A DELPHI STUDY TO RECOMMEND HIGH SCHOOL CURRICULUM CONTENT AND DELIVERY METHODS FOR A UNIT ON CREDIT IN FINANCIAL LITERACY EDUCATION

by

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(Under the Direction of Wanda L. Stitt-Gohdes)

ABSTRACT

Financial education has seen an increased focus in recent years (Davis & Durband, 2008) following the initial JumpStart Coalition (Mandell, 1998) survey which showed high school students, on average, failed to understand basic financial literacy knowledge. Despite an increased focus on financial literacy education, high school students continue to fail when their financial knowledge is tested (Mandell, 2008b). In fact, when compared with students who have never taken a course, the average score for students who have taken a course in personal finance is lower (Mandell, 2008b). In the area of credit knowledge, one interesting fact is students who have credit cards in their name, score lower on the credit portion of the test compared with those who do not (Mandell, 2008b). To improve education in the area of financial literacy and specifically credit education, an evaluation of what should be taught and how it should be taught may prove helpful. This Delphi study surveyed a group of selected knowledgeable professionals for the purpose of gaining consensus on how credit should be defined, what content should be taught high school students regarding appropriate use of credit and how instruction of credit can best be delivered. Professionals who were bankruptcy court members, high school teachers, credit counselors, and college professors made up the panel. A three round Delphi study was conducted online using the Survey Monkey (www.surveymonkey.com) website. Beginning with ideas generated by the participants in Round 1, a list of necessary content items regarding credit education was generated. Additionally, the panel members did not agree with each other on many ideas that may be of marginal importance. With this information, curriculum writers and instructional designers have recommendations regarding the content that should be taught regarding credit along with instructional methods that can be used to deliver the content.

INDEX WORDS: Personal Finance, Financial Literacy, Credit Education, Delphi Technique, Instructional Delivery, Curriculum Development, Curriculum Content, Instructional Development

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INTRODUCTION

Time, politics, history, and economics are a few of the many ways in which cycles may occur. Some of these cycles result in a continuously repetitive and destructive end, while others tend to be productive. The repetitive cycle is evident in the proverb ‗what goes around comes around.' Furthermore, the philosopher George Santayana (1905) wrote, ―When change is absolute there remains no being to improve… and when experience is not retained, as among savages, infancy is perpetual. Those who cannot remember the past are condemned to repeat it" (p. 284). Hughes (1918) viewed thrift and waste as opposites based on the belief that thrift is constructive while waste is destructive. Based on this opinion, Hughes argued that success was built on one's ability to be thrifty since the only other choice was to be destructive through waste. This statement personifies the current state of financial literacy in society: a period of high consumption that was preceded by a period of thriftiness. Understanding the cycles of thrift and waste is important when viewing the current status of financial literacy.

Thrift has all but left our vocabulary (Tucker, 1991). The word today brings up negative thoughts such as stinginess and self-denial (Whitehead, 2009). From a historical perspective, thrift is more than a simple concept such as saving and managing one's money. Financially, thrift is based on the simple principle of ‗living below one's means' (Smiles, 1876) to insure that the value of one's assets continues to grow. Thrift, however, transcends money to include elements such as resources, time, and abilities. Hughes (1918) described thrift as getting 100% from everything in life.

Thrift as a virtue has eroded since the late 19th century (Manning, 2000) and has been replaced by an age of consumerism (Schor, 1998). Fueling the increased consumption is consumer debt (Manning, 2000). The increased consumption fueled by debt has been credited as the cause of much of the economic growth over the past three decades (Walker, 2009). These periods of growth do not last forever. Our capitalist economy moves through the business cycle in a pattern of troughs, recoveries, and peaks that are followed by a recessionary period. This downturn brings about a cleansing of the economy, providing fuel for the next cycle of growth (McConnell & Brue, 2005). An argument can be made that simultaneous cycles of thrift run in conjunction with the business cycle. Before and during the economic depressions of 1893 and 1929, calls for increased thrift existed (Brown, 1899; Chamberlain & Chamberlain, 1919; Hughes, 1918; Marden 1918; MacGregor, 1915; Smiles, 1876). In fact, prior to the period known as the ―Roaring Twenties,” a time in which people perceived themselves as being well off and gaining wealth, Straus (1920) created the American Society for Thrift in 1914. The National Education Association reacted by forming their own Committee on Thrift Education. Many believed the Great Depression occurred because of thrift (Manning, 2000; Tucker, 1991). Tucker argued that adults who grew up having learned thrift actually continued to be thrifty during the Great Depression, but the rise of Keynesian economics closed the door on teaching thrift to future generations.

What has the 2008-2009 business cycle brought us? The consumerism age developed over recent decades has no doubt resulted in a long period of thriftlessness and high indebtedness (Whitehead, 2009). Recent data (Redman, 2010) shows bankruptcy filings increased 33% from December 2008 to December 2009, setting a new record. In fact, Redman reported that bankruptcies have increased every year since new bankruptcy legislation was passed in 2005.

Credit card delinquencies have increased every year since 2007 (Shuggart, 2010). According to the Mortgage Bankers Association (2010), mortgage loans in foreclosure or in delinquency reached its highest level ever in the 4th quarter of 2009 at 15%.

The data suggests Americans' understanding of financial management principles is lacking. The JumpStart Coalition for Personal Financial Literacy, often referred to as the Jumpstart Coalition, is a group of corporations working with non-profit, government, and educational organizations, who are ―dedicated to improving the financial literacy of pre-kindergarten through college-age youth by providing advocacy, research, standards and educational resources" (Jumpstart Coalition, 2006, para. 1). Jumpstart has been studying the financial literacy of high school seniors since 1997 with results consistently showing that students, on average, fail to understand basic financial concepts considered necessary for financial literacy (Mandell, 2008a). In fact, according to Mandell, students completing a semester course in personal finance are no more financially literate than those who did not take a course.

Consumer behavior patterns and students' financial knowledge suggest existing programs may be ineffective (Willis, 2009). Several unclear and ambiguous terms and standards are evident in the field of financial education, creating potential fundamental problems with financial literacy courses (U.S. Department of Treasury, 2008). First among these is a lack of a common mechanism for evaluating the effectiveness of financial literacy education programs (McCormick, 2009). The National Research Symposium on Financial Literacy and Education (U.S. Department of Treasury & U.S. Department of Agriculture, 2008), conducted in Washington, DC, in October, 2008, identified this issue by stating there is a lack of consistency on how programs define financial literacy success. Additionally, the National Research

Symposium on Financial Literacy and Education's report noted there was a lack of consistency on what the goals and objectives should be of any financial literacy program.

Another fundamental question is, What does it mean to be financially literate? A common definition for financial literacy does not exist (U.S. Department of Treasury, 2008). According to the President's Advisory Council on Financial Literacy (U.S. Department of Treasury, 2008), financial education developers use the term financial literacy to describe their program without examining the goal of their program, the skills they want students to learn or even if the students will have the skills needed to manage their own financial future. The President's Advisory Council on Financial Literacy argued the lack of a common definition makes it difficult to compare programs when they use the same terminology but contain different objectives.

Another inconsistency in financial education is the method of delivery. At what point should instruction occur, what method(s) should be used, and should it differ based on variables such as socio-economic status or culture? Again, the 2008 National Research Symposium on Financial Literacy and Education (U.S. Department of Treasury & U.S. Department of Agriculture, 2008) addressed this deficiency by pointing out that limited research comparing the effectiveness of various delivery methods had been conducted. Furthermore, the National Research Symposium on Financial Literacy and Education stated that more research is needed on what delivery methods work, when delivery of instruction should be made and with whom the instruction should be delivered.

A lack of consensus on these issues arises as they are ill-structured problems (Jonassen, 1997). An ill-structured problem is one without a single solution. Without the ability to determine a true answer, human perception and interpretation may enter into solving such a problem, allowing instructors and evaluators to interpret ambiguous standards and concepts differently. Ill-structured problems are not limited to the general topic of financial education. A unit on credit education often contains standards as simple as requiring students to understand how to use credit wisely. Brown and Mundrake (2009) wrote about the rising expectations of today's young people toward accumulating wealth and their vulnerability to overuse credit to buy those things they are accustomed to having. Brown and Mundrake (2009) stated their belief that learning how to use credit wisely was very important. The problem with a general goal of teaching the wise use of credit according to Brown and Mundrake (2009) is that people have differing opinions on what should be taught. While some believe one should avoid all debt but a home mortgage or car loan, others believe that a high amount of credit card debt can be acceptable. Brown and Mundrake (2009) answered this dilemma by stating that what is right regarding wise credit use is up to the individual and his/her personal values.

Two examples summarize the need for further research to improve financial literacy education. First, the National Research Symposium on Financial Literacy and Education (U.S. Department of Treasury & U.S. Department of Agriculture, 2008) identified purpose, content, and skills as well as delivery methods among their research priorities for financial education. Second, while writing about consumer lending regulations, Lander (2008) argued research needed to be conducted to determine what should be taught regarding credit and how credit instruction should be delivered.

In a world with ever-changing access to credit and the role that the overextension of credit has played in bankruptcies and foreclosures (Fox, Bartholomae, & Lee, 2005), an updated and more common definition of wise use of credit would be useful. Brown and Mundrake (2009) asked the question, Who is right? No perfect answer will ever be penned for this ill-structured problem. Ultimately individuals will, in fact, have to determine for themselves what is wise and unwise credit use. Developing a model answer to guide young students when learning about credit would be useful (Lander, 2008). The field of education is about empowering individuals with the knowledge and problem-solving skills needed to build a better life for themselves. While attempts have been made to address the lack of financial literacy among high school students (Lyons, Palmer, Jayaratne, and Scherpf, 2006), time is ticking away for many students to learn appropriate ways of managing their finances, particularly the use of credit. Credit and debt are the antithesis of thrift (Hughes, 1918). Providing students with information to make truly informed decisions potentially can help many avoid the repetitive cycle of thriftlessness.

Changes in credit products, consumer behavior, and technology (i.e., internet banking and debit cards) make it essential for educators to have up-to-date information regarding proper instruction of credit use. Common and clear definitions are essential. How and when one should learn about credit is important. Should different approaches for different groups be employed? This study attempted to provide additional research to aid in the development of up-to-date content and instructional delivery strategies related to credit use.

Purpose Statement and Research Objectives

The purpose of this Delphi study was to ask a panel of experts to define credit, create a list of necessary content items, and suggest appropriate instructional delivery methods for teaching a unit on credit within a high school personal finance course. The Delphi method is an acceptable research method when consensus is needed on a complex problem (Listone & Turoff, 2002). An expected outcome of this study was to provide instructional designers a list of recommendations that should be included when designing a unit on credit in a high school financial literacy course. This study was guided by the following objectives:

1. To describe how the topic of credit should be defined within high school curriculum.
2. To identify the appropriate concepts related to the topic of credit that should be included in a high school unit on financial literacy.
3. To describe the appropriate delivery methods for teaching credit.

Conceptual Framework

The process of creating curriculum is done using a curriculum development model (Finch & Crunkilton, 1993). A curriculum development model is concerned with identifying the knowledge or behaviors the learner is to demonstrate at the conclusion of instruction. A curriculum design model is useful when determining the content the learner should know or be able to do. This is different from how they will learn the material. How instruction will be delivered is best solved through an instructional design model (Finch & Crunkliton, 1993) which focuses on appropriate delivery methods in addition to content. Since one of the goals of this study is to identify delivery methods for instruction on the use of credit within a secondary personal finance course, using an instructional design model that advocates content creation and delivery within the conceptual framework for this study is appropriate.

The comprehensive instructional design plan or Kemp model by Morrison, Ross, Kemp, and Kalman (2011) is the most appropriate instructional design model for this study. Unlike many other systems approaches to instructional design, the steps in the Kemp model are not structured in a rigid linear fashion in which one must finish the current step before moving to the next (see Figure 1.1). Rather, the Kemp model treats all steps as individual elements within the framework so that one may return to any element when needed. The model contains nine elements forming a circular pattern but without arrows attaching them. Those nine elements are: (a) identifying instructional problems, (b) analyzing the learner, (c) task analysis for needed instruction, (d) developing instructional objectives, (e) putting the content in order of instruction, (f) developing instructional strategies, (g) designing the message, (h) developing the instruction, and (i) creating the assessment instruments (Morrison, Ross, Kemp, & Kalman, 2011). The order in which the elements are completed can be modified. This provides flexibility to adapt the model to any instructional problem. All nine elements are encompassed within a formative evaluation process, allowing an instructional designer to conduct formative evaluation at any phase of the process.

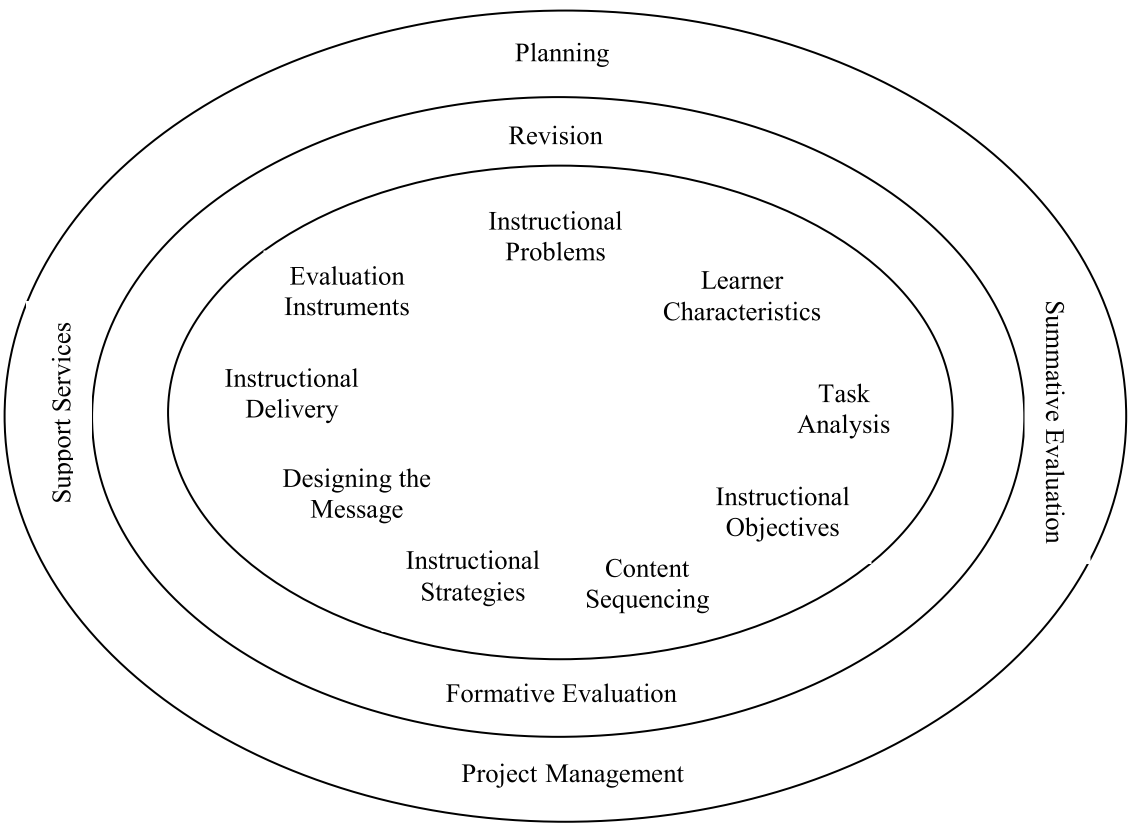

Figure 1.1. KEMP Instructional Design Model. Adapted from ―Designing effective instruction," by G. R. Morrison, S. M. Ross, J. E. Kemp, & H. Kalman, 2011.

The Kemp model contains processes for determining both content and delivery for those wishing to create curriculum. It also contains a formative evaluation phase to be conducted throughout the design process that allows for revision of instruction. Conducting formative evaluation during each phase and at the end of the process assures an iterative process both within the design of each phase, at the conclusion of the design process, and during and after instruction has been delivered. Using an expert consensus method such as the Delphi technique is an appropriate tool for conducting formative evaluation (Dick, Carey, & Carey, 2009) in addition to its use during the design of content (Finch & Crunkilton, 1999).

Significance of the Study

A renewed interest in the financial literacy of adolescents began in the mid 1990s following the published results of the JumpStart Coalition's (Mandell, 1998) first survey of high school seniors. An immediate rush to develop and implement financial literacy programs started (Lyons et al., 2006). Several states began to mandate full courses in financial literacy, while others required that students learn personal finance in courses such as economics. Standards and objectives were created in order to provide guidance on what student outcomes should emerge from instruction. Recent data from the JumpStart Coalition (Mandell, 2008b) shows little to no improvement in the financial literacy of high school seniors. From a behavioral perspective, the 2007-2008 recession and 2007-current housing crisis suggest both a lack of financial management knowledge and unwise planning by households. Former Federal Reserve Board Governor Frederic Mishkin argued during a February 27, 2008, speech given at the Third Annual Summit on Economic and Financial Literacy in Washington, D.C. that the time had come to push economic and financial literacy initiatives. Mishkin (2008) argued the recession was caused partially by mortgage borrowing by uninformed citizens who, with proper training, would have made better decisions resulting in less harm to the economy.

Research into the effectiveness of current education programs and behavioral aspects of financial management has proved to be difficult. Researchers (Fox & Bartholomae, 2008; Lander, 2008; Lyons et al., 2006) have called for further research to aid in assessing and developing effective educational programs for all age groups. The areas recommended for further research include clarifying what should be taught in a secondary financial literacy course and identifying the appropriate delivery methods. This study focuses on one portion of such a program, credit education. The outcome of this research study will aid curriculum developers by defining credit and providing a list of recommended content and delivery methods deemed most important by a panel of experts in the area of credit education. In particular, the purpose is to provide a more detailed description of credit education rather than the simple, ambiguous language used by many instructional programs today.

The findings provide new research to help several groups. The research will aid fellow researchers in evaluating the effectiveness of programs by providing an expert opinion on what should be taught in a unit on credit and the appropriate delivery methods for such instruction. Thus, researchers can compare a program‘s curriculum standards and delivery methods with those found in this research. Second, those responsible with rewriting curriculum will have a current set of content recommendations as a source of reference to compare what is currently in use to that recommended by the panel. Lastly, the findings will aid new programs currently being developed by providing a detailed set of recommended items the panel finds important for inclusion in financial literacy programs. In addition, these program developers can include from the beginning the recommended delivery methods.

CHAPTER 2

REVIEW OF LITERATURE

Researchers and curriculum developers debate whether financial literacy education should focus on knowledge, behavior or both (Fox, Bartholomae & Lee, 2005). The current economic situation provides a reason to look at financial education from a broad perspective. An examination of the evolution of financial education involves the formal education received in school and the informal education received outside of school.

Financial Literacy Education

Throughout history, changes in beliefs have led to changes in financial education approaches for all ages. Any discussion of financial education in schools must be accompanied with a historical perspective.

Historical Perspective

A brief history of thrift provides a basis for understanding early financial literacy education. Thrift is the Puritan virtue of maximizing the value of one's resources so that one's assets continue to grow (Chamberlain & Chamberlain, 1919). Thrift itself is based on the scriptural principle of stewardship. Stewardship is the belief that God created everything and one should manage what God allows them to use according to God's instructions. Scripture teaches the importance of saving as a means to provide for the future. This is seen in the writings of Solomon in Proverbs 30:25 where Solomon reasoned that ants are smart since they save up during the summer and in Proverbs 21:20 where he stated the unwise spend all they make. A perfect example of the value of thrift being rooted in the scriptural principle of stewardship comes from Proverbs 22:7 where Solomon argued the ―rich ruleth over the poor, and the borrower is servant to the lender” (King James Version). Benjamin Franklin, writing under the name Poor Richard borrowed this verse when writing his maxim ―The borrower is slave to the lender and the debtor to the creditor” (Franklin, 1758/2006, p. 52). Early Americans had to rely on family and faith to spread the message of thrift prior to the establishment of schools (Deems, 1883). As the American education system began to take shape and grow, thrift education was one of the basic subjects taught to school children.

Financial education in the late 1800s was closely tied to thrift. Charles F. Coffin, speaking to the Indiana State Teachers Association (1883), said teaching the proper use and common abuses of money was just as important as teaching mathematics. Regarding specific concepts, Coffin added students should spend less than they make, pay with saved money, stay out of debt, and create and maintain a budget.

School banks were developed in France in 1834 (Thiry, 1892) and spread through Europe. Beloit Superintendent of Schools Sereno F. Merrill created the first American school bank in 1876 after learning about the school bank started at the University of Ghent in Belgium while attending a conference in Austria (Zook, 1920b). John Thiry expanded the idea by opening a school bank in Long Island, NY, in 1885. By 1892, 12 states had at least one school bank; and by 1915, almost one million students had access to school banks located in 1,925 schools across 280 different cities (Zook, 1920b). Almost one third of those were located in New England states largely because Massachusetts passed a law in 1910 requiring thrift instruction in public schools (Zook, 1920b). Many of these programs depended on the services of a local bank. Unfortunately, many banks at the time refused to take the small deposits due to the labor cost of accounting for many small transactions. These banks required minimum balances that were difficult for students to meet. Some banks used complicated mechanical devices or bankbooks that were disinteresting to students. Some schools developed their own programs. One school, Colonial High School in Texas, developed its own system whereby the school collected deposits on Thursdays and deposited the lump sum into a bank account earning 4% interest. The interest earned from the deposits were pro-rated to each student based on the percentage of the total they had deposited (Cox & Terry, 1917).

The informal education methods used to teach thrift did not result in a completely thrifty society. Much is written about the wasteful habits of Americans and the poor perception held by citizens of other nations regarding American prodigality. Zook (1920b) explained America's natural tendency for waste was a result of an abundance of natural resources to which Americans had easy access along with the risk investors were willing to take in order to strike it rich from those resources. Zook further argued that people who lost money speculating had a tendency to develop opposite habits by being over frugal. Thus the opposite cycles of thrift followed by waste were not new and, in fact, have played a part in the cycles of financial education in America. Hughes (1918) argued that thrift and waste are opposites. This opinion would be held until after World War II when thrift and consumption would become synonymous, signifying a redefining of thrift (Steigerwald, 2008).

The early 1900s brought about a reemergence of thrift and thrift education. In fact, the period between 1911 and 1920 saw 24 books written about thrift, savings, and the importance of thrift education (Zook, 1920a). The American Society for Thrift was created by S. W. Straus for the purpose of promoting the teaching of thrift in public schools, colleges, universities and in churches (Straus, 1920). Straus convinced the National Education Association to create a

Committee on Thrift Education in 1915 that would work to promote and provide resources for teaching thrift in schools (Straus, 1920).

During this decade, thrift stamp savings books encouraged students of all ages to save (Carothers, 1920; Tucker, 1991; Wilcox, 2008). The purpose of these programs was to develop the habit of saving among school children. Thus the focus during this time continued to be the development of thrift behaviors. Two additional popular methods of savings became available in 1918 as a result of World War I. Due to the war, United States citizens were patriotic by returning to thrift in large numbers. The United States government encouraged people to save for the purpose of funding the war. To help in this endeavor, the National War Savings Committee was formed for the purpose of promoting thrift education and for converting subsequent savings into revenue to fund the war (Tucker, 1991; Wilcox, 2008).

Two methods that allowed citizens to help fund the war with savings were war savings stamps and thrift stamps. War savings stamps were sold at a discount and allowed the purchaser to collect the face value in the future for a 4% rate of return (Zook, 1920b). For many, the cost of the war savings stamps was too costly. To help them afford these stamps, smaller thrift stamps earning no interest were sold for twenty five cents per stamp. Once sixteen stamps were collected, they could be turned in along with twelve additional cents for a war savings stamp (Zook, 1920b). The National War Savings Committee left the 12 federal district banks in charge of selling the savings stamps. To aid in this process, pamphlets promoting the use of thrift by budgeting were distributed, thus creating an educational campaign. The need for selling these stamps became so great that the government recruited the help of groups such as the Boys Scouts and schools to sell them (Zook, 1920b). Over one billion dollars worth of stamps were sold by the end of the war. Recognizing the revenue potential from continuing to sell these stamps, the federal government embarked on a campaign of encouraging thrift education for the purpose of continuously selling thrift stamps. Herein lies the importance to financial education during the 1920s. The responsibility of selling these stamps was given to organizations including schools. Educational materials were created and given to schools to aid in the instruction of thrift. The National Education Association liked the idea so much that they voted to encourage all elementary and secondary schools to make thrift education mandatory (Zook, 1920b).

A combination of these techniques was used in many schools (Oberholtzer, 1922). Vending machines that dispensed stamps based on the amount deposited were installed in many Tulsa, Oklahoma, schools. Evidence of a behavior shift in students was noticed when local stores, such as candy merchants, began complaining that their business had decreased once the machines were installed (Oberholtzer, 1922).

The ‗roaring twenties' eventually saw an emergence of consumerism on a scale not seen before (Manning, 2000). Credit emerged as a popular way to purchase products and stocks. Advertising had become more popular and marketers were better able to target consumers. Then the resulting downturn in the economy led to a temporary shift in the way people thought about spending. No longer was it popular to spend all that one made. For many, thrift had re-evolved out of necessity. Distrust of the financial system encouraged people to look out for themselves. World War II would also help to encourage a renewal of thrift. Resources were scarcer than ever, and people had no choice but to conserve. Paying for the war by buying war bonds became a popular way for those remaining stateside to help soldiers fighting in other countries (Manning, 2000).

During the depression, the famous economist John Maynard Keynes became a prominent voice in both the causes of the depression and the possible policies that would be needed to recover. Part of his belief was thrift was largely responsible for causing the depression (Manning, 2000; Tucker, 1991). He argued that consumption at all costs was the only way to ensure full employment. A movement away from thrift began and would fully take hold by the 1950s. This paradigm shift led thrift education to become virtually non-existent in the decades after the Great Depression. Tucker (1991) wrote that the term thrift had all but disappeared from the American vocabulary by 1950. In fact, according to Tucker, the most popular economics textbook in 1948 promoted the idea that consumption led to the recovery and that the old habit of thrift as practiced in an agricultural economy had become detrimental to the new economy. Tucker further stated that Americans became so enthralled with credit due to 100% tax deductions on interest they were willing to pay more for things on credit while retailers began to make more money on interest than the mark-up on the item.

During the 1950s, a new way of thinking about education had begun to firmly take hold. The consumer education movement, begun at the beginning of the century, had taken the place of thrift education. The Keynesian position that consumption was the best way to help society achieve full employment had been accepted. The consumer education movement grew up as this message became popular. Brewington's (1933) scathing comments toward thrift education and the role that business education played in promoting it verifies this belief. Brewington wrote that teaching students to save before teaching them to spend was backwards since students can more easily grasp the concept of spending. Therefore, Brewington argued teachers should teach students to spend before teaching them to save or earn. Haas (1935) echoed this sentiment exactly when predicting the future would call for the teaching of consumption before saving.

Thrift, however, did not become non-existent during the 1950s but rather was redefined to fit within the consumer perspective. The new definition allowed for the opposite viewpoints expressed by Hughes (1918) to now complement each other (Steigerwald, 2008). How did this come about? Steigerwald (2008) argued that consumerism was allowed to flourish through credit in the 1920s, tampered by the depression and war but finally allowed to blossom as wages were so high after the war that consumers could support credit payments for durable goods while also having the money to save.

The prosperous times put the new consumer education movement on hold as very little was done by states to push consumer education in schools (Boduch, 1972). This changed in the late 1960s when the idea of teaching financial principles in schools re-emerged. Credit use had become acceptable in society. It was okay to purchase items on credit. The new generation, who financed much of their spending with credit, believed future earnings would be sufficient to sustain their debt payments. Regarding credit, the consumer education movement taught students how to wisely borrow money for spending. The business education profession began a shift away from simply providing vocational training to providing business training. Part of this change involved the study of economics and how the personal economy of an individual is linked to the macro economy. Thus consumer economics began to take shape in secondary schools (Olson, 1963). Fueling this interest was an increase in negative societal behaviors resulting in increased bankruptcies. The Nobel Peace Prize winner and civil rights leader Reverend Martin Luther King, Jr., preached about the perils of overspending. Delivered on February 4, 1968, Dr. King preached about the Drum Major Instinct that we all have which was the desire to be out front, the desire to be first and the desire to be seen. One example he listed was the desire to obtain and own items better than or equal to one‘s neighbors (King, 1991).

Boduch (1972) pointed out that bankruptcies became so prominent that the State of Illinois was the first to support consumer education by mandating it in secondary schools. This mandate began a cycle of mandates by states that continues today. The New York State Education Department's (1967) Bureau of Secondary Curriculum Development wrote in a curriculum guide to teachers that consumer credit had become widely used after World War II and that people were borrowing at record levels. The agency further reported that most families had little to no money available for emergencies and that bankruptcies were higher in 1967 than at any point during the Great Depression due to the misuse of credit. The New York curriculum was written for an elective course that the state was encouraging schools to offer. New York, like Illinois, allowed flexibility in the implementation of the materials by encouraging implementation throughout the curriculum even if a separate course was created. Unlike Illinois, the State of New York would not make a mandate until 1985. By 1978, 37 states and Washington, D. C., had mandates in place regarding consumer education (Alexander, 1979). By 1990, 31 states had policies regarding consumer education (Scott, 1990).

Current Status

The development of financial literacy education tools and resources accelerated at an alarming rate beginning in the 1990s (Vitt et al., 2000). Jumping into the game were entities such as corporations, non-profit organizations, professional associations, and counseling agencies. The complexity of these resources varies, yet all of them are designed for the same purpose, which is to improve financial literacy.

Government and private organizations. The renewed focus on financial education is evident in the quantity of initiatives that have been created over the last decade. The federal government established the Office of Financial Education within the U. S. Treasury Department in 2002. A group of 20 government agencies, called the U. S. Financial Literacy and Education Commission, was created in 2003 by act of congress (My Money, n.d.). This organization is responsible for a 2006 report detailing a national strategy for financial literacy (National Strategy for Financial Literacy, 2006) and for creating the website titled My Money, a site for teaching and helping all people regarding financial management. In 2008, President George W. Bush created the President‘s Advisory Council on Financial Literacy who issued recommendations on improving financial literacy (U.S. Department of Treasury, 2008). The President‘s Advisory Council on Financial Literacy‘s mission is to provide research and policy recommendations while working with various organizations on collaborative efforts to align the goals of these organizations for more effective delivery of financial education to a variety of individuals from school-age children through adults at work.

Several organizations are at the forefront of advocating for financial literacy education. The JumpStart Coalition for Personal Financial Literacy was developed in 1995 for the purpose of improving the quality and availability of financial education to K-12 students nationwide (JumpStart, n.d.a). The JumpStart Coalition is a coalition of various banking, insurance, educational and counseling agencies whose goal is to have mandates in every state so that all students receive financial literacy education. This organization conducts research on the status of financial literacy and produces resources such as standards, curriculum and instructional materials (JumpStart, n.d.a).

The National Endowment for Financial Education (NEFE), originally created in 1972 as the College For Financial Planning, is an organization that today focuses on providing financial education to citizens that will empower them to become financially stable and enjoy a more fulfilling life (National Endowment for Financial Education, n.d.). The NEFE is focused on research into effective financial education and produces and distributes instructional materials to students and instructors.

Operation Hope is an organization created in 1992 in Los Angeles, CA, for the purpose of helping those in poverty, and in particular minorities, get the financial help and knowledge they need to improve their finances (Operation Hope, n.d.a). Operation Hope maintains centers for the purpose of providing financial instruction, counseling, entrepreneurship training and mortgage assistance. They also train individuals on how to be prepared financially for emergencies such as floods, hurricanes, fires, etc. by distributing training materials (Operation Hope, n.d.b).

Regarding credit education, Bankruptcy Judge John Ninfo started the Credit Abuse Resistance Education program in Rochester, NY, in 2002. Judge Ninfo was concerned about the growing number of college students who were filing for bankruptcy. The program sends bankruptcy judges, trustees, and lawyers to high schools and colleges to speak on the perils of overusing credit. The program now exists in all 50 states (Credit Abuse Resistance Education, n.d.).

State mandates. The creation of resources and sponsored materials has outpaced the adoption of financial literacy education by states. Those states with mandates vary a great deal (Council for Economic Education, 2009). Some require mandates throughout multiple grades while some mandate in a single grade. Some mandate a full course while others mandate only a few standards. Some states have a comprehensive approach while others focus on a few areas of financial literacy. As of August 2010, the JumpStart Coalition website (JumpStart Coalition, n.d.b) reported that only four states (Tennessee, Missouri, Utah, and Virginia) mandated a full semester course in personal finance as a graduation requirement. Nineteen states require financial literacy education through standards that are integrated into other courses (JumpStart Coalition, n.d.b). The integration of standards in these states are sometimes embedded in courses that are mandated for graduation (JumpStart Coalition, n.d.b). The remaining 27 states have no state requirement, although some of these states do allow for local requirements.

Tennessee‘s mandate became effective during the 2009-2010 school year for students entering the 9th grade (Tennessee Department of Education, n.d.). The mandate requires a personal finance course to be taken during the student‘s junior or senior year (Tennessee Department of Education, 2010b). Beginning in 2011-2012, courses will be offered across the state in personal finance. The Tennessee Department of Education‘s Teacher Licensing office allows teachers who are licensed in Economics, Business Education, Marketing, and Family & Consumer Sciences to teach the personal finance course with no additional requirements (Tennessee Department of Education, 2010a). Provisions are made for any licensed secondary teacher to teach the personal finance course assuming the teacher completes a professional development course in personal finance education that is approved by the state (Tennessee Department of Education, 2010a). Tennessee made the decision to mandate a personal finance course because students consistently scored lower than the national average on the JumpStart Coalition‘s biennial survey of high school seniors. In addition, the state was one of the leaders in the nation in the number of bankruptcy filings (Teaching Personal Finance, n.d.).

Missouri mandates students earn one-half Carnegie Unit in personal finance beginning with the class of 2010 (Missouri Department of Elementary & Secondary Education, 2009). Credit must be earned during the student‘s sophomore, junior or senior year. Districts can allow students to fulfill this requirement in one of three ways. Students taking a course in which standards are embedded into other courses must take an online assessment at the end of the course. School districts wishing to provide this type of instruction must submit a plan including a proposed passing score on the assessment instrument and have the plan approved by the state

(Missouri Department of Elementary & Secondary Education, 2010b). Students who receive credit in this manner receive embedded credit to demonstrate successful completion of the state mandate. Students may attempt to test out of the requirement by taking the online assessment and achieving a score of 90% or higher (Missouri Department of Elementary & Secondary Education, 2008). Business Education and Family and Consumer Science departments have the flexibility to offer an approved course in their departments that exempt the student from having to take an end-of-course assessment (Missouri Department of Elementary & Secondary Education, 2010b). School districts can award social studies, practical arts or elective credit for the course (Missouri Department of Elementary & Secondary Education, 2008). State rules are vague on who can teach the personal finance mandate. The Missouri State Board of Education's rules allow each district to decide who is best qualified to teach with the single requirement that the teacher hold a state-issued certificate. These rules appear to apply to those teachers who are not teaching the personal finance course offered in Business Education or Family and Consumer Sciences departments. Those wishing to teach the approved course are required to have a degree in banking, finance, or business and have two years experience in one of those fields. In addition, to obtain certification to teach the personal finance course, teachers must pass the Business Education assessment required by the State Board of Education (Missouri Department of Elementary & Secondary Education, 2010a).

Utah law required students to complete a course as a graduation requirement beginning with the class of 2008 (Utah State Office of Education, n.d.). The course must be completed during the student's junior or senior year. Similar to Missouri's mandate, Utah allows flexibility in meeting the mandate. The flexibility allowed by the state extends to areas of certification. Currently, teachers who hold composite endorsements in Business Education, Marketing, Agriculture, Family and Consumer Sciences, and Social Studies are allowed to teach the personal finance course. Additionally, teachers holding endorsements in Psychology, Economics, History, Math levels 2, 3, & 4, Banking and Finance, and Business Education at the core level are also allowed to teach the course (Finance In The Classroom, n.d.).

The status of current mandates in Virginia is unclear. Jumpstart (Jumpstart Coalition, n.d.b) lists Virginia as the newest state to require a separate one-semester course devoted to personal finance. Virginia did pass a law in 2006 mandating a course that contains both economics and personal finance as a graduation requirement (Commonwealth of Virginia Board of Education, 2006). The mandate was to become effective July 1, 2010, but budget concerns pushed this back to at least 2011 (J. Lanham, personal communication, June, 14, 2010). Any teacher certified in social studies, 6-12 math, middle school math or business and information technology will be allowed to teach the course when implemented (J. Lanham, personal communication, June, 14, 2010).

According to the JumpStart Coalition (n.d.b), 19 states (Arizona, Colorado, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, South Carolina, South Dakota, Texas, and West Virginia) currently mandate personal finance standards to be integrated into existing coursework. Some require standards in a single course while others integrate the standards throughout all grades. For those states integrating standards into an existing course, the prominent course receiving these additional mandates is a course in economics. The next most popular coursework embedded with financial literacy standards is mathematics which usually contains standards throughout the K-12 curriculum. Although they have mandates embedded into other coursework, some of these states do allow separate courses to be offered as an elective.

Arizona mandates financial literacy standards within the required economics course. Social studies teachers are certified to teach the course as well as any certified teacher who has achieved the status of highly qualified in Economics. This mandate begins with the class of 2012 and no end-of-course test is currently administered (C. Warren, personal communication, May 18, 2010).

Colorado has mandates requiring the inclusion of financial literacy standards in the P-12 Math curriculum and within a course in economics (Colorado Department of Education, 2010). Teachers must be certified in math to teach the math content and may be certified in economics or business education for the economics requirement. Testing for financial literacy knowledge is scheduled for inclusion in end-of-course tests in math beginning in either 2011 or 2012 (B. Barr, personal communication, May 20, 2010).

Georgia is one state that mandates standards (Georgia Department of Education, 2007) into the required (Georgia Department of Education, n.d.) economics curriculum. This mandate began with the freshman class entering high school during the 2008-2009 school year. The course has five units and the personal finance standards are one of those units titled Personal Finance Economics. The unit entails six standards containing 17 objectives (Georgia Department of Education, 2007). The course is most often taught in the social studies department with some schools offering it in the Business Education department. Teachers who hold certificates in political science (social studies), business education, economics or marketing are eligible to teach the course. Students generally take the course during their senior year and must take an end-of-course test. The test score does not determine if a student passes the course, but the score is calculated in the student's final grade and thus indirectly may determine whether a student passes the course. In addition to the mandate for high school students, the Georgia Performance Standards for Social Studies include financial management content in K-8th grade.

Idaho, like Arizona, requires a course in economics as a graduation requirement (Idaho State Department of Education, 2010). Financial literacy standards are included within the economics standards, thus making financial literacy mandatory (Idaho State Department of Education, n.d.). Teachers must be certified in economics or social studies to qualify to teach the economics course according to the Idaho Department of Education's Certification subject area webpage (2010). According to the JumpStart Coalition (n.d.c), Idaho is considering mandating a separate financial literacy course as a graduation requirement.

Illinois has a mandate of at least nine weeks of 50 minutes of instruction in consumer education as a graduation requirement. Students may attempt a test during high school to opt out of this requirement. Outside of this optional test, no end-of-course test mandate is found in the literature. Each school district is left with determining whether to offer the coursework as a standalone course or inclusion within another course (Illinois State Board of Education, 2009b). This requirement was enacted in 1967 (Illinois State Board of Education, 2009a) in response to increasing bankruptcy levels (Boduch, 1972). Due to the flexibility allowed school districts, determining what courses are used to fulfill this requirement are potentially large. A sample of school districts provides a better understanding of how this mandate is carried out. The Decatur Public School System contains two traditional high schools: Eisenhower High School and MacArthur High School. The school system uses one standard curriculum guide for both schools. To fulfill the consumer education requirement, students enrolled in the Decatur Public School System during the 2008-2009 school year had six course options (Decatur Public Schools, 2008): (a) Independent Living taught to juniors in the Family & Consumer Science department, (b) Business and Technology Concepts offered to all students in the Business Education department, (c) Consumer Education delivered in the Business Education department to juniors and seniors, (d) Economics taught in the Social Studies department to seniors, (e) Business, Marketing, & Management available to sophomores, juniors and seniors in the Business Education department, and (f) Co-op Occupations Education offered by the Business Education department to juniors and seniors. Moline High School is the only high school in the Moline School District. Moline High School (Moline Public Schools District, n.d.) offers two options for special education students and three options offered by the Business Education department. The Applied Economics/ Management and Consumer Basics courses are offered to juniors and seniors while Consumer Education is available for sophomores. Although not a complete study, the information from these two districts suggests business education is a popular subject area for meeting the state mandate, with family and consumer science being another location where certificated teachers are allowed to teach the content.

Passed into law in 2009, Indiana students are now required in middle school by eighth grade, and in high school by 12th grade, to receive instruction in financial literacy. In high school this requirement can be met by taking one of three state-approved courses or another course developed by the local system (Indiana Department of Education, 2009b). All three courses may be offered to students in their junior or senior year. Two courses, Adult Roles and Responsibilities and Personal and Family Finance are approved courses in the Family and Consumer Sciences department. A teacher must be licensed in family and consumer sciences to teach these courses (Indiana Department of Education, 2009a). These courses contain the mandated financial literacy requirements but also contain additional coursework and thus are integrated courses which the school may offer as a year-long course. A one-semester course, titled Personal Finance, can be offered in the Business Education department (Indiana Department of Education, 2009a). Teachers must be certified in either business or marketing education to teach this course (Indiana Department of Education, 2010). The standards for the course are based on the National Business Education Association, JumpStart Coalition, and Indiana State University Networks Financial Institute standards (Indiana Department of Education, 2009a). The Indiana State University Networks Financial Institute developed their standards using the Delphi technique and encouraged passing of a law mandating personal finance due to the fact that Indiana was outpacing the nation in foreclosures (Wilhelm & Chao, 2005).

The information available from JumpStart regarding mandates in Kansas reveal the state integrates financial literacy standards within the K-10 mathematics curriculum. The mandate for personal financial literacy integration was passed by Senate Bill 74 during the 2003 session (JumpStart Coalition, n.d.d). Teachers certified in mathematics teach the required content. The Kansas State Board of Education (2003) integrated financial literacy standards throughout the math curriculum. According to two state board of education meeting minutes in 2008, one conducted on May 13, 2008 (Kansas State Board of Education, 2008a) and another on September 9, 2008 (Kansas State Board of Education, 2008b), financial literacy standards were not being implemented as required. The state legislature presented a bill in the 2009-2010 session that would expand financial literacy education in the state and require personal finance questions in the state mathematics assessment. The bill also encouraged the state board of education to support mandating a separate course as a graduation requirement. The bill never made it past the Senate Education Committee due to budget constraints (Kansas Senate Education Committee, 2009). The state board of education voted not to recommend passage for the same reason (Kansas State Board of Education, 2009).

The State of Kentucky is the most recent state to mandate standards be included in the K-12 curriculum (Kentucky Department of Education, 2010). Standards are not tied to a specific course, thus teachers certified in a variety of disciplines are required to teach the financial literacy standards.

The state of Louisiana mandates standards within a course titled Free Enterprise. According to the standards, this course is really an economics course (Louisiana Department of Education, 2005). Certification in business education, distributive education, social studies, or marketing is required to teach the course (Teach Louisiana, n.d.).

New Hampshire also requires personal finance to be included in a required economics course (JumpsStart Coalition, n.d.e). Since the course is required for graduation, the teacher must be certified in social studies (L. Landenberger, personal communication, June 14, 2010).

New Jersey passed in 2009 new graduation requirements that require students who enter high school in 2010 to complete a one-semester course in economics and financial literacy. Teachers certified in business, math, social studies or family and consumer sciences will be eligible to teach the course (State of New Jersey Department of Education, n.d.).

New York integrates financial literacy into an economics course titled Economics, the Enterprise System, and Finance (New York State Education Department, 2010). This mandate began with students entering 9th grade in 1985. This particular economics course is offered to graduating seniors and is predominately taught by social studies teachers at the high school level since it is a graduation requirement in social studies. Schools do have the flexibility to allow a business education teacher who is qualified in economics to teach the course if necessary. No end-of-course testing is mandated, although the credit unions in the state are pushing for legislation requiring testing (J. Larson, personal communication, June 10, 2010).

Civics and economics is a required course for graduation in North Carolina (Public Schools of North Carolina, n.d.). To teach this course, a teacher must be certified in 9-12 social studies. Students are required to pass an end-of-course test to be eligible to graduate (J. Ricks, personal communication, June, 14, 2010). Several electives within the Career and Technical Education departments may be offered. An elective personal finance course may be taught by teachers who are certified in business and information technology education, family and consumer sciences education, or marketing education (J. Ricks, personal communication, June 14, 2010).

Ohio state law requires all students in the class of 2004 and later to have instruction in financial literacy. The content is included under the 11th grade economics standards but may be taught anywhere in the curriculum. Teachers who are certified in social studies, business education, and family and consumer sciences may teach financial literacy. If a school district chooses to include the instruction in courses outside of these departments, teachers must be certified in that area (Ohio Department of Education, 2009).

Beginning with students entering the 8th grade in 2008, Oklahoma students are required to receive instruction in fourteen areas of instruction related to financial management. The instruction may be taught in a complete personal finance course or may be integrated into the middle and high school curriculum (Oklahoma State Department of Education, 2009). The decision is up to the local school system.

South Carolina passed a law in 2005 mandating financial literacy standards be included in the state‘s economics course which is required for graduation (JumpStart Coalition, n.d.f).

Teachers must be certified in either economics or social studies to teach the course (South Carolina Department of Education, 2010).

Beginning with the class of 2010, South Dakota students will have to complete either an economics or personal finance course during their junior or senior year in order to graduate. This mandate is unique from other states in that it does not actually require instruction in financial literacy as students may take an economics course to fulfill this requirement. For schools offering the personal finance course, teachers certified in business education, family and consumer sciences, mathematics, and social studies with economics endorsement may teach the course (South Dakota Department of Education, 2006).

Economics is also required for graduation in Texas (Texas Education Agency, n.d.). A mandate requiring financial literacy to be included in the economics course went into effect beginning with the 2006-2007 school year. Beginning in 2010, only teachers certified in social studies may teach the course (Texas Education Agency, 2010). Previously, both social studies and business educators were allowed to teach economics (Texas Education Agency, 1998).

West Virginia state law passed in 2005 mandates personal finance standards be implemented into an existing course which the West Virginia State Board of Education placed into the course Civics for the 21st Century. This course is a graduation requirement and is a combination of civics, economics and government (JumpStart Coalition, n.d.g). According to the state's online certification system, a teacher must be certified in social studies or political science to teach the course.

Maryland does not currently have a mandate but did begin developing state-mandated standards in 2008. In 2009, the Financial Literacy Education Advisory Council and Financial Literacy Education Design Teams were created and by December 2009 had developed a set of content standards for financial literacy education (Maryland State Department of Education, 2010). The standards were designed for students to begin learning about financial management starting in 3rd grade as embedded content within existing courses. Flexibility exists for school districts to develop a separate course in the Social Studies, Economics, Business Education or Family and Consumer Science disciplines. These content standards are pending approval from the Maryland State Board of Education.

Effectiveness. The increased number of financial literacy programs designed to combat financial illiteracy has shown inconsistent results. Mandell (2008b) argued that students who completed a course in personal finance were no more financially literate than those who don‘t according to data collected in the 2008 JumpStart Coalition‘s biennial survey of high school seniors. Tennyson and Nguyen (2001) found that students who were mandated to take a course in personal finance were more financially literate than those who did not take a mandated course. The National Endowment for Financial Education found, however, that such a course does improve a student‘s financial literacy when compared with students who do not take a course in financial management (Danes, 2004).

Little empirical evidence exists to demonstrate what works regarding financial education. One potential indicator that holds promise is a student‘s participation in the Stock Market Game (Mandell, 2008a). Students who participate in the game have been shown to have higher financial literacy when measured on a test. These students do, however, wait longer on average to begin investing for the future (Mandell, 2008a), thus suggesting a cognitive disconnect. These students demonstrate an understanding when measured on a test but when followed fail to put into practice what they learned. One argument is that these students are rewarded in the game for making money quickly and learn to associate investing as a short-term activity that one can do later in life and still make money quickly from investments.

Credit Education

Historically, credit was understood to mean one who acquired goods or services without paying for them at the time of purchase but rather promised to make payment in the near future (Manning, 2000). The purchaser was known to the merchant. The relationship allowed the merchant to trust the purchaser, thus credibility was an important factor in granting credit privileges. A fine line existed between credit and debt. Debt was considered unpaid credit. Although generally shunned, credit was more accepted in society than was debt (Manning, 2000). Now the terms are often thought to mean the same thing. Mandell (2008b) reported that students often confuse the two concepts.

The characteristics of individuals leading up to the recession that started in 2007 reflect a rebounding of the cycle of debt. A review of statistics on how and why consumers go into debt to spend is essential in improving curriculum related to credit in a high school course on personal finance.

Prior to the recession of 2007, data from cardtrak.com shows the complexity of household problems. Despite up and down trends after the recession began, revolving debt levels in the U.S. increased over $200 billion in five years from $753.2 billion in February 2004 to $955.7 billion in February 2009 (Shuggart, 2009; McKinstry, 2004). Revolving debt was so high that many Americans were not able to make payments and became delinquent on credit cards and non-revolving debt such as car loans and home mortgages. Delinquency rates of 30 days past due or more reached record levels with 5.52% of outstanding dollars being delinquent in December, 2008 (Dewalt, 2009). Bankruptcy filings were 29% higher in February 2009 than the previous year when one and a half million people were expected to file bankruptcy. This increase in bankruptcy filings occurred (Spencer, 2009) despite changes in the law in 2005 that were designed to make it harder to file for bankruptcy. Bankruptcy filings among adults under the age of 25 were 51% higher in 1999 than in 1991 according to the Federal Reserve (Braunstein & Welch, 2002). Debt problems became the number one cause of students dropping out of college. Students became the largest growing population of people filing for bankruptcy according to bankruptcy Judge John Ninfo. The national savings rate averaged about zero for most of the 1990s, having dropped below zero percent in early 1999 (Manning, 2000; Wilcox, 2008), and stayed around zero for the next ten years before turning significantly higher beginning in the second half of 2008 (U. S. Bureau of Economic Analysis, 2008). Thirty percent of households eligible for employer defined contribution retirement plans such as 401(k) plans were not contributing (Braunstein & Welch, 2002). Recent data (Redman, 2010) shows bankruptcy filings increased 33% from December 2008 to December 2009 setting a new record. In fact, Redman reported that bankruptcies have increased every year since new bankruptcy legislation was passed in 2005. Credit card delinquencies have increased every year since 2007 (Shuggart, 2010). According to the Mortgage Bankers Association (2010), mortgage loans in foreclosure or in delinquency reached its highest level ever in the 4th quarter of 2009 at 15%.

The multi-generation teaching of hyper-consumption teaches us two things about the need for personal financial literacy training. One is that any instruction done with previous generations has largely been ineffective on a consistent basis as people have allowed themselves to get into bad situations throughout the various debt cycles (Manning, 2000). The second point is that today‘s generation is being shown a bad example of managing one‘s finances and needs to have some training to right the ship. Braunstein and Welch (2002) suggested that a healthy economy is dependent upon a financially literate citizenry. This has clearly not been the case when society rides the debt cycle up waiting for the eventual downfall.

Mandell (2008b) pointed out that behavior and knowledge regarding credit use are not always linked. Dr. Mandell has been responsible for administering the JumpStart Coalition‘s biennial survey of high school students. During this test, students are asked for demographic information. Several questions regarding credit have been asked on the survey. The most recent administration of the test in 2008 revealed two interesting facts regarding credit knowledge. Students were asked a question to determine their understanding of finance charges. Students who had a complete financial management course did worse than those who had a partial course in personal finance or economics (Mandell, 2008b). Additionally, students who had a credit card of their own, one provided by their parents, or both did worse on this question than students who did not have a credit card (Mandell, 2008b). Those who had their own credit card or a parent‘s card scored lower on a question about credit history than those who had no card. Students who had both a personal and parent‘s card actually scored higher on this question (Mandell, 2008b).

Credit use is often taught as a unit within a financial literacy course. Many concerns regarding financial education have been expressed in recent years. These problems are not limited to one area of financial literacy instruction, therefore, and are important to credit education. First among these is a lack of a common mechanism for evaluating the effectiveness of financial literacy education programs. The National Research Symposium on Financial Literacy and Education, conducted in Washington, DC, in October, 2008, identified this issue by stating current literature contains a gap regarding the lack of consistency in how programs are defined. Special emphasis was made on the inconsistency among goals and objectives across programs (U.S. Department of Treasury & U.S. Department of Agriculture, 2008).

How should we define credit education? This too is up for debate. Brown and Mundrake (2009) argued young people must be taught the wise use of credit since their rising expectations for personal wealth make them susceptible to overusing credit to buy what they are accustomed to having. Although teaching about the wise and unwise use of credit is admirable, Brown and Mundrake (2009) themselves point out the flaw with such general goals by writing how differing opinions regarding wise credit use exist. They argue one may think no debt is wise, others may see mortgage debt as acceptable and still others may believe a high credit card balance is okay.

These issues need to be addressed to make financial literacy and specifically credit education more effective. The first two objectives of this study, to define credit and determine appropriate content for teaching credit use will help to answer the question: What is credit education?

Curriculum

Bobbitt (1918) referred to curriculum as both the structured items taught in schools and the unstructured learning that occurred outside of school. According to Oliva (1997), curriculum was limited to areas within the school. Finch and Crunkilton (1993) blended these two perspectives to argue that the general and vocational coursework chosen by the student, coupled with extra-curricular activities, work together with experiences gained outside the school to create a unique curriculum for each student.

Finch and Crunkilton (1993) differentiated between curriculum and instruction. Curriculum was explained as the combination of courses and experiences a student experiences, while instruction focused on the delivery of those experiences. Thus, instruction implied an interaction between instructor and pupil. This distinction is important to understanding the difference between developing curriculum and developing instruction. According to Finch and

Crunkilton (1993), curriculum development was about what content should be taught while instructional development was about planning and developing the learning experiences within a course.

The process by which a program, curriculum or course is designed is called a curriculum or instructional design model. The use of standards fits within a standards-based educational design in which all students are guaranteed to have learned the knowledge or behavior if they have demonstrated mastery of the standards. Thus, student learning is guided by these standards, and student learning is compared to the standards.

Learning objectives are what the results are expected to be as a consequence of instruction (Soulsby, 2009). Objectives in essence define what students will know and be able to do in terms of abilities and attitudes at the conclusion of the course. Soulsby (2009) offers three recommendations when writing course objectives: (a) identify the terminal performance or behavior, (b) define the conditions the student will be evaluated under, and (c) specify the criteria by which successful completion is measured. Furthermore, Soulsby recommends writing objectives that are clear, measurable and can be measured accurately by more than one assessment method.

Ineffective curriculum must be addressed to determine if there is a need for clearer standards, better teacher instruction, or a better delivery system. Evaluating existing curriculum can be summarized into two general types: summative and formative. Summative evaluation is concerned with determining if the curriculum should be continued (Dick, Carey, & Carey, 2009; Scriven, 1967). Formative evaluation is done for the purpose of improving the curriculum (Dick et al., 2009; Scriven, 1967). Once the decision is made to develop or improve curriculum, several techniques are available to determine the content and delivery methods that should be included. Among those that have been used in Vocational and Career and Technical Education are the KJ Method (Wilhelm & Chao, 2005), Task Analysis, and Delphi technique (Wicklein, 1993; Wicklein, Smith, & Kim, 2009.

Formative evaluation is designed to facilitate such revision. Formative evaluation traces back to the mid-19th century and is known by several other names including *programmed instruction*, *development testing* and *empirical tryout testing* (Markle, 1989). Scriven (1967) was the first to use the term formative evaluation. One of the first major formative evaluation ideas to take hold was originally known as *learner verification*; however, *learner verification and revision* or LVR become the final name (Educational Products Information Exchange Institute, 1975). Learner verification and revision is a process whereby instructional materials are continuously tested for effectiveness. Revisions are made as necessary and the instructional material is retested. This process continues until the instructional material is considered effective. The evaluation of instructional materials uses different techniques and process than for content (Finch & Crunkilton, 1993). Although the LVR process applies to instructional materials and thus is not directly applicable to content and distantly connected to delivery, the argument by Komoski (1980) that materials can affect curriculum is important. Komoski (1980) and Perna and Davis (2007) argued that many classroom teachers allow the instructional materials for the class, such as a textbook, to become the curriculum by virtue of using only the content of the materials. According to Perna and Davis, this may lead to inconsistencies in learning, accountability and student support. This is important to note in the context of curriculum design and revision so that instructional designers can identify during the process those materials that closely align with the learning objectives and preferably identify materials and products that have gone through a revision process to keep them updated.

Instructional Design Models

Four instructional design models might be useful in this study on credit education. They are the DACUM process, ADDIE model, Dick, Carey, and Carey model, and Kemp model. Each of the design models follows a systems approach. A systems design model is one in which all parts of the model are related or interconnected (Dick et. al., 2009).

The DACUM process stands for ‗developing a curriculum' (Norton, 1997). Norton explains the process whereby a group of 5-12 occupational experts perform an analysis of a specific task or job. The experts are used as they are considered the best source of knowledge on how to conduct a given task and the necessary skills needed. The DACUM process is a widely used tool in the vocational and occupational education fields as well as in business. When used in a business setting, the DACUM process is highly effective at getting employees to buy in since colleagues were responsible for creating the results. According to Norton, the process involves the use of a facilitator who guides the experts through a discussion of the task for two days. By the end of the second day, the panel will have created a DACUM research chart. The benefit of this type of curriculum is it focuses on a specific job or task, relies on the experts in that area, and can be done quickly and cost efficiently (Norton, 1997). Norton argues the DACUM process is good for determining what should be taught and that the process may be used for the development of content for a new course or for revising existing courses.

On the surface this model appears to fulfill two of the purposes of this study on credit education. Two criteria, however, eliminate this model for use in this study. First, the method is good for determining the content that should be taught regarding job or occupational tasks. Much of the content included in a financial literacy course and in particular credit education are more knowledge oriented as opposed to task oriented. Thus it is more appropriate for use in secondary education for areas such as vocational and technical education. Second, according to Norton, the DACUM process is not itself a fully contained instructional development model. Although DACUM is an acronym for ‗Developing a Curriculum,' it really relates to the analysis phase of a five-phase model titled the Systematic Curriculum and Instructional Development process (Norton, 1997). Thus the DACUM process is separate from the design or delivery phase. Even the Systematic Curriculum and Instructional Development process is inappropriate as it relies on the DACUM process for determining content.

The Systematic Curriculum and Instructional Development (SCID) model as mentioned above contains five phases. These phases are borrowed from another common instructional design model called the ADDIE model. This general instructional design model is the basis for most of the modern instructional design models such as the SCID model. Interestingly, nobody actually is credited with creating the ADDIE model (Molenda, 2003b; Morrison, et al., 2011) but rather it has developed over time and become widely accepted. ADDIE is an acronym whereby each letter refers to a phase of the model. The phases are: (a) analysis (see DACUM above), (b) design, (c) development, (d) implementation, and (e) evaluation. This sequential model can be repeated after the final summative evaluation phase so that revision takes place. Since no original design has been located, anyone using this model is actually creating a new model (Molenda, 2003b). Various diagrams have been developed to demonstrate the ADDIE process. Some show the process as being linear with a progression from one step to the next, others show a circular flow from step to step and yet others show ADDIE in a radial diagram format. According to Molenda (2003a), the process is designed so that formative evaluation can be conducted at the conclusion of each phase, although not everyone agrees with this approach.

Since no specificity is designed into the model, it is wise to consider other models of instructional design, even those that might be built on the ADDIE model.

The Dick and Carey Instructional Design Model, developed by Dick, Carey, and Carey (2009) is an instructional systems design approach which is scalable to the unit level. This model follows the ADDIE principle of instructional development. The process contains 10 phases. Each of the phases are: (a) identify instructional goals, (b) conduct instructional analysis, (c) analyze learners and context, (d) write performance objectives, (e) develop assessment instruments, (f) develop instructional strategy, (g) develop and select instructional materials, (h) design and conduct formative evaluation, (i) revise instruction, and (j) design and conduct summative evaluation. Dick et al. have broken the stages of the ADDIE model into more specific steps. This model is popular among instructional technologists who prefer a constructivist approach to learning. As can be noted, the formative evaluation approach designed to improve the instruction is conducted toward the end of the initial process. Information from the evaluation is used anywhere in the model where modification is needed. One modification to this model increases the amount of formative evaluation that occurs and allows for a more timely revision of the instruction. Braden‘s (1992) evaluation model extends the Dick and Carey Instructional Design Model by adding formative evaluation to each phase.

The comprehensive instructional design plan or Kemp model by Morrison, Ross, Kemp, and Kalman (2011) is very similar to the Dick et al. (2009) model. The model was originally developed by Kemp and modified over the years. Some researchers refer to this model as the Morrison, Ross, and Kemp or MRK model. Here the term Kemp model will be used. The Kemp model does have some additional features that make it preferable over the Dick and Carey Instructional Design Model. First, the steps are not structured in a rigid, linear fashion in which one must finish the current step before moving to the next. Rather, the Kemp model treats all steps as individual elements within the framework so that one can return to any element when needed. The order in which the elements are completed can be modified. This provides flexibility to adapt the model to any instructional problem. It is important to note that all the elements work together to form a complete system even though they are not structured in the typical rigid format associated with instruction design. The model is drawn with each of the nine elements forming a circular pattern but without arrows attaching them. Those nine elements (see Figure 1.1) are: (a) identifying instructional problems, (b) analyzing the learner, (c) task analysis for needed instruction, (d) developing instructional objectives, (e) putting the content in order of instruction, (f) developing instructional strategies, (g) designing the message, (h) developing the instruction, and (i) creating the assessment instruments (Morrison et al., 2011).

If an instructional developer were to follow the process in order, they would follow a slightly different path than those using the Dick et al. model. Primarily, the delivery methods are conducted prior to the evaluation instrument in the Kemp model. The Dick and Carey Instructional Design Model presents these steps in an opposite order. Additionally, the delivery phase is detailed more explicitly in the Kemp model. Whereas the Dick et al. model has two steps dedicated to developing instructional strategies and materials, the Kemp model breaks this into four elements. One of these four is dedicated to determining content. Next, the Kemp model differs in that all nine elements are encompassed within a formative evaluation process. In this model, an instructional designer may conduct formative evaluation at any phase of the process which is similar to how Braden (1992) recommends modifying the Dick and Carey Instructional Design Model. The ability to work on any element as necessary, the separate content develop element, a more delineated delivery develop process and the ongoing formative evaluation make the Kemp model preferable to the Dick and Carey Instructional Design Model.

As noted above, the elements do not necessarily have to be completed in the exact order presented by Morrison et al. (2011); however, the elements will be presented here in the same order as Morrison et al. Initially, the instructional designer will conduct a needs assessment to determine if instruction can improve a given situation. In this study, the problem is the low levels of financial knowledge demonstrated by students. Research is inconsistent on whether improved instruction will solve the problem. The beauty of using the Kemp model is a designer does not have to wait for this problem to be answered satisfactorily before looking at potential solutions over the next few phases.

The three steps that follow identifying and analyzing the problem work together to develop the instructional objectives (Morrison et al., 2011). The designer must next analyze the students to better understand who is not performing well and what characteristics they possess. Once the students have been analyzed, the developer can identify the content that learners need to know. Here is where using the Delphi technique as the method in this study can be helpful. Identifying content can be done outside of the other steps, particularly in the revision phase. It is important to note that throughout the whole process, formative evaluation should be conducted to ensure a better design. Again, the Delphi technique is beneficial here as a formative evaluation tool. Taking the results of this study on credit education and introducing them during the initial design phase or during revision makes the Kemp model appropriate. Here the Delphi panel can improve curriculum by focusing not only on what should be taught now but also what might need to be included regarding the future. The ability of the Delphi panel to project into the future is another benefit of using the technique in this study. Next the developer must write the learner objectives to have a guide for how to develop both the instructional strategies and assessments. Morrison et al. (2011) point out that designers who use this model may create objectives that require higher order thinking skills according to Bloom‘s Taxonomy. Traditional opinions of instructional design models are they only allow for instruction at lower levels. Morrison et al. challenge this notion by writing, ―In contrast, instructional design models based on cognitive strategies can provide a means to facilitate the development of higher-level learning involving analysis, synthesis, and problem solving" (p. 22).

Now that the objectives have been developed, the process of developing the instructional delivery begins. The first of the four phases begins with placing the desired content into the appropriate order that it will be delivered. Morrison et al. (2011) point out that developers should not simply organize the content in the order in which it was decided. Rather, instructional designers need to take care to sequence the content in a way that makes instruction both efficient and effective. According to Morrison et al., a common criticism of an instructional design system is that the model does not allow teachers to be creative. Morrison et al. encourage creativity in the design of instructional strategies. During this phase, instructors should develop instructional strategies that engage students and encourage them to integrate what they learn with ideas they already have. Thus, this approach follows a cognitive perspective of learning. This step is concerned with the major idea of how to present the information on a macro-perspective. Breaking the strategy into more detail so that the instructor has a model for how to present the message is the next element. This includes the words, graphics, pictures, and even font and typeface to be used.

With the objectives written, content sequenced, and strategies developed on both a macro and micro level, the development of the instruction can take place. This involves pulling together all the items mentioned above along with deciding on the materials to be used. Again, it is important to note that ongoing formative evaluation and necessary revision should take place throughout the development phase.

The last step prior to implementation is creating the evaluation instrument. Here the assessment does not have to be a test but may be another assessment tool such as a project, portfolio, video, etc. Morrison et al. (2011) argue that this approach to designing instruction transcends the behaviorist approach typically associated with instructional design models. If instructional objectives were created that required higher-level learning, proper assessment to evaluate that level of learning must be included in this phase.

One should notice that implementation is not one of the nine steps presented above. The explanation is that implementation within the Kemp model encompasses these nine steps as well as formative evaluation. Implementation may be conducted while conducting any of the tasks. In fact, implementation can be thought of as being continuously ongoing. That feature makes it useable for the conceptual framework for this study as many financial literacy programs are currently in use.

What should be taught is only half the story. How students will learn is just as important. Since summative evaluation of current financial literacy efforts fails to identify whether content or delivery needs to be improved, identifying appropriate delivery methods would seem appropriate. Delivery of instruction falls under the topic of instructional design. The conceptual framework for this study uses an instructional design model as the basis. The Kemp instructional design model by Morrison et al. (2011) is flexible enough to include the creation of content, standards, and objectives within the model. It is important to remember that the objectives of this study are not to create curriculum. The Kemp model contains processes for determining both content and delivery for those wishing to create curriculum. It also contains a formative evaluation phase to be conducted throughout the design process that allows for revision of instruction. Conducting formative evaluation during each phase and at the end of the process assures an iterative process both within the design of each phase, at the conclusion of the design process, and during and after instruction has been delivered. The recommendations made by the panel of experts in this study can be used during any of these phases: whether during the initial design or after instruction has been delivered and summative evaluation has been conducted. Using an expert consensus method such as the Delphi technique is an appropriate tool for conducting formative evaluation in addition to its‘ use during the initial design of instruction.

Financial Curriculum

Financial literacy is a term that is widely used but no consensus has been reached to determine how the term relates to both individuals and programs that instruct individuals in financial management. The President‘s Advisory Council on Financial Literacy published a list of 15 recommendations in their 2008 annual report. Among them is a recommendation to adopt a standard definition of financial literacy and financial education. To back their recommendation, the Council argued that many programs that label themselves a financial literacy program focus on single aspects of financial literacy thus are not comprehensive enough, while other programs that also label themselves a financial literacy program include all recommended national standards (U.S. Department of Treasury, 2008).

Despite the large numbers of curriculum created to address the problem of financial literacy in secondary schools (Vitt et al., 2000), high school students continue to struggle with financial literacy. The JumpStart Coalition is a national organization chartered for the purpose of advancing personal finance education in K-12 schools. Among their duties is a biennial survey of high school seniors. The survey began in 1997, and the results reveal that students on average failed in their understanding of personal finance (Mandell, 1998). Even though subsequent student scores did increase from survey to survey, the scores remained at failing levels. This trend of increasing scores reversed with the 2008 survey which showed a significant drop to an average score of 48.3% down from 52.4% just two years earlier (Mandell, 2008b).

A wide variety of programs have been created to address this problem. According to a study by the Institute for Socio-Financial Studies conducted for the Fannie Mae Foundation (Vitt et al., 2000), of the 90 personal finance education programs they identified, two-thirds were created during the 1990s. Of those approximately 60 programs, almost 50 were started at the end of that decade or in the year 2000. The programs were created by a variety of organizations including banks, credit unions, non-profit organizations, states and Federal entities including the Federal Reserve.

One would think that the increase in the number of financial literacy programs would have helped, but the limited empirical research on efficacy of these programs has been mixed (Martin, 2007). Lewis Mandell (2006), the researcher who administers the JumpStart survey found students who take a course in financial management do no better on the test than students who have not completed a course. The amount of research has not kept pace with the increase in programs. More empirical research is needed to determine if any of the programs that have been developed are statistically better. Braunstein and Welch (2002) and the President‘s Advisory Council on Financial Literacy (U.S. Department of Treasury, 2008) report that determining how successful a program has been is difficult as there is no way to calculate the success rate of many programs. According to these reports, success depends on how a program defines financial literacy. The other problem is how success should be measured. Should we base it on test scores or on long-term changes in behavior?

The Financial Literacy and Education Commission (Schuchardt et al., 2009) issued their list of top ten research priorities in October 2008. On that list was the following: —What are the core principles of personal finance that every consumer needs to know, and what evidence exists that current standards are effective in helping people reach their financial goals" (Schuchardt, et al., 2009, p. 90)? In addition they write that —there is a lack of consistency in what the financial goals and objectives should be for program participants? What are financial education providers trying to accomplish with these programs? What are researchers ultimately trying to measure? At the end of the day, what financial information and problem-solving skills do consumers need to know? Therefore, a missing element in the research is an agreed upon set of key personal finance principles that can be applied across situations and subtopic areas (U.S. Department of Treasury & U.S. Department of Agriculture, 2008, p. 11).

Another inconsistency in financial education is the method of delivery. At what point should instruction occur, what method(s) should be used, and should it differ based on variables such as socio-economic status or culture. Again, the 2008 National Research Symposium on Financial Literacy and Education addressed this deficiency when writing how research into the effectiveness of delivery methods and timing of such delivery should be conducted in order to understand what works.

CHAPTER 3

METHOD

This chapter begins with a review of the problem being studied. The procedures followed in this study including the research method, participants, instrumentation, data analysis, and timeline are also examined.

Purpose Statement and Research Objectives

The purpose of this Delphi study was to ask a panel of experts to define credit, create a list of necessary content items, and appropriate instructional delivery methods for teaching a unit on credit within a high school personal finance course. The Delphi method is an acceptable research method when consensus is needed on a complex problem (Linstone & Turoff, 2002). An expected outcome of this study was to provide instructional designers a list of recommendations that should be included when designing a unit on credit in a high school financial literacy course. This study was guided by the following objectives:

1. To describe how the topic of credit should be defined within high school curriculum.
2. To identify the appropriate concepts related to the topic of credit that should be included in a high school unit on financial literacy.
3. To describe the appropriate delivery methods for teaching credit.

Research Design

Determining the content and delivery methods that should be included in a high school personal finance course regarding appropriate use of credit is a problem for which any individual‘s opinion is insufficient. Therefore, this study sought the consensus of individuals across various disciplines and a wide geographical area. According to Linstone and Turoff (2002), the Delphi method is ideal to address situations like this since the problem is not one in which traditional analytical techniques are sufficient but rather a problem that can benefit from a collective opinion. Furthermore, Linstone and Turoff argue the group of experts needed to solve the problem may bring differing opinions and perspectives to the problem when conducted with individuals who may have no prior communication on the subject.

The Delphi technique was developed in the 1950s by researchers at the RAND Corporation. The technique is named after the holy city of Delphi located on Mount Parnassos in central Greece. In Greek mythology, the Oracle of Delphi dispensed wisdom and prophetic opinions. In their original Delphi study, Dalkey and Helmer (1962) replaced the Oracle of Delphi with a panel of experts from which they hoped would arrive at a reliable consensus to a given problem. The research problem, commissioned by the U.S. Air Force, was to determine likely U.S. industrial targets and the number of A bombs the Russians would need to diminish U.S. output by a given percentage (Dalkey & Helmer, 1962).

Linstone and Turoff (2002) argued that the Delphi technique has a variety of applications including curriculum development. For problems that do not have a single solution, the Delphi method aids in overcoming the dilemma by recognizing a group of experts‘ opinions as an acceptable solution (Mitchell, 1991). Since the intent of this study was to recommend curriculum content and delivery methods for teaching credit in a high school financial literacy course, this method is appropriate. Research has also been conducted to improve high school curriculum (Flanders, 1988; McCurry, 1996; Wicklein, Smith, & Kim, 2009) and influence educational direction (Lambrecht, 2007) using the Delphi technique.

Linstone and Turoff (2002) provided additional reasons why the Delphi method is appropriate including,

> (a) more individuals are needed than can effectively interact in a face-to-face exchange,
>
> (b) time and cost make frequent meeting unfeasible,
>
> (c) the efficiency of face-to-face meetings can be increased by a supplemental group process,
>
> (d) disagreements among individuals are so severe or politically unpalatable that the communication process must be referred and/or anonymity assured, and
>
> (e) the heterogeneity of the participants must be preserved to assure validity of the results, i.e., avoidance of domination by quantity or by strength of personality (*"bandwagon effect"*). (p. 4)

Another advantage of the Delphi technique, according to Uhl (1983), is that it provides a mechanism to limit a dominant but less knowledgeable participant from influencing the opinion of other participants. Other advantages include allowing participants to answer according to their own opinion rather than that of the general public and eliminating the pressure to conform to the group (Cetron, 1969). The technique also forces respondents to defend their extreme responses allowing those with strong opinions to argue their position to the remaining panel members (Helmer, 1967).

The Delphi technique is a systematic way to allow a panel of experts to come to a consensus on a topic in an efficient manner. The method involves identifying a panel of experts and eliciting their opinions through an iterative process called rounds until a group consensus is achieved based on predetermined criteria (Fink, Kosecoff, Chassin, & Brook, 1991; Ludlow, 2002).

Participants

One criticism of the Delphi technique is the method used to determine who is or is not an expert (Helmer, 1967; Mitchell, 1991; Sackman, 1974). Mitchell pointed out that no research has adequately addressed the issue of participant selection. Fink, Kosecoff, Chassin, and Brook (1991) recommended qualifying experts who were either leaders in their profession, have the ability to put the findings into practice or are very unlikely to be challenged as an expert. Scheele (2002) recommended including stakeholders when possible.

Care must be taken when selecting participants in order to avoid selection bias. Hill and Fowles (1975) and Van Zolingen and Klaassen (2003) reported that most researchers choose participants who are (a) easily available, (b) known to them, or (c) who meet a minimal criteria such as membership in a professional association. Using these criteria may result in selection bias with results that are far different from what would be expected of all experts in the problem being studied. The popular snowball sampling method of using research participants to identify other potential participants is discouraged by Sackman (1974) as it can lead to results that are skewed by those with similar opinions.

Mitchell (1991), however, disputed many of these selection bias concerns by pointing out ways to overcome the difficulties of selecting a panel. Using a recent study as an example, Mitchell wrote that using corroborating sources is useful including (a) listing prominent figures found in literature, (b) requiring involvement in the industry being studied, and (c) using the snowball sampling technique. Mitchell preferred that some form of random sampling be used to avoid the introduction of sampling error. To do this would require identifying all experts from which a random sample could be used. Wicklein (1993) refuted the need for random assignment as the Delphi method gains its power from the consensus of experts who are highly informed.

For a Delphi study to be successful, a group of knowledgeable individuals must be used (Skulmoski, Hartman, & Krahn, 2007). Participants in this study are knowledgeable professionals who have expertise in either credit use or financial education. The area being explored is credit education in high schools. Within this setting, the study aimed to define credit, identify concepts that should be taught, and describe an appropriate delivery method for instruction. Choosing participants who can provide appropriate feedback in these areas was extremely important.

To aid in choosing participants, criteria was established. The first criteria was that a heterogeneous group would be assembled from a variety of professions, thus providing a diverse set of opinions. Helmer (1967) argued that using heterogeneous groups of experts enhances the participant‘s performance by placing them in a situation where they have to interact with experts who are working on a problem that is either identical or similar and who comes from the same or closely related field. Powell (2003) argued that heterogeneous groups consisting of individuals having different views, opinions, and personalities can generate substantially better solutions to a problem than homogeneous groups.

The groups from which experts were drawn included credit counselors, researchers who are experts about credit use, those associated with bankruptcy courts, and high school teachers. Teachers were chosen from those subject areas identified in the research as likely to teach financial literacy. Those disciplines were business education, family and consumer sciences, marketing education, mathematics, and economics/social studies.

The National Foundation for Credit Counseling (NFCC), founded in 1951, is an organization that provides free credit counseling to consumers through a network of 100 member agencies across the country (National Foundation for Credit Counseling, n.d.). The NFCC provides a variety of counseling and educational services. The organization provides counseling services in the areas of debt management, mortgages and bankruptcy. The NFCC's members provide financial management education in the areas of budgeting, homeownership, bankruptcy, budgeting and debt reduction plans. This study sought the help of the NFCC to identify experts within the credit counseling industry to participate in the study. Gail Cunningham, Vice President of Public Relations at the NFCC national office in Maryland was contacted and asked to identify potential panel members based on the following criteria: (a) must be a certified counselor whose certification is from an independent third party, (b) must have a minimum of five years of counseling experience, and (c) must have served in a leadership position within the industry at some point during their career. In addition to these criteria, the NFCC was encouraged to identify experts from various geographic regions. Ms. Cunningham nominated thirteen participants who met the requirements to participate. Each expert who was recommended was sent an email (see Appendix A) inviting them to serve on the panel. An additional follow-up email invitation (see Appendix B) was sent to those not responding to the initial email. Eight of the thirteen professionals contacted agreed to participate in the study.

Five professional teacher organizations were contacted to recommend high school teachers whose experiences included teaching financial literacy for a minimum of five years in either an integrated or stand-alone course and participating in the development of financial literacy curriculum. Each person recommended was invited via email invitation (see Appendix A) to serve on the panel. A follow-up invitation was sent to those who failed to respond to the first invitation (see Appendix B). The goal was to have at least one expert from each of the five teaching disciplines agree to serve on the panel.

The National Business Education Association (NBEA) is a professional organization that serves those who teach, lead or research issues regarding business education throughout the country (National Business Education Association, n.d.). Ms. Madge Gregg, President of NBEA, was contacted and asked to provide nominations. Ms. Gregg recommended five people to serve on the panel. One business educator agreed to serve.

The American Association of Family and Consumer Sciences (AAFCS) is a professional organization that provides guidance to family and consumer science professionals (American Association of Family and Consumer Sciences, n.d.). Ms. Gay McGinnis, Director of Credentialing, Professional Development and Public Policy at AAFCS was contacted to provide nominations of family and consumer sciences teachers. Ms. McGinnis recommended four teachers who meet the criteria. Three teachers accepted the invitation to participate in the study.

The Marketing and Business Administration Research and Curriculum Center (MBA Research) is an organization that develops instructional programs and curriculum in the areas of business and marketing (Marketing & Business Administration Research and Curriculum Center, 2011). One purpose of MBA Research is to advance instruction in the area of marketing by promoting marketing education and improving instruction through professional development. Dr. James Gleason, President and CEO of MBA Research, was contacted to provide nominations of marketing teachers. Dr. Gleason nominated two teachers. Those individuals were contacted via email (see Appendices A and B) and both agreed to participate.

The organization responsible for improving the quality of instruction and providing research and professional development in the area of mathematics is the National Council of Teachers of Mathematics (NCTM) (National Council of Teachers of Mathematics, n.d.). Mr. Al Goetz, member of the editorial panel for the NCTM journal *Mathematics Teacher*, provided the name of one high school mathematics teacher who met the criteria. That individual agreed to participate upon receiving an email invitation (see Appendix A).

The organization with the same mission in the area of economics education is the Council for Economic Education (CEE) (Council for Economic Education, 2011). Kevin Smith, manager of CEE's Global Association of Teachers of Economics (GATE) nominated four high school teachers of economics or social studies to participate. After the invitation emails were sent, three agreed to participate.

Dr. Robert D. Manning is the founder and CEO of Responsible Debt Relief and former director of the Center for Consumer Financial Services at the Rochester Institute of Technology in Rochester, NY. Dr. Manning is a leading expert in consumer finance and financial education. Dr. Manning is also an expert on college student credit card use, having written and spoken on the subject including presentations to Congress. Dr. Manning was contacted to provide recommendations of professors who are experts in credit use as evidenced by having written a minimum of three articles about credit use and/or abuse and researched the subject of credit extensively. Five experts were nominated by Dr. Manning and three agreed to participate.

Additional college professor nominations were sought from Dr. Lance Palmer, Assistant Professor in the Housing and Consumer Economics program at the University of Georgia's College of Family and Consumer Sciences. Dr. Palmer has written several articles and participated in a research symposium on financial literacy. Dr. Palmer nominated three additional college professors. Two of them agreed to participate with the third stating she did not meet the criteria. The third nominee did recommend three additional college professors. Those three were also invited to participate via email and two agreed to participate. Although one nominee did provide additional recommendations, the use of the snowball sampling technique in this instance did not violate the argument against using this technique since the nominating expert did not participate in the study due to failure to meet the necessary criteria.

The Credit Abuse Resistance Education (CARE) program was started by Bankruptcy Judge John Ninfo in reaction to the growing number of college students who were filing for bankruptcy in his court. The program sends bankruptcy judges, lawyers and trustees to schools to speak on responsible credit management. The program also provides resources to educators to aid them in teaching responsible credit use. Judge Ninfo was asked to nominate bankruptcy experts for inclusion on the panel. To be considered, an individual needed a minimum of five years experience as a bankruptcy judge, lawyer or trustee and must have worked with CARE as a speaker for a minimum of three years. Nine individuals were recommended to participate. Each was sent an email invitation (see Appendices A and B) and eight agreed to participate.

A Delphi study does not require a large number of participants to be effective. The number for a study involving a heterogeneous sample requires a higher number of participants compared with a homogeneous sample (Skulmoski et al., 2007). Van Zolingen and Klaassen (2003) recommend, however, that a Delphi study have no less than 8-10 participants. Okoli and Pawlowski (2004) recommend a panel of 10-18 experts as the group size does not depend on statistical power since it does not attempt to represent a given population. Okoli and Pawlowski did not differentiate between methods using homogeneous and heterogeneous methods in making their recommendation. For this study, the target number of participants was 20 experts spread among the categories mentioned above. A total of 49 participants were nominated and 33 agreed to participate. Table 3.1 provides a summary of participants who were nominated and accepted the invitation to participate grouped by profession.

Table 3.1

Panel Invitation and Acceptance Summary by Expert Group

Expert Group	Number Invited	Number Accepted
College Professors	11	7
Credit Counselors	13	8
Bankruptcy Court Members	9	8
Business Ed. Teachers	5	1
FACS Teachers	4	3
Marketing Teachers	2	2
Math Teachers	1	1
Social Studies / Economics Teachers	4	3
Total	49	33

Instrumentation

The Delphi technique is designed to elicit consensus from a panel of experts on a given topic (Dalkey & Helmer, 1962). The process of acquiring group opinion involves several iterations of one or more survey instruments. In a traditional Delphi, respondents are surveyed in round one and asked to contribute items for inclusion in a follow-up instrument as opposed to a modified Delphi method that uses a single survey developed without consent of the respondents.

Survey Length

Determining the number of questions to ask per round is important. Johnson (1976) recommended a questionnaire with no more than 25 questions. Anything above this discourages the experts from commenting on their responses. In addition, Estes and Kuespert (1976) argued if more than 20 questions are used the researcher risks having the expert fail to return the questionnaire. Rather than counting questions, Mitchell (1991) recommended keeping the time required to complete the survey at 30 minutes or less per round. This time limit includes time necessary to read comments from previous rounds, rate items, and make comments. This study sought to keep the questionnaires detailed enough to include each expert‘s ideas while attempting to adhere to the 30-minute rule. The nature of the Delphi method chosen for this study reduced the number of questions per round, therefore, reducing the time required to complete the Round 3 and 4 surveys.

Round 1

The first-round instrument used open-ended questions which allowed the experts to respond in their own words. Experts were not given a topic with a blank slate but were guided through questions that pertain to the objectives of the study. The questions were, however, very broad and allowed flexibility for each expert to respond with an opinion (Hill & Fowles, 1975; Linstone and Turoff, 2002; Ludlow, 2002; Skulmoski, et al. 2007; Van Zolingen & Klaassen, 2003).

One question was sufficient for each of the first and third objectives. Those objectives were to describe how the topic of credit should be defined within the high school curriculum and to describe the appropriate delivery methods for teaching credit.

The remaining objective, to identify the appropriate concepts related to the topic of credit that should be included in a high school unit on financial literacy, required multiple open-ended questions. The survey questions for this objective were created based on information found in the literature. Concerned with the attitude most consumers had towards debt, Brown and Mundrake (2009) offered suggestions regarding information students should know in order to make informed decisions regarding credit use. Several content ideas presented by Brown and Mundrake included teaching (a) what information is needed prior to purchasing on credit, (b) types of credit, (c) advantages and disadvantages of using credit, (d) rights and responsibilities of credit users, (e) understanding how principal amount, interest rate, and length of time affect the amount of interest paid (f) credit history and credit reports, (g) identify theft, (h) misuse of credit, (i) avoiding usurious lenders, and (j) the use of credit for emergencies. Additional items for consideration included determining if different curriculum content should be developed for the economically disadvantaged including those from low income families (Garasky, Nielsen, & Fletcher, 2008), and for Hispanics (Watchravesringkan, 2008), African-Americans (Bowen, 2008), and Asian Americans (Yao, 2008). Wilhelm and Chao (2005) conducted a study similar to the one conducted here. Their study evaluated current curricular standards and developed additional standards for personal finance in Indiana. The Wilhelm and Chao study was different from this study in several ways. Wilhelm and Chao were concerned with creating content specifically for the state of Indiana; therefore, all participants were from various organizations within the state of Indiana. This made face-to-face meetings possible in the initial phases. Because of the close geographic proximity of participants, Wilhelm and Chao were able to use a combination of methods including the KJ and the Delphi methods. Wilhelm and Chao were also concerned with creating or evaluating content regarding all phases of financial education. Despite the differences, their findings in the area of credit were incorporated into the first-round survey for this study. Wilhelm and Chao‘s findings suggested additional questions related to (a) the five C‘s of credit, (b) the relationship between risk and interest, (c) explaining a mortgage, and (d) completing loan applications.

The purpose of the first round was to allow experts to develop the questions that were included on the second instrument (Ludlow, 2002). This approach was consistent with the original Delphi study and was relied upon since expert opinion was available (Hill & Fowles, 1975). Using structured surveys in the initial round should be avoided in favor of allowing experts to generate initial event statements (Hill & Fowles, 1975; Ludlow, 2002). Allowing experts to participate in developing the final survey helps to increase the initial level of consensus before subsequent rounds are administered (Hill & Fowles, 1975). According to

Mitchell (1991), using the researcher to create questions to be answered by the experts in each round should be avoided. Skulmoski, et al. (2007) suggested that more data will be available with an open-ended first round. This method also encourages participants to be more involved in subsequent rounds if they see their ideas included in the second round (Van Zolingen & Klaassen, 2003). Linstone and Turoff (2002) argued not allowing the panelists' contributions to be included in the opening round by using a modified Delphi approach can make a Delphi study difficult.

The first round survey was tested by a separate panel of six business educators prior to distribution to the panel of experts. Two were full-time staff members at Blessed Trinity Catholic High School in Roswell, GA. The other four were fellow doctoral students at the University of Georgia. Three of these were also full-time certified teachers in the State of Georgia and the fourth was the Program Specialist for Career, Technical & Agricultural Education at the Georgia Department of Education. These reviewers were selected based on their relationship with the researcher. The review panel checked the survey directions, flow, and questions for clarity. Five recommendations were received and incorporated into the final version of the round one survey.

First-round instructions were emailed on January 3, 2011, to participants who volunteered to serve on the panel (see Appendix C). Those experts completed the survey online using the Survey Monkey™ (www.surveymonkey.com) website. Survey Monkey™ is an online survey administration site that provides researchers with the opportunity to develop and administer a variety of different surveys electronically over the internet. Each participant was provided with a unique link via email that allowed access to the secure survey. The use of a unique link made it possible to track the responses of each individual. The system recorded the responses in real-time and stored the data electronically. The timeframe for the panel to respond to this and subsequent rounds was two weeks (Hsu & Sandford, 2007). Experts who failed to complete a particular round during this timeframe were sent follow-up reminders via email. A follow-up request to Round 1 non-participants was emailed on January 14th. Round 1 responses were copied into a Microsoft© Word document in preparation for developing the Round 2 survey.

Round 2

Round 1 responses (see Appendix D) were organized by the researcher by first splitting multifaceted answers into two or more items whereby experts could rate each separately during subsequent rounds. The resulting list was used to write survey statements from which quantitative data could be recorded. In developing the survey, duplicate items were removed and similar items were rewritten to contain the essence of each item. Responses that were better suited for another question were moved as needed. No unique response from the initial round was discarded. Each statement was structured to allow the experts to provide a level of agreement on a 6-point Likert-type scale. The agreement levels and ordinal scores were: 1=Strongly disagree, 2=Disagree, 3=Somewhat disagree, 4=Somewhat agree, 5=Agree, and 6=Strongly agree. An initial Round 2 survey was created for review by an outside advisory panel (see Appendix E).

The use of an outside group in the creation of the formal questionnaire is encouraged (Rowe & Wright, 1999). Meyer and Booker (1990) recommended using a group called an ―advisory expert panel" (p. 59). Turoff (1970) recommended having a ―design and monitor team" (p. 150), made up of two or more people, to oversee both the first round survey and the development of the follow-up questionnaire (Linstone & Turoff, 2002). When possible, the actual quantity of members on the team should be one team member for every four experts. Wicklein, Smith, and Kim (2009), however, used a two-member panel to review the first-round responses and categorize them into items for inclusion in the follow-up instrument. A separate advisory group of two experts was asked to review the second round questionnaire for accuracy and clarity before distribution to the panel. Dr. Tena Crews, Professor of Business Education at the University of South Carolina, Columbia, SC and Dr. Melinda McCannon, Vice President of Academic Affairs at Georgia Northwestern Technical College served on the advisory panel. Both have used the Delphi method on several occasions. Their role was to check the work of the researcher to ensure that all responses were included, categorized properly, and written in a way that avoided ambiguity. Changes were made to the survey based on the panel's recommendations resulting in the Round 2 survey (see Appendix F) that was distributed to participants.

The follow-up questionnaire was made available to the experts online through the Survey Monkey™ website on January 25, 2011 via email. A reminder email was sent to non-participants on February 7, 2011. Participants were asked to rate each item using the Likert-type scale and also were encouraged to provide comments for each item. The follow-up surveys in rounds 2-4 did not have to be static. Wicklein et al. (2009) used a dynamic approach by asking for recommendations from experts for additional items. In this study, space was provided on the follow-up survey where experts could make suggestions of items that should have been included but were not.

Data was exported to a Microsoft Excel spreadsheet where descriptive statistics including mean, median, and interquartile range (IQR) were calculated. The purpose was to determine if an item had reached consensus. This study used standards developed by Wicklein et al. (2009)

whereby (a) an item was considered to have reached consensus when the item's interquartile range was ≤ 1, and (b) answers were considered stable when the mean score shifted less than 15% between rounds. The consensus criteria is supported by Scheibe, Skutsch, and Schofer (2002) and was similar to that used by Custer, Scarcella and Stewart (1999) which was an IQR of 1.2 or less when using a 6-point Likert scale. The higher IQR calculation used by Custer, et al. can be derived from a formula presented by Chamberlin (2008) who used the statistical calculation interquartile deviation (IQD) to arrive at a consensus level. The IQD is calculated by first subtracting the first quartile from the third quartile then dividing the difference by two. The IQD is then compared to a consensus level calculated by multiplying the number of ordinal values on the Likert scale by 10%. Converting the criteria used by Custer et al. results in the same criteria recommended by Chamberlin. The IQR of 1.2 is divided by two to get a value of 0.6. This value is the same as multiplying 6 by 10% to get 0.6. In this study, an IQR of 1.0 would be converted to an IQD of 0.5, lower than the cutoff of 0.6 established by Chamberlin. The researcher in this study preferred the stricter standard for consensus; therefore, the criteria in this study required more consensus than what was recommended by Chamberlin.

Round 3

Participants were not asked to rank items in Round 3 that reached consensus in Round 2. Items meeting the consensus criteria were considered for removal from the questionnaire in Round 3. Using a single criteria, however, fails to take into consideration the panel's distribution of scores may be bimodal and fall into one or both of the middle scores containing the somewhat disagree and somewhat agree rankings. Additional criteria were established to determine if an item's ranking clearly rated as agree or disagree (Rayens & Hahn, 2000). For this study, if the item's median score was a 5 or 6, the item was considered as very important while a median score of 1 or 2 indicated the experts perceived the item to be less important. Hill and Fowles (1975) recommend using the median score when a Delphi study involved the use of Likert-type scales. Items determined by the experts to be very important or less important and reached consensus were not included on the Round 3 survey as the respondents would not be asked to rate those items again. Those items reaching consensus in Round 2 were included in the list of items the panel felt should be taught to high school students.

Items not meeting the criteria for consensus in Round 2 were included in Round 3 along with each item‘s median and interquartile range (IQR) as well as comments from the previous round. Each respondent‘s rating in Round 2 was fed back to that individual as a PDF printout when the Round 3 instructions were emailed. Participants were asked to consider the descriptive statistics and comments before ranking the item again. Experts who continued to rank outside the item‘s IQR were asked to provide comments rationalizing their decision. Helmer (1967) argued that this strategy ―had the effect of causing those without strong convictions to move their estimates closer to the median, while those who felt they had a good argument for a deviationist opinion tended to retain their original estimate and defend it" (p. 8). Linstone and Turoff (2002) point out dissenters may become discouraged and drop out of the study if their opinions are ignored. One new item recommended by the experts in Round 2 was included in Round 3. Experts were asked to provide a response and were given space to comment on that item.

The third round was conducted online using the Survey Monkey™ website. Instructions were emailed to participants on February 15, 2011 (see Appendix G). A follow-up reminder was emailed on February 23, 2011. At the conclusion of the round, descriptive statistics were calculated and the remaining items were checked for consensus and level of agreement, as well as stability. Comparing the mean score of an item in the second round with the mean score of the item in the third round provided a measure of stability. Items whose mean score changed by less than 15% were considered stable. Items with an IQR of less than one, had a median score other than 3 or 4, and were stable reached consensus and where not included in the Round 4 survey. Those items were included in the list of recommendations the panel felt should be taught to high school students.

Round 4

Seven items were not stable between Rounds 2 and 3 as their mean score varied by more than 15% between those rounds. A fourth and final survey was administered. This questionnaire contained only those items that did not reach consensus after the third round. Descriptive statistics, previous ratings, and comments were fed back to the participants who were asked to repeat the steps in Round 3. The Round 4 survey was conducted online beginning on February 28, 2011 with all 19 responses being received by March 3, 2011. The decision to conduct a fourth round was made to allow the respondents one last opportunity to rank those items again. Generally, however, consensus is reached during Round 3 on those items deemed important; thus a Round 4 may not provide new information (Hsu & Sandford, 2007; Linstone & Turoff, 2002).

Procedure

This study was conducted according to the following timeline:

2009 August-November
Defined the problem and wrote the method and literature review sections.

2010 January-April
Wrote Chapter 1 and developed the rough draft of the prospectus.

May-June
Conducted the written comprehensive exam.

September
Passed the oral comprehensive exam. Revised prospectus and defended. Admitted to candidacy.

October
Submitted application to UGA Institutional Review Board for approval to use human subjects.
November
Received human subjects approval from UGA Institutional Review Board. Sent out requests for nomination of participants. Performed content validity trial on initial survey.

December
Obtained nominations for participants and followed-up with those organizations and individuals who failed to nominate participants. Formed the Delphi and advisory expert panels.

2011 January
Emailed instructions for accessing the first round traditional Delphi instrument to participants along with confidentiality and consent information. Followed-up with non-respondents and compilation of answers from Round 1 to develop Round 2 structured Delphi instrument. Submitted the Round 2 survey to advisory panel for validation. Emailed instructions for accessing the Round 2 survey.

February
Followed-up with Round 2 non-respondents, analyzed round two data and created the Round 3 survey. Emailed instructions for the Round 3 Delphi instrument along with descriptive statistics and comments from Round 2. Followed-up with Round 3 non-respondents and analyzed Round 3 data. Created Round 4 survey and emailed instructions along with descriptive statistics, Round 2 and 3 comments, and previous rounds scores.

March
Analyzed Round 4 data. Completed and submitted dissertation to committee and announced defense of dissertation to the graduate school.

April
Defended the dissertation, wrote changes, and submitted the final copy to the graduate school.

Data Analysis

The power of the Delphi technique is based on gaining agreement among a panel of experts on items of potential importance regarding an issue (Dalkey & Helmer, 1962). Those items in which agreement is achieved are considered important while those items the panel does not agree on are considered less important. An item considered less important by the panel can be of value (Scheibe et al., 2002) as it tells the researcher in this study items that should not be included in a high school personal finance curriculum. Agreement in a Delphi study occurs when the panel has reached a consensus regarding the item in a stable manner.

The traditional Delphi (Dalkey & Helmer, 1962) technique involves providing a panel of experts a series of topics or guiding questions to which they can openly provide comments. The topics or guiding questions are structured around major categories found in literature. Each expert's comments are compared with that of their peers to determine a list of questions to be asked within each category. This survey instrument is used in succeeding rounds.

One popular variation of the Delphi technique is the modified Delphi method. A modified method of the Delphi study involves the researcher providing either a pre-developed or self-developed survey beginning in the first round. With this method, the study can usually be conducted in a shorter time frame with lower attrition rates compared with the traditional method. Opponents of this method argue that experts are more likely to reach consensus on items they help develop. Thus, researchers lose much of the power associated with allowing experts free thought in the first round (Hill & Fowles, 1975). Researchers also risk introducing their own bias into the study by using the modified version of the Delphi technique.

Regardless of the method used, the survey instrument will likely include a Likert-type scale. This study used the traditional method of the Delphi technique consisting of a series of open-ended questions in the first round to aid in developing the follow-up survey distributed in subsequent rounds. The structured survey was developed using a 6-point Likert-type scale with ordinal scores assigned as follows: 1=Strongly disagree, 2=Disagree, 3=Somewhat disagree, 4=Somewhat agree, 5=Agree, and 6=Strongly agree.

After the second round, the researcher checked for group consensus on each item. Consensus was achieved when the experts collectively agreed or disagreed with a statement. Several quantitative statistical measures were used to determine consensus and stability. For each item on the survey in rounds two and beyond, descriptive statistics were calculated including mean, median, and interquartile range. The median and interquartile range statistics were used to determine the level of central tendency and the variance of answers among experts.

The interquartile range is the range of scores that represent the middle 50% of scores (Moore, 2007). To calculate the interquartile range, the median score must first be determined. The median score is the middle score if an odd number of scores are present in the data set and the average of the two middle scores if an even number of scores are available (Moore, 2007). This median score identifies the upper limit of the second quartile. A quartile represents 25% of the scores with a data set having four quartiles. Finding the median score of the lower set of values provides the value of the first quartile. This median value represents the lower boundary of the middle 50% of scores. Finding the median of the upper set of values provides the value of the third quartile. This value is the upper limit of the middle 50%. The first and third quartiles represent the interquartile range. Subtracting the first quartile from the third quartile provides the amount of spread within the interquartile range.

The Delphi technique is powerful because of the convergence of opinion from round to round. As experts reform their opinion based on descriptive statistics and comments for an item in the previous round, the variance of scores should reduce around the median score (Helmer, 1966). This is represented by a decreasing spread within the interquartile range. As this occurs, consensus is more likely to occur. Consensus in this study was determined to have occurred when an item‘s interquartile range was ≤ 1 (Wicklein et al., 2009).

The mean score was used for two purposes. First, the mean was used to determine if an item was stable, thus representing an item not likely to change in future iterations. Second, the mean was used to rank items in order of importance whereby an item with a high mean score was deemed to be of higher importance than items within the same question that had a lower mean score. To calculate the mean score, a composite score was first calculated for each item. The composite score was calculated by multiplying the ordinal value for each possible response by the number of respondents choosing that response. For example, if 30 people are in a panel and an equal number (n = 5) answer strongly disagree, disagree, somewhat disagree, somewhat agree, agree, and strongly agree, then a composite score can be calculated as shown in Figure 3.1. The composite score was then divided by the number of participants (N=30) to arrive at the mean score for the group (M = 3.5). If the volatility of responses changes little from round to round, the item has also reached stability. In this study, an item was considered to be stable when the panel‘s mean score for an item changed less than 15% from round to round (Wicklein et al., 2009). The percent change from one round to the next was calculated by subtracting the mean from the current round from the mean of the previous round then dividing the difference by the mean of the previous round. The resulting quotient was then multiplied by 100 to convert the decimal to a percentage.

Not all items achieved consensus. Some were determined to be stable without reaching the criteria necessary for consensus. When all items reached consensus and/or stability, no further rounds were necessary (Fink et al., 1991). The results of the multiple iterations sorted the items into three categories. Some survey statements were agreed to by the experts as consensus was reached with a median score of 5 or 6. Other items reached stability with a median score of 3 or 4. Those items were ones in which the panel could not reach a consensus to agree or disagree with the statement. The final category was those statements in which the panel came to a consensus to disagree with the statement by virtue of the item having a median score of 1 or 2. The resulting lists were used by the researcher when drawing conclusions regarding how to define credit, what should be taught in a unit on credit, and what delivery methods would be most appropriate.

Strongly Disagree	1 x 5 = 5
Disagree	2 x 5 = 10
Somewhat Disagree	3 x 5 = 15
Somewhat Agree	4 x 5 = 20
Agree	5 x 5 = 25
Strongly Agree	6 x 5 = 30
Composite Score	105

Figure 3.1. Calculation of composite score for a sample Likert-type scale survey with an equal distribution from a sample of 30 participants (N=30).

CHAPTER 4

DATA ANALYSIS

Participants from four professions were asked to participate in a Delphi study to define the term credit and determine curriculum content and appropriate instructional delivery methods for teaching credit to high school students. The four professions were (a) college professors whose research interests included credit use, (b) credit counseling agents, (c) bankruptcy court judges, lawyers, and trustees who participate in the CARE program, and (d) high school teachers. Within the teaching profession, participants were drawn from five academic disciplines that have been show in the literature to be responsible for teaching personal finance Those disciplines were (a) business education, (b) marketing, (c) mathematics, (d) family and consumer sciences, and (e) social studies/economics.

Participant Demographics

This study sought to create a heterogeneous panel. The demographic data for participants who completed all four rounds is shown in Table 4.1. The data demonstrates a nice balance of experience, area of expertise, and education.

Table 4.1

Demographic Data for Final Participants: N=19

Gender	Years of experience	Highest level of education	Profession
Female n=11	Average=21.4	Some College n=1	College Professor n=3
Male n=8	Range= 6-40	4-Year College Degree (BA,BS) n=3	Credit Counselor n=6
		Master's Degree n=6	Bankruptcy Court Member n=6
		Doctoral Degree n=3	High School Teacher n=4
		Professional Degree (MD,JD) n=6	

Round 1 Analysis

From the 49 nominees that were sent invitations, a total of 33 indicated their willingness to participate and were sent the Round 1 survey. The number of completed Round 1 surveys received was 22. Respondents provided 392 responses (see Appendix D) while providing no response to a total of 48 questions. The researcher used a coding process whereby responses containing multiple ideas were divided into separate statements, similar items were combined, and repetitive items deleted to create a list of 420 items (see Appendix E). This list along with all Round 1 responses was sent to Dr. Tena Crews, Professor of Business Education at the University of South Carolina and Dr. Melinda McCannon, Vice President of Academic Affairs at Georgia Northwestern Technical College. Both have conducted multiple Delphi studies. The process of using an advisory panel to oversee the construction of the Round 2 survey is consistent with the recommendations of Linstone and Turoff (2002), Meyer and Booker (1990), Rowe and Wright (1999), and Turoff (1970). Dr. Crews and Dr. McCannon evaluated the Round 2 survey created by the researcher to check for accuracy and clarity in developing the survey items from the raw responses provided by participants in Round 1. Based on their recommendations, 366 unique items were identified for inclusion in the Round 2 survey (see Appendix F). Table 4.2 shows the number of responses and unique items included in the Round 2 survey divided by Round 1 open-ended questions.

Table 4.2

Round 1 Response Summary by Open-Ended Question.

	No. of	
Question	Responses	Unique Items
How should the term credit be defined or explained to high school students?	22	18

(continued)

Question	No. of Responses	No. of Unique Items
What information should an individual know and understand before making a decision to purchase goods or services using credit?	22	28
What advantages exist when using credit?	22	23
What disadvantages exist when using credit?	22	19
What rights do credit users have under the legal system?	20	18
What responsibilities do credit users have when borrowing money?	22	12
What information is important regarding one's credit report, credit history, and credit score?	21	9
What does each member of society need to know regarding the prevention of identity theft and what should victims of identity theft do to repair their credit history?	22	27
What types of credit are considered good?	21	15
What types of credit are considered bad or usurious?	20	18
What emergencies constitute a valid use of credit as a source of funds?	21	16
What does a credit user need to know regarding the relationship between risk and interest?	21	6
What information does an individual buying a home need to know regarding mortgages?	21	39
What information does an individual need to know regarding completing a loan application?	20	18
What information does a borrower need to know in order to identify possible misuse of credit in their life?	18	23
What factors included in time value of money formulas should an individual understand before borrowing money?	16	15
What modifications should be made, if any, to the curriculum for students who are members of diverse backgrounds?	16	8
What modifications should be made, if any, to the curriculum for students who are from low income households?	16	16
What areas related to credit education are important that have not been addressed above?	10	14
What instructional methods are most appropriate for teaching students about credit use?	19	25
Total	392	366

Round 2 Analysis

The 366 items developed from the Round 1 survey was used to create the Round 2 survey. The survey required participants to rate each of the items based on a 6-point Likert-type scale consisting of the following choices: 1=Strongly disagree, 2=Disagree, 3=Somewhat disagree, 4=Somewhat agree, 5=Agree, and 6=Strongly agree. The 22 respondents who completed the Round 1 survey were sent the instructions to access the Round 2 survey via the Survey Monkey™ website found at www.surveymonkey.com. Twenty participants completed the Round 2 survey. Descriptive statistics including median, interquartile range (IQR), and mean were calculated for each item. The median score was calculated to determine a level of central tendency. The IQR was used to test the variability of answers around the median. A small IQR represented an item where the middle 50% of ratings were closely packed around the median, while a large IQR represented an item with a large variability in answers. An item whose median score was a 5 or 6 was considered to have a large amount of agreement, while an item with a median rating of 1 or 2 was considered to have a high level of disagreement. Items with median scores of 3 or 4 represented items that the panel could not agree or disagree. Any item with a median score of 1, 2, 5, or 6 and whose IQR was ≤ 1 reached consensus, therefore, was not included in subsequent surveys. Those items reaching consensus were included in the list of recommendations the panel felt should be taught to high school students. The mean score was calculated for purposes of testing stability between rounds for items that did not reach consensus. Table 4.3 shows the descriptive statistics for each item included on the Round 2 survey. Of the 366 items on the Round 2 survey, 215 met the criteria for consensus and were not included in the Round 3 survey. Table 4.3 shows the mean, median, and IQR for all Round 2 items.

Table 4.3

Results of Round 2

Question 1: How should the term credit be defined or explained to high school students?

Item	Mean	*Mdn*	IQR
Credit should be defined to students as:			
1. the ability to borrow funds with the result of creating debt.	4.85	5	4-6
2. purchasing a good or service now without using cash on hand and promising to pay later with interest using future income. *	5.40	6	5-6

(continued)

Item	Mean	*Mdn*	IQR
3. an ongoing loan or contract between the consumer and the bank – not ―free” money.	4.30	4	3-6
4. the cost of borrowing money.	3.35	3.5	1-5
5. financial strategies that a person uses.	2.47	2	1-4
Credit should be explained to students as:			
6. using money that one has not earned.	3.00	3.5	1-4.25
7. lending of money from a for-profit source with a pre-determined repayment plan.	3.00	3	1.75-4
8. financial responsibility, rather than the ability to purchase items on credit.	4.00	4	3-5.25
9. a component of their credit score since credit worthiness is based on one‘s credit score.	3.75	4	2-5
10. a factor in their budget as a budget is one of the fundamental concepts of any class on credit/financial responsibility.	3.80	4	2.75-5
11. a privilege earned through good spending/payment behavior which should be respected and managed responsibly as an asset.	4.70	5	4-6
12. a component of their credit worthiness which is determined by a number of factors including current income, past history, existing debt, and collateral.	4.65	5	4-6
13. something that can both help and hinder one‘s financial status. *	4.65	5	4-5
14. a component of a person's credit rating which has a significant impact on all areas of his/her life and should be treated with careful consideration.	4.65	5	4-5.25
15. something to examine as they think about their motives (needs, wants, intrinsic, extrinsic, etc.) for purchasing costly items on credit.	4.25	4.5	3.75-5
16. a commitment of future income resulting in an individual having less money to meet future expenses.	4.70	5	4-6
17. direct credit such as financing a car or indirect credit through the use of credit cards.	3.55	3.5	2-5
18. something that can be avoided with proper budgeting and financial management.	2.95	3	2-4

Question 2: What information should an individual know and understand before making a decision to purchase goods or services using credit?

Item	Mean	*Mdn*	IQR
Before making a decision to purchase goods or services using credit, students should know:			
19. not use credit to purchase anything that one can eat or drink.	3.60	4	2-5
20. not use credit to purchase anything that costs less than $20.00.	3.65	4	2-5
21. that being approved to buy something on credit doesn‘t mean you should. *	5.70	6	5.75-6

(continued)

Item	Mean	*Mdn*	IQR
22. that credit card companies target young adults because they realize it is difficult for them to pay their purchases in full each month and may be persuaded by gifts from the company	4.50	5	3.75-6
23. that as you purchase items on credit, you are supplementing your current income.	3.20	3	2-4.25
24. that using credit cards should be reserved for emergencies and special purchases that can be paid back in a short time period.	4.50	4.5	4-5.25
25. how finance charges and compounding interest are calculated and affect the credit card balance. *	5.75	6	5.75-6
26. individuals are living beyond their means if they use credit for living expenses.	4.70	5	4-6
27. how to differentiate between and determine whether the credit they are applying for is revolving or installment.	5.16	5	4.5-6
28. how to improve a credit report prior to applying for credit to get a better interest rate, terms, and conditions.	5.00	6	4-6
29. how to compare offers from various lenders to get the best terms, interest rate and conditions. *	5.50	6	5-6
30. the responsibilities, conditions and legal obligations of using credit to purchase goods or services. *	5.65	6	5-6
31. how to analyze due dates, interest, penalties, fees, etc. whether the purchase is for discretionary or emergency spending. *	5.25	5.5	5-6
32. their expected future income.	4.45	5	4-5.25
33. how the purchase will impact their credit history and credit score. *	5.20	5	5-6
34. if the income and necessary cash flow exists within their budget to make the payments. *	5.50	6	5-6
35. the time necessary to pay off the purchase based on their budget and how it will affect their monthly cash flow. *	5.40	6	5-6
36. if the purchase is worth the opportunity cost of using future income to pay interest charges.	5.15	6	4.75-6
37. if the item can be bought in the future with saved funds. *	5.40	6	5-6
38. whether the item will still be useable and have value once it is paid off.	5.00	5	4-6
39. whether the future benefit of the purchase is equal to or greater than the future costs.	4.95	5	4.75-6
40. the total cost of the item when paying monthly payments, including interest and fees, to pay if not paid in full and how much they will save by paying cash. *	5.45	6	5-6
41. whether other options exist for making the purchase without using credit. *	5.45	6	5-6
42. the length of time necessary to pay the full balance of a purchase when making only minimum payments. *	5.60	6	5.75-6
43. the number of hours of work needed to pay the full balance including interest.	4.95	5	4.75-6

(continued)

Item	Mean	*Mdn*	IQR
44. how long it would take to save money to pay cash for the item instead of using credit. *	5.20	5	5-6
45. the property offered as collateral may be reclaimed.	4.90	5.5	4-6
46. interest rates may rise assuming the terms of agreement and federal law are not violated. *	5.05	5.5	5-6

Question 3: What advantages exist when using credit?

Item	Mean	*Mdn*	IQR
Students should understand the advantages of using credit include:			
47. credit is safe and convenient.	3.79	4	3-4
48. credit eliminates the need to carry cash.	3.84	4	3-4
49. credit is available during emergencies when current savings are insufficient.	5.10	5	4.75-6
50. credit makes high price items, such as cars and homes, available to those who do not have cash.	4.75	5	4-6
51. credit cards are the only form of payment for rental cars, hotels, booking flights, and purchasing on the Internet.	3.40	4	2-5
52. credit provides an alternative when a consumer is short on cash or a merchant does not accept checks. *	4.30	5	4-5
53. credit cards can be replaced easily if lost or stolen.	4.10	5	3-5
54. credit card holders are protected against unauthorized use or fraud.	4.90	5	4-6
55. credit helps balance cash flow shortages and surpluses.	3.25	3	2-4.25
56. credit allows one to take advantage of sales or money saving offers.	3.90	4	3.75-5
57. credit allows one to provide financial assistance to others when they are having cash flow issues and cash is not available.	3.00	3.5	2-4
58. credit can provide good monthly repayment terms if the consumer has a good credit score.	4.45	5	4-6
59. credit can be used as a leveraging tool to purchase products that increase in value.	4.30	4	4-5.25
60. credit allows for instant gratification and delayed consequences.	3.30	2.5	1-6
61. credit cards provide approximately 25 days free use of money when paid off in full.	4.30	4.5	4-6
62. credit allows one to benefit from buying in large quantities.	3.20	3.5	2-4
63. credit provides an opportunity to make investments and provides liquidity for investing efficiency.	3.00	3	1.5-4
64. using credit responsibly builds a good credit score and credit worthiness which provides a positive reference to employers, landlords, utility companies, and insurance providers. *	5.35	6	5-6
65. many credit cards offer reward points or cash back.	3.75	4	3-5

(continued)

Item	Mean	*Mdn*	IQR
66. banks can provide assistance when dealing with merchants over disputed credit card charges.	4.05	4	3-5
67. many banks provide additional warranties or insurance coverage for broken or damaged purchases.	4.35	5	3.75-5
68. statements provide itemized expenditures to track expenses easily. *	4.58	5	4-5
69. the ability to purchase an item and spread payments out over a period of time. *	4.53	5	4-5

Question 4: What disadvantages exist when using credit?

Item	Mean	*Mdn*	IQR
Students should understand the disadvantages of using credit include:			
70. interest and fees will result in paying more than something is worth (the true cost). *	5.5	6	5-6
71. credit cards result in exorbitant interest payments when only the minimum payment is paid monthly. *	5.60	6	6-6
72. when only minimum payments are made, credit cards create long term debt. *	5.85	6	6-6
73. the convenience of credit may discourage one from examining their buying motives (i.e., needs, wants, etc.) and buying impulsively.	5.00	5.5	4.75-6
74. the convenience of credit often encourages abuse resulting in the inability to pay the balance or future payments.	5.05	5	4.75-6
75. credit cards may have a ―universal default" clause which can impact the interest rates charged when late, missing, or inaccurate payments are made to any creditor.	4.40	5.5	2.75-6
76. some merchants do not accept all brands of cards.	4.15	4	3-5
77. credit is difficult to pay back when income is reduced or lost. *	5.30	6	5-6
78. failure to pay credit card debt according to the terms will result in fees, damage your credit history and credit score. *	5.75	6	6-6
79. credit may create unnecessary stress.	5.10	6	4.75-6
80. using credit to purchase items may result in items going down in value, being damaged or destroyed, or becoming obsolete before being paid off which may result in the borrower being ―underwater" on the item.	4.55	4.5	3.75-6
81. interest paid on credit impacts one's debt and wealth levels.	5.00	5.5	4-6
82. the borrowing process can be complicated creating an advantage for the lender.	4.65	5	4-5.25
83. borrowers will have less money in the future for expenses until they pay off their debts.	4.95	6	4.75-6
84. the item purchased may be repossessed or foreclosed on if payments are not made according to terms.	5.25	5.5	4.75-6

(continued)

Item	Mean	*Mdn*	IQR
85. credit cards can be lost or stolen.	4.65	5	4-5.25
86. that using credit irresponsibly demonstrates a lack of credit worthiness which may result in denial for credit when needed, your ability to get/keep a job, your ability to rent/own property, insurance rates, and/or bankruptcy. *	5.40	6	5-6
87. the credit card holder paying interest instead of receiving interest on that money if it was deposited into a savings account.	4.85	5	4.75-6
88. using credit is easy and seductive and can result in reckless consumption. *	5.15	6	5-6

Question 5: What rights do credit users have under the legal system?

Item	Mean	*Mdn*	IQR
Students should know that credit users have the legal right to:			
89. get a free yearly credit report from each of the three major credit reporting agencies. *	5.85	6	6-6
90. dispute inaccurate information on a credit report. *	5.79	6	6-6
91. know what options are available in bankruptcy court. *	4.95	5	5-6
92. the full truth in lending disclosure regarding the costs of the credit being used. *	5.32	6	5-6
93. cancel an obligation within the state specified time period in certain states.	4.65	5	4-6
94. contest charges prior to disputes being settled in court.	4.90	5	4-6
95. limited liability protection from stolen or fraudulent use of cards. *	5.45	6	5-6
96. caps on interest and fees. *	5.25	6	5-6
97. know why they were denied credit and where information came from that was used in making the decision. *	5.45	6	5-6
98. know how long it will take to pay off a debt if only the minimum payments are made monthly. *	5.35	6	5-6
99. an automatic bankruptcy stay that provides protection from collectors once a bankruptcy petition is filed.	4.10	4	4-5
100. ask for relief if a bankruptcy stay is violated, but know the consequences of bankruptcy.	4.60	5	4-5.25
101. know their rights and legal protections according to all Acts pertaining to credit (i.e., the Credit Card Act of 2009, Fair Credit Reporting Act, Equal Credit Opportunity Act, Truth in Lending Act, etc.).	5.10	5.5	4.75-6
102. state laws regarding purchases of defective products (i.e., lemon laws).	4.95	5	4-6
103. state consumer protection laws.	5.00	5	4.5-6
104. know the terms of the credit agreement and know the cost of credit. *	5.55	6	5-6

(continued)

Item	Mean	*Mdn*	IQR
105. not be discriminated against.	4.90	5	4-6
106. fair collection of debt.	4.89	5	4-6

Question 6: What responsibilities do credit users have when borrowing money?

Item	Mean	*Mdn*	IQR
Students should understand that, when borrowing money, credit users have the following responsibility to:			
107. borrow only what they can afford to pay back. *	5.35	6	5-6
108. understand and pay back according to the terms of agreement. *	5.75	6	5.75-6
109. keep collateral in good repair and to maintain insurance as needed. *	5.15	5.5	5-6
110. know their legal rights. *	5.25	5.5	5-6
111. communicate with the lender when the terms of agreement cannot be met. *	5.35	6	5-6
112. manage a budget to ensure future income and expenses provide the ability to pay. *	5.75	6	5.75-6
113. know how failure to pay results in consequences and impacts themselves and others. *	5.65	6	5-6
114. compare the benefit with the cost of using credit. *	5.55	6	5-6
115. not exceed the given credit limit and keep their credit in control. *	5.80	6	5-6
116. understand the legal obligations of borrowing. *	5.75	6	5.75-6
117. maintain a good credit score. *	5.70	6	5.75-6
118. to be able to repay the loan. *	5.75	6	5.75-6

Question 7: What information is important regarding one‘s credit report, credit history, and credit score?

Item	Mean	*Mdn*	IQR
Students should understand the following information is important to their credit report, credit history, and credit score. It is important to:			
119. use credit wisely to help establish a credit history. *	5.50	6	5.75-6
120. understand the purpose and components of a credit report. *	5.50	6	5-6
121. check their free credit report from Experian, Equifax, or Transunion at least once a year for accuracy and fraud. *	5.65	6	5-6
122. report and correct errors in a credit report. *	5.75	6	5.75-6
123. improve and/or maintain a good credit score. *	5.65	6	5.75-6
124. learn to accurately read, analyze and interpret a credit report. *	5.55	6	5-6
125. understand the benefits of a high credit score. *	5.55	6	5-6
126. understand the consequences of a low credit score. *	5.60	6	5-6
127. understand how to improve one‘s credit score. *	5.40	6	5-6

(continued)

Question 8: What does each member of society need to know regarding the prevention of identity theft and what should victims of identity theft do to repair their credit history?

Item	Mean	*Mdn*	IQR
As members of society, students should understand the following to prevent identity theft or to repair their credit history:			
128. Never give or allow anyone (including friends and relatives) access to their personal information. *	5.60	6	5.75-6
129. Never give credit card, bank account or pin numbers to anyone (including friends and relatives). *	5.75	6	6-6
130. Keep credit card receipts and check monthly billing statements and balances carefully. *	5.55	6	5-6
131. Never give their credit card to cashiers unless absolutely necessary.	4.35	5	3-6
132. Shred important documents containing their social security number, credit card account numbers or credit card offers. *	5.85	6	6-6
133. Pick up checks from the bank rather than having them mailed.	4.30	4.5	3-6
134. Provide their social security number only when legally required. *	5.60	6	5.75-6
135. Review their credit report every 6 months for fraudulently issued credit.	4.89	5	4-5.5
136. Use a credit card with a low credit limit when ordering online.	4.60	5	3.75-6
137. Never purchase goods or services, pay bills or provide any information on unsecure Web sites. *	5.60	6	5-6
138. Do not write or have their social security number printed on either their driver‘s license or checks. *	5.70	6	6-6
139. Never open suspicious emails or respond with any information. *	5.60	6	5-6
140. Insist on calling back creditors using phone numbers provided on the card or statement before answering questions about their account. *	5.80	6	6-6
141. Properly secure credit cards. *	5.65	6	5-6
142. Change passwords frequently making sure to always use strong passwords. *	5.65	6	5.75-6
143. Only use a few credit cards. *	5.45	6	5-6
144. Never use debit cards online.	4.45	5	3.75-6
145. Do not keep pin numbers with the debit cards. *	5.70	6	5-6
146. Notify the bank or issuer if a card is lost or stolen. *	5.70	6	6-6
147. Place their mail in official post office collection locations and not their mailbox. *	5.11	5	5-6
148. Keep photocopies of credit and debit cards in a secure location along with contact information to aid in contacting creditors.	5.30	6	4.75-6

(continued)

Item	Mean	*Mdn*	IQR
149. Contact credit reporting agencies if their identity has been stolen and ask for a fraud victim alert to be placed on their credit report. *	5.75	6	6-6
150. Follow instructions provided by credit reporting agencies to dispute fraudulent credit. *	5.65	6	5-6
151. In the case of identity theft, cancel all credit/debit cards, have the bank close old accounts and open new accounts. *	5.55	6	5-6
152. In the case of identity theft, contact local law enforcement, file a police report and keep the file number. *	5.50	6	5-6
153. In the case of identity theft, contact the merchant and proper authorities, including the Federal Trade Commission, State Attorney General, FBI, US Postal Inspector, Social Security Administration, etc. *	5.30	6	5-6
154. Understand that most identity theft is conducted by people the victim knows.	5.05	6	4-6

Question 9: What types of credit are considered good?

Item	Mean	*Mdn*	IQR
Students should understand that credit is good if:			
155. used responsibly. *	5.75	6	5.75-6
156. it is accompanied with a low interest loan used to purchase a home, auto, or other durable goods or used appropriately to build one‘s credit history. *	5.25	6	5-6
157. the credit cards are paid in full each month. *	5.20	5	5-6
158. it has a low interest rate and affordable or competitive fees.	5.10	5	4.75-6
159. it has a low interest rate and credit limit of $1500 or less.	3.60	3.5	3-5
160. it is used for educational loans (to a certain point).	3.95	4	3-5
161. the loan can be paid in a reasonable time with affordable payments.	4.74	5	4-6
162. it is used for mortgage overdraft lines.	3.05	3	2-4
163. it is used for home equity loans.	3.26	3	2-4
164. it is used for loans for purchasing, starting, or expanding a business.	3.95	4	3-5
165. the credit sources that are transparent.	4.58	4	4-6
166. it comes from banks or credit unions and serves one‘s purposes at the lowest short- and long-term costs.	4.70	5	4-6
167. if the item is expected to last longer than it takes to pay it off.	4.95	5	4-6
168. the user has a balanced mix of different types of credit.	4.70	5	4-6
169. fulfills a long term strategic objective.	4.85	5	4-6

(continued)

Question 10: What types of credit are considered bad or usurious?

Item	Mean	*Mdn*	IQR
Students should understand that credit is bad or usurious if:			
170. it involves a high interest rate. *	5.15	5	5-6
171. it has a ―universal default” clause.	5.00	5	4.75-6
172. an individual has a poor credit rating.	4.20	4.5	3.75-5
173. it takes advantage of the disadvantaged or innocent (i.e., those recently discharged from bankruptcy, young people, etc.). *	5.35	6	5-6
174. it is a payday, cash advance or car title loan or is obtained from a pawn shop *	5.20	6	5-6
175. it is one that an individual cannot repay. *	5.40	6	5-6
176. it involves a rent to own contract.	4.45	5	4-6
177. it is provided by a finance company with no credit check.	4.50	5	4-6
178. it involves high interest and fees. *	5.30	6	5-6
179. it is a secured or subprime credit card.	4.10	4.5	2.75-5.25
180. it involves an insufficient mix of credit types.	3.84	4	3-5
181. it involves credit sources that are deceptive. *	5.25	6	5-6
182. it is a car loan with weekly payments.	4.26	5	3-5
183. it is a predatory credit card with low introductory rates. *	5.25	6	5-6
184. it violates any state usury laws. *	5.80	6	6-6
185. it is a refund anticipation loan. *	5.00	5	5-6
186. it involves a loans with acceleration clauses. *	5.10	5.5	5-6
187. it used on non-durable goods such as food.	4.10	4	2.75-6

Question 11: What emergencies constitute a valid use of credit as a source of funds?

Item	Mean	*Mdn*	IQR
Students should understand that using credit as a source of funds for the following emergencies is acceptable:			
188. Medical or health related *	5.20	6	5-6
189. Home repairs necessary for safety *	5.40	6	5-6
190. Car repairs while traveling *	5.45	6	5-6
191. Renting a car	4.58	5	4-6
192. Purchasing an airline ticket *	4.84	5	5-5.5
193. Purchasing a car when public transportation is not available	4.30	4.5	3.75-6
194. Funeral expenses	4.95	5	4.75-6
195. Anything that puts a job at risk	4.55	5	4-5.25
196. Anything that puts their life at risk *	5.35	6	5-6
197. Home repairs resulting from a storm *	4.84	5	4-5
198. Anything that impacts the long term well-being of a family *	5.05	5	5-6
199. During a divorce	3.40	3.5	2-5
200. As necessary depending on what they consider to be an emergency *	4.35	5	4-5
201. In any situation where the urgency of the event outweighs the conceivable cost	4.65	5	4-6

(continued)

Item	Mean	*Mdn*	IQR
202. When access to cash is not available	4.16	4	4-5
203. Never, as they should have 3-6 months' worth of expenses in an emergency fund	3.45	3.5	2-5

Question 12: What does a credit user need to know regarding the relationship between risk and interest?

Item	Mean	*Mdn*	IQR
Students should understand that the relationship between risk and interest is such that:			
204. the greater the credit risk, the higher the interest rate. *	5.60	6	5-6
205. lenders assess risk according to a borrower's credit history. *	5.65	6	5.75-6
206. a low credit score identifies a borrower as a high risk while a high credit score identifies them as a low risk. *	5.65	6	5-6
207. a high interest rate results in a longer repayment period.	4.55	5	4-6
208. the five C's of Credit—Character, Capacity, Collateral, Condition, and Capital will determine the debtor's risk. *	5.21	6	5-6
209. irresponsible credit use will make a borrower a greater risk which will result in long term high interest rate loans. *	5.70	6	5.75-6

Question 13: What information does an individual buying a home need to know regarding mortgages?

Item	Mean	*Mdn*	IQR
Students should understand the following prior to buying a home. It is important to:			
210. attend a home buying class from a nonprofit organization.	4.40	4.5	4-5.25
211. expect to spend 10-20% of the purchase price for a down payment.	4.80	5	4-6
212. calculate the difference in monthly payment, yearly interest and total cost for a 15 year versus a 30 year mortgage. *	5.20	6	5-6
213. have 1% of the value of the home set aside for repairs. *	4.56	5	4-5
214. decide whether they want to make property tax and insurance payments or have the bank pay them directly. *	4.60	5	4-5
215. know the interest rate of the home loan. *	5.35	6	5-6
216. know the type of loan (i.e., fixed or adjustable rate, etc.). *	5.45	6	5-6
217. how the adjustable rate mortgage is adjusted and how much the various increases can impact future payments. *	5.45	6	5-6
218. know and follow the terms of the agreement (i.e., due date, interest rates, etc.). *	5.40	6	5-6
219. expect that points must be paid and understand who must pay the points to obtain the quoted rate. *	5.00	5.5	5-6
220. know if the loan contains a balloon payment. *	5.40	6	5-6
221. know if the mortgage company allows for the payment of additional principle and how to make such a payment. *	5.30	6	5-6
222. know if there is a prepayment penalty. *	5.40	6	5-6
223. calculate the total cost for the home including interest payments over the specified time period. *	5.30	6	5-6

(continued)

Item	Mean	*Mdn*	IQR
224. identify refinancing options if rates decrease. *	5.15	5	5-6
225. calculate closing costs and identify who will pay them (i.e., buyer and seller). *	5.25	6	5-6
226. know if there a right to rescission. *	5.20	5.5	5-6
227. know who will service the mortgage.	4.85	5	4.75-6
228. know the consequences of late payments and default including foreclosure and negative effects on credit report. *	5.35	6	5-6
229. know how changes in down payment and interest rates impact the monthly payment. *	5.40	6	5-6
230. analyze varying mortgages rates from company to company. *	5.20	6	5-6
231. know what information can be found in a good faith estimate. *	5.25	6	5-6
232. interpret complicated mortgage documents or identify someone who can interpret them. *	5.30	6	5-6
233. know how to effectively shop for a home. *	5.32	6	5-6
234. know what strategies to implement to protect their home. *	5.05	5	5-6
235. be aware of available grants to help with down payment and closing costs.	4.90	5	4.75-6
236. know how to apply for a loan including needed documentation.	5.00	5	4.75-6
237. calculate how much interest can be saved by making extra principal payments, bi-weekly payments, or an extra payment yearly. *	5.20	6	5-6
238. interpret an amortization schedule. *	5.15	6	5-6
239. identify factors that underwriters use to determine if one qualifies for a mortgage.	5.00	5	4.75-6
240. not obtain a mortgage that will commit more than 33% of their net income to payments. *	5.15	6	5-6
241. understand other costs that are required of homeowners (i.e., utilities, taxes, etc.) *	5.30	6	5-6
242. understand what occurs during the closing process. *	5.20	5.5	5-6
243. understand an escrow fund is and how it adds to the monthly payment. *	5.20	6	5-6
244. rely on their own long term funds and income to make monthly payments.	5.00	5	4.75-6
245. understand the definition of the term negative equity and how it can lead to foreclosure. *	5.05	5	5-6
246. investigate the tax benefits of a mortgage.	4.85	5.5	4-6
247. provide the required mortgage insurance when the down payment is less than 20%.	4.90	5	4.75-6
248. consider their options should the property value drop below the balance due.	5.00	5	4.75-6

(continued)

Question 14: What information does an individual need to know regarding completing a loan application?

Item	Mean	*Mdn*	IQR
Students should understand the following about completing a loan application. They should:			
249. complete the entire application honestly. *	5.50	6	5-6
250. disclose all income, assets and liabilities accurately. *	5.55	6	5.75-6
251. know that the loan application is a legal document. *	5.55	6	5.75-6
252. not provide false information as it is perjury, grounds for arrest and may result in a void contract. *	5.50	6	5-6
253. understand that the lender will perform a credit report inquiry and verify employment. *	5.50	6	5.75-6
254. pay the application fee if applicable. *	5.20	6	5-6
255. ask for a good faith estimate. *	5.00	6	5-6
256. ask for a Truth in Lending statement. *	5.15	6	5-6
257. ask for the timeframe for approval. *	5.30	6	5-6
258. ask questions or ask for help if any terms or language are unclear. *	5.45	6	5-6
259. completely read and understand all language before signing or accept offers electronically. *	5.45	6	5-6
260. identify the fees associated with applying for a loan and understand they will not be refunded even if the loan is denied. *	5.45	6	5-6
261. verify the credibility and integrity of the lender before disclosing social security number, personal and financial information. *	5.40	6	5-6
262. print clearly. *	5.35	6	5-6
263. know that applying for multiple loans can result in a decrease in credit score.	5.15	6	4.75-6
264. inform the lender of prior negative financial information before completing an application. *	5.10	6	5-6
265. verify the willingness of potential references prior to listing them on an application. *	5.40	6	5-6
266. be prepared with employment, financial, and credit information. *	5.40	6	5-6

Question 15: What information does a borrower need to know in order to identify possible misuse of credit in their life?

Item	Mean	*Mdn*	IQR
Students should understand the following to be able to identify that the misuse of credit in their life may occur if:			
267. credit spending results in the inability to pay. *	5.20	6	5-6
268. they are not informed about their own personal credit situation (i.e., balances, payment amount, payment date). *	5.05	5.5	5-6
269. their budget indicates expenses exceed income. *	5.65	6	5-6

(continued)

Item	Mean	*Mdn*	IQR
270. credit card balances are increasing over time. *	5.50	6	5-6
271. negative references and a low score exist on their credit report. *	5.40	5.5	5-6
272. they have a history of eviction, foreclosure, and/or bankruptcy. *	5.25	6	5-6
273. they borrow from one creditor to pay another. *	5.55	6	5-6
274. the balance for any source exceeds 25% of available credit.	4.95	5	4.5-6
275. card balances are too high or have reached the credit limit. *	5.60	6	5-6
276. they regularly miss or make late payments. *	5.53	6	5-6
277. they consolidate credit card debt into a home equity loan.	4.80	5	4-5.25
278. their debt to income ratio exceeds 15%. *	4.74	5	4-5
279. they fail to pay a credit card bill in full each month.	4.90	5	4-6
280. they receive calls from debt collectors. *	5.40	5.5	5-6
281. they use credit to pay regular living expenses. *	5.30	6	5-6
282. they are only able to pay the minimum payment or they skip payments. *	5.70	6	5-6
283. using credit because they are unable to control urges to spend. *	5.65	6	5-6
284. excluding a mortgage, total household debt is more than 20% of yearly net income. *	4.79	5	5-6
285. excluding a mortgage, total monthly payments on debt is more than 10% of monthly net income.	4.74	5	4.5-6
286. their expenses cannot be met without borrowing. *	5.30	6	5-6
287. they do not have an accurate budget. *	5.00	5	5-6
288. they do not review their bank and credit card statements monthly. *	5.25	5	5-6
289. they are not sure of their credit history or credit score. *	5.30	5	5-6

Question 16: What factors included in time value of money formulas should an individual understand before borrowing money?

Item	Mean	*Mdn*	IQR
Students should understand the following factors included in the time value of money before borrowing money.			
290. Present value for the total of all payments. *	4.95	5	5-6
291. Present value of an annuity for a series of payments.	4.32	5	3-5.5
292. Future value of the purchase price.	4.50	5	4.5-6
293. Future value of an annuity of payments.	4.42	5	3-6
294. Annual percentage rate on a loan. *	5.70	6	5-6
295. Number of payments needed to pay a loan. *	5.65	6	5-6
296. Amount that can be saved by avoiding credit. *	5.50	6	5-6
297. Payment (principal) amount. *	5.47	6	5-6
298. Opportunity cost. *	5.40	6	5-6
299. Actual cost based on total amount of all payments. *	5.75	6	5.75-6
300. Amount that can be saved with a lower interest rate.*	5.65	6	5-6

(continued)

Item	Mean	*Mdn*	IQR
301. Amount of a balloon payment. *	5.60	6	5-6
302. Amount of time loan can be paid off with additional payments. *	5.55	6	5-6
303. Compound interest. *	5.50	6	5-6
304. Additional principal payments. *	5.25	5.5	5-6

Question 17: What modifications should be made, if any, to the curriculum for students who are members of diverse backgrounds?

Item	Mean	*Mdn*	IQR
Teachers should make the following modifications for students with diverse backgrounds.			
305. Make examples relevant to the community's background.	5.25	6	4.75-6
306. Respect the differences in cultural views of credit.	4.65	5	4-6
307. Respect the differences that various religions have towards credit.	4.60	5	4-6
308. Consider the difference in cultural views on saving.	4.45	5	4-6
309. Consider the difference in cultural views on providing aid to others in the community.	4.55	4.5	4-6
310. Teach about the financial cost of being unbanked. *	5.37	6	5-6
311. Make necessary modifications to overcome language barriers. *	5.50	6	5-6
312. Make no modifications.	2.26	2	1-3.5

Question 18: What modifications should be made, if any, to the curriculum for students who are from low income households?

Item	Mean	*Mdn*	IQR
Teachers should make the following modifications for students who are from low income households.			
313. Not use examples that may be perceived as placing blame on family members for their economic situation.	4.65	5	4-6
314. Teach students to be aware their identity is more likely to be stolen by a family member.	4.35	4.5	4-5
315. Discuss the use of check cashing services.	4.70	5	4-6
316. Teach how Chexsystems provides information about previous improper bank account usage.	4.68	5	4-6
317. Modify examples pertinent to their lives which may include lower dollar amounts. *	5.25	5	5-6
318. Modify examples to include realistic interest rates charged to a borrower with adverse credit. *	5.15	5	5-6
319. Stress the importance of budgeting and saving for reaching financial goals. *	5.25	6	5-6
320. Explain the relationship between education and potential future income. *	5.05	6	5-6
321. Communicate on their level.*	5.42	6	5-6
322. Instruct students on how to avoid being manipulated. *	5.10	5	5-6

(continued)

Item	Mean	*Mdn*	IQR
323. Encourage students to avoid future financial disaster by becoming financially educated. *	5.25	6	5-6
324. Introduce programs that are available to low income people such as individual development accounts. *	5.21	5	5-6
325. Explain how savings impacts eligibility for certain social services.	4.68	5	4-6
326. Make no modifications.	2.26	1	1-3
327. Emphasize events that will damage their credit score.	4.85	5	4-6
328. Teach about the financial cost of being unbanked.	4.79	5	4.5-6

Question 19: What areas related to credit education are important that have not been addressed above?

Item	Mean	*Mdn*	IQR
Important topics related to credit education that have not been addressed include:			
329. When students are providing for themselves and purchasing everything they want, this can lead to credit problems.	4.60	5	4-6
330. The negative side effects of not using credit wisely is bankruptcy.	4.65	5	4-5.25
331. The importance of setting short and long term goals. *	5.40	6	5-6
332. How to prepare a budget. *	5.63	6	5-6
333. How to get out of debt. *	5.25	6	5-6
334. The importance of getting out of debt. *	5.35	6	5-6
335. Language and socio-economic conditions do not limit a person from becoming wealthy. *	5.21	6	5-6
336. Potential consequences of student loans. *	5.05	5	5-6
337. ”Pay yourself first” principle. *	5.37	6	5-6
338. Positive benefits of compound interest.	4.50	5	3.75-6
339. Benefits of developing a relationship with a banker. *	4.85	5	5-6
340. Making choices: Distinguishing between needs and wants. *	5.75	6	5.75-6
341. How creditors evaluate their risk (some use factors other than credit scores). *	5.40	5.5	5-6
342. Cost of a bad credit report. *	5.30	6	5-6

Question 20: What instructional methods are most appropriate for teaching students about credit use?

Item	Mean	*Mdn*	IQR
Teachers should use the following instructional methods for teaching students about credit use.			
343. Lectures.	4.10	4	3-5
344. PowerPoint presentations. *	4.67	5	4-5
345. Combination of lecture and PowerPoint. *	5.25	5	5-6
346. Games. *	5.55	6	5-6
347. Small group instruction. *	5.40	5.5	5-6
348. Videos.	4.85	5	4-6
349. Cooperative teaching.	4.95	5	4-6

(continued)

Item	Mean	*Mdn*	IQR
350. Real life role playing. *	5.30	5.5	5-6
351. Active learning. *	5.60	6	5-6
352. Guest lecturers. *	5.26	5	5-6
353. True/False questions.	3.65	4	3-4.25
354. Personal stories. *	5.35	6	5-6
355. Team activities. *	5.20	5	5-6
356. Online research.	4.25	5	3.75-5
357. Visual aids. *	5.35	5.5	5-6
358. Kinetic learning.	4.84	5	4-5.5
359. Examples. *	5.40	6	5-6
360. Real world scenarios. *	5.55	6	5-6
361. Reading.	4.21	4	4-5
362. Online modeling. *	4.53	5	4-5
363. Simulations.	5.10	5	4.75-6
364. Variety of teaching methods. *	5.70	6	5-6
365. The Council on Economic Education's Financial Fitness for Life program.	3.89	4	3.5-5
366. Teaching WHY something is true.	4.95	5	4.75-6

*Item reached consensus in Round 2.

In addition to rating each item on a Likert-type scale, participants were encouraged to provide comments to any item they felt warranted a written explanation. The total number of comments was 124. Table 4.4 shows all comments as provided by the participants in Round 2. Numbers embedded in or at the beginning of the comment correspond to the item number that relates to the comment.

Table 4.4

Round 2 Comments

Number	Comment
Items 1-18: How should the term credit be defined or explained to high school students?	
1.	It is critical for us to teach people to live within their means. The recent credit crisis arose in large part due to people's inability to 1. live within their means and 2. Understand what compounding interest rates can do to debt and ultimately to their entire financial well-being.
2.	KISS principle
3.	I don't even understand #17 (what's "indirect" credit?)
4.	Items 2 & 6 have very similar intent, so downgraded importance of #6; 3 & 7 items also similar. Items should be taught as whole - cost of borrowing, including calculating

(continued)

Number	Comment

interest, benefits or consequences of repaying on schedule or ignoring schedule and how too many debt commitments can affect payment history. Item 2 might be best explained by student loan or same as cash purchase. Question2 - items 8 through 18 mix two concepts that are related - making good choices based on numbers and establishing and building good credit. though these should not necessarily but separated and taught in a vacuum, credit decisions can be taught as a necessary next step after beginning with budgeting, prioritizing, etc. Those strongly agree or agree items are most applicable to concept of credit. the rest are applicable to consequences of poor budgeting and how they apply to credit rating.

5. 18. Since some credit is necessary such as to purchase a house, I don't think it is something you can avoid.
6. 9. I am not sure that I truly disagree but my concern with this statement is it may lead kids to think I need to borrow to build up my credit score. I have often heard this in classes I give and I often say that it is better to have no credit history than a bad credit history. #14 might also lead kids to the same conclusion that they need to borrow to get a credit rating.

Items 19-46: What information should an individual know and understand before making a decision to purchase goods or services using credit?

1. Again, some concepts are repeated or restated in many choices. For example items 36-39 all deal with "opportunity costs concept." Those items marked strongly agree are essential concepts needed to grasp cost of credit and how to make good choice of use of credit based on cost. Items dealing with never using cards for frivolous costs or costs under $20 are marked agree because concept is true but if someone is tracking and able to repay within month of purchase, it is not necessarily a verboten use. Somewhat agree choice - credit purchase should never be based on future income, unless can afford payment now and it has good opportunity cost, such as home mortgage.
2. It's important to know how to calculate future income but not depend upon it; case in point is the recent financial crisis. Students also need to understand the real cost of their purchase on credit (i.e. present value and future value.)
3. 19 and 20 are appropriate if a discussion of convenience and revolving credit has taken place. They can be purchased with credit if the bill is paid in full but not for revolvers who would have to pay interest on the purchase.

Items 47-69: What advantages exist when using credit?

1. I think it's important to down play these benefits. Most important is learning financial responsibility and living within your means. Some of these "benefits" provide an excuse for overspending. This makes me very uncomfortable.
2. Debit cards can be used in many instances, we find consumers don‘t always know the difference
3. I keep thinking that some of the items that say "credit" (such as #48) probably should be credit cards. I'm also thinking that it's implied in #48 that credit is the only way to eliminate the need to carry cash which of course isn't true. I'm reading that more and more young adults are using debit cards instead of credit cards.

(continued)

Number	Comment

4. Many of the items checked in disagreement are things taught only as reasons why credit should NOT be readily used. Somewhat agree items are needing more specific definition before a stronger agreement of use could checked. Agree and Strongly Agree items emphasize good choices for use of credit and possible good benefits derived accordingly.
5. 61. I believe the minimum standard by law is now 21 days.
6. 48. Debit cards do the same thing 51. Use debit cards instead 55. Young people shouldn‘t get in the habit of using credit for cash flow issues. Save instead.
7. 60 I would not consider this as something should be described as a benefit to credit for young adults. It is what happens often when people borrow but is certainly no benefit 65 Companies want this to be a benefit and a lure to obtain credit but rarely is it a benefit unless the bill is paid in full each month. Otherwise the "freebies" are worth much less than the interest that is being paid 63 I don't think we should be encouraging young adults to use credit for investment purposes. We need to be careful in financial literacy training in what we mention as benefits as students will often disregard the warnings about credit abuse and hold tightly to the "good aspects of credit" and that may result in a very poor credit experience for them

Items 70-88: What disadvantages exist when using credit?

1. Universal default was eliminated with the recent credit card legislation.
2. There is no longer a Universal Default Clause.
3. 87. I would add a qualify sentence to the effect that compound interest works for you when you save and against you when you use credit.
4. 88 nails it.
5. 84. Only for secured debt
6. 85. if they are lost or stolen they can be replaced and they shouldn't be responsible for the charges. I think students would argue if you lose money or if it is stolen there is no recourse but there is if it is a credit card

Items 89-106: What rights do credit users have under the legal system?

1. In regards to the bankruptcy information I think this could be mentioned but I don't think it should be highlighted as it is not a good financial plan to just assume if you borrow money and not repay it or charge items you can't afford that you can just go file bankruptcy.
2. Know the real cost of credit. This is important.
3. Items that discuss bankruptcy not strongly supported - the teaching of credit and budgeting to young adults should emphasize the positive and only emphasize bankruptcy for bad credit choices as a poor alternative that will affect consumer credit for years to come.
4. 89 I think it's MORE important that they have a right by federal law to a free credit report each year and may have additional rights by state law. #98 I'm not sure why they need to "know" this since it's on their credit card statement now. How is #103 related to credit?

Items 107-118: What responsibilities do credit users have when borrowing money?

1. Our "forefathers" set up a free society; however, freedom comes with a cost: responsibility. Credit, and use of credit is a freedom but many current consumers have

(continued)

Number	Comment

failed to accept the pairing of responsibility for their expenses and debts. Making a larger sociological connection between freedom and credit can be a meaningful way for students to understand the context of how credit cards were developed and how they function.

2. All they way through you use the term budget. I think high school students react more favorably to the term spending plan. I am only putting this comment but it could be in each section.

Items 119-127: What information is important regarding one's credit report, credit history, and credit score?

1. Don't be misled to pay for a credit report as there are many ads on TV about getting credit report that are not free reports. Give website during training for the actual free report with no strings attached.
2. 119 Describing credit use as "wise" is vague and meaningless.

Items 128-154: What does each member of society need to know regarding the prevention of identity theft and what should victims of identity theft do to repair their credit history?

1. Credit report review 1 time per year.
2. Review your credit report every 4 months. You can get each report once per year... thus one every 4 months.
3. I don't know that most identity fraud is perpetrated by people known by the victim, as stated in 154
4. Per 144 - Never is absolute. Instead students should be able to understand instances when specific use of different payments methods are appropriate based on a good choice of options and if they do not have option of using anything but debit online, how to choose safer sites and how to monitor account often for signs of potential fraudulent misuse.
5. 131. How do you pay for something unless you give the card to the cashier. If you let the card be taken from their sight, maybe but that will not work in most restaurants. 148. I keep the contact information the creditor has other ways of looking up the account number without keeping a copy of the card.

Items 155-169: What types of credit are considered good?

1. 162,163,164 I don't really understand the first one and I don't think the others are needed for the age group we are dealing with I think on several of these it should be noted that the item should be needed. Even if you get a low rate with good payments if it is for something that is not needed it is not a good use of credit. 157 -- If credit cards are paid in full each month, that's not really using credit, is it?
2. Somewhat choices can not be more strongly supported without more specifics; as stated cannot immediately apply to all or most students. Basics of mortgage process as well as documents to read to protect home buyer should be emphasized; too much minutia has no relationship to student life.

(continued)

Number	Comment

Items 170-187: What types of credit are considered bad or usurious?

1. 171 If I understand correctly, the CARD Act means there can't be universal default clauses
2. Somewhat agree checked items could be types of credit needed to be used for credit rebuilding but generally would not be items students would use to build credit and should be emphasized only as items of last resort in rebuilding a score.
3. 179. Secured credit is not bad. For some people it is the only way to repair their credit score. Technically a mortgage in secured credit. I agree that a subprime card is bad. 182. It depends on why the payments are weekly. 187. Again this is true for revolvers but not for convenience users.
4. 187 I don't think this is usurious just not a good choice on the part of the purchaser

Items 188-203: What emergencies constitute a valid use of credit as a source of funds?

1. 191, 192, and 193 are not emergencies but are things that you may to use credit for 202 would depend on whether the expense for which the cash was needed was an emergency. 197 would depend on whether the repairs were necessary for safety or to prevent further damage.
2. 203 is ideal. However, many folks' reality is different; thus my answers above.
3. 191, 192, I don't know if these would necessarily fall under emergency they certainly may be something that requires a credit card to purchase but that doesn't mean it is an emergency 197, I don't think I would include this as we would be hopeful that anyone that has a home has homeowners insurance and hopefully that would cover repairs. since we are dealing with young folks then they may be renting a residence and they should have their landlord arrange for repairs, this may also be relevant in Q.189 I also don't think I would include the funeral expenses since hopefully high school kids won't be having to pay for a funeral themselves for several years

Items 204-209: What does a credit user need to know regarding the relationship between risk and interest?

1. 208 is a post WWII choice that is essentially obsolete in 21st century. Credit today does not demand a character reference.
2. 207. It will result in a higher amount of interest being paid if the terms are the same or a a higher payment to pay it off in the same amount of time but only requires a longer period of repayment if the payment is the same as the lower interest rate.
3. 207. Not necessarily a longer repayment period - an installment loan could be the same repayment period as a lower interest rate loan but carry a lower payment amount. Don't think this statement is clear enough.

Items 210-248: What information does an individual buying a home need to know regarding mortgages?

1. They need to realize that just because they qualify for a certain loan amount that doesn't mean they can afford the payments. This is not as bad as it used to be but in the past lenders would qualify someone to purchase a house much more expensive than they can actually afford 216,217,220 Try to dissuade people from buying a house with balloon

(continued)

Number	Comment

payment or adjustible rate as this is something that has led to increased foreclosures. May also want to stress that in the past it always was assumed that the purchase of a house was a very good economic decision but with the property values plummeting in many places renting may be a better option than purchasing something that you will end up owing more than it is worth Not an appropriate topic for high school students.

2. 219. Points do not have to be paid but the interest rate may be higher some cases. It is important to understand how points work but not that they must me paid. 225. I think they need to know what closing costs are and that they are negotiable in the sales contract but not necessarily how to calculate them247. I took it to read that mortgage insurance is required if the down payment is less than 20%. they also need to know how to have it removed when their equity in the home reaches 20%.
3. 214. Lenders standardly build an escrow account for taxes, etc.
4. 211. There are grants and special loan types that carry smaller down payments. If we were just recommending it as a rule of thumb to put down 10-20%, then yes. 214. Sometimes escrow is required. For most people escrowing is to be recommended.
5. 213. Possibly more than 1%

Items 249-266: What information does an individual need to know regarding completing a loan application?

1. Not an appropriate topic for high school students.
2. Some of this is good info but beyond the scope of H.S.
3. While I see some value in talking about credit card applications with high school students, I don't get it for mortgage applications.

Items 267-289: What information does a borrower need to know in order to identify possible misuse of credit in their life?

1. 267. need the word may - credit spending does not always lead to the inability to pay 268 should read they need to be informed about their personal situation to be able to identify misuse use of credit
2. 274. I always use 30% as a recommended benchmark. 279. It's not always necessary to payoff in full every month, especially when you need to establish a payment history to improve your credit rating.
3. 278,284,285 these need to be clarified and use whichever number that is more accurate

Items 290-304: What factors included in time value of money formulas should an individual understand before borrowing money?

1. 297. The payment amount and the principal amount are do different things so i was not sure how to answer this question. 290-293. I think it is more important for most students to know how to use online calculators where they just have to plug in the values without knowing how to use a financial calculator and decide what calculation to use unless this is class that teaches the use of a financial calculator or an upper level math class.

(continued)

Number	Comment

Items 305-312: What modifications should be made, if any, to the curriculum for students who are members of diverse backgrounds?

1. 310 I don't know what this means This is a hard situation. Since you are making a general curriculum it may be hard to write it for various cultures and socio economic groups and it may be better to use the same curriculum but try to gear the discussions to a more appropriate discussion based on the differences. Another factor that I thought I included in the first questionnaire is that you might also need to adjust what is said based on whether students will go to college or not as there are different challenges for college bound kids than those that are not. While agree with MOST of this...I question, does ANY of this matter to the financial world? If not, it shouldn't be taught differently based on beliefs if Credit isn't judged that way!
2. Teaching the math is most important. Financial facts are just that; there's not a cultural component.
3. I don't agree that it is the responsibility of teachers to provide credit instruction in a variety of languages - is that what # 311 suggests?

Items 313-328: What modifications should be made, if any, to the curriculum for students who are from low income households?

1. I check disagree to questions 314,315,316,319,320,322,325,327,328 as strongly disagree as I think this material should be taught to all students not just low income students.
2. Some of these items are basic teaching/educational strategies and important for all teachers, regardless of their discipline. I was kind of surprised to see them here.
3. 321 sounds a little condescending 328 Don't know what it means Several of these are the same as others so I don't think they need to be different for those with less money 316 not sure what this means and why it should be just for low income
4. I think all this needs to be taught to everyone! You NEVER know what type of financial hardship you may fall into regardless of your past!

Items 329-342: What areas related to credit education are important that have not been addressed above?

1. 330 - leading cause of bankruptcy is unpaid health care bills, this statement makes it seem otherwise.
2. 335: need that optimism.
3. I think 329 would be better phrased when students purchase everything they want it can lead to credit problems. i am not sure that is just true if the student is providing for themselves.
4. 330. That is only one of the reason for filing bankruptcy. Other reasons can be out of a person's control such as long-term unemployment or illness.
5. 338 I am not familiar with positive effects of compound interest 330 I think this should say one of the negative effects can be bankruptcy there are many other bad side effects

(continued)

Number	Comment
Items 343-367: What instructional methods are most appropriate for teaching students about credit use?	
1.	A variety of methods appeal to the broadest group, so I would find benefit to all or most of the methods suggested by 343-367, although I have never heard of 365.
2.	I'm not sure what 362 is.
3.	365. There are many good curriculum. Teachers should not be limited to using just one. Especially one that is expensive.
4.	362 not sure what they mean by online modeling 365 Don't know enough about the program to rate it

Round 3 Analysis

The remaining 151 items that did not reach consensus in Round 2 were retained in the Round 3 survey. One additional item was suggested for inclusion in Round 3. That item asked whether teachers should consider including in their courses information about the credit challenges faced by college students. This statement became item number 367 in the Round 3 survey. Respondents were asked to rate this item for the first time in Round 3. The Round 3 survey was also administered via the SurveyMonkey™ website. A link and instructions for completing Round 3 (see Appendix G) were emailed to each participant who completed Round 2. Nineteen of the 20 Round 2 respondents completed the Round 3 survey. Descriptive statistics were again calculated for each item on the Round 3 survey. One additional statistic, percent change in mean score, was calculated. This statistic was used to test for stability between Rounds 2 and 3. An item was considered stable if the mean score changed by less than 15% from Round 2 to Round 3. Of the 151 remaining items that were surveyed again, 144 were stable and not included in Round 4 as they either failed to reach consensus or reached a high agreement level of consensus in Round 3. Of those items, 69 also met the criteria set for Round 2 whereby an item is considered to have reached a high level of agreement based on a median score of 5 or 6 and an IQR ≤ 1. The one new item included in Round 3 was tested against the

Round 2 criteria for level of consensus. This item reached consensus based on median score and IQR. All Round 3 statistics are show in Table 4.5.

Table 4.5

Results of Round 3

Question 1: How should the term credit be defined or explained to high school students?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Credit should be defined to students as:					
1. the ability to borrow funds with the result of creating debt.*	4.85	5.05	4.2	5	5-5
3. an ongoing loan or contract between the consumer and the bank – not ―free” money.**	4.30	4.37	1.6	4	4-5
4. the cost of borrowing money. **	3.35	3.47	3.7	4	2-4.5
5. financial strategies that a person uses. **	2.47	2.79	12.9	2	2-4
Credit should be explained to students as:					
6. using money that one has not earned. **	3.00	3.05	1.8	3	2-4
7. lending of money from a for-profit source with a pre-determined repayment plan. **	3.00	2.89	-3.5	3	2-4
8. financial responsibility, rather than the ability to purchase items on credit. **	4.00	4.32	7.9	4	3.5-5
9. a component of their credit score since credit worthiness is based on one‘s credit score. **	3.75	3.58	-4.6	4	3-4.5
10. a factor in their budget as a budget is one of the fundamental concepts of any class on credit/financial responsibility. **	3.80	4.05	6.6	4	3.5-5
11. a privilege earned through good spending/payment behavior which should be respected and managed responsibly as an asset. **	4.70	4.74	0.8	5	4-5.5
12. a component of their credit worthiness which is determined by a number of factors including current income, past history, existing debt, and collateral.*	4.65	5.11	9.9	5	5-6
14. a component of a person's credit rating which has a significant impact on all areas of his/her life and should be treated with careful consideration.*	4.65	4.58	-1.5	5	4-5
15. something to examine as they think about their motives (needs, wants, intrinsic, extrinsic, etc.) for purchasing costly items on credit. **	4.25	4.26	0.3	5	3-5

(continued)

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
16. a commitment of future income resulting in an individual having less money to meet future expenses.*	4.70	4.95	5.3	5	5-6
17. direct credit such as financing a car or indirect credit through the use of credit cards. **	3.55	3.37	-5.1	3	3-4.5
18. something that can be avoided with proper budgeting and financial management. **	2.95	2.95	-0.1	3	2-4

Question 2: What information should an individual know and understand before making a decision to purchase goods or services using credit?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Before making a decision to purchase goods or services using credit, students should know:					
19. not use credit to purchase anything that one can eat or drink. **	3.60	3.74	3.8	4	3-4
20. not use credit to purchase anything that costs less than $20.00. **	3.65	3.89	6.7	4	3-4.5
22. that credit card companies target young adults because they realize it is difficult for them to pay their purchases in full each month and may be persuaded by gifts from the company.*	4.50	4.42	-1.8	5	4-5
23. that as you purchase items on credit, you are supplementing your current income. **	3.20	3.16	-1.3	3	2-4
24. that using credit cards should be reserved for emergencies and special purchases that can be paid back in a short time period.*	4.50	4.58	1.8	5	4-5
26. individuals are living beyond their means if they use credit for living expenses. **	4.70	4.89	4.1	5	4-6
27. how to differentiate between and determine whether the credit they are applying for is revolving or installment.*	5.16	4.74	-8.2	5	4.5-5
28. how to improve a credit report prior to applying for credit to get a better interest rate, terms, and conditions. **	5.00	4.83	-3.3	5	4-6
32. their expected future income.*	4.45	4.29	-3.5	5	4-5
36. if the purchase is worth the opportunity cost of using future income to pay interest charges.*	5.15	5.00	-2.9	5	5-6
38. whether the item will still be useable and have value once it is paid off. **	5.00	4.95	-1.1	5	4.5-6
39. whether the future benefit of the purchase is equal to or greater than the future costs.*	4.95	4.79	-3.2	5	5-5

(continued)

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
43. the number of hours of work needed to pay the full balance including interest. **	4.95	4.79	-3.2	5	4.5-6
45. the property offered as collateral may be reclaimed.*	4.90	4.95	1.0	5	5-6

Question 3: What advantages exist when using credit?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Students should understand the advantages of using credit include:					
47. credit is safe and convenient. **	3.79	3.53	-7.0	3	3-4
48. credit eliminates the need to carry cash.	3.84	3.22	-16.0	3	2.25-4
49. credit is available during emergencies when current savings are insufficient.*	5.10	4.95	-3.0	5	4.5-5
50. credit makes high price items, such as cars and homes, available to those who do not have cash.*	4.75	4.63	-2.5	5	4-5
51. credit cards are the only form of payment for rental cars, hotels, booking flights, and purchasing on the Internet. **	3.40	3.26	-4.0	3	2-4
53. credit cards can be replaced easily if lost or stolen.*	4.10	4.37	6.5	5	4-5
54. credit card holders are protected against unauthorized use or fraud.*	4.90	4.95	1.0	5	4.5-5
55. credit helps balance cash flow shortages and surpluses. **	3.25	3.05	-6.1	3	2-4
56. credit allows one to take advantage of sales or money saving offers. **	3.90	4.11	5.3	4	4-4.5
57. credit allows one to provide financial assistance to others when they are having cash flow issues and cash is not available. **	3.00	3.16	5.3	3	2-4
58. credit can provide good monthly repayment terms if the consumer has a good credit score. **	4.45	4.32	-3.0	5	3-5
59. credit can be used as a leveraging tool to purchase products that increase in value. **	4.30	4.05	-5.8	4	4-5
60. credit allows for instant gratification and delayed consequences.	3.30	2.32	-30.0	2	1.5-2.5
61. credit cards provide approximately 25 days free use of money when paid off in full. **	4.30	3.84	-11.0	4	3.5-4.5
62. credit allows one to benefit from buying in large quantities. **	3.20	2.89	-10.0	3	2-4

(continued)

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
63. credit provides an opportunity to make investments and provides liquidity for investing efficiency.	3.00	2.42	-19.0	2	1.5-3.5
65. many credit cards offer reward points or cash back. **	3.75	3.89	3.9	4	3.5-4
66. banks can provide assistance when dealing with merchants over disputed credit card charges. **	4.05	4.16	2.7	4	4-5
67. many banks provide additional warranties or insurance coverage for broken or damaged purchases. **	4.35	4.32	-1.0	5	3.5-5

Question 4: What disadvantages exist when using credit?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Students should understand the disadvantages of using credit include:					
73. the convenience of credit may discourage one from examining their buying motives (i.e., needs, wants, etc.) and buying impulsively.*	5.00	5.32	6.3	6	5-6
74. the convenience of credit often encourages abuse resulting in the inability to pay the balance or future payments.*	5.05	5.05	.1	5	5-6
75. credit cards may have a ―universal default" clause which can impact the interest rates charged when late, missing, or inaccurate payments are made to any creditor. **	4.40	3.89	-11.5	5	2.5-5.5
76. some merchants do not accept all brands of cards. **	4.15	4.37	5.3	4	4-5
79. credit may create unnecessary stress.*	5.10	5.39	5.7	6	5-6
80. using credit to purchase items may result in items going down in value, being damaged or destroyed, or becoming obsolete before being paid off which may result in the borrower being ―underwater" on the item.*	4.55	4.58	0.6	5	4-5
81. interest paid on credit impacts one's debt and wealth levels. **	5.00	4.95	-1.1	5	4.5-6
82. the borrowing process can be complicated creating an advantage for the lender.*	4.65	4.63	-0.4	5	4-5
83. borrowers will have less money in the future for expenses until they pay off their debts.*	4.95	5.16	4.2	5	5-6
84. the item purchased may be repossessed or foreclosed on if payments are not made according to terms.*	5.25	5.11	-2.8	5	5-6

(continued)

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
85. credit cards can be lost or stolen.*	4.65	4.53	-2.7	5	5-6
87. the credit card holder paying interest instead of receiving interest on that money if it was deposited into a savings account.*	4.85	4.95	2.0	5	5-5

Question 5: What rights do credit users have under the legal system?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Students should know that credit users have the legal right to:					
93. cancel an obligation within the state specified time period in certain states.*	4.65	4.74	1.9	5	4.5-5
94. contest charges prior to disputes being settled in court.*	4.90	4.82	-1.6	5	5-5
99. an automatic bankruptcy stay that provides protection from collectors once a bankruptcy petition is filed. **	4.10	4.00	-2.4	4	4-5
100. ask for relief if a bankruptcy stay is violated, but know the consequences of bankruptcy. **	4.60	4.26	-7.3	5	3.5-5
101. know their rights and legal protections according to all Acts pertaining to credit (i.e., the Credit Card Act of 2009, Fair Credit Reporting Act, Equal Credit Opportunity Act, Truth in Lending Act, etc.).*	5.10	5.32	4.2	5	5-6
102. state laws regarding purchases of defective products (i.e., lemon laws).*	4.95	4.89	-1.1	5	5-5
103. state consumer protection laws.*	5.00	4.79	-4.2	5	4.5-5
105. not be discriminated against.*	4.90	4.83	-1.4	5	5-5
106. fair collection of debt.*	4.89	5.00	2.2	5	5-5.5

Question 8: What does each member of society need to know regarding the prevention of identity theft and what should victims of identity theft do to repair their credit history?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
As members of society, students should understand the following to prevent identity theft or to repair their credit history:					
131. Never give their credit card to cashiers unless absolutely necessary. **	4.35	3.74	-14.1	4	3-5
133. Pick up checks from the bank rather than having them mailed. **	4.30	3.95	-8.2	4	3-5
135. Review their credit report every 6 months for fraudulently issued credit.*	4.89	4.63	-5.3	5	4-5
136. Use a credit card with a low credit limit when ordering online.*	4.60	4.68	1.8	5	4.5-5.5

(continued)

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
144. Never use debit cards online. **	4.45	4.26	-4.2	5	3.5-5
148. Keep photocopies of credit and debit cards in a secure location along with contact information to aid in contacting creditors. **	5.30	5.05	-4.7	5	4.5-6
154. Understand that most identity theft is conducted by people the victim knows. **	5.05	4.42	-12.5	4	4-6

Question 9: What types of credit are considered good?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Students should understand that credit is good if:					
158. it has a low interest rate and affordable or competitive fees.*	5.10	4.84	-5.1	5	4.5-5
159. it has a low interest rate and credit limit of $1500 or less. **	3.60	3.47	-3.5	3	3-4
160. it is used for educational loans (to a certain point). **	3.95	3.84	-2.7	4	3.5-4
161. the loan can be paid in a reasonable time with affordable payments.*	4.74	4.53	-4.5	5	4-5
162. it is used for mortgage overdraft lines.	3.05	2.58	-15.4	3	2-3
163. it is used for home equity loans. **	3.26	2.79	-14.4	3	2-3.5
164. it is used for loans for purchasing, starting, or expanding a business. **	3.95	3.58	-9.4	4	3-4
165. the credit sources that are transparent. **	4.58	3.95	-13.8	4	4-4
166. it comes from banks or credit unions and serves one‘s purposes at the lowest short- and long-term costs.*	4.70	4.42	-5.9	5	4-5
167. if the item is expected to last longer than it takes to pay it off.*	4.95	4.74	-4.3	5	4-5
168. the user has a balanced mix of different types of credit.*	4.70	4.53	-3.7	5	4-5
169. fulfills a long term strategic objective.*	4.85	4.47	-7.8	5	4-5

Question 10: What types of credit are considered bad or usurious?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Students should understand that credit is bad or usurious if:					
171. it has a ―universal default" clause.	5.00	4.16	-16.8	5	3.5-5
172. an individual has a poor credit rating. **	4.20	4.05	-3.5	5	3.5-5
176. it involves a rent to own contract. **	4.45	4.26	-4.2	5	3-5
177. it is provided by a finance company with no credit check. **	4.50	4.68	4.1	5	4-6
179. it is a secured or subprime credit card. **	4.10	3.53	-14.0	4	2.5-4

(continued)

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
180. it involves an insufficient mix of credit types. **	3.84	3.63	-5.4	4	3-4
182. it is a car loan with weekly payments.*	4.26	4.39	3.0	5	4-5
187. it used on non-durable goods such as food. **	4.10	3.63	-11.4	4	3-4

Question 11: What emergencies constitute a valid use of credit as a source of funds?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Students should understand that using credit as a source of funds for the following emergencies is acceptable:					
191. Renting a car**	4.58	4.26	-7.0	5	3.5-5
193. Purchasing a car when public transportation is not available	4.30	3.63	-15.5	4.5	3-4
194. Funeral expenses*	4.95	4.26	-13.9	5	4-5
195. Anything that puts a job at risk**	4.55	4.05	-10.9	4	4-5
199. During a divorce**	3.40	3.32	-2.5	3	3-4
201. In any situation where the urgency of the event outweighs the conceivable cost*	4.65	4.63	-0.4	5	4-5
202. When access to cash is not available**	4.16	3.94	-5.2	4	4-4
203. Never, as they should have 3-6 months' worth of expenses in an emergency fund**	3.45	3.53	2.2	4	3-4

Question 12: What does a credit user need to know regarding the relationship between risk and interest?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Students should understand that the relationship between risk and interest is such that:					
207. a high interest rate results in a longer repayment period. **	4.55	4.00	-12.1	4	3.5-5

Question 13: What information does an individual buying a home need to know regarding mortgages?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Students should understand the following prior to buying a home. It is important to:					
210. attend a home buying class from a nonprofit organization.*	4.40	4.63	5.3	5	4-5
211. expect to spend 10-20% of the purchase price for a down payment.*	4.80	4.68	-2.4	5	4-5
227. know who will service the mortgage.*	4.85	4.58	-5.6	5	4-5
235. be aware of available grants to help with down payment and closing costs.*	4.90	4.79	-2.3	5	4-5

(continued)

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
236. know how to apply for a loan including needed documentation.*	5.00	5.05	1.1	5	5-5.5
239. identify factors that underwriters use to determine if one qualifies for a mortgage.*	5.00	4.84	-3.2	5	4-5
244. rely on their own long term funds and income to make monthly payments.*	5.00	4.79	-4.2	5	4.5-5
246. investigate the tax benefits of a mortgage. **	4.85	4.84	-0.2	5	4-5.5
247. provide the required mortgage insurance when the down payment is less than 20%.*	4.90	4.79	-2.3	5	4-5
248. consider their options should the property value drop below the balance due. **	5.00	4.79	-4.2	5	4-5.5

Question 14: What information does an individual need to know regarding completing a loan application?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Students should understand the following about completing a loan application. They should:					
263. know that applying for multiple loans can result in a decrease in credit score.*	5.15	5.32	3.2	5	5-6

Question 15: What information does a borrower need to know in order to identify possible misuse of credit in their life?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Students should understand the following to be able to identify that the misuse of credit in their life may occur if:					
274. the balance for any source exceeds 25% of available credit. **	4.95	4.33	-12.5	4.5	4-5
277. they consolidate credit card debt into a home equity loan.*	4.80	4.58	-4.6	5	4-5
279. they fail to pay a credit card bill in full each month.*	4.90	4.68	-4.4	5	4-5
285. excluding a mortgage, total monthly payments on debt is more than 10% of monthly net income.*	4.74	4.72	-0.4	5	4-5

Question 16: What factors included in time value of money formulas should an individual understand before borrowing money?

Students should understand the following factors included in the time value of money before borrowing money.					
291. Present value of an annuity for a series of payments. **	4.32	4.11	-4.8	4.5	4-5

(continued)

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
292. Future value of the purchase price.*	4.50	4.74	5.3	5	5-5
293. Future value of an annuity of payments.*	4.42	4.33	-2.0	5	4-5

Question 17: What modifications should be made, if any, to the curriculum for students who are members of diverse backgrounds?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Teachers should make the following modifications for students with diverse backgrounds.					
305. Make examples relevant to the community's background.*	5.25	5.26	0.3	5	5-6
306. Respect the differences in cultural views of credit. **	4.65	4.89	5.3	5	4-5.5
307. Respect the differences that various religions have towards credit.*	4.60	4.84	5.3	5	4-5
308. Consider the difference in cultural views on saving.*	4.45	4.79	7.6	5	4-5
309. Consider the difference in cultural views on providing aid to others in the community.*	4.55	4.67	2.6	5	4-5
312. Make no modifications.**	2.26	2.37	4.8	2	1-3.5

Question 18: What modifications should be made, if any, to the curriculum for students who are from low income households?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Teachers should make the following modifications for students who are from low income households.					
313. Not use examples that may be perceived as placing blame on family members for their economic situation.*	4.65	4.42	-4.9	5	4-5
314. Teach students to be aware their identity is more likely to be stolen by a family member. **	4.35	3.84	-11.7	4	3-5
315. Discuss the use of check cashing services. **	4.70	4.42	-5.9	4	4-5
316. Teach how Chexsystems provides information about previous improper bank account usage. **	4.68	4.32	-7.9	4	4-5
325. Explain how savings impacts eligibility for certain social services.	4.68	3.89	-16.9	4	2.5-5
326. Make no modifications. **	2.26	2.32	2.5	2	1-3.5
327. Emphasize events that will damage their credit score.*	4.85	4.53	-6.7	5	4-5
328. Teach about the financial cost of being unbanked.*	4.79	4.63	-3.3	5	4-5

(continued)

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
327. Emphasize events that will damage their credit score.*	4.85	4.53	-6.7	5	4-5
328. Teach about the financial cost of being unbanked.*	4.79	4.63	-3.3	5	4-5

Question 19: What areas related to credit education are important that have not been addressed above?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Important topics related to credit education that have not been addressed include:					
329. When students are providing for themselves and purchasing everything they want, this can lead to credit problems.*	4.60	4.58	-0.5	5	4-5
330. The negative side effects of not using credit wisely is bankruptcy. **	4.65	4.32	-7.2	4	4-5
338. Positive benefits of compound interest. **	4.50	4.00	-11.1	5	3-5

Question 20: What instructional methods are most appropriate for teaching students about credit use?

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Teachers should use the following instructional methods for teaching students about credit use.					
343. Lectures. **	4.10	4.26	4.0	4	4-5
348. Videos. **	4.85	4.89	0.9	5	4-5.5
349. Cooperative teaching.*	4.95	4.84	-2.2	5	4-5
353. True/False questions. **	3.65	3.79	3.8	4	3-4
356. Online research. **	4.25	4.16	-2.2	5	3.5-5
358. Kinetic learning. *	4.84	4.68	-3.2	5	4-5
361. Reading. **	4.21	4.21	0.0	4	4-5
363. Simulations.*	5.10	4.84	-5.1	5	5-5
365. The Council on Economic Education's Financial Fitness for Life program. **	3.89	3.94	1.4	4	4-4.75
366. Teaching WHY something is true.*	4.95	5.05	2.1	5	5-5

New Item Suggested in Round 2

Item	Mean			*Mdn*	IQR
	Rd2	Rd3	% Δ		
Teachers should consider including in their courses:					
367. Information about the credit challenges faced by college students.*	-	5.37	-	6	5-6

*Item reached consensus in Round 3.

**Item did not reach a high agreement or disagreement level but was stable between Rounds 2 and 3 and thus eliminated in the Round 4 survey as no consensus was reached.

When rating items in Round 3, participants were asked to consider the group‘s median rating and IQR for Round 2. Participants were then to consider their own rating in Round 2 in comparison to the group‘s rating. If a participant felt compelled to rate the item in Round 3 outside the IQR for Round 2, they were asked to provide a comment explaining why they felt it necessary to rate the item as they did. Participants also were encouraged to provide comments for any additional items they felt warranted a written explanation or opinion. Table 4.6 provides all new written comments received in Round 3. Numbers embedded within or at the beginning of the comment correspond to the item number the comment relates to.

Table 4.6

Round 3 Comments

Number	Comment
Items 1-18: How should the term credit be defined or explained to high school students?	
1.	1. IS necessary to use credit to build a credit history. It is NOT necessary to have a credit history -- very inconvenient but not necessary. It is NOT necessary to acquire debt to build a credit history.
2.	17: I think maybe open-ended vs. closed-ended credit might help clarify the question in direct/indirect credit.
Items 19-46: What information should an individual know and understand before making a decision to purchase goods or services using credit?	
1.	#32 I think to let high school students to believe they can charge or borrow more because they anticipate high future income is unrealistic. When you look at today's job market there are many well qualified people who have lost jobs and are unable to find work or work with a comparable salary to their previous employment. I think that suggesting to a high schooler of even college student that they can borrow more because they anticipate they will make a good salary could put them in jeopardy if they are unable to find good and well paying jobs in this tough economy
Items 47-69: What advantages exist when using credit?	
1.	I agree that the terminology lacks precision -- credit, debt, and credit cards are three different things. While more young adults are using debit cards, few experts recommend using debit cards to pay for renting cars, hotels, booking flights, and especially not online.
2.	For 66 & 67 I don't think it should read banks. many different institution issue credit cards and offer credit

(continued)

Number	Comment

Items 70-88: What disadvantages exist when using credit?

1. 74. Mainly refers to credit cards although it can also refer to other types of credit. this needs to be clarified for students.
2. Universal default essentially does not exist anymore as of 2009...
3. 75- If there is no universal default clause then it may not need to be taught but it might be a good idea to still let students know what that is so that if a creditor attempts to penalize under a universal default argument the young adult would know that it is not valid. Before considering taking it out of the curriculum we should be sure that it can't be used in any type of credit situation.

Items 89-106: What rights do credit users have under the legal system?

1. Written Comment C above this grouping was my initial comment and still feel the same. [Items that discuss bankruptcy not strongly supported - the teaching of credit and budgeting to young adults should emphasize the positive and only emphasize bankruptcy for bad credit choices as a poor alternative that will affect consumer credit for years to come.]
2. I do not think the "details" of bankruptcy are important for high school students.
3. Because my course is only a semester long, I focus on creating positive credit behaviors and do not spend a great deal of time discussing bankruptcy but more on how to avoid needing it (99, 100)

Items 107-118: What responsibilities do credit users have when borrowing money?

1. All items from this section reached consensus in Round 2.

Items 119-127: What information is important regarding one's credit report, credit history, and credit score?

1. All items from this section reached consensus in Round 2.

Items 128-154: What does each member of society need to know regarding the prevention of identity theft and what should victims of identity theft do to repair their credit history?

1. 131. You can refuse to allow the card to leave your sight -- you can go with the waitress. 144. Most experts agree with this absolute -- NEVER use a debit card online. 146. The contact information is on the back of the card -- so it's important to copy both sides. 154. Several studies confirm that most identity theft is conducted by a person known to the victim.

Items 155-169: What types of credit are considered good?

1. 158,159,161. Credit is only good if you need the item and you can get a low rate and minimum fees. 160. As long as the loans are used for educational purposes and not spring break. 164 it is better to save to start a business. I growing business may be a good use of credit
2. 164 I don't think we need to get in to purchasing or starting a business for a high school class as most of the students would not be able to even enter into any type of contract for starting a business since they will often be minors. Since we have so much already in the

(continued)

Number	Comment
	curriculum I don't know that we need to add this. !63 I think the same argument for exclusion pertains to this number as well. I can't imagine young adults having a mortgage and qualifying for a home equity loan

Items 170-187: What types of credit are considered bad or usurious?

1. 171. Again, universal default clauses are no longer allowed. 172. Charging someone with a poor credit rating a high interest rate isn't "bad" -- it's appropriate pricing. 175 Rent to own isn't credit.
2. 171, Universal default is not longer a problem 172. Sometimes proper use of credit is the only way to improve a poor credit rating
3. 171 see comments to # 75 [75- If there is no univeral default clause then it may not need to be taught but it might be a good idea to still let students know what that is so that if a creditor attempts to penalize under a universal default argument the young adult would know that it is not valid. Before considering taking it out of the curriculum we should be sure that it can't be used in any type of credit situation.]

Items 188-203: What emergencies constitute a valid use of credit as a source of funds?

1. 191. Renting a car can be an emergency -- if your car isn't operational, for example. It's just a poor choice of an example.
2. 199. Use of joint credit during a divorce is not good policy. A divorce is not always an emergency
3. 191 I don't think renting a car is an emergency it could be listed as a time when you need a credit card to be able to rent but I don't think it should be listed as an emergency 194 I don't think this is one that needs to be included in a financial literacy program for young adults.

Items 204-209: What does a credit user need to know regarding the relationship between risk and interest?

1. Both above written comments have credence. This relates to cost of credit and calculating cost based on final cost of loan, including interest. Could be covered under opportunity cost lessons.
2. Upon reflection, I agree that this is a misstatement. A high interest rate can mean a longer repayment period if you keep the payments low.

Items 210-248: What information does an individual buying a home need to know regarding mortgages?

1. Not just for question 247 but this entire section, most students would not be interested in specifics such as tax benefits, which is why the only question I rated 5 was recommending a home buying class taught be a nonprofit prior to purchasing home.
2. My rankings assume this topic will be taught to high school students and in this level of detail. I don't agree that it should.
3. I think it is also important to know who is making the underwriting decision. Just because you go to a local bank or credit union does not mean they are making the underwriting decision. If they are using a large loan provider, it many lead to extra expenses, longer closing times, and multiple documentation requests.

(continued)

Number	Comment

Items 249-266: What information does an individual need to know regarding completing a loan application?

1. No additional comments were made in Round 3.

Items 267-289: What information does a borrower need to know in order to identify possible misuse of credit in their life?

1. 277 - in most cases using secured deb, such as home or car, to pay off revolving debt is not recommended
2. 279. Failure to pay a credit card bill in full each month could mean they have charged more than they can repay. Is that misuse?
3. 274. Your mortgage may be 25% on your income and your consumer debt should be no more than 15%. So your mortgage pay be more than 25% of available credit.

Items 290-304: What factors included in time value of money formulas should an individual understand before borrowing money?

1. I think they need to understand to concepts and use fill in the blank calculators but not financial calculators.

Items 305-312: What modifications should be made, if any, to the curriculum for students who are members of diverse backgrounds?

1. I think you can mention cultural differences as students may end up working with these groups or it may help them understand why other people do things differently.

Items 313-328: What modifications should be made, if any, to the curriculum for students who are from low income households?

1. I checked disagree because I agree with the comment that it should be taught to everyone not just low income households.
2. 314 If this is an accurate statement it should be taught to all students and I think it would be extreme stereotyping to only teach it to the low income students. The same discussion for number 316, 325, 315

Items 329-342: What areas related to credit education are important that have not been addressed above?

1. 330- agree with comments 2 & 3. 338 - has awkward phrasing; intention is to discuss benefits of compound interest for saving or for purchasing items at low, preferred rate.
2. 338. I am also not aware of positive effects of compound interest.
3. 329., 330., i agree with the comment (s). 331. The positive effects of compound interest when you save and the negative effects of compound interest when you borrow.

Items 343-367: What instructional methods are most appropriate for teaching students about credit use?

1. Somewhat agree with comment for 365; would apply to all curriculum; should be rated for opportunity learning cost.
2. 365 Not familiar with it so can't rate it.

(continued)

Number	Comment
Item 368 (New Item): Teachers should consider including in their courses information about the credit challenges faced by college students.	
1. No comments were provided for this item in Round 3.	

Round 4 Analysis

Seven items were not stable between Rounds 2 and 3 as their mean score changed by more than 15% between these rounds. These items along with the median score and IQR from Round 3 were sent to respondents along with comments from Rounds 2 and 3. Each of the 19 Round 3 participants were provided their ratings for the seven Round 4 items and asked to rate each again by comparing their rating with the median and IQR values from Round 3. Table 4.7 provides the mean, percent change in mean score, median, and IQR for each item in Round 4.

Table 4.7

Results of Round 4

Question 3: What advantages exist when using credit?

Item	Mean			*Mdn*	IQR
	Rd3	Rd4	% Δ		
Students should understand the advantages of using credit include:					
48. credit eliminates the need to carry cash.	3.22	2.84	-11.8	3	2-3
60. credit allows for instant gratification and delayed consequences.*	2.32	2.58	11.2	2	2-3
63. credit provides an opportunity to make investments and provides liquidity for investing efficiency.*	2.42	2.79	15.3	2	2-3

Question 9: What types of credit are considered good?

Item	Mean			*Mdn*	IQR
	Rd3	Rd4	% Δ		
Students should understand that credit is good if:					
162. it is used for mortgage overdraft lines.	2.58	2.16	-16.3	2	2-3

Question 10: What types of credit are considered bad or usurious?

Item	Mean			*Mdn*	IQR
	Rd3	Rd4	% Δ		
Students should understand that credit is bad or usurious if:					
171. it has a ―universal default" clause.	4.16	3.58	-13.9	5	2-5

(continued)

Question 11: What emergencies constitute a valid use of credit as a source of funds?

Item	Mean			*Mdn*	IQR
	Rd3	Rd4	% Δ		
Students should understand that using credit as a source of funds for the following emergencies is acceptable:					
193. Purchasing a car when public transportation is not available	3.63	3.32	-8.5	4	3-4

Question 18: What modifications should be made, if any, to the curriculum for students who are from low income households?

Item	Mean			*Mdn*	IQR
	Rd3	Rd4	% Δ		
Teachers should make the following modifications for students who are from low income households.					
325. Explain how savings impacts eligibility for certain social services.	3.89	3.44	-11.6	4	3-4

Two items reached consensus during this round as their median score was a 2 indicating a consensus to disagree with the statement. One of those reaching consensus, item 63, did have a mean score change of greater than 15% between Rounds 3 and 4. Although this change did violate the stability criteria, the item can be considered stable as the mean score changed only 7% between Rounds 2 and 4. The mean score for item 63 decreased by 23.9% from Round 2 to 3 but then increased by 15.3% between Rounds 3 and 4. According to Greatorex and Dexter (2000), an item displaying this behavior can be considered reasonably accurate as the Delphi method helped the panel hone in on an accurate measurement of the item. Furthermore, the IQR for item 63 decreased in each round (see Figure 4.1).

Five items did not meet the criteria for consensus. One of those, item 162, had a mean score decrease of greater than 15% between Rounds 3 and 4. This decrease of 16.3% was in addition to a decrease of 15.4% between Rounds 2 and 3. Greatorex and Dexter (2002) reported that items with a steady decrease or increase in mean score over three rounds have an expert opinion that cannot be considered valid. Hsu and Sandford (2007) and Linstone and Turoff

(2002) argued that any rounds beyond a third round may not provide additional information. An inspection of the IQR for item 162 does reveal a steady middle 50% over Rounds 3 to 4 since the IQR remained one (see Figure 4.1).

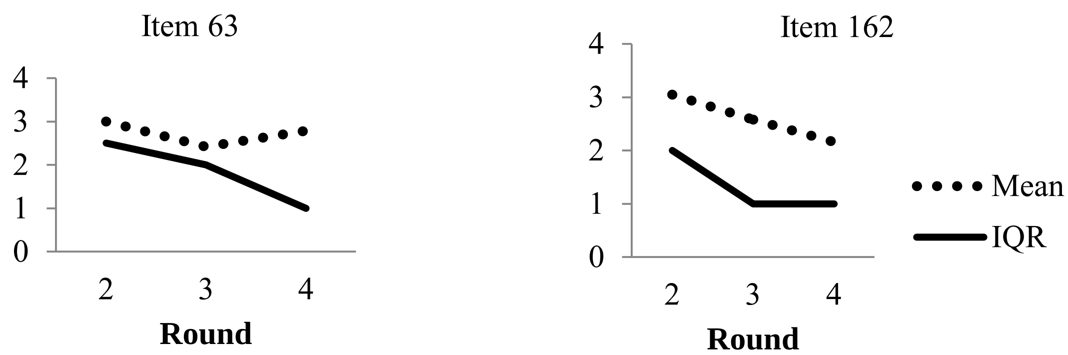

Figure 4.1. Mean score and IQR by Round for items 63 and 162.

Participants were encouraged in Round 4 to provide written comments to explain their reason for rating any item outside the IQR. The 11 new comments provided in Round 4 are reported in Table 4.8.

Table 4.8

Round 4 Comments

Number	Comment
Items 1-18: How should the term credit be defined or explained to high school students?	
1.	All items from this section reached consensus in Round 3.
Items 19-46: What information should an individual know and understand before making a decision to purchase goods or services using credit?	
1.	All items from this section reached consensus in Round 3.
Items 47-69: What advantages exist when using credit?	
1.	Q48: Not all places will take a credit card (the bus, certain restaurants). So a person needs cash for day-to-day activities. Q162: If the person is borrowing to pay mortgage insurance, the person is digging himself into a deeper and deeper hole. Q171: I misread the question on the earlier round.
2.	63: my answer was in range and I am sticking with it.
Items 70-88: What disadvantages exist when using credit?	
1.	All items from this section reached consensus in Round 3.

(continued)

Number	Comment

Items 89-106: What rights do credit users have under the legal system?

1. All items from this section reached consensus in Round 3.

Items 107-118: What responsibilities do credit users have when borrowing money?

1. All items from this section reached consensus in Round 2.

Items 119-127: What information is important regarding one's credit report, credit history, and credit score?

1. All items from this section reached consensus in Round 2.

Items 128-154: What does each member of society need to know regarding the prevention of identity theft and what should victims of identity theft do to repair their credit history?

1. All items from this section reached consensus in Round 3.

Items 155-169: What types of credit are considered good?

1. All items from this section reached consensus in Round 3.

Items 170-187: What types of credit are considered bad or usurious?

1. #171 No Universal Default anymore
2. 171. I think you should toss this item. I assume you included it because you didn't know these clauses were no longer allowed.
3. There is no longer a universal default clause Credit is convenient...that‘s the point...no need to carry cash Credit is not appropriate to use to gain investment liquidity. You shouldn‘t borrow funds to invest…too risky

Items 188-203: What emergencies constitute a valid use of credit as a source of funds?

1. No additional comments were made in Round 4.

Items 204-209: What does a credit user need to know regarding the relationship between risk and interest?

1. All items from this section reached consensus in Round 3.

Items 210-248: What information does an individual buying a home need to know regarding mortgages?

1. All items from this section reached consensus in Round 3.

Items 249-266: What information does an individual need to know regarding completing a loan application?

1. No additional comments were made in Round 3.

Items 267-289: What information does a borrower need to know in order to identify possible misuse of credit in their life?

1. All items from this section reached consensus in Round 3.

Items 290-304: What factors included in time value of money formulas should an individual understand before borrowing money?

1. All items from this section reached consensus in Round 3.

(continued)

Number	Comment
Items 305-312: What modifications should be made, if any, to the curriculum for students who are members of diverse backgrounds?	
1.	All items from this section reached consensus in Round 3.
Items 313-328: What modifications should be made, if any, to the curriculum for students who are from low income households?	
1.	Q325: I misread the question on the earlier round. Savings is important at any level.
2.	#325 I do agree because it changes what services they can or can't be eligible for.
3.	Too advanced to teach to high school kids.
4.	I think students need understand that savings are what will help them move off the dependence on certain social services.
Items 329-342: What areas related to credit education are important that have not been addressed above?	
1.	All items from this section reached consensus in Round 3.
Items 343-367: What instructional methods are most appropriate for teaching students about credit use?	
1.	All items from this section reached consensus in Round 3.
Item 368: Teachers should consider including in their courses information about the credit challenges faced by college students.	
1.	All items from this section reached consensus in Round 3.

Final Analysis

A four-round Delphi study was conducted for the purpose of having a panel of experts seek consensus on defining credit and determining content and delivery methods for teaching credit to high school students. A total of 49 individuals were nominated for the study with 33 agreeing to participate. Twenty-two individuals completed the Round 1 survey. Only three individuals who started the study did not complete all four rounds. Table 4.9 provides a breakdown of participants per round by profession.

Table 4.9

Panel Summary by Expert Group

	Number		Completed			
Expert Group	Invited	Accepted	Rd 1	Rd 2	Rd 3	Rd 4
College Professors	11	7	4	3	3	3
Credit Counselors	13	8	6	6	6	6

(continued)

Expert Group	Number Invited	Number Accepted	Completed Rd 1	Completed Rd 2	Completed Rd 3	Completed Rd 4
Bankruptcy Court Members	9	8	6	6	6	6
Business Ed. Teachers	5	1	1	0	0	0
FACS Teachers	4	3	1	1	1	1
Marketing Teachers	2	2	1	1	1	1
Math Teachers	1	1	1	1	0	0
Social Studies / Economics Teachers	4	3	2	2	2	2
Total	49	33	22	20	19	19

A total of 366 items were generated from the Round 1 survey that contained open-ended questions designed to allow participants the opportunity to generate those items that would be included in subsequent rounds. At the conclusion of the second round, 215 items reached a high level of consensus in which the panel highly agreed with the statement. This was determined by calculating the median score and IQR for each item, then looking for any item whose median was a 5 or 6 which indicated agreement with the statement. Those items with a median value of 5 or 6 were also checked for an IQR ≤ 1. Those items which met both criteria reached consensus in Round 2 and where not included in Round 3.

The remaining 151 items plus one additional item suggested in Round 2 were included on the Round 3 survey. Each item was ranked again by the experts, and those items meeting the initial criteria of having a median of 5 or 6 and an IQR ≤ 1 were considered for removal from Round 4 if the item also had a stable mean score as demonstrated by an inter-round change in mean score of 15% or less. A total of 69 items met these criteria and were considered to have reached a high level of agreement among the panel. These items were not included in the Round 4 survey but where included in the panel‘s recommendations for inclusion in a unit on credit in a high school financial literacy course. The new item added in Round 3 also reached a high consensus level and was also not included in Round 4. An additional 75 items were considered stable without having reached a high level of agreement, and thus were not included in the Round 4 survey. No consensus was reached on those 75 items and they were not included in the final list of items deemed important by the panel for inclusion in a high school course. The final seven items were included in the Round 4 survey with the panel coming to a consensus to disagree with two items. Table 4.10 provides a summary of the number of items not reaching consensus and the number of items that met either a high level of disagreement or agreement consensus for Rounds 2-4.

Table 4.10

Item Summary for Rounds 2-4

Round	Items	Number Reaching		
		No Consensus	Disagreement Consensus	Agreement Consensus
Round 2	366	N/A	0	215
Round 3	152*	75	0	70*
Round 4	7	5	2	0
Total	367**	80	2	285

* Includes the one item suggested in Round 2 and included for the first time in Round 3

**Includes the original 366 items in Round 2 plus the one suggestion from Round 2 that was included in Round 3.

The mean scores were used to rank those items in which a high level of consensus was met. Each of these items was compared to other items within the same question to determine an order of importance as determined by the experts. These rankings are important for making recommendations on the most important content that should be taught when insufficient time exists to cover all material suggested by the panel. Table 4.11 shows mean score and rank for each item as well as the round in which it reached consensus.

Table 4.11

Mean Score Rank by Initial Open-Ended Question

Question 1: How should the term credit be defined or explained to high school students?			
Item	Mean	Rank	Round*
Credit should be defined to students as:			
1. the ability to borrow funds with the result of creating debt.	5.05	2	3
2. purchasing a good or service now without using cash on hand and promising to pay later with interest using future income.	5.40	1	2
Credit should be explained to students as:			
12. a component of their credit worthiness which is determined by a number of factors including current income, past history, existing debt, and collateral.	5.11	1	3
13. something that can both help and hinder one‘s financial status.	4.65	3	2
14. a component of a person's credit rating which has a significant impact on all areas of his/her life and should be treated with careful consideration.	4.58	4	3
16. a commitment of future income resulting in an individual having less money to meet future expenses.	4.95	2	3

Question 2: What information should an individual know and understand before making a decision to purchase goods or services using credit?			
Item	Mean	Rank	Round*
Before making a decision to purchase goods or services using credit, students should know:			
21. that being approved to buy something on credit doesn‘t mean you should.	5.70	2	2
22. that credit card companies target young adults because they realize it is difficult for them to pay their purchases in full each month and may be persuaded by gifts from the company	4.42	20	3
24. that using credit cards should be reserved for emergencies and special purchases that can be paid back in a short time period.	4.58	19	3
25. how finance charges and compounding interest are calculated and affect the credit card balance.	5.75	1	2
27. how to differentiate between and determine whether the credit they are applying for is revolving or installment.	4.74	18	3
29. how to compare offers from various lenders to get the best terms, interest rate and conditions.	5.50	T5	2
30. the responsibilities, conditions and legal obligations of using credit to purchase goods or services.	5.65	3	2
31. how to analyze due dates, interest, penalties, fees, etc. whether the purchase is for discretionary or emergency spending.	5.25	11	2
32. their expected future income.	4.29	21	3
33. how the purchase will impact their credit history and credit score.	5.20	T12	2

(continued)

Item	Mean	Rank	Round*
34. if the income and necessary cash flow exists within their budget to make the payments.	5.50	T5	2
35. the time necessary to pay off the purchase based on their budget and how it will affect their monthly cash flow.	5.40	T9	2
36. if the purchase is worth the opportunity cost of using future income to pay interest charges.	5.00	15	3
37. if the item can be bought in the future with saved funds.	5.40	T9	2
39. whether the future benefit of the purchase is equal to or greater than the future costs.	4.79	17	3
40. the total cost of the item when paying monthly payments, including interest and fees, to pay if not paid in full and how much they will save by paying cash.	5.45	T7	2
41. whether other options exist for making the purchase without using credit.	5.45	T7	2
42. the length of time necessary to pay the full balance of a purchase when making only minimum payments.	5.60	4	2
44. how long it would take to save money to pay cash for the item instead of using credit.	5.20	T12	2
45. the property offered as collateral may be reclaimed.	4.95	16	3
46. interest rates may rise assuming the terms of agreement and federal law are not violated.	5.05	14	2

Question 3: What advantages exist when using credit?

Item	Mean	Rank	Round*
Students should understand the advantages of using credit include:			
49. credit is available during emergencies when current savings are insufficient.	4.95	T2	3
50. credit makes high price items, such as cars and homes, available to those who do not have cash.	4.63	4	3
52. credit provides an alternative when a consumer is short on cash or a merchant does not accept checks.	4.30	8	2
53. credit cards can be replaced easily if lost or stolen.	4.37	7	3
54. credit card holders are protected against unauthorized use or fraud.	4.95	T2	3
64. using credit responsibly builds a good credit score and credit worthiness which provides a positive reference to employers, landlords, utility companies, and insurance providers.	5.35	1	2
68. statements provide itemized expenditures to track expenses easily.	4.58	5	2
69. the ability to purchase an item and spread payments out over a period of time.	4.53	6	2

(continued)

Question 4: What disadvantages exist when using credit?

Item	Mean	Rank	Round*
Students should understand the disadvantages of using credit include:			
70. interest and fees will result in paying more than something is worth (the true cost).	5.50	4	2
71. credit cards result in exorbitant interest payments when only the minimum payment is paid monthly.	5.60	3	2
72. when only minimum payments are made, credit cards create long term debt.	5.85	1	2
73. the convenience of credit may discourage one from examining their buying motives (i.e., needs, wants, etc.) and buying impulsively.	5.32	7	3
74. the convenience of credit often encourages abuse resulting in the inability to pay the balance or future payments.	5.05	12	3
77. credit is difficult to pay back when income is reduced or lost.	5.30	8	2
78. failure to pay credit card debt according to the terms will result in fees, damage your credit history and credit score.	5.75	2	2
79. credit may create unnecessary stress.	5.39	6	3
80. using credit to purchase items may result in items going down in value, being damaged or destroyed, or becoming obsolete before being paid off which may result in the borrower being ―underwater" on the item.	4.58	15	3
82. the borrowing process can be complicated creating an advantage for the lender.	4.63	14	3
83. borrowers will have less money in the future for expenses until they pay off their debts.	5.16	9	3
84. the item purchased may be repossessed or foreclosed on if payments are not made according to terms.	5.11	11	3
85. credit cards can be lost or stolen.	4.53	16	3
86. that using credit irresponsibly demonstrates a lack of credit worthiness which may result in denial for credit when needed, your ability to get/keep a job, your ability to rent/own property, insurance rates, and/or bankruptcy.	5.40	5	2
87. the credit card holder paying interest instead of receiving interest on that money if it was deposited into a savings account.	4.95	13	3
88. using credit is easy and seductive and can result in reckless consumption.	5.15	10	2

Question 5: What rights do credit users have under the legal system?

Item	Mean	Rank	Round*
Students should know that credit users have the legal right to:			
89. get a free yearly credit report from each of the three major credit reporting agencies.	5.85	1	2
90. dispute inaccurate information on a credit report.	5.79	2	2

(continued)

Item	Mean	Rank	Round*
91. know what options are available in bankruptcy court.	4.95	11	2
92. the full truth in lending disclosure regarding the costs of the credit being used.	5.32	T7	2
93. cancel an obligation within the state specified time period in certain states.	4.74	16	3
94. contest charges prior to disputes being settled in court.	4.82	14	3
95. limited liability protection from stolen or fraudulent use of cards.	5.45	T4	2
96. caps on interest and fees.	5.25	9	2
97. know why they were denied credit and where information came from that was used in making the decision.	5.45	T4	2
98. know how long it will take to pay off a debt if only the minimum payments are made monthly.	5.35	6	2
101. know their rights and legal protections according to all Acts pertaining to credit (i.e., the Credit Card Act of 2009, Fair Credit Reporting Act, Equal Credit Opportunity Act, Truth in Lending Act, etc.).	5.32	T7	3
102. state laws regarding purchases of defective products (i.e., lemon laws).	4.89	12	3
103. state consumer protection laws.	4.79	15	3
104. know the terms of the credit agreement and know the cost of credit.	5.55	3	2
105. not be discriminated against.	4.83	13	3
106. fair collection of debt.	5.00	10	3

Question 6: What responsibilities do credit users have when borrowing money?

Item	Mean	Rank	Round*
Students should understand that, when borrowing money, credit users have the following responsibility to:			
107. borrow only what they can afford to pay back.	5.35	T9	2
108. understand and pay back according to the terms of agreement.	5.75	T2	2
109. keep collateral in good repair and to maintain insurance as needed.	5.15	12	2
110. know their legal rights.	5.25	11	2
111. communicate with the lender when the terms of agreement cannot be met.	5.35	T9	2
112. manage a budget to ensure future income and expenses provide the ability to pay.	5.75	T2	2
113. know how failure to pay results in consequences and impacts themselves and others.	5.65	7	2
114. compare the benefit with the cost of using credit.	5.55	8	2
115. not exceed the given credit limit and keep their credit in control.	5.80	1	2
116. understand the legal obligations of borrowing.	5.75	T2	2

(continued)

Item	Mean	Rank	Round*
117. maintain a good credit score.	5.70	6	2
118. to be able to repay the loan.	5.75	T2	2

Question 7: What information is important regarding one‘s credit report, credit history, and credit score?

Item	Mean	Rank	Round*
Students should understand the following information is important to their credit report, credit history, and credit score. It is important to:			
119. use credit wisely to help establish a credit history.	5.50	T7	2
120. understand the purpose and components of a credit report.	5.50	T7	2
121. check their free credit report from Experian, Equifax, or Transunion at least once a year for accuracy and fraud.	5.65	T2	2
122. report and correct errors in a credit report.	5.75	1	2
123. improve and/or maintain a good credit score.	5.65	T2	2
124. learn to accurately read, analyze and interpret a credit report.	5.55	T5	2
125. understand the benefits of a high credit score.	5.55	T5	2
126. understand the consequences of a low credit score.	5.60	4	2
127. understand how to improve one‘s credit score.	5.40	9	2

Question 8: What does each member of society need to know regarding the prevention of identity theft and what should victims of identity theft do to repair their credit history?

Item	Mean	Rank	Round*
As members of society, students should understand the following to prevent identity theft or to repair their credit history:			
128. Never give or allow anyone (including friends and relatives) access to their personal information.	5.60	T11	2
129. Never give credit card, bank account or pin numbers to anyone (including friends and relatives).	5.75	T3	2
130. Keep credit card receipts and check monthly billing statements and balances carefully.	5.55	T15	2
132. Shred important documents containing their social security number, credit card account numbers or credit card offers.	5.85	1	2
134. Provide their social security number only when legally required.	5.60	T11	2
135. Review their credit report every 6 months for fraudulently issued credit.	4.63	22	3
136. Use a credit card with a low credit limit when ordering online.	4.68	21	3
137. Never purchase goods or services, pay bills or provide any information on unsecure Web sites.	5.60	T11	2
138. Do not write or have their social security number printed on either their driver‘s license or checks.	5.70	T5	2
139. Never open suspicious emails or respond with any information.	5.60	T11	2

(continued)

Item	Mean	Rank	Round*
140. Insist on calling back creditors using phone numbers provided on the card or statement before answering questions about their account.	5.80	2	2
141. Properly secure credit cards.	5.65	T8	2
142. Change passwords frequently making sure to always use strong passwords.	5.65	T8	2
143. Only use a few credit cards.	5.45	18	2
145. Do not keep pin numbers with the debit cards.	5.70	T5	2
146. Notify the bank or issuer if a card is lost or stolen.	5.70	T5	2
147. Place their mail in official post office collection locations and not their mailbox.	5.11	20	2
149. Contact credit reporting agencies if their identity has been stolen and ask for a fraud victim alert to be placed on their credit report.	5.75	T3	2
150. Follow instructions provided by credit reporting agencies to dispute fraudulent credit.	5.65	T8	2
151. In the case of identity theft, cancel all credit/debit cards, have the bank close old accounts and open new accounts.	5.55	T15	2
152. In the case of identity theft, contact local law enforcement, file a police report and keep the file number.	5.50	17	2
153. In the case of identity theft, contact the merchant and proper authorities, including the Federal Trade Commission, State Attorney General, FBI, US Postal Inspector, Social Security Administration, etc.	5.30	19	2

Question 9: What types of credit are considered good?

Item	Mean	Rank	Round*
Students should understand that credit is good if:			
155. used responsibly.	5.75	1	2
156. it is accompanied with a low interest loan used to purchase a home, auto, or other durable goods or used appropriately to build one‘s credit history.	5.25	2	2
157. the credit cards are paid in full each month.	5.20	3	2
158. it has a low interest rate and affordable or competitive fees.	4.84	4	3
161. the loan can be paid in a reasonable time with affordable payments.	4.53	T6	3
166. it comes from banks or credit unions and serves one‘s purposes at the lowest short- and long-term costs.	4.42	9	3
167. if the item is expected to last longer than it takes to pay it off.	4.74	5	3
168. the user has a balanced mix of different types of credit.	4.53	T6	3
169. fulfills a long term strategic objective.	4.47	8	3

(continued)

Question 10: What types of credit are considered bad or usurious?

Item	Mean	Rank	Round*
Students should understand that credit is bad or usurious if:			
170. it involves a high interest rate.	5.15	8	2
173. it takes advantage of the disadvantaged or innocent (i.e., those recently discharged from bankruptcy, young people, etc.).	5.35	3	2
174. it is a payday, cash advance or car title loan or is obtained from a pawn shop	5.20	7	2
175. it is one that an individual cannot repay.	5.40	2	2
178. it involves high interest and fees.	5.30	4	2
181. it involves credit sources that are deceptive.	5.25	T5	2
182. it is a car loan with weekly payments.	4.39	11	3
183. it is a predatory credit card with low introductory rates.	5.25	T5	2
184. it violates any state usury laws.	5.80	1	2
185. it is a refund anticipation loan.	5.00	10	2
186. it involves a loans with acceleration clauses.	5.10	9	2

Question 11: What emergencies constitute a valid use of credit as a source of funds?

Item	Mean	Rank	Round*
Students should understand that using credit as a source of funds for the following emergencies is acceptable:			
188. Medical or health related	5.20	4	2
189. Home repairs necessary for safety	5.40	2	2
190. Car repairs while traveling	5.45	1	2
192. Purchasing an airline ticket	4.84	T6	2
194. Funeral expenses	4.26	10	3
196. Anything that puts their life at risk	5.35	3	2
197. Home repairs resulting from a storm	4.84	T6	2
198. Anything that impacts the long term well-being of a family	5.05	5	2
200. As necessary depending on what they consider to be an emergency	4.35	9	2
201. In any situation where the urgency of the event outweighs the conceivable cost	4.63	8	3

Question 12: What does a credit user need to know regarding the relationship between risk and interest?

Item	Mean	Rank	Round*
Students should understand that the relationship between risk and interest is such that:			
204. the greater the credit risk, the higher the interest rate.	5.60	4	2
205. lenders assess risk according to a borrower's credit history.	5.65	T2	2
206. a low credit score identifies a borrower as a high risk while a high credit score identifies them as a low risk.	5.65	T2	2
208. the five C's of Credit—Character, Capacity, Collateral, Condition, and Capital will determine the debtor's risk.	5.21	5	2

(continued)

Item	Mean	Rank	Round*
209. irresponsible credit use will make a borrower a greater risk which will result in long term high interest rate loans.	5.70	1	2

Question 13: What information does an individual buying a home need to know regarding mortgages?

Item	Mean	Rank	Round*
Students should understand the following prior to buying a home. It is important to:			
210. attend a home buying class from a nonprofit organization.	4.63	34	3
211. expect to spend 10-20% of the purchase price for a down payment.	4.68	33	3
212. calculate the difference in monthly payment, yearly interest and total cost for a 15 year versus a 30 year mortgage.	5.20	T16	2
213. have 1% of the value of the home set aside for repairs.	4.56	37	2
214. decide whether they want to make property tax and insurance payments or have the bank pay them directly.	4.60	35	2
215. know the interest rate of the home loan.	5.35	T7	2
216. know the type of loan (i.e., fixed or adjustable rate, etc.).	5.45	T1	2
217. how the adjustable rate mortgage is adjusted and how much the various increases can impact future payments.	5.45	T1	2
218. know and follow the terms of the agreement (i.e., due date, interest rates, etc.).	5.40	T3	2
219. expect that points must be paid and understand who must pay the points to obtain the quoted rate.	5.00	28	2
220. know if the loan contains a balloon payment.	5.40	T3	2
221. know if the mortgage company allows for the payment of additional principle and how to make such a payment.	5.30	T10	2
222. know if there is a prepayment penalty.	5.40	T3	2
223. calculate the total cost for the home including interest payments over the specified time period.	5.30	T10	2
224. identify refinancing options if rates decrease.	5.15	T22	2
225. calculate closing costs and identify who will pay them (i.e., buyer and seller).	5.25	T14	2
226. know if there a right to rescission.	5.20	T16	2
227. know who will service the mortgage.	4.58	36	3
228. know the consequences of late payments and default including foreclosure and negative effects on credit report.	5.35	T7	2
229. know how changes in down payment and interest rates impact the monthly payment.	5.40	T3	2
230. analyze varying mortgages rates from company to company.	5.20	T16	2
231. know what information can be found in a good faith estimate.	5.25	T14	2
232. interpret complicated mortgage documents or identify someone who can interpret them.	5.30	T10	2
233. know how to effectively shop for a home.	5.32	9	2
234. know what strategies to implement to protect their home.	5.05	T25	2

(continued)

Item	Mean	Rank	Round*
235. be aware of available grants to help with down payment and closing costs.	4.79	T30	3
236. know how to apply for a loan including needed documentation.	5.05	T25	3
237. calculate how much interest can be saved by making extra principal payments, bi-weekly payments, or an extra payment yearly.	5.20	T16	2
238. interpret an amortization schedule.	5.15	T22	2
239. identify factors that underwriters use to determine if one qualifies for a mortgage.	4.84	29	3
240. not obtain a mortgage that will commit more than 33% of their net income to payments.	5.15	T22	2
241. understand other costs that are required of homeowners (i.e., utilities, taxes, etc.)	5.30	T10	2
242. understand what occurs during the closing process.	5.20	T16	2
243. understand an escrow fund is and how it adds to the monthly payment.	5.20	T16	2
244. rely on their own long term funds and income to make monthly payments.	4.79	T30	3
245. understand the definition of the term negative equity and how it can lead to foreclosure.	5.05	T25	2
247. provide the required mortgage insurance when the down payment is less than 20%.	4.79	T30	3

Question 14: What information does an individual need to know regarding completing a loan application?

Item	Mean	Rank	Round*
Students should understand the following about completing a loan application. They should:			
249. complete the entire application honestly.	5.50	T3	2
250. disclose all income, assets and liabilities accurately.	5.55	T1	2
251. know that the loan application is a legal document.	5.55	T1	2
252. not provide false information as it is perjury, grounds for arrest and may result in a void contract.	5.50	T3	2
253. understand that the lender will perform a credit report inquiry and verify employment.	5.50	T3	2
254. pay the application fee if applicable.	5.20	15	2
255. ask for a good faith estimate.	5.00	18	2
256. ask for a Truth in Lending statement.	5.15	16	2
257. ask for the timeframe for approval.	5.30	14	2
258. ask questions or ask for help if any terms or language are unclear.	5.45	T6	2
259. completely read and understand all language before signing or accept offers electronically.	5.45	T6	2

(continued)

Item	Mean	Rank	Round*
260. identify the fees associated with applying for a loan and understand they will not be refunded even if the loan is denied.	5.45	T6	2
261. verify the credibility and integrity of the lender before disclosing social security number, personal and financial information.	5.40	T9	2
262. print clearly.	5.35	12	2
263. know that applying for multiple loans can result in a decrease in credit score.	5.32	13	3
264. inform the lender of prior negative financial information before completing an application.	5.10	17	2
265. verify the willingness of potential references prior to listing them on an application.	5.40	T9	2
266. be prepared with employment, financial, and credit information.	5.40	T9	2

Question 15: What information does a borrower need to know in order to identify possible misuse of credit in their life?

Item	Mean	Rank	Round*
Students should understand the following to be able to identify that the misuse of credit in their life may occur if:			
267. credit spending results in the inability to pay.	5.20	15	2
268. they are not informed about their own personal credit situation (i.e., balances, payment amount, payment date).	5.05	16	2
269. their budget indicates expenses exceed income.	5.65	T2	2
270. credit card balances are increasing over time.	5.50	7	2
271. negative references and a low score exist on their credit report.	5.40	T8	2
272. they have a history of eviction, foreclosure, and/or bankruptcy.	5.25	T13	2
273. they borrow from one creditor to pay another.	5.55	5	2
275. card balances are too high or have reached the credit limit.	5.60	4	2
276. they regularly miss or make late payments.	5.53	6	2
277. they consolidate credit card debt into a home equity loan.	4.58	22	3
278. their debt to income ratio exceeds 15%.	4.74	19	2
279. they fail to pay a credit card bill in full each month.	4.68	21	3
280. they receive calls from debt collectors.	5.40	T8	2
281. they use credit to pay regular living expenses.	5.30	T10	2
282. they are only able to pay the minimum payment or they skip payments.	5.70	1	2
283. using credit because they are unable to control urges to spend.	5.65	T2	2
284. excluding a mortgage, total household debt is more than 20% of yearly net income.	4.79	18	2
285. excluding a mortgage, total monthly payments on debt is more than 10% of monthly net income.	4.72	20	3
286. their expenses cannot be met without borrowing.	5.30	T10	2
287. they do not have an accurate budget.	5.00	17	2

(continued)

Item	Mean	Rank	Round*
288. they do not review their bank and credit card statements monthly.	5.25	T13	2
289. they are not sure of their credit history or credit score.	5.30	T10	2

Question 16: What factors included in time value of money formulas should an individual understand before borrowing money?

Item	Mean	Rank	Round*
Students should understand the following factors included in the time value of money before borrowing money.			
290. Present value for the total of all payments.	4.95	12	2
292. Future value of the purchase price.	4.74	13	3
293. Future value of an annuity of payments.	4.33	14	3
294. Annual percentage rate on a loan.	5.70	2	2
295. Number of payments needed to pay a loan.	5.65	T3	2
296. Amount that can be saved by avoiding credit.	5.50	T7	2
297. Payment (principal) amount.	5.47	9	2
298. Opportunity cost.	5.40	10	2
299. Actual cost based on total amount of all payments.	5.75	1	2
300. Amount that can be saved with a lower interest rate.	5.65	T3	2
301. Amount of a balloon payment.	5.60	5	2
302. Amount of time loan can be paid off with additional payments.	5.55	6	2
303. Compound interest.	5.50	T7	2
304. Additional principal payments.	5.25	11	2

Question 17: What modifications should be made, if any, to the curriculum for students who are members of diverse backgrounds?

Item	Mean	Rank	Round*
Teachers should make the following modifications for students with diverse backgrounds.			
305. Make examples relevant to the community's background.	5.26	3	3
307. Respect the differences that various religions have towards credit.	4.84	4	3
308. Consider the difference in cultural views on saving.	4.79	5	3
309. Consider the difference in cultural views on providing aid to others in the community.	4.67	6	3
310. Teach about the financial cost of being unbanked.	5.37	2	2
311. Make necessary modifications to overcome language barriers.	5.50	1	2

Question 18: What modifications should be made, if any, to the curriculum for students who are from low income households?

Item	Mean	Rank	Round*
Teachers should make the following modifications for students who are from low income households.			
313. Not use examples that may be perceived as placing blame on family members for their economic situation.	4.42	11	3

(continued)

Item	Mean	Rank	Round*
317. Modify examples pertinent to their lives which may include lower dollar amounts.	5.25	T2	2
318. Modify examples to include realistic interest rates charged to a borrower with adverse credit.	5.15	6	2
319. Stress the importance of budgeting and saving for reaching financial goals.	5.25	T2	2
320. Explain the relationship between education and potential future income.	5.05	8	2
321. Communicate on their level.	5.42	1	2
322. Instruct students on how to avoid being manipulated.	5.10	7	2
323. Encourage students to avoid future financial disaster by becoming financially educated.	5.25	T2	2
324. Introduce programs that are available to low income people such as individual development accounts.	5.21	5	2
327. Emphasize events that will damage their credit score.	4.53	10	3
328. Teach about the financial cost of being unbanked.	4.63	9	3

Question 19: What areas related to credit education are important that have not been addressed above?

Item	Mean	Rank	Round*
Important topics related to credit education that have not been addressed include:			
329. When students are providing for themselves and purchasing everything they want, this can lead to credit problems.	4.58	12	3
331. The importance of setting short and long term goals.	5.40	T3	2
332. How to prepare a budget.	5.63	2	2
333. How to get out of debt.	5.25	8	2
334. The importance of getting out of debt.	5.35	6	2
335. Language and socio-economic conditions do not limit a person from becoming wealthy.	5.21	9	2
336. Potential consequences of student loans.	5.05	10	2
337. ―Pay yourself first" principle.	5.37	5	2
339. Benefits of developing a relationship with a banker.	4.85	11	2
340. Making choices: Distinguishing between needs and wants.	5.75	1	2
341. How creditors evaluate their risk (some use factors other than credit scores).	5.40	T3	2
342. Cost of a bad credit report.	5.30	7	2

Question 20: What instructional methods are most appropriate for teaching students about credit use?

Item	Mean	Rank	Round*
Teachers should use the following instructional methods for teaching students about credit use.			
344. PowerPoint presentations	4.67	17	2
345. Combination of lecture and PowerPoint	5.25	11	2
346. Games	5.55	T3	2

(continued)

Item	Mean	Rank	Round*
347. Small group instruction	5.40	T5	2
349. Cooperative teaching	4.84	T14	3
350. Real life role playing	5.30	9	2
351. Active learning	5.60	2	2
352. Guest lecturers	5.26	10	2
354. Personal stories	5.35	T7	2
355. Team activities	5.20	12	2
357. Visual aids	5.35	T7	2
358. Kinetic learning	4.68	16	3
359. Examples	5.40	T5	2
360. Real world scenarios	5.55	T3	2
362. Online modeling	4.53	18	2
363. Simulations	4.84	T14	3
364. Variety of teaching methods	5.70	1	2
366. Teaching WHY something is true	5.05	13	3

New Item Suggested in Round 2

Item	Mean	Rank	Round*
Teachers should consider including in their courses:			
367. Information about the credit challenges faced by college students.	5.37	1	3**

*Round that item reached consensus and/or stability
**Item was not included on Round 2 survey so item reached consensus in the equivalent of Round 2 for all other items.
T=Items were tied

Finally, the mean and IQR for all Round 2 items not reaching consensus were plotted on a scatter plot and then compared with a second scatter plot of the Round 3 data to determine how well the Delphi technique promoted consensus between these rounds. Notice in Figures 4.2 and 4.3 how effectively the Delphi technique focused the participants toward reaching consensus as evidenced by lower IQR scores in Round 3.

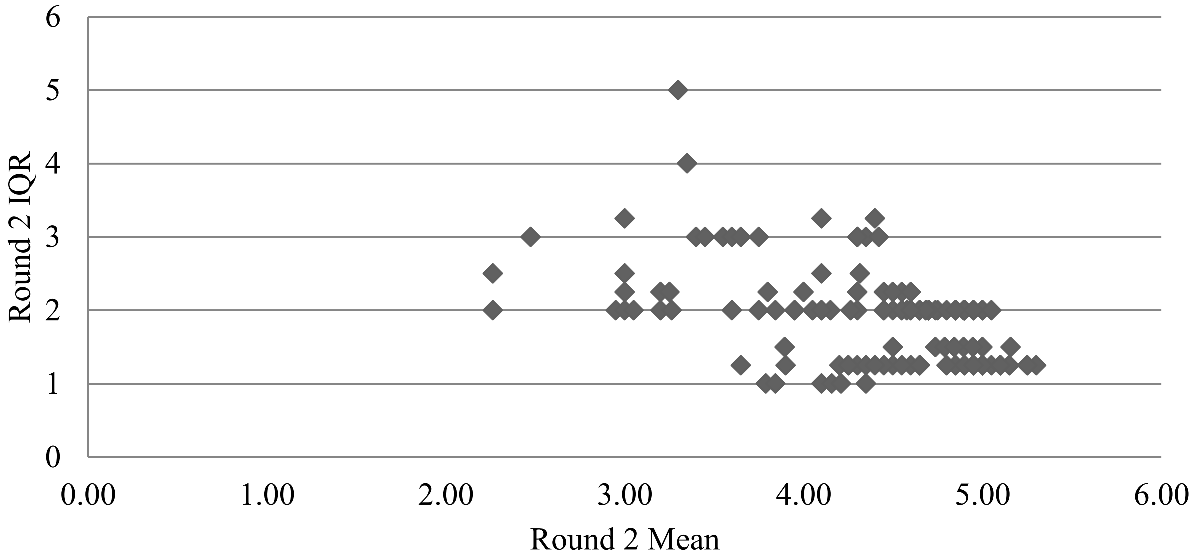

Figure 4.2. Round 2 items not reaching consensus-Round 2 mean score and IQR. Each diamond represents the data points for one of the 151 items that did not reach consensus in Round 2.

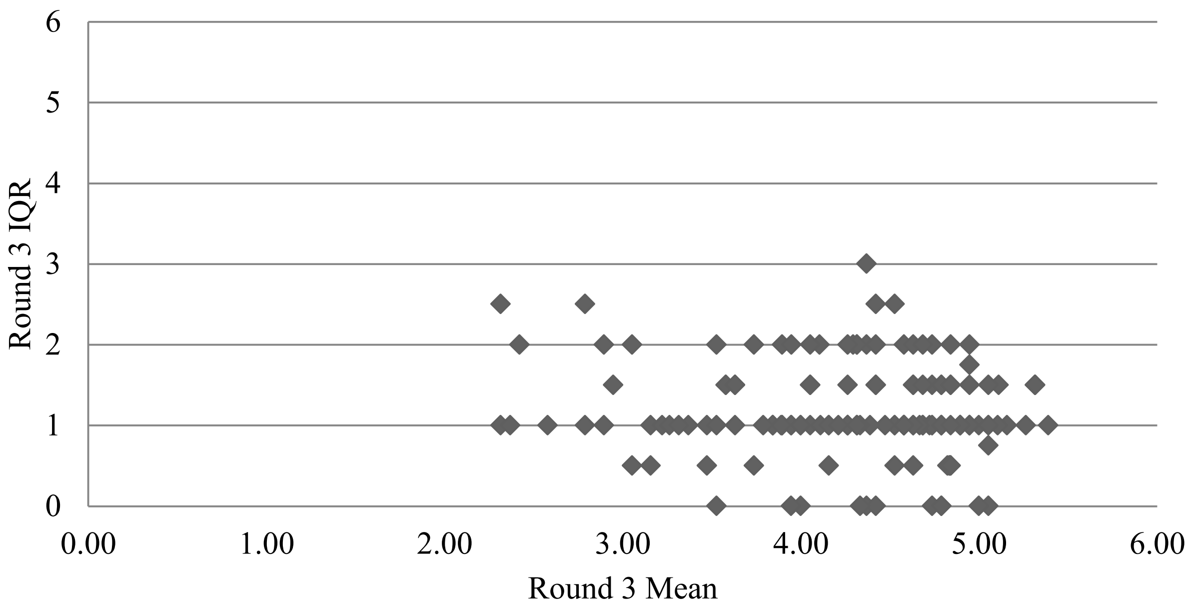

Figure 4.3. Round 2 items not reaching consensus-Round 3 mean score and IQR. Each diamond represents the data points for one of the 151 items that did not reach consensus in Round 2.

CHAPTER 5

SUMMARY, CONCLUSIONS, DISCUSSION, AND RECOMMENDATIONS

The financial knowledge of high school students as measured by the JumpStart Coalition‘s biennial survey is very low (Mandell, 2008b). Many new programs designed to address this problem have been created in the last decade (Davis & Durband, 2008). The financial knowledge of high school students has actually decreased during this time when the most recent scores (Mandell, 2008b) are compared to those from a decade earlier (Mandell, 1998).

One problem in financial education is how financial literacy should be defined (U.S. Department of Treasury, 2008). Programs have differing views and opinions on how to define financial literacy. These differences lead to a variety of approaches to teaching financial literacy. The National Research Symposium on Financial Literacy and Education (U.S. Department of Treasury & U.S. Department of Agriculture, 2008) agrees and acknowledges there are no common ways to measure success as there is a lack of consistency on what the goals and objectives should be for financial literacy programs. Research is also unclear on how to measure the effectiveness of financial literacy programs (McCormick, 2009).

How financial instruction should be delivered is also a fundamental question that needs to be addressed (U.S. Department of Treasury & U.S. Department of Agriculture, 2008). Specifically, additional research needs to be conducted on what delivery methods are most effective, when the delivery of instruction is most effective, and to whom it should be delivered.

These problems do not have simple solutions. One person‘s opinion may be completely different than another‘s. Teaching students to use credit wisely is one such example. Brown and Mundrake (2009) addressed the issue of credit use by pointing out that some may believe no debt outside a mortgage and car loan is desired while others may believe a high level of credit card debt is acceptable. They argued that individuals must ultimately decide for themselves how much debt is considered wise.

The National Research Symposium on Financial Literacy and Education (U.S. Department of Treasury & U.S. Department of Agriculture, 2008) believe research should be conducted to identify the purpose, content, skills, and delivery methods necessary to make financial education effective.   Lander (2008) supported that argument in the area of credit education by stating that more research is needed on what should be taught regarding credit education and how it should be delivered.

With our economy experiencing record bankruptcies and foreclosures fueled in part by the overextension of credit (Fox, Bartholomae, & Lee, 2005), a more up-to-date definition of credit, criteria for using credit wisely, and instructional delivery strategies for teaching wise credit use would be helpful. This study attempted to provide answers to these problems.

Purpose Statement and Research Objectives

The purpose of this Delphi study was to ask a panel of experts to define credit, create a list of necessary content items, and appropriate instructional delivery methods for teaching a unit on credit within a high school personal finance course. The Delphi method is an acceptable research method when consensus is needed on a complex problem (Listone & Turoff, 2002). An expected outcome of this study was to provide instructional designers a list of recommendations that should be included when designing a unit on credit in a high school financial literacy course. This study was guided by the following objectives:

1. To describe how the topic of credit should be defined within high school curriculum.
2. To identify the appropriate concepts related to the topic of credit that should be included in a high school unit on financial literacy.
3. To describe the appropriate delivery methods for teaching credit.

Review of Procedures

The Delphi method was chosen for this study as it is designed to address problems for which no single correct solution exists nor would a single individual‘s answer be sufficient to properly address the problem. Problems such as these are best addressed by relying on the opinion of a group of people who have enough experience with the topic to be considered experts. The Delphi technique was designed as a mechanism to facilitate a consensus opinion among a group of experts (Dalkey & Helmer, 1962).

A four-round Delphi study was conducted to seek the consensus of a group of experts. Participants were either (a) bankruptcy court members, (b) college professors, (c) credit counseling agents, or (d) educators in the business education, family and consumer sciences, marketing education, mathematics, or social studies disciplines. All surveys were conducted through the SurveyMonkey website. The first survey consisted of 20 open-ended questions designed to elicit written responses that would be used to create a structured follow-up survey. Twenty-two individuals completed this first survey. All responses were coded by the researcher to create the follow-up survey. A two-member panel consisting of Dr. Tena Crews, Professor of Business Education at the University of South Carolina, Columbia, SC, and Dr. Melinda McCannon, Vice President of Academic Affairs at Georgia Northwestern Technical College, reviewed the instrument and made recommendations to improve the survey. Those recommendations resulted in a final Round 2 survey with 366 items.

In Round 2, participants were asked to rate their level of agreement for each of the statements on a six-point Likert-type scale (1 = SD to 6 = SA). Twenty participants completed this survey. Descriptive statistics were calculated including mean, median, and interquartile range (IQR). Items were checked for a high level of agreement among the group which was defined as having a median score of 5 or 6 and an IQR ≤1. A total of 215 items met this criteria for consensus. The panel was not asked to consider those items again on subsequent surveys. Items not meeting this criteria were also checked for a high consensus level of disagreement with the statement. The panel was considered to have reached consensus to disagree with a statement when the median score was a 1 or 2 and had an IQR≤1. No items met this criterion. The mean score was calculated for all items and used to check for stability on those items remaining in Round 3 and for later ranking all items reaching consensus.

The remaining 151 items plus one new item suggested by a participant was included on the Round 3 survey. Nineteen participants completed this survey. The same descriptive statistics were calculated and items were checked for consensus to see if they had either a high agreement or disagreement level. No items met the disagreement criteria, but 69 met the criteria to have reached a high level of agreement. Those items were checked to determine how stable the answers were from Round 2 to Round 3. Any item whose mean score changed by greater than 15% was considered unstable. All 69 items reaching consensus were stable and excluded in Round 4. An additional 75 items were considered stable and eliminated in Round 4 because they did not reach consensus. The one new item on the survey reached a high consensus level and was included in the Round 4 survey. Seven items, however, were not stable and were included in the Round 4 survey.

Round 4 was completed by all 19 participants who completed Round 3. Five items were considered stable, with two of them also reaching a consensus among the panel to disagree with the item. A third item also reached the same consensus level but had a mean score change of greater than 15%. The change in mean score was, however, a reversal of a downward trend from Rounds 2 to 3 so the overall mean score change between Rounds 2 and 4 was less than 15%. This item was considered stable and valid. The final item‘s mean score also changed by more than 15% and was not considered stable or valid.

All descriptive statistics for each round were reported in Chapter 4. In addition, within each question, all items reaching consensus were assigned a rank which allowed for drawing conclusions and making recommendations to instructional designers. In the section that follows, items presented in the conclusions are reported according to their rank order as shown in Chapter 4. The first item presented within each question or subcategory is the highest ranking item according to mean score.

Conclusions from Delphi Results

This study sought to seek consensus among a panel of experts regarding three research questions. The conclusions that should be drawn from the results of this study provide answers to these three questions. Eight major conclusions were drawn from the data.

How Credit Should Be Defined

The first conclusion to be drawn from this research is how experts believe the term credit should be defined in the high school curriculum. The initial open-ended survey question for this objective asked participants how credit should be defined or explained to high school students.

Two ideas on how to define credit and four ideas on how credit can be explained emerged. According to the experts, credit may be defined and explained to high school students as including the following.

Definition

1. Purchasing a good or service now without using cash on hand and promising to pay later with interest using future income.
2. The ability to borrow funds with the result of creating debt.

Explanation

1. A component of their credit worthiness which is determined by a number of factors including current income, past history, existing debt, and collateral.
2. A commitment of future income resulting in an individual having less money to meet future expenses.
3. Something that can both help and hinder one's financial status.
4. A component of a person's credit rating which has a significant impact on all areas of his/her life and should be treated with careful consideration.

Credit Use

The second research objective sought to identify content that should be included in a high school unit on credit. The 18 open-ended questions dedicated to this objective in Round 1 can be divided into five categories for purposes of drawing conclusions on what should be taught. Those subgroups are (a) credit use, (b) rights and responsibilities of borrowers, (c) credit reputation, (d) modifications of content, and (e) general knowledge related to credit.

Nine of the initial questions related to the area of credit use. The second conclusion to be established from this study is students should be taught information regarding loan applications, credit misuse, home mortgages, advantages and disadvantages of credit, purchasing with credit, emergency use, and good and bad types of credit. According to the data, the most important topic among these was what students should know regarding completing a loan application. All 18 Round 2 items related to this question reached a high level of agreement among the participants. Additionally, all 18 items had a mean score of ≥ 5. These facts suggest the panel found this question to be of high importance. The group's 18 recommendations can be divided into the following subcategories.

Honesty and Accuracy

1. Know that the loan application is a legal document.
2. Disclose all income, assets, and liabilities accurately.
3. Complete the entire application honestly.
4. Not provide false information as it is perjury, grounds for arrest and may result in a void contract.
5. Understand that the lender will perform a credit report inquiry and verify employment.
6. Be prepared with employment, financial, and credit information.
7. Inform the lender of prior negative financial information before completing an application.

Fees

1. Identify the fees associated with applying for a loan and understand they will not be refunded even if the loan is denied.
2. Pay the application fee if applicable.

Miscellaneous

1. Verify the credibility and integrity of the lender before disclosing social security number, personal and financial information.
2. Verify the willingness of potential references prior to listing them on an application.
3. Print clearly.
4. Know that applying for multiple loans can result in a decrease in credit score.

Ask/Read

1. Ask questions or ask for help if any terms or language are unclear.
2. Completely read and understand all language before signing or accept offers electronically.
3. Ask for the timeframe for approval.
4. Ask for a Truth in Lending statement.
5. Ask for a good faith estimate.

The panel found a high level of agreement with 22 of the 23 items suggested for the question about identifying misuse of credit. The fact that 82% of the items reaching consensus had a mean score ≥ 5 suggests the panel found this topic to be very important. The items recommended by the experts regarding how students should be taught to identify misuse of credit can be grouped into four categories. Students should understand that the following factors may result in misuse of credit in their life.

Behavior

1. They are only able to pay the minimum payment or they skip payments.
2. Using credit because they are unable to control urges to spend.
3. They borrow from one creditor to pay another.
4. They regularly miss or make late payments.
5. Credit card balances are increasing over time.
6. They use credit to pay regular living expenses.
7. Credit spending results in the inability to pay.
8. They fail to pay a credit card bill in full each month.

Budgeting/Tracking

1. Their budget indicates expenses exceed income.
2. Their expenses cannot be met without borrowing.
3. They do not review their bank and credit card statements monthly.
4. They do not have an accurate budget.

Prior/Current Credit History

1. Card balances are too high or have reached the credit limit.
2. Negative references and a low score exist on their credit report.
3. They receive calls from debt collectors.
4. They are not sure of their credit history or credit score.
5. They have a history of eviction, foreclosure, and/or bankruptcy.
6. They are not informed about their own personal credit situation (i.e., balances, payment amount, payment date).
7. They consolidate credit card debt into a home equity loan.

Ratios

1. Excluding a mortgage, total household debt is more than 20% of yearly net income.
2. Their debt to income ratio exceeds 15%.
3. Excluding a mortgage, total monthly payments on debt is more than 10% of monthly net income.

The next most important question according to the responses is what should be taught to students about purchasing a home using a mortgage. The panel agreed on a high level with 37 of the 39 Round 2 items related to mortgages. The panel found this topic next in importance as evidenced by 77% of the items having a mean score ≥5. The items can be divided into five categories. According to the experts, students should know that prior to buying a home, it is important to know about the following topics.

Terms of Loan

1. Know the type of loan (i.e., fixed or adjustable rate, etc.).
2. How the adjustable rate mortgage is adjusted and how much the various increases can impact future payments.
3. Know and follow the terms of the agreement (i.e., due date, interest rates, etc.).
4. Know if the loan contains a balloon payment.
5. Know if there is a prepayment penalty.
6. Know the interest rate of the home loan.
7. Know if the mortgage company allows for the payment of additional principle and how to make such a payment.
8. Know if there a right to rescission.

Understanding Costs

1. Know how changes in down payment and interest rates impact the monthly payment.
2. Calculate the total cost for the home including interest payments over the specified time period.
3. Understand other costs that are required of homeowners (i.e., utilities, taxes, etc.)
4. Calculate closing costs and identify who will pay them (i.e., buyer and seller).
5. Calculate the difference in monthly payment, yearly interest and total cost for a 15 year versus a 30 year mortgage.
6. Calculate how much interest can be saved by making extra principal payments, bi-weekly payments, or an extra payment yearly.

7. Understand what an escrow fund is and how it adds to the monthly payment.
8. Interpret an amortization schedule.
9. Not obtain a mortgage that will commit more than 33% of their net income to payments.
10. Understand the definition of the term negative equity and how it can lead to foreclosure.
11. Be aware of available grants to help with down payment and closing costs.
12. Rely on their own long term funds and income to make monthly payments.
13. Provide the required mortgage insurance when the down payment is less than 20%.
14. Expect to spend 10-20% of the purchase price for a down payment.
15. Have 1% of the value of the home set aside for repairs.

Home Shopping

1. Know how to effectively shop for a home.
2. Attend a home buying class from a nonprofit organization.

Applying and Shopping for Mortgages

1. Interpret complicated mortgage documents or identify someone who can interpret them.
2. Know what information can be found in a good faith estimate.
3. Analyze varying mortgages rates from company to company.
4. Understand what occurs during the closing process.
5. Know how to apply for a loan including needed documentation.
6. Expect that points must be paid and understand who must pay the points to obtain the quoted rate.
7. Identify factors that underwriters use to determine if one qualifies for a mortgage.
8. Decide whether they want to make property tax and insurance payments or have the bank pay them directly.

After Purchasing

1. Know the consequences of late payments and default including foreclosure and negative effects on credit report.
2. Identify refinancing options if rates decrease.
3. Know what strategies to implement to protect their home.
4. Know who will service the mortgage.

The panel found that the disadvantages of using credit question was the next most important question with 84% of the Round 2 questions reaching a high level of consensus and 75% of the items having a mean score ≥ 5. Three categories can be identified from this question.

The experts believed students should be taught the disadvantages of using credit that include the following topics.

Cost/Fees/Interest

1. When only minimum payments are made, credit cards create long term debt.
2. Failure to pay credit card debt according to the terms will result in fees, damage your credit history and credit score.
3. Credit cards result in exorbitant interest payments when only the minimum payment is paid monthly.
4. Interest and fees will result in paying more than something is worth (the true cost).
5. Borrowers will have less money in the future for expenses until they pay off their debts.
6. The credit card holder paying interest instead of receiving interest on that money if it was deposited into a savings account.

Buying Motives

1. The convenience of credit may discourage one from examining their buying motives (i.e., needs, wants, etc.) and buying impulsively.
2. Using credit is easy and seductive and can result in reckless consumption.
3. The convenience of credit often encourages abuse resulting in the inability to pay the balance or future payments.

Miscellaneous

1. That using credit irresponsibly demonstrates a lack of credit worthiness which may result in denial for credit when needed, your ability to get/keep a job, your ability to rent/own property, insurance rates, and/or bankruptcy.
2. Credit may create unnecessary stress.
3. Credit is difficult to pay back when income is reduced or lost.
4. The item purchased may be repossessed or foreclosed on if payments are not made according to terms.
5. The borrowing process can be complicated creating an advantage for the lender.
6. Using credit to purchase items may result in items going down in value, being damaged or destroyed, or becoming obsolete before being paid off which may result in the creditor being “underwater” on the item.
7. Credit cards can be lost or stolen.

On the subject of what to consider prior to purchasing with credit, the panel came to a high level of agreement with 21 out of 28 items. Seventy-one percent of the 21 items had a mean score ≥5. Before making a decision to purchase using credit, the experts believed students should know about these topics.

Alternatives

1. Whether other options exist for making the purchase without using credit.
2. If the item can be bought in the future with saved funds.
3. How long it would take to save money to pay cash for the item instead of using credit.

Budget

1. How finance charges and compounding interest are calculated and affect the credit card balance.
2. The length of time necessary to pay the full balance of a purchase when making only minimum payments.
3. If the income and necessary cash flow exists within their budget to make the payments.
4. The time necessary to pay off the purchase based on their budget and how it will affect their monthly cash flow.
5. That using credit cards should be reserved for emergencies and special purchases that can be paid back in a short time period.
6. Their expected future income.

Opportunity Cost

1. That being approved to buy something on credit doesn't mean you should.
2. The total cost of the item when paying monthly payments, including interest and fees, to pay if not paid in full and how much they will save by paying cash.
3. How to analyze due dates, interest, penalties, fees, etc. whether the purchase is for discretionary or emergency spending.
4. How the purchase will impact their credit history and credit score.
5. If the purchase is worth the opportunity cost of using future income to pay interest charges.
6. Whether the future benefit of the purchase is equal to or greater than the future costs.

Legal

1. The responsibilities, conditions and legal obligations of using credit to purchase goods or services.
2. Interest rates may rise assuming the terms of agreement and federal law are not violated.
3. The property offered as collateral may be reclaimed.

Credit Offers

1. How to compare offers from various lenders to get the best terms, interest rate and conditions.
2. How to differentiate between and determine whether the credit they are applying for is revolving or installment.
3. That credit card companies target young adults because they realize it is difficult for them to pay their purchases in full each month and may be persuaded by gifts from the company.

Emergencies and credit were considered moderately important by the panel. Only 10 of 16 Round 2 responses reached consensus with just 50% of those having a mean score ≥5. The experts felt students should know the only emergencies for which credit use is acceptable are:

1. Car repairs while traveling
2. Home repairs necessary for safety
3. Anything that puts their life at risk
4. Medical or health related expenses
5. Anything that impacts the long term well-being of a family
6. Purchasing an airline ticket
7. Home repairs resulting from a storm
8. In any situation where the urgency of the event outweighs the conceivable costs
9. As necessary depending on what they consider to be an emergency
10. Funeral expenses

Eleven of 18 items given for the question what types of credit are considered bad or usurious reached consensus, however, 91% of those reaching consensus had a mean score of ≥5. The items that reached a high level of agreement can be considered items that instructors should encourage students to stay away from. According to the experts, students should understand that credit is bad or usurious for any of the following.

1. It violates any state usury laws.
2. It is one that an individual cannot repay.
3. It takes advantage of the disadvantaged or innocent (i.e., those recently discharged from bankruptcy, young people, etc.).
4. It involves high interest and fees.
5. It involves credit sources that are deceptive.

6. It is a predatory credit card with low introductory rates.
7. It is a payday, cash advance or car title loan or is obtained from a pawn shop.
8. It involves a high interest rate.
9. It involves loans with acceleration clauses.
10. It is a refund anticipation loan.
11. It is a car loan with weekly payments.

When asked what types of credit can be considered good, the experts recommended nine items which represented 60% of the 15 that were suggested. Only 33% of the 9 actually had a mean score ≥5. The panel believed that students should understand that credit is good if:

1. Used responsibly
2. It is accompanied with a low interest loan used to purchase a home, auto, or other durable goods or used appropriately to build one‘s credit history.
3. The credit cards are paid in full each month.
4. It has a low interest rate and affordable or competitive fees.
5. If the item is expected to last longer than it takes to pay it off.
6. The loan can be paid in a reasonable time with affordable payments.
7. The user has a balanced mix of different types of credit.
8. Fulfills a long term strategic objective.
9. It comes from banks or credit unions and serves one‘s purposes at the lowest short- and long-term costs.

The last question dealing with credit use asked about the advantages of using credit. This question was the only one on credit use where the panel came to a high level of agreement on less than 50% of the initial items. Of the 23 items suggested in Round 1, eight reached consensus at a high level. Furthermore, only one of those reaching consensus had a mean score ≥5. These facts suggest the panel believed teaching the advantages of using credit was less important than other categories of credit use. The panel believed that students should understand the advantages of using credit include the following.

1. Using credit responsibly builds a good credit score and credit worthiness which provides a positive reference to employers, landlords, utility companies, and insurance providers.
2. Credit is available during emergencies when current savings are insufficient.
3. Credit card holders are protected against unauthorized use or fraud.

4. Credit makes high price items, such as cars and homes, available to those who do not have cash.
5. Statements provide itemized expenditures to track expenses easily.
6. The ability to purchase an item and spread payments out over a period of time.
7. Credit cards can be replaced easily if lost or stolen.
8. Credit provides an alternative when a consumer is short on cash or a merchant does not accept checks.

Rights and Responsibilities of Credit Users

Nine additional questions regarding content that should be taught were presented to the panel. Those questions can be divided into four categories. The third major conclusion that can be drawn from the results of this study is what should be taught to high school students about the rights and responsibilities of credit users. Both questions in this category were found to be of great importance by the panel. Most important among these is the responsibilities that credit users have when borrowing money. All 12 Round 1 suggestions reached consensus in Round 2 with a mean score ≥5. The experts strongly agreed that students should understand, when borrowing money, credit users have the responsibility to:

1. Not exceed the given credit limit and keep their credit in control.
2. Manage a budget to ensure future income and expenses provide the ability to pay.
3. Understand and pay back according to the terms of agreement.
4. Understand the legal obligations of borrowing.
5. To be able to repay the loan.
6. Maintain a good credit score.
7. Know how failure to pay results in consequences and impacts themselves and others.
8. Compare the benefit with the cost of using credit.
9. Borrow only what they can afford to pay back.
10. Communicate with the lender when the terms of agreement cannot be met.
11. Know their legal rights.
12. Keep collateral in good repair and to maintain insurance as needed.

The panel was asked to identify the legal rights credit users have that should be taught in a unit on credit to high school students. Sixteen of 18 items reached a high level of agreement among the participants with 63% of those 16 having a mean score of ≥ 5. The experts felt it important that students know that credit users have the right to the following.

Credit Report

1. Get a free yearly credit report from each of the three major credit reporting agencies.
2. Dispute inaccurate information on a credit report.
3. Know why they were denied credit and where information came from that was used in making the decision.

Costs/Fees/Interest

1. Know the terms of the credit agreement and know the cost of credit.
2. Caps on interest and fees.
3. The full truth in lending disclosure regarding the costs of the credit being used.

Miscellaneous

1. Limited liability protection from stolen or fraudulent use of cards.
2. Contest charges prior to disputes being settled in court.

Laws

1. Know how long it will take to pay off a debt if only the minimum payments are made monthly.
2. Know their rights and legal protections according to all Acts pertaining to credit (i.e., the Credit Card Act of 2009, Fair Credit Reporting Act, Equal Credit Opportunity Act, Truth in Lending Act, etc.).
3. Fair collection of debt.
4. Know what options are available in bankruptcy court.
5. State laws regarding purchases of defective products (i.e., lemon laws).
6. Not be discriminated against.
7. State consumer protection laws.
8. Cancel an obligation within the state specified time period in certain states.

Credit Reputation

The fourth conclusion that can be drawn from the results are the experts‘ opinions on what students should know about one‘s credit reputation. The panel was asked to identify content related to credit reports, credit histories, credit scores, identity theft prevention and what to do if one is a victim of identity theft. Two questions were asked to identify appropriate curricular content in these areas. Most important was what information regarding one's credit report, credit history, and credit score is important. All nine items that were recommended in Round 1 reached consensus in Round 2, with 100% of them having a mean score ≥5. This suggests the panel believes this to be a very important topic for high school students. The panel recommended that students be taught to understand it is important to:

1. Report and correct errors in a credit report.
2. Check their free credit report from Experian, Equifax, or Transunion at least once a year for accuracy and fraud.
3. Improve and/or maintain a good credit score.
4. Understand the consequences of a low credit score.
5. Learn to accurately read, analyze and interpret a credit report.
6. Understand the benefits of a high credit score.
7. Use credit wisely to help establish a credit history.
8. Understand the purpose and components of a credit report.
9. Understand how to improve one's credit score.

The panel was asked to identify what students should know to prevent identity theft and how to repair their credit history if they are a victim of identity theft. A total of 22 out of 27 items reached a high level of agreement. Of that number, 91% had a mean score ≥5. These items can be divided into three categories of recommendations. The experts believed that as members of society, students should understand the following to prevent identity theft or to repair their credit history.

Personal/Account Information

1. Shred important documents containing their social security number, credit card account numbers or credit card offers.
2. Insist on calling back creditors using phone numbers provided on the card or statement before answering questions about their account.
3. Never give credit card, bank account or pin numbers to anyone (including friends and relatives).

4. Do not write or have their social security number printed on either their driver's license or checks.
5. Do not keep pin numbers with the debit cards.
6. Notify the bank or issuer if a card is lost or stolen.
7. Properly secure credit cards.
8. Never give or allow anyone (including friends and relatives) access to their personal information.
9. Provide their social security number only when legally required.
10. Never open suspicious emails or respond with any information.
11. Place their mail in official post office collection locations and not their mailbox.
12. Review their credit report every 6 months for fraudulently issued credit.

Victim

1. Contact credit reporting agencies if their identity has been stolen and ask for a fraud victim alert to be placed on their credit report.
2. Follow instructions provided by credit reporting agencies to dispute fraudulent credit.
3. In the case of identity theft, cancel all credit/debit cards, have the bank close old accounts and open new accounts.
4. In the case of identity theft, contact local law enforcement, file a police report and keep the file number.
5. In the case of identity theft, contact the merchant and proper authorities, including the Federal Trade Commission, State Attorney General, FBI, US Postal Inspector, Social Security Administration, etc.

Credit Use/Purchasing/Online

1. Change passwords frequently making sure to always use strong passwords.
2. Never purchase goods or services, pay bills or provide any information on unsecure Web sites.
3. Keep credit card receipts and check monthly billing statements and balances carefully.
4. Only use a few credit cards.
5. Use a credit card with a low credit limit when ordering online.

Modifications

The fifth conclusion that can be determined from this study is what modifications to curriculum are acceptable for those from diverse or lower income backgrounds. First was a question on how to modify content, when possible, for those from diverse backgrounds. The panel did reject the suggestion that no modifications should be made by highly agreeing to six of eight original Round 1 suggestions. Half of these had a mean score ≥5. The panel recommended making the following modifications.

1. Make necessary modifications to overcome language barriers.
2. Teach about the financial cost of being unbanked.
3. Make examples relevant to the community‘s background.
4. Respect the differences in cultural views of credit.
5. Consider the difference in cultural views on saving.
6. Consider the difference in cultural views on providing aid to others in the community.

The second modification question was for low-income households. The panel agreed to 11 of 16 suggested items with 73% having a mean score ≥5. Again, the panel rejected the suggestion that no modifications be made. According to the experts, teachers should make the following modifications for students who are from low income households.

1. Communicate on their level.
2. Modify examples pertinent to their lives which may include lower dollar amounts.
3. Stress the importance of budgeting and saving for reaching financial goals.
4. Encourage students to avoid future financial disaster by becoming financially educated.
5. Introduce programs that are available to low income people such as individual development accounts.
6. Modify examples to include realistic interest rates charged to a borrower with adverse credit.
7. Instruct students on how to avoid being manipulated.
8. Explain the relationship between education and potential future income.
9. Teach about the financial cost of being unbanked.
10. Emphasize events that will damage their credit score.
11. Not use examples that may be perceived as placing blame on family members for their economic situation.

Miscellaneous

The sixth conclusion that can be established from the data in this study is what should be taught to high school students regarding risk and interest and time value of money calculations as they relate to credit. Also included in this section are the panel‘s recommendations for the question, what areas related to credit education are important that have not been addressed above? The panel was asked what does a credit user need to know regarding the relationship between risk and interest. All but one of the six items reached a high level of consensus for this question. All five had a mean score ≥5. The panel found that students should understand the relationship between risk and interest is such that:

1. Irresponsible credit use will make a borrower a greater risk which will result in long term high interest rate loans.
2. Lenders assess risk according to a borrower‘s credit history.
3. A low credit score identifies a borrower as a high risk while a high credit score identifies them as a low risk.
4. The greater the credit risk, the higher the interest rate.
5. The five C‘s of Credit—Character, Capacity, Collateral, Condition, and Capital will determine the debtor‘s risk.

When considering the question, what time value of money factors should students understand before borrowing money, 14 of 15 items reached a high agreement level, with 79% of those having a high mean score of ≥5. The panel recommended that students understand the following factors included in time value of money before borrowing money.

1. Actual cost based on total amount of all payments.
2. Annual percentage rate on a loan.
3. Number of payments needed to pay a loan.
4. Amount that can be saved with a lower interest rate.
5. Amount of a balloon payment.
6. Amount of time loan can be paid off with additional payments.
7. Amount that can be saved by avoiding credit.
8. Compound interest.
9. Payment (principal) amount.
10. Opportunity cost.
11. Additional principal payments.
12. Present value for the total of all payments.
13. Future value of the purchase price.
14. Future value of an annuity of payments.

Participants were asked what areas related to credit education were important that had not been addressed elsewhere in the study. Twelve of 14 items included in the Round 2 survey reached a high level of consensus with 83% of those having a ≥5 mean score. The panel found these topics important:

1. Making choices: Distinguishing between needs and wants.
2. How to prepare a budget.
3. The importance of setting short and long term goals.
4. How creditors evaluate their risk (some use factors other than credit scores).
5. ”Pay yourself first” principle.
6. The importance of getting out of debt.
7. Cost of a bad credit report.
8. How to get out of debt.
9. Language and socio-economic conditions do not limit a person from becoming wealthy.
10. Potential consequences of student loans.
11. Benefits of developing a relationship with a banker.
12. When students are providing for themselves and purchasing everything they want, this can lead to credit problems.

One additional item the panel added in Round 3 reached consensus. The panel felt it important for teachers to include this in their courses:

1. Information about the credit challenges faced by college students.

Instructional Methods

The final research objective of this study was to identify appropriate delivery methods for teaching credit to high school students. One question on the Round 1 survey asked the panel what instructional methods are most appropriate for teaching students about credit use. A total of 18 recommendations were made from the 24 items that were suggested. The seventh conclusion that may be drawn from the participants of this study is the following instructional methods are most appropriate.

1. Variety of teaching methods.
2. Active learning.

3. Games.
4. Real world scenarios.
5. Small group instruction.
6. Examples.
7. Personal stories.
8. Visual aids.
9. Real life role playing.
10. Guest lecturers.
11. Combination of lecture and PowerPoint.
12. Team activities.
13. Teaching WHY something is true.
14. Cooperative teaching.
15. Simulations.
16. Kinetic learning.
17. PowerPoint presentations.
18. Online modeling.

Items That Should Not Be Taught

The eighth conclusion that can be drawn from the data collected in this study is what the experts believed should not be included in a unit on credit. These items were identified as those in which the panel came to a consensus to highly disagree. Two items were identified among the 23 that were recommended in response to the question what advantages exist when using credit. The panel disagreed that students should be taught the following.

1. Credit allows for instant gratification and delayed consequences.
2. Credit provides an opportunity to make investments and provides liquidity for investing efficiency.

Discussion

This study began with the question, what does the term ‗wise use of credit' mean? Throughout American history, the answer to this question has dramatically changed. Early settlers followed the Puritan virtue of thrift but by the mid-1950s, many began to think of thrift negatively. By the turn of the century, the American economy was dependent on household consumption. The national savings rate was negative as much of the household spending was funded through the accumulation of large amounts of debt. By 2007, foreclosures and bankruptcies led to an economic recession. Americans, either by choice or out of necessity began to return to thrift principles by living below their means and paying off debt. Had the definition of ‗wise use of credit' begun to come around full circle? Over the past 13 years, research has shown that high school students consistently fail in their understanding of financial management principles. A linkage between poor financial knowledge and poor credit use can be argued (Mishkin, 2008).

Both the large scale economic problems and the decreased financial knowledge in recent decades provide evidence that a fresh look at what is being taught regarding credit is needed. The Delphi method used in this study provided a picture of what credit education should focus on in future years. In addition to the conclusions drawn from the results, a deeper underlying theme developed during the study. It is apparent the panel took the recent economic crisis into consideration. By teaching how to use credit, schools inadvertently have been credit marketers for lenders. The findings of this study, however, demonstrate that teachers should focus less on items such as advantages of credit, defining good vs. bad credit, acceptable emergencies for using credit, and what to consider before purchasing with credit. The panel found topics such as responsibility, credit history, credit misuse, mortgages, loan applications, and legal rights to be more important. Several additional concepts emerged throughout the study as evidenced by their being included in multiple statements and comments. The study found that budgeting, analyzing opportunity cost, and purchasing with savings were very important concepts that should be stressed over using credit. Those topics found important are closely related to the problems inherent in our current economy. This demonstrates that the panel took their job seriously by focusing on those areas that are likely to improve the financial behaviors of students moving forward.

Individuals may argue that teaching students to use no credit is wise. Others believe students should decide how much credit is acceptable. The idea of using credit wisely has been argued as vague and, in fact, one comment received reasoned that describing credit use as wise was vague and meaningless. The Delphi method proved to be a solid research method for addressing this dilemma. As the complexity of the problem increases, one would expect the Delphi method to fail to reach consensus on a larger number of items. Using the Delphi method, the panel did in fact fail to reach consensus on many items in this study. Whether an item reached consensus or not, the Delphi method performed according to the literature as the IQR in all cases tightened around the median score. This suggests curriculum developers can rely on the findings.

Of interest are a few of the items that did not reach consensus but are popular in many financial literacy courses. The panel failed to agree that students should be taught that credit is safe and convenient and that credit eliminates the need to carry cash. Additionally, the panel did not reach consensus on teaching students that credit cards are the only way to rent cars, book flights, hotels, and purchase on the internet. The panel also failed to reach consensus on using credit to buy items that increase in value, or as a means to balance one‘s cash flow. Teaching students the benefits of using credit cards include reward points, cash back, help with merchant disputes and extended warranties also did not reach consensus. Finally, the panel failed to reach consensus on teaching students that educational loans are good loans. Most of these items are commonplace in financial literacy courses. These specific examples illustrate the panel‘s opinion that what should be taught to students about credit use needs to be changed.

The results should not be considered the perfect answer to the research objectives being studied but should be considered a starting point for identifying what should be taught. Although the Delphi method worked well in this study, it wasn‘t flawless. One example in particular supports this argument. One participant suggested in the first round that credit should be considered bad if it had a universal default clause in the contract. In years past, universal default was a huge problem for many individuals with credit card balances. The clause allowed banks to change interest rates on existing credit card balances when any negative change was noticed on a credit report or score. This included making a late payment to another creditor or closing an account which sometimes resulted in a lower credit score. The individual opinions tended to pool at the extremes, with many rating this item very high and the others very low. The Credit Card Accountability, Responsibility and Disclosure Act of 2009 eliminated a bank‘s ability to change the interest rate on existing balances. Despite many comments alluding to this, the item remained on the survey through all four rounds. One would have expected an item such as this to reach consensus once the facts were presented via several comments.

In the area of delivery, the panel preferred hands-on activities, simulations, personal stories and speakers over traditional approaches such as lecture, Microsoft PowerPoint, reading and videos. These findings suggest the panel felt that developing knowledge and good credit behaviors is best learned with an active and engaging approach to teaching. This is consistent with the personal experiences of the researcher in this study. This suggests the panel‘s findings regarding delivery should be considered by instructional designers.

The results of this study provide a solid foundation for curriculum developers to address what concepts should be included in a unit on credit. Instructional designers can feel confident in using those delivery methods rated highly. Finally, the results suggest that the panel considers a move toward traditional ideas such as thrift valuable.

Curriculum and Instruction Recommendations

Curriculum development and instructional design are conducted using a model that guides the developers through a structured process. Several instructional design models were presented in Chapter 2. Of particular interest in this study are models that are flexible enough to allow curriculum developers to create content during a content development phase while also allowing curriculum revisers the opportunity to conduct formative evaluation at any phase. The conclusions presented in the previous section are designed for both curriculum creators and revisers. The conclusions also provide input to instructional designers through the suggested delivery recommendations.

How much of the recommended content presented in the conclusions that will be included in a course is a function of the focus of that course. An independent financial literacy course, meeting for a full semester, should be expected to cover the content identified in this study. Courses that provide financial instruction as part of a broad course such as economics may not be able to include all the recommended content. How can curriculum developers or instructional designers decide which of the recommendations should be included and which should be removed?

One place to start is to consider the two questions regarding modifications. These recommendations are not reasonable when designing curriculum on a large scale but can be incorporated as needed at the local level. Additionally, the question regarding defining credit should be included but is simple enough that the time needed to teach is limited. The last Round 1 question asked about delivery methods which should not be included in the content selection phase but rather the delivery development phase. This leaves 16 Round 1 questions from which content must be selected.

These remaining recommendations can be organized in several ways to insure that the most important content is delivered when only a fraction of the time necessary to cover everything is available. First, designers can choose to incorporate all the material for the most important questions and choose not to include material from the least important questions. The percentage of original items reaching consensus can be used as a mechanism for determining which questions were found to be the most important to include when teaching about credit. The following is a list of questions presented from most important to least important as measured by the percentage of items reaching consensus.

1. Question 14: What information does an individual need to know regarding completing a loan application?—100%
2. Question 6: What responsibilities do credit users have when borrowing money?—100%
3. Question 7: What information is important regarding one‘s credit report, credit history, and credit score?—100%
4. Question 15: What information does a borrower need to know in order to identify possible misuse of credit in their life?—96%
5. Question 13: What information does an individual buying a home need to know regarding mortgages?—95%
6. Question 16: What factors included in time value of money formulas should an individual understand before borrowing money?—93%
7. Question 5: What rights do credit users have under the legal system?—89%
8. Question 19: What areas related to credit education are important that have not been addressed above? AND Teachers should consider including in their courses information about the credit challenges faced by college students.—87%
9. Question 4: What disadvantages exist when using credit?—84%
10. Question 12: What does a credit user need to know regarding the relationship between risk and interest?—83%
11. Question 8: What does each member of society need to know regarding the prevention of identity theft and what should victims of identity theft do to repair their credit history?—81%
12. Question 2: What information should an individual know and understand before making a decision to purchase goods or services using credit?—75%

13. Question 10: What types of credit are considered bad or usurious?—61%
14. Question 9: What types of credit are considered good?—60%
15. Question 3: What advantages exist when using credit?—35%

Another approach that curriculum developers can use to determine what content to include when insufficient time exists to teach all recommended content is to choose the most important items from each of the questions. For example, the top 3-5 items can be chosen from each question in which categories were not assigned and the top two items from each category in which the items were categorized. Using this criteria, the following five items would be included for the question: What types of credit are considered bad or usurious?

1. It violates any state usury laws.
2. It is one that an individual cannot repay.
3. It takes advantage of the disadvantaged or innocent (i.e., those recently discharged from bankruptcy, young people, etc.).
4. It involves high interest and fees.
5. It involves credit sources that are deceptive.

Continuing with this criteria, the following items would be used from the question: What information does an individual need to know regarding completing a loan application?

Honesty and Accuracy

1. Know that the loan application is a legal document.
2. Disclose all income, assets, and liabilities accurately.

Fees

1. Identify the fees associated with applying for a loan and understand they will not be refunded even if the loan is denied.
2. Pay the application fee if applicable.

Miscellaneous

1. Verify the credibility and integrity of the lender before disclosing social security number, personal and financial information.
2. Verify the willingness of potential references prior to listing them on an application.

Ask/Read

1. Ask questions or ask for help if any terms or language are unclear.
2. Completely read and understand all language before signing or accept offers electronically.

Recommendations for Further Research

The area of financial literacy education is vast. This study was designed to fill a specific gap in the literature and focused on one unit within financial education. This study is a start, not an end, to research designed to recommend curricular content. Further research would add to the conclusions of this study and further improve the quality of financial literacy education. Four recommendations for future research are presented here.

Research needs to be conducted to further identify what should be taught within each specific credit subtopic. Three reasons exist for suggesting more detailed follow-up research. First, the volume of items received in Round 1 led to a large survey in this study. The Round 2 survey took much longer than the 30-minute target. A total of 215 items reached consensus in this round; however, the Round 3 survey still included 151 items. The length of these surveys may have affected the number of comments received by the panel during the survey. By conducting further research that addresses only a few of the original 20 open-ended questions, another panel of experts can focus their attention on just those areas and possibly arrive at a more detailed list of necessary content items.

A second advantage of conducting more specific research is future studies can clarify some of the items that reached consensus in this study. The focus in this study was to address deficiencies and ambiguities that currently exist. Several items, however, still may be unclear. One example is item 321 which was the highest ranked item for the question asking experts to determine what modifications should be made to low income students. The item states teachers should make modifications that allow them to —communicate on their level." Further research focusing solely on modifications may clear up a statement like this.

Third, the breadth of this study may have contributed to some common suggestions regarding credit not being included in Rounds 2-4. Two items, both related to identity theft, were noticed by the researcher. No expert suggested purchasing identity theft insurance nor did anyone recommend freezing credit reports. By not being suggested, these items were never considered by the panel. A more focused survey in the future might catch items that were overlooked by the participants in this study.

Future research might consider changing the makeup of the participants. Individuals from different professions than those used in this study might bring a different perspective to the problem. Ideas include a study that contains only two of the groups used in this study such as college professors and high school teachers. Perhaps a future study could be conducted with members of the banking, investment, and credit union professions whose results could be compared with those found in this study.

Other research should be conducted to address problems similar to those considered in this study. This study focused on instructional strategies for delivering instruction but nothing was specifically asked of the participants regarding the timing of such instruction. Specific research should be conducted to determine when credit instruction would best be delivered.

Finally, this study focused on high school students but research suggests that financial behaviors are developed at younger ages. A similar study designed to determine what should be taught to elementary and middle school students, in particular behaviors, would be appropriate.

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APPENDIX A

NOMINEE INVITATION EMAIL

To: [Participant Email Address]
Subject: Delphi Study Participation To Determine High School Curriculum For A Unit On Credit In Financial Literacy Education

[Participant Name]

This is to request your participation in a research project titled ―A Delphi Study To Recommend High School Curriculum Content And Delivery Methods For A Unit On Credit In Financial Literacy Education." The purpose of this research is to determine the appropriate content and delivery methods that should be taught to high school students regarding the use of credit when learning about financial literacy. The data collected will be useful for curriculum developers as they develop new curriculum or revise existing curriculum. The data will also be useful in creating appropriate delivery methods.

You were nominated as one of the leading experts in the area of credit use and/or credit education. I am asking for your participation in this study. The process will require completing three to four survey instruments spread out over several months. Each survey will be based on the information gathered in the previous survey(s) and will be administered through an online survey tool. The expected time to complete each survey is 30 minutes or less. You will be notified via email when each survey is ready for completion.

Please reply to this email indicating whether or not you are willing to participate. By accepting this invitation to participate, you are also indicating that you meet the following requirements to participate: [List of criteria based on expert area]. If you have any question regarding this study, you may email me at chawk@uga.edu or call me at (678) 898-8845. I am conducting this research under the direction of Dr. Wanda Stitt-Gohdes, Professor in the department of Workforce Education, Leadership, And Social Foundations at the University of Georgia. If I am unavailable, she may be reached at (706) 542-4078.

James C. Hawkins
Doctoral Candidate
Workforce Education, Leadership, And Social Foundations

NOTE: Additional questions or problems regarding your rights as a research participant should be addressed to The Chairperson, Institutional Review Board, University of Georgia, 629 Boyd Graduate Studies Research Center, Athens, Georgia 30602-7411; Telephone (706) 542-3199; E-Mail Address IRB@uga.edu

APPENDIX B

NOMINEE INVITATION FOLLOW-UP EMAIL

To: [Participant Email Address]
Subject: Delphi Study Participation To Determine High School Curriculum For A Unit On Credit In Financial Literacy Education

[Participant Name]

This is a reminder that your participation is needed in a research project titled ―A Delphi Study To Recommend High School Curriculum Content And Delivery Methods For A Unit On Credit In Financial Literacy Education." The purpose of this research is to determine the appropriate content and delivery methods that should be taught to high school students regarding the use of credit when learning about financial literacy. The data collected will be useful for curriculum developers as they develop new curriculum or revise existing curriculum. The data will also be useful in creating appropriate delivery methods.

You were nominated as one of the leading experts in the area of credit use and/or credit education. I am asking for your participation in this study. The process will require completing three to four survey instruments spread out over several months. Each survey will be based on the information gathered in the previous survey(s) and will be administered through an online survey tool. You will be notified via email when each survey is ready for completion.

Please reply to this email indicating whether or not you are willing to participate. By accepting this invitation to participate, you are also indicating that you meet the following requirements to participate: [List of criteria based on expert area]. If you have any question regarding this study, you may email me at chawk@uga.edu or call me at (678) 898-8845. I am conducting this research under the direction of Dr. Wanda Stitt-Gohdes, Professor in the department of Workforce Education, Leadership, And Social Foundations at the University of Georgia. If I am unavailable, she may be reached at (706) 542-4078.

James C. Hawkins
Doctoral Candidate
Workforce Education, Leadership, And Social Foundations

NOTE: Additional questions or problems regarding your rights as a research participant should be addressed to The Chairperson, Institutional Review Board, University of Georgia, 629 Boyd Graduate Studies Research Center, Athens, Georgia 30602-7411; Telephone (706) 542-3199; E-Mail Address IRB@uga.edu

APPENDIX C

ROUND 1 SURVEY

Directions: This research study seeks to answer questions related to three areas of credit education within the high school curriculum. Prior research provided the basis for developing questions related to each of the three research objectives being studied.

Each objective is provided along with one or more questions related to that objective. For each question, please provide a written response that you feel best addresses the question. Please provide your answers in the form of simple statements with each containing one point. You are encouraged to write multiple statements as part of your answer for each question. Your statements will be used to create the follow-up survey in the next round.

If you prefer not to answer a specific question, you may leave the answer box blank and move to the next question.

A sample answer with multiple statements to an unrelated example question follows.

Sample Question: What should students be taught regarding compound interest?

Sample Answers: Students should be taught the importance of investing at a young age.

Students should be taught the importance of investing consistently. Students should be taught the importance of rate of return in accumulating wealth.

Objective 1: To describe how the topic of credit should be defined within the high school curriculum.

Question: How should the term credit be defined or explained to high school students?

Objective 2: To identify the appropriate concepts related to the topic of credit that should be included in a secondary unit on financial literacy.

As part of your responses within this objective, please consider how each question relates to what high school students should know and understand.

Question 1: What information should an individual know and understand before making a decision to purchase goods or services using credit?

Question 2: What advantages exist when using credit?

Question 3: What disadvantages exist when using credit?

Question 4: What rights do credit users have under the legal system?

Question 5: What responsibilities do credit users have when borrowing money?

Question 6: What information is important regarding one's credit report, credit history, and credit score?

Question 7: What does each member of society need to know regarding the prevention of identity theft and what should victims of identity theft do to repair their credit history?

Question 8: What types of credit are considered good?

Question 9: What types of credit are considered bad or usurious?

Question 10: What emergencies constitute a valid use of credit as a source of funds?

Question 11: What does a credit user need to know regarding the relationship between risk and interest?

Question 12: What information does an individual buying a home need to know regarding mortgages?

Question 13: What information does an individual need to know regarding completing a loan application?

Question 14: What information does a borrower need to know in order to identify possible misuse of credit in their life?

Question 15: What factors included in time value of money formulas should an individual understand before borrowing money?

Question 16: What modifications should be made, if any, to the curriculum for students who are members of diverse backgrounds?

Question 17: What modifications should be made, if any, to the curriculum for students who are from low income households?

Question 18: What areas related to credit education are important that have not been addressed above?

Objective 3: To describe the appropriate delivery method for teaching credit.

In the previous series of questions you were asked to identify appropriate content that should be included in curriculum related to credit use. The next question relates to the delivery of that content. Please keep your answers to those previous questions in mind when responding to the next question.

Question 1: What instructional methods are most appropriate for teaching students about credit use?

APPENDIX D

ROUND 1 RAW RESPONSES BY PARTICIPANTS

Answers by participant (1=Participant 1, etc.)

Objective 1

Question 1 Reponses: How should the term credit be defined or explained to high school students?

1. Using KISS. Credit is the ability to borrow money. Borrowing is the creation of debt. Debt is what you owe
2. Purchasing an item without using cash on hand. Purchasing with an intention of paying later Buying something that you may not be able to currently afford Credit can be good or bad. Good credit allows you to purchase large items such as a car and make affordable monthly payments. Bad credit may result in you never being able to buy something unless you have the full amount of the cost of the item or may result in paying high interest rates
3. The term credit should be defined in its most simple form: the creation of debt by borrowing funds.
4. Financial responsibility, rather than the ability to purchase items on credit, should be emphasized in any program. A person's credit rating has significant impact on all areas of his/her life and should be treated with careful consideration. Budgets should be one of the fundamental concepts of any class on credit/financial responsibility so students can understand the difference between needs and wants and should be encouraged to seek alternatives to costly items to make themselves feel better or have what others have. Credit should be emphasized as an ongoing loan or contract between the consumer and the bank - it's not "free" money. In my experience with CARE, the portion of the presentation that gets the most reaction involves the purchase of a flat screen television using 3 options: cash, a budgeted plan using a credit card and a credit card using minimum payments. That drives the point home as to how much interest can cost in terms of money and length of time.
5. Credit is the ability to borrow money. Borrowing is the creation of debt. Debt is what you owe.
6. Credit can best be described as using money that one has not yet earned. You are committing unearned income. You are spending money that you have not made yet.
7. Buy now pay more later or The granting of money in exchange for a promise of future repayment.
8. Having the use of something before you pay for it, essentially a ―loan" or ―debt" Credit is a privilege you earn through your good behavior It should be respected and treated in a responsible way because it's an asset, like having gold in the bank
9. Credit someone lending you money to buy something now and paying for it later usually with interest or fees associated to the account.
10. When teaching junior high school or high school students I prefer defining credit score rather than credit, since the score determines creditworthiness. For example: "As soon as you received your first credit card or bank loan, you started leaving behind a trail of crumbs (aka - payment history). That payment history equals a credit score (aka FICO score), which is a number like an SAT score. The closer to 800, the better as car dealers insurers, lenders, banks, employers and landlords often use this score to determine if

you're a responsible human being." Practical examples of good and bad credit loans or offerings might follow.

11. Credit should be defined to students as "money or goods obtained now and paid for later, usually including an additional cost known as interest"
12. credit is the financial strategies that a person uses
13. Students should be taught how credit can be used to help and especially how it can be used to hinder their financial status. Students should be taught responsibility through real examples of credit card debt. Students should be taught about credit reports.
14. Credit is the lending of money from a source that seeks to profit from an individual who is willing to pay for the use of money they currently don't have. The lender is taking a risk based on a varying amount of information and gauges the price of that risk on the information at hand. Generally, the less information available the higher the risk is priced. The price of the credit is also based on the quality of the information, the higher the quality the lower the price of the risk. Credit worthiness is determined by a number of factors including current income, past history, existing debt, and collateral.
15. Credit is the ability of a consumer or business to borrow funds for use in purchasing goods or services when the sales price of the goods or services exceeds the purchaser's available resources (funds).
16. Credit should be defined as the cost of borrowing money. Credit is the amount that people are willing to pay to use money before they earn it.
17. Spending future income now
18. Credit is a means to get something now and pay for it later. You commit future income when you use credit so you will have less money to meet current expenses in the future. You are creating a loan either directly as with a car loan or indirectly with the use of a credit card. This loan costs you money in the form of interest which is how the lender makes money. Be sure that the item will be around and still useful when you finish paying of the loan.
19. The ability to obtain a good or service now but pay for it later.
20. The term credit can be defined in terms of borrowing to purchase a needed or desired commodity. The term credit can be defined using example of the cost of credit.
21. The ability to purchase goods or services but pay at a later time. I find it very helpful for students to understand when you use examples to explain. For example, not a lot of people can purchase a home with the money they have in their bank account, therefore, a person may have to apply for a mortgage, which is a form of credit, to purchase a home. The person with the mortgage approval can move in to the home and enjoy the home at the same time still paying for the home.
22. Credit is offered by financial institutions such as banks to persons who have requested that money be loaned to them. Credit can be extended or denied based on the history the person making the request has developed. Money is loaned at a cost (interest) with a pre-determined repayment plan.

Objective 2

Question 1 Responses: What information should an individual know and understand before making a decision to purchase goods or services using credit?

1. The difference between needs and wants If you can eat it, drink it or it costs less than $20, don't use credit.
2. Just because you might be able to buy something on credit you must distinguish wants vs. needs and just because you may be approved to buy something on credit it doesn't mean you should. They should know the interest rates and how much they will actually pay for the item in total. They should also know that many times items will be advertised with a monthly charge and make it difficult for the purchaser to know what it really costs. Students should look at how much they would save by paying cash for an item. Credit cards can really cause problems that are hard to recover from. Many people only pay the minimum payment and by doing so you will be paying exorbitant rates and almost never get your credit card paid in full. You will be persuaded to obtain credit cards and will regularly be asked to sign up for new cards and be promised gifts for doing so. Credit card companies like to sign up young adults because they realize it is difficult for them to pay their bills in full each month.
3. An individuals should be aware of their obligations, particularly, their legal obligations when using credit to purchase goods and services.
4. Have a plan and create a budget. If the consumer cannot make the entire payment in a single month, they should divide the amount into monthly payments. The consumer should also know the interest rate on the credit card used and the due date for payments in order to avoid penalties such as higher interest or late fees. This analysis should be done whether or not the purchase is discretionary or an emergency.
5. How much will the credit cost? What are the legal obligations to repay? What income does the borrower have? How quickly can the borrower pay? Does the borrower need to incur credit for something he needs, or just for something he wants?
6. The true cost i.e. factor in the cost of interest. Comparing lenders to get the best terms and conditions.
7. If purchasing on a credit card... Is this a NEED or a WANT? What the true cost will be if they cannot pay it in full when the bill comes due? How many hours do they NEED to work in order to pay for this item? Will this item still be good and or useable by the time you have it paid off? When using loans... Do they have enough cashflow? Can they make payments on this debt and still maintain the other debts? What does their credit report look like? Are there a few minor changes they can work on prior to applying for credit so that they can get a better rate? What is the true cost? After figuring interest, is this purchase worth that extra cost? Is this something they can save money and pay in full and avoid interest all together?
8. Is the good or service needed or wanted Using credit means you are supplementing your income If you use credit for living expenses that indicates you are living above your means Using credit cards should be reserved for emergencies and special purchases that you can afford to repay out of your income within a relatively short time period Know the terms of the credit you are using before using it
9. All cost and fees associated with the account. What the total cost will be for the items if interest and fees calculated. Is this something that is really a need or a want. Can you afford the payments.
10. Cost of goods, particularly monthly payment in relation to overall monthly income. Interest rate and amount of time it takes to repay. Value or durability of the purchase - sturdy chair versus bean bag chair, for example.

11. Before making a decision to use credit, an individual should know and understand the terms of the credit agreement, including any fees, interest, and penalties that may result in the agreement. They should also consider the opportunity costs of choosing to use credit, such as what will the tradeoff be in the future when they are still paying for the item that they purchased using credit.
12. the quality of the goods and services, including warranties, and cost. how the cost will affect the credit card the percentage the credit card is charging
13. Students should know how to balance their income and their expenses. They should know how finance charges are calculated. They should know how interest is calculated and how compounding affects their balance due.
14. The borrower should be completely clear about the costs involved. Initially, the opportunity cost of making this purchase versus future consumption. What are the conditions of repayment and how has the risk the lender is taking been priced? Will the future benefit of the purchase be equal to or greater than the future costs incurred?
15. How much goods or services will ultimately cost after interest is added to the cost and how long it will take to pay for the item over time. How an added monthly payment fits into a budget.
16. Individuals should know the full cost of credit, both interest and fees. They should know whether credit is revolving or installment. For revolving credit, they should know how long it will take to pay back the loan if they make only minimum payments.
17. Future income
18. The cost of the credit. How to compare interest rates Other options for making the purchase besides using credit The different types of credit How compound interest works How to compare credit offers What things affect your ability to borrow
19. When they can pay it off. How it will affect their monthly cash flows
20. Before making a decision to purchase goods or services using credit an individual should know the interest rate for using credit if they do not intend to pay for the item in full upon receiving the invoice. Before making a decision to purchase goods or services using credit an individual should understand all of the terms of the credit agreement. Before making a decision to purchase goods or services using credit an individual should understand the difference between paying for the item in full versus paying it off over time with interest.
21. A high school student should know that there are costs of using credit: the monetary cost (finance charges, loan origination fees, late fees, etc.) and the time cost of using credit (how many months/years it would take to pay off an account) Another thing I believe is important for high school students to know about using credit is that they must find ways in their budget to pay the monthly payments, and that they may have to make sacrifices in the future (not being able to purchase other goods/services by using credit) because it does not fit in their budget.
22. The 20-10 Rule is key: Excluding housing expense, no one should buy an item that is in excess of 20% of their annual income and no more than 10% of their monthly income. Items on credit should be durable goods.

Question 2 Reponses: What advantages exist when using credit?

1. It is safe and convenient. You do not have to carry cash.

2. It is helpful when you need credit to have a good credit score. For emergencies it is helpful to have a credit card, such as your car breaking down, doctors visit etc. You may make a purchase of a large item that most people would not be able to pay cash for such as a vehicle or a house
3. When using credit properly, individuals build their credit-worthiness; they may also earn reward points depending on the form of credit used.
4. There are several situations where credit is the only method of payment, such as renting cars and hotel rooms, booking flights and purchasing anything over the internet. In addition, since check writing has fallen into disfavor at some merchants, such as Whole Foods, a credit card (or debit) represents the only way to complete a transaction if the consumer is short on cash. A credit card is relatively easy to replace if lost or stolen and fraud can be readily detected by the bank to protect the consumer. If a person has a good credit rating, the banks offer all sorts of enticing reward programs, such as cash back or points that can be redeemed for various goods and services. My bank has always been extremely helpful in dealing with merchants whenever there is a dispute.
5. Smooths out cash flow requirements; convenience; eliminates need and risk of carrying around large amounts of cash; certain kinds of purchases effectively can be made only using a credit card (e.g., internet purchases).
6. The ability to make a larger purchase (house or car) without having to pay cash. Fulfilling an immediate need without having the cash in hand.
7. Building your credit report, so that future credit will be easier to get. Sometimes people need to put bigger items on credit ex: Cars House College loans etc. if you have built and maintained credit you can do this. People that have good credit can take advantage of saving money offers. Cash back options Safety...more safe to carry than cash... Buy and get now...pay later
8. You can take possession of the good or service before paying for it Allows the purchase of large ticket items such as a house over time You can help others financially when you don't have the cash available
9. May be able to save money if the item is on sale and will pay less when taking in account all fees. Can buy something you may need now and may not have the cash for it now. Do not have to carry large sums of cash. May be insured if broken or have a dispute over the item.
10. Allows consumer to purchase big ticket items without having to pay cash and gives good monthly repayment terms if consumer has good credit score. Eliminates need to carry large quantities of cash. Builds references that can make daily living - from employment opportunities - through utility setup or rental options - much easier and more affordable.
11. Advantages of credit include being able to enjoy an item/purchase now without waiting to save money to purchase it; spreading out the cost of large items over time (ex. cars, homes); taking advantage of sales or promotions; and surviving an emergency when savings does not cover the entire expense.
12. payment in a time frame (payments) getting the product quickly
13. Students should know about leveraging when purchasing a product that may increase in value (and how people historically used leveraging to accumulate vast amounts of wealth).

14. Credit allows for instant gratification and delayed consequences. It allows for the realization of profit at an initially low cost. Credit markets marry capital seekers with the capital endowed.
15. Using someone else's capital rather than your own frees up your capital to use for other things. Credit Cards offer ~ 25 days free use of money when paid off each month. Extended Warranties and Purchase Protection
16. Credit has the benefit of allowing people to meet current needs with future income. Credit allows people to take advantage of sales. Credit has the advantage of allowing people to benefit from buying in large quantities.
17. Opportunity to "buy now and pay later"
18. You can get something now and pay for it later You don't have to save the entire purchase price before buying something You can purchase things online
19. Leveraging investment Taking advantage of special deals convenience liquidity for investing efficiency
20. The advantage that exists when using credit is allowing an individual to purchase something that they need or want, but do not presently have the full purchase price funds available to purchase the item. Another advantage is that it allows you to build up a good credit history if payments are made timely and over a reasonable period of time.
21. 1. it is easy and convenient to use credit, compared to having to carry checkbooks or a large amount of cash 2. using credit gives a lot of people abilities to enjoy certain goods and services (a home, a car) while paying for them over a period of time 3. using credit properly can help build good credit history/ratings 4. using credit can sometimes help a person take advantages of sales/discounts 5. since credit card statements show itemized expenditures, they can help track monthly expenses.
22. Developing a credit history that lenders will use to evaluate and determine what interest rate to charge the borrower. Allows the borrower to buy products needed for the family, like a home or auto.

Question 3 Reponses: What disadvantages exist when using credit?

1. The consequences if you are not able to pay the full balance each month. i.e. interest Never make the minimum monthly payment Know what the interest rate is and what the grace period is.
2. Most often you will pay more than something is worth by using credit. Credit cards can really cause problems that are hard to recover from. Many people only pay the minimum payment and by doing so you will be paying exorbitant rates and almost never get your credit card paid in full. A poor credit history can affect not only your ability to purchase items but may also affect your ability to rent an apartment or get a job. It is often too easy to buy items on credit or using a credit card and then you have trouble paying your bill. One late or missed payment may cause a " universal default" and may cause other interest rates to skyrocket
3. The main disadvantage of credit is that it is highly prone to abuse, much akin to any form of substance abuse.
4. Fraud is a large concern, but at least my bank is very good about tracking purchases and identifying anything suspicious. It is important for the consumer to review monthly statements to confirm purchases, too. Credit can be too easy, making it a relatively thoughtless decision to purchase things based on "want" rather than need. One significant

disadvantage to credit cards is that not all vendors honor all cards. I can usually take my business elsewhere - I'd much rather do that than get another card.

5. People don't realize the cost. People get lulled into incurring more credit than they can repay. People confuse needs with wants. People get so tied up on credit charges that they cannot access further credit when they really need it.
6. Paying back with interest. Losing income and not being able to repay the loan back.
7. Easy to over extend yourself paying interest If you don't pay on time it could appear on your credit report.
8. Having to make payments you can't afford Fees and interest Stress of being in debt
9. Costs and fees including interest. May not be able to afford the payments later. Spending may get out of control.
10. Can overextend borrowing. Can result in low credit score if payments are late or borrower never repays the loan. Can also result in expensive repayment if late fees are added or debt goes to collection.
11. A huge disadvantage to credit is the tendency for humans to let it get away from them, causing debt to build up, which can lead to poor credit ratings, higher interest rates, and (if allowed to grow) loss of jobs (due to poor credit scores) and even bankruptcy. Interest fees and charges are another disadvantage.
12. extended cost of product due to use of card too easy to use credit card
13. Students should understand that when they purchase a produce that will decrease in value that they can leverage down and become "underwater" such as what happens when a car is purchased on a loan, then they "sell" it back but instead of receiving money, they need to pay money. They need to understand that leveraging down is the root of homeowners being underwater with their mortgages. They need to understand how much interest they are paying and how that effects their personal wealth/debt. They need to understand the advantages of paying bills in full and in a timely way. They need to understand that having good credit can help them in the future.
14. Credit postpones the consequence of the purchase and the lack of an immediate impact can result in reckless consumption. The borrowing process can be complicated resulting in an advantage for the party setting the terms.
15. Paying Interest vs. Earning Interest on the funds. Potential Loss of Ability to pay could lead to damaged credit rating. Cost of Goods or Services is higher due to interest addition.
16. Credit can be seductive. Credit can allow a person to spend more than they can reasonably pay. Misuse of credit can harm a person's chances of getting a job. Misuse of credit can raise the cost of insurance.
17. Spending future income -- especially if uncertain what that income is
18. It is expensive It is easy to overspend You will have less money in the future to pay for current expense until you pay off the credit You may lose what you purchased and all the money you have already spent if you don't make the payments
19. Cost Credit Score implications
20. A disadvantage of using credit is that you pay more for the item due to the interest and it may be damaged, destroyed or become obsolete prior to being paid off. A disadvantage of using credit is that if you do not responsibly monitor payment, it can negatively affect your credit rating.

21. 1. credit can be expensive, with interest charges, annual fees, late fees, etc. 2. using credit improperly can cause overextension and thus unable to pay for all obligations 3. too much credit/not being able to pay creditors as agreed can be viewed negatively on a person's credit report/ratings 4. carrying credit cards can cause a person to purchase impulsively 5. credit cards can be stolen or lost
22. None if the borrower pays back the entire amount every month. Absent this regiment however, the borrower would be paying interest on an item over time and that item would necessarily become very expensive. Non-payment or missed payments result in a damaging credit history.

Question 4 Reponses: What rights do credit users have under the legal system?

1. The right to get a free credit report from each of the 3 major credit reporting agencies, once a year. The right to dispute inaccurate information on that report.
2. Students should know what the creditors can legally do to them for failing to make payments such as whether something can be repossessed or foreclosed on. Whether creditors can call borrowers at home or at work and harass them. What options are there in the bankruptcy court and what are drawbacks of filing bankruptcy. What rights does a debtor have if the creditor violates a stay in the bankruptcy court. Can creditors increase interest rates under various circumstances. If done do the debtors have. What rights do borrowers have if a creditor has reported false or misleading information to a credit bureau.
3. As a credit user, you should have to right to full disclosure regarding the costs of the form of credit used; credit users have the right under certain states to cancel their obligations within a certain number of days as well
4. The only rights I can think of are the right to know the terms of the agreement. Creditors do not have much leverage when applying for a credit card. They always have the right to contest charges, but rather than duke it out in court, I always advocate speaking directly to the bank when a problem arises. If the problem cannot be resolved immediately, a plan can be devised.
5. Contract rights of the credit card agreement or mortgage or other credit document. Many federal statutes, including Regulation Z, Credit CARD Act of 2009, Fair Credit Reporting Act. There are also statutes specific to certain kinds of purchases, such as "lemon laws" for car purchases. Most states have consumer protection laws.
6. No Response
7. No Response
8. Equal Credit Opportunity Act Fair Credit Reporting Fair Credit Billing
9. Protection if cards stolen. State caps on interest and fees. Federal regulation on interest increases. Have right to know where information came from if denied credit and have right to copy of credit report from bureau information obtained.
10. Truth in Lending Act - true cost of credit should be revealed prior to granting or signing loan Equal Opportunity Act - protects against discrimination (including credit) on basis of seven protected classes such as race, religion, marital status, etc. Fair Credit Billing Act - Allow for prompt correction of errors on credit account or credit report Fair Credit Reporting Act Fair Debt Collections Practices Act
11. Credit users have the right to clear and well defined terms (ex: APR, any fees, payment due dates)

12. warranty of the product due to the card ability to return product if unsatisfied the new system of card companies letting how you much you will pay if you delay costs
13. Students need to understand the recent laws regarding credit. Students need to understand what loan-sharking is.
14. Credit users have the right to full disclosure of the lending terms and payment options. They also have the right to know why they've been denied credit. In addition, they have the right to a complete understanding of their credit history and to dispute additions to it they might find in error.
15. Ability to File Bankruptcy. Disclosure of Terms and Conditions. Limit of Liability (Credit Cards)
16. Credit users have many rights. They have rights to information. This includes interest rates and access to credit reports. Consumers have regarding billing and credit reporting. They have the right to equal access to credit. They have the right to be free from abuse in the debt collection process.
17. This is an extensive list -- I don't really think you want me to list all of these rights, do you?
18. The right to get a free credit report from the three credit bureaus The right not to be discriminated against The right that the bill be correct The right to know the cost of the credit The right to contest the payment under certain circumstances What credit collectors can and can't do What does it mean when you use something as collateral The right to correct your credit report
19. ECOA FACT ACT FCRA
20. Credit users have the right to full disclosure of the terms of the credit. Credit users have a right to question and appeal charges.
21. Consumers have rights to file for bankruptcy Consumers have rights to fair collection....creditors cannot harass you or your family/friends for you to pay them Consumers have rights to fair reporting on a credit report, to ensure that the info is accurate and is used for legitimate reasons. Consumers have rights under the equal credit opportunity act, which protects consumers against discriminations based on gender, race, and etc.
22. Contracts are in writing. Usury fees are illegal.

Question 5 Reponses: What responsibilities do credit users have when borrowing money?

1. Don't borrow more than you can afford to pay back
2. To pay it back in a timely manner in accordance with the terms of the loan or payment plan. To keep the collateral in good repair and in some instances insured such as a car or home.
3. Responsibilities include paying a stated sum when that sum is due
4. The responsibility to make the minimum payments and paying on time, although that arguably is a bigger benefit for the consumer.
5. To pay back credit on time per the contract. To be truthful in applying for credit.
6. To make all payments on time as agreed.
7. To know their legal rights pay back debt on time and according to the terms in the agreement
8. Make payments on time Contact the lender when they get behind and can't make a timely payment Manage your budget Give true facts on the loan application

9. Being able to repay the debt. Using the credit wisely and not let it get out of control. Being honest when filling our credit applications. Know if you can afford to make the payments, may be approved for more than can afford to repay.
10. Primary responsibility - to repay loan in timely manner. More specifically, to make full and regular monthly payments. Goo d decision making, especially about need and affordability are key to making solid loan commitments with ability to afford monthly payments. Just because a creditor "says" you can afford a loan, doesn't mean it's affordable for you.
11. They have the responsibility to pay it back according to the terms of the agreement, including any penalties they have agreed to pay.
12. smart use of the card, (not overspending) planning ahead in terms of repayment
13. Students need to understand the responsibilities of paying off their loans and they need to understand the consequences for others as well as for themselves if they do not pay off their loans. Students need to understand that they need to stay clean and honest when completing paperwork for loans.
14. The main responsibility is that of temperance. Credit is a great thing when used in moderation but misuse can quickly bury an otherwise bright future. Borrowers need to be educated on what the loan conditions are and how well they fit in the households existing budget. Discipline needs to be exercised in the analysis of costs to benefits, the instant euphoria of a new purchase will be a distant memory when the price tag multiplies from extended repayment.
15. Pay on time and Fulfill Entire Obligation. Do not exceed credit limits. Manage Resources to properly meet obligations.
16. Credit users are responsible for repaying their loans under the terms agreed on with the creditor.
17. To make a conscious decision to spend future income today and understand the legal obligations that come with that decision
18. Make payments on time Keep goods used as collateral in good condition Use credit responsibly and not get over extended
19. to pay it back as agreed and or communicate with the lender
20. Credit users have the responsibility to comply with the terms, including payment terms, of the credit agreement.
21. Borrowers should make sure that the agreed upon payment amount is made by the due date. Borrowers should also make sure that all debits are correct on a statement.
22. Payments made on a timely pre-determined basis.

Question 6 Reponses: What information is important regarding one‘s credit report, credit history, and credit score?

1. It is important to establish credit and have a credit history. It is your responsibility to use credit responsibly and to have a high credit score. A high credit score give you access to lower rates of interest. Perspective employers and landlords check your credit score.
2. It is important to check your credit score at least yearly. Use the free credit report check and do not pay for these services since you are entitled to a free credit report. Correct errors in your credit report. Your credit score will let lenders know if you are a good candidate to loan money to. If you are you are more likely to be able to obtain credit with a lower interest rate. If your credit is bad and your credit score is bad it may be

impossible to gain credit or if you are able to get a loan your interest rate may be very high. Many time employers will now look at your credit score when making decisions to employ and may be more likely to hire someone who has good credit because they would expect that person to be more responsible. Landlords also look at credit history and credit scores so it might be difficult to rent an apartment with a bad credit score.

3. Information that is important includes timeliness of payments, revolving line of credit
4. Accuracy is extremely important. Checking credit reports periodically will let the consumer know if there is any fraud on the report such as identity fraud. Knowing one's credit score can also help the consumer change spending habits to improve his score.
5. According to FICO, 5 most important factors for credit score are (1) diverse credit, (2) amount of credit actually used versus amount consumer has available, (3) payment history, (4) lengthy credit history and (5) number of credit inquiries from credit providers who don't then provide credit.
6. Accuracy. Checking your report on a regular basis to check for fraud or errors. Under the Fair and Accurate Credit Transaction Act your credit report is free. You have more than one credit score.
7. The amount owed If the debt has been paid back on time How long have they worked where they work or in the line of employment How many open accounts do they have. Have they recently applied for credit? How many times? From who? What creditors do they have? Any rent to owns? Is all the credit extended to them recent? How long have they had these accounts? How much of the credit granted to them is used? What is there score?
8. How to get your free credit report annually - www.annualcreditreport.com Names of the three major credit bureaus. Experian, Equifax and Transunion Information that is on the credit report Consequences of poor payment history on credit history/employment/insurance/borrowing Composition of the credit score and behaviors the increase or decrease your credit score
9. Understanding all the information, who reports, what reports mean, what can affect the report, what is a good score, where can obtain a copy of the credit report, and who has the right to pull the report.
10. Credit Score determines credit granting in most cases. Score is determined by payment history - history monthly payments for last 18-24 months is largest scoring factor - 35% of score; points deducted for late pays or nonpayment of debts (defaults or charge-offs) Number of accounts and/or current cumulative balances is second largest factor representing 30% of score. If balances are higher (more than 50% of available limit or cumulatively equal a huge amount to repay, it too will take substantial points off a score. Scoring chart showing relationship of score to probability of delinquency, contracting types of loans available with good score versus "bad credit, no problem" high interest, low choice loans with low score (and high probability of delinquency) is something to be taught by handout and example.
11. A credit report is a summary of credit accounts and inquiries over a period of time, or one's credit history. Positive activities (paying bills on time; not overextending oneself, etc.) result in a high credit score. Negative activities (paying bills late or not at all; applying for numerous accounts, running up high debt) result in a lower credit score that can result in higher interest rates and sometimes being rejected for renting agreements, insurance, and credit.

12. is person on time when making payments does the person pay the full amount due does the person wait sometime between purchases
13. No Response
14. It's simply important to be vigilant in overseeing your credit history. In this era, you can do everything right but still be undermined by identity theft. Always comb through the bills that come in carefully as well as online accounts.
15. How much Credit is available. How much Credit is being used. Historical Payment Data. Public Records Filings. Closed Accounts by Consumer. Accounts in Collection or in arrears.
16. Credit use affects the cost of credit and the costs of other goods and services. Credit use can affect employment and rental options.
17. 1) A credit report is just that -- a reporting of one's credit information. A credit score is a value judgment about that information. 2) Only CREDIT information is on a credit report -- not other types of payment information. 3) U.S. consumers have a right to one free credit report each year from each of the three major credit bureaus -- and in many states they have a right to additional credit reports each year for free or a reduced price. 4) There is no free right to a credit score. 5) Each credit bureau may have somewhat different information so each of us has three credit reports and three credit scores. P.S. I'm not sure what credit history is as a distinct concept -- I think your credit report IS your credit history.
18. What does the credit score mean What influences your credit score How do you read a credit report How does your credit history influence your ability to get credit How long do things stay on your credit report What if something is on your credit report is wrong
19. payment behavior capacity usage
20. The information that is important regarding one's credit report relates to the accuracy of the creditors and amounts owed to creditors. The information that is important regarding one's credit history is the # of credit cards acquired, amount of debt carried on each and whether timely payment is made. The important information regarding one's credit score is timeliness and amount of payments.
21. A person's payment history with creditors is most important on his/her credit report. The large portion of a credit score is based on payment history. A long credit history with creditors can improve credit score while a lower debt to income ration can also improve credit score as well. A person's identification information (name, ssn, address, birthday) is also important on a credit report. If any identification information is inaccurate, it may cause incorrect reporting on the credit reports.
22. Timeliness of payments. Amount of payments. Number of credit cards (these are liabilities even if these are not used.)

Question 7 Reponses: What does each member of society need to know regarding the prevention of identity theft and what should victims of identity theft do to repair their credit history?

1. Never leave your personal information out. Don't give friends or relatives access to your personal information.
2. Keep receipts when charging items. Don't hand your credit card to cashiers unless absolutely necessary. Check billing statements carefully Don't give bank account numbers or social security number out unless absolutely necessary Shred important

documents with account numbers and credit card offers. Pick up checks from the bank and don't have them mailed. Check credit reports to make sure that there are not cards that have been issued that you don't know about. Use a credit card with a low credit limit to order online so that if it is compromised there is a low credit limit on it. Let credit bureaus know if your identity has been stolen and follow their directions as to what needs to be done to clean up your credit score. Cancel any credit card that has been compromised. Notify the bank or issuer immediately if lost or stolen.

3. Every member of society must guard their personal information very carefully; victims must report the crime immediately, contact all of their creditors; monitor their credit report periodically
4. Everyone should know what steps to take to protect their identity, such as not disclosing social security numbers or other identifying information or credit card numbers to strangers or using unprotected internet sites. In addition, people should learn to shred documents containing confidential information to avoid fraud. As for identity theft, banks and the state attorneys general would be the first step I'd recommend to someone, followed by contact with the 3 credit reporting agencies to begin the repair process.
5. 1. What are the types of personally identifiable information that, if stolen, can let the thief steal a person's identity or get access to their bank accounts or credit? What are ways from restricting people from finding out this information? When someone asks for this type of information, when is a person within his rights, practically or legally, to refuse to give this information (e.g., social security number)? 2. If credit cards are stolen, immediately notify issuer and restrict or close account. Same thing for bank accounts. Notify Transunion, Experian and Equifax and ask them to correct credit reports and put notice in credit reports of stolen identity.
6. First, understand the process to recover is probably going to be slow and frustrating. Check your credit report, monitor all statements to help with detection.
7. Anyone 18 and older SHOULD get a copy of their credit report every 6 months in order to make sure that they are not victims of ID Theft. College aged students are growing amongst the highest group of victims because they are not educated about this stuff. Having too much credit is not good either. You need to make sure you can manage all your accounts. Not just pay them but know how many you have the account numbers and amounts on them!
8. What thieves want with your identity How do they steal it How can you protect yourself against it File police report Review credit report and put fraud alert on it Get copies of all transactions from merchants Document everything Contact FTC, Attorney General
9. Ways that identity can be stolen and how to prevent. Check credit report regularly to be sure if any unknown credit. Who to contact if identity stolen.
10. 1 - Simple Steps to take that reduce risk of ID theft. 2 - Examples of recent ID theft practices to support need to take preventative steps. 3 - Need to check billing & banking info at least monthly , if not more often as preventative measure. 4 - Need to check free credit report at least annually for signs of ID theft or credit fraud. 5 - preventative measures allow consumer to nip in the bud - easier than discovering months or years late 6 - Procedure for reporting to police, creditors, CRAs 7- how to place free fraud alert on each report issued by CRA 8 - how to contact creditors.
11. Safeguarding one's personal information is vital---trust nobody with your social security number. Do not have it printed on checks; do not write it on checks; do not write it down

unless it is absolutely necessary. Be cautious when someone calls your home asking for personal financial information and do not give it out unless you can confirm the source is a legitimate one, as well as for emails and over the internet. Photocopy everything in your wallet so that if your purse/wallet is stolen you know the numbers to call to cancel accounts--this is the first thing to do if you suspect your identity has been compromised. Also contact the FTC, the three credit reporting agencies, and the local police department to file reports with them. The quicker these reports are filed, the less responsible the consumer is held for the damages. If a victim is trying to repair their credit history they will be sure there is a fraud alert placed on their credit report. If the problem is reported within the first few days there will not be much to fix. If it is not caught quickly, they will find themselves contacting each financial institution and spending much time to complete the required forms and attempt to repair their credit history.

12. proper care and use of credit cards and the information on the cards proper technology use of the credit card on a secure site notification of banks, credit cards, police, and creditors when ID theft occurs social security office should also be notified
13. Students need to know the importance of keeping their SSNs private. They need to know who to call to report violations. They need to periodically collect their credit report, check it for accuracy and report errors. Students need to know that they need to report when their credit card, bank checks, or SSN has been compromised.
14. Guard your personal information vigilantly Never open e-mails from suspicious sources Rotate your passwords frequently Check your statements with a fine tooth comb for unfamiliar activity. Check balances with great frequency Keep the contact information of your financial institutions handy Don't have a wide array of open credit cards.
15. Choose passwords that are STRONG. Research offers before responding to insure smooth secure transactions. Do not use Debit Cards online.
16. People need to know how to reduce the probability of identity theft occurring. People need to know what to do if they suspect identity theft has occurred.
17. That prevention of identity theft is an individual responsibility -- no state or federal agency can effectively protect the identity of each of us. Most identity theft is conducted by someone known to the victim and is low tech.
18. Shred anything with identifying information on it Do not use your social security number on your driver's license Be careful when providing information on the web that the site is secure Do not give personal information out over the phone unless your are sure who you are talking to Always call your bank or credit card company back using the number on the card or your statement before answering questions about your account Don't keep your pin numbers with the debit, credit, or atm cards Notify the police and get a report number Notify your bank and all the credit accounts so that they stop accepting the card and issue you new cards with new account numbers Notify your insurance company Contact each of the major credit card companies
19. how to check credit report and what to look for online safety
20. Each member of society needs to know that they should routinely check their credit reports from the 3 reporting agencies and are entitled to a free credit report from each of the agencies once a year. Victims of identity theft should report the theft to the policy, obtain a police report and provide same to the credit reporting agencies.
21. People should treat documents with their information with caution. Always shred any paperwork that contains name/address/account #, etc. Also, when browsing/shopping on

the internet, it is important to make sure that you don't share your personal information with unfamiliar sites or people that you don't know. Victims of the ID theft should file a police report and contact credit bureaus for fraud alert. They also need to close any accts that are affected and contact the creditors immediately.
22. Mail your personal financial items using only a blue mail box or hand deliver these to the post office employee. Do not use your mailbox (thieves can still your mail). Request a credit report often to make sure no one has used your credit cards or stolen your identity. Report suspicious actions regarding your credit history to the US Postal Inspector, FBI, or local law enforcement officers.

Question 8 Reponses: What types of credit are considered good?
1. No credit is good if not used responsibly
2. Credit extended to buy a home or vehicle if the interest rate is low. Credit that you can show that payments have always been timely made. Credit with little or low interest rates that allow you to purchase something and prove that you can make regular and timely monthly payments in order to build up good credit. Using a credit card and paying the bill in full each month so that you do not have to pay any interest.
3. I think the good credit are the types with very low interest costs.
4. A good history with a major credit card A good history of paying major loans such as a mortgage, cars or education A good history of paying a utility (my phone is in my dead cat's name and he is constantly solicited by American Express based on his excellent credit history!)
5. 1. Credit cards, mortgage debt are "good," I suppose. Payday loans are "bad." It really depends on what the borrower and the creditor are doing with them.
6. Mortgage and to a certain point educational loans. Any loan that cannot be paid back in a reasonable amount of time is not good.
7. Credit is not good or bad it's how you use your credit that determines this!
8. A balanced mix of different types of credit is best Credit cards with low utilization ratios Mortgages Overdraft lines
9. Any credit that has affordable and competitive fees and interest and that can be repaid in a considerable time with affordable payments.
10. Depends on user; credit card can be good way to build credit if the user does not have a plastic obsession compulsion. Repayment of secured debt 9timely current monthly payments) such as car, student loan or home can be good credit account history to establish as long as amount borrowed and monthly payments are affordable & do not represent to high a percentage of monthly income
11. Overall, a mix of different types of credit is the best and worth a major portion of one's credit score---creditors look for applicants to have different types. One example would be someone with a mortgage, a car loan, a student loan, and maybe one credit card. That would be an appropriate mix of credit types.
12. the cards with lower percentages charged and who limit purchases to a total amount of $1500 or less
13. No Response
14. Credit sources that are transparent
15. Closed End Loans for Cars, Mortgages, Home Equity. Business Loans for Purchase, Startup, and Expansion.

16. Credit is neither good nor bad. It depends on how credit is used.
17. "Good" credit is credit that serves the individual's purposes at the lowest short- and long-term costs. Generally, that would be credit from banks and credit unions.
18. Mortgage Car Loan Educational Loans Any credit where the item purchased is expected to last longer than it takes to pay it off Be careful of high interest loans even when for a good purpose
19. those that fulfill long term strategic objectives buying a home, getting educated, starting a business, etc.
20. Credit from established lenders and credit card companies is considered good if properly researched in terms of your own finances and repaid in a timely fashion.
21. Mortgage, a bank loan (such as a signature loan or a automobile loan), credit cards.
22. Durable good items purchased such a cars, boats, homes, jewelry. wash machine and dryers.

Question 9 Reponses: What types of credit are considered bad or usurious?

1. No Response
2. Credit where the interest rate is very high. Universal default which would allow an interest rate to be increased for a late bill payment for an unrelated bill. Offering credit to bad credit risks by charging exorbitant interest rates. Targeting debtors recently discharged from bankruptcy in order to try to get them to buy something on credit with a high rate knowing that they can't file bankruptcy again for several years. Targeting young people to obtain credit cards in hope that they don't pay it off in a timely manner.
3. Anything with a high interest costs
4. I'm not a fan of payday loans - I'd certainly consider them usurious even if the courts do not
5. See question 8.
6. Any loan that you are not able to repay. Payday and cash advance loans are always bad.
7. Credit is not good or bad it‘s how you use your credit that determines this!
8. Pay day loans Rent to own Finance company loans
9. High interest, payday loans, high fees.
10. Any loan that takes advantage of the disadvantaged, which is usually any high interest and/or high fee loan that a consumer gets in a hurry because of lack of choice (bad credit history/score) and/or need for instant cash. these include payday loans and car title loans (payday loan that used car title as security), secured or subprime credit cards (saw a 73% interest rate card this year), or finance company/car loans with extremely high double digit interest rates. Also - rent to own.
11. A less desirable mix of credit would include a high number of credit cards, without any secured sort of credit. For example, if an applicant had no mortgage or car payment, but seven different types of credit cards or unsecured credit accounts open.
12. high amount of purchases available high percentage points
13. No Response
14. Credit sources that are deceptive
15. Payday Loans. Pawn Shops. Credit Cards with Default Rates or High Fees. Predatory Credit Cards with initial low rates for short term periods. Car Dealers with Weekly Payment Plans.
16. Some state laws define usury.

17. Although any credit could be "bad" credit if it doesn't serve the individual's purposes at the lowest short- and long-term costs, generally, "bad" credit is refund anticipation loans, pawn shops, title loans, payday loans, and rent to own (not technically credit I know).
18. High interest loans payday loans car title loans. Loans with acceleration clauses
19. payday loans refund anticipation loans
20. Credit from payday loan operations is considered bad.
21. loans from finance companies, title pawns, payday loans, etc.
22. non-durable goods such as food.

Question 10 Reponses: What emergencies constitute a valid use of credit as a source of funds?

1. Medical Household emergencies i.e. boiler or water heater stops working
2. For credit cards: Car repairs if stranded on a highway Certain medical emergencies if you can't get the office to bill the patient. May need a credit card to rent a car or purchase an airline ticket To buy something on credit Car to provide transportation for work or school if no public transportation is available. If purchasing a house most everyone would need to purchase it on credit
3. Using your credit for cash in an emergency is a circumstance that would be considered appropriate.
4. My father was killed in a car accident in Dallas when I lived in Alaska. I had to buy a plane ticket immediately to fly to Texas, then needed to cover all the costs of his funeral expenses, as his checkbook had been stolen from the car and the account had to be closed so my mother did not have access to the account right away. This was a true emergency and I would certainly consider it a valid use of credit. I had not expected to spend over $4000 when I woke up that morning and there was no other way that I could have purchased the plane ticket.
5. Medical, divorce, injury.
6. Emergency car repair--if you are out of town. Funeral Expenses
7. Well, I think this depends on the person. What might be an emergency for me may not be an emergency for someone else. I would say that if you cannot continue to live Physically or Emotionally without this item/thing then it may be worth it...
8. Medical emergency Rental car charges when a car breaks down Short term loan to someone in need
9. Unexpected medical expenses, Need to travel for emergency or family crisis, car repairs, unexpected home repairs
10. A true emergency puts a job, your health or family/individual's safety at risk. If a TV dies it's not an emergency. If a heater fails in the middle of winter - it is.
11. Medical emergencies, if there were a need that would affect one's employment (ex, transportation or relocation costs)
12. death in family, natural storms, break down on family trips
13. This becomes an ethical question.
14. Any situation where the urgency of the event outweighs any conceivable cost.
15. Emergency Auto or Home Repairs. Traveling Foul ups. Medical Emergencies.
16. Emergencies involving health and/or safety likely justify the use of credit.
17. That's up to the individual to decide. Anything else is a value judgment made without knowledge about an individual's situation.

18. When you are traveling and cannot access you bank - cash advance I am not sure if you mean when to use credit or get a cash advance. If you mean use credit not cash advance then if your car breaks down or if you need medical attention
19. medical, familial, those with long term impacts on family well being
20. Emergencies which constitute a valid use of credit as a source of funds include emergency medical care or emergency travel (i.e. to see a sick or dying relative)
21. None. Ideally, people should have 3-6 months of take-home income set aside for emergency purposes.
22. Service repair on a car and home.

Question 11 Reponses: What does a credit user need to know regarding the relationship between risk and interest?

1. The greater the credit risk, the higher the interest
2. The more of a risk the borrower is to the lender the higher the interest rate will be.
3. A credit user should understand that generally if a credit user is considered risky, then the interest associated with that user will be proportional.
4. They need to understand that the amount of interest charged is in large part determined by their own riskiness as a debtor - the better their credit rating, the lower the interest they will be charged. Knowing their credit rating will encourage them to take steps to improve their rating - people generally seem to understand that it's better to save money.
5. The riskier the perceived credit, the higher the interest rate.
6. No Response
7. The higher the risk the higher the interest
8. Lenders assess risk according to a borrower's credit history The riskier the borrower based on poor credit history the higher the interest rate they charge
9. The higher the risk you are, the higher interest you will pay. If you have bad history or collections, then your interest will be higher than someone who has a good history.
10. Lower credit score/less than stellar credit history makes borrower a high risk. Borrower will have less choices when borrowing and it will be more expensive as a low score means higher repayment terms. Highest repayment caveat is interest. The higher the interest, the longer it will take to pay off loan as monthly interest will take up most of any monthly payment.
11. Higher risk nearly always is linked to higher interest rates.
12. keep an open flow of communication
13. Students need to understand the relationship between these. It's nicely done through analysis of stocks over time.
14. The use of credit recklessly will make a borrower a greater risk to those considering the offer of credit. When a creditor is being asked to take a greater risk they will adjust the price of their service accordingly. The perception that creditors have of the risk level a borrower is asking them to take can vary the cost of credit dramatically and the cost of living for that borrower.
15. The 5 C's of Credit - Character, Capacity, Collateral, Condition, and Capital will determine the creditor's risk which affects the interest rate charged for the use of the funds.
16. Credit users should know that their cost of credit in the form of interest will reflect the risk they present to creditors.

17. The greater the risk the consumer is perceived to be by the credit grantor (as generally assessed based on a credit score), the higher the interest rate likely will be.
18. The riskier a borrower they are; the higher their interest rate will be It is important to protect your good credit Bad credit follows you for a long time
19. that the more risky they appear to be, the more interest they will have to pay
20. A credit user needs to know that the higher the interest for the use of credit, the greater the risk of inability to repay.
21. That the higher the risk, the higher the interest.
22. Greater the risk, higher rate of interest is paid. Junk bonds can potentially pay higher returns on the investment, but at a great risk. Savings accounts potentially pay lower returns on the investment, but at a very low risk (FIDC insured).

Question 12 Reponses: What information does an individual buying a home need to know regarding mortgages?

1. The consequences of default
2. They need to know what the interest rate is. Are they paying points to obtain that rate? Is it a fixed interest rate that will stay the same throughout the term of the mortgage or is it an adjustable rate. If it is adjustable they must know what it will ultimately be and know if they can afford it when it raises. Is there a balloon payment required, can they afford it. Is there a penalty for prepayment. Can a new mortgage and loan be entered into if the interest rate is lowered. What will happen if you quit paying or are late in payments? What is the amount you are truly paying for the home when you include the price of the home and the interest that will be charged over the years/ They should compare the amount of the house payment for various years of a loan. Ex. could they borrow the money for just 15 years instead of 30 and if so what is the difference in the monthly payment. Does the mortgage company allow you to pay extra on the mortgage or to pay an extra payment each year to shorten the payout on the home.
3. Mortgage rates vary across the board and that there are different types of mortgages available, from fixed rate mortgages to ARMs. An individual‘s credit score will affect the rate that they qualify for.
4. The borrower should be aware of all potential fees involved with the process, such as whether there is a penalty for early payment. The borrower should also determine how much the monthly mortgage payments will change based on the amount of down payment and interest rates. Banks won't typically ask the borrower to refinance if rates drop, so it is important for the borrower to be aware of rates and ask if it is worthwhile to refinance. The borrower should also decide whether to have the bank make property tax payments or if the borrower wants to pay them directly. If the borrower opts to have the bank make the payment, the borrower will need to ensure that the payments are credited to the correct property. The buyer should also consider its options should the property value drops below the amount of the mortgage (deed in lieu, foreclosure, bankruptcy).
5. These are really complicated documents. Key terms are tenor (number of years to repay), interest rate, points charged. Elizabeth Warren, the de facto head of the Consumer Financial Protection Bureau, says that one of the CFPB's primary missions will be to work with industry to develop a simple, clear mortgage loan document so consumers can shop intelligently for the mortgage terms that best suit the individual consumer.

6. Pre-payment penalties. Interest rate How much is this house really going to cost me i.e. factor in interest charges.
7. What type of mortgage programs are available? What is the total cost of the mortgage? Is the borrower ready to be a homeowner? Are they good money managers? Do they have a basic understanding of credit? Do they know how to shop for a home? Protecting their home?
8. Grants available for down payment and closing costs Types of mortgages available - Fixed/Variable Interest Rates, Terms, Payments, Down payments required, The application process and the documentation required by the bank Qualifying - credit history and income - affordability Down payments and closing costs Closing process Escrow of taxes and insurance
9. Mortgage is a long term commitment and you need to plan for the long term. Interest can vary with the type of loan. Variable interest loans could result in a higher payment if interest rates increase. Also they need to know if their loan payments includes escrow or not.
10. Income over last 12-24 months is larger factor for qualification than in many unsecured loans such as credit card or payday loan. Payment history and amount of balances are still significant factors Home is secured and can be repossessed. Many consumers think home loan is like credit card loan; if defaulting can be sent to collection but home can't be taken. Consumer should gauge affordability based 30% of net income. Also should estimate other costs - utilities, taxes, repairs (1% of cost of home should be set aside) Interested consumer should attend nonprofit homebuyer class to understand entire process before shopping for home.
11. Variable rate mortgages have payments that may fluctuate greatly; a fixed rate mortgage will be less likely to change in payment amount. Expect to spend 10-20% of the purchase price for a down payment; closing costs will be another major expense of home buying. Always, when borrowing, a lower APR is the better option. Having a longer term or borrowing higher amounts of money will result in higher interest fees overall.
12. the credibility of the person/mortgage company the credibility of the involved financial institution rates of mortgages
13. Students need to know that their mortgage should not be more than 1/3 of their income. They need to be able to currently pay their mortgage, not reliant upon financial sources that do not exist. They need to know the expenses of maintaining a mortgage other then principal and interest. Insurance, mortgage insurance, taxes, closing costs) They need to understand how much interest they are paying the beginning years of the mortgage and how this decreases throughout the term of the mortgage. They need to know how significant the interest rate is to the amount they pay each month and not just the cost of the home.
14. Is the rate fixed or adjustable? Is there an early payoff penalty? Where is my mortgage being serviced? What is the term of my mortgage? What fees is the seller responsible for at closing and what fees does tthe buyer handle, by law? Is there a right of recision?
15. Tax Benefit of Mortgage. Closing Costs and points can affect the cost of the loan. Are there any Early Payment Penalties. How much interest can be saved by making extra payment on principal, bi-weekly payments, or an extra payment each year. Understand Amortization Schedule. Understand that an excessive mortgage with depressed housing and jobs market can lead to negative equity situation and possible foreclosure.

16. No Response
17. What don't they need to know? This is a HUGE topic. I think the question should be whether it is even appropriate for high school students. I don't think it is -- I'd focus on car loans. You can teach every concept relevant to mortgages in an appropriate unit on car loans.
18. the difference between a fixed rate and a variable rate mortgage How a variable rate mortgage works especially how payment and interest rate caps work What negative amortization is When to use a 15 year versus a 30 year loan Different types of mortgages- VA, FHA, conventional, private What does the loan underwriter look for Mortgage insurance when down payment is less than 20% What are reasonable costs for a lender to charge and what types of cost they charge What ss a good faith estimate of costs and what if they charge at closing
19. different types
20. An individual buying a home needs to know the mortgage rate, whether points must be paid, whether interest is fixed or fluctuates, the term of the mortgage, whether there is a due on sale clause triggered by a refinancing and all of the closing costs associated with the mortgage.
21. The type of mortgage (FHA, VA, Conventional) The term of mortgage (fixed, adjustable, interest only) The # of years for mortgage (10, 15, 30 yrs)
22. The difference between fixed and variable rates. The difference between 15 and 30 year mortgages.

Question 13 Reponses: What information does an individual need to know regarding completing a loan application?

1. Honesty is the best policy Disclose all assets and liabilities accurately
2. They need to have their current information such as salary, assets and liabilities. Most loan applications are filled out under penalty of perjury so people need to make sure they fill in the forms honestly and completely
3. An individual must be truthful when completing them regardless of what a mortgage broker may say.
4. The borrower should understand that a loan application is a legal document and that he/she is assuming responsibility to pay back the amount owed, plus interest and any fees that accrue. It is not something to be taken lightly, as any bad consequences (late payments, defaults, bankruptcy, etc.) will remain on his/her credit report for at least 7 years and will certainly lower their credit score if not handled appropriately. I would encourage any potential borrower to think deeply if they can really afford the debt and plan how to repay it and not just leave it to chance - i.e., pay more than the minimum amount due each month to avoid multiple interest charges.
5. Be honest and complete and accurate. Anything that is incorrect can be used to block a discharge if the individual gets credit through the application and then defaults. If the individual completes the application falsely and sends it through the mail, he can face criminal prosecution.
6. Be honest b/c the lender will verify the accuracy of your information.
7. discuss the details (term) of the loan Complete written application Give lender copies of all requested documents and of all Income, assets, debts and credits sign permission letters to get credit reports and verify employment Discuss and issues the lender should

know about... previous credit blemishes etc. Pay application fee (if Charged) Also ask for a Good Faith Estimate and Truth in lending statement

8. Information required by the lender Documentation they will need to give - proof of income, deposit accounts, id, etc. Timeframe for approval
9. To be honest and complete all sections. Ned to know what they are filling out, understand all information asked for (such as difference in gross or net income), and only sign after reading and understanding all language on the application.
10. Signing loan papers allows potential lender to do background check. should loan application checks, such as home loan, charge nonrefundable fees to process and to pull credit reports, whether applicant gets loan or not. If loan is granted with signing or accepting online, individual should read and understand terms before signing or clicking approval or should ask someone who does understand terms to read and explain prior to agreement. consumer also needs to have speicis account or SS numbers and references for many loans, so should investigate background of lender as well as being prepared with specifics needed to complete.
11. Never lie; print clearly
12. the credibility of the financial institution rates charged when borrowing money
13. No Response
14. Their own financial situation, personal assets and liabilities, personal information.
15. Answer questions accurately and honestly. Have all information available when completing application. Loan Officer will pull credit file which can affect your credit rating each time someone accesses your information.
16. No Response
17. That the application is part of a legal contract and providing false information can cancel the contract.
18. Keeping records of previous uses of credit and any outstanding balance amounts Having accurate employment records, income figures and other expenses. Ask people to be a reference before putting their name on an application Be truthful and lender will be more willing to work with you if there are no surprises when they pull your credit report Check your credit report before applying for credit to be sure it is correct
19. No Response
20. To complete a loan application the individual needs to know the extent of his or her indebtedness on credit cards and other loans (i.e. cars), his or her income from all sources, investments, banking information employment history.
21. Lenders are required to provide a truth in lending disclosure, which shows the costs of the credit. Applicants should always ask questions if they do not understand certain items on an application. In addition, a person should always shop around when applying for credit in order to find the best deal.
22. Be truthful.

Question 14 Reponses: What information does a borrower need to know in order to identify possible misuse of credit in their life?

1. Review your bank statements and credit card statements monthly
2. They need to make sure that just because they are allowed to buy something on credit that they can easily misuse it and pay much more for everything they buy when they consider the amount of interest paid.

3. The most important thing a borrower should know is never to spend beyond your ability to repay.
4. A borrower really needs to understand the difference between "wants" and "needs" and should also create a weekly and monthly budget for themselves and get in the habit of not buying on impulse. Having a plan is the best way to avoid misuse. If a borrower cannot identify the amount of credit card debt or remaining mortgage amount off the top of his/her head, he/she is not in control.
5. Work out a detailed budget showing cash expenses and cash inflows. If inflows are less than outflows, the borrower needs to adjust his lifestyle.
6. No Response
7. They need to know how to obtain and read a credit report
8. Income and Expenses - Does income cover expenses without borrowing Balances they owe and interest rates - length of time they will be repaying at current terms Are their credit balances increasing or decreasing over time
9. Difference in needs and wants, how to set goals and prioritize, how to control urges to spend, and budget their income and plan on how to pay back any credit used.
10. Credit report, court records (as well as public records - if any - on credit report), possible history of eviction, foreclosure or bankruptcy.
11. A bad sign is borrowing from one source in order to pay another source. The amount owed on revolving credit should be 25% or less than the available credit from that source.
12. history of payment plans of the borrower
13. No Response
14. Misuse?
15. Card Balances too high or maximum used. Regular Missed or Late Payments. Consolidating Credit Cards with Home Equity Loan could be due to excessive consumption.
16. No Response
17. What is the definition of "misuse" of credit? It could be anything. For the person who NEVER intended to borrow money, it could be even one unpaid credit card balance. I guess I don't know what the question means.
18. More than 15% debt to income ratio borrowing or using one credit card to pay another late payments or missing payments not paying credit card bill in full each month credit cards at their maximum limit calls from creditors repossessions
19. No Response
20. A borrower needs to have an accurate budget (income/expenses) in order to identify possible misuse of credit.
21. Possible misuse of credit 1. use credit to pay for regular living expenses, but unable to pay off the balance when the bill is due 2. have several credit lines that are close to the limit 3. can only pay the minimum payments 4. have to borrow from other sources to pay creditors 5. have to skip/pay short/pay late on bills 6. not sure of how much you owe 7. receive phone calls/letters about delinquent accts
22. Their credit history.

Question 15 Reponses: What factors included in time value of money formulas should an individual understand before borrowing money?

1. How long it will take to pay back at a given interest rate if you are paying in installments, i.e. the total cost
2. They should think hard especially when using a credit card do they think this item or dinner etc. that they are now charging is something they want to continue paying for years from now if they don't pay off their credit card each month.
3. Factors that should be understood is the present value, present value of an annuity, future value and the future value of an annuity
4. The borrower should understand what that the money he/she borrows costs money the longer it takes to repay. The new information on credit card statements depicting the amount of time it would take to repay the entire amount if the minimum amount is paid is quite descriptive.
5. Discount rate, length of term being used.
6. No Response
7. That this includes principle and interest only...taxes and insurance still needs to be added in to get the monthly payment
8. No Response
9. No Response
10. Interest rate, amount saved or paid monthly.
11. They must understand term, interest rate, and payment amounts, as well as the total amount paid over the time of the loan.
12. to know as much as possible if not sure, find a source of information, usually through a community college
13. Future value, present value. These are important concepts. Also opportunity costs are important to consider. They need to understand the formulas and not simply plug in values. Many texts do not teach the "why" they just teach to plug in or read tables. This leads to a lack of understanding and forgetfulness.
14. effective annual interest rate, number of payments, anticipated cash flow, or time-frame goal.
15. The Principal, Interest Rate, Term of Loan, and Payment Obligation
16. The value of the money borrowed is greater than the value of the money used to repay the loan.
17. I seriously doubt that consumers who "misuse" credit do so because they don't understand how credit works. I think what is more important for them is to understand the value of postponing gratification -- waiting to buy until they are eligible for a cheaper source of credit or even until they can pay cash.
18. how long it takes to pay off a loan making a given payment at a given interest rate how compounding affects the amount of interest paid how to figure how much you have to pay to pay a loan off in a certain amount of time how an additional principle payment decrease the amount of interest you pay and the time it takes to pay off a loan]How to calculate a balloon payment at the end of a loan
19. No Response
20. No Response
21. No Response
22. Opportunity cost.

Question 16 Reponses: What modifications should be made, if any, to the curriculum for students who are members of diverse backgrounds?

1. For example, inner city Chicago students sometimes find out that the utilities have been switched to their names/SSNs because they were shut off in their parents‘ names
2. I think as far as the CARE program goes you should know what the expectations are of the students. I usually try to present the class to juniors and seniors in high school. I have given the class in rural school settings where most of the kids do not plan to go to college so I had to shift away from them being offered credit cards in college to addressing credit issues such as buying a car or truck and financing it or buying something like a computer and how the credit and interest work in that situation.
3. No Response
4. In my experience with the CARE program, no modifications need to be made. I have taught at private schools, public schools in relatively wealthy suburbs and the poorest schools in the city and the students have all seemed to understand the concepts. If anything, I would say the students at the poorer schools are more receptive and ask more intelligent questions.
5. I can't think of any.
6. No Response
7. No Response
8. I don't understand what you mean by diverse backgrounds - too vague.
9. Make sure they understand all terms and make examples pertinent to their lives.
10. Real life examples and discussion. Many students or diverse backgrounds immediately ask about collection or repossession circumstances in classes. Mock borrowing examples based on mock income etc.
11. No modifications are necessary---in the financial world they are all going to eventually wind up following the same rules.
12. make sure students are able to understand the meaning of the curriculum due to the difference in diverse languages
13. none. Sensitivity if from low-income is important.
14. None
15. Try to understand your students socio-economic, special ed., backgrounds and use various examples in discussion and lecture to facilitate student connection or relevance leading to understanding by all students.
16. No Response
17. Depends on what you mean by diverse backgrounds. (Sorry to be so picky.) I'm going to assume based on the next question that diversity doesn't mean income. So, if you mean ethnicity, race, religious differences, obviously respecting cultural and religious views of credit and credit use is appropriate.
18. Different cultures view saving, borrowing, and helping others differently. Values need to be discusses and how they influence your decisions about money
19. No Response
20. The curriculum should be modified so students can identify with the information provided based upon their socio-economic backgrounds, such as discussing the purchase of the type of goods sought in their communities.
21. No Response
22. For minority students: The financial cost of being unbanked.

Question 17 Reponses: What modifications should be made, if any, to the curriculum for students who are from low income households?

1. See above (Question 16)
2. You need to be cognizant of their background and don't want to offend them by alluding to mistakes their parents might have made that could result in the family not having much money or managing it well. I personally think that some young adults who do not grow up with a lot and are not spoiled do a much better job staying out of the credit problems that some more affluent young people find themselves as explained in Q.18. I think it is not fair but a reality that those from lower income families and certain ethnic groups may not be offered credit as freely which in the long run may save them from making terrible mistakes in over extending themselves.
3. No Response
4. See answer 16 above. I would not recommend any modifications.
5. This question assumes there is a set curriculum on credit education. That is not my experience. For what it is worth, in my experience, it is especially important to talk with students from low income households about factors that will damage their credit score. Many times, parents of low income students use their children's credit when the parents themselves are no longer able to get credit; then the parents end up damaging the children's credit as well.
6. No Response
7. No Response
8. I suggest including topics such as prepaid cards, check cashing services, opening bank accounts, Chexsystems When explaining concepts, use examples with figures that they can relate to - i.e. A car loan for a low amount like $5,000 instead of $20,000. Realistic interest rates for a person with adverse credit.
9. Make sure they understand all terms and make examples pertinent to their lives.
10. See above (Question 16)
11. These students need to understand the importance of saving to reach financial goals and the relationship of education to potential income.
12. the ability of the teacher to "teach/communicate" to their level
13. Sensitivity. Emphasis on how not to be manipulated. Emphasis on how education and understanding can help prevent financial disaster.
14. None
15. Focus on budgeting and saving as a means to growth and financial well-being.
16. No Response
17. Regardless of income level, it's important to remember that our students come from families who use credit and probably have done everything we've said one shouldn't do when it comes to credit use. That doesn't change the content, just the sensitivity of the presentation.
18. All types of credit should be discussed from a pro and con basis Examples using small amounts as well as large ones should be used special programs to help low income households should be discussed especially individual development accounts How saving impacts eligibility for certain social services needs to be taken into consideration
19. No Response
20. For students from low income households the curriculum should be modified to emphasize budgeting issues.

21. No Response
22. For minority students: The financial cost of being unbanked.

Question 18 Reponses: What areas related to credit education are important that have not been addressed above?

1. No Response
2. I try to emphasize to young people that have always gotten anything they ask for that when they are on their own they may not and should not live that way or they could end up with a terrible credit problem and high bills that they will not be able to pay.
3. No Response
4. Budgets need to receive greater emphasis. I think they are crucial to financial health.
5. Please go to the following web site and look at the two programs called "Charge It!" and "Why You Don't Want to Go Into Bankruptcy": http://www.computer-competition.org/hisgrip/index.html. Some of the questions above are covered in those programs. Several other topics, including the bad things that happen in bankruptcy, are not covered in the questions above and should be covered.
6. No Response
7. No Response
8. No Response
9. No Response
10. Practical mock credit borrowing and (hopefully) repayment in school. Perhaps at school bank.
11. Goal setting; spending plan development; getting out of debt/paying more than the minimum
12. how a person can do well despite language/economic conditions
13. No Response
14. None
15. Making Choices. Distinguishing between Needs and Wants. Setting Short Term and Long Term Goals. The Potential Consequences of College Loans. "Pay Yourself First". Concept
16. No Response
17. Types of credit How creditors evaluate their risk (some do use factors other than credit scores) How risk affects consumers' credit choices and costs
18. No Response
19. No Response
20. No Response
21. No Response
22. The benefits of compound interest. Intangible benefits of "knowing your banker." Cost of a bad credit report (seven year timeline for the credit mistakes including non-payment and late payments).

Objective 3

Question 1 Responses: What instructional methods are most appropriate for teaching students about credit use?

1. We successfully use a combination of lecture and power point and game playing to get our point across
2. Teaching in person in small groups if possible. Videos may help keep their interest as well. I think it would also be helpful to have the kids study finance in classes in addition to programs such as the CARE program.
3. A combination of direct teaching, cooperative teaching, role playing and guest lectures
4. The younger the audience, I think it is more important to have a variety of teaching methods - video as well as PowerPoint, true/false questions and straight presentation of information. And they all seem to respond to personal stories interspersed with the material. As the audience is older, the need for variety is not as great, but I think the variety helps keep everyone's interest.
5. PowerPoint, videos, live presentation from people who have had real-life experienced dealing with credit problems (such as bankruptcy lawyers and judges and trustees).
6. It is very difficult to teach money to students when they have yet to have the life experiences to be able to relate to the information.
7. No Response
8. Use games and activities in teams of students Require some research on the internet Multiple types of learning strategies Real life role playing to learn financial concepts
9. Visual aids need to be used as well as activities that involve the students and halp get across the points being made. Face to face works best or technology is a good medium also for certain groups.
10. Depends on learner but I always incorporate kinetic learning examples, which also support learn by doing economic theory for higher interest students. For example I explain what a landlord can look for on an application and then students mark a sample application to find as many inaccuracies, mistakes, errors, misstatements, etc.
11. Any sort of activity based learning is most beneficial.
12. ability of a teacher to communicate well to the students use of everyday examples how credit affect students, adults, and the economy the use of technology
13. Teaching WHY something is true and not simply plugging into formulas. Teaching concepts is important as well as hard numbers. Creating or using real-world scenarios helps ground the skills in knowledge and understanding. Using technology helps combine the two literacies.
14. reading, activities, on-line modeling, simulations, guest speakers
15. Proper Budgeting of Funds and managing resources will avoid using credit at all. Simulated Applied Exercises that show progress of Financial Performance and Status over many months or years shows students how someone achieves wealth or high Net Worth.
16. No Response
17. All of them but experiential is important
18. games, simulations and hand on activities - students learn more when having fun web quests and other interactive methods
19. No Response

20. PowerPoint presentations, participation in games that address content.
21. questions/answers using life examples using games
22. US Postal Service videos produced by High Noon. CCE: Financial Fitness for Life program.

APPENDIX E

ROUND 2 SURVEY SUBMITTED TO ADVISORY PANEL

Thank you for your first round participation in the study titled ―A Delphi Study To Develop High School Curriculum For A Unit On Credit In Financial Literacy Education." All responses received by the panel have been compiled to create the second round survey. The purpose of the first round survey was to allow the panel to create a list of items deemed important regarding a unit on credit within a high school course on financial literacy.

During this second round, each participant will have a chance to indicate their level of agreement or disagreement with each item suggested in round 1. Your level of agreement/disagreement will be given using a 6 point Likert-type scale consisting of the following points: 1-Strongly Disagree, 2- Disagree, 3-Somewhat Disagree, 4-Somewhat Agree, 5-Agree, 6-Strongly Agree. Please consider your level of agreement/disagreement carefully as the researcher will be looking for those items in which the panel reaches consensus. Additionally, the researcher will use all responses to each item to rank that item by the level of agreement.

An additional component of the Delphi method is to encourage participants to make comments on an item as they see fit. Space has been provided at the bottom for you to provide comments to any item. Please preface each comment with the associated item number. All comments will be iterated back during round 3. Finally, one additional open response question exists to allow you to suggest additional items you feel should have been included on this survey. Feel free to make a recommendation.

The following 17 items are responses to the question: How should the term credit be defined or explained to high school students? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Credit should be defined to students as:

1. The creation of debt by borrowing funds.
2. Buying now without using cash on hand with the promise to pay later with interest using future income.
3. Not ―free” money but an ongoing loan or contract between the consumer and the bank.
4. The cost of borrowing money.
5. The financial strategies that a person uses.

Teachers should consider:

6. Financial responsibility, rather than the ability to purchase items on credit, as the emphasis of the curriculum.
7. Emphasizing credit score over defining credit since credit worthiness is based on an individual‘s credit score.
8. Budgets one of the fundamental concepts of any class on credit/financial responsibility.

Students should be taught:

9. Credit is a privilege you earn through your good behavior and should be respected and managed responsibly as an asset.
10. Credit worthiness is determined by a number of factors including current income, past history, existing debt, and collateral.
11. Credit can both help and hurt one‘s financial status.
12. A person's credit rating has a significant impact on all areas of his/her life and should be treated with careful consideration.
13. To examine their motives for purchasing costly items on credit.
14. Credit commits future income resulting in an individual having less money to meet future expenses.
15. Credit can be direct such as financing a car or indirect through the use of credit cards.
16. Credit is offered by financial institutions such as banks to persons who have requested that money be loaned to them.
17. Proper budgeting and financial management can allow them to avoid using credit at all.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 31 items are responses to the question: What information should an individual know and understand before making a decision to purchase goods or services using credit? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should be taught:

18. The difference between needs and wants to identify their buying motives.
19. Not to purchase anything using credit that can be eaten or drank.
20. Not to purchase anything using credit that costs less than $20.
21. Being approved to buy something on credit doesn‘t mean you should.
22. Credit card companies target young adults because they realize it is difficult for them to pay their purchases in full each month.
23. By purchasing on credit, you are supplementing your current income.
24. Using credit cards should be reserved for emergencies and special purchases that can be paid back in a short time period.
25. How finance charges are calculated.
26. How compounding affects their balance due.
27. One is living beyond their means if they use credit for living expenses.
28. How to differentiate between and determine whether the credit they are applying for is revolving or installment.
29. How to improve a credit report prior to applying for credit to get a better interest rate, terms, and conditions.
30. How to compare offers from various lenders to get the best terms, interest rate and conditions.
31. The responsibilities and legal obligations of using credit to purchase goods or services.
32. The analysis should be the same regardless of whether the purchase is discretionary or emergency spending.

When considering a purchase on credit, students should be taught to ask:

33. The interest rate they will be charged.
34. The terms of agreement including due date, penalties, and fees.

When considering a purchase on credit, students should be taught to consider:

35. What they expect their future income to be.
36. How the purchase will impact their credit history and credit score.
37. If the income and necessary cash flow exists within their budget to make the payments.
38. The time necessary to pay off the purchase based on their budget.
39. If the purchase is worth the opportunity cost of using future income to pay interest charges.
40. If the item can be bought in the future with saved funds.
41. Whether the item will still be useable and have value once it is paid off.
42. Whether the future benefit of the purchase is equal to or greater than the future costs.
43. It is important to know the total cost of the item including the interest and fees you will have to pay if not paid in full.
44. Whether other options exist for making the purchase without using credit.

When considering a purchase on credit, students should be able to calculate/estimate:

45. The total cost of items advertised with monthly payments in addition to the actual price.
46. How much they will save by paying cash for the item.
47. The length of time necessary to pay the full balance of a purchase when making only minimum payments.
48. How many hours of work is needed to pay the full balance including interest.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 25 items are responses to the question: What advantages exist when using credit? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should be taught the advantages of using credit include:

49. Credit is safe and convenient.
50. Credit eliminates the need to carry cash
51. Credit is available during emergencies when current savings are insufficient.
52. Credit makes high price items such as cars and homes available to those who do not have cash.
53. Credit cards are the only form of payment for rental cars, hotels, booking flights, and purchasing on the internet.
54. Credit provides an alternative when a consumer is short on cash and the merchant does not accept checks.
55. Credit cards can be replaced easily if lost or stolen.
56. Credit card holders are protected against unauthorized use or fraud.
57. Credit helps balance cash flow shortages and surpluses.
58. Credit allows one to take advantage of sales or money saving offers.
59. Credit allows one to provide financial assistance to others when cash is not available.
60. Credit can provide good monthly repayment terms if the consumer has a good credit score.
61. Credit can be used as a leveraging tool to purchase products that increase in value.
62. Credit allows for instant gratification and delayed consequences.
63. Credit cards provide approximately 25 days free use of money when paid off in full.
64. Credit allows one to benefit from buying in large quantities.
65. Credit provides an opportunity to make investments through leveraging.
66. Credit provides liquidity for investing efficiency.
67. Using credit responsibly builds credit worthiness allowing for credit when needed.
68. Using credit responsibly builds credit worthiness which provides a positive reference to employers, landlords, utility companies, and insurance providers.
69. Many credit cards offer reward points or cash back.
70. Banks can provide assistance when dealing with merchants over disputes.

71. Many banks provide additional warranties or insurance coverage for broken or damaged items.
72. Unauthorized purchases can easily be tracked by a bank.
73. Statements may show itemized expenditures allowing them to track expenses easily.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 22 items are responses to the question: What disadvantages exist when using credit? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should be taught the disadvantages of using credit include:

74. Interest and fees will most often result in one paying more than something is worth.
75. Credit cards result in exorbitant interest payments when only the minimum payment is paid monthly.
76. Credit cards create long term debt when only the minimum payments are made.
77. The convenience of credit may discourage one from examining their buying motives (i.e. need or want).
78. The convenience of credit often encourages abuse resulting in the inability to pay the balance or future payments.
79. Credit cards may have a ―universal default” clause which can impact the interest rates charged when late, missing, or inaccurate payments are made to any creditor.
80. Some merchants do not accept all brands of cards.
81. Credit is difficult to pay back when income is lost.
82. Failure to pay according to terms will damage your credit history and credit score.
83. Credit may create unnecessary stress.
84. Failure to pay according to terms will result in late fees and legal fees associated with the collection of the debt.
85. Using credit to purchase items that go down in value may result in the creditor being ―underwater” on the item.
86. Interest paid on credit impacts one‘s debt and wealth levels.
87. The borrowing process can be complicated creating an advantage for the lender.
88. Borrowers will have less money in the future for expenses until they pay off their debts.
89. The item purchased may be repossessed or foreclosed on if payments are not made according to terms.
90. Credit cards can be lost or stolen.

Using credit irresponsibly:

91. Demonstrates a lack of credit worthiness which may result in a denial for credit when needed.
92. Can affect your ability to get or keep a job.
93. Can affect your ability to rent an apartment.
94. Can affect insurance rates.

95. May result in bankruptcy proceedings.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 25 items are responses to the question: What rights do credit users have under the legal system? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should know that borrowers have the right:

96. To get a free yearly credit report from each of the 3 major credit reporting agencies.
97. To dispute inaccurate information on a credit report.
98. To know what options are available in the bankruptcy court.
99. To full truth in lending disclosure regarding the costs of the credit being used.
100. In certain states to cancel an obligation within the state specified time period.
101. To contest charges prior to disputes being settled in court.
102. To limited liability protection from stolen or fraudulent use of cards.
103. State caps on interest and fees.
104. To know why they were denied credit and where information came from that was used in making the decision.
105. The right to a free credit report from any agency providing information used to deny credit.
106. The right to know how long it will take to pay off a debt if only the minimum payments are made monthly.
107. To an automatic bankruptcy stay that provides protection from collectors once a bankruptcy petition is filed.
108. To ask for relief if a bankruptcy stay is violated.

Students should know their rights and legal protections according to the:

109. Credit Card Act of 2009.
110. Fair Credit Reporting Act.
111. Equal Credit Opportunity Act.
112. Fair Credit Billing Act.
113. Truth in Lending Act.
114. Fair Debt Collections Practices Act.
115. Fair and Accurate Credit Transaction Act of 2003.
116. State laws regarding purchases of defective products (i.e. lemon laws).
117. State consumer protection laws.
118. Federal regulations governing interest rate increases.

Students should know that lenders have the right to:

119. Reclaim property offered as collateral.
120. Raise interest rates assuming the terms of agreement and federal law are not violated.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 12 items are responses to the question: What responsibilities do credit users have when borrowing money? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should be taught that borrowers have the responsibility to:

121. Borrow only what they can afford to pay back.
122. Pay back according to the terms of agreement.
123. Keep collateral in good repair and to maintain insurance as needed.
124. Know their legal rights.
125. Communicate with the lender when the terms of agreement can‘t be met.
126. Manage a budget to insure that future income and expenses provide the ability to pay.
127. Know how failure to pay impacts themselves and others.
128. Understand the terms of agreement.
129. Compare the benefit with the cost of using credit.
130. Never exceed the given credit limit.
131. Understand the legal obligations of borrowing.
132. Maintain a high credit score.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 26 items are responses to the question: What information is important regarding one‘s credit report, credit history, and credit score? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should be taught the importance of:

133. Establishing credit in order to have a credit history.
134. Checking their free credit report at least once a year for accuracy and fraud.
135. Having errors in a credit report corrected.

Students should be taught how to:

136. Obtain their free credit report.
137. Improve their credit score.
138. Report an inaccurate item on their credit report.
139. Obtain their credit score.
140. Read and interpret a credit report.

Students should be taught:

141. A high credit score gives a borrower access to lower rates of interest.

142. A low credit score makes it difficult or impossible to obtain credit.
143. A low credit score results in higher rates of interest being charged on loans.
144. An individual's credit score can help them make changes to improve their score.
145. The variables used by the Fair Isaac Corporation to compute a credit score.
146. Each credit reporting agency calculates a credit score and that each may be different.
147. Which items are included on a credit report.
148. The names of the 3 credit reporting agencies are Experian, Equifax, and Transunion.
149. What scores are considered excellent, good, and poor.
150. Other than the themselves, who has the right to pull one's credit report and score.
151. A credit report is a summary of credit accounts and inquiries over a period of time.
152. A credit score is a value judgment of credit worthiness based on the information available in a credit report.
153. A credit report contains only credit relationships and not other payment information (i.e. services, utilities, etc.).
154. How long items remain on their credit report.
155. An individual does not have a right to a free credit score.
156. Their credit score is the major factor in what type of mortgage they will qualify for.
157. A Credit report contains their personal identification information (i.e. name, address, etc.).
158. If any identification information is inaccurate, it may cause incorrect reporting on the report.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 41 items are responses to the question: What does each member of society need to know regarding the prevention of identity theft and what should victims of identity theft do to repair their credit history? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

To reduce the chance of having their identity stolen, students should be taught to:

159. Never give or allow anyone including friends or relatives access to their personal information.
160. Never give credit card, bank account or pin numbers to anyone including friends or relatives.
161. Keep receipts and check monthly billing statements carefully.
162. Never hand their credit card to cashiers unless absolutely necessary.
163. Shred documents containing account numbers or credit card offers.
164. Pick up checks from the bank rather than having them mailed.
165. Give out their social security number only when necessary.
166. Review their credit report every 6 months for fraudulently issued credit.
167. Use a credit card with a low credit limit when ordering online.
168. Never purchase goods or services, pay bills or provide any information on unsecure websites.

169. Not write or have their social security number printed on either their driver‘s license or checks.
170. Never open suspicious emails or respond with any information.
171. Insist on calling back creditors using phone numbers provided on the card or statement before answering questions about their account.
172. Properly secure credit cards.
173. Change passwords frequently making sure to always use strong passwords.
174. Check balances frequently.
175. Not have a large quantity of credit cards.
176. Never use debit cards online.
177. Not keep their pin numbers with their cards.
178. Notify the bank or issuer if a card is lost or stolen.
179. Place your mail in official post office collection locations and not your mailbox.

Students should know:

180. What types of information, if stolen, can allow someone to steal a person‘s identity.
181. The circumstances that allow one to legally ask for their personal information or social security number.
182. What thieves can do once they have stolen someone‘s identity.
183. Protecting one‘s identity is their personal responsibility.

Students should be taught if they are a victim of identity theft to:

184. Keep photocopies of everything in their wallet in a secure location along with contact information to aid in contacting creditors.
185. Contact all 3 credit reporting agencies to inform them their identity has been stolen and ask for a fraud victim alert to be placed on their credit report.
186. Follow instructions provided by all 3 credit reporting agencies to dispute fraudulent credit.
187. Contact all creditors immediately.
188. Cancel all cards and have the bank open new accounts with new cards.
189. Contact banks and have them cancel bank accounts and open new accounts with new checks.
190. Contact local law enforcement, file a police report and keep the file number.
191. Contact the Federal Trade Commission,
192. Contact their state attorney general.
193. Contact the US Postal Inspector.
194. Contact the FBI.
195. Contact merchants and ask for documentation of fraudulent purchases.
196. Notify the Social Security Administration.
197. Notify their insurance company.
198. Be patient as the process of cleaning a credit report may take time.
199. Understand that most identity theft is conducted by people the victim knows.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 18 items are responses to the question: What types of credit are considered good? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should be taught that:

200. Credit is not good or bad, but rather how one uses it that is good or bad.

Students should be taught that appropriate credit includes:

201. Low interest credit used to purchase a home.
202. Low interest auto loans.
203. Low interest durable goods loans.
204. Low interest credit paid according to terms used for the purpose of building one‘s credit history.
205. Credit cards that are paid in full each month.
206. Any credit with a low interest rate and has affordable or competitive fees.
207. Credit cards that limit purchases to $1500 or less.
208. It depends on what the funds are used for.
209. Educational loans.
210. Any loan that can be paid in a reasonable time with affordable payments.
211. Mortgage overdraft lines.
212. An appropriate mix of various types of credit.
213. Home equity loans.
214. Loans for purchasing, starting, or expanding a business.
215. Credit sources that are transparent.
216. Credit that generally comes from banks or credit unions and serves the individual‘s purposes at the lowest short- and long-term costs.
217. Any credit where the item is expected to last longer than it takes to pay it off.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 22 items are responses to the question: What types of credit are considered bad or usurious? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should be taught that inappropriate credit includes:

218. Credit with a high interest rate.
219. Any credit card with a ―universal default" clause.
220. Credit offered at extremely high interest rates to those with poor credit ratings.
221. Credit targeted at those recently discharged from bankruptcy.
222. Credit targeted at young people.
223. Payday loans.
224. Any loan that one lacks the ability to repay.
225. Cash advance loans.

226. Rent to own contracts.
227. Finance company loans.
228. Credit that contains high fees.
229. Car title loans.
230. Secured credit cards.
231. Subprime credit cards.
232. An insufficient mix of credit types.
233. Credit that is deceptive.
234. Pawn shops loans.
235. Car loans with weekly payments.
236. Predatory credit cards with low introductory rates.
237. Credit that violates any state usury laws.
238. Refund anticipation loans.
239. Loans with acceleration clauses.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 16 items are responses to the question: What emergencies constitute a valid use of credit as a source of funds? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should be taught that credit use is acceptable for emergencies such as:

240. Medical or health related emergencies.
241. Home repairs necessary for safety.
242. Car repairs while traveling.
243. Renting a car.
244. Purchasing an airline ticket.
245. Purchasing a car when public transportation is not available.
246. Funeral expenses.
247. Anything that puts a job at risk.
248. Anything that puts their life in risk.
249. Home repairs resulting from a storm.
250. Anything that impacts the long term well-being of a family

Students should be taught that credit use is acceptable:

251. During a divorce.
252. As necessary depending on what they consider to be an emergency.
253. In any situation where the urgency of the event outweighs the conceivable cost.
254. When access to cash is not available.
255. Never as they should have 3-6 months worth of expenses in an emergency fund.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 6 items are responses to the question: What does a credit user need to know regarding the relationship between risk and interest? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should be taught the relationship between risk and interest is such that:

256. The greater the credit risk, the higher the interest rate.
257. Lenders assess risk according to a borrower's credit history.
258. A low credit score identifies a borrower as a high risk while a high credit score identifies them as a low risk.
259. A high interest rate results in a longer repayment period.
260. The 5 C's of Credit—Character, Capacity, Collateral, Condition, and Capital will determine the debtor's risk.
261. Irresponsible credit use can identify an individual as risky for many years resulting in long term high interest rate loans.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 50 items are responses to the question: What information does an individual buying a home need to know regarding mortgages? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should be taught that prior to buying a home they should:

262. Attend a home buying class from a nonprofit organization.
263. Expect to spend 10-20% of the purchase price for a down payment.
264. Calculate the difference in monthly payment, yearly interest and total cost for a 15 year versus a 30 year mortgage.
265. Have 1% of the value of the home set aside for repairs.
266. Decide whether they want to make property tax and insurance payments or have the bank pay them directly.

Students should be taught that during the home buying process, it is important to ask:

267. What the interest rate will be.
268. Is it a fixed or adjustable rate mortgage?
269. If the rate is adjustable, how does it adjust?
270. If the rate is adjustable, how much can various increases impact future payments?
271. The terms of the agreement.
272. When the payment is due?
273. Expected down payment amount.
274. What are points and are they paying any to obtain the quoted rate?

275. If the loan contains a balloon payment.
276. Does the mortgage company allow for the payment of additional principle?
277. Is there is a prepayment penalty?
278. The total cost for the home including interest payments over the specified time period.
279. If a new mortgage agreement can be entered into if rates decrease.
280. What closing costs are and how much they will be for the buyer and seller.
281. Is there a right to rescission?
282. Who will service the mortgage?
283. If there is a due on sale clause triggered by a refinancing.

Students should be taught:

284. The various types of available mortgages.
285. The consequences of late payments and default including foreclosure and negative effects on credit report.
286. How changes in down payment and interest rates impact the monthly payment.
287. Mortgages rates can vary greatly from company to company.
288. What information can be found in a good faith estimate.
289. Mortgage documents are complicated.
290. How to shop for a home.
291. How to protect a home.
292. What grants are available to help with down payment and closing costs.
293. How to apply for a loan including needed documentation.
294. How much interest can be saved by making extra principal payments, bi-weekly payments, or an extra payment yearly.
295. How to interpret an amortization schedule.
296. What factors underwriters use to determine if one qualifies for a mortgage.
297. To not obtain a mortgage that will commit more than 33% of their net income to payments.
298. Should understand other costs that are required of homeowners (i.e. utilities, taxes, etc.)
299. What occurs during the closing process.
300. What an escrow fund is and how it adds to the monthly payment.
301. To rely on their own long term funds and income to make monthly payments.
302. The definition of the term negative equity and how it can lead to foreclosure.
303. A fixed rate mortgage will be less likely to change in payment amount.
304. When borrowing, a lower APR is the better option.
305. The tax benefits of a mortgage.
306. Mortgage insurance is required when the down payment is less than 20%.
307. What are reasonable closing costs charged by a lender.

Students should be taught after a home purchase to:

308. Monitor current interest rates and ask if it is worthwhile to refinance to a lower rate if one is available.
309. Make sure payments are credited to the correct account or property if making escrow payments themselves.
310. Consider their options should the property value drop below the balance due.

Teachers should consider:

311. Rather than teaching students about mortgages, teaching them the same principals using a car loan.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 19 items are responses to the question: What information does an individual need to know regarding completing a loan application? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should be taught:

312. To complete the entire application honestly.
313. To disclose all income, assets and liabilities accurately.
314. The financial information that will be needed when completing a loan application.
315. A loan application is a legal document.
316. Providing false information is perjury and grounds for arrest.
317. Providing false information may allow the lender to void the contract.
318. The lender will perform a credit report inquiry and verify employment.
319. To pay the application fee if applicable.
320. To ask for a Good Faith Estimate.
321. To ask for a Truth in Lending statement.
322. To ask the timeframe for approval.
323. To ask for help if the terms or language is unclear.
324. To completely read and understand all language before signing or accept offers electronically.
325. The fees associated with applying for a loan will not be refunded even if the loan is denied.
326. To verify the integrity of the lender before disclosing social security number, personal and financial information.
327. To print clearly.
328. That applying for multiple loans can result in a decrease in credit score.
329. To inform the lender of prior negative financial information before completing an application.
330. To verify the willingness of potential references prior to listing them on an application.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 19 items are responses to the question: What information does a borrower need to know in order to identify possible misuse of credit in their life? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should be taught to recognize a borrower is using credit irresponsibly when:

331. Credit spending results in the inability to pay.
332. They are not informed about their own personal credit situation (i.e. balances, payment amount, payment date).
333. Their budget shown that expenses exceed income.
334. Balances are increasing over time.
335. Negative references and a low score exist on their credit report.
336. They have previously been evicted, foreclosed on , or filed for bankruptcy.
337. They borrow from one creditor to pay another.
338. The balance for any source exceeds 25% of available credit.
339. Their card balances are too high or have reached the credit limit.
340. They regularly miss or make payments late.
341. They consolidate credit card debt into a home equity loan.
342. Their debt to income ratio exceeds 15%.
343. They fail to pay a credit card bill in full each month.
344. They receive calls from collectors.
345. They use credit to pay regular living expenses.
346. They are only able to pay the minimum payment.
347. Using credit because they are unable to control urges to spend.
348. Excluding a mortgage, total household debt is more than 20% of yearly net income.
349. Excluding a mortgage, total monthly payments on debt is more than 10% of monthly net income.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 17 items are responses to the question: What factors included in time value of money formulas should an individual understand before borrowing money? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Given the appropriate variables, students should be taught how to calculate the:

350. Present value for the total of all payments.
351. Present value of an annuity for a series of payments.
352. Future value of the purchase price.
353. Future value of an annuity of payments.
354. Annual percentage rate on a loan.
355. Number of payments needed to pay a loan.

356. Amount that can be saved by avoiding credit.
357. Payment amount.
358. Opportunity cost.
359. Actual cost based on total amount of all payments.
360. Amount that can be saved with a lower interest rate.
361. Amount of a balloon payment.

Students should be taught:

362. Whether the value of money borrowed is greater than the value of the money used to pay the loan.
363. The rate of interest affects the length of time needed to pay a revolving loan.
364. How to interpret future and present value amounts.
365. How compounding interest affects the amount of interest paid
366. How additional principal payments decrease both the total interest paid and time need to pay a loan.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 8 items are responses to the question: What modifications should be made, if any, to the curriculum for students who are members of diverse backgrounds? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary modification to the curriculum, for diverse communities, in a high school unit on credit.

Teachers should:

367. Make examples relevant to the community's background.
368. Respect the differences in cultural views of credit.
369. Respect the differences that various religions have towards credit.
370. Consider the difference in cultural views on saving.
371. Consider the difference in cultural views on providing aid to others in the community.
372. Teach about the financial cost of being unbanked.
373. Make necessary modifications to overcome language barriers.
374. Make no modifications.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 14 items are responses to the question: What modifications should be made, if any, to the curriculum for students who are from low income households? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary modification to the curriculum, for low income communities, in a high school unit on credit.

In low income communities, teachers should:

375. Not use examples that may be perceived as placing blame on a student's family member for their economic situation.
376. Teach students to be aware their identity is more likely to be stolen by a family member.
377. Discuss the use of check cashing services.
378. Teach how Chexsystems provides information about previous improper bank account usage.
379. Modify examples to include lower dollar amounts.
380. Modify examples to include realistic interest rates charged to a borrower with adverse credit.
381. Stress the importance of budgeting and saving for reaching financial goals.
382. Explain the relationship between education and potential future income.
383. Communicate on the student's level.
384. Instruct students on how to avoid being manipulated.
385. Encourage students to avoid future financial disaster by becoming financially educated.
386. Introduce programs that are available to low income people such as individual development accounts.
387. Explain how savings impacts eligibility for certain social services.
388. Make no modifications.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 11 items are responses relevant to the question: What areas related to credit education are important that have not been addressed above? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should be taught:

389. That when providing for themselves, purchasing everything they want can lead to credit problems.
390. The negative side effects of bankruptcy.
391. The importance of setting short and long term goals.
392. How to prepare a budget.
393. How to get out of debt.
394. The importance of getting out of debt.

395. That language and socio-economic conditions do not limit a person from becoming wealthy.
396. The potential consequences of student loans.
397. The ―pay yourself first” principle.
398. The positive benefits of compound interest.
399. The benefit of developing a relationship with a banker.

Please use this space to provide any comments you would like to make regarding any of the above items.

The following 21 items are responses relevant to the question: What instructional methods are most appropriate for teaching students about credit use? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate method for delivering instruction regarding credit to high school students.

Appropriate teaching methods include the use of:

400. Lectures.
401. PowerPoint presentations.
402. Game playing.
403. Small group instruction.
404. Videos.
405. Cooperative teaching.
406. Real life role playing.
407. Guest lecturers.
408. True/False questions.
409. Personal stories.
410. Team activities.
411. Online research.
412. Visual aids.
413. Kinetic learning.
414. Examples.
415. Real world scenarios.
416. Reading.
417. Online modeling.
418. Simulations.
419. The Council on Economic Education‘s Financial Fitness for Life program.
420. Multiple styles.

Please use this space to provide any comments you would like to make regarding any of the above items.

Please add additional items you feel should have been included on this survey.

APPENDIX F

ROUND 2 SURVEY

Thank you for participating in Round 1 of the study entitled ―A Delphi Study to Develop High School Curriculum for a Unit on Credit in Financial Literacy Education.” All responses received by the panel have been compiled to create the Round 2 survey. The purpose of the first round survey was to allow panel members to develop a list of items deemed important to include in a unit on credit within a high school course on financial literacy.

During Round 2, panel members will have an opportunity to indicate their level of agreement or disagreement with each item suggested in Round 1. Panel members' level of agreement/disagreement will be indicated by using a 6 point Likert-type scale consisting of the following: 1-Strongly Disagree, 2- Disagree, 3-Somewhat Disagree, 4-Somewhat Agree, 5-Agree, 6-Strongly Agree. Please consider your level of agreement/disagreement carefully as the goal is to reach consensus among the panel members. Additionally, all responses to each item will be used to rank each item by the level of agreement among panel members.

An additional component of the Delphi method is to encourage participants to make comments on any item as they see fit. Space has been provided within the survey for you to provide such comments. Please preface each comment with the associated item number. All comments will be included in Round 3.

Finally, one additional open response question exists to allow you to suggest additional items you believe should have been included in this survey. Feel free to make any recommendations. Thank you.

The following 18 items are responses to the question: How should the term credit be defined or explained to high school students? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Credit should be defined to students as:

1. the ability to borrow funds with the result of creating debt.
2. purchasing a good or service now without using cash on hand and promising to pay later with interest using future income.
3. an ongoing loan or contract between the consumer and the bank – not –free” money.
4. the cost of borrowing money.
5. financial strategies that a person uses.
6. using money that one has not earned.
7. lending of money from a for-profit source with a pre-determined repayment plan.

Credit should be explained to students as:

8. financial responsibility, rather than the ability to purchase items on credit.
9. a component of their credit score since credit worthiness is based on one‘s credit score.
10. a factor in their budget as a budget is one of the fundamental concepts of any class on credit/financial responsibility.
11. a privilege earned through good spending/payment behavior which should be respected and managed responsibly as an asset.
12. a component of their credit worthiness which is determined by a number of factors including current income, past history, existing debt, and collateral.
13. something that can both help and hinder one‘s financial status.
14. a component of a person's credit rating which has a significant impact on all areas of his/her life and should be treated with careful consideration.
15. something to examine as they think about their motives (needs, wants, intrinsic, extrinsic, etc.) for purchasing costly items on credit.
16. a commitment of future income resulting in an individual having less money to meet future expenses.
17. direct credit such as financing a car or indirect credit through the use of credit cards.
18. something that can be avoided with proper budgeting and financial management.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 28 items are responses to the question: What information should an individual know and understand before making a decision to purchase goods or services using credit? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Before making a decision to purchase goods or services using credit, students should know:

19. not use credit to purchase anything that one can eat or drink.
20. not use credit to purchase anything that costs less than $20.00.
21. that being approved to buy something on credit doesn't mean you should.
22. that credit card companies target young adults because they realize it is difficult for them to pay their purchases in full each month and may be persuaded by gifts from the company
23. that as they purchase items on credit, they are supplementing their current income.
24. that using credit cards should be reserved for emergencies and special purchases that can be paid back in a short time period.
25. how finance charges and compounding interest are calculated and affect the credit card balance.
26. individuals are living beyond their means if they use credit for living expenses.
27. how to differentiate between and determine whether the credit they are applying for is revolving or installment.
28. how to improve a credit report prior to applying for credit to get a better interest rate, terms, and conditions.
29. how to compare offers from various lenders to get the best terms, interest rate and conditions.
30. the responsibilities, conditions and legal obligations of using credit to purchase goods or services.
31. how to analyze due dates, interest, penalties, fees, etc. whether the purchase is for discretionary or emergency spending.
32. their expected future income.
33. how the purchase will impact their credit history and credit score.
34. if the income and necessary cash flow exists within their budget to make the payments.
35. the time necessary to pay off the purchase based on their budget and how it will affect their monthly cash flow.
36. if the purchase is worth the opportunity cost of using future income to pay interest charges.
37. if the item can be bought in the future with saved funds.
38. whether the item will still be useable and have value once it is paid off.
39. whether the future benefit of the purchase is equal to or greater than the future costs.
40. the total cost of the item when paying monthly payments, including interest and fees, to pay if not paid in full and how much they will save by paying cash.
41. whether other options exist for making the purchase without using credit.
42. the length of time necessary to pay the full balance of a purchase when making only minimum payments.
43. the number of hours of work needed to pay the full balance including interest.
44. how long it would take to save money to pay cash for the item instead of using credit.
45. the property offered as collateral may be reclaimed.
46. interest rates may rise assuming the terms of agreement and federal law are not violated.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 23 items are responses to the question: What advantages exist when using credit? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should understand the advantages of using credit include:

47. credit is safe and convenient.
48. credit eliminates the need to carry cash.
49. credit is available during emergencies when current savings are insufficient.
50. credit makes high price items, such as cars and homes, available to those who do not have cash.
51. credit cards are the only form of payment for rental cars, hotels, booking flights, and purchasing on the Internet.
52. credit provides an alternative when a consumer is short on cash or a merchant does not accept checks.
53. credit cards can be replaced easily if lost or stolen.
54. credit card holders are protected against unauthorized use or fraud.
55. credit helps balance cash flow shortages and surpluses.
56. credit allows one to take advantage of sales or money saving offers.
57. credit allows one to provide financial assistance to others when they are having cash flow issues and cash is not available.
58. credit can provide good monthly repayment terms if the consumer has a good credit score.
59. credit can be used as a leveraging tool to purchase products that increase in value.
60. credit allows for instant gratification and delayed consequences.
61. credit cards provide approximately 25 days free use of money when paid off in full.
62. credit allows one to benefit from buying in large quantities.
63. credit provides an opportunity to make investments and provides liquidity for investing efficiency.
64. using credit responsibly builds a good credit score and credit worthiness which provides a positive reference to employers, landlords, utility companies, and insurance providers.
65. many credit cards offer reward points or cash back.
66. banks can provide assistance when dealing with merchants over disputed credit card charges.
67. many banks provide additional warranties or insurance coverage for broken or damaged purchases.
68. statements provide itemized expenditures to track expenses easily.
69. the ability to purchase an item and spread payments out over a period of time.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 19 items are responses to the question: What disadvantages exist when using credit? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should understand the disadvantages of using credit include:

70. interest and fees will result in paying more than something is worth (the true cost).
71. credit cards result in exorbitant interest payments when only the minimum payment is paid monthly.
72. when only minimum payments are made, credit cards create long term debt.
73. the convenience of credit may discourage one from examining their buying motives (i.e., needs, wants, etc.) and buying impulsively.
74. the convenience of credit often encourages abuse resulting in the inability to pay the balance or future payments.
75. credit cards may have a ―universal default" clause which can impact the interest rates charged when late, missing, or inaccurate payments are made to any creditor.
76. some merchants do not accept all brands of cards.
77. credit is difficult to pay back when income is reduced or lost.
78. failure to pay credit card debt according to the terms will result in fees, damage to their credit history and credit score.
79. credit may create unnecessary stress.
80. using credit to purchase items may result in items going down in value, being damaged or destroyed, or becoming obsolete before being paid off which may result in the borrower being ―underwater" on the item.
81. interest paid on credit impacts one's debt and wealth levels.
82. the borrowing process can be complicated creating an advantage for the lender.
83. borrowers will have less money in the future for expenses until they pay off their debts.
84. the item purchased may be repossessed or foreclosed on if payments are not made according to terms.
85. credit cards can be lost or stolen.
86. that using credit irresponsibly demonstrates a lack of credit worthiness which may result in denial for credit when needed, their ability to get/keep a job, their ability to rent/own property, insurance rates, and/or bankruptcy.
87. the credit card holder paying interest instead of receiving interest on that money if it was deposited into a savings account.
88. using credit is easy and seductive and can result in reckless consumption.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 18 items are responses to the question: What rights do credit users have under the legal system? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should know that credit users have the legal right to:

89. get a free yearly credit report from each of the three major credit reporting agencies.
90. dispute inaccurate information on a credit report.
91. know what options are available in bankruptcy court.
92. the full truth in lending disclosure regarding the costs of the credit being used.
93. cancel an obligation within the state specified time period in certain states.
94. contest charges prior to disputes being settled in court.
95. limited liability protection from stolen or fraudulent use of cards.
96. caps on interest and fees.
97. know why they were denied credit and where information came from that was used in making the decision.
98. know how long it will take to pay off a debt if only the minimum payments are made monthly.
99. an automatic bankruptcy stay that provides protection from collectors once a bankruptcy petition is filed.
100. ask for relief if a bankruptcy stay is violated, but know the consequences of bankruptcy.
101. know their rights and legal protections according to all Acts pertaining to credit (i.e., the Credit Card Act of 2009, Fair Credit Reporting Act, Equal Credit Opportunity Act, Truth in Lending Act, etc.).
102. state laws regarding purchases of defective products (i.e., lemon laws).
103. state consumer protection laws.
104. know the terms of the credit agreement and know the cost of credit.
105. not be discriminated against.
106. fair collection of debt.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 12 items are responses to the question: What responsibilities do credit users have when borrowing money? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should understand that, when borrowing money, credit users have the following responsibility to:

107. borrow only what they can afford to pay back.
108. understand and pay back according to the terms of agreement.
109. keep collateral in good repair and to maintain insurance as needed.
110. know their legal rights.
111. communicate with the lender when the terms of agreement cannot be met.

112. manage a budget to ensure future income and expenses provide the ability to pay.
113. know how failure to pay results in consequences and impacts themselves and others.
114. compare the benefit with the cost of using credit.
115. not exceed the given credit limit and keep their credit in control.
116. understand the legal obligations of borrowing.
117. maintain a good credit score.
118. to be able to repay the loan.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 9 items are responses to the question: What information is important regarding one‘s credit report, credit history, and credit score? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should understand the following information is important to their credit report, credit history, and credit score. It is important to:

119. use credit wisely to help establish a credit history.
120. understand the purpose and components of a credit report.
121. check their free credit report from Experian, Equifax, or Transunion at least once a year for accuracy and fraud.
122. report and correct errors in a credit report.
123. improve and/or maintain a good credit score.
124. learn to accurately read, analyze and interpret a credit report.
125. understand the benefits of a high credit score.
126. understand the consequences of a low credit score.
127. understand how to improve one‘s credit score.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 27 items are responses to the question: What does each member of society need to know regarding the prevention of identity theft and what should victims of identity theft do to repair their credit history? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

As members of society, students should understand the following to prevent identity theft or to repair their credit history:

128. Never give or allow anyone (including friends and relatives) access to their personal information.

129. Never give credit card, bank account or pin numbers to anyone (including friends and relatives).
130. Keep credit card receipts and check monthly billing statements and balances carefully.
131. Never give their credit card to cashiers unless absolutely necessary.
132. Shred important documents containing their social security number, credit card account numbers or credit card offers.
133. Pick up checks from the bank rather than having them mailed.
134. Provide their social security number only when legally required.
135. Review their credit report every 6 months for fraudulently issued credit.
136. Use a credit card with a low credit limit when ordering online.
137. Never purchase goods or services, pay bills or provide any information on unsecure Web sites.
138. Do not write or have their social security number printed on either their driver's license or checks.
139. Never open suspicious emails or respond with any information.
140. Insist on calling back creditors using phone numbers provided on the card or statement before answering questions about their account.
141. Properly secure credit cards.
142. Change passwords frequently making sure to always use strong passwords.
143. Only use a few credit cards.
144. Never use debit cards online.
145. Do not keep pin numbers with the debit cards.
146. Notify the bank or issuer if a card is lost or stolen.
147. Place their mail in official post office collection locations and not their mailbox.
148. Keep photocopies of credit and debit cards in a secure location along with contact information to aid in contacting creditors.
149. Contact credit reporting agencies if their identity has been stolen and ask for a fraud victim alert to be placed on their credit report.
150. Follow instructions provided by credit reporting agencies to dispute fraudulent credit.
151. In the case of identity theft, cancel all credit/debit cards, have the bank close old accounts and open new accounts.
152. In the case of identity theft, contact local law enforcement, file a police report and keep the file number.
153. In the case of identity theft, contact the merchant and proper authorities, including the Federal Trade Commission, State Attorney General, FBI, US Postal Inspector, Social Security Administration, etc.
154. Understand that most identity theft is conducted by people the victim knows.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 15 items are responses to the question: What types of credit are considered good?

For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should understand that credit is good if:

155. used responsibly.
156. it is accompanied with a low interest loan used to purchase a home, auto, or other durable goods or used appropriately to build one‘s credit history.
157. the credit cards are paid in full each month.
158. it has a low interest rate and affordable or competitive fees.
159. it has a low interest rate and credit limit of $1500 or less.
160. it is used for educational loans (to a certain point).
161. the loan can be paid in a reasonable time with affordable payments.
162. it is used for mortgage overdraft lines.
163. it is used for home equity loans.
164. it is used for loans for purchasing, starting, or expanding a business.
165. the credit sources that are transparent.
166. it comes from banks or credit unions and serves one‘s purposes at the lowest short- and long-term costs.
167. if the item is expected to last longer than it takes to pay it off.
168. the user has a balanced mix of different types of credit.
169. fulfills a long term strategic objective.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 18 items are responses to the question: What types of credit are considered bad or usurious? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should understand that credit is bad or usurious if:

170. it involves a high interest rate.
171. it has a ―universal default” clause.
172. an individual has a poor credit rating.
173. it takes advantage of the disadvantaged or innocent (i.e., those recently discharged from bankruptcy, young people, etc.).
174. it is a payday, cash advance or car title loan or is obtained from a pawn shop
175. it is one that an individual cannot repay.
176. it involves a rent to own contract.
177. it is provided by a finance company with no credit check.
178. it involves high interest and fees.
179. it is a secured or subprime credit card.
180. it involves an insufficient mix of credit types.

181. it involves credit sources that are deceptive.
182. it is a car loan with weekly payments.
183. it is a predatory credit card with low introductory rates.
184. it violates any state usury laws.
185. it is a refund anticipation loan.
186. it involves a loans with acceleration clauses.
187. it used on non-durable goods such as food.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 16 items are responses to the question: What emergencies constitute a valid use of credit as a source of funds? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should understand that using credit as a source of funds for the following emergencies is acceptable:

188. Medical or health related
189. Home repairs necessary for safety
190. Car repairs while traveling
191. Renting a car
192. Purchasing an airline ticket
193. Purchasing a car when public transportation is not available
194. Funeral expenses
195. Anything that puts a job at risk
196. Anything that puts their life at risk
197. Home repairs resulting from a storm
198. Anything that impacts the long term well-being of a family
199. During a divorce
200. As necessary depending on what they consider to be an emergency
201. In any situation where the urgency of the event outweighs the conceivable cost
202. When access to cash is not available
203. Never, as they should have 3-6 months' worth of expenses in an emergency fund

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 6 items are responses to the question: What does a credit user need to know regarding the relationship between risk and interest?

For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should understand that the relationship between risk and interest is such that:

204. the greater the credit risk, the higher the interest rate.
205. lenders assess risk according to a borrower‘s credit history.
206. a low credit score identifies a borrower as a high risk while a high credit score identifies them as a low risk.
207. a high interest rate results in a longer repayment period.
208. the five C‘s of Credit—Character, Capacity, Collateral, Condition, and Capital will determine the debtor‘s risk.
209. irresponsible credit use will make a borrower a greater risk which will result in long term high interest rate loans.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 39 items are responses to the question: What information does an individual buying a home need to know regarding mortgages? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should understand the following prior to buying a home. It is important to:

210. attend a home buying class from a nonprofit organization.
211. expect to spend 10-20% of the purchase price for a down payment.
212. calculate the difference in monthly payment, yearly interest and total cost for a 15 year versus a 30 year mortgage.
213. have 1% of the value of the home set aside for repairs.
214. decide whether they want to make property tax and insurance payments or have the bank pay them directly.
215. know the interest rate of the home loan.
216. know the type of loan (i.e., fixed or adjustable rate, etc.).
217. how the adjustable rate mortgage is adjusted and how much the various increases can impact future payments.
218. know and follow the terms of the agreement (i.e., due date, interest rates, etc.).
219. expect that points must be paid and understand who must pay the points to obtain the quoted rate.
220. know if the loan contains a balloon payment.
221. know if the mortgage company allows for the payment of additional principle and how to make such a payment.

222. know if there is a prepayment penalty.
223. calculate the total cost for the home including interest payments over the specified time period.
224. identify refinancing options if rates decrease.
225. calculate closing costs and identify who will pay them (i.e., buyer and seller).
226. know if there a right to rescission.
227. know who will service the mortgage.
228. know the consequences of late payments and default including foreclosure and negative effects on credit report.
229. know how changes in down payment and interest rates impact the monthly payment.
230. analyze varying mortgages rates from company to company.
231. know what information can be found in a good faith estimate.
232. interpret complicated mortgage documents or identify someone who can interpret them.
233. know how to effectively shop for a home.
234. know what strategies to implement to protect their home.
235. be aware of available grants to help with down payment and closing costs.
236. know how to apply for a loan including needed documentation.
237. calculate how much interest can be saved by making extra principal payments, bi-weekly payments, or an extra payment yearly.
238. interpret an amortization schedule.
239. identify factors that underwriters use to determine if one qualifies for a mortgage.
240. not obtain a mortgage that will commit more than 33% of their net income to payments.
241. understand other costs that are required of homeowners (i.e., utilities, taxes, etc.)
242. understand what occurs during the closing process.
243. understand an escrow fund is and how it adds to the monthly payment.
244. rely on their own long term funds and income to make monthly payments.
245. understand the definition of the term negative equity and how it can lead to foreclosure.
246. investigate the tax benefits of a mortgage.
247. provide the required mortgage insurance when the down payment is less than 20%.
248. consider their options should the property value drop below the balance due.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 18 items are responses to the question: What information does an individual need to know regarding completing a loan application? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should understand the following about completing a loan application. They should:

249. complete the entire application honestly.
250. disclose all income, assets and liabilities accurately.
251. know that the loan application is a legal document.

252. not provide false information as it is perjury, grounds for arrest and may result in a void contract.
253. understand that the lender will perform a credit report inquiry and verify employment.
254. pay the application fee if applicable.
255. ask for a good faith estimate.
256. ask for a Truth in Lending statement.
257. ask for the timeframe for approval.
258. ask questions or ask for help if any terms or language are unclear.
259. completely read and understand all language before signing or accept offers electronically.
260. identify the fees associated with applying for a loan and understand they will not be refunded even if the loan is denied.
261. verify the credibility and integrity of the lender before disclosing social security number, personal and financial information.
262. print clearly.
263. know that applying for multiple loans can result in a decrease in credit score.
264. inform the lender of prior negative financial information before completing an application.
265. verify the willingness of potential references prior to listing them on an application.
266. be prepared with employment, financial, and credit information.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 23 items are responses to the question: What information does a borrower need to know in order to identify possible misuse of credit in their life? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should understand the following to be able to identify that the misuse of credit in their life may occur if:

267. credit spending results in the inability to pay.
268. they are not informed about their own personal credit situation (i.e., balances, payment amount, payment date).
269. their budget indicates expenses exceed income.
270. credit card balances are increasing over time.
271. negative references and a low score exist on their credit report.
272. they have a history of eviction, foreclosure, and/or bankruptcy.
273. they borrow from one creditor to pay another.
274. the balance for any source exceeds 25% of available credit.
275. card balances are too high or have reached the credit limit.
276. they regularly miss or make late payments.
277. they consolidate credit card debt into a home equity loan.
278. their debt to income ratio exceeds 15%.

279. they fail to pay a credit card bill in full each month.
280. they receive calls from debt collectors.
281. they use credit to pay regular living expenses.
282. they are only able to pay the minimum payment or they skip payments.
283. using credit because they are unable to control urges to spend.
284. excluding a mortgage, total household debt is more than 20% of yearly net income.
285. excluding a mortgage, total monthly payments on debt is more than 10% of monthly net income.
286. their expenses cannot be met without borrowing.
287. they do not have an accurate budget.
288. they do not review their bank and credit card statements monthly.
289. they are not sure of their credit history or credit score.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 15 items are responses to the question: What factors included in time value of money formulas should an individual understand before borrowing money? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Students should understand the following factors included in the time value of money before borrowing money.

290. Present value for the total of all payments.
291. Present value of an annuity for a series of payments.
292. Future value of the purchase price.
293. Future value of an annuity of payments.
294. Annual percentage rate on a loan.
295. Number of payments needed to pay a loan.
296. Amount that can be saved by avoiding credit.
297. Payment (principal) amount.
298. Opportunity cost.
299. Actual cost based on total amount of all payments.
300. Amount that can be saved with a lower interest rate.
301. Amount of a balloon payment.
302. Amount of time loan can be paid off with additional payments.
303. Compound interest.
304. Additional principal payments.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 8 items are responses to the question: What modifications should be made, if any, to the curriculum for students who are members of diverse backgrounds?

For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary modification to the curriculum, for diverse communities, in a high school unit on credit.

Teachers should make the following modifications for students with diverse backgrounds.

305. Make examples relevant to the community's background.
306. Respect the differences in cultural views of credit.
307. Respect the differences that various religions have towards credit.
308. Consider the difference in cultural views on saving.
309. Consider the difference in cultural views on providing aid to others in the community.
310. Teach about the financial cost of being unbanked.
311. Make necessary modifications to overcome language barriers.
312. Make no modifications.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 16 items are responses to the question: What modifications should be made, if any, to the curriculum for students who are from low income households? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary modification to the curriculum, for low income communities, in a high school unit on credit.

Teachers should make the following modifications for students who are from low income households.

313. Not use examples that may be perceived as placing blame on family members for their economic situation.
314. Teach students to be aware their identity is more likely to be stolen by a family member.
315. Discuss the use of check cashing services.
316. Teach how Chexsystems provides information about previous improper bank account usage.
317. Modify examples pertinent to their lives which may include lower dollar amounts.
318. Modify examples to include realistic interest rates charged to a borrower with adverse credit.
319. Stress the importance of budgeting and saving for reaching financial goals.
320. Explain the relationship between education and potential future income.
321. Communicate on their level.
322. Instruct students on how to avoid being manipulated.
323. Encourage students to avoid future financial disaster by becoming financially educated.
324. Introduce programs that are available to low income people such as individual development accounts.

325. Explain how savings impacts eligibility for certain social services.
326. Make no modifications.
327. Emphasize events that will damage their credit score.
328. Teach about the financial cost of being unbanked.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 14 items are responses relevant to the question: What areas related to credit education are important that have not been addressed above? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on credit.

Important topics related to credit education that have not been addressed include:

329. When students are providing for themselves and purchasing everything they want, this can lead to credit problems.
330. The negative side effects of not using credit wisely is bankruptcy.
331. The importance of setting short and long term goals.
332. How to prepare a budget.
333. How to get out of debt.
334. The importance of getting out of debt.
335. Language and socio-economic conditions do not limit a person from becoming wealthy.
336. Potential consequences of student loans.
337. ”Pay yourself first” principle.
338. Positive benefits of compound interest.
339. Benefits of developing a relationship with a banker.
340. Making choices: Distinguishing between needs and wants.
341. How creditors evaluate their risk (some use factors other than credit scores).
342. Cost of a bad credit report.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

The following 25 items are responses relevant to the question: What instructional methods are most appropriate for teaching students about credit use? For each item, please indicate your level of agreement. In determining your level of agreement, please consider the following statement: This item is an appropriate method for delivering instruction regarding credit to high school students.

Teachers should use the following instructional methods for teaching students about credit use.

343. Lectures.
344. PowerPoint presentations.

345. Combination of lecture and PowerPoint.
346. Games.
347. Small group instruction.
348. Videos.
349. Cooperative teaching.
350. Real life role playing.
351. Active learning.
352. Guest lecturers.
353. True/False questions.
354. Personal stories.
355. Team activities.
356. Online research.
357. Visual aids.
358. Kinetic learning.
359. Examples.
360. Real world scenarios.
361. Reading.
362. Online modeling.
363. Simulations.
364. Variety of teaching methods.
365. The Council on Economic Education's Financial Fitness for Life program.
366. Teaching WHY something is true.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

Please add additional items you feel should have been included on this survey.

APPENDIX G

ROUND 3 SURVEY

Please read this entire email before beginning the Round 3 survey.

[Name]

Thank you for your participation in Round 2 of the study entitled, ―A Delphi Study To Recommend High School Curriculum Content And Delivery Methods For A Unit On Credit In Financial Literacy Education." This study uses a technique called the Delphi technique whereby a panel of experts seek consensus on a difficult issue. Each item you rated in Round 2 was analyzed for consensus. A total of 215 items reached a high level of agreement during Round 2. Those questions have been removed from this round. The remaining 151 items varied in level of agreement with some barely missing the criteria for removal. For these items, you will be asked to rate your level of agreement again based on 4 criteria.

1. Median—the middle value when all scores are arranged from lowest to highest. This value represents the 50th percentile of a distribution with half the scores falling below and half falling above this value. The Round 2 median score for each remaining item has been provided.
2. Interquartile Range (IQR)—this represents the range of the middle 50% of scores. To find the IQR, one finds the median, and then finds the median of the lower and upper halves. The median of the lower half represents the 25th percentile and the upper median the 75th percentile. Therefore, 25% of the scores fall below and 25% fall above the IQR. The IQR is not affected by extreme scores or outliers. A smaller distance between the 25th and 75th percentiles suggests a close level of agreement while a larger distance suggests a lower amount of initial agreement. The IQR for each remaining item has also been provided.
3. Comments—in Round 2, you were asked to provide comments for any item(s) you felt it necessary to respond to. These comments were collected and separated into three groups: (a) those for questions that were removed, (b) those that were more general in nature, and (c) those that related to a specific item(s). The comments given for items that were removed from the survey are not included in the Round 3 survey but will be provided to you at a later date. Those comments that were not related to a specific item(s) are provided at the beginning of each section. The items that did relate to a specific item(s) are included with that item for your consideration.
4. Previous rating—your answers in Round 2 for each item have been provided in an attached PDF document. Note the Round 3 items maintained their original number from Round 2 so you will notice the document skips numbers where items have been removed.

You are being asked to consider criteria 1-3 above for each remaining item in relation to your rating. If you feel the group's rating is accurate and/or acceptable, please consider rating the item on or within the bounds of the IQR. If you feel your response differs from the group, feel free to continue to rate the item outside the IQR. If you do so, it is extremely important to provide a written rationale in the space provided at the bottom of that page. This is helpful if a Round 4 survey is necessary. Please keep in mind this study seeks to determine what should be taught in a unit on credit. Some items may in fact relate to more than one area of financial education but that should not be a consideration in your rating regarding the importance of teaching the item in a unit on credit.

Your participation in Round 3 of this study is crucial to the success of this study. You should anticipate spending 30-45 minutes to complete the Round 3 survey. Below is your personal link to the survey. Please make sure to click or copy and paste the link into your browser so that your responses are recorded accurately. Keep in mind you do have the ability to leave and return to the survey as needed but you must continue on the same computer that you began the survey. If you have any questions about the instructions, please feel free to email me at chawk@uga.edu or you may call me at 678-898-8845. In order to finish this study in a timely manner, please complete this Round 3 survey no later than February 23rd. This will allow time for a short Round 4 if necessary.

Thank you again for making this study a success!

Survey Link: [Survey Link]

James Hawkins

The purpose of the Round 2 survey was to allow each expert an opportunity to provide their level of agreement to those items generated by the panel in Round 1. Consensus was reached on 215 items since the panel's overall level of agreement for each differentiated very little. Those items have been removed from this survey. It is important to note that the items contained in the Round 2 survey, which provided the basis for this survey, were generated not by the researcher, but by the panel of experts.

In this round, please use the PDF document you were sent containing your Round 2 responses to compare your rating with the Median score, Interquartile Range (IQR), and any Round 2 comments provided for each item. Then you are asked to rate the item again based on available comments and how the panel as a whole rated the item in the previous round.

To aid in analyzing the data, please provide answers to the following demographic questions.

Highest Level of Education:

- ○ Some High School
- ○ High School/GED
- ○ Some College
- ○ 2-Year College Degree(Associates)
- ○ 4-Year College Degree(BA,BS)
- ○ Master's Degree
- ○ Doctoral Degree
- ○ Profession Degree(MD,JD)

How many years have you been employed in the profession for which you were chosen to participate in this study?

[To Save Space—Round 2 Comments Shown in Chapter 4 Are Not Shown Here On The Round 3 Survey]

The following 16 items did not reach consensus for the question: How should the term credit be defined or explained to high school students?

For each item, the median score, interquartile range (IQR) and comments from Round 2 are provided. Please consider this information in relation to your original Round 2 response. You should then rate the item again based on the initial instructions provided with this survey.

In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on *CREDIT*.

Credit should be defined to students as:

1. the ability to borrow funds with the result of creating debt.
2. Item removed after Round 2.
3. an ongoing loan or contract between the consumer and the bank – not ―free" money.
4. the cost of borrowing money.
5. financial strategies that a person uses.
6. using money that one has not earned.
7. lending of money from a for-profit source with a pre-determined repayment plan.

Credit should be explained to students as:

8. financial responsibility, rather than the ability to purchase items on credit.
9. a component of their credit score since credit worthiness is based on one‘s credit score.
10. a factor in their budget as a budget is one of the fundamental concepts of any class on credit/financial responsibility.
11. a privilege earned through good spending/payment behavior which should be respected and managed responsibly as an asset.
12. a component of their credit worthiness which is determined by a number of factors including current income, past history, existing debt, and collateral.
13. Item removed after Round 2.
14. a component of a person's credit rating which has a significant impact on all areas of his/her life and should be treated with careful consideration.
15. something to examine as they think about their motives (needs, wants, intrinsic, extrinsic, etc.) for purchasing costly items on credit.
16. a commitment of future income resulting in an individual having less money to meet future expenses.
17. direct credit such as financing a car or indirect credit through the use of credit cards.
18. something that can be avoided with proper budgeting and financial management.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

The following 14 items are responses that did not reach consensus for the question: What information should an individual know and understand before making a decision to purchase goods or services using credit? In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on *CREDIT*.

Before making a decision to purchase goods or services using credit, students should know:

19. not use credit to purchase anything that one can eat or drink.
20. not use credit to purchase anything that costs less than $20.00.
21. Item removed after Round 2.
22. that credit card companies target young adults because they realize it is difficult for them to pay their purchases in full each month and may be persuaded by gifts from the company
23. that as they purchase items on credit, they are supplementing their current income.
24. that using credit cards should be reserved for emergencies and special purchases that can be paid back in a short time period.
25. Item removed after Round 2.
26. individuals are living beyond their means if they use credit for living expenses.
27. how to differentiate between and determine whether the credit they are applying for is revolving or installment.
28. how to improve a credit report prior to applying for credit to get a better interest rate, terms, and conditions.
29. Item removed after Round 2.
30. Item removed after Round 2.
31. Item removed after Round 2.
32. their expected future income.
33. Item removed after Round 2.
34. Item removed after Round 2.
35. Item removed after Round 2.
36. if the purchase is worth the opportunity cost of using future income to pay interest charges.
37. Item removed after Round 2.
38. whether the item will still be useable and have value once it is paid off.
39. whether the future benefit of the purchase is equal to or greater than the future costs.
40. Item removed after Round 2.
41. Item removed after Round 2.
42. Item removed after Round 2.
43. the number of hours of work needed to pay the full balance including interest.
44. Item removed after Round 2.
45. the property offered as collateral may be reclaimed.
46. Item removed after Round 2.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

The following 19 items are responses that did not reach consensus for the question: What advantages exist when using credit? In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on *CREDIT*.

Students should understand the advantages of using credit include:

47. credit is safe and convenient.
48. credit eliminates the need to carry cash.
49. credit is available during emergencies when current savings are insufficient.
50. credit makes high price items, such as cars and homes, available to those who do not have cash.
51. credit cards are the only form of payment for rental cars, hotels, booking flights, and purchasing on the Internet.
52. Item removed after Round 2.
53. credit cards can be replaced easily if lost or stolen.
54. credit card holders are protected against unauthorized use or fraud.
55. credit helps balance cash flow shortages and surpluses.
56. credit allows one to take advantage of sales or money saving offers.
57. credit allows one to provide financial assistance to others when they are having cash flow issues and cash is not available.
58. credit can provide good monthly repayment terms if the consumer has a good credit score.
59. credit can be used as a leveraging tool to purchase products that increase in value.
60. credit allows for instant gratification and delayed consequences.
61. credit cards provide approximately 25 days free use of money when paid off in full.
62. credit allows one to benefit from buying in large quantities.
63. credit provides an opportunity to make investments and provides liquidity for investing efficiency.
64. Item removed after Round 2.
65. many credit cards offer reward points or cash back.
66. banks can provide assistance when dealing with merchants over disputed credit card charges.
67. many banks provide additional warranties or insurance coverage for broken or damaged purchases.
68. Item removed after Round 2.
69. Item removed after Round 2.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

The following 12 items are responses that did not reach consensus for the question: What disadvantages exist when using credit? In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on *CREDIT*.

Students should understand the disadvantages of using credit include:

70. Item removed after Round 2.
71. Item removed after Round 2.
72. Item removed after Round 2.
73. the convenience of credit may discourage one from examining their buying motives (i.e., needs, wants, etc.) and buying impulsively.
74. the convenience of credit often encourages abuse resulting in the inability to pay the balance or future payments.
75. credit cards may have a ―universal default" clause which can impact the interest rates charged when late, missing, or inaccurate payments are made to any creditor.
76. some merchants do not accept all brands of cards.
77. Item removed after Round 2.
78. Item removed after Round 2.
79. credit may create unnecessary stress.
80. using credit to purchase items may result in items going down in value, being damaged or destroyed, or becoming obsolete before being paid off which may result in the borrower being ―underwater" on the item.
81. interest paid on credit impacts one‘s debt and wealth levels.
82. the borrowing process can be complicated creating an advantage for the lender.
83. borrowers will have less money in the future for expenses until they pay off their debts.
84. the item purchased may be repossessed or foreclosed on if payments are not made according to terms.
85. credit cards can be lost or stolen.
86. Item removed after Round 2.
87. the credit card holder paying interest instead of receiving interest on that money if it was deposited into a savings account.
88. Item removed after Round 2.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

The following 9 items are responses that did not reach consensus for the question: What rights do credit users have under the legal system? In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on *CREDIT*.

Students should know that credit users have the legal right to:

89. Item removed after Round 2.
90. Item removed after Round 2.
91. Item removed after Round 2.
92. Item removed after Round 2.
93. cancel an obligation within the state specified time period in certain states.
94. contest charges prior to disputes being settled in court.
95. Item removed after Round 2.
96. Item removed after Round 2.
97. Item removed after Round 2.
98. Item removed after Round 2.
99. an automatic bankruptcy stay that provides protection from collectors once a bankruptcy petition is filed.
100. ask for relief if a bankruptcy stay is violated, but know the consequences of bankruptcy.
101. know their rights and legal protections according to all Acts pertaining to credit (i.e., the Credit Card Act of 2009, Fair Credit Reporting Act, Equal Credit Opportunity Act, Truth in Lending Act, etc.).
102. state laws regarding purchases of defective products (i.e., lemon laws).
103. state consumer protection laws.
104. Item removed after Round 2.
105. not be discriminated against.
106. fair collection of debt.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

[All items were removed from the Round 3 survey and subsequently no questions from this Round 2 section were on the Round 3 survey.]

Students should understand that, when borrowing money, credit users have the following responsibility to:

107. Item removed after Round 2.
108. Item removed after Round 2.
109. Item removed after Round 2.
110. Item removed after Round 2.
111. Item removed after Round 2.
112. Item removed after Round 2.
113. Item removed after Round 2.
114. Item removed after Round 2.

115. Item removed after Round 2.
116. Item removed after Round 2.
117. Item removed after Round 2.
118. Item removed after Round 2.

[All items were removed from the Round 3 survey and subsequently no questions from this Round 2 section were on the Round 3 survey.]

Students should understand the following information is important to their credit report, credit history, and credit score. It is important to:

119. Item removed after Round 2.
120. Item removed after Round 2.
121. Item removed after Round 2.
122. Item removed after Round 2.
123. Item removed after Round 2.
124. Item removed after Round 2.
125. Item removed after Round 2.
126. Item removed after Round 2.
127. Item removed after Round 2.

The following 7 items are responses that did not reach consensus for the question: What does each member of society need to know regarding the prevention of identity theft and what should victims of identity theft do to repair their credit history? In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on *CREDIT*.

As members of society, students should understand the following to prevent identity theft or to repair their credit history:

128. Item removed after Round 2.
129. Item removed after Round 2.
130. Item removed after Round 2.
131. Never give their credit card to cashiers unless absolutely necessary.
132. Item removed after Round 2.
133. Pick up checks from the bank rather than having them mailed.
134. Item removed after Round 2.
135. Review their credit report every 6 months for fraudulently issued credit.
136. Use a credit card with a low credit limit when ordering online.
137. Item removed after Round 2.
138. Item removed after Round 2.
139. Item removed after Round 2.
140. Item removed after Round 2.
141. Item removed after Round 2.
142. Item removed after Round 2.
143. Item removed after Round 2.
144. Never use debit cards online.
145. Item removed after Round 2.

146. Item removed after Round 2.
147. Item removed after Round 2.
148. Keep photocopies of credit and debit cards in a secure location along with contact information to aid in contacting creditors.
149. Item removed after Round 2.
150. Item removed after Round 2.
151. Item removed after Round 2.
152. Item removed after Round 2.
153. Item removed after Round 2.
154. Understand that most identity theft is conducted by people the victim knows.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

The following 12 items are responses that did not reach consensus for the question: What types of credit are considered good? In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on *CREDIT*.

Students should understand that credit is good if:

155. Item removed after Round 2.
156. Item removed after Round 2.
157. Item removed after Round 2.
158. it has a low interest rate and affordable or competitive fees.
159. it has a low interest rate and credit limit of $1500 or less.
160. it is used for educational loans (to a certain point).
161. the loan can be paid in a reasonable time with affordable payments.
162. it is used for mortgage overdraft lines.
163. it is used for home equity loans.
164. it is used for loans for purchasing, starting, or expanding a business.
165. the credit sources that are transparent.
166. it comes from banks or credit unions and serves one‘s purposes at the lowest short- and long-term costs.
167. if the item is expected to last longer than it takes to pay it off.
168. the user has a balanced mix of different types of credit.
169. fulfills a long term strategic objective.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

The following 8 items did not reach consensus for the question: What types of credit are considered bad or usurious?

In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on *CREDIT*.

Students should understand that credit is bad or usurious if:

170. Item removed after Round 2.
171. it has a ―universal default" clause.
172. an individual has a poor credit rating.
173. Item removed after Round 2.
174. Item removed after Round 2.
175. Item removed after Round 2.
176. it involves a rent to own contract.
177. it is provided by a finance company with no credit check.
178. Item removed after Round 2.
179. it is a secured or subprime credit card.
180. it involves an insufficient mix of credit types.
181. Item removed after Round 2.
182. it is a car loan with weekly payments.
183. Item removed after Round 2.
184. Item removed after Round 2.
185. Item removed after Round 2.
186. Item removed after Round 2.
187. it used on non-durable goods such as food.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

The following 8 items did not reach consensus for the question: What emergencies constitute a valid use of credit as a source of funds? In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on *CREDIT*.

Students should understand that using credit as a source of funds for the following emergencies is acceptable:

188. Item removed after Round 2.
189. Item removed after Round 2.
190. Item removed after Round 2.
191. Renting a car
192. Item removed after Round 2.
193. Purchasing a car when public transportation is not available

194. Funeral expenses
195. Anything that puts a job at risk
196. Item removed after Round 2.
197. Item removed after Round 2.
198. Item removed after Round 2.
199. During a divorce
200. Item removed after Round 2.
201. In any situation where the urgency of the event outweighs the conceivable cost
202. When access to cash is not available
203. Never, as they should have 3-6 months' worth of expenses in an emergency fund

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

Only 1 item did not reach consensus for the question: What does a credit user need to know regarding the relationship between risk and interest? In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on *CREDIT*.

Students should understand that the relationship between risk and interest is such that:

204. Item removed after Round 2.
205. Item removed after Round 2.
206. Item removed after Round 2.
207. a high interest rate results in a longer repayment period.
208. Item removed after Round 2.
209. Item removed after Round 2.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

The following 10 items are responses that did not reach consensus for the question: What information does an individual buying a home need to know regarding mortgages? In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on *CREDIT*.

Students should understand the following prior to buying a home. It is important to:

210. attend a home buying class from a nonprofit organization.
211. expect to spend 10-20% of the purchase price for a down payment.
212. Item removed after Round 2.

213. Item removed after Round 2.
214. Item removed after Round 2.
215. Item removed after Round 2.
216. Item removed after Round 2.
217. Item removed after Round 2.
218. Item removed after Round 2.
219. Item removed after Round 2.
220. Item removed after Round 2.
221. Item removed after Round 2.
222. Item removed after Round 2.
223. Item removed after Round 2.
224. Item removed after Round 2.
225. Item removed after Round 2.
226. Item removed after Round 2.
227. know who will service the mortgage.
228. Item removed after Round 2.
229. Item removed after Round 2.
230. Item removed after Round 2.
231. Item removed after Round 2.
232. Item removed after Round 2.
233. Item removed after Round 2.
234. Item removed after Round 2.
235. be aware of available grants to help with down payment and closing costs.
236. know how to apply for a loan including needed documentation.
237. Item removed after Round 2.
238. Item removed after Round 2.
239. identify factors that underwriters use to determine if one qualifies for a mortgage.
240. Item removed after Round 2.
241. Item removed after Round 2.
242. Item removed after Round 2.
243. Item removed after Round 2.
244. rely on their own long term funds and income to make monthly payments.
245. Item removed after Round 2.
246. investigate the tax benefits of a mortgage.
247. provide the required mortgage insurance when the down payment is less than 20%.
248. consider their options should the property value drop below the balance due.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

Only 1 item did not reach consensus for the question: What information does an individual need to know regarding completing a loan application? In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on *CREDIT*.

Students should understand the following about completing a loan application. They should:

249. Item removed after Round 2.
250. Item removed after Round 2.
251. Item removed after Round 2.
252. Item removed after Round 2.
253. Item removed after Round 2.
254. Item removed after Round 2.
255. Item removed after Round 2.
256. Item removed after Round 2.
257. Item removed after Round 2.
258. Item removed after Round 2.
259. Item removed after Round 2.
260. Item removed after Round 2.
261. Item removed after Round 2.
262. Item removed after Round 2.
263. know that applying for multiple loans can result in a decrease in credit score.
264. Item removed after Round 2.
265. Item removed after Round 2.
266. Item removed after Round 2.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

The following 4 items are responses that did not reach consensus for the question: What information does a borrower need to know in order to identify possible misuse of credit in their life? In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on *CREDIT*.

Students should understand the following to be able to identify that the misuse of credit in their life may occur if:

267. Item met consensus in Round 2
268. Item removed after Round 2.
269. Item removed after Round 2.
270. Item removed after Round 2.
271. Item removed after Round 2.
272. Item removed after Round 2.

273. Item removed after Round 2.
274. the balance for any source exceeds 25% of available credit.
275. Item removed after Round 2.
276. Item removed after Round 2.
277. they consolidate credit card debt into a home equity loan.
278. Item removed after Round 2.
279. they fail to pay a credit card bill in full each month.
280. Item removed after Round 2.
281. Item removed after Round 2.
282. Item removed after Round 2.
283. Item removed after Round 2.
284. Item removed after Round 2.
285. excluding a mortgage, total monthly payments on debt is more than 10% of monthly net income.
286. Item removed after Round 2.
287. Item removed after Round 2.
288. Item removed after Round 2.
289. Item removed after Round 2.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

The following 3 items are responses that did not reach consensus for the question: What factors included in time value of money formulas should an individual understand before borrowing money? In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on *CREDIT*.

Students should understand the following factors included in the time value of money before borrowing money.

290. Item removed after Round 2.
291. Present value of an annuity for a series of payments.
292. Future value of the purchase price.
293. Future value of an annuity of payments.
294. Item removed after Round 2.
295. Item removed after Round 2.
296. Item removed after Round 2.
297. Item removed after Round 2.
298. Item removed after Round 2.
299. Item removed after Round 2.
300. Item removed after Round 2.

301. Item removed after Round 2.
302. Item removed after Round 2.
303. Item removed after Round 2.
304. Item removed after Round 2.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

The following 6 items are responses that did not reach consensus for the question: What modifications should be made, if any, to the curriculum for students who are members of diverse backgrounds? In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary modification to the curriculum, for diverse communities, in a high school unit on *CREDIT*.

Teachers should make the following modifications for students with diverse backgrounds.

305. Make examples relevant to the community's background.
306. Respect the differences in cultural views of credit.
307. Respect the differences that various religions have towards credit.
308. Consider the difference in cultural views on saving.
309. Consider the difference in cultural views on providing aid to others in the community.
310. Item removed after Round 2.
311. Item removed after Round 2.
312. Make no modifications.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

The following 8 items are responses that did not reach consensus for the question: What modifications should be made, if any, to the curriculum for students who are from low income households? In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary modification to the curriculum, for low income communities, in a high school unit on *CREDIT*.

Teachers should make the following modifications for students who are from low income households.

313. Not use examples that may be perceived as placing blame on family members for their economic situation.

314. Teach students to be aware their identity is more likely to be stolen by a family member.
315. Discuss the use of check cashing services.
316. Teach how Chexsystems provides information about previous improper bank account usage.
317. Item removed after Round 2.
318. Item removed after Round 2.
319. Item removed after Round 2.
320. Item removed after Round 2.
321. Item removed after Round 2.
322. Item removed after Round 2.
323. Item removed after Round 2.
324. Item removed after Round 2.
325. Explain how savings impacts eligibility for certain social services.
326. Make no modifications.
327. Emphasize events that will damage their credit score.
328. Teach about the financial cost of being unbanked.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

The following 3 items are responses that did not reach consensus for the question: What areas related to credit education are important that have not been addressed above? In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on *CREDIT*.

Important topics related to credit education that have not been addressed include:

329. When students are providing for themselves and purchasing everything they want, this can lead to credit problems.
330. The negative side effects of not using credit wisely is bankruptcy.
331. Item removed after Round 2.
332. Item removed after Round 2.
333. Item removed after Round 2.
334. Item removed after Round 2.
335. Item removed after Round 2.
336. Item removed after Round 2.
337. Item removed after Round 2.
338. Positive benefits of compound interest.
339. Item removed after Round 2.
340. Item removed after Round 2.
341. Item removed after Round 2.
342. Item removed after Round 2.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

The following 10 items are responses that did not reach consensus for the question: What instructional methods are most appropriate for teaching students about credit use? In determining your level of agreement, please consider the following statement: This item is an appropriate method for delivering instruction regarding *CREDIT* to high school students.

Teachers should use the following instructional methods for teaching students about credit use.

343. Lectures.
344. Item removed after Round 2.
345. Item removed after Round 2.
346. Item removed after Round 2.
347. Item removed after Round 2.
348. Videos.
349. Cooperative teaching.
350. Item removed after Round 2.
351. Item removed after Round 2.
352. Item removed after Round 2.
353. True/False questions.
354. Item removed after Round 2.
355. Item removed after Round 2.
356. Online research.
357. Item removed after Round 2.
358. Kinetic learning.
359. Item removed after Round 2.
360. Item removed after Round 2.
361. Reading.
362. Item removed after Round 2.
363. Simulations.
364. Item removed after Round 2.
365. The Council on Economic Education's Financial Fitness for Life program.
366. Teaching WHY something is true.
367. Item removed after Round 2.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment. *It is extremely important to include comments for items you feel necessary to rate outside the IQR.*

One question was added based on recommendations from Round 2.

In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary modification to the curriculum, for students considering college, in a high school unit on *CREDIT*.

368. Information about the credit challenges faced by college students.

Please use this space to provide any comments you would like to make regarding any of the above items. Please include the question number with each comment.

APPENDIX H

ROUND 4 SURVEY

Please note the number of questions and due date.

[Name]

Thank you for your participation in Round 3 of the study entitled, ―A Delphi Study to Develop High School Curriculum for a Unit on Credit in Financial Literacy Education." Each item you rated in Round 3 was analyzed for consensus. A total of 69 additional items reached consensus during Round 3. Those questions have been removed from this round. Of the remaining 83 items, 76 varied little in mean score from the previous round. These items have also been removed from this round. **For the remaining 7 items**, please reconsider your response based on the same criteria as Round 3: Median, Interquartile Range (IQR), previous comments, and your Round 3 rating (provided below).

You are being asked to consider the criteria for each remaining item in relation to your rating. If you feel the group's rating is accurate and/or acceptable, please consider rating the item on or within the bounds of the IQR. If you feel your response differs from the group, feel free to continue to rate the item outside the IQR. In this case, please rate the item the same as you did in Round 3. If you do so, it is extremely important to provide a written rationale in the space provided at the bottom of that page.

Your participation in Round 4 of this study is again important. You should anticipate spending **5-10** minutes to complete the Round 4 survey. Below is your personal link to the survey. Please make sure to click or copy and paste the link into your browser so that your responses are recorded accurately. Keep in mind you do have the ability to leave and return to the survey as needed but you must continue on the same computer that you began the survey. If you have any questions about the instructions, please feel free to email me at chawk@uga.edu or you may call me at 678-898-8845. I hope to finish this study in time to graduate this semester. To keep that a possibility, please consider responding promptly. **It would be helpful to get your response by this Thursday, March 3, 2011.**

I will be forever grateful for your participation in this study.

Your Round 3 responses:
Question 48: [Round 3 Rating]
Question 60: [Round 3 Rating]
Question 63: [Round 3 Rating]
Question 162: [Round 3 Rating]
Question 171: [Round 3 Rating]
Question 193: [Round 3 Rating]
Question 325: [Round 3 Rating]

Survey Link: [Survey Link]

James Hawkins

The purpose of the Round 3 survey was to allow each expert an opportunity to re-evaluate their level of agreement on those items that did not reach consensus in Round 3. Consensus was reached on 69 additional items in Round 3. Of the 83 that did not reach consensus, 76 were considered stable since their mean scores from Round 2 to Round 3 changed very little. Seven items, however, had mean scores that varied greatly from round to round. This Round 4 survey contains only those 7 items.

In this round, please use your Round 3 responses that were provided in the email to compare your rating with the Median score, Interquartile Range (IQR), and any comments provided in Rounds 2 (italics) and 3 (red) for each of these 7 item. Rate the item again based on available comments and how the panel as a whole rated the item in the previous round.

If you believe the panel's rating is more accurate, you are encouraged to rate the item within the IQR. However, if you strongly feel it necessary to continue to rate the item outside the IQR, please feel free to do so. In that case, please rate the item the same as you did in Round 3. Please provide the item number and a short comment in the available space at the bottom of the page explaining why you feel it necessary to rate the item outside the IQR.

Once again, I truly appreciate your sacrifice in participating in this study. You can feel confident in knowing that your participation will provide useful information to curriculum developers in the area of credit education.

[To Save Space—Round 3 Comments Shown in Chapter 4 Are Not Shown Here On The Round 4 Survey]

In determining your level of agreement, please consider the following statement: This item is an appropriate and necessary concept that should be considered or included in a high school unit on *CREDIT*.

Question: What advantages exist when using credit?

Students should understand the advantages of using credit include:

48. credit eliminates the need to carry cash.
60. credit allows for instant gratification and delayed consequences.
63. credit provides an opportunity to make investments and provides liquidity for investing efficiency.

Question: What types of credit are considered good?

Students should understand that credit is good if:

162. it is used for mortgage overdraft lines.

Question: What types of credit are considered bad or usurious?

Students should understand that credit is bad or usurious if:

171. it has a ―universal default” clause.

Question: What emergencies constitute a valid use of credit as a source of funds?

Students should understand that using credit as a source of funds for the following emergencies is acceptable:

193. Purchasing a car when public transportation is not available