

The Impact of Prep for Change on Financially Vulnerable Students

Doorways to Dreams Fund

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Changing the context of standardized test questions to include a personal finance frame has received interest and support from a variety of sources.ⁱ It is no surprise that the idea is attractive – with relatively small changes, millions of high school students would be exposed to personal finance concepts without additional cost to teachers, students, or the government.ⁱⁱ As with any change to standardized tests, the potential for disparate impact on lower-income and underrepresented groups needs to be evaluated.

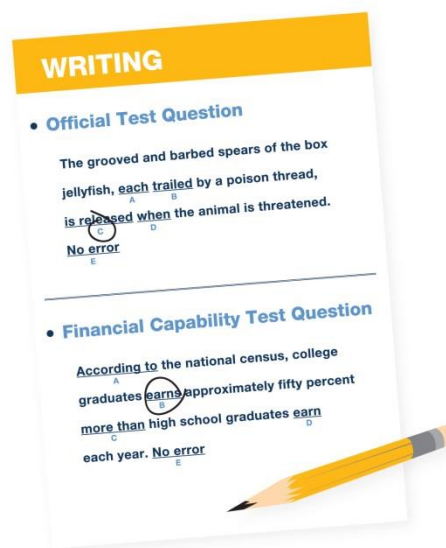
In order to evaluate these concerns, D2D tested personal finance context SAT questions as part of a “gamified” college readiness program called *SummerQuest* in Alabama over four weeks in June and July of 2013.ⁱⁱⁱ Participating students^{iv} were representative of a portion of populations that may be affected by personal finance context questions:

- 98% identified as Black or African American,
- 57% said they qualified for free lunch, a statistic D2D uses as a proxy for low-income households,^v
- 76% said funding was a major obstacle for going to college, and
- 13% said no one in their family had gone to college.

As part of the evaluation of personal finance context questions, *SummerQuest* participants were asked a series of questions before and after taking sample SAT questions. These included ranking their perceived level of preparation on, and the importance of, several subjects that could appear on the SAT.^{vi} D2D evaluated these responses and compared them to an earlier pilot study of less vulnerable students.^{vii} Although the question of disparate impact remains important, three key findings from this evaluation contribute to a growing body of evidence that suggests vulnerable students are not negatively impacted by personal finance context questions.

FINDING ONE: Financially vulnerable populations feel more prepared to answer personal finance questions than non-financially vulnerable populations

SummerQuest test takers rank themselves as 1.25 times more prepared to answer personal finance questions than less vulnerable groups rank themselves. Within the population of *SummerQuest* respondents, lower-income students judged themselves to be as well prepared as other students judged themselves.^{viii} This suggests that going into standardized exams personal finance questions will not represent a unique source of stress for financially vulnerable students or disproportionately create anxiety when they appear on the test.



Post-testing, when students reevaluate their preparation level of personal finance, the more vulnerable students relative preparation level climbs to 1.28 times that of less vulnerable students. *SummerQuest* students felt more prepared to answer personal finance questions than core subject areas following the exam, suggesting that these questions may actually represent a source of relative confidence for vulnerable students.

FINDING TWO: Relative importance assigned to personal finance is very low for financially vulnerable groups.

During *SummerQuest*, students ranked the importance of personal finance sixth out of seven subjects. Fifty-seven percent of *SummerQuest* students said it ranked as unimportant or somewhat unimportant to study. These findings were consistent across financially vulnerable groups. Students who received free lunch or said funding was a major obstacle for going to college ranked personal finance just as low as other students. The low level of importance they assign to it suggests most will not study it alone, creating a unique opportunity for personal finance context questions to impact students.

FINDING THREE: Relative importance assigned to personal finance increases 17% for financially vulnerable groups post-testing.

After taking a brief set of personal finance framed questions, the importance assigned to personal finance jumps dramatically for *SummerQuest* respondents. The average increase in importance for *SummerQuest* students was 17%. The impact was even more dramatic for students receiving free lunch, who saw an average increase of 20%. This is particularly impactful compared to less vulnerable students who saw an 8% average increase.^{ix} The range from at least 8% all the way up to 20% indicates that students are noticing the personal finance frame and changing their attitudes about the importance of personal finance as a result.

CONCLUSION

The limited context of the *SummerQuest* testing environment may not close the book on the important question of assessing disparate impact. However, these three findings reasonably suggest that the benefits of including a personal finance context on these test questions will contribute to the success of all students during and after standardized exams. Vulnerable students' confidence around personal finance questions should ease concerns about this context disadvantaging them and even suggests that a personal finance framing may ground questions in less abstract subject matter, possibly improving performance.

Given the potential for this change to impact millions of high school students without adding strain to the educational system, D2D believes that using a personal finance context should continue to be explored through additional testing of ACT questions

and the continued evaluation of personal finance context questions on standardized exams. The SATs and the ACTs are going through significant changes in the coming months. This presents an unique and time-sensitive opportunity to incorporate the financial context changes.

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ⁱ U.S. Department of Treasury, Office of Financial Education. "Integrating Financial Education Into School Curricula: Giving America's Youth the Educational Foundation for Making Effective Financial Decisions Throughout Their Lives by Teaching Financial Concepts as part of Math and Reading Curricula in Elementary, Middle, and High Schools." (October 2002). **And** Consumer Financial Protection Bureau (CFPB). "Transforming the Financial Lives of a Generation of Young Americans: Policy Recommendations for Advancing K-12 Financial Education" (April 2013). **And** Peter Tufano. "Leveraging Admissions Tests to Increase Financial Savvy." *The Chronicle of Higher Education*. Commentary. October 2010. Available at www.d2dfund.org.

ⁱⁱ For more details about the theory of change, please see: "Prep For Change: Improving Financial Capability through Standardized Testing," D2D Fund (2013). Available at www.d2dfund.org

ⁱⁱⁱ D2D and Blacksmith LLC, with support from Regions Bank, designed a college preparedness and financial capability game for high school students called "SummerQuest Birmingham," a four week gamified experience that challenged high school students to complete twenty educational tasks in one of three areas: college readiness, test preparation (SAT/ACT) and financial literacy.

^{iv} 116 Students participated in the SummerQuest Birmingham Prep for Change Pilot.

^v In Birmingham Alabama, to qualify for free lunch a family has to be below 185% of the federal poverty line. For example, a family of three qualifies only if they have income below \$36, 131. "Alabama School Breakfast and Lunch Program," United States Federal Government. 1 Nov. 2013. Web. <<http://www.benefits.gov/benefits/benefit-details/1870>>.

^{vi} This deviates from how Prep For Change questions were tested with Revolution Prep and reported on in our previous analysis. Previously, students received the same pre-test questions about importance and preparation then saw several sections of traditional SAT questions with a section of financial capability test questions sandwiched between traditional questions, then students were asked post-test questions about importance and preparation followed by a final section of test questions.

^{vii} Although, demographics were not collected for the original pilots of Prep For Change, all students were members of a Revolution Prep test preparation class, which average at \$600 per course. Using the Test Preparation Class students as a stand-in for students with access to more resources, D2D has compared them to a group that has revealed lower resources and increased vulnerability.

^{viii} Higher income students averaged 2.2 on a four point scale of preparation while lower income students averaged 2.3.

^{ix} The difference between groups may be because *SummerQuest* students had much less SAT preparation time, on average, than less vulnerable students, causing them to be more reactive to any testing information.