjects needed from this group for the study, strive for some diversity: single vs. married and employed vs. unemployed (soft quotas).*
10. In terms of your marital status, are you:

- [ ] Single
- [ ] In a domestic partnership/living with a partner
- [ ] Married and living together
- [ ] Married and separated
- [ ] Divorced
- [ ] Other

11. Which of the following best describes your employment status?

- [ ] Employed, working 40 or more hours per week
- [ ] Employed, working 1-39 hours per week
- [ ] Not employed, looking for work
- [ ] Not employed, NOT looking for work
- [ ] Retired
- [ ] Disabled, not able to work

12. What was the highest level of education you completed?

- [ ] Elementary, junior high or middle school
- [ ] High school degree or equivalent (e.g. GED)
- [ ] Associate’s degree/2-year college (e.g. Associate of Arts, Associate of Science)
- [ ] Bachelor’s degree/4-year college (e.g. Bachelor of Arts, Bachelor of Science)
- [ ] Master’s degree (e.g. Master of Arts, Master of Business Administration)
- [ ] Doctoral degree (e.g. Dr. of Philosophy/Ph.D., Juris Dr./J.D., Dr. of Medicine/M.D.)
Invitation and Schedule

Thank you for answering all my questions. I am pleased to invite you to participate in a discussion for a research project about the financial skills, habits, attitudes, behaviors and information that are helpful to your situation. As I mentioned before, the discussion will last approximately 60 minutes. In return for your participation, you will receive seventy-five dollars ($75).

13. Can I schedule you for a meeting now?

[   ] No = Terminate
[   ] Yes = Continue

<table>
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<th>PARTICIPANT’S NAME</th>
<th>PARTICIPANT’S GENDER</th>
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<th>INTERVIEW DATE</th>
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**ATTACHMENT C**

**INTERVIEW GUIDE FOR PARENTS LIVING AT OR NEAR POVERTY**

**Key Questions to be asked in an Interview**

<table>
<thead>
<tr>
<th>KEY QUESTION</th>
<th>CONVERSATION PROMPTS/PROBES</th>
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<tbody>
<tr>
<td><strong>Intro/Background (15 min.)</strong></td>
<td></td>
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<tr>
<td>Thank you so much for coming in today!</td>
<td></td>
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<tr>
<td>I’m [name], and I’m a researcher at CFED.</td>
<td></td>
</tr>
<tr>
<td>We’re trying to understand what lessons about money or finance might be helpful to kids in families like yours.</td>
<td></td>
</tr>
<tr>
<td>Also, we want to know if there’s anything parents or other mentors in a child’s life can do to help build those abilities.</td>
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</tr>
<tr>
<td>We think your personal experience can be really helpful to our project.</td>
<td></td>
</tr>
<tr>
<td>Before we get started, do you have any questions for me?</td>
<td></td>
</tr>
<tr>
<td>Please read through this consent form and make sure you’re ok with everything in it. Then please sign it.</td>
<td></td>
</tr>
<tr>
<td>I’d love to learn a little more about your life right now.</td>
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<tr>
<td>How many kids do you have? How old are they?</td>
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<tr>
<td>Do you live with anyone else? (spouse, partner…)</td>
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<tr>
<td>Are you (financially) taking care of anyone else?</td>
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<tr>
<td>What do you want for your children (in the future)?</td>
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<tr>
<td>Where do you want your kids to be to be financially when they grow up? What do you envision for them?</td>
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<tr>
<td>What things do you think will be important in helping them get there?</td>
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<tr>
<td>Do you talk about money or money-related issues with your kids?</td>
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<tr>
<td>Tell me more / Can you give me an example of when you did that?</td>
<td></td>
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<tr>
<td>Do you talk to them about your own or your family’s finances?</td>
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</tr>
<tr>
<td>Do you ever talk about tips or tricks about how to use money?</td>
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<tr>
<td>Do you and/or your spouse (if applicable) give advice on what not to do? How? When?</td>
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<tr>
<td>Do you give them an allowance? Why or why not?</td>
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<tr>
<td>Do you think your kids are learning any lesson on what to do with money from watching you?</td>
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</tr>
<tr>
<td>Tell me more / Can you give me an example of that?</td>
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<tr>
<td>Do you try to model positive financial behaviors and attitudes for your children? What do you try to do?</td>
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<tr>
<td>Do you ever discuss money matters with others while your child is around? Why or why not?</td>
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<tr>
<td>Do you ever make decisions about money, how to manage it, or how to spend it when your kids are around? Do you take them shopping with you? Do they see you pay bills? Do you cut coupons around them?</td>
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<tr>
<td>If yes to any of those, how do you think it affects them? What do you think they might learn?</td>
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<tr>
<td>Do you think your kids are learning any lessons elsewhere?</td>
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<tr>
<td>Are they learning from other family members, friends, the media?</td>
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<tr>
<td>Are you worried about what they might be learning from other sources? Why?</td>
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<tr>
<td>What do you think your children will need to know about money and finances as adults?</td>
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<tr>
<td>What is the most important lesson parents could teach their kids about money? Why is that so important? When should you teach it?</td>
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<tr>
<td>Can you think of any lessons you learned as a child that have led to or had an impact on your financial situation today?</td>
<td></td>
</tr>
<tr>
<td>Are there things about money and finances you wish you had learned as a child? Things that you definitely plan to teach your children? When did you learn that? When will you teach it?</td>
<td></td>
</tr>
<tr>
<td>Is it hard for parents to teach their kids about money?</td>
<td></td>
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<tr>
<td>Why? / Why Not? / What makes it hard?</td>
<td></td>
</tr>
<tr>
<td>What other challenges do parents face in teaching their kids about money?</td>
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<tr>
<td>Should children learn about money and money-related issues from other places? Who/what?</td>
<td></td>
</tr>
<tr>
<td>Do you think there’s anything more other parents/you could do? What? Why aren’t they/you?</td>
<td></td>
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<tr>
<td>Was there a time where you wanted to teach your child a lesson but didn’t? Tell me about it.</td>
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</table>
Additional Questions that May Be Introduced in an Interview

Introduction/Background
- What do you do for a living?
- What kinds of financial products do you use?
  - Do you have a bank account?
  - Do you use credit cards? Loans?
  - Do you have a retirement account?
  - How do you feel about your current financial situation?
- Why? / Tell me more.

Strategies
- Do you specifically teach them any money-related lessons?
- If yes, where did you learn the lessons you’re teaching? Your own family? School? Media? Etc.
- What advice would you give other parents with kids living in circumstances like yours?

Challenges for parents
Do you think you’ve had much success so far in teaching your kids about money? Is there anything that hasn’t been successful? Why?
## ATTACHMENT D

### INTERVIEW GUIDE FOR UPWARDLY MOBILE ADULTS

### Key Questions to be asked in an Interview

<table>
<thead>
<tr>
<th>KEY QUESTION</th>
<th>CONVERSATION PROMPTS/PROBES</th>
</tr>
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<tbody>
<tr>
<td>Thank you so much for coming in today!</td>
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<td>I’m [name], and I'm a researcher at CFED.</td>
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<tr>
<td>We're trying to understand lessons about money and finance might be helpful to kids living at or near poverty today.</td>
<td></td>
</tr>
<tr>
<td>Also, we want to know if there's anything parents or other mentors in a kid's life can do to help build those abilities.</td>
<td></td>
</tr>
<tr>
<td>We think your personal experience can be really helpful to our project.</td>
<td></td>
</tr>
<tr>
<td>Before we get started, do you have any questions for me?</td>
<td></td>
</tr>
<tr>
<td>Please read through this consent form and make sure you're ok with everything in it. Then please sign it.</td>
<td></td>
</tr>
<tr>
<td>As it says in the consent form, we would appreciate it if we could record this interview. Is that ok?</td>
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</table>

#### Intro/Background (5 min.)

I'd love to learn a little more about you. Tell me about your childhood.

- Where did you grow up? What was it like?
- Who did you live with?
- Do you have any children? What ages?
- What do you do for a living?

#### 1. Helpful Lessons (30 mins)

- Do you remember any financial lessons from your childhood?
  - Did anyone talk about money or give advice? What did they talk about?
  - Who made financial decisions in your family (e.g., pay bills, go shopping, go to the bank)? Did you see them making those decisions?
  - What are some money strategies you use today that you learned as a kid? When do you remember learning those strategies?

- Are there things you wish you had learned as a child?
  - What do you wish your parents had taught you about money/financial issues? Why?

- Was there anything you learned not to do?
  - Was there anything your parents did that you disagreed with?
  - Was there any advice or guidance that wasn’t helpful? Tell me about that.
  - Did any of your other family/friends/etc. do things that seemed negative or harmful with regards to money?

- Do you remember learning any other tips of tricks about money?
  - Do you remember seeing people around you making decisions about money? Tell me about that.
  - Did you get an allowance/go shopping/see someone pay bills?
  - Did you have any sort of a job when you were a kid (mowing lawns, babysitting, etc.)? If so, what did you usually do with that money?

- Of those financial lessons, what were the most helpful? (Get up to 3)
  - What about/can you tell me more about [insert the observations or activities they remember from previous questions]?
  - What lessons (from people or experience) have you used the most?
  - What seemed the most effective to you? Why?
  - What advice or guidance given to you as a kid helped you most?

#### 2. Sources (15 min.)

- Let's talk more about [pick one of the most helpful lessons]. How did you learn it? (Up to 3 rounds)
  - Do you remember when you first learned that lesson? / Can you give me a specific example?
  - Where were you?
  - What was happening at that time?
  - Who was teaching you the lesson? / Who were you watching?
  - How old were you at the time?
  - What did you take away from that experience? / What impact did that have on you?

- Did you have specific mentors other than your family?
  - Who else did you learn from with respect to money and finances?
  - How were they influential?
KEY QUESTION | CONVERSATION PROMPTS/PROBES
---|---
What are some ways today’s parents can teach their kids about money? | What advice would you give a parent? Why?
| When would be a good time to start doing that? Why then?
| What is the most important lesson parents could teach their kids about money? Why?

Additional Questions that May Be Introduced in an Interview

Introduction/Background
- What do you do for a living?
- Do you live with anyone? (spouse, kids…)
- Are you financially supporting anyone else?
- What kinds of financial products do you use?
  - Do you have a bank account?
  - Do you use credit cards? Loans?
  - Do you have a retirement account?
- How do you feel about your current financial situation?
  - Why? /Tell me more.
  - Do you feel your current financial situation is different from your situation as a child?

Helpful Lessons
- Do you remember learning any financial knowledge, attitudes, skills, habits or behaviors as a child?
- What messages did you get about earning, spending, saving and giving?
- What personal steps have you taken to get where you are today? Did any of those involve money or financial decisions?
  - Where did learn to handle that?
- Think about the ways that you feel you manage money well. What are they? Do you feel any of these have roots in your childhood? Please explain.

Strategies for Parents
- Which lessons would you pass on to your kids?

Challenges for Parents
- Do you think parents with kids in circumstances like yours growing up face challenges in helping their kids’ financial development?
- Do you think parents are having trouble teaching their kids lessons about money? Why? /Why Not?
- Do you think there’s anything more parents could do? What? Why aren’t they?
ATTACHMENT E

QUALITATIVE DATA ANALYSIS METHODOLOGY

Codebook development

Codebook development was a multistep process that involved iteratively developing and refining codes rooted both in excerpts of the current interviews and based on findings from previous literature. The codebook was structured primarily to capture the nuances of a few broad categories of information: financial lessons that elementary-age children are being taught, the sources of these lessons and the methods and ages by which they learn them. We included secondary categories of information in addition to these primary categories, such as common sayings and interesting topics from the literature.

Coding

Once the codebook was developed and the interviews were transcribed, the research team coded the 42 transcripts. Coding was conducted using Atlas.ti 7.0 software. To ensure fidelity in coding between multiple coders, the three-person research team coded multi-page vignettes (drawn from the transcripts of both parent and adult interviews) together. All points of disagreement were discussed and solutions were agreed upon by all members of the team. Throughout the coding process, the team would regularly convene to discuss discrepancies or questions as they arose.

Analysis: parents

The analysis of the parent interviews was primarily split between child age groups. The codebook differentiated between 5 cohorts: less than 6 years old, ages 6-8, ages 9-11, ages 12-17, and older than 17. While this differentiation is not a clean one with regard to the stages of child development, parsing between ages in this way allowed the research team to explore how lessons, and their sources and method of teaching, change over time.

Using Atlas.ti’s co-occurrence function, tables were created to identify codes most commonly associated with each age group. Then one member of the research team took on the task of analyzing the data for each age group. Queries were run to generate lists of quotations with codes of interest, as well as sets of quotations that encompass the age group entirely and were not broken up by code. The analysis aimed to identify key lessons for each group, but also to shed light on how those lessons were taught and by whom. The analysis also sought to look at important challenges faced by parents around trying to teach their children financial lessons.

Analysis: adults

Next the research team examined data from the adult interviews. Less attention was spent on age groups for this data set, as such specificity is unreliable with retrospective data. However, using the same co-occurrence tables, the most frequently used codes were identified and split between the research team for analysis.

Using both datasets, the research team aimed to identify and categorize particular patterns or themes within the data. As particular themes arose from the data, the research team discussed the implications and continued to explore the nuances of the data in order to further categorize responses. These themes were used iteratively and guided further analysis. In several cases, this meant returning to the codes and either grouping multiple codes together or using free text search to add new codes. The research team met multiple times to share findings and compare them across age groups.