The purpose of this report is to assess the level of financial literacy throughout Lackawanna and Luzerne Counties and determine whether certain financial and economic characteristics of the region have resulted from varying levels of knowledge in these subjects.
The Institute for Public Policy & Economic Development (The Institute) is a partnership of ten colleges and universities in the Scranton/Wilkes-Barre/Hazleton Metropolitan Statistical Area. The Institute's managing partner is Wilkes University.

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JOBS, ECONOMY, AND ECONOMIC DEVELOPMENT TASK FORCE

INTRODUCTION

Across the country, financial and economic education for youth is becoming a priority. There are currently only 20 states that require high school students to take a course relating to economics and only five states that require a personal finance course in high school as a graduation requirement. Many students are beginning to recognize this need for improvement in their education and are working to implement this into the high school curriculum.

High school students in Rhode Island took it upon themselves to improve the state’s educational system which was implemented in 2015 when the state adopted the Council for Economic Education’s (CEE) suggestions as the statewide standards. This happened after the students realized there was a gap in the knowledge that high school students have of their finances and what the typical school curriculum offers. After months of research, the group of students recommended to the Rhode Island Council on Elementary and Secondary Education that the state pass its first standards for financial literacy. Joining the ranks of only three other states, Rhode Island is the fourth state to adopt these national standards set forth by the CEE.

Similarly, in 2009, the Virginia Board of Education mandated that every student must pass a full-credit, or a full year, course in economics and personal finance. Last year, the state graduated its first class meeting this requirement. Meeting this requirement will assist in providing students with essential life skills regardless of their future career or educational goals. The state of Virginia believes that by educating their youth in these fields, they are helping to create financially responsible adults and a more qualified workforce which will ultimately lead to a stronger economy throughout the state.

The Commonwealth of Pennsylvania has included personal finance and economics into its K-12 standards and requires the standards to be implemented by districts. However, Pennsylvania does not require these courses to be offered by the individual schools or taken by the students. Because of this, The Champlain College Center for Financial Literacy gave the commonwealth an “F” in the 2015 state report cards.

The purpose of this report is to assess the level of financial literacy throughout Lackawanna and Luzerne Counties and determine whether certain financial and economic characteristics of the region have resulted from varying levels of knowledge in these subjects. Three surveys were created and distributed to high school students, college students, and community members in order to ascertain their financial literacy. The results of this survey will be used to provide policy recommendations for members in the community as well as the state to implement these changes throughout the counties.

REGIONAL FINANCIAL LITERACY

Financial literacy is a person's ability to process economic information and make informed decisions about financial planning, wealth accumulation, debt, and pensions. There are three concepts that are most commonly used to measure financial literacy: ability to do calculations related to interest rates, understanding of inflation, and understanding of risk diversification. Throughout the United States, there are currently 26 states that have no financial literacy requirements throughout the K-12 curriculum. Of the remaining 24 states, only five have mandated personal finance courses throughout high school.

Knowledge of finances is important because previous studies have shown that individuals with low levels of financial literacy also suffer from a lack of knowledge throughout other aspects of daily life. These
individuals are less likely to plan for retirement and more likely to borrow funding from third-party sources, accumulate more debt and less wealth, and pay a larger sum in fees in relation to their finances. In general, the cost of financial illiteracy can lead to a lifetime of habits that negatively influences one’s financial security.

Many steps can be taken to resolve the lack of financial knowledge. This study focuses on financial literacy within Lackawanna and Luzerne Counties and will use the findings to compare this region to other parts of the country.

RESEARCH METHODOLOGY AND LIMITATIONS

To gather information across different backgrounds, surveys were distributed to three primary demographic groups: high school students, college students, and employed community members. Within high schools, the survey was distributed through internal channels within the schools who agreed to distribute the survey. The majority of the respondents were enrolled in high schools within the Abington Heights School District, Wilkes-Barre Area School District, and at Wyoming Valley West High School. After seeking board approval, students’ parents were given notice of the purpose of the survey. Those students whose parents did not approve of their participation were exempt from the survey, otherwise, it was administered during class in school. Of the high school students enrolled in high schools within Lackawanna or Luzerne County, the responses of those who do not reside within the county will be disregarded. A copy of the survey can be found in the appendix. A total of 767 responses were completed. Among the high school student population, a disproportionate amount of respondents came from schools in Lackawanna County as compared with relatively few from Luzerne County.

To acquire responses from the college student population, member schools of The Institute distributed the survey to their student population with an approximate total of 8,000 in total. These institutions include Wilkes University, Lackawanna College, The Commonwealth Medical College, Penn Foster Career School, and Luzerne County Community College. A total of 298 responses were received. A copy of this survey can be found in the appendix.

Lastly, the survey for community members was distributed through various channels including The Institute’s contact base, the Family Business Alliance’s contact base, social media, and newspaper listings. This link was also posted to various media outlets include Facebook and Twitter. A total of 113 responses were received. A copy of this survey can be found in the appendix. It is important to note that the community survey respondents likely represent a non-representative sample of all the region’s residents due to these methods of distribution. Though the findings presented here provide a useful context to the student surveys, the community survey results are not necessarily reflective of financial literacy skills and perceptions of all adults in Lackawanna and Luzerne Counties.

REGIONAL PROFILE

The following sections will provide a selection of major demographic and economic statistics for Lackawanna and Luzerne Counties and provide a comparison of the statistics measured to the Commonwealth of Pennsylvania as a whole.
Lackawanna County

According to the 2014 U.S. Census estimates, Lackawanna County, is home to 214,023 residents. Lackawanna County has a per capita income of $25,624 while the median household income is $46,056. When accounting for inflation, the median household income from 2010 to 2014 has decreased by $1,251 per year. The largest share of households have incomes ranging from $50,000 to $74,999. About 16.7 percent of households have income in excess of $100,000 per year, while slightly less than 13.9 percent of the households make less than $15,000 per year.

It is estimated that just below 15 percent of the population in Lackawanna County is believed to live in poverty. Of these individuals, approximately 20.6 percent are under the age of 18 years. About 14 percent of individuals between the ages of 18 to 64 years and 8.8 percent of individuals 65 years and over also live in poverty. When considering the educational attainment of individuals living in poverty, there is an evident decrease in the percentage of individuals living in poverty with progressive higher education. When looking individuals 25 years and older in Lackawanna County, just below 25 percent of individuals living in poverty did not graduate high school, 12.9 percent have a high school diploma, 10.4 percent have some college education or an associate’s degree, and only 4.9 percent have a Bachelor’s degree or higher.

Luzerne County

According to the 2014 U.S. Census estimates, 318,829 people reside in Luzerne County. The latest household income data from the U.S. Census Bureau shows that Luzerne County has a per capita income of $25,091 and a median household income of $45,118. When accounting for inflation, the median household income from 2010 to 2014 increased by $255. Most households had incomes ranging from $50,000 to $74,999. There are approximately 16.7 percent of households which have an income in excess of $100,000 per year and 15 percent of households earning an income of less than $15,000 annually. The table below shows the percentages of households within each income bracket as well as the median, mean, and per capita income for both counties as well as the commonwealth.
An estimated 16.3 percent of residents in Luzerne County are living in poverty. Of these individuals, almost 30 percent are under the age of 18 years, another 15 percent are between the ages of 18 and 64 and 8.7 percent are 65 years or older.

When looking at the levels of educational attainment for the individuals 25 years and older living in poverty, similar to Lackawanna County, Luzerne County shows a negative correlation with educational attainment and the proportion of individuals living in poverty. More than one in four individuals living in poverty in Luzerne County did not graduate high school and another 13.5 percent have only attained a high school diploma or equivalent. Less than five percent of the individuals living in poverty have a Bachelor’s degree or higher.
There is also an undeniable correlation between one’s level of education and earnings. In Lackawanna County, for those individuals 25 years and older with less than a high school education, the median earnings fall short of $20,000 while those with a high school diploma or equivalent have a median income of $26,446. As the level of education increases to an Associate’s degree or equivalent education, median income increases by over $5,000 annually. Those with a Bachelor’s degree or a graduate or professional degree have the highest median earnings at $42,777 and $59,287, respectively.

Similarly, in Luzerne County, an individual with less than a high school education has median annual earnings of just above $20,000 followed by a $6,516 increase for those with a high school diploma or equivalent. Having some college education in Luzerne County provides those 25 years or older with a median annual earnings of $32,652. Again, it is evident that those with a Bachelor’s degree or higher education also have higher median earnings at $44,006 and $60,773, respectively. The table below shows this information while also comparing both counties to the state.
Because Lackawanna and Luzerne Counties lag behind the state in education, earnings, and income, and exceed statewide poverty rates, it is important to explore all avenues of mitigating these challenges. Increasing financial literacy among the population can be one potentially promising approach to addressing poverty in Northeastern Pennsylvania.

**EFFECTS OF LOW FINANCIAL LITERACY**

When individuals have a solid foundation of financial knowledge, the economic well-being of a region can benefit across all levels ranging from the housing market to jobs to retirement planning.

**Retirement**

In the past, pension plans were often the norm where an individual’s retirement planning was managed by the company where one was employed. Recently, however, many companies are offering their employees the ability to participate in a 401K savings plan where investment decisions and contributions are managed by the employees themselves. Without an appropriate degree of financial knowledge regarding this topic, many employees will not achieve the maximum benefit from their retirement plan due to lack of understanding in investment decisions and savings plans.

A study conducted by TIAA (formerly TIAA-CREF), Teachers Insurance and Annuity Association, showed that individuals with high financial literacy plan for retirement and have double the wealth of people who do not plan for retirement. On the other hand, individuals with low financial literacy tend to borrow more in addition to paying unnecessary fees for financial products as a result of making purchases on credit and incurring interest fees.3

**Bankruptcy**

Bankruptcy is a term used by courts which represents a procedure that assists businesses and consumers purge their debt and repay creditors. In the situation that entitlement to bankruptcy proceedings can be proved, the bankruptcy court will protect an entity during the proceedings. There are two categories of bankruptcy including liquidation and reorganization also commonly referred to as Chapter Seven and Chapter 13, respectively.
In a study conducted by the American Bankruptcy Institute, the results showed that one’s level of financial literacy is an important factor affecting the number of bankruptcy filings. Though this study looked at high school seniors who do not declare bankruptcy very frequently, it was still declared to be meaningful information.4

Foreclosure

Home buying is another primary focus area where one’s level of financial literacy can significantly affect their life. There are many steps in the home buying process that can be difficult to keep track of without proper education in the subject.

Though these steps may not seem difficult to grasp, many are easily overlooked which can lead to future mistakes and greater costs. It is evident that there is a correlation between financial literacy and home buying in that lower levels of financial literacy helps to prevent mortgage delinquency accompanied with proper mortgage counseling.

Financial planning is crucial in the successful repayment of mortgage. If an individual or family is unable to plan a household budget or properly calculate the affordability of monthly mortgage payments, this can lead to future mortgage delinquency and in turn, the foreclosure of homes. In a study conducted by the Federal Reserve Bank of Atlanta, there is a correlation between mortgage delinquency and one’s ability to process numerical information, rather than cognitive skills and economic literacy. This can include spending too much, saving too little, or incorrectly reacting to changes in income or consumption.5 It is important to keep in mind that the list of factors influenced by one’s level of financial literacy does not end here. There are many additional factors such as student loans, future planning, employment benefits, etc. that are also equally affected by this.

Local Effects

In Lackawanna County, there was a very slight decrease in the number of individuals for whom poverty status was determined, however, the trends of the demographic breakdown of these individuals has remained steady. There are 8,798 youth (20.6 percent) under the age of 18 years who live in poverty throughout Lackawanna County, 17,180 individuals (13.6 percent) 18 to 64 years old living in poverty, and 3,248 elderly (8.8 percent) 65 years and older living in poverty.

Focusing on impoverished Lackawanna County residents 25 years and older and education attainment, almost one in four residents have a high school education or less while fewer than five percent of these individuals have a Bachelor’s degree or higher.

In Luzerne County, there are 50,295 residents, more than 15 percent of the county’s population, for whom poverty status has been determined.

The Home Buying Process

According to the Discover Card website, there are ten essential steps in the home buying process. These include: 1

1. Start researching early
2. Determine affordability range
3. Get prequalified and preapproved for credit with mortgage
4. Find a qualified and dependable real estate agent
5. Shop for homes and make offers
6. Get a home inspection
7. Work with a mortgage banker to select a loan
8. Have the home appraised
9. Coordinate the paperwork
10. Close the sale
Of these, between children under the age of 18 years account for 28.9 percent, those 18 to 64 years account for over 14.4 percent, and the elderly 65 years and older account for 8.7 percent. Similar to Lackawanna County, when considering educational attainment of those 25 years and older, just above 25 percent of these individuals have a high school diploma or less are living in poverty, about ten percent have an Associate’s degree or equivalent education, and less than five percent have a Bachelor’s degree or higher.

In addition, the table below shows the percentage of individuals in both counties as well as the Commonwealth of Pennsylvania who receive food or cash assistance due to their economic status. Throughout both counties and state, the percentage of individuals receiving food assistance has steadily increased until 2013 when this dropped by less than one percentage point across both counties and the state. The percentage of individuals receiving cash assistance has remained relatively steady until recent years, when in 2012, there was a decrease that continued to occur for all except Lackawanna County in 2013.

<table>
<thead>
<tr>
<th>Year</th>
<th>Lackawanna Food</th>
<th>Lackawanna Cash</th>
<th>Luzerne Food</th>
<th>Luzerne Cash</th>
<th>Pennsylvania Food</th>
<th>Pennsylvania Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>9.3%</td>
<td>4.6%</td>
<td>8.8%</td>
<td>3.7%</td>
<td>7.7%</td>
<td>6.6%</td>
</tr>
<tr>
<td>2006</td>
<td>9.0%</td>
<td>4.4%</td>
<td>8.5%</td>
<td>3.9%</td>
<td>7.4%</td>
<td>6.0%</td>
</tr>
<tr>
<td>2007</td>
<td>7.7%</td>
<td>4.1%</td>
<td>9.8%</td>
<td>3.6%</td>
<td>7.9%</td>
<td>5.4%</td>
</tr>
<tr>
<td>2008</td>
<td>8.6%</td>
<td>4.3%</td>
<td>10.8%</td>
<td>3.5%</td>
<td>8.9%</td>
<td>5.3%</td>
</tr>
<tr>
<td>2009</td>
<td>12.0%</td>
<td>4.7%</td>
<td>11.7%</td>
<td>3.5%</td>
<td>9.7%</td>
<td>5.7%</td>
</tr>
<tr>
<td>2010</td>
<td>12.0%</td>
<td>4.3%</td>
<td>13.8%</td>
<td>3.7%</td>
<td>11.4%</td>
<td>5.9%</td>
</tr>
<tr>
<td>2011</td>
<td>13.3%</td>
<td>5.1%</td>
<td>15.8%</td>
<td>4.1%</td>
<td>12.7%</td>
<td>5.3%</td>
</tr>
<tr>
<td>2012</td>
<td>14.0%</td>
<td>2.9%</td>
<td>17.0%</td>
<td>3.8%</td>
<td>13.0%</td>
<td>3.7%</td>
</tr>
<tr>
<td>2013</td>
<td>13.8%</td>
<td>3.7%</td>
<td>16.5%</td>
<td>3.2%</td>
<td>12.5%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

There are many other social service programs that these residents can participate in due to limited income. However, often times, these individuals may even be unaware of such resources. High poverty rates can also have a major fiscal impact on the local community by providing less tax revenue to local governments while exhibiting a greater need for government services and programs. Furthermore, when individuals have less money to spend in local businesses due to poverty, this has a larger negative effect on the local economy due to decreased consumer spending. When households spend unnecessarily large portions of their income on bank fees and interest, late fees, tax penalties, and other costs which correspond with lack of financial literacy, this often represents a leakage of money outside of the region. Thus, the local area does not benefit from the economic ripple effect that would be felt if money lost on these often avoidable expenses had instead been available to spend on goods and services locally.

SURVEY ANALYSIS

A survey was distributed to students in high school, college students, and community members in Luzerne and Lackawanna Counties. The questions asked include age and grade of respondent, if applicable. Additionally, respondents were asked to compare themselves to others their age when it comes to financial literacy, to rate their level of agreement to the following statements:

1. I have a budget for my income and expenses.
2. I know how to pay household bills such as rent and utilities.
3. I know how to use credit cards responsibly.
Financial Literacy in Lackawanna and Luzerne Counties

4. I know how my financial decisions affect my credit score.
5. I understand the repayment terms of my student loans.
6. I know a lot about taxes that apply to me.
7. I know a lot about retirement savings vehicles such as IRAs, 401(k) plans, etc.
8. I know a lot about investing money in stocks, bonds, mutual funds, etc.
9. I know a lot about how home mortgages work.
10. I understand how my health plan works.

Respondents were instructed to disregard statements that did not apply to them.

Following this section, the survey asked three questions that are used to understand one's level of financial literacy.

1. Suppose you had $100 in a savings account and the interest rate was two percent per year. After five years, how much do you think you would have in the account if you left the money to grow?
   a. More than $102
   b. Exactly $102
   c. Less than $102
   d. Do not know

2. Imagine that the interest rate on your savings account was one percent per year and inflation was two percent per year. After one year, how much would you be able to buy with the money in this account?
   a. More than today
   b. Exactly the same
   c. Less than today
   d. Do not know

3. Please indicate whether this statement is true or false: “Buying a single company’s stock usually provides a safer return than a stock mutual fund.”
   a. True
   b. False
   c. Do not know

Lastly, respondents were asked if they had ever been given information about personal finance in high school or college and if they would be interested receiving more education about personal finance. The final question was open-ended asking respondents to state how they would like to receive further education relating to personal finance.

RESULTS

There were 767 respondents to the high school survey and 651, or 84.8 percent, live in Lackawanna County. Another 61 students, or eight percent, live in Luzerne County. For those students who did not select either option, when further prompted to state what county they resided in, the responses were towns within either county. In addition, over 80 percent of the students were under the age of 18 as they were in high school. The remaining 133 students fell within the 18 to 22 years category.
There were 298 respondents who are enrolled in college classes. The ages of these individuals varied between those 18 to 20 years and over 30 years old. Over 22 percent of the respondents in college were 30 years or older and another 28 percent were between the ages 23 to 29 years. Just above 20 percent of the students responding to the college survey were 18 to 22 years old. Every student responding to this survey was enrolled in a university or college within Luzerne or Lackawanna Counties.

<table>
<thead>
<tr>
<th>What county do you live in?</th>
<th>What is your age?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lackawanna County</td>
<td>651</td>
</tr>
<tr>
<td>Luzerne County</td>
<td>61</td>
</tr>
<tr>
<td>Other</td>
<td>16</td>
</tr>
<tr>
<td>Under 18</td>
<td>634</td>
</tr>
<tr>
<td>18-22</td>
<td>133</td>
</tr>
</tbody>
</table>

Lastly, there were 113 respondents to the community member survey. The ages varied as much as the other age groups. The majority of the respondents here were between the ages of 50 to 64 years. There were just short of 20 percent of these respondents were between the ages of 18 to 29 years, and another 28 percent were 30 to 49 years. Just above ten percent of the respondents were 65 years or older or preferred to not disclose that information.

<table>
<thead>
<tr>
<th>What is your age?</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 to 20</td>
</tr>
<tr>
<td>21 to 22</td>
</tr>
<tr>
<td>23 to 25</td>
</tr>
<tr>
<td>25 to 29</td>
</tr>
<tr>
<td>30 or older</td>
</tr>
</tbody>
</table>

Lastly, there were 113 respondents to the community member survey. The ages varied as much as the other age groups. The majority of the respondents here were between the ages of 50 to 64 years. There were just short of 20 percent of these respondents were between the ages of 18 to 29 years, and another 28 percent were 30 to 49 years. Just above ten percent of the respondents were 65 years or older or preferred to not disclose that information.

<table>
<thead>
<tr>
<th>What is your age?</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 to 29</td>
</tr>
<tr>
<td>30 to 49</td>
</tr>
<tr>
<td>50 to 64</td>
</tr>
<tr>
<td>65 or older</td>
</tr>
<tr>
<td>Prefer not to say</td>
</tr>
</tbody>
</table>

All respondents were asked to compare themselves to others their age when it comes to financial literacy. There was a surprising trend that showed here when analyzing the results. The answers had a wide range — between much worse than others and much better than others. When analyzing the high school students, less than 10 percent of the students felt that they were much better than their peers and less than 25 percent of students felt that they were a bit better than their peers. Forty percent of students believe they are about the same as their peers and just below 17 percent of students believe they are a bit worse or much worse than others.

There was an increase of 15.4 percentage points between the college students who believed they were much better or a bit better than others when compared to the high school students. Fewer students in college compared themselves as equal to their peers and just above 15 percent of college students compared themselves as a bit worse than or much worse than their peers.

Lastly, with regard to the community members, there was an increase of 22.9 percentage points between community members in Lackawanna and Luzerne Counties when compared to college students within the two
counties. Also interesting to note, fewer than 15 percent of these respondents compared themselves as a bit worse or much worse than others.

Though the community sample is non-random and therefore not likely to be representative of all adults in the region, it does appear that confidence in one’s own financial literacy increases from high school to college, and again from college to working adult.

### Financial Literacy among Survey Respondents

<table>
<thead>
<tr>
<th>How would you say you compare to others your age when it comes to financial literacy?</th>
<th>High School</th>
<th>College</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Much better than others</td>
<td>8.5%</td>
<td>13.0%</td>
<td>37.2%</td>
</tr>
<tr>
<td>A bit better than others</td>
<td>23.1%</td>
<td>34.0%</td>
<td>32.7%</td>
</tr>
<tr>
<td>About the same as others</td>
<td>40.0%</td>
<td>34.4%</td>
<td>16.8%</td>
</tr>
<tr>
<td>A bit worse than others</td>
<td>11.9%</td>
<td>12.0%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Much worse than others</td>
<td>5.0%</td>
<td>3.3%</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

The next few questions in the short quiz asked respondents to rate their level of agreement on ten statements mentioned above. At 21.9 and 16.9 percent, respectively, high school students strongly agreed that they know how to use credit cards responsibly and they know how their financial decisions affect their credit score. Another 40 and 28 percent of students, respectively, agreed with these statements. Fewer than ten percent of the students strongly agreed with many of the statements, however, including: I have a budget for my income and expenses, I know how to pay household bills such as rent and utilities, I understand repayment terms of student loans, I know a lot about taxes that apply to me, I know a lot about retirement savings vehicles, I know a lot about investing money in stocks, bonds, mutual funds etc., I know a lot about how home mortgages work, and I understand how my health insurance plan works. Many of these were the same statements with which many high school students also disagreed or strongly disagreed.

### High School Personal Rating on Personal Finance Statements

<table>
<thead>
<tr>
<th>High School</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a budget for my income and expenses.</td>
<td>9.7%</td>
<td>29.5%</td>
<td>21.2%</td>
<td>17.7%</td>
<td>9.0%</td>
</tr>
<tr>
<td>I know how to pay household bills, such as rent and utilities.</td>
<td>3.4%</td>
<td>13.9%</td>
<td>12.7%</td>
<td>35.7%</td>
<td>22.4%</td>
</tr>
<tr>
<td>I understand the repayment terms of my student loans.</td>
<td>21.9%</td>
<td>39.6%</td>
<td>15.6%</td>
<td>8.6%</td>
<td>5.7%</td>
</tr>
<tr>
<td>I know how my financial decisions affect my credit score.</td>
<td>16.9%</td>
<td>27.4%</td>
<td>11.8%</td>
<td>19.0%</td>
<td>13.8%</td>
</tr>
<tr>
<td>I understand how my health insurance plan works.</td>
<td>4.3%</td>
<td>10.2%</td>
<td>15.4%</td>
<td>11.4%</td>
<td>8.3%</td>
</tr>
<tr>
<td>I know a lot about taxes that apply to me.</td>
<td>4.5%</td>
<td>16.1%</td>
<td>20.5%</td>
<td>30.1%</td>
<td>19.4%</td>
</tr>
<tr>
<td>I know how to use credit cards responsibly.</td>
<td>3.9%</td>
<td>11.6%</td>
<td>15.8%</td>
<td>31.2%</td>
<td>28.9%</td>
</tr>
<tr>
<td>I know a lot about retirement savings vehicles.</td>
<td>7.4%</td>
<td>19.2%</td>
<td>20.7%</td>
<td>25.4%</td>
<td>18.7%</td>
</tr>
<tr>
<td>I know a lot about how home mortgages work.</td>
<td>3.6%</td>
<td>14.5%</td>
<td>19.7%</td>
<td>32.5%</td>
<td>21.6%</td>
</tr>
<tr>
<td>I understand how my health insurance plan works.</td>
<td>5.7%</td>
<td>13.1%</td>
<td>18.3%</td>
<td>23.4%</td>
<td>18.4%</td>
</tr>
</tbody>
</table>

College students were asked to rate their level of agreement to the same questions. There was a definite increase in the percentage of students who strongly agreed or agreed with many of these statements. More than one in two students agreed with five of the ten statements. Of the remaining five statements, with taxes, retirement savings, stocks, bonds, and mutual funds, mortgages, and health care, between 27 to 51 percent of these students disagreed to some degree. It is clear, however, that students in college have greater confidence in their understanding of personal finance when compared to high school students.
Please rate your level of agreement with the following statements related to your personal finance habits.

<table>
<thead>
<tr>
<th>College</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a budget for my income and expenses.</td>
<td>24.1%</td>
<td>35.5%</td>
<td>16.4%</td>
<td>15.4%</td>
<td>7.4%</td>
</tr>
<tr>
<td>I know how to pay household bills, such as rent and utilities.</td>
<td>46.0%</td>
<td>23.8%</td>
<td>10.1%</td>
<td>11.7%</td>
<td>5.0%</td>
</tr>
<tr>
<td>I know how to use credit cards responsibly.</td>
<td>50.7%</td>
<td>31.4%</td>
<td>8.1%</td>
<td>2.4%</td>
<td>4.4%</td>
</tr>
<tr>
<td>I know how my financial decisions affect my credit score.</td>
<td>44.8%</td>
<td>30.4%</td>
<td>10.0%</td>
<td>9.4%</td>
<td>4.7%</td>
</tr>
<tr>
<td>I understand the repayment terms of my student loans.</td>
<td>25.1%</td>
<td>30.4%</td>
<td>13.4%</td>
<td>9.4%</td>
<td>5.4%</td>
</tr>
<tr>
<td>I know a lot about taxes that apply to me.</td>
<td>14.0%</td>
<td>24.0%</td>
<td>22.7%</td>
<td>27.0%</td>
<td>11.3%</td>
</tr>
<tr>
<td>I know a lot about retirement savings vehicles.</td>
<td>10.7%</td>
<td>17.4%</td>
<td>19.1%</td>
<td>33.2%</td>
<td>18.5%</td>
</tr>
<tr>
<td>I know a lot about investing money in stocks, bonds, mutual funds, etc.</td>
<td>10.0%</td>
<td>16.1%</td>
<td>20.4%</td>
<td>32.4%</td>
<td>20.1%</td>
</tr>
<tr>
<td>I know a lot about how home mortgages work.</td>
<td>11.0%</td>
<td>20.1%</td>
<td>18.7%</td>
<td>28.1%</td>
<td>21.4%</td>
</tr>
<tr>
<td>I understand how my health insurance plan works.</td>
<td>18.7%</td>
<td>29.7%</td>
<td>19.3%</td>
<td>18.3%</td>
<td>9.3%</td>
</tr>
</tbody>
</table>

For the questions that the community members in Lackawanna and Luzerne Counties responded to, the quiz excluded the statement regarding student loans. Here, the level of agreement among the community members ranged from 50 percent (I know a lot about investing money) to 91.2 percent (I know how to pay household bills). As expected by these results, the greatest percentage of community members (29.2 percent) disagreed to this statement to some degree. Beyond this comment, the percentage of respondents who disagreed or strongly disagreed to these statements was significantly lower than the high school and college students.

<table>
<thead>
<tr>
<th>Community</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a budget for my income and expenses.</td>
<td>41.4%</td>
<td>30.6%</td>
<td>13.5%</td>
<td>11.7%</td>
<td>2.7%</td>
</tr>
<tr>
<td>I know how to pay household bills, such as rent and utilities.</td>
<td>82.3%</td>
<td>8.8%</td>
<td>4.4%</td>
<td>1.8%</td>
<td>2.7%</td>
</tr>
<tr>
<td>I know how to use credit cards responsibly.</td>
<td>73.5%</td>
<td>15.9%</td>
<td>3.5%</td>
<td>3.5%</td>
<td>3.5%</td>
</tr>
<tr>
<td>I know how my financial decisions affect my credit score.</td>
<td>72.3%</td>
<td>18.8%</td>
<td>2.7%</td>
<td>3.6%</td>
<td>2.7%</td>
</tr>
<tr>
<td>I know a lot about taxes that apply to me.</td>
<td>37.8%</td>
<td>30.6%</td>
<td>11.7%</td>
<td>16.2%</td>
<td>3.6%</td>
</tr>
<tr>
<td>I know a lot about retirement savings vehicles.</td>
<td>39.8%</td>
<td>23.0%</td>
<td>14.2%</td>
<td>15.9%</td>
<td>7.1%</td>
</tr>
<tr>
<td>I know a lot about investing money in stocks, bonds, mutual funds, etc.</td>
<td>31.0%</td>
<td>19.5%</td>
<td>20.4%</td>
<td>16.8%</td>
<td>12.4%</td>
</tr>
<tr>
<td>I know a lot about how home mortgages work.</td>
<td>46.8%</td>
<td>24.3%</td>
<td>12.6%</td>
<td>10.8%</td>
<td>5.4%</td>
</tr>
<tr>
<td>I understand how my health insurance plan works.</td>
<td>37.8%</td>
<td>43.2%</td>
<td>7.2%</td>
<td>8.1%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

The results to these questions, though based on self-assessment of financial literacy, are incredibly revealing of the level of financial knowledge of students in Northeastern Pennsylvania. Table 12 below shows a summary of the percentage of respondents that agreed or strongly agreed with each statement across the
three surveyed groups. Among high school students, the areas of most limited knowledge are taxes, investments, paying household bills, and health insurance. Among college students, the most limited areas of knowledge are home mortgages, investments, health insurance, and saving for retirement. All three groups reported relatively high levels of knowledge on using credit cards responsibly and how financial decisions affect personal credit scores.

Summary of Ratings on Personal Finance Statements

<table>
<thead>
<tr>
<th>Statement</th>
<th>High School</th>
<th>College</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a budget for my income and expenses.</td>
<td>39.2%</td>
<td>59.5%</td>
<td>72.1%</td>
</tr>
<tr>
<td>I know how to pay household bills, such as rent and utilities.</td>
<td>17.3%</td>
<td>69.8%</td>
<td>91.2%</td>
</tr>
<tr>
<td>I know how to use credit cards responsibly.</td>
<td>61.6%</td>
<td>82.1%</td>
<td>89.4%</td>
</tr>
<tr>
<td>I know how my financial decisions affect my credit score.</td>
<td>44.3%</td>
<td>75.3%</td>
<td>91.1%</td>
</tr>
<tr>
<td>I know a lot about taxes that apply to me.</td>
<td>14.6%</td>
<td>55.5%</td>
<td>68.5%</td>
</tr>
<tr>
<td>I know a lot about retirement savings vehicles.</td>
<td>20.6%</td>
<td>38.0%</td>
<td>62.8%</td>
</tr>
<tr>
<td>I know a lot about investing money in stocks, bonds, mutual funds, etc.</td>
<td>15.5%</td>
<td>28.2%</td>
<td>50.4%</td>
</tr>
<tr>
<td>I know a lot about how home mortgages work.</td>
<td>26.6%</td>
<td>26.1%</td>
<td>71.2%</td>
</tr>
<tr>
<td>I understand how my health insurance plan works.</td>
<td>18.1%</td>
<td>31.1%</td>
<td>81.1%</td>
</tr>
</tbody>
</table>

Please rate your level of agreement with the following statement related to your personal finance habits.

Next, the responses to the three questions were analyzed and compared among all three levels. Here, there was also a significant increase in the percentage of respondents in each level who responded to the question correctly.

With the first question, “Suppose you had $100 in a savings account and the interest rate was 2% per year. After five years, how much do you think you would have in the account if you left the money to grow?” This question is designed to test understanding of the principle of compound interest. First, focusing on high school students, it is enlightening to know that just above 70 percent of the high school students within the two counties have a working understanding of compound interest. However, the remaining 30 percent of the students chose the incorrect response or simply did not attempt to calculate the correct answer. Moving along to college students, there was an increase of 15 percentage points in the percent of students who correctly answered this question with slightly more than 85 percent of these students responding correctly and only about 15 percent of students incorrectly responding to the question. Finally, when focusing on community members in Lackawanna and Luzerne Counties, over 90 percent of the respondents correctly answered this question, and fewer than ten percent of respondents incorrectly responded.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>High School</th>
<th>College</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do not know</td>
<td>13.0%</td>
<td>5.0%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Exactly $102</td>
<td>10.3%</td>
<td>5.0%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Less than $102</td>
<td>5.9%</td>
<td>4.3%</td>
<td>1.8%</td>
</tr>
<tr>
<td>More than $102</td>
<td>70.9%</td>
<td>85.6%</td>
<td>91.1%</td>
</tr>
</tbody>
</table>

With the next question, “Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After one year, how much would you be able to buy with the money in this account?” The correct response here is “less than today.” This question is designed to measure understanding of inflation and the real value of money over time. Fewer than one in three high school students answered this question correctly and just above 30 percent of the high school students answered this question incorrectly. The
remaining 36.4 percent of students stated that they did not know the answer to this question. There was an increase in the percentage of college students who answered this question correctly. Here, just 67 percent chose the correct response, and about 15 percent of college students answered the question incorrectly. The remaining portion of students stated they did not know the answer. Lastly, over 86 percent of the community members responded correctly to this question. Less than 10 percent of the community members answered this question incorrectly and 6.3 percent of them stated that they did not know the correct answer.

| Imagine that the interest rate on your savings account was 1% |
|---------------------------------|----------------|----------------|
|                                 | High School    | College        | Community      |
| Do not know                     | 36.4%          | 16.8%          | 6.3%           |
| Exactly the same                | 8.8%           | 4.3%           | 2.7%           |
| Less than today                 | 32.7%          | 67.1%          | 86.5%          |
| More than today                 | 22.1%          | 11.8%          | 4.5%           |

The final question asked, “Buying a single company’s stock usually provides a safer return than a stock mutual fund.” Here, the correct response is “false.” This question is designed to test understanding of diversification as a strategy to minimize risk in investing. Here, almost one-half of the high school students stated that they did not know the answer. Only 34 percent of students answered correctly and 17.8 percent of the high school students answered incorrectly. There was an increase of 23.4 percentage points in the portion of college students who correctly answered this question. More than half of these students answered correctly. Still, however, almost 40 percent of students specifically stated they did not know the answer to this question. Again, when considering community member responses, there was an increase in 24.3 percentage points in the quantity of those who responded correctly. Over 80 percent of community members correctly answered this question and only 2.7 percent answered incorrectly. Here as well, there was a significant increase in the portion of respondents answering correctly to each question as the level of education and work experience increased.

| Buying a single company’s stock usually provides a safer return than a stock mutual fund. |
|-----------------------------------------------|----------|----------------|
|                                              | High School | College       | Community     |
| Do not know                                  | 47.7%     | 37.9%          | 15.2%         |
| False                                        | 34.5%     | 57.9%          | 82.1%         |
| True                                         | 17.8%     | 4.3%           | 2.7%          |

**REGIONAL IMPACT**

The influence of personal finance on regional growth is profound. A financially knowledgeable population is one factor that can contribute to an economically strong region. In 2012, the Pennsylvania Task Force on Economic Education and Personal Financial Literacy Education conducted a study that showed increased support for establishing finance education in schools. Considering the United States as a whole, the financial crisis in 2008 occurred due to multiple factors. However, lack of personal finance understanding relating to first-time homebuyers, failure to understand loans, and failure to understand personal spending power were certainly contributing factors to the collapse of the subprime mortgage crisis.
Financial Literacy in Lackawanna and Luzerne Counties

Because the three survey questions that tested financial literacy knowledge have been administered nationally, it is possible to contextualize these findings with results of previous studies. This survey has been distributed internationally in other counties including the Netherlands, Germany, Italy, Sweden, Russia, New Zealand, Japan, and the United States. In these results, more than half of the respondents from the U.S. correctly answered all of these questions. These results showed that not only in the U.S., but also across the world, lack of financial literacy is widespread and the most difficult question for all nations to grasp is that of risk diversification with stock mutual funds. The results of this survey also showed that the demographic that financial illiteracy is most prevalent is among young and older population, those without a college degree, African Americans and Hispanics, and women.

Financial literacy affects retirement planning and participation in pension plans. It can also influence familial budgeting. Families that carry debt throughout later years in life and this can affect their ability to save and prepare for retirement. Additionally, the younger generations graduating from college are starting their careers heavily in debt which can negatively affect their ability to secure mortgages for homes, lease or purchase vehicles, pursue further education, or even receive a credit card.

As it is clear that financial literacy is of significant importance to the region’s economy, it is important that adequate education is made available to instill the region’s young people with strong financial knowledge early in life. The final question in the survey asked all participants if they would be interested in further education in the subject and if so, in what form. Across the board, students and community were interested in additional education. Just below 70 percent of the high school respondents said they were interested in further education in the matter and when asked to provide further detail, over 40 percent of them wanted it to be in form of course work. Another 17.7 percent of students showed that they would like to receive this information in the form of individual counseling and another 22 percent of students preferred online material. Something else to note, however, is that when students were given the opportunity to provide additional options, many students suggested that they would prefer this material to be provided in the form of a full year, non-elective course. These students understand the importance of the material, however, they also enjoy other extra-curricular courses. Thus, in order to maximize impact, financial literacy education at the high school should be integrated into the curriculum for all students rather than on an opt-in basis.

Similar to high school students, almost 70 percent of college students were interested in receiving further education on the subject matter. These students were asked if they received any education relating to personal finance in high school or college. Over 60 percent of the students stated that they were not taught this material in high school and almost 65 percent of these students stated they were not given information about personal finance in college. Those students who stated they did not receive this information in prior years as well as those who did were all interested in receiving more education on this subject, specifically, 69.4 percent of the college respondents. At 35 percent, more students were interested in receiving this education in the form of individual counseling than any other form including books and other reading material, college courses, and online courses. Following individual counseling sessions, college courses, at 25.9 percent of college students responding, was the most popular form of education on the subject matter.

Similar to college students, more community members were interested in individual counseling sessions when compared to any other method. Other common choices included web-based reading material, online tutoring and webinars, and workshops.
If yes, how would you like to receive that education?

<table>
<thead>
<tr>
<th></th>
<th>High School</th>
<th>College</th>
<th>Community Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Books, pamphlets, or other reading material</td>
<td>9.2%</td>
<td>24.1%</td>
<td>6.0%</td>
</tr>
<tr>
<td>College coursework/classes</td>
<td>41.3%</td>
<td>25.9%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Individual counseling with a financial professional</td>
<td>17.7%</td>
<td>35.0%</td>
<td>22.4%</td>
</tr>
<tr>
<td>Online classes</td>
<td>10.0%</td>
<td>14.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Online tutorials</td>
<td>12.6%</td>
<td>-</td>
<td>13.4%</td>
</tr>
<tr>
<td>Online videos</td>
<td>-</td>
<td>-</td>
<td>3.0%</td>
</tr>
<tr>
<td>Web based reading material</td>
<td>-</td>
<td>-</td>
<td>19.4%</td>
</tr>
<tr>
<td>Workshops</td>
<td>9.1%</td>
<td>-</td>
<td>11.9%</td>
</tr>
</tbody>
</table>

To improve upon this, implementations can be made based upon the responses of the final question that was asked in the survey. There is a demand for education relating to personal finance across all ages and education levels. If such a change is implemented, it can lead to growth in the regional economy and more secure futures for today’s youth.

In order to become better as a nation, and as a region, more time needs to be invested in teaching the community members, especially the youth, about personal finance. This will lead to a more prosperous financial future. Using this short quiz and the results, it is easy to develop a plan to help change the region for the better. If Pennsylvania, similar to other states, implemented this policy to ensure students are enrolled in at least one personal finance course as a high school graduation requirement, more students, regardless of their post-high school plans, will understand how to manage their finances and, in turn, will better contribute to the local economy. Educational programs can also be established in the workplace as well as within the local community at public libraries. Many other states have had success with this in the past and have experienced a growth in state and regional economies. This knowledge will help everyone, especially graduating high school students, understand the importance of personal finance which can be beneficial for current and future aspirations.
APPENDIX 1: COMMUNITY SURVEY

NEPA Financial Literacy

Introduction/Instructions

1. The Institute for Public Policy & Economic Development at Wilkes University is an applied social science research center engaged in economic research and consulting. The Institute is a partnership of Keystone College, King’s College, Lackawanna College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Wilkes-Barre, The Commonwealth Medical College, The University of Scranton, and Wilkes University.

The Institute developed this poll to assess the views, opinions, and knowledge of households in Northeastern Pennsylvania. Any adult from your household may complete this survey. Your participation is completely optional and your responses will be kept confidential.

If you have any questions or comments about the survey, please email them to info@institutepa.org

Informed Consent Form - Survey

• Title of Project: Jobs, Economy, and Economic Development Task Force – Financial Literacy Survey
• Principal Investigator: Teri Ooms, Executive Director. 570.408.9850 ooms@institutepa.org
• Other Investigator(s): Andrew Chew, Research Analyst, The Institute and Nimita Patel, Research Assistant, The Institute

• Purpose of the Poll: To assess knowledge of personal finance topics and the personal financial management habits of the adult population of Northeastern Pennsylvania.

• The only research instrument is this survey. Data will be analyzed including frequencies, means and various cross tabulations. A summary report will be prepared for publication.

• Procedures to be Followed: You will be asked several questions about your knowledge and perceptions of personal finance. If you do not feel comfortable with a particular question, you can skip it and go onto the next question.

• Duration: This survey should take less than five minutes.

• Statement of Confidentiality: The information you provide will be kept confidential; no one, not even the project investigators will know your identity. Only the investigators listed above will have access to the polling responses.

• Right to Ask Questions: Participants have the right to ask questions and have those questions answered. Please contact Teri Ooms at 570.408.9850 or ooms@institutepa.org Linda Gutierrez, Ph.D., Chairman, Wilkes IRB at 570.408.4636 or linda.gutierrez@wilkes.edu with any questions, complaints or concerns about this research.
• Voluntary Participation: Your decision to be in this research is voluntary and if you participate, there is no compensation. You do not have to answer any questions you do not want to answer. You must be 18 years of age or older to participate.

I have read, understand and agree to the terms of the informed consent. I am age 18 or older and volunteer to participate.

- I agree
- I do not agree

NEPA Financial Literacy

Thoughts on Financial Literacy

2. What is your age?
- 18 to 29
- 30 to 49
- 50 to 64
- 65 or older
- Prefer not to say

3. What is the ZIP code where you live?

4. How would you say you compare to other adults in Northeastern Pennsylvania when it comes to financial literacy? Financial literacy refers to your level of knowledge of managing personal finance matters, such as savings, investing, insurance, and credit.
- Much better than others
- A bit better than others
- About the same as others
- A bit worse than others
- Much worse than others
- Not sure
5. Please rate your level of agreement with the following statements related to your personal financial habits.

<table>
<thead>
<tr>
<th>Statement</th>
<th>1 - strongly disagree</th>
<th>2 - disagree</th>
<th>3 - neither agree nor disagree</th>
<th>4 - agree</th>
<th>5 - strongly agree</th>
<th>Not sure/not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a budget for my income and expenses.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I know how to pay household bills, such as rent and utilities.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I know how to use credit cards responsibly.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I know how my financial decisions affect my credit score.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I know a lot about taxes that apply to me.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I know a lot about retirement savings vehicles such as IRAs, 401(k) plans, etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
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**NEPA Financial Literacy**

**Financial Knowledge Questions**

The next three questions are designed to test your knowledge about personal finance. Please answer them to the best of your ability, and do not consult any outside resources.
6. Suppose you had $100 in a savings account and the interest rate was 2% per year. After five years, how much do you think you would have in the account if you left the money to grow?

   ○ More than $102
   ○ Exactly $102
   ○ Less than $102
   ○ Do not know

7. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After one year, how much would you be able to buy with the money in this account?

   ○ More than today
   ○ Exactly the same
   ○ Less than today
   ○ Do not know

8. Please indicate whether this statement is true or false: “Buying a single company’s stock usually provides a safer return than a stock mutual fund.”

   ○ True
   ○ False
   ○ Do not know

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**NEPA Financial Literacy**

**Thoughts on Financial Literacy Education**

9. Would you be interested in receiving more education about personal finance?

   ○ Yes
   ○ No
   ○ Not sure
10. If yes, how would you most like to receive that education?

- Web based reading material
- Online videos
- Online tutorials
- Webinars
- Workshops
- College coursework/classes
- Online classes
- Individual counseling with a financial professional
- Books, pamphlets, or other reading material

Other (please specify)
APPENDIX 2: COLLEGE SURVEY

Student Financial Literacy

Introduction/Instructions

1. The Institute for Public Policy & Economic Development at Wilkes University is an applied social research center in Northeastern Pennsylvania. The Institute is a partnership of Keystone College, King’s College, Lackawanna College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Wilkes-Barre, The Commonwealth Medical College, The University of Scranton, and Wilkes University.

The Institute developed this brief survey to assess knowledge of financial literacy. Your participation is completely optional and your responses will be kept confidential.

If you have any questions or comments about the survey, please email them to info@institutepa.org

Informed Consent Form - Survey
• Title of Project: Jobs, Economy, and Economic Development Task Force – Financial Literacy Survey
• Principal Investigator: Teri Ooms, Executive Director. 570.408.9850 ooms@institutepa.org
• Other Investigator(s): Andrew Chew, Research Analyst, The Institute and Nimita Patel, Research Assistant, The Institute

• Purpose of the Poll: To assess knowledge of personal finance topics and the personal financial management habits.

• The only research instrument is this survey. Data will be analyzed including frequencies, means and various cross tabulations. A summary report will be prepared for publication.

• Procedures to be Followed: You will be asked several questions about your knowledge and perceptions of personal finance. If you do not feel comfortable with a particular question, you can skip it and go onto the next question.

• Duration: This survey should take less than five minutes.

• Statement of Confidentiality: The information you provide will be kept confidential; no one, not even the project investigators will know your identity. Only the investigators listed above will have access to the polling responses.

• Right to Ask Questions: Participants have the right to ask questions and have those questions answered. Please contact Teri Ooms at 570.408.9850 or ooms@institutepa.org Linda Gutierrez, Ph.D., Chairman, Wilkes IRB at 570.408.4638 or linda.gutierrez@wilkes.edu with any questions, complaints or concerns about this research.

• Voluntary Participation: Your decision to be in this research is voluntary and if you participate, there is no
compensation. You do not have to answer any questions you do not want to answer. You must be 18 years of age or older to participate.

I have read, understand and agree to the terms of the informed consent. I am age 18 or older and volunteer to participate.

☐ I agree
☐ I do not agree

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Student Financial Literacy

Thoughts on Financial Literacy

2. Which of the following best describes your class year?

☐ First-year/Freshman
☐ Second-year/Sophomore
☐ Third-year/Junior
☐ Fourth-year/Senior
☐ Graduate – Master’s Degree
☐ Graduate – Doctoral Degree
☐ Graduate – Professional Degree
3. Which category best describes your major? Select all that apply for multiple majors.

- Science/Mathematics
- Health Care
- Engineering
- Social Sciences
- Education
- Business
- Humanities (History, Philosophy, Languages, etc.)
- Fine Arts
- Technology/Trades
- Other (please specify)

4. What is your age?

- 18 to 20
- 21 to 22
- 23 to 25
- 25 to 29
- 30 or older

5. How would you say you compare to others your age when it comes to financial literacy? Financial literacy refers to your level of knowledge of managing personal finance matters, such as savings, investing, insurance, and credit.

- Much better than others
- A bit better than others
- About the same as others
- A bit worse than others
- Much worse than others
- Not sure
6. Please rate your level of agreement with the following statements related to your personal financial habits.

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<th>Statement</th>
<th>1 - strongly disagree</th>
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**Student Financial Literacy**

**Financial Knowledge Questions**

The next three questions are designed to test your knowledge about personal finance. Please answer them to the best of your ability, and do not consult any outside resources.
7. Suppose you had $100 in a savings account and the interest rate was 2% per year. After five years, how much do you think you would have in the account if you left the money to grow?

- More than $102
- Exactly $102
- Less than $102
- Do not know

8. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After one year, how much would you be able to buy with the money in this account?

- More than today
- Exactly the same
- Less than today
- Do not know

9. Please indicate whether this statement is true or false: “Buying a single company’s stock usually provides a safer return than a stock mutual fund.”

- True
- False
- Do not know

### Student Financial Literacy

#### Thoughts on Financial Literacy Education

10. Were you ever given information about personal finance in high school?

- Yes
- No
- Not sure

11. Were you ever given information about personal finance in college?

- Yes
- No
- Not sure
12. Would you be interested in receiving more education about personal finance?

- Yes
- No
- Not sure

13. If yes, how would you most like to receive that education?

- College coursework/classes
- Online classes
- Individual counseling with a financial professional
- Books, pamphlets, or other reading material
- Other (please specify)
APPENDIX 3: HIGH SCHOOL SURVEY

High School Financial Literacy

Introduction/Instructions

1. The Institute for Public Policy & Economic Development at Wilkes University is an applied social research center in Northeastern Pennsylvania. The Institute is a partnership of Keystone College, King's College, Lackawanna College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Wilkes-Barre, The Commonwealth Medical College, The University of Scranton, and Wilkes University.

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• Voluntary Participation: Your decision to be in this research is voluntary and if you participate, there is no
compensation. Your parents have provided the school district with permission for you to participate, however, you do not have to participate if you do not want to.

I have read, understand and agree to the terms of the informed consent. I am age 18 or older, or have received parental consent, and volunteer to participate or that I have received parental consent to complete this survey.

☐ I agree
☐ I do not agree

High School Financial Literacy

Thoughts on Financial Literacy

2. What is your age?
   ☐ Under 18
   ☐ 18 to 22
   ☐ 23 to 29
   ☐ 30 to 45
   ☐ 46 to 54
   ☐ 55 to 64
   ☐ 65 or older

3. How would you say you compare to others your age when it comes to financial literacy? Financial literacy refers to your level of knowledge of managing personal finance matters, such as savings, investing, insurance, and credit.
   ☐ Much better than others
   ☐ A bit better than others
   ☐ About the same as others
   ☐ A bit worse than others
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**High School Financial Literacy**

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