



## PROGRAM OVERVIEW

# FINANCIAL LITERACY EDUCATION & BUSINESS MANAGEMENT BASICS (START IT UP!)

### Definitions:

**Financial Literacy:** Financial Literacy is the “ability to make informed judgements and to make effective decisions regarding the use and management of money” (Schagen & Lines, 1996, p.91).

**Business Management:** Business Management is the act of engaging with an organization’s human talent and using the physical resources at a manager’s disposal to accomplish desired goals and objectives efficiently and effectively. Management comprises planning, organizing, staffing, leading, directing, and controlling an organization (a group of one or more people or entities) or effort for the purpose of accomplishing a goal. (Lumen Learning, n.d.)

### 1. BACKGROUND/ STATEMENT OF PROBLEM

Location: Suffolk County, Massachusetts

Suffolk County, with a population of 807,252 and home to communities like Roxbury, Mattapan, Dorchester, and the municipality of Boston, the majority comprises those identifying as females making up 51.7% of residents<sup>1</sup>. With approximately 52% of Suffolk county population identifying as female (roughly 419,771 persons) and 48% of households being single-parent, ranking 17% and 28% higher than the State and national percentage of single-parent households, respectively; the data clearly shows the overlapping of Black, female, single-parent households and issues related to lack of financial education and financial literacy, such as poverty, income inequality, disparities in healthcare and other critical social and economic

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<sup>1</sup> <https://www.countyhealthrankings.org/app/massachusetts/2020/rankings/suffolk/county/outcomes/overall/snapshot>

factors. Within communities like Roxbury, Mattapan, and Dorchester, and throughout Suffolk, child poverty is measured at 24%. There are about 193,740 children facing poverty in these communities; notably Blacks account for 34% those facing child poverty, with Hispanics accounting for 38% , and Whites accounting for only 11%<sup>2</sup>. The connection between children in poverty and single-parent households, coupled with a majority female-identifying population, underscores the disparities in access and agency between Black and White residents, and other residents of color. Approximately 65,872 Black children and 73,621 Hispanic children live below the poverty line and/or are on the verge of extreme poverty. These figures are alarming when one considers the percentage population that both Blacks and Hispanics account for in Suffolk County - a figure about less than half (½) of the White population. Income inequality between Blacks and Whites in communities like Roxbury, Mattapan and Dorchester is prevalent. A higher inequality ratio, like the 7.8 measure in Suffolk County, indicates greater division between the top and bottom ends of the income spectrum. The State Income Inequality Ratio for Massachusetts, at approximately 5.5, is significantly lower. Pickett and Wilkinson (2015) argue that communities with greater income inequality can experience a loss of social connectedness, as well as decreases in trust, social support, and a sense of community for all residents. Sadly, Suffolk County is merely representative and microcosmic of the nationwide problem facing Black Americans with regard to financial literacy.

The 2019 *African American Personal Financial Index (P-Fin)* study conducted by the TIAA Institute and the Global Financial Literacy Excellence Center (GFLEC) at George Washington University found that, *“the financial well-being of African Americans lags behind that of the U.S. population as a whole, and whites in particular. The reasons for this gap are complex, but one area of importance in addressing it is increased financial literacy.”* On average, African-Americans answered 38% of the P-Fin Index questions correctly, with only 28% answering over one-half of index questions correctly. The analogous figures among Whites were 55% and 62%, respectively (GFLEC, 2019). Incidentally, there are demographic differences in financial literacy among Blacks due to factors such access to formal education, financial education and those with higher incomes. This holds true for Blacks and African-Americans in Suffolk County. More notably is the disparity in financial knowledge between Black men and women. Forty-two (42) percent of Black males answered P-Fin questions correctly compared to that of Black females at 35%. Coincidentally, general financial literacy differences by sex also reveal that not only are older men generally more financially knowledgeable than older women, but similar patterns also show up among younger respondents as well (Lusardi, Mitchell, and Curto 2010; Lusardi and Mitchell 2009; Lusardi and Tufano 2009a, b).

**Activities/ Methodology:** Integrated approach utilizing performing arts (dramatizations, music, dance etc.), traditional teaching styles, new & digital media, and audiovisual presentations and simulations to foster collective and individual financial responsibility; and broaden the

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<sup>2</sup> <https://www.countyhealthrankings.org/app/massachusetts/2020/measure/factors/24/map>

receptivity of curricula and information through relatable scenarios, practical and implementable assignments, and engaging stimulating activities. The following methods/ strategies will be applied in order to facilitate maximum human capital outcomes at the end of the pilot program.

A. Advocacy among stakeholders

A good amount of time will be devoted to identifying and paying visits to stakeholders. Those partners identified will be in the nonprofit and private sector, ranging the gamut of local and regional organizations, community-based financial institutions & organizations, creative-entrepreneurs, and educators, etc.

B. Community Promotion & Engagement

Visits will be made to specific target communities to document their stories in relation to program aims and objectives. The first visit will be to identify potential beneficiaries through program recruitment and promotional activities.

C. Program Curriculum Assessment & Evaluation

Curriculum will be assessed and adjusted, if necessary, following advocacy among stakeholders and community promotion and engagement so as to better address the need for financial education in the Black community.

D. Program Implementation & Training

Training and instruction in curriculum will begin in communities and virtually (online).

E. Program Completion, Results and Reporting

End of the pilot program will follow with a full financial and technical report, and conversion metrics and other forms of reporting, in the months subsequent to the program end date.

**Pedagogy:** The Black Literacy and Arts Collaborative (BLAC) Project's pilot financial literacy education program is one that intentionally accounts for varied types of learners in an effort to maximize program results in human capital output at the end of its undertaking. A uniquely blended combination of **six (6)** key pedagogical approaches- a sort of melting pot of inclusivity and diversity in approach- a hallmark of The Black Literacy and Arts Collaborative Project's mission.

These approaches are, namely:

- (1) **Integrated Learning:** Content and skills from more than one subject area are brought together through an intersectional lens allowing program resources to be used and applied to other subject/ program areas.
- (2) **Differentiated Instruction:** Activities address a range of student learning styles, abilities and readiness; including strategies for learners with difficulties and the needs of visual, auditory & kinesthetic learners.
- (3) **Experiential Learning:** Authentic learning experiences are provided that venture beyond the workshop or seminar session that address real-world issues and problems related to curriculum content in a real-world context.
- (4) **Cooperative Learning:** Group and cooperative learning strategies are a priority. Cooperative learning skills are explicitly taught, practiced and assessed.
- (5) **Inquiry Learning:** Learning is directed by questions, problems, or challenges that students work to address. Students, assisted by the teacher clarify the question(s) to ask and the process to follow to arrive at solutions. Sometimes referred to as Guided Inquiry.
- (6) **Assessment and Evaluation of Student Learning:** Tools are provided that help students and teachers to capture formative and summative information about students' learning and performance. These tools may include reflection questions, checklists, rubrics, etc.

**Program Aim(s):** Enhance knowledge, practical use, and application of financial literacy education, financial best practices and tools, in the lives of Black households and youth, particularly Black women, by fostering improved financial wellbeing through intensive, intersectional training in business management basics, entrepreneurship foundations, and tailored, easy-to-learn financial habits, practices and principles.

**Program Objectives:**

1. Increase knowledge of, and access to useful resources/ tips pertaining to financial literacy and financial literacy education, with specific focus on identifying bad financial habits and effective, free or low-cost solutions to improve overall financial wellbeing and intelligence
2. Promote and inculcate individual and collective financial responsibility among beneficiaries and community members
3. Provide training and education in entrepreneurship and business management basics
4. Facilitate opportunities for business creation and business development among beneficiaries and within the communities identified

5. Educate on and highlight socioeconomic disparities, the Racial Wealth Gap, Financial Literacy and Black America, Income inequality, Educational Attainment and Student Debt Gap, among others fostering sustainable, hereditary knowledge-sharing and financial habits
6. Develop a youth-led community financial literacy advocacy group/ collective/ coalition aimed at disseminating useful financial information & tips, and promoting financial responsibility and literacy among youth and other community members

**Expected Outcomes:**

1. Beneficiaries will demonstrate knowledge and understanding of financial concepts, principles and practices, and tools and resources, fostering improved financial wellbeing and financial literacy.
2. Beneficiaries will demonstrate knowledge of entrepreneurship and business management basics commensurate to starting and effectively managing a business.
3. Twenty percent (20%) of beneficiaries will start a new business.
4. At least 70% of all female beneficiaries will demonstrate better financial management by effectively budgeting and applying financial tools to increase income or ‘stretch their dollar’.
5. At least 50% of all male beneficiaries will demonstrate better financial management by effectively budgeting and applying financial tools to increase income or ‘stretch their dollar’.
6. Beneficiaries will gain awareness of systemic financial inequities/ problems plaguing Black communities, namely: the Racial Wealth Gap, Racial Income Gap, Income Inequality, (lack of) Entrepreneurship and Employment Equity, Educational Attainment and Student Debt Gap, and the role of Financial Literacy in addressing these issues.
7. At least half (50%) of all beneficiaries will be nearing or fully out of credit card debt at the end of the pilot program by using skills, resources, knowledge and tools learned during the program.

8. At least half (50%) of all beneficiaries will commit to applying a budget to their daily financial management practices so as to better manage and use their funds.
9. At least 70% of all beneficiaries will pursue continued financial literacy education whether collectively through community-based organizations, other programs, or individually.
10. Beneficiaries will collectively improve community financial literacy and responsibility through establishing local, grassroots, youth-led or youth-involved organizations focused on addressing financial literacy deficit issues in the Black community.

## **PROGRAM CURRICULUM**

### **PART 1: Financial Literacy**

## **Module 1: What is Financial Literacy?**

- Definition, Concepts and How it affects your life.

## **Module 2: Financial Literacy and the Black American**

## **Module 3: Budgeting 101**

- What is Budgeting?
- Setting Your Financial Goals
- Assess Your Assets
- Budget Mechanics: Basic Budget Equations, Do-It-Yourself Spreadsheets, Finding Your Budget Personality, and Setting Spending Priorities

## **Module 4: Debt Management and Easy Ways to Increase Income**

- Ranking Debt and Assessing Liabilities
- What is Toxic Debt? and Ways to Eliminate It
- Payment Plans & Loans: Tips to Avoid Late or Missed Payments & Pay Down Debt Faster
- Credit Card Debt
- Credit Score: The Five (5) Factors You Need to Know!
- Four (4) Ways to Boost Earnings!

## **Module 5: Emergencies and Budget Rebuilding Events**

- Creating an Emergency Budget
- Dealing with total Debt Picture

## **Module 6: Making Your Money Work for You!**

- Asset Diversification: What it is and How it works?
- Investing and Insuring
- An Introduction to Stocks, Bonds, Real Estate and Mutual Funds
- 401(k) Retirement and IRAs (ROTH & Traditional)
- Healthcare costs and Financial Health

## **Part 2: Business Management Basics**

### **Module 1: An Introduction to Business Management**

- What is Management?
- Business Management Concepts and Theories
- Components of Effective Business Management

### **Module 2: Accounting Basics**

- What is Accounting?
- Terminology
- Accounting Software Resources
- Financial Best Practices

### **Module 3: Management Basics**

- Growing Your Business: Five (5) Strategies to Consider
- Principles of Management: Structure, Chain of Command, and Fulfilling the Controlling Function
- Soft (Non-Technical) Skills Training: Clear and Direct Communication, Leadership, Conflict Resolution Management, and Employee Recognition
- Additional Resources.