

HOMESCHOOLING AND FINANCIAL LITERACY: A QUALITATIVE ANALYSIS

by

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B.L.S., University of Oklahoma, 2004
M.B.A., Oklahoma Christian University, 2005

AN ABSTRACT OF A DISSERTATION

submitted in partial fulfillment of the requirements for the degree

DOCTOR OF PHILOSOPHY

School of Family Studies and Human Services
College of Human Ecology

KANSAS STATE UNIVERSITY
Manhattan, Kansas

2014

Abstract

Financial literacy has become a prominent topic of discussion since the latest economic downturn. Although many studies reveal that our youth's financial literacy is low, no study to date provides an overview as to how our youth are learning financial literacy concepts. This dissertation seeks to explore how homeschooling families prepare their children to be financially literate. This study reviewed four sensitizing concepts: (a) communication, (b) engagement, (c) outside influences, and (d) parental perspectives based on the learning theory: Legitimate Peripheral Participation. Twenty primary educators in homeschooling families from a variety of states were interviewed for this study. Out of the twenty participants, eight were classified in the elementary age group, five were classified in the middle school age, and seven were classified in the high school age. Each sensitizing concept was examined for each school age group. This exploratory study found that parents who homeschool tend to focus on three main topics of personal finance: debt or the avoidance of debt, savings, and budgeting. Little evidence suggests that parents help their children with the mechanics of these behaviors.

There were three important findings extracted in this study. First, the results suggest that homeschooling parents need to become better prepared to teach their children about money, and second, that personal finance should be thought of as a core subject in the elementary age years in lieu of just a life skill. Finally, this study found that there is a large focus around personal finance topics in the elementary age years and the high school years, with little attention to personal finance behaviors for the middle school age group. The results of this study provide those entities that advocate improved financial literacy an understanding as to the "how" parents who homeschool prepare their kids to understand money.

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Acknowledgements

This dissertation would not be possible without my faith in my Lord and Savior. He has given me the endurance and strength to finish this amazing journey. Father, may you receive all the honor and glory for what You have done. I am ever thankful to my kids for the blessing they have been in my life during these past few years. Jaylyn, Jaxon, Ellie, Adley, and Cora, I love you so much! I want to thank my parents for always believing in me and my sister for the wonderful support she has been. Thanks to my in-laws for those weekends watching the kids while I was locked in the office writing. Thanks to my friends and colleagues that have had to bear my passion for research even though you may not be that interested. I would also like to thank my first KSU Cohort for building such a strong bond which has been such a great support system for me. Many thanks to my Chair, Dr. Kristy Archuleta who was always available and willing to talk through my ideas. You have been a great mentor and friend during all of this. My appreciate also goes out to my committee for your time, thoughts, and commitment to helping me through this journey, Dr. Sonya Britt, Dr. Walter Schumm, and Dr. Michael Gutter.

Finally, none of this would not be possible without the love and support of my wife, Lexi. Thank you so much for being my partner through this and I could not have done this without your faith in me. I can't express how much I love you and cherish you.

Chapter 1 - Introduction

Financial literacy has become a prominent topic of discussion with the latest economic downturn. Low savings rates, high credit card debt (Fox, Bartholomae, & Lee, 2005; Anthes, 2004), and unforeseen levels of home foreclosures and unemployment have sparked a strong outcry for improving our nation's understanding of personal finances (Huston, 2010). Furthermore, a financial survey conducted by the National Foundation for Credit Counseling (2012) found that 41% of U.S. adults would give themselves a grade of C or below on their understanding of personal finance. One third of those surveyed indicated they did not have any savings, and 26% specified they did not pay all their bills on time. It is likely that statistics such as these, the 2003 Financial Literacy and Education Improvement Act created the Financial Literacy and Education Commission to implement a national strategy through coordination from other public and private organizations to begin to improve the overall level of financial knowledge and literacy.

Unfortunately, no consistent definition of *financial literacy* appears within the research literature. Huston (2010) conducted a study examining the literature on financial literacy and financial education to explore appropriate meanings of the definition. Huston found that most studies on financial literacy or financial education did not provide a definition for the term, and there were inconsistent descriptions among those studies that did provide definitions. Hung, Parker, and Yoong (2009) found over 16 different studies that focused on financial literacy measurements, and each one had a different strategy and content. Each of those measures involved various methods, such as self-assessments and knowledge tests. Content also included various components of savings, debt, and investments (Hung et al., 2009).

Two main financial literacy tests exist: 1) The US Department of Treasury's Financial Capabilities Challenge and 2) the National JumpStart Coalition Financial Survey, that are specifically targeted to high school students exist to help measure financial literacy. The U.S. Department of the Treasury (2011) conducts an annual Financial Capabilities Challenge in order to increase the financial knowledge and capability of high school aged youth across the United States so they can take control over their financial futures.

In 2010, over 76,000 students participated in the online challenge, with an average score of 70%. Teachers and educators can sign up students for the challenge, print the educational toolkit, and administer the exam. The second and more tenured financial literacy survey is conducted by the JumpStart Coalition. JumpStart Coalition began their biennial survey of high school seniors in 1997. In 2008, high school seniors received the lowest scores on the financial literacy survey since the survey's inception, falling to a pass rate of merely 48.5% (Mandell, 2008). The JumpStart Coalition's survey does not provide material prior to testing but, rather, conducts the exam to measure financial knowledge of high school seniors across the country. Results have been subpar: The highest passing rate was 52.4% in 2006. Beginning in 2010, the JumpStart Coalition began testing college students as well. Although the JumpStart Coalition Financial Literacy survey is commonly cited in the financial literacy literature, several concerns should be noted. Lucey (2005) evaluated the validity and reliability of JumpStart's survey as a measure of testing financial literacy and concluded that it reports high overall consistency yet low to moderate internal consistency in many of the different sections, including money management, income, savings and investments, taxation, credit, and debt. Furthermore, Lucey suggested that several subsections of the survey contain questions that pose a social bias. To be specific, students from a low socioeconomic status could have a disadvantage answering items

dealing with topics such as income that are based on career choice or savings and investments alluding to minimum balance requirements. The second concern regarding the Jump\$tart Coalition's financial survey is that it does not include other forms of schooling, such as homeschooled students. The homeschooling population has been absent from evaluation altogether in the financial literacy research.

According to Ray (2011), just over 2 million students were home educated in 2010, making up about 2.5% of school-aged children. Much of the research has demonstrated that home schooled students have outperformed public school students on national standardized tests, such as the SAT or ACT (Basham Merrifield, & Hepburn, 2001; Blok, 2004; Ray, 2004, 2009; Rudner, 1999; Stevens, 2001). However, there is a lack of literature that evaluates homeschooled students' performance or educational outcomes—either as a group or compared with public school students—in other areas, such as financial literacy (Chang, Gould, & Meuse, 2011). Murphy (2012) stated that when “scholars focus on academic outcomes they confine themselves to the most basic elements of achievement algorithm, measures of performance on basic skills in two or three areas (i.e., math or reading)” (p. 126). Parents, however, seem to have a different measure of success in their homeschool. Mayberry, Knowles, Ray, and Marlow (1995) suggested that homeschooling parents view success as learning for understanding, developing habits of inquiry, and learning across varying content areas. To be specific, many homeschooling parents want to be in control of their children's education (Lines, 1991; Mayberry et al., 1995).

When parents assume the sole responsibility of educating their children at home, their influence and involvement becomes acutely significant in their child's overall development. There exists an abundant amount of research on parent–child relationships and child outcomes as it relates to a broad range of behaviors; examples include aggression and delinquency (Patterson,

1996), depression and anxiety (Dadds, Barrett, Rapee, & Ryan, 1996; Wood, McLeod, Sigman, Hwang, & Chu, 2003), as well as social competence and peer relationships (Cassidy, Kirsh, Scolton, & Parke, 1996; Sroufe, Egeland, & Carlson, 1999). Furthermore, parents play a critical role in the cognitive and educational obtainment of their children. Parental involvement has been an area of focus as a means to help explain higher achievement. Barwegen, Falciani, Putnam, Reamer, and Stair (2004) compared the ACT results of homeschooled and public schooled students using parental involvement as the dependent variable. They found that no difference existed between ACT scores from homeschooled and public schooled students with a high level of perceived parental involvement. This idea of high parental involvement is a major component differentiating public school students and students educated in the home, as home-educated students by nature are parent-led and have higher parental involvement. O'Connor and Scott (2007) suggested, "Those parents who are sensitively tuned to the child's cognitive ability can be expected to provide an optimal environment for the child to learn, which can be further fueled by the child's own motivation" (p. 11).

As such, parents provide a foundation for their children's financial knowledge and socialization (Alhabeeb, 1999; Clarke, Heaton, Israelsen, & Eggett, 2005; John, 1999). Danes (1994) defined this process of financial socialization as "the process of acquiring and developing values, attitudes, standards, norms, knowledge, and behaviors that contribute to the financial viability and wellbeing of the individual" (p. 128). Furthermore, Clarke et al. (2005) suggested that parents can greatly influence their children's financial literacy by directly teaching them and by demonstrating financial concepts to them.

Purpose of Study

Home-based education has seen rapid growth rates over the years (Arai, 2000; P. Jones & Gloeckner, 2004; Ray, 2010), with more than 2 million children currently being homeschooled (Ray, 2011), which accounts for just under 3% of the school-aged population. The growth of this educational option gives rise to a group of students where little, if anything, is known about their financial aptitude. As parents continue to pursue home-based education, it is important to examine how this subset of educators (i.e., the parents) view and prepare their children to become financially literate. The purpose of this study is to use qualitative methods to study homeschooling parents and how they prepare their children to become financially literate.

Chapter 1 provides an overview of financial literacy and the impact parents have on their children, research questions to be addressed in this study, and important definitions. Chapter 2 is a literature review of the relevant studies addressing the two fundamental components of this study: homeschooling and financial literacy. The section on homeschooling consists of an emphasis on demographics; reasons for homeschooling, including academic performance; and curriculum and instructional methods. The financial literacy section includes an overview of the need for financial literacy education, financial knowledge, student financial behaviors, and how financial knowledge and behavior are linked. The literature review includes an overview of parental influence and socialization of their children as it relates to personal finance and concludes with a review of Legitimate Peripheral Participation, the theoretical framework used in this research. Chapter 3 describes how the qualitative study is designed. Chapter 4 outlines the results of the interviews for each category and each school-age group. Chapter 5 provides a discussion and conclusions of the data to include limitations and topics for future research.

Research Questions

The overarching question for this study is, How do parents who homeschool prepare their children to become financially literate? To address this question, four research questions and sub-questions were developed on the basis of the theoretical framework of Legitimate Peripheral Participation (LPP) to help guide this study. Three components of learning, (a) communication, (b) engagement, and (c) consideration of outside influences, directed the following research questions.

Research Question 1: How do parents communicate financial literacy to their children?

RQ 1.1 How do parents communicate financial knowledge to their children?

RQ 1.2 How do parents communicate financial behaviors to their children?

Research Question 2: How do parents engage their children in becoming financially literate and practicing positive personal financial behaviors?

RQ 2.1 How is curriculum implemented to teach personal financial knowledge and behaviors?

RQ 2.2 What other methods are used (outside of personal financial curriculum) to teach personal financial knowledge and behaviors? Why were these methods used?

RQ 2.3 How have their methods changed over time to teach personal finance to their kids over the course of their children's schooling?

Research Question 3: What other factors or groups, outside of the family, influence homeschooled children's financial behaviors or knowledge?

Research Question 4: What factors influence how parents prepare themselves to be mentors to their children about personal financial knowledge and behaviors?

Definitions

Definitions of homeschooling, curriculum, financial literacy, financial knowledge, financial education, and financial behaviors are provided for clarity of understanding within this research study. Most of these terms can be characterized in a variety of ways, so it is important to understand their meaning and how they are applied to this study. When one surveys the literature, it becomes evident that defining homeschooling can be a rather difficult proposition. However, there appear to be two distinct components: (a) Homeschooling is a voluntary decision by parents to educate their children, and (b) homeschooling involves a decision to reject institutional education (Lubienski, 2000). Ray (2004) provided a formal definition as follows: Homeschooling is the “practice of educating children and youth during what most people call the elementary and secondary school years, in a learning environment that is home-based and parent-led” (p. 2). This study uses a blended definition of *homeschooling* as a voluntary decision of parents to educate their children during their elementary and secondary school years in a home-based learning environment. Homeschooling can thus be broken down and further defined by the type of schooling instruction delivery, which is discussed later.

The next important term to define is *curriculum*. For this study, the concept of curriculum is defined in a manner similar to that found in Porter and Smithson (2001) who proposed four main subsets within curriculum to include: (a) enacted, (b) assessed, (c) intended, and (d) learned. The main component is the enacted curriculum, which refers to the actual content of the material. The assessed curriculum would consist of the assessments or tests used to establish a baseline for what was learned. The intended curriculum could best be described as the teacher’s manual (i.e., how the material will be taught). Finally, the learned curriculum is the assessment tool to determine how well the student learned the course material. Thus, the four basic requirements of curriculum are the content of the material, baseline assessments, the instruction

guidelines for instructors, and final assessments to compare to the baseline assessments with postcurriculum assessments. It should be noted, however, that throughout the homeschooling community some homeschooling families do not rely on a curriculum as their main source of information. As is explained in the literature review under curriculum and instructional methods, un-schooling is one type of homeschooling typology. This method does not use textbooks and other formalized curricular materials but, rather, uses real-life experiences as the educational foundation.

Financial literacy poses the same dilemma confronted by homeschooling in terms of definition. Remund (2010) evaluated the previous literature to define *financial literacy* as “a measure of the degree to which one understands key financial concepts and possesses the ability and confidence to manage personal finances through appropriate, short-term decision-making and sound, long-range financial planning, while mindful of life events and changing economic conditions.” (p. 284). This definition includes both objective and subjective financial knowledge and a component of financial behaviors by one’s financial decision making. This study defines *financial knowledge* as one’s aptitude to correctly answer general personal finance questions (Chen & Volpe, 1998; J. E. Jones, 2005). This definition varies slightly from the field of research that suggest that financial knowledge and financial literacy are synonymous (Joo, Grable, & Bagwell, 2003; Warwick & Mansfield, 2000;).

Once financial literacy has been defined, it is important to understand how then to provide students a method to achieve an appropriate level of literacy. Fox et al. (2005) proposed that *financial education* includes “any program that encompasses the knowledge, attitudes, and/or behavior of an individual toward financial topics and concepts” (p. 195). Specific coverage of income, money management, budgeting, savings, investing, and debt should be

included (Tennyson & Nguyen, 2001). Teaching the aforementioned topics should then lead to better financial decisions (Valentine & Khayum, 2005). These financial decisions, referred to as *financial behaviors*, are common in the financial literacy and financial education literature, yet no specific definition of financial behaviors has been outlined. Kim, Garman, and Sorhaindo (2003) posited that financial behaviors are “processes they [individuals] use to manage their financial resources to achieve financial success” (p. 76). Goetz, Mimura, Desai, and Cude (2008) outlined specific negative financial behaviors, such as not budgeting, overspending, not paying bills on time, and having high amounts of credit. More specifically, Garman, Leech, and Grable (1996) characterized 35 specific poor financial behaviors. In addition to items supported by Goetz et al. (2008), Garman et al. added having low emergency funds, regularly relying on secondary income, and not contributing to a pension or retirement plan, to name a few. Such studies (Garman et al., 1996; Goetz et al., 2008) have positioned financial behaviors by their negative outcomes whereas Kim et al. looked at financial behaviors as behaviors leading to positive outcomes, such as financial success. Because financial behaviors can have both positive and negative outcomes, *financial behaviors* is defined in this study as follows: patterns of financial beliefs that lead to social and occupational functioning. This definition allows for both positive and negative behaviors and relates those behaviors to their beliefs about how to function within a system. Examples of positive financial behaviors include balancing one’s checkbook ledger, establishing a budget, or paying bills on time, whereas negative financial behaviors may include overspending one’s income, not establishing a budget, or overusing debt.

Summary

The rise in families choosing to homeschool has created an awareness to home-educators by both governmental entities as well as local school boards. The No Child Left Behind Act, the

federal government's legislation that requires states to set academic standards, includes a requirement to ensure all children are getting an appropriate level of education and also requires schools to be held accountable for maintaining certain educational criteria. The schools, however, have somewhat limited, if any, control over those families that homeschool their children. Local school boards are increasingly aware of homeschooling families because of the decrease in federal funding they receive on account of a homeschooled student's lack of attendance in the local schools. With the increased awareness of the growing homeschooling community, more research has been conducted to evaluate the effects of homeschooling in comparison to a public school education. The existing research demonstrates an increased academic performance (e.g., see Ray, 2010; Rudner, 1999) for those children who are home educated. Although research has been conducted to examine homeschooler's performance in the academic arena, no research to date has been conducted to evaluate the levels of financial literacy among those home-educated children. Thus, this study provides research into the way homeschooling parents communicate with and engage their children around money. Furthermore, this study lays the foundation for a longitudinal study to observe the ultimate impact parents have in teaching their children about personal finance in order to observe their financial behaviors years later. Through this qualitative analysis of parents who educate their children at home, important observations can be made to determine what parents do to prepare their children to handle their personal finances. With this information, researchers can compare and evaluate different personal finance instruction and can make recommendations to improve financial literacy in the homeschooling community. Finally, this study can help add to the financial literacy literature by providing relevant and timely research regarding a subset population of school-aged children—those schooled at home.

Chapter 2 - Literature Review

This review of the literature is divided into two parts: (a) the topic of homeschooling and (b) financial literacy. The homeschooling research literature to date has explored homeschooling in terms of the demographics, various curriculum choices implemented, reasons parents homeschool, and academic achievement of homeschooled students. The second half of the literature review focuses on financial literacy, with an overview of financial literacy and financial literacy education, financial knowledge, student financial behaviors, and the link between knowledge and behaviors. In addition, this study covers the impact of parental involvement and the theoretical framework, LPP.

Homeschooling

With the rise of homeschooling, controversy between supporters of the public school system and the homeschooling movement, consisting of groups that support parents' rights to educate their children, are becoming more prevalent (Apple, 2000; Hochschild & Scovronick, 2003). Reich (2002b) used two cases, the 1987 Supreme Court case *Wisconsin v. Yoder* and the Sixth Circuit Court's 1987 case *Mozert v. Hawkins County Board of Education*, to identify this struggle: "Both cases highlight questions about whether parents possess actual *rights* to direct the upbringing of their children and about how a liberal state should strike the proper balance among parents' interests, state's interests, and children's interests in education" (p. 2). Given this controversy, Nemer (2002) suggested that "the time has come for an in-depth study and critical analysis of this movement, its lessons, and its future" (p. 21).

Homeschool Demographics

The social phenomenon of homeschooling has seen an increase in the number of families choosing to homeschool from about 7% to as high as 15% of parents deciding to educate their children at home, prompting scholars to study this group (Basham, Merrifield, & Hepburn, 2007; McKeon, 2007; Ray, 2005). In general, homeschooling families can be described as intact, two-parent families (Basham et al., 2007; Lips & Feinberg, 2009 Ray, 2010; Wartes, 1990). To be specific, Rudner (1999) and Ray (2010) estimated that 97% and 98% of homeschooling couples are married. However, these statistics do not match those figures of the U.S. Census Bureau and National Center for Education Statistics (NCES) when compared with national data of homeschooling families. Bielick (2008) reported that roughly 81% of families who homeschooled were married, according to the NCES.

Race/Ethnicity

In terms of racial identity, most studies have reported that Whites make up the majority of homeschooling families (Mayberry et al., 1995; Ray, 2004). According to the NCES's 2007 report, 77% of homeschooling students were White. A shift in race/ethnicity identity has appeared, though, as people of more diverse racial backgrounds are beginning to enter homeschooling (Gaither, 2008; McKeon, 2007; V. L. Taylor, 2005). Ray (2004) stated, "A quickly increasing proportion of African-American and Hispanic families are choosing home education" (p. 4).

Income

With regard to income, Murphy (2012) suggested that parents who homeschool are "squarely in the middle class" (p. 19). Basham et al. (2007) and Ray (2004) found that the median income for homeschooling families was between \$75,000 and \$80,000, slightly above

the national median income of \$74,000. A caveat exists when evaluating income of single-wage earning homeschooling families when compared with the national average, which includes both dual- and single-income families. Although Ray's 1997 study is somewhat outdated, he found that income levels of single-income homeschooling families was \$43,000 as compared with a national average of \$32,375 for families with only one income source.

Education

The edge in income for homeschooling families could be explained by higher levels of parental education (Sutton & Bogan, 2005; Bielick, Chandler, & Broughman, 2001). In his 2010 report, Ray found that most homeschooling fathers and mothers had completed college (66% and 62%, respectively) whereas nationally only 29% of adult males and 28% of adult females over the age of 25 had completed college. On a more national scale, the National Center for Education Statistics also found that 36% of parents of all students attained a college degree compared with 44% of homeschooling parents (Strizek, 2006). Lange and Liu (1999) argued that education levels of homeschooling parents should be compared with that of educators (e.g., school teachers) because the comparison is more accurate when drawn between those in similar fields, such as educator-to-educator.

Motivations to Homeschool

Throughout the literature, four main categories manifest to explain reasons why parents choose to homeschool. These motives can be summarized by one common theme, as stated by Murphy (2012), "They [parents] want control of their children and their education" (p. 77). Over the last several decades, researchers have found multiple explanations for why parents homeschool, yet four reasons have consistently emerged: (a) religious convictions, (b) academic performance, (c) school concerns, and (d) desire for family togetherness. It is important to note,

however, that parents have multiple other reasons (Nemer, 2002), with varying degrees of similarities (Dahlquist, York-Barr, & Hendel, 2006). J. D. Marshall and Valle (1996) stated this fact plainly: “Reasons which compel home education families to teach their children at home may not be mutually exclusive” (p. 4).

Religious Convictions

One of the top reasons parents give as their motivation to homeschool is religious convictions (Bielick, 2008; Princiotta & Bielick, 2006). Kunzman (2005) found that fundamentally based religious denominations are more likely to homeschool—a finding that supports the notion that many homeschooling families are conservative in nature and hold to a predominately Christian biblical doctrine (Mayberry et al., 1995; Ray, 2005). Ninety percent of homeschooling parents affirm that their religious commitment is important to them (Stevens, 2001), compared with 46% of the general U.S. population (Mayberry et al., 1995). In addition, research (Gladin, 1987; Mayberry et al., 1995) suggests that most homeschooling families attend church regularly.

Those ideological motivations that are driven by spiritual beliefs (Van Galen, 1988) seem to be based on the conviction that God has established parents as the educators in their children’s lives (Nemer, 2002). Regarding the notion that parents are responsible for their children’s education, researchers have found that parents have specific morals and values to impart through their teaching (Aurini & Davies, 2005; Basham et al., 2007). Apple (2000) concluded that homeschooling provides parents an avenue to pass down their spiritual beliefs to their children. As parents look to communicate their religious beliefs to their children, research has demonstrated that these parents will teach most subjects through the lens of their religious convictions (Hetzler, 1997; Romanowski, 2001). Researchers have also documented that as

parents choose to homeschool because of their desire to pass down their spiritual beliefs, they are also “pushed” into homeschooling by the secularization of the public school system (Lines, 1991; Reich, 2002a). The absence of moral absolutes (Van Galen, 1991) within the public school system seems to be a major concern to these homeschooling families, according to Mayberry et al. (1995). Although the majority of homeschooling families lean toward biblical conservatism, Basham et al. (2007) suggested that Muslims are the fastest growing religious affiliation to enter the homeschooling movement. Byfield (2001) noted that a national website exists (<http://yemenlinks.com/blog/muslim-homeschool-sites/>) that is dedicated to homeschooling Muslim families.

Recent research has suggested that although religious convictions are still a predominate motive for homeschooling, they are no longer as significant as they once were (Bielick, 2008; Green & Hoover-Dempsey, 2007). According to Basham et al. (2007), the principal reason has become an overall dissatisfaction with public schooling.

Academic Performance

The decision to homeschool because of academics can be traced to two main reasons: (a) Parents are leery of the quality of academics in the public school system (Lines, 2000a, 2000b), and (b) parents feel that they, themselves, can provide the best possible education for their children (Van Galen, 1987). Murphy (2012) outlined that many analysts see undesirable results across a variety of performance measures related to institutional school settings. These included low academic achievement across subject areas (as compared with other industrial countries), minimal functional literacy, little employment preparation, high drop-out rates, and no mastery of “higher-order” skills (p. 94). Isenberg (2007) confirmed this transition to homeschooling attributable to performance measurements when he reported that as math scores in the public

school system in small towns decreased, the number of families choosing to homeschool increased by 29%.

Because they tend to view the public school system as providing inadequate academic instruction (Dahlquist et al., 2006), parents who homeschool decide to take on the task themselves (Van Galen, 1987). Dahlquist and colleagues (2006) stated, “Given the extensive commitments of time and energy demonstrated by home educators, it is no surprise that most home educated children perform well academically” (p. 10). The high academic performance of homeschooled students has been documented (Ray, 2010; Rudner, 1999) without rebuttal. Rudner (1999) conducted a national survey consisting of over 20,000 homeschooled students (in 11,900 families) through the aid of an educational testing center to evaluate the academic achievement of homeschoolers. Regarding academic performance, Rudner found that a quarter of homeschooled students were one or two grade levels above their public schooled peers and scored in the 70th to 80th percentile in every subtest (e.g., math and reading) for every grade, which was well above the scores of both public and Catholic or private schooled students.

The limitations of Rudner’s study should be noted. The sample may not be representative of homeschoolers because it was derived from parents who use and paid for an educational testing center (Chang et al., 2011). However, Ray (2010), in a replicated study, confirmed the results found by Rudner (1999). Ray (2010) reported that homeschooled students averaged in the 84th to 89th percentile on all subtests. As with Rudner (1999), the limitations to Ray’s 2010 study were cited as self-selection bias and the lack of a controlled test (Chang et al., 2011). In an effort to obtain a more random sample and to minimize bias, Chang et al. (2011) selected two different groups: (a) a group of homeschoolers and (b) a group of public schooled students, all who responded to announcements and fliers. This study controlled for the testing of all students

by professional testing proctors. The researchers ultimately categorized the homeschoolers into two groups, structured and unstructured, on the basis of the parents' preferred instructional methods. Structured homeschoolers for this study were those who predominately used premade curricula or structured lesson plans, whereas those in the unstructured group used free form, spontaneous lessons in their schooling. The findings revealed that those structured homeschoolers outperformed both public schooled and unstructured homeschoolers.

School Environment Concerns

Another motivation for parents to homeschool has been safety concerns with the public school system, a factor often labeled *school environmental concerns* (Dahlquist et al., 2006; Gladin, 1987; Kunzman, 2005; Lyman, 1998). The NCES, which reported on homeschooling (Princiotta, Bielick, & Chapman, 2004), reported that 31% of parents surveyed cited the safety concerns in the public schools—including drugs and negative peer pressure—as their main reason for homeschooling. In addition, Duggar (2001) reported concerns addressed by many administrators dealing with violence between children but that some deal with other crises like bomb threats or gunmen entering the school. Mayberry et al. (1995) contended that parents who educate their children at home want to shield their children from their own bad school experiences. That is, parents remembered school as being a dangerous place, where personal injury and injustice were frequent and even the norm, especially for persons less able to stand up for their individual rights, often a cause for bullying. These parents often feel that little has changed and want a different environment for their own children (Mayberry et al., 1995).

In a timely study on the motivations of Black families who homeschool, Fields-Smith and Williams (2009) found that although Black families are motivated by many of the same reasons to homeschool as Whites (e.g., religious convictions), there were additional motives as well. For

example, the researchers reported that just under 80% of their sample reported homeschooling because of perceptions of and experiences involving inequities, prejudice, discrimination, and/or racism in schools. James (2007) also suggested that Black families homeschool to provide their children an education in parity to others. The rise in Black families moving to homeschooling and leaving the public school system may be explained by the sentiment that the public school system is just unsuitable for Black children (James, 2007).

Family Togetherness

Van Galen (1987) and Lange and Liu (1999) identified that parents are also motivated to homeschool in order to meet the needs of the family, much as with religious convictions. According to Nemer (2002), “They [parents] feel that traditional schools, especially public schools, fail to respect their families’ values and that these schools oftentimes teach curricula directly oppositional to their strongly-held beliefs” (p. 10). In addition, both Ressler (1997) and Williams, Arnoldson, and Reynolds (1984) suggested that parents want to spend time observing, directing, and being an integral part of their children’s education. Such observations have been supported by research during the past 30 years. For example, Van Galen (1987) reported that most parents in her study believed that the importance of the family was diminishing and homeschooling allows parents to play a more active role in the lives of their children, promoting family togetherness. She suggested that parents often feel they are relegated to a subordinate role by schools, so these parents thus choose to homeschool. Likewise, Lyman (2000) reported that families have the confidence in their ability to competently educate their children.

In addition to wanting to promote family togetherness, parents who choose to homeschool also sometimes do so because their children have special needs. According to the National Center for Education Statistics about 6% of parents who homeschool cite health

problems or special needs as the reason to homeschool (Snyder & Dillow, 2010). Van Galen (1987) provided multiple examples of parents choosing to withdraw their children from public school to meet various educational needs. Both Van Galen (1987) and Kidd and Kaczmarek (2010) evaluated parents who homeschooled their children with autism spectrum disorder and found educating their children at home improved the child's behavior and psychological well-being.

Curriculum and Instructional Methods

The research investigating the curriculum instructional methods used by parents who homeschool is rather scant. In her doctoral dissertation, Clements (2002) evaluated the various teaching methods used by homeschoolers through a qualitative study of three homeschooling families. Clements observed a continuum of the level of parental involvement necessary with different teaching methods, ranging from direct instruction, which required the highest amount of parental involvement and self-study, to "unschoolers," who required the least amount of instruction. Parents typically landed somewhere in between the two extremes. In addition, five categories of curricula were outlined: (a) textbook based, (b) literature based, (c) computer based, (d) video/satellite based, and (e) unschooling. A textbook-based curriculum is similar to that used in traditional public schools; that is, it uses a variety of textbooks and consumable workbooks. A literature-based curriculum draw on literary elements to comprise the instruction, making use of books and great literature to teach each subject. A computer-based curriculum uses computer software designed to teach various topics. A video- or satellite-based curriculum records "classroom" sessions, in which homeschooled students can observe the instructor. Finally, unschooling curriculum is based on the philosophies of Holt (Taylor-Hough, 2010) and

uses life experiences, rather than books and other written material, to formulate learning opportunities.

Taylor-Hough (2010) provided some additional homeschooling methods, to include the following: (a) classical education, which is defined as “a heavy focus on rote learning and basic facts in early grades, with an increasing emphasis on critical thinking and oratory in later years” (p. 7); (b) the Charlotte Mason method, which is centered on creating a “love of learning” (p. 7); (c) correspondence or umbrella schools, which focus on textbooks and workbooks under the direction of the curriculum provider or main school; and (d) “school at home” (p. 7), where parents recreate the appearance of a classroom at home with desks and chalkboards. Although not specifically a teaching method or instructional method, cooperative schooling, or groups focused on similar interests where a parent takes the lead role as educator, was also mentioned (Taylor-Hough, 2010).

In a rare, groundbreaking longitudinal study of homeschooling families over a span of 10 years, Hanna (2011) isolated many methods/curricula, which would fall under one of the categories above, within her study. For example, Hanna reviewed prepared religious curricula, secular curricula, and educational field trips. Her results indicated that over time, families begin to use more prepared curricula as well as the textbooks provided by the school district. Such findings were also supported during a concurrent doctoral study by Jorgenson (2011), who found that 84% of the 316 students surveyed used prepackaged curricula, and roughly 15% created custom, parent-designed curricula. Furthermore, technological use in the school increased as did the use of the public library (Hanna, 2011). Hanna (2011) also found that the longer parents homeschooled, the more likely they were to utilize networking resources, such as cooperatives.

With the continued rise of homeschooling, a substantial amount of curricula choices specifically designed for homeschooling families exists (Lyman, 2000; Murphy, 2012).

Financial Literacy

Overview of Financial Literacy

Financial literacy has become a topic of widespread discussion recently. Over the past decade, economic conditions coupled with consumer financial behavior have brought heightened awareness to financial literacy. In his analysis of the financial crisis in the United States from 2007 through 2009, Vukovic (2011) provided insight into rationales that led the United States into its recession. Vukovic pointed out that one of the rationales centered on the decision by the Federal Reserve Board to keep interest rates at or near zero, which created concern that the country might be entering a continued recessionary period. Thus, these low interest rates created low savings behaviors and increased consumption through the use of borrowing, specifically through the influx of home mortgages. Mandell and Klien (2009) stated,

In general, consumers' inability to make self-beneficial financial decisions in key areas relating to consumer financing can have negative ramifications on the entire economy...

In part, concern for the economy has led the Federal Reserve to focus on the importance of financial education and understanding basic financial applications (financial literacy) in the functioning of the financial markets. (p. 16)

Although research has not consistently provided evidence supporting the supposition that a lack of financial literacy in the United States is the cause for a financial crisis or recession, the financial behaviors within the country are noteworthy. According to a recent study by the National Foundation for Credit Counseling (2012), about one third of the population does not pay their bills on time; in addition, roughly 40% of adults indicated they are not saving as much

as they did a year ago, do not have any retirement savings, and carry a credit card balance from month to month. A study by the Employee Benefits Research Institute (Helman, VanDerhei, & Copeland, 2007) found that over 70% of those not saving for retirement had less than \$10,000 in assets, and those who did have retirement savings had, on average, less than \$25,000.

In addition concerns about low savings rates, there is also a growing concern over the number of bankruptcy filings. According to the American Bankruptcy Institute (2012), there have been over 1 million new bankruptcy filings since 2008 and 1.3 million bankruptcy filings for 2012. Although research has evaluated the financial behaviors consistent with high credit card debt, low or negative savings rates, and high bankruptcy (Bernheim, Garrett, & Maki, 2001), much of the financial literacy studies revolve around adolescents and young adults. Young adults have seen an alarmingly high amount of debt accumulation, which is cause for concern. In their study on financial literacy amongst youth, Lusardi, Mitchell, and Curto (2010) found that fewer than one third of young adults possess basic knowledge of financial concepts such as interest rates, inflation, and risk diversification. One unique facet of their research was the use of the most recent research from the National Longitudinal Survey of Youth as their sample, containing a fairly generalizable sample of the U.S. youth population. The financial literacy literature vary amongst researchers; however, four main components have emerged: (a) money basics, (b) borrowing, (c) investing, and (d) protecting resources (Huston, 2010). In an effort to determine how to best develop programs to focus on the aforementioned topics, Varcoe, Peterson, Swanson, & Johns (2010) conducted a comparative analysis in 1998 and again in 2008 of topics that teens wanted to learn more about. On the basis of convenience samples of students in various groups of teenagers (i.e., juvenile halls, migrant education programs, pregnancy and parenting programs, public middle and high schools, and youth groups), the researchers found

that students were interested in concepts such as tracking spending, learning about insurance, understanding credit and how to obtain it, as well as building savings (for future purchases and college). Varcoe et al.'s (2010) study followed a report by Mandell and Klein (2007), which observed how motivation influenced financial literacy scores. Mandell and Klein's research came after the 2006 results of the Jump\$tart Coalition National Financial Literacy test. The Jump\$tart Coalition for Personal Finance Literacy report (See Mandell, 2008) indicated that scores have been averaging just over 50% (51.9% in 2000, 50.2% in 2002, 52.3% in 2004, 52.4% in 2006, and 48.2% in 2008). Mandell and Klein (2007) found that a positive motivation influencing one's financial literacy scores is determined by three main variables: "(a) students' beliefs that financial difficulty results from poor decision making, (b) the importance of having enough money to pay bills, and (c) motivation to save for retirement" (p. 112). The results thus present two important points. First, it is important to emphasize why financial literacy is so important. Second, financial education programs should focus on how financial literacy can guide students in reaching their goals.

In 2006, the U.S. Government Accountability Office (GAO; 2006) issued a report that assessed how well the Financial Literacy and Education Commission was doing to improve the level of financial literacy. The GAO report concluded that the commission's efforts lacked certain key strategic elements; specifically, the GAO found the strategy provides a purpose and vision yet lacks an actionable plan to achieve results. In addition, the GAO found that performance measures have not been clearly defined. Other notable findings were the lack of effectiveness to the Financial Literacy and Education Commission's website and potential duplication of efforts amongst various public and private partners. In 2012, the GAO testified before the Subcommittee on Oversight of Government Management and provided insight into

the importance of the government's role in promoting financial literacy, the advantages and risks of cross-bureaucratic agencies, and opportunities to enhance the effectiveness of federal financial literacy programs. The GAO found that no single evaluation approach has been established because of the expense and ever-changing methodologies. The GAO did report, however, a repository for financial literacy research is under way. Fox et al. (2005) provided an overview of the various public and private organizations that have responded to the call for financial education. They found that most all programs lacked appropriate evaluations to effectively measure the intended improvement of financial literacy outcomes. Lyons, Palmer, Jayaratne, and Scherpf (2006) found similar results, that is, a lack of program evaluation being built into the design as well as the limited capacity to perform program evaluation. However, before appropriate collective evaluation procedures can be implemented, a clear definition of financial literacy must be established, which was a recommendation made by the GAO report.

Throughout the literature, research varied in scope on two fundamental components of financial literacy: a clear and accepted definition and established standards for measurement. In 2010, the *Journal of Consumer Affairs* devoted an entire issue to research conducted on the topic of financial literacy and education, providing a much-needed framework for both defining and measuring financial literacy. In one of the articles, Remund (2010) provided a definition of financial literacy with five measurable components. These components include the following: (a) knowledge, (b) ability to communicate those concepts, (c) aptitude or ability in handling personal finances [behavior], (d) appropriate decision making, and (e) confidence in planning for the future. Remund defined financial literacy as “a measure of degree to which one understands key financial concepts and possesses the ability and confidence to manage personal finances through appropriate, short-term decision making and sound, long-term financial planning, while

mindful of life events and changing economic conditions” (p. 284). This definition, as noted in Chapter 1, is how financial literacy is defined for the purpose of this study, in which there are financial knowledge and financial behavior components. Remund argued that financial literacy must be operationalized and thus measurable in order to consistently evaluate any improvement over time. Although various definitions of financial literacy exist, Remund’s definition was used as it provides a three-pronged approach to financial literacy—knowledge, behavior, and changes-in a context to which those behaviors need to be applied.

Huston (2010) reviewed over 70 studies within the financial literacy research using a total of 52 data sets to isolate how financial literacy was measured. The financial literacy constructs were analyzed on the basis of the following: (a) whether a definition was provided for financial literacy, (b) content within the constructs, (c) evaluation of the instrument structure, and (d) measurement outcomes. Huston found a wide disparity between constructs used to measure financial literacy, ranging from three items to 68 items. Furthermore, about 90% of the surveys did not indicate whether one was financially literate because no standard for measurement had been established. Huston summarized her findings with a proposed measurement of financial literacy—an instrument that is composed of four main categories (i.e., money basics, borrowing, investing, and protecting resources), with three to five items within each category—and she established thresholds to allow for definitive results.

In an effort to answer two fundamental questions, “What is financial literacy” and “How do we measure it,” Hung et al. (2009) evaluated four different financial literacy instruments designed by various researchers in search of the most effective and reliable instrument. Between 2006 and 2009, RAND’s American Life Panel (ALP) sent a national sample of over 2,000 respondents four different financial literacy scales developed by different researchers using

different methodologies within this 3-year span. The number of respondents completing each survey ranged from a low of 566 respondents to a high of over 1,600 respondents ($n = 1,645$). Four financial literacy instruments were used, including: (a) a one-question instrument that measures financial literacy on the basis of selecting the fund with the lowest fees; (b) a 13-item instrument with both multiple-choice and true-or-false questions on basic financial literacy items; and (c) a 70-item instrument using true-or-false questions on a confidence scale covering items such as portfolio diversification, compound interest, and how annuities work. The confidence scale measured how certain the respondent was on a 12-point scale that ranged from 100% true to 100% false. The fourth instrument used 23 multiple-choice questions and was a collection of several scales related to basic financial literacy concepts assessing one's objective knowledge of investing, financial markets, products, and life insurance. Excluding the one-item instrument, the three scales showed high internal consistency, with Cronbach's alphas of .76, .71, and .88, respectively. All four measures reported men, older individuals, those with bachelor's degrees, and those earning higher incomes demonstrated increased levels of financial literacy. However, Hung, Parker, and Yoong did find that financial literacy was not highly correlated to one's total savings. In other words, improving one's financial literacy did not predict increased retirement balances.

Financial Literacy Education for Young Adults

There is not an abundant amount of literature that evaluates curricula concerned with personal finance, yet evidence is mixed regarding the effects of personal finance education in improving financial literacy scores. On one hand, Mandell and Klein (2009) found that taking a course in personal finance did not yield any improvement in financial acumen of students compared with those who did not take a money management course. To be specific, the findings

were that those who took a personal finance course did not become more savings oriented or improve their financial behavior when compared with those who did not take the course.

Mandell and Klein suggested that the information delivered in a high school personal finance class is provided well before the student is required to use such information. It is important to note that the sample consisted of only 79 students from one school district over a period of 5 years, and the study only classified the course material as a “ highly regarded course in personal financial management” (p. 18). Therefore, even though the courses may contain relevant material, the information is given at an inopportune time, years before the information will be useful and applicable for the individual.

Danes, Huddleston-Casas, and Boyce (1999) conducted a nationwide survey of teachers and students who used the High School Financial Planning Program (HSFPP) curriculum developed in part by both the National Endowment for Financial Education and the U.S. Department of Agriculture. The HSFPP curriculum was used by 434 schools, with 188 schools ultimately returning program evaluations to include a total of 4,107 students. Three months after the program ended, roughly 10% ($n = 418$) returned a follow-up evaluation. Danes et al. (1999) found that in the 3 months following the course, students demonstrated an increase in financial knowledge, financial behaviors, and self-efficacy.

Harter and Harter (2009) used the National Center for Economic Education’s (NCEE’s) Financial Fitness for Life (FFFL) curriculum and evaluated its effectiveness in improving financial knowledge in Kentucky. According the NCEE’s website, the FFFL

provides high-quality instructional materials for use with students from kindergarten to grade 12. The overarching goal of the materials is to help students make thoughtful, well-informed decisions about important aspects of personal

finance, including earning, income, spending, saving, borrowing, investing, and managing money. (see <http://fffl.ncee.net/book-introduction.php>)

The results indicated that students ($N = 623$) who were being taught using FFFL throughout the semester showed improvement in financial knowledge at posttest when compared with pretest results. Harter and Harter (2009) also found that instruction through FFFL provided improved results when compared with results from other, if any, curriculum that was being used before the FFFL curriculum was introduced. One significant limitation of Harter and Harter's study was that they did not conduct secondary posttests to measure whether the information had been sustained over time. (Mandell, 2009).

Walstad, Rebeck, and MacDonald (2010) found results similar to Harter and Harter's (2009) when the Council for Economic Education's (CEE's) Financing Your Future (FYF) DVD curriculum was used. Teachers in four states (i.e., Texas, New York, Minnesota, and Maryland) participated, and a total of 800 students received the DVD instruction. Those students who participated in the FYF curriculum were found to have increased their mean score by 20% as well as increased their scores in all subcategories within 28 of the 30 content areas. Unlike the Jump\$tart Coalition's Financial Literacy Survey, whose target population is high school seniors, Walstad et al. (2010) used multiple levels of high school students (sophomores, juniors, and seniors) and found statistically significant overall mean score changes from pretest to posttest in all grade levels.

Financial Knowledge

The ultimate focus of all of the above-mentioned programs is to increase one's financial knowledge. The research, unfortunately, has provided mixed support for improved financial knowledge. In their pilot study, Borden, Lee, Serido, and Collins (2008) found that conducting a

financial education seminar to a group of college students ($N = 93$) effectively increased the attendee's financial knowledge when comparing pretest and posttest results. Borden et al. used a 7-item scale that asked students whether something would be considered or would not be considered sound financial management practices. The pretest results reflected a high level of financial knowledge ($M = 6.08$), and the posttests were significantly higher ($M = 6.51$). Although Borden et al. found encouraging results, it is important to note the small sample size in this study could pose some questions regarding generalizability. Danes and Haberman (2007) evaluated the differences of financial knowledge between male and female teens ($N = 5,329$) after studying a financial planning curriculum. Danes and Haberman used four questions to determine one's subjective knowledge measured by a 5-point Likert scale. The study found that males had higher scores than females in knowledge about cost of credit, investments, and car insurance, whereas females scored higher in knowing the differences between needs and wants. Both Borden et al. (2008) and Danes and Haberman (2007) used subjective measures of financial knowledge in their studies.

An increase in objective financial knowledge does not always lead to an increase in positive financial behaviors. Robb and Sharpe (2009) reported unique findings in that those with higher financial knowledge had significantly higher credit card balances, contrary to their expectations. Robb and Sharpe used six questions taken from a combination of the Jump\$tart Coalition Financial Literacy Survey and a scale developed by Chen and Volpe (1998) for their objective financial knowledge measure with a sample of 6,520 college students. The six questions selected were: a) Which of the following credit card users is likely to pay the GREATEST dollar amount in finance charges per year, if they all charge the same amount per year on their cards? b) Which of the following types of investment would best protect the

purchasing power of a family's savings in the event of a sudden increase in inflation? c) Which of the following statements best describes your right to check your credit history for accuracy? d) Which of the following loans is likely to carry the highest interest rate? e) Which of the following is TRUE about the annual percentage rate (APR)? f) A high-risk and high-return investment strategy would be most suitable for:.. These findings could be explained by the idea that those students who have higher levels of financial knowledge feel they can appropriately use their credit cards, even though their balance may be higher. In a more recent study, Robb and Woodyard (2011) found that in a sample of 1,488 participants in the Financial Industry Regulatory Authority's National Financial Capability Study there was a significant relationship between financial knowledge and financial behaviors. In addition, Robb and Woodyard differentiated knowledge into two categories, subjective (self-assessed levels of knowledge) and objective. They found that subjective knowledge, more so than objective knowledge, played an important role in determining financial behaviors.

Student Financial Behaviors and Attitudes

As noted previously, financial knowledge has clearly been linked to financial behaviors. Alan Greenspan, the former Federal Reserve Board chairman, was quoted in a *New York Times* article as stating, "Improving basic financial education at the elementary and secondary school level is essential" to help young people avoid poor financial decisions "that can take years to overcome" ("Greenspan Urges Better Money Sense," 2001, p. 1). There exists a substantial amount of research evaluating the financial behaviors of young adults, specifically college students (Heckman & Grable, 2011; Norvilitis & MacLean, 2010; Serido, Shim, Mishra, & Tang, 2010; Shim, Barber, Card, Xiao, & Serido, 2010; Worthy, Jonkman, & Blinn-Pike, 2010). However, little research exists on the financial behaviors of teens and adolescents, specifically

high school aged youth. The lack of research on teens may seem surprising in light of reports, such as Teen Research Unlimited (TRU; 2005), that claim teens (aged 12–19) will spend just under \$160 billion annually. Furthermore, TRU, in their 2005 report on teen spending, indicated that teens would likely increase their spending the following year. Merrill Lynch commissioned the Internal Communications Research (2000) to conduct a phone survey of teens between the ages of 12 and 17 with questions encompassing a variety of financial topics. The results of this study showed that in a sample of 500 teens, the respondents obtained money from their parents (84%), from doing odd jobs (77%), from an allowance (40%), or from either part-time or full-time employment (24%). The majority of teens used a savings account (70%) as their primary saving source, followed by a piggy bank/container (64%), checking account (25%), mutual funds (11%), and individual stocks (11%).

In 2011, Charles Schwab conducted a similar study of 1,132 teens aged 16–18 to gather insights into their attitudes and behaviors regarding personal finances. They found teens obtained most of their income from employment (67%), as gifts (59%), and from an allowance (34%). It should be noted, however, that the sampling age of teens in the Charles Schwab study differed from the sampling age in the Merrill Lynch study (Internal Communications Research, 2000). In comparison to Schwab’s previous study in 2007, updated findings showed that teens actually declined in their financial knowledge and had fewer bank accounts, yet they reported an increased desire to learn more about money management.

The public school system does not appear to have kept pace with the demand of financial literacy education. According to the Jump\$tart Coalition’s website (2012), only four states (i.e., Utah, Missouri, Tennessee, and Virginia) require that a financial education course be taken before graduation, and 20 states require personal finance instruction to be incorporated into other

subject curriculum (see <http://JumpStartJumpStart.org/state-financial-education-requirements.html>). Although many schools offer personal finance as an elective course, Meszaros and Suiter (2005) indicated that students are entering college ill-prepared regarding personal finances. Meszaros and Suiter also proposed that taking additional personal finance courses in college might compensate for the lack of financial literacy concepts taught in high school; however, only 40% of high school seniors go on to attend college.

As teens age and gain independence, typically during their college years, the amount of research on their financial behaviors increases. This target population seems attractive to research for several reasons: (a) college students provide an abundance of opportunities for data collection (e.g., convenience sample for researchers), and (b) many college students possess a freedom to begin to control their own thoughts and ideas about money management. The newfound freedom students acquire in college has led some to financial disaster. Worthy et al. (2010) suggested financial behaviors of college students revolves around debt accumulation, leading to additional financial issues such as incurring late payments, having overdrafts, or having to borrow from friends and family. These financial behaviors were appropriately characterized by Cleaver (2002, as cited by Micomonaco, 2003) as financial mismanagement. Financial mismanagement has been fueled largely by the fact that 83% of college students carry a credit card (De'Armond, 2010). Furthermore, the rising costs of tuition (educational expenses) and decreasing amounts of federal funding available for grants (Bilski, 1991) have elevated many students' debt load. Bell, Grayson, and Stowe (2001) suggested that those who are willing to borrow for their education and have a positive view toward debt tend to borrow more money beyond college. In addition to carrying high amounts of debt, many college students lack simple budgeting practices. USAA, a large private financial services company serving military families,

conducted a survey in 2005 and found that 79% of incoming freshman had not established or discussed a budget when entering college. Difficulty in managing their debt and failing to follow a budget are two factors that put students in a vulnerable situation (Henry, Weber, & Yarbrough, 2001). Research does give hope in that an increased financial knowledge has been positively associated with less risky credit card behavior (Robb, 2011) and better saving and budgeting practices (Gutter & Copur, 2011). Therefore, financial literacy education might enable students to implement better financial habits in order to avoid the mismanagement of their money.

Parental Involvement

Because of the financial difficulties college students experience, educating students on financial matters should begin much earlier in school, even in elementary and middle school (Ferrari, 2007; Hayhoe, Leach, Turner, Bruin, & Lawrence, 2000). Little attention has been given to lower level schools as an effective means for educating children on personal finance (Meszaros & Suiter, 2005). Because financial literacy topics are not being well addressed in the school setting at any educational level, it could be inferred that the responsibility for a sound financial education should rest on the parents. Many life skills, behaviors, and values are typically taught in the home by parents (Moschis, 1985). In a survey conducted over 50 years ago by H. R. Marshall and Magruder (1960), the researchers found children's attitudes ($N = 512$) about the importance of money will usually mirror their parents' attitudes about money. This statement seems to hold true today given the Junior Achievement's 2012 Teens and Personal Finance survey that indicated over 86% learn about money management from their parents. Mandell (1997) found that 60% of high school students ($n = 1,509$) learned about money at home, and Paladino and Devine (1999) found the percentage of students learning financial concepts at home to be 94%. Although Mandell (1997) and Paladino and Devine (1999) found

varying percentages of students learning from parents, both studies indicate that parents play an important role in teaching their children about personal finance topics.

With parents being a significant resource to their children in relation to learning personal financial behaviors, it seems evident that children are likely to emulate their parents. In an effort to evaluate the connection between teens and their parents, Bowen (2002) used a convenience sample of 61 students and 47 adults and found that there was no relationship between the depth of the parents' financial knowledge and their children's financial knowledge. This study suggests that there is little, if any, connection between what parents know about personal finances and what their children know about finances.

Serido et al. (2010) evaluated how certain characteristics of parents influence their children's overall well-being. Serido et al. coined the term *financial parenting* using parental social status, perceived parental financial communication, and perceived parental financial expectations as constructs in relation to the students' well-being, which was composed of financial stress, psychological distress, and subjective well-being. Using a demographically representative sample of incoming freshman students ($n = 2,098$), Serido et al. (2010) found that all three parenting constructs were related to a student's overall well-being, with the strongest association being found with parental financial communications. In other words, students who reported higher levels of parental financial communication reported lower levels of financial and psychological stress and higher subjective well-being.

These findings are in line with Norvilitis and MacLean's (2010) research regarding the role parents have on college students' financial behaviors and attitudes. The study evaluated various parental variables to include parent reticence (i.e., reluctance to discuss credit issues), parent bailout (i.e., perceived understanding that parents would help students if they got into

credit trouble), parent facilitation (i.e., parents providing hands-on help for their kids in handling money), parent worries (i.e., witnessing parents struggle and worry with their finances), parent instruction (i.e., parents providing instruction on financial matters), and students' credit card usage. Norvilitis and MacLean (2010) found that the largest predictor of credit card usage was negatively correlated to parental facilitation. Norvilitis and MacLean stated,

This suggests that parents who engage in a hands-on approach to teaching children to handle money through such actions as teaching how to manage an allowance and how to manage bank accounts have children who report lower levels of credit card debt in college. (p. 61)

Norvilitis and MacLean (2010) also found that parental instruction was positively related to credit card debt as was parental reticence, which equates to not talking with children about credit card debt. Unfortunately, it is not possible to determine which occurs first (a) having the discussion about credit card usage or (b) if those discussions were after an accumulation of credit card debt by students. Regardless of the relationship between parental instruction and credit card usage, it is important for parents to have hands-on facilitation regarding personal finances.

Shim et al. (2010) conducted a cross-sectional study of first-year college students ($N = 2,098$) to examine various components of financial socialization. Shim et al. hypothesized that financial socialization can be seen as a four-step process. The first is anticipatory socialization, which includes the concepts and ideas developed prior to entering college. These concepts include, for example, the influence of parents, previous work experience, and high school finance education. The second step is the formal learning process, such as personal finance courses. Third, students will begin to formulate their own financial attitudes toward components such as debt and risk management. Finally, the outcomes of those attitudes lead to the student's

financial behaviors. Shim et al. (2010) reported that parents had the strongest influence over young adults' financial socialization, greater than work experience and high school financial education combined. Furthermore, parents who demonstrated positive financial behaviors and who worked with their children through direct teaching were regarded as financial role models. One noteworthy limitation to this study was that the constructs were developed "exclusively on students' own reports" without any input from parents, themselves (Shim et al., 2010, p. 1467).

Two additional studies that relate to the dual relationship between parents and children regarding financial literacy merit attention. The first, a study by Clarke et al. (2005), looked at the acquisition of family financial roles and how children learn and apply financial literacy concepts within the home. In their study of 258 participants, Clarke et al. (2005) found that financial role transfer was more prevalent in the home than from outside sources, supporting previous research that financial tasks should be taught in the home (Beutler & Hibbert, 1999; Hibbert & Beutler, 2001; Neul & Drabman 2001; Poduska & Allred, 1990; Voydanoff, 1990). One important feature found in the study was that tasks relevant in the teen years, such as goal assessment and career objectives, were presented in greater detail than financial tasks for later adulthood. Tasks included insurance planning, taxes, and credit.

The second study by Gudmunson and Danes (2011) reviewed and analyzed the existing literature related to family financial socialization through a five-step process. First, a review of literature was conducted for financial socialization definitions as well as use of family socialization theory. The results of this research were used in designing a conceptual model of financial socialization. Gudmunson and Danes (2011) outlined their methods for conducting the review on the basis of the existing literature and then reported their findings related to the quality of the literature. They finished with a discussion of implications that were based on their critical

review. They proposed a new financial model as a means to more clearly and accurately depict the phenomena of family financial socialization. Gudmunson and Danes contended that much of the literature on financial literacy and its outcomes lacks the inclusion of socialization variables in its demographics, which might explain the lack of consistent findings regarding financial literacy within the literature. This study seeks to evaluate socialization variables in terms of how parents engage their children to become financially literate.

Link Between Financial Knowledge and Behavior

Learning theories and behavioral theories help explain the manner in which personal financial concepts are learned and then subsequently applied. As mentioned, there are two distinct financial literacy factors to be considered, knowledge and behavior. Both knowledge and behavior must be drawn from the conceptualized norms within one's society. Methods for identifying the differences between knowledge (i.e., one's education) and behavior (i.e., social applications of that knowledge) can be found in the work of Egan. Egan (1983) defined socialization as bringing individuals together, whereas education creates distinctions among people. He further explained that activities have characteristics of both educating and socializing. Socialization occurs in activities so that people settle within the society (e.g., get jobs, fulfill basic requirements of citizenship), whereas educational activities provide "personal cultivation." Financial literacy, like many other fundamental learning topics, requires one to know and apply financial tools effectively to manage one's personal finances. Hayta (2008) stated, "The learning process undergone by the consumer can be studied both as a cognitive and psychological adaptation process and a social process" (p. 167). Imposing a theoretical framework incorporating these concepts may seem difficult given that the research has been mixed regarding the link between knowledge and behavior. However, Hilgert, Hogarth, and Beverly's

(2003) research on household financial management attempted to evaluate the connection between financial knowledge and subsequent financial behavior using the 2001 Survey of Consumer Finances (SCF): "Many of these [financial education] programs focus on providing information to consumers and operate under the implicit assumption that increases in information and knowledge will lead to changes in financial management practices and behaviors" (p. 309).

Hilgert et al. (2003) found financial knowledge to be significantly related to financial behaviors involving cash-flow management, credit management, savings, and investing. In addition, they found that learning from family, friends, and personal experiences was correlated to positive financial behaviors. On the other hand, Mandell and Klein (2009) did not find any significant relationship between financial knowledge and subsequent financial behavior. One way to explain the contradictory findings of these research studies is found in the varying ages of the students in the data sample. The latter evaluated high school students, whereas the former, using SCF data, surveyed households ages 18 and older. The age difference between these two studies may suggest that as people enter adulthood, managing one's finances (e.g., financial behaviors) is inevitable, whereas high school students typically are not required to manage their own finances.

Theoretical Framework

One prevalent theory in the research concerning financial literacy and financial education is that of social learning theory. Social learning theory, attributed to Bandura (1977), suggests that learning occurs by observing and modeling the behaviors of those whom we observe. In a study evaluating how social learning influences financial behavior, Gutter, Garrison, and Copur (2010) found that social learning opportunities significantly affected financial behaviors. As an example, Gutter et al. found that college students who discussed finances with parents and

friends and observed positive financial behaviors were more likely to budget and save. Although this research provided great insight into explaining financial behaviors of college students, the present study takes a different theoretical approach to learning by focusing on younger children, to include both elementary and secondary school-aged children. Although children can observe behaviors all around them, this research focuses on gaining financial knowledge and learning financial behaviors through the specific interaction within the family.

Legitimate Peripheral Participation Theory

Because parents are the first teachers a child has, this study examines how parents who continue to be the primary educator(s) (e.g., through homeschooling) influence and affect their children's financial literacy. The uniqueness of the presented research lies in the dual relationship homeschooling parents have with their children; that is, first and foremost they are parents to their children, but they are also their children's teacher/educator. Because homeschooled children spend more time with their parents in both roles, it seems prudent to examine their influence more directly. On the basis of the roles homeschooling parents have, this study is framed within Legitimate Peripheral Participation (LPP) theory proposed by Lave and Wenger (1991) and Wenger (1998). Formerly called *situated learning theory*, LPP attempts to explain learning by applying objective knowledge in a setting other than the one in which the objective knowledge was acquired (Handley, Clark, Fincham, & Sturdy, 2007). Handley et al. stated, "situated learning theory sees learning and knowing as processes which are integral to everyday practice in the workplace, family, and other social settings," and "learning and knowing cannot be separated from everyday practice" (p. 174). Homeschooled students learn financial principles much the same way as public school students; they learn from their parents and through various curricula that teach personal finance concepts. However, according to Lave

and Wenger (1991), the student is not learning until that objective knowledge is applied in a non-school setting. Beveridge (2004) stated, “Children do better personally, socially, and academically where they are encouraged to take responsibility for their own learning” (p. 4). The non-school setting described within Lave and Wenger’s (1991) LPP learning theory allows students to take the responsibility and ownership of their learning and theoretically put financial behaviors into practice. For example, many homeschooled students experience opportunities to participate in and observe financial behaviors of their parents, such as buying groceries, depositing money in a bank account, or preparing a budget for food expenses. In this way, they are able to practice what they have learned outside of the typical educational setting.

LPP was developed around an apprenticeship model of learning in which the apprentice learns to become an expert in his or her field of study or trade. Lave and Wenger (1991) developed this learning theory by observing how five varying apprenticeships over various parts of the world were conducted (midwives in Yucatan, tailors in Liberia, quartermasters in the U.S. Marine Corps, butchers in various supermarkets, and nondrinking alcoholics in the United States). Atherton (2011) deconstructed the concept of LPP in very succinct terms:

- Legitimate—the parties accept that they are unqualified people as potential members of the “community of practice”;
- Peripheral—newcomers will stay on the edge of the process to be learned, doing "peripheral jobs" and gradually being entrusted with more important ones;
- Participation—it is through doing knowledge that they acquire it.

LPP refers both to the development of knowledgeable skilled identities in practice, which is a form of an educational basis, and to the reproduction and transformation of communities of practice. There are three main constructs involved in LPP theory. The first is the master, or old-

timer, which denotes the experienced mentor leading the newcomer, or mentee, to acquire knowledge. These two individuals work together by communicating with each other and engaging one another in what is referred to as a community of practice. Although the term *community of practice* (CoP) was not specifically outlined in the seminal work on LPP, Handley et al. (2007) used the apprenticeship models noted above to define such communities as single, localized, and small. One can infer then that the family is well within the scope of a CoP. When the family is defined as the CoP, children are the newcomers, learning acceptable social norms, including family financial behaviors, while parents mentor their children. Because the child is the newcomer, he or she enters the CoP on the edge, or periphery, and seeks to move toward the center of the community after gaining an understanding of personal finances.

In terms of financial behaviors, LPP suggests that children begin on the periphery, where parents begin to provide both instruction of financial literacy concepts and application of those concepts. Hamilton (2011) outlined that CoPs are “places where we develop, negotiate, and share our understanding of the world” (p. 11). The first part of the process involves communication between the master and newcomer. Through the interactions between members within the CoP (i.e., the family), newcomers (i.e., children) begin to engage in social practice (e.g., financial behaviors; Lave & Wenger, 1991). Practices may include budgeting an allowance, working odd jobs to earn income, establishing a savings account, or discussing how to invest. Supporting these financial practices as a component to learning, Lave (2009) stated, “Situated activities always involve changes in knowledge and action, and ‘changes in knowledge and action’ are central to what we mean by learning” (p. 201).

It should also be noted that people participate in multiple CoPs at any given time. Kids will be a part of varying CoPs, to include sports groups, school groups, and church groups.

Participating in multiple groups can create hurdles to obtaining and increasing one's knowledge. Mork, Aanestad, Hanseth, and Grisot (2008) examined the influence that multiple CoPs have on learning. Their analysis was observed from a medical research and development department, as such departments are consistently involved in cross-disciplinary teams that include marketing, sales, and finance. Monk et al.'s (2008) findings revealed that challenges exist and change is limited if the new knowledge is not compatible with the "existing stock of knowledge" (p. 12). As students become more involved in varying CoPs, the likelihood of obtaining new information or receiving information that is in contrast to their existing information increases. In other words, students will begin to receive different messages regarding personal finances. Some examples of mixed messages may include various or inaccurate reasons to buy products on credit or perhaps inappropriate investment strategies. If these financial behaviors were taught in the family as one CoP, and then explained in an opposing way and justified accordingly by a schoolteacher in another CoP, issues and conflicts are inevitable. One reason that parents might want to minimize outside and oppositional viewpoints could be found in their desire to have a close-knit family. This rationale may be used by parents who homeschool as they attempt to minimize outside CoPs for their homeschooled children and instead rely on the influence of the family as the dominant CoP.

Application of LPP to Research Study

The use of LPP guided the development of this study and to help formulate conclusions to answer the research questions. The first research question, "How do parents communicate financial literacy to their children?" revolves around the communication process of mentor (i.e., parent) to the mentee (i.e., child). The primary method children will use as they move through the CoP practice is communication with their parents regarding topics of personal finance.

The second connection revolves around the question, “How do parents engage their children in learning and practicing positive personal financial behaviors?” which can be viewed in terms of the movement of the child from the periphery of the CoP to the center through slowly engaging in increasingly complicated financial behaviors with their parents. The engagement between parents and children can be in the form of activities focused on objective learning, such as learning from a personal finance curriculum, or subjective methods of learning, like helping a child create a budget or balance his or her bank account. As the child becomes involved in more activities related to personal finances, he or she will move closer to the center of the CoP.

Another component of LPP that influences financial literacy is the effect that outside groups, such as a sports team, can have on a child’s financial behaviors. These outside influences can create confusion for children when different CoPs demonstrate financial behaviors contrary to their parents' behaviors. For example, if children see all their friends wearing the latest, top-of-the-line equipment, they may begin to question why they don’t have the same equipment. The differences in equipment may be due to the parents' financial circumstances and can create confusion as to why others have certain equipment and they do not. This type of situation may lend itself to having a discussion with the children about budgeting practices, discretionary spending, differences in income, or even the differences in overall wealth. Therefore, this study sought to examine the potential influence outside communities may have on children’s financial behaviors.

Finally, one of LPP’s assumptions lies in the notion that the so-called master is an expert in his or her field. In other words, LPP assumes that parents are masters of financial literacy. Although life experiences provide adults with useful insights about money, studies have found that many adults lack an understanding of some core concepts related to personal finance. The

Consumer Federation of America (1993) reported that fewer than 55% of respondents correctly answered questions about auto insurance (53%), life insurance (46%), and checking/savings accounts (54%). In addition, the National Center for Economic Education (1999) reported a 57% pass rate in the economic literacy report. These studies, however, do not negate parents' ability to teach their children about personal finances. Moschis (1985) suggested that parents could influence their children regarding consumer behaviors through purposeful training and modeling appropriate financial behaviors. The current research study provides insight into how homeschooling parents prepare themselves to become masters and train their children to be financially literate. In other words, what factors influence how parents intentionally model the behaviors they seek to reinforce?

Summary

The rising number of families choosing to educate their children at home has become a social phenomenon opening up opportunities for further research and exploration. As discussed, research has shown that homeschooling families are predominantly White, are moderate to high income earners (especially when considering that many have only one wage earner in the family), hold to Christian values and doctrine (although other religions are growing in numbers in the homeschooling movement), and choose homeschooling as a means to take ownership of their children's education. By instructing their kids at home, homeschooling parents seek to provide an academic experience that is more enriched and safer than that which they perceive to be available in the public school setting. In addition, these parents seek to provide their children with moral and character development consistent with their religious convictions. The majority of research has suggested that homeschooled students outperform public school students academically, in relation to national standardized tests; however, some research disagrees (see

Barwegen et al., 2004; Qaqish, 2007). One facet of homeschooling that is not in question, though, is the commitment that parents who decide to home educate demonstrate in spending time to build a solid educational foundation in their children.

While the number of homeschooling families has risen in the United States and worldwide, the United States has experienced an economic recession that has caused turbulence in many households. This recessionary time period, occurring in two main segments (1999–2002 and 2008–present) is characterized by the devastating number of mortgage foreclosures, bankruptcies, and high levels of consumer debt. These circumstances have elevated financial education to a top priority in our country. In 2008, President George W. Bush formulated an advisory council on financial literacy (the President's Advisory Council on Financial Literacy, or PACFL, 2008) to include leaders in both public and private organizations to “improve financial literacy of all Americans” (p. viii). A few of the recommendations of the advisory council were to (a) expand and improve financial education for students in kindergarten through postsecondary schools, (b) identify and promote a standardized set of skills and behaviors that a financial education program should teach an individual, and (c) provide a more robust financial literacy campaign to promote overall financial literacy. Unfortunately, academic published research has demonstrated that little has been accomplished. As has been noted, there is little congruence in how to define and measure financial literacy, which has been the crux in improving financial literacy education. Once generally acceptable standards are in place, the public, private, and academic fields can collaborate efforts to accomplish the first task of the PACFL: improving and expanding financial educational programs in early and secondary schools.

As per the current literature, parents have been found to be one of the contributors, if not the main contributor, to an individual's financial knowledge and behaviors. To date, there have not been any studies on how parents intend to educate their children in constructing a solid financial education foundation and promoting positive financial behavior outcomes in their children. It seems prudent, then, to use the lens of LPP to evaluate how parents are looking to train their children in establishing financial literacy concepts. Furthermore, with the understanding that homeschooling parents want to provide the best possible education for their children, this qualitative study looked to explore homeschooling families' thoughts, attitudes, and practices on teaching personal finance to their children.

Chapter 3 - Methodology

The purpose of this study was to use qualitative methods to explore, using the lens of LPP, how homeschooling parents prepare their children to be financially literate. To be more specific, constant comparison analysis techniques were used to address the overarching question for this study: How do homeschooling parents prepare their children to be financially literate? Four main research questions were developed to address the overarching question. These questions were as follows:

Research Question 1: How do parents communicate financial literacy to their children?

Research Question 2: How do parents engage their children in becoming financially literate learning and in practicing positive personal financial behaviors?

Research Question 3: What other factors or groups, outside of the family, influence homeschooled children's financial behaviors or knowledge?

Research Question 4: What factors influence how parents prepare themselves to be mentors to their children (i.e., newcomers) about personal financial knowledge and behaviors?

Qualitative Research

Qualitative research methods are designed to provide both depth as well as detailed explanations to the researcher (Patton, 2002). Quantitative research, on the other hand, seeks to use large data sets and statistical analysis to create comparisons within the data. The purpose of this study was to describe how homeschooling parents are preparing their children to be financially literate. This study involved discovering the parents' attitudes toward financial literacy, their methods of instruction, and financial behaviors observed in the home—all of which lend themselves to a qualitative design. According to Patton (2002), multiple themes

emerge in qualitative studies. Qualitative studies offer naturalistic inquiry that allows for study of phenomena in their natural environment. The design of qualitative studies offers researchers flexibility of inquiry, including case studies, fieldwork, observations, and interviews. The data are derived from a purposeful sample that provides the researcher detailed information about the subject's experiences and does not necessarily seek general analysis about the phenomena. In addition, the researcher's active role in the data process by direct contact with the people, places, and situations helps the researcher understand the phenomena. In an effort to apply these themes to the current study, the researcher collected data from the primary educator via phone interviews. The goal was to collect data on attitudes and behaviors that occur naturally in the home relating to teaching financial literacy concepts; these data were immediately transcribed for evaluation. These interviews were then explored through a constant comparison analysis (CCA). CCA is the process by which interviews are compared with each new interview. Fram (2013) stated, "Incidents or data are compared to other incidents or data during the process of coding" (p. 3). CCA resembles the process and techniques of Glaser and Strauss (1967) in their grounded theory approach, which allows theory to emerge from the data (Jaccard & Jacoby, 2010). Thus, researchers are consistently analyzing and comparing the data. Strauss and Corbin (1998) explained five guidelines for using a CCA. First, researchers must consistently think comparatively in relation to various observations to minimize biases. Second, researchers need to keep obtaining multiple viewpoints (these can be obtained by using various observational techniques). Third, it is important for researchers to remain objective and consistently check the data against interpretations. Next, it is important to maintain a skeptical attitude so as not to take observations without comparative analysis. Finally, researchers need to continually make

comparisons, ask questions, and continue to build their sample so that comparisons can continually be made.

Because CCA looks to develop themes on the basis of the results, the data collected should be broad enough to describe, understand, and explain the phenomena (Jaccard & Jacoby, 2010). The purposive sample of participants fit these criteria on the basis of the difference that exist between families. Although all families in the sample homeschool, the families differed in the number of kids they have, the ages of their children, how long they have homeschooled, family income, parental education, curriculum choice, educational implementation, and location. “The purpose of theoretical sampling is to strategically increase the diversity of one’s sample with the idea that this diversity will provide new information that will help one better appreciate and define the constructs and propositions that are evolving” (Jaccard & Jacoby, 2010, p. 269). Because the sample is not completely similar or representative, new information and concepts should emerge providing new relationships to be formed and creating new perspectives (Charmaz, 2006).

Role of the Researcher

The background and current situation of the researcher is important to know prior to the evaluation of this study. According to the Centre for Applied Research and Education (1994), taking into consideration the researcher’s relation to the topic is a precondition to dealing with biases. Rajendran (2001) explained how to approach research bias by suggesting, “For some, it involves a deliberate effort at voicing their prejudices and assumptions so that they can be considered openly and challenged” (p. 6). The researcher works as part of a management team for an international brokerage firm located in a Southern state. His primary role is to train and evaluate financial advisors and to provide them with feedback to improve the effectiveness of

their business models in order to continually improve both revenue generation and client satisfaction. The researcher holds both the Certified Financial Planner™ (CFP®) designation through the CFP Board of Standards, the Chartered Financial Consultant® (ChFC®) designation through the American College, and the Chartered Retirement Planning CounselorSM (CRPC®) designation from the College of Financial Planning. In addition, the researcher and his wife are currently homeschooling their school-aged children. Although his spouse is the primary educator for their children, the researcher is regularly involved in the process, specifically providing feedback on proposed and current curriculum choices. By being active in the financial services industry as well as being a homeschooling parent, the researcher has experiences that enhance his knowledge, awareness, and understanding of both financial literacy concepts and the advantages and disadvantages of homeschooling. Every effort has been made to be objective during this study, yet there exists the possibility of researcher bias to enter and shape the data and outcome of this study. Because the opportunity of bias exists, certain quality controls, such as investigator triangulation, rigorous adherence to CAA methods, and acknowledgement of participant summary reviews were employed in an effort to minimize the effects of any preconceived suppositions.

Sample

This study used purposeful sampling, also known as selective sampling, which is a common technique for qualitative research. Purposeful sampling selects participants on the basis of relevance to the study (Morse, 1991; Schatzman & Strauss, 1973). According to Lund Research (2012), purposeful sampling focuses on a particular characteristic of a population. For this study, the fundamental characteristics are families who choose to homeschool their children. This study sought to recruit 12 to 15 families in order to interview the primary educator of

children in three separate age groups: (a) 7- to 10-year-olds, (b) 11- to 14-year-olds, and (c) 15- to 18-year-olds, with four or five interviews for each age group. Ideally, these three groups represent elementary, middle, and high school aged children. By segregating the sample families into categories by children's age, the researcher was able to gather detail-rich information in order to draw conclusions (Patton, 2002) within the different age groups.

Recruitment

Glaser (1978) supported the idea of purposeful sampling by saying that the selective sample is a "calculated decision to sample a specific locale according to a preconceived but reasonable initial set of dimensions (e.g., time, space, identity, or power), which are worked out in advance for a study" (p. 37). In order to abide by Glaser's (1979) criteria for selecting a sampling to include a specific location focused on a particular purpose, participants for this study were recruited from two homeschooling forums: (a) the Well-Trained Mind and (b) the *Old Schoolhouse* magazine. Recruiting announcements were posted on various sub-forums on the Well-Trained Mind's website. This website was established upon the success of the book that carries the same name by Susan Wise Bauer. Her book outlines a practical plan for implementing a classical education in the home. The website hosts forums where members discuss classical education methods and philosophies as well as curriculum options. According to the Well-Trained Mind's website, there are over 55,000 members and over 4.5 million posts.

The *Old Schoolhouse* is a national homeschooling magazine and founder of the Old Schoolhouse Review Crew, referred to as "the Crew." The Crew is a group of homeschooling parents, mostly mothers, who regularly blog about homeschooling and curricular products. Although the Well-Trained Mind forum is free and open to the general homeschooling community, the Crew is a private, member-only forum. Each year the *Old Schoolhouse* magazine

solicits applications for homeschooling bloggers to join the Crew. Each applicant must have an initial set of followers to his or her blog and must meet minimum blog posts in order to be eligible. Those who satisfy the eligibility requirements are then reviewed by the selection committee of the Crew, and roughly 200 bloggers are invited to join. The Crew members receive homeschooling curricula from various vendors free of charge and then review and blog about the product, including what the product is, how they used it, and their overall thoughts about the product. According to the Old Schoolhouse forum, there are over 250 members (both present and past bloggers) and more than 27,000 posts. These two forums were selected for several reasons. First, the forums enabled the gathering of information from a sample of families worldwide, which helped avoid limiting research findings to any specific geographic area. Second, the Old Schoolhouse forum is almost exclusively affiliated with homeschooling. As previously mentioned, the Well-Trained Mind's purpose is to help parents provide a classical education to their children, which can include any parent (homeschool or not). Finally, these forums are fashioned for the purpose of bringing homeschooling parents together and are open to all religious affiliations, worldviews, teaching styles, method of homeschooling, use of specific curricula, and/or family make-up as barriers to participate.

Screening Assessment

A recruitment announcement was placed in the general forums of both the Well-Trained Mind forum and the Old School House Crew forum for about 2 weeks in order to solicit participations. (See Appendix A for the complete announcement.) After the 2-week solicitation period, those willing to participate were compiled and grouped according to the ages of their children. All willing participants of this study were interviewed. Participants in the study signed an informed consent letter that was e-mailed to each participant and was mailed, faxed, or e-

mailed back to the researcher for filing. The informed consent letter provided the participants with an overview of the research project, a bio of the researcher, information on how the research would be conducted, as well as details on how the data would be kept confidential. The confidentiality statement explained the risk associated with participating in the study, and it provided participants notice that all data would be kept on one password-protected computer. In addition, all identifying information was changed to protect the identity of the participants.

Parents who have multiple children in different age groups were assigned to a group according to their oldest child's age. If their oldest was not in school, then they were assigned to the school-age group of their oldest child still in school. Those homeschooling families who accepted the invitation to be interviewed were sent a demographic profile sheet to collect basic information (see Appendix B), such as the primary educator's age, gender, education level, annual income, children's ages, homeschooling style and length of time homeschooling, as well as which financial products or services are used in the home. The demographic information was collected for both parents, although only one parent is typically the primary educator. The purpose of the demographic information was to gain information about the characteristics of the sample and to cross-reference the sample population of homeschooling families to that of the general homeschooling population (on the basis of the literature). After recruitment of homeschooling families, contact was made to establish interview times.

Interviews

The researcher collected data through the use of semi-structured interviews. The interview questions given in Appendix C were asked of all participants; however, further developing questions and other probing questions were asked for clarification or to allow participants to elaborate further on a specific question. Regarding the use of semi-structured

interviews, Babbie (2010) stated, “In particular, the answers evoked by your initial questions should shape your subsequent ones (p. 320).

The interviews were conducted by the primary educator via Skype, a computer-based phone software that allows for recording for later transcription. If a participant did not have Skype available, the interview was conducted via either a traditional landline or a cell phone and a recording device was used to record the call. Each interview was expected to last between 45 and 60 minutes, but the actual length depended upon the depth of information provided by the participant. Each recorded interview was saved in electronic format on the researcher’s password-protected computer for the required length of time set forth by the IRB and then was permanently deleted. After each interview, a transcript of the call was completed and immediately constant comparison analysis techniques were implemented. Interview transcripts and demographic information were matched by corresponding ID codes provided to each participant. Upon the completion of the interview transcription, each participant was asked to verify that the interview was transcribed accurately.

Data Analysis

Wimpenny and Gass (2000) reported that the central focus of qualitative research is to identify common themes through descriptions of individual participants’ experiences. The CCA techniques were used and the software program NVIVO was a tool to store, manipulate, and group the raw data into an organized and manageable categories. NVIVO provided the means to run queries and sort various codes in a variety of ways.

As enough data was collected, the researcher began with initial coding and interpretation (Jaccard & Jacoby, 2010). According to Babbie (2010), “Systematic coding is important for achieving validity and reliability in the data analysis” (p. 308). Appropriate coding allows

researchers to evaluate relationships between concepts as a way to verify the resulting hypothesis (Strauss & Corbin, 1998). LaRossa (2005) outlined three main categories of coding: (a) open coding, (b) axial coding, and (c) selective coding. Coding refers to data being closely examined, broken down into parts, and compared with one another. The first set of coding begins with open coding, in which incidents are compared with incidents, creating concepts followed by additional comparisons of incidents (Age, 2011). The continual comparison of concepts helps establish categories, specifically a core category that holds together all other concepts (Age, 2011). Once open coding begins, the researcher can then arrange together the categories found in the open coding process—resulting in what is referred to as axial coding. Jaccard and Jacoby (2010) suggested that these organizational techniques are based on (a) conceptualizing the categories on the basis of causality, (b) conceptualizing categories as different aspects of a common dimension, or (c) conceptualizing the categories as part of a process. This research used the four sensitizing concepts of communication, engagement, outside influences, and parental perspectives framed around the learning process defined by legitimate peripheral participation. Finally, selective coding involves integrating the central themes developed in open coding and axial coding. This final coding process allows the researcher to “tell a story” of the data (LaRossa, 2005). These stories are in essence a “reframing” of the data retrieved and analyzed by those participants involved (Daly, 1997; LaRossa, 1995). Following the work of Charmaz (2000), data were analyzed on the basis of concepts and categories developed through the researcher’s interactions within the field. This study incorporated all three coding categories in its analysis.

Throughout the continuation of data collection and data coding, Glaser (1978) suggested that researchers begin to formulate theoretical thoughts and ideas, which he labeled “theoretical

memos” (p. 83). Although this research design is not focused on extrapolating theory, these memos are fundamental when observing emerging patterns and themes within the data. Through the use of NVIVO, the researcher was able to quickly formulate, save, and expand on themes as new data were transcribed and coded throughout the data-analysis process. This process helped determine how codes and themes were interrelated.

As these writings expand, researchers can begin to isolate and formalize their writing. Thus, discursive narration is developed on all the conceptual relationships. “They [contextual relationships] are embedded in a thick context of descriptive and conceptual writings” (Strauss & Corbin, 1998, p. 278). Finally, the establishment of coding techniques helps provide credible, transferable, dependable, and confirmable results (Cook & Campbell, 1979; Trochim, 2005).

Quality Controls

Qualitative researchers may be required to “defend the accuracy and credibility of their studies” (Gay, Mills, & Airasian, 2009, p. 375). To enhance the credibility of this study, several quality controls methods were implemented. First, investigator triangulation was used with the guidance of another researcher. Guion, Diehl, and McDonald (2011) outlined investigator triangulation as “an evaluation team consisting of colleagues within a field of study wherein each investor examines the program with the same qualitative methods (interview, observation, case study, or focus groups)” (p. 2). In the current study, this other researcher provided an objective view to both data collection and analysis, because she does not homeschool. The final form of quality control was that participants could provide feedback about the accuracy and validity of their interview with the researcher. Participants were provided a summary copy of their interview and the researcher’s interpretation of it, and they were asked to verify that the researcher understood the participant correctly.

Summary

This chapter has outlined the qualitative research techniques that were used to find emergent patterns and themes in this study of homeschooling parents and their preparation to raise financially literate children. Sample demographics, recruitment, screening assessment, and the interview process have all described. Finally, the data analysis and researcher quality controls were all outlined as well.

Chapter 4 - Results

Chapter 4 presents the results of the research regarding the 20 primary educators of a homeschooling family who were interviewed. This chapter is broken down into five main sections. The first section describes the collective demographics of the homeschooling families who were interviewed. The next four sections explore how parents communicate financial literacy to their children, how parents engage their children in understanding financial literacy concepts, the impact of outside influences on a child's understanding of financial literacy concepts, and, finally, how parents' perspectives influence their own perceptions in teaching their kids about personal finances. Each of these sections contains further analysis by the school category in which their kids were defined (i.e., elementary, middle school, and high school). Excluding the demographic information, all of the four main sections contain findings that were based on the research questions found in Chapter 1. Of the 20 participants, 18 participated in recorded phone interviews that were transcribed whereas two participants were unable to participate in a phone interview but provided written responses to the interview questions. The first interview was conducted as a form of "pilot" interview to assess the flow of the interview and to provide the researcher with feedback as to the questions asked. The pilot interview contributed to the set of questions by inquiring into the participant's satisfaction with his or her current financial status. The pilot study interview was included in the data for this study because there were no significant differences between the pilot interview and subsequent interviews. All names have been changed to protect the identity of participants.

Sample

Participants were recruited from various homeschooling online forums using recruitment announcements of the project. The recruitment announcement was uploaded to the

homeschooling blog of the researcher's family. The link to the family's homeschooling blog was then shared on three main homeschooling forums: the Well-Trained Mind forum, the Old Schoolhouse Review Crew forum, and the local homeschooling community Facebook page. Recruitment was conducted over a period of about 2 weeks, and those interested were asked to e-mail the researcher and acknowledge their willingness to be interviewed. Over the 2-week period, the researcher tailored additional announcements and follow-up in order to create a balanced group of participants between those with elementary, middle, and high school students. A total of 24 people responded with a willingness to participate, but three did not respond to any further contact by the researcher. Two follow-up emails were sent to those three participants that did not respond after our initial contact and were then dropped from inclusion. Unfortunately, the researcher was unable to recover the audio file for one of the participants and thus subsequently dropped the demographic information from the sample as well. The content of the lost audio file, based on interview, did not appear to provide any additional insight to the study as the point of saturation of information had already been reached. The 20 participants selected were sent a demographic profile questionnaire as well as an informed consent form to complete and various times to select for the interview. Demographic profile information was requested to be completed prior to the interview, yet some participants completed the demographic survey after their interview. The interviews were conducted between August and October 2013. No compensation was offered for participating in this study.

Table 4.1 Overall Demographic Profile for All Age Groups

Pseudo Name	State	Age	Household Income	Employment	Years HS	Religion	Education	Total Kids
Gina	AL	45	\$50K - \$59.9	Homemaker	15	Christian	Masters	4
Emily*	AUS	41	\$70K - \$79.9	Homemaker	16	Christian	Some College	3
Jeannie	AZ	40	\$100K - \$149.9	Homemaker	3	Christian	Bachelors	2
Elizabeth	CT	39	\$60K - \$69.9	Homemaker	6	No Religious Affiliation	Some College	2
Trudy	MI	44	\$100K - \$149.9	Self-Employed	11	Christian	Bachelors	3
Amy	MI	37	\$90K - \$99.9	Homemaker	7	Catholic	Bachelors	2
Cynthia	NC	38	\$60K - \$69.9	Homemaker	5	No Religious Affiliation	Masters	4
Jackie ***	NC	55	\$20K - \$29.9	Self-Employed	12	Christian	Bachelors	3
Kelly	NY	38	\$20K - \$29.9	Self-Employed	6	Christian	Masters	4
Karen	OK	56	\$70K - \$79.9	Homemaker	24	Christian	Bachelors	5
Emma	PA	32	\$50K - \$59.9	Homemaker	7	Other	Some College	4
Brittany**	Phil	37	\$10K - \$19.9	Homemaker	4	Christian	Masters	3
Courtney	TX	34	\$70K - \$79.9	Homemaker	1	Christian	Bachelors	4
Haley	TX	41	\$90K - \$99.9	Homemaker	8	Christian	Bachelors	3
Norah	TX	37	\$90K - \$99.9	Homemaker	7	No Religious Affiliation	Bachelors	1
Allison	TX	34	\$100K - \$149.9	Employed	4	Christian	Masters	3
Claire	TX	38	>\$150K	Homemaker	7	Christian	Some College	2
Renee	TX	45	\$70K - \$79.9	Other	8	Christian	Masters	2
Grace	TX	35	\$90K - \$99.9	Homemaker	1	Christian	Associates	4
Diane	TX	32	\$100K - \$149.9	Homemaker	7	Christian	Some College	4

* Emily is located in Australia and provided written responses to the interview questions.

** Brittany is located in the Philippines.

*** Jackie provided written responses to the interview questions.

The demographic profile information was collected on all 20 participants. Table 4.1 provides the sample's overall demographic information. All participants were female and were identified as the primary educator for their homeschool. Participants ranged in age from 32 to 56, with a mean of 39.9 years and a median of 38 years ($SD = 6.54$). Nineteen of the women were married, and one woman was widowed. In regard to ethnicity, all but one were White; the one non-White participant was Asian. When asked about religious affiliation, six respondents selected Protestant Christian, 10 chose Evangelical Christian, three identified as having no religious affiliation, one chose Roman Catholic, and one selected "other" noting, "I have a relationship with Jesus Christ" in the comment section. When asked about their educational obtainment, five participants had "some college," whereas only one participant had an associate degree. Nine participants responded that they have a bachelor's degree, and six participants had obtained master's degrees. As a means to establish the household educational level, the educational obtainment of their spouse was identified as well, with much more disparity. One spouse had "no schooling," and two spouses had "some college." Four respondents coded their spouse as having an associate degree, whereas seven spouses had obtained a bachelor's degree. Six respondent spouses had received a master's degree, and one had received a professional degree.

In reviewing the current employment status of the primary wage earner of the family, 16 were employed and four were self-employed. Participants were also asked about the number of hours worked each week. Two reported working less than 40 hours each week, and 13 worked between 40 and 50 hours. Four primary wage earners worked 50 to 60 hours a week, and one reported working more than 60 hours per week. Although all the primary educators were women, the demographic profile inquired whether or not they worked outside the home. A total of two

participants had some form of employment outside their responsibilities as primary educator to include a part-time online professor and a part-time speech pathologist. Household income was broken down into \$10,000 increments from \$0 to \$100,000 and then by \$50,000 increments up to \$150,000 and more. The income levels for the participants spread across the entire income spectrum. One respondent's household income was between \$10,000 and \$19,999, whereas two respondent's household income was between \$20,000 and \$29,999. Two household incomes were between \$50,000 and \$59,999, two were between \$60,000 and \$69,999, four were between \$70,000 and \$79,999, and one was between \$80,000 and \$89,999. Four participants identified annual income between \$90,000 and \$99,999, and four selected between \$100,000 and \$150,000. Only one family had an income that exceeded \$150,000.

The respondents were asked to provide the total number of years homeschooling, ranging from 1 to 24 years, with the mean being 7.95 years ($SD = 5.48$), the median being 7 years. The respondents were also asked to identify how many children they have, and answers ranged from one to five kids, with the mean being 3.1 kids ($SD = 1.02$), the median being three kids. The participants were also geographically dispersed. One was located in Alabama, one in Arizona, one in Connecticut, two in Michigan, two in North Carolina, one in New York, one in Oklahoma, one in Pennsylvania, and eight in Texas. In addition to those U.S. participants, one participant was from Australia and another was located in the Philippines. The respondents were categorized into three groups—elementary, middle, and high school—on the basis of the age of their oldest child (see Appendix Tables D.1, D.2, and D.3, respectively, for identification of each school-age group). Eight participants were categorized as elementary school age, five were categorized as middle school age, and seven were categorized as high school age.

Qualitative Data Analysis

The following provides the structure of the analysis, the results of the three main theoretical components of learning, and parental perspectives found to be instrumental in evaluating the overarching research question, “How do homeschool parents prepare their kids to be financially literate?” An interview guide was developed using the four main categories derived from the theoretical model. These categories (i.e., communication, engagement, outside influences, and parental perspectives) were used as sensitizing concepts. These sensitizing concepts not only helped frame the interview guide, but also guided the analysis process. Sensitizing concepts help observers orient fieldwork and provide some initial direction to a study (Patton, 2002).

The analysis was completed in two different phases. As each interview was completed, it was reviewed and coded in relation to each of the four sensitizing concepts. After all the interviews were coded and entered into NVIVO 10, a node, referred to as subtheme, correlation matrix was run to extract comments from one of three age groups: (a) elementary, (b) middle school, and (c) high school . The comments in each age category were extracted in relation to the four sensitizing concepts. The results of the node correlation matrix were examined to identify the most relevant themes and subthemes for each school-age category.

The research started with a pilot interview and was used to establish the initial themes, which helped inform questions asked in subsequent interviews. The main interview questions were designed to be open-ended and broad to allow for rich and thick responses. Follow-up questions were asked to obtain additional insight about each of the main questions if interviewees did not provide enough description. The main question(s) for each category are outlined; however, the full interview guide can be found in Appendix B.

Each theme and subtheme for each category was then reviewed for those with the highest number of participants (sources), adding to that theme as well as the total number of references provided for that theme. Those themes with the most common characteristics are described below. The participants' quotes that most adequately reflect each theme are provided as exemplar quotes, which are provided throughout the chapter.

Throughout the analysis, at least two of the participants in each school-age group needed to contribute quotes to a particular theme. That is, if there were not at least two participants contributing to a theme, that theme was not considered substantive and thus was dropped from the analysis. The category of communication revealed two distinct patterns derived from the six themes. The first pattern that emerged regarded communication about personal finance as either deliberate or intentional. This pattern is termed *structured communication*. The second pattern of communication present was unintentional and is referred to as *unstructured communication*. Engagement, which sought to identify financial behaviors, varied amongst each age group and is discussed later. Outside influences were narrowed down to the influence of media and extracurricular activities on financial literacy, while parental perspectives were comprised of parental attitudes, experiences, and education.

Communication

The first sensitizing concept was communication, which seeks to understand how parents communicate to their kids about financial literacy topics. Communication relates back to LPP as part of the learning process that involves the master communicating with the newcomer about relevant topics. This section outlines the findings from the three age groups. The category of communication was initiated by the question, "Tell me about the conversations you have regarding personal finances with your children." Table 4.2 provides all the initial themes found

amongst all participants. A total of six themes for communication were identified: (a) financial discussions, (b) personal finance curriculum, (c) teaching personal finance, (d) work ethics, (e) value of money, and (f) needs versus wants. Both financial discussions and personal finance curriculum had subthemes. Financial discussions revealed 31 subthemes, which can be found in Table 4.2. Personal finance curriculum was broken out into three subthemes: (a) personal finance curriculum, (b) integrated learning, and (c) a self-designed program. When the node correlation matrix was run using NVIVO 10, a pattern was found among all three groups: the theme of financial discussions, which could be divided into two distinct patterns, structured and unstructured communication. As mentioned above, structured communication refers to intentional communication that was initiated by a personal finance curriculum, whereas unstructured communication can be defined as conversations that occur in everyday living.

Table 4.2 Communication Coding References

Name	Sources	References
Communication	20	457
Financial Discussions	20	293
Where financial discussions take place	14	30
Budgeting	11	21
Discussions around Saving	11	19
Savings	3	5
General Conversations	11	15
Debt	7	14
Avoiding Debt	7	10
What Debit is	2	4
Family Finances	5	9
Parental Experiences	3	7
Cost	4	6
Limited Discussions in General	3	5
Investments	1	2
Choices	4	5
Earning Money	2	5
Taxes	2	3
Counting Money	1	2
Being Responsible	2	2
Including the kids	2	2
Retirement	2	2
Cost of Activities	2	2
Investing	2	2
Tithing	1	1
Moving	1	1
Disciplined with Money	1	1
What If Scenarios	1	1
Real Estate	1	1

Financial Terms	1	1
Media Influence	1	1
Hard Work	1	1
Giving	1	1
Living within your means	1	1
Insurance	1	1
Salaries	1	1
Personal Finance Curriculum	16	103
Personal Finance Curriculum	11	31
Curriculums	10	21
Crown Financial Ministries	3	3
AGS	1	2
Video	1	1
Integrated Learning	8	18
Self Design	7	13
Potentially using a curriculum	5	7
Occasional Curriculum	1	1
Content	1	1
Teaching Personal Finance	15	27
Work Ethics	4	15
Value of Money	4	11
Needs Versus Wants	5	8

* These codes represent all items coded during the coding process.

Elementary School

The group with elementary age children revealed two main themes, personal finance curriculum and financial discussion, as well as four sub-themes concerning financial discussions about the following: budgeting, debt, family discussions, and saving.

Personal Finance Curriculum

Although personal finance curriculum use was prevalent in the elementary school age group, it was rather limited in scope. The majority of communication took place as financial

discussions, which is referred to as *unintentional* or *unstructured communication*. For two participants of elementary aged children, the structured communication was taken from, or inspired by, the Dave Ramsey personal finance curriculum for kids as a means to communicate about financial knowledge. When asked, “How do you use a personal finance curriculum to teach personal finances?” Grace, a mom of four who started homeschooling about 1 year ago, responded:

I mean, it was inspired by Dave Ramsey’s curriculum, but it’s, like I do with most curriculum, I sort of took his model and then, you know, tailored it to our own personal desires.

Allison, who has been homeschooling for 4 years and is a part-time professor, expressed how she structures an existing personal finance curriculum in a similar fashion:

We do use a form of Dave Ramsey program. It’s not exactly the same, but it’s derived from it... We use our, like for example, Dave [Ramsey] has save, spend, and give, and we have save, spend, and give, and emergencies.

Financial Discussions

As mentioned above, financial discussions are those conversations that occur in everyday living and was the most common method of teaching elementary aged children financial behaviors. These types of discussions are not necessarily intentional but, rather, seem to be brought on by circumstances. The most common examples were while the parents were out shopping with their children and their children wanted to buy something. Grace described this scenario succinctly, describing a common finding:

If we’re in the store and they’re looking at something they want, we show them the price that is listed and then we discuss with them what that means.

These talks did not take place only in stores, but also at home, typically when looking at something online. The conversations were spurred by various circumstances, and the topics of discussion varied widely. The most common topics that emerged were budgeting, debt, family

discussion about money, and savings. These four categories help to answer the sub-research question, “How do parents communicate financial behaviors to their kids?”

Budgeting

The most common sub-theme related to communicating about budgeting was in relation to parents explaining to their kids that they (the parents) couldn’t afford something. This concept was articulated clearly by Claire, who has been homeschooling her two kids since they were both 3 years old:

But we talk a lot about budgets and we talk about, you know, when they ask for things, “We don’t have the money for that. That’s not in the budget.”... We let them know, for instance, “Can we stop for frozen yogurt?” “No, we can’t because that’s not in our budget and we do that a few times and we’ve done that a few times and so we don’t have the money to do that today.”

Norah, who has homeschooled her 7-year-old daughter for about 5 years, provided an example of when she might respond to her daughter in discussing limitations to their income:

She sees us going through those situations, whether it be going out to dinner and, “Oh this restaurant is too expensive and out of our budget,” or if something as far as her dance tuition or you know, her clothing or whatever. She sees us do those financial compromises.

Another common finding was that parents would help their children understand the concepts of budgeting by giving examples of how budgeting works. Norah explained that her daughter is involved in conversations about how they use their budget to make choices:

Say we’re going to buy a new sofa, and we budget and we say, “This is how much we want to spend.” She sees us say, “Well we like this but it’s too expensive and we can’t afford it. But this one’s in our price range, and we can compromise.”

Grace outlined the context of a budget as she described a discussion she had with her son:

If there’s a particular item he wants to get, a certain Lego set or video game or something like that, then you know, he sits down with me and counts his money and we just, you know, do the math and discuss, you know, how much extra he would need or how much he would have left if he bought it.

Budgeting was the most identified topic of conversation between primary educators and their elementary age children. These primary home educators used budgeting in several different contexts, including how budgets can help you identify when you can't buy something as well as how to use a budget to plan to buy something in the future.

Debt

The next most widely discussed topic was debt and the avoidance of debt. Two of the eight participants in this group provided insight into their discussions about debt with their kids.

Claire, a 38-year-old homeschooling mom of two from Texas, stated,

We talk a lot about not living on credit and not having debt and how you, that makes you a servant to the person that you owe and how that makes you, you don't feel the freedom, you don't have the peace; you feel burdened when you owe people money.

Allison, a part-time professor and homeschooling mom, provided her beliefs as it relates to debt:

We also talk to them about what debt is and what it means and the biblical references associated with debt and how nothing from debt is good. And there are emergency situations sometimes in life where you have to look at that very carefully but we do our best to plan against it. And that credit cards are evil, basically. That was our most recent conversation.

Allison provided additional clarity on the dangers of debt,

We talk about debt and risk as far as if you owe somebody money, you pay them the money back plus you owe them interest for the money you spend and it creates risk in terms of, what happens if you lose your job or things like that and you don't have the money to pay them. We talk about that.

It was interesting that debt and the avoidance of it was the second most identified theme found under the communication category with elementary age children even though these children are still between 7 to 11 years away from the age at which they can independently obtain credit. The number of references to debt and the avoidance of debt would indicate that this topic is important to these primary educators.

Family Discussions

The third sub-theme found under financial discussions consisted of responses by participants about how they communicate with their kids. The interview question “Tell me about the conversations you have regarding personal finances with your children” brought forth a plethora of responses, including how the family interacts regarding various circumstances with money. Brittany, a mother of two who resides in the Philippines, explained it as follows:

We bring discussions of money into everything we do so that they are always aware of it, because we want them to grow up not being afraid of money, not wanting it all the time, but just being aware that it's a fact of life.

Jeannie, a mother of two from Arizona, described that their conversations act as a means to assess her children's understanding:

Now they do overhear our conversations, but we deliberately include them. We're trying to get them familiar with some of the lingo, just kind of see what they understand because they're still young. But just, it's something, it's just interesting to see what kids would say because these ideas are so abstract, but they surprisingly understand more than we realize.

These primary educators want to bring their kids into financial conversations—particularly as it relates to the family finances—early in life so that their kids can become comfortable with an overall understanding of money.

Savings

For these home educators, there was an overall general consensus that they talk to their kids about savings. These discussions involve demonstrating and encouraging saving money and explaining to their kids the impact of putting money away and not spending it, even though kids may act in contrast to their parents' recommendations. Claire talked to her kids about how savings allow them to spend their money in the future for something bigger than spending their money immediately on small items:

So we talked to them about saving and how much more they could get if they would practice saving and so they got to make mistakes and we would tell them, “See if you hadn’t bought all these little things you would be able to afford this.”

Diane, who has homeschooled for about 7 years, provided an example of how her children would be reluctant to save:

Even though I’ve said, “Hey, you know, if you save these you’ll have them for the next time and you can buy this bigger thing.” They are like, “No, I’m going to buy this cheaper thing every time.”

Talking to kids about saving money appeared to be a rather complicated process at this age for children. These primary educators discussed the difficulties in explaining the concept of delayed gratification, which is fundamental in putting aside money for future use.

Middle School

Just as with the elementary aged children, parents of middle schoolers incorporated both themes of personal finance curriculum and financial discussions in their communication as well as the theme of work ethic. Two sub-themes, saving and budgeting, were identified as common. Three of the five participants with middle school aged children mentioned using some form of curriculum to teach personal finance topics. Amy, a homeschooling mom of two from Michigan, discussed using multiple different resources:

I have a Junior Achievement book, and I have one called *Whatever Happened to Penny Candy*. I did think of one other thing that we did use; it's called Business Math. It's when you run a pretend shop as a math curriculum for a semester.

Emma, who homeschools her three boys while her 1-year-old daughter listens in, uses another curriculum that is actually a group of books and resources that covers a variety of topics:

We have gotten through an online homeschool, like co-op where they get group buys for curriculum, it's Dave Ramsey's, they have *Financial Peace Jr.* and then *Financial Peace for High Schoolers*. They have the books that teach about, that are more geared toward kids, probably between the ages of 6 and 10. And they deal with how earning an allowance, I think they call it a commission, by doing your chores and you know, when you, when someone, when you borrow money from someone you're in debt to that

person and how does that make you feel when you're working your job not for only what you have current but you know, the debt you have incurred, you know and we've kind of used those to, just to kind of give guidelines to kind of show, "Look this is how, you know, you need to work hard, you need to save your money, you need to give to your church or a charity, and then you can also have some spending money to spend on what you want to spend your money one." But we've read those books, gosh, probably 100 times. There's like six or seven books I think. And we've read those at least each 20 times because the kids love them.

These primary educators of middle schoolers mostly use books that deal with money concepts as their curriculum, rather than a specific personal finance curriculum. In terms of unstructured communication, three main subthemes emerged: (a) focusing on hard work, or a strong work ethic; (b) saving; and (c) budgeting.

Work Ethic

Two of the five participants in this age group focused on the value of hard work and establishing a good work ethic as an important concept to discuss with their kids. Emma provided a great deal of detail on the topic of the value of hard work:

I want to teach him that hard work will earn great rewards. ... You have to work for what you earn to be able to do, to get the things that you want or need. We try to explain to him, "Look you have to earn what you're going to get, maybe what you earn we can match it, otherwise we want you to work as hard as you can for it at home." ... Many children think that things should be handed to them. I do not want my children to have that belief. They need to understand that we work hard for what we have and they will need to do the same.

Renee, who has homeschooled her two kids for the past 8 years, echoed these sentiments:

And that's something I taught them—You can always get what you want as long as you work hard. ... We want them to work hard and get what they want and not expect things just to be given to them.

Although a strong work ethic may not be identified as a component of personal finance, these parents emphasized the importance of explaining that working hard has a direct relation to long-term financial rewards.

Saving

Conversations with middle schoolers about saving money focused on two main ideas. These kids overhear their parents' conversations about why they are saving, but the parents also sought to help their children focus on putting money aside for something of greater value or they reminded their children of something they had previously mentioned wanting. Emma detailed how she communicates with her children by directing their attention back to saving money:

We had to rein, pull the reins when we was going over to my mother-in-law's because he would literally go to Wal-Mart or Target or wherever and just go, "I want to spend my money now." And I was like, "No, you said you wanted this so let's save for this." He'd say, "Okay, I'll save for it."

Emma also added,

If you save your money you will probably be able to get it by the end of summer or by Christmas, you know, by the time, you know, you get your commissions for earning, for doing your chores.

Elizabeth, 39-year-old from Connecticut who homeschools her son and daughter, talked about how difficult it is to teach her daughter to save.

As for the spender it's hard with her because, you say, you know, "Well, Samantha, you've got \$10; if you go buy ice cream every day this week then you won't have any money left over to buy that, you know, whatever else it is that she wants." And she just doesn't think very well in advance. No matter how much we talk to her about it, she wants it now. So it's a constant, we constantly have to have discussions about this stuff.

Like the homeschooling parents of elementary aged children, these homeschooling parents of middle schoolers had difficulty in conveying the concept of putting money aside for later use.

Budgeting

When parents of middle schoolers discussed budgeting, similar themes developed to that of parents with elementary school aged children. The topic of budgeting was used when parents were informing their kids that they could not afford a certain request or at least could not afford

it at the time of the request. In the interview with Emma, she gave an example of when her kids were asking if they could go to camp:

They often ask, “Can we do camp?” And my husband and I will say, “We’ll see if it's in our budget. If it's not then you won't be able to go, but we’ll try our best so we can make it so you guys can go.

The second topic of budgeting came up when parents helped their kids understand that in order to buy something, a plan needs to be established. Even though this concept may be more closely tied to saving money, Elizabeth provided an example of how she discussed with her son that he needed to establish a plan in order to buy something he wanted:

He’ll want something like he wants something for Civilization 5 and that’s a computer game and that’s what he was saving for. But to get it it's like \$50 for the expanded version or whatever. Well it’s \$5 a week, he’s going to save for 10weeks ... but we discuss it ahead of time so we set a goal.

Children in this middle school age group range in age from 11 to 14. The discussions around budgeting seemed to resemble the general conversations of those participants in the elementary age group, with no additional development to how budgets are put together or when and how often to update them.

High School

Interviews with homeschooling parents of high schoolers revealed two main themes related to how they teach their children about personal finance: use of a personal finance curriculum and use of financial discussions. Three sub-themes emerged within the theme of financial discussions: family discussions about money, conversations about debt, and dialogue about family finances.

The use of personal finance curriculum for those high school aged kids was far more prevalent than with the other two age groups. Results showed that these homeschooling parents provided their high schoolers with various curricula that either specifically focus on personal

finance or have such information integrated into other lessons. Trudy elaborated on the various curricula she used with her high school kids:

I had Larry Burkett's book at one time. I think we went through that. And then I also owned Dave Ramsey curriculum that is specifically for high school students. I think it's in DVD format, and I think I would rather have the adult version for them at this point. We were trying to use it and we thought, "Nah, this isn't as good as it could be." So those are the two major curricula that I've used recently.

Jackie used another curriculum with her daughter in specifically trying to focus on planning and budgeting:

We used an AGS [AGS Secondary] book on budgeting. It is more practical and focused on life skills. The assignments are fairly easy, as you are given a "pretend" person to work with and exact income and expenses are given in the book.

In addition to the curricula used in the home, Cynthia explained that her daughters actually dual enroll in their local community college and take both an economics class and a personal finance course:

Well, my 16-year-old said she has taken an economic class through the community college and she is taking a personal finance course through the community college this coming semester so I haven't done a specific curriculum, but she is taking those specific classes as a dual enrolled student. I imagine the other kids will do the same because I've told them, "You need to take these classes." Basically, I encourage all of my children to at least get a business minor in college so they can have a basic understanding of accounting and finance and business and the economy.

The unstructured form of communication with high school aged kids had three categories emerge: having general conversations about money topics, discussing debt, and using the family finances as examples.

There is a paradigm shift as kids reach high school. That is, parents (i.e., primary educators) begin to see personal finance as a subject, not just a life skill.

Family Discussions About Money

By the time kids reach high school, parents are more likely to talk to them about family finances. Karen told of her family's financial struggles and how their situation provided ample opportunities to discuss finances with their kids:

Yes, all of this, we're a pretty open family, so you know, we're talking about all this stuff and praying together with the kids. A lot of us praying together, budgeting, like, "Here's how much money, how are we going to make this last until the end of the week or the end of the day or whatever it happens to be?" So they've been involved in those, you know, pretty early on.

Money is a consistent topic of family conversation in Cynthia's home as well:

We talk about money all the time. Money, the economy, it's you know, it's not a topic of daily conversation but probably several times a week—and more so with the teenagers than with the little guy. But even he gets in on that.

So we talk a lot. We talk about, you know, the dangers of credit card debt and about saving and the stock market and salaries and 401Ks and insurance and how much things cost—how much a vehicle costs, how much a house would cost, they are all very interested in that.

Parents appear to be much more open with their high school aged children about money and money topics, including more specifics about the family finances.

Debt

More than half of the parents of high school aged kids discussed debt as a topic of conversation. These conversations were rather subjective in nature in that parents would outline or express to their kids the dangers of debt. Those interviewed did not mention talking about the components of debt, including principal, interest rates, revolving versus fixed credit, and/or credit reports. Gina mentioned that now that her kids have gotten older she talks about debt:

But now as my children have grown into adulthood, we have certainly talked a lot about not creating a lot of debt and the importance of not using credit cards.

Trudy talked briefly with her kids about how debt works:

Basic principles like if you have a credit card you have to pay it off every month or you're going to get into debt

So, a lot of talking here and there about how we feel about avoiding debt.

This group of high schoolers is getting close to being able to obtain their own independent sources of credit. Credit was not a source of common conversation with middle schoolers; parents seem to refocus the conversation back to the dangers of debt.

Family Finances

Parents of high school aged children were more willing to involve their kids in the family finances. Instances that created such conversations were when parents were paying bills or going through their budget. Gina gave an example of this:

As I am doing things I will sit her down with me and say, "This is how many bills I have to pay and how much money we have to pay them with. And now I'm going to make a decision about which ones to pay."

Karen outlined how she and her husband would involve their kids in their finances specifically:

Well, we've had lots of them [conversations] because we've actually had financial crises over here where my husband was unemployed for a year and half at one point and another time for 8 months, and so we've had lots of opportunities to actually be very open with our kids and talk about those kind of things. So, you know, when they're little, you know, we just skim the surface on stuff, taught them basic things on how to handle their finances. You know, what they got to see firsthand was how to live without an income and how to trust the Lord and that was really the biggest thing that my kids have seen.

Parents of high school aged participants had more family conversations about money but also began to discuss intricate details about their own finances with their kids.

Engagement

As learning continues, as developed through LPP, once the master (i.e., the parent) communicates to his or her child, the next phase is to begin to engage the child in activities that promote further understanding. Therefore, the second sensitizing concept is engagement, which

refers to activities that can be classified as financial behaviors. This section reports results related to the second research question, “How do parents engage their children in becoming financially literate, learning and practicing positive personal financial behaviors?” The proposed sub-research question RQ 2.1 from Chapter 1, “How is curriculum implemented to teach personal financial knowledge and behaviors?” has been addressed under the Communication section of this chapter. This section focuses on the sub-research question RQ 2.2, “What other methods are used (outside of personal finance curriculum) to teach personal financial knowledge and behaviors?” Financial engagement was found by asking participants two questions:

1. Describe the experiences and opportunities your children have to manage money, for example, banking, jobs, allowances, monetary gifts, etc.
2. Describe how your children “plan” their finances currently.

This category of financial engagement produced nine themes: (a) planning their money, (b) use of allowances, (c) earned money, (d) financial products and services, (e) financial restraint, (f) sibling interactions, (g) fundraising, (h) college scholarships, and (i) use of credit. The first three themes also had subthemes within them. Subthemes for money planning, use of allowances, and earned money can be found in Tables 4.3. Each theme was then analyzed as a school-age group, and the relevant themes are presented.

Table 4.3 Engagement Coding References

Name	Sources	References
Engagement		
Planning their Money	19	170
Save it	18	42
Kids make their own decisions	12	18
Receiving Money	7	7
Giving	10	15

Spend it	9	14
Using a check register	3	4
Spend and Save	2	3
Buying necessities	2	2
Added to their account	1	1
Funding 529	1	1
Paying off debts	1	1
Keeping a budget	1	1
Purchase a home	1	1
Window Shopping	1	1
Making Withdrawals	1	1
Funding their brokerage account	1	1
Investing	1	1
Allowance	20	84
Chores	13	34
Family Responsibilities	6	8
Money for Good Behavior	3	3
Earning Money	18	52
Outside Jobs	13	36
Business Ventures	5	11
Financial Products and Services	18	47
Financial Restraint	3	5
Sibling Interaction with Money	4	5
Kids Raising Money	3	4
College scholarships	1	2
Using Credit	1	1

* These codes represent all items coded during the coding process.

Elementary School

It is important to note that financial behaviors could be categorized as financial management practices, such as budgeting, using credit, saving, and managing one's assets

(Hogarth, Beverly, & Hilgert, 2003). Two themes emerged with the elementary age group, planning their money and getting an allowance, and two sub-themes were important, saving and giving. Four main themes emerged in the elementary school aged group related to these financial behaviors: (a) budgeting and planning, (b) receiving money, (c) saving behaviors, and (d) giving money.

Planning Their Money

The elementary school aged group consisted of parents with kids ages 7 to 10 years old. In terms of how these children budget and plan for their own money, the results showed that three main methods were used: (a) using an envelope system, (b) using jars or piggy banks, and (c) using a check register. All three methods were ways that parents could keep track of the child's money while keeping the money in the home as opposed to putting the money in a bank account. Grace described how she sets up a budget/plan system with her children:

Money is given to me and again it's kind of held in an account for him, which is an envelope with his name, marked on it. We put it [money] into an account for them so that they can continue to save up for something they want. We look for it on the Internet or we go to the store and look at it and price it and then we develop a plan with them for how many chores they would need to save that much and about how long we think it would take them to get that item.

Allison also articulated how her children plan out their money when it is received:

He gets to break that money up how he wants to as long as that goes according to his envelopes. God receives the first 10% because that comes off the top. Then we break up the "save" and the "emergency" a little differently. If he puts everything in a category that he needs to, he gets to spend 70 cents of that extra dollar, he gets to spend it on whatever he wants within reason, obviously mommy and daddy get the final say.

Several other parents identified that their kids would put money into a piggy bank or jars as their method of saving or planning for future purchases. Claire mentioned that they do not visit banks regularly but rather put money in jars until they are full and then take them to the bank to deposit. The final method described was that of using a tracking system (i.e., check

register) to watch the inflow and outflows of money. Norah uses a check register to track her child's money:

And then she, the rest of it, we write down in the check register. We write down, “bird toy at PetCo, this much money,” subtract it from her thing and she puts in when she gets money deposit for her allowance and the date and then adds it back in.

The beginnings of money management are developed through the use of allocating money into different categories.

Getting an Allowance

The most noted method by which kids receive money was from an allowance. Many participants, however, made it clear that their children were not paid to do chores around the house; such chores were considered to be “part of being in the family.” In other words, allowances were given for chores over and above the expected chores each child was instructed to complete. Gina stated,

Allowances are only given for anything extra they do. They are not, they’ve never been paid for chores that are expected to be done every day. But if there’s extra work to do, let me think, like after a storm or something, going out and helping me get all the limbs picked up, or helping me clean out the closet or something that’s not really in the scope of everyday chores.

Housework chores were not the only things for which parents would provide monetary incentives; they also provided financial incentives for things like doing school work or taking on family responsibilities. Grace gave examples of other scenarios for which her kids would receive money:

Sometimes it's educational motivated like reading a book or even just kindness or values are rewarded, pseudo babysitting, not really babysitting but, “Go play with your sister for an hour nicely and play something she wants to play and you’ll get a mark.”

In addition to any allowance, several elementary aged kids set up a “business venture” like a lemonade stand in order to try to make money. Norah described how her 8-year-old

daughter would paint a picture, make prints of her paintings, and then sell them at their local farmers market. Other examples include selling toys at a garage sale and helping their parents do projects at their rental house. It is important to note that from an early age children receive money in various ways, including jobs, allowances, and birthdays, to name just a few.

Saving Money

These parents seek to instill the habit of savings with their kids. Several situations were mentioned when kids were putting money into their savings accounts. Norah explained that when her daughter receives her allowance of \$5 then \$1 would go into her piggy bank. In talking about how her kids handle money when they receive it as a gift, Jeannie said,

They are very excited of course, but they always save it. So they always save their money because they want to help us pay to move to the east coast. So they've just, been saving for the last few years. So they just say, "We're saving for PA or VA." So they just say that.

In conjunction with these types of savings, many of these kids have savings accounts set up for them. Jeannie was proactive in having her kids set up an account at a local bank, and she used it as a teaching opportunity:

We would usually go in the mornings about once every other month when at the bank pretty much nobody else was there because the bank teller would come out and we would put the money in the money machine, she would show the receipt and you know, things of that nature, and take them through the whole process so we wouldn't hold people up in line. There was usually no one else at the bank during that time.

Norah and Allison took the idea of saving even further by having a 529 college saving plan set up for their kids. Allison explained that when her son receives money for his birthday, he will send part of that money to his 529 college savings plan provider to deposit.

Giving Money

An interesting finding was that the concept of giving money was mentioned by all eight women as a topic they discussed with their children. With seven out of the eight indicating their

religious affiliation to be Christian, it was not surprising that giving to the church was the most commonly mentioned act of giving. In addition, there was substantive support around helping others as well. Jeannie described how her kids are very generous as they help to support another family:

Ok, my daughter as I was kind of alluding to, she is very generous. We actually have a family that is homeless and on occasion—another homeschooling family that is occasionally homeless—and she's whatever money she's gotten, like she's gotten some birthday money from a grandparent, she had no hesitation at all in just giving it to the family.

Grace mentioned how her son gave money to international missions:

And my son is also a giver. He also likes to save, he also likes to have money in his account, like when they were giving money to China and discussed what he had and prayed with him and how much he would like to give to the Chinese people, and he decided on a set amount and we agreed that that was a good amount to give.

This concept of giving by elementary age kids is rather complex. As described in the Communication section on elementary age children, it seemed rather difficult to talk to kids about delayed gratification; kids always want to spend money to buy something for themselves. However, the act of giving was a significant part of this age group's engagement.

Middle School

When the parents of middle school aged children discussed how they engaged their kids in financial behaviors, three themes emerged: (a) getting an allowance, (b) saving money, and (c) learning about financial products and services

Getting an Allowance

Similar to the results found with elementary aged children, middle school aged children received money mainly via an allowance. Most of the primary educators of middle school kids used an allowance as payment for chores, although one parent gave her kids money each week without specific stipulations. Even though an allowance was most prevalent, some middle school

aged children would earn money through odd jobs or by setting up a “business,” such as selling items for various events. Emma gave an example of how her second son would help his grandmother:

My youngest, my second son, they’ll go out with my husband and help over at Nana’s house and she will actually, she’s actually been the one who’s been giving them a little extra over the summer.

Renee mentioned how her kids earn money by helping a neighbor:

Then we have a neighbor now who goes out of town and they watch their animals for them and they get paid \$20 a day for a lot of animals and a lot of work. And they split that money and so they have a job and they split the money so they decide where that money will go.

Allowances were much more available in this age group than in the elementary age group, and the middle schoolers were still active in odd jobs that they could do to earn additional money.

Saving Money

As these parents discussed the multiple ways that their kids received money, the next sub-theme to emerge was that the parents then had the children save that money. Emma provided details about how her son has a piggy bank system that will allow him to save:

There’s also a, we got a set of piggy banks, a save, spend, and give piggy bank so that way they can take their money that we give them for doing their chores and they can divide it up into each thing and make sure that they have a "give" section and what they want to take to save to spend and then what they’re actually going to save to work for, whether it's an iPod or you know, something big that they want, like a Nintendo DS is right on the list right now.

Parents provided several examples of various items that their kids might be saving for that motivates the kids to save. One participant, Haley, offered positive encouragement to her middle schoolers to motivate savings behavior:

I haven’t mandated how much they put in the jar. I’ve talked with them, you know, giving a little, saving a little, and paying yourself some so that you have some, about 10% going in their long-term jar. We just, when they do save and we kind of make a big deal about it. “Wow, look how much you have been saving. Isn’t this neat?” So, they’re not

really planning about their long-term savings right now. They will plan how many weeks it would take them to save \$100 if both of them worked together so they can buy a particular Lego toy that's normally out of their reach. And they've done that before—3 years ago. They made a contract with each other to save 100% of their allowance until they ... and figured out how many weeks it would take to do it.

In terms of saving money, these primary educators helped their kids establish a system of saving and used positive praise and encouragement when kids independently put money in their savings.

Financial Products and Services

With the middle school aged group—consisting of kids between the ages of 11 and 13 years old—there were consistent responses indicating that the kids either already had a savings account at a financial institution or were seriously considering opening an account. Haley even brought modern technology and online banking into their process:

They physically hand the money over to Charles or I and sit with us at the computer and watch us move it from the local bank into their account and watch their account balance change on their saving account.

Even though these accounts have been established, several parents have either minimized or eliminated their child's access to it so that the child cannot withdraw funds. One parent specifically mentioned an account designated for an inheritance while another parent specifically stated that birthday money and other received money will go into their savings accounts and cannot be accessed. Although these parents had established accounts, there was little in terms of access by the child for these accounts.

High School

The high school aged kids for this study ranged from 13 years to 18 years in age; thus, many of the children in this age group are eligible for employment. Therefore, the most recognizable pattern for this age group was that of the theme earning money. In addition to

earning income, two other themes emerged: (a) planning their money and (b) using financial products and services.

Earning Money

When analyzing how these homeschooled students receive money, two patterns emerged. The first was that the students were eager to get a job as soon as they could. In a few instances, some students were working outside the home as early as age 13. Jobs ranged from working for local theaters helping set stages to working at mainstream retailers like Target. Trudy spoke about her daughter setting up a babysitting business at an early age:

So, for example, our daughter, she basically started a babysitting business when she was about 14 and just kept going with that. That enabled her to buy a car and pretty much pay for all her little extras through that job. I guess, money management kind of took care of itself when they knew that we were not just going to give them money. They needed to find their own extra money.

Gina mentioned, when asked about her kids having jobs,

Yes, my, all the teenagers got jobs as soon as they could.

The second pattern that emerged was that many of these high school aged kids experienced lots of different types of work. Jackie described her sons' experiences working different types of jobs:

At age 16, the boys got jobs and worried me because they tended to quit quickly, but I guess they were finding out what they liked to do.

Oldest didn't like the food industry (making sandwiches or pizza busboy) because it was too hot (really, he likes it very cold). He liked jobs at the local skating rink (in winter) and at Best Buy (although they made cashiers "sell" magazines).

Youngest didn't like Target because there wasn't a moment of down time and the customers could be so cranky. He is currently 17 and has gotten the rest of his jobs (besides Target) from friend referrals. He works at a mall clothing shop (Aeropostale); during the school year he sets up and runs electronic signage at sports events (<http://www.schoolspacemedia.com/>). During the summer, he's been filling in for one of his dad's cousins, who cleans air ducts at night in hospitals and such. He also has been

mowing neighbor lawns, and only asks \$10 per, so I wonder if I'm paying him since it's my mower, but oh well, I like that he reached out when he needed more cash.

Another example was provided by Cynthia, mother of four, who described some of the various jobs her daughter has done:

My 16-year-old works at a restaurant, she buses tables, hostesses, runs foods. She's also done some babysitting. And cat sitting. She's also earned a little bit of money helping, like, tear down sets after plays, helping with sets. She's earned a little bit of money that way.

These primary educators discussed the fact that their children sought employment early and began to work in several different jobs.

Planning Their Money

Once these students have a source of income, parents begin to allow them flexibility on how they allocate their money. This freedom consists of how and what they spend money on as well as how they begin to set tangible goals. Emily, an Australian homeschooling mother of three, gave an example of what her kids were responsible for once they started working:

Once they started working part time they became responsible for their own private toiletry purchases (deodorants, special shampoo, etc.) and birthday gifts for friends.

Although she and her husband cover the necessities, Cynthia discussed her thoughts about what her kids use money for:

But then again we pay for their basic necessities, like if they need new sneakers and toothpaste and shampoo. But anything above and beyond like little treats and games and apps for their iPods, whatever, they buy it with their own money or wait for Christmas or their birthday.

Even though there were items that these high school aged kids were to buy on their own, the parents were alongside them in guiding the way they allocated their money. In one example, Karen talked about how she helped her son allocate his money once he got his first job:

And my son right now, the youngest one, he just got his first job this summer and we're working with him right now with that. His first paycheck he goes, "What do I do?" And

we just automatically tell him, this is what you do with it. You put 10% in savings, 10% is your tithe and the rest of it you can put to whatever you want to save for. And he's actually been the hardest one because his money was just burning a hole in his pocket.

Cynthia outlined that she didn't tell her kids how much to put in various different categories but rather where to put each of their different types of savings:

So they sort of will put, the long-term money goes into the brokerage account and the middle, like what they're saving maybe for a computer or something they'll put into their savings, and they try to keep, you know, some money in that little checking account for little incidental expenses that they might want or need.

The interviews revealed that as high school aged kids begin to gain employment, their parents begin to back away from providing them with financial support for their wants and begin to allow them to spend more liberally.

Financial Products and Services

Given that many of these school-aged kids have jobs, almost all of the participants in this age group mentioned their kids having bank accounts. To be more specific, these teenagers have opened checking accounts and use a debit card. One mom has even opened up a brokerage account for her teenagers and mentioned that they can have a say in the various companies they invest in. Another mom mentioned that her tech-savvy son uses his smart phone to take a picture of his check to make a mobile deposit and also uses other features of online banking. Cynthia gave a great example of how her kids use their local financial institution:

Ok, all three of them have a savings account. My three teens also have a teen checking account with a debit card. And they can access those, like, online and they go to the ATM and they deposit money with their deposit checks, withdraw money as needed, they can use debit cards at the store. So they have, those are pretty much completely under their control.

As compared with younger kids, these high school aged kids are much more engaged with financial institutions and use many of the auxiliary products offered with bank accounts, such as ATMs, mobile banking, and online banking.

Outside Influences

When evaluating the theoretical model of LPP, it is important to note the relationship between the master and the newcomer (in this research project, parents are classified as the masters and their children as newcomers to the CoP) regarding financial literacy. It is important though to see what other outside influences either support or are counter to what is being taught about personal finances. Thus, the third sensitizing concept is outside influences. The research question was, “How have outside influences (e.g., media, extracurricular activities, friends, etc.) affected your child’s understanding of personal finances? Answers to this question produced five themes: (a) media, (b) extracurricular activities, (c) faith, (d) peer pressure, and (e) family influences. The media theme produced 10 different subthemes, which can be found in Table 4.4. All three school age categories were narrowed to the themes of media and extracurricular activities.

Table 4.4 Outside Influence Coding References

Name	Sources	References
Outside Influences		
Media	19	86
Limited Use of TV	10	14
Avoiding Commercials	5	7
No TV	6	7
Purpose of commercials	4	5
Influence	4	4
Examples in Media	2	3
Financial News Media	1	1
Interactive Media	1	1
Talk Radio	1	1
Creating Discussions	1	1
Extra Curricular Activities	13	26
Faith	3	9
Peer Pressure	3	4
Family Influence	1	2

* These codes represent all items coded during the coding process.

Elementary School

Media

The two most relevant themes for the elementary age group were media and extracurricular activities. The idea that these homeschooling parents either limited their children's TV consumption or eliminated it altogether could not go unnoticed. The focus of media and its influence revolved specifically around commercials as opposed to the content of shows on TV or ways money is portrayed on TV. Several homeschooling parents mentioned not having TV or cable in the home so the influence of commercials was not a factor. TV

commercials did create opportunities to talk about their purpose and influence. Allison described her reactions:

Well, the best way to describe that for me is that we have had to kind of go back and contradict a lot of what we have seen in the world as far as the way money is. It's all instant gratification, pay for it later, you know, if I want it now I can have it, and that's the media.

Norah put it another way:

We've talked a lot about media and media influence on consumerism, and since we have Netflix and we don't have commercials, it's not a constant bombardment, so when she sees them it's something that's odd and different. And it affects her attention in a negative way really because she looks at me and she's like, "Why do these people want me to buy this so badly? Why do I need this? Why do they think I need this?" You know, so it's kind of actually a reverse commercialism.

Extracurricular Activities

The second theme found under outside influence was that of extracurricular activities, which influenced children's understanding of money. Several parents discussed the influence of church; at church, kids hear pastors talk about giving and see offerings being collected. Jeannie provided an example of a church group her daughter was affiliated with and her involvement in collecting money:

And we have something called Masters Club, which is something like AWANA. And they were having a money drive and she brought her bank in and the money she saved she donated to the church.

Although church activities were most common, it was not the only activity described in influencing a child's understanding about money. Grace elaborated on the impact Boy Scouts has had:

When Isaac was in the Boy Scouts there were certain requirements about rank, things that he had to go through that involved personal finances where he had to chart, keep track of his money, what he spends, that kind of thing. My son has done fundraising for his Boy Scout Pack [and] that has definitely had a huge impact on him.

Thus, many participants in the middle school group cited the influence of church and other extracurricular activities on their kids' understanding of money. Given that many of these primary educators either did not have a TV or limited its use in the home, media did not play a major role in influencing these children's notions about money.

Middle School

Media

As with the elementary age group, two themes of outside influences emerged with the middle school group as well: media and extracurricular activities. The middle school group had similar patterns as the elementary group in that parents limited the use of TV in order to minimize exposure to commercials. Many of these homeschooling parents felt that TV commercials created a sense of “need” in their children, which was not a desirable state to be in.

Renee illustrated this in her monologue:

When I told you that my kids don't want a lot of stuff I believe that that's very, not coordinated, but when they were very young they did not watch a lot of TV—and they don't watch a lot right now—but in those early years when all the commercials are geared towards, "You need this ... you need this ... you need this ... you need this," they were never watching them. And so literally when Christmas would come around I'm trying to figure out what in the world that they want because they weren't wanting a lot. They didn't even know necessarily what was out there. And it wasn't because they were isolated. They had plenty of friends. We would always come up with it. They're not neglected. They have plenty of things. But they did not start with that mindset very early because they weren't exposed. I think that's huge. They were not exposed to the, "You have to have it all and you have to have the latest and greatest" message that everybody else has and that's just what you do because they were not watching the commercials on TV.

Even though many participants limited TV use, Amy used commercials as a means to create dialog with her kids:

That they'll see a toy commercial, and I'll ask, “Do you think it really does that?” They understand that advertising is made to get the money from them.

Extracurricular Activities

The impact of extracurricular activities for middle schoolers was not as similar to elementary kids as was the limited use of TV commercials. For this age group, instead of the activities being a platform to involve finances (e.g., church and Boy Scouts), the focus switched to the cost of activities and the subsequent effects. The participants noted that as their kids wanted to participate in activities or were already participating, they were aware of the cost of their activities. Amy, homeschooling mother of two, described it succinctly:

They know that if they commit for signing up for something they have to finish out the season because that was a cost to sign up. They realize that you have to pay for that.

Renee was a bit more elaborate in how her two kids understand the financial ramifications of extracurricular activities:

They understand for the Christian Youth Theater it was not planned for them to be in a production last year at all and when they got into it and it was not in the budget but they had been gifted something from someone and they understood, and in order to do it they paid for it. They know that I work volunteering my time extra more than other parents have to for the Christian Youth Theater now so that their classes can be free because I'm doing the work in order to pay for them. So they understand the financial obligations that go along with those extracurriculars and what it takes to do them. Last year ... oh ... every year for the football it's very, very expensive and they would offer a fundraiser and my son worked diligently and would sell more than he even had to so that we would have to pay even less than what was required. So he earned, he sold enough so that we didn't have to pay anything for him.

Thus, there appears to be some similarity between the elementary age group and middle school age group when it comes to possessing and using a TV. However, a difference exists between these two groups in terms of the influence of extracurricular activities. That is, parents in the middle school group began to discuss the cost of extracurricular activities with their kids.

High School

The high school age group was similar to both the elementary age group and middle school age group in that both media and extracurricular activities emerged as the primary themes related to outside influences.

Media

Reactions to the influence media has on their kids' understanding of money was mixed among the participants in the high school aged group. Emily, a homeschooling parent from Australia, specifically mentioned that one of her kids was heavily influenced by advertising, whereas Trudy said she couldn't remember a time when TV commercials or TV shows sparked any interest because her kids do not watch a lot of TV. Karen mirrored this sentiment:

We never had one [TV]. My firstborn still doesn't have one, has never had a TV and he is 26. He doesn't want one. We actually have one now. He doesn't want one. So they really aren't influenced by that at all. They haven't had the opportunity to be influenced by that.

Not all media seem to have a negative influence, though. One mom talked about the dialog that stems from listening to talk radio as well as from playing some of the virtual stock market games available:

Definitely, the Internet and I know my 16-year-old is getting really interested in, you know, the stock market and she's set up one of these, you know like virtual stock exchange type of accounts with the fake money. So she's doing that. We also, a lot of times in the car we'll have just like talk radio, news talk radio, on and we'll listen and talk about, and of course right now it's the economy, the job market, the unemployment rate and stuff like that. They listen to that and talk about that. And you know, just reading, both of the girls read, just kind of like the headlines on the news and we talk about all of them but especially the ones that are related to economy. The 13-year-old, he's not quite there yet, he's not shown much interest himself. And the 6-year-old, he's not either.

She continued,

Well I think it's sparked discussion; at least they're hearing terms that they haven't heard before this. "What does this mean?" And then the ones they are getting and understanding how the economy works, they can follow the news stories better. So I

think it's been, probably not been like their main source of what they know and understand, but it's been a good jumping off point to learn more.

Extracurricular Activities

When discussing how extracurricular activities shape their high schoolers' understanding about money, parents gave answers that revealed two different themes . First, participants discussed how various activities have shown their kids the impact of charitable work. Gina, who has homeschooled for about 15 years, said

I can't think of anything other than church youth groups and stuff and trying to emphasize charitable work. And you know, how the tithing or the extra money that you give beyond tithing to help and those kind of things.

Emily also discussed the impact of charitable work:

We worked with a food bank that helped them understand that the financial choices you make have a direct impact on every aspect of your life.

The second theme was that kids began to realize and understand the cost affiliated with the activities. One participant discussed the indirect costs affiliated with extracurricular activities such as the gas required to get to and from different activities. Describing financial troubles after the loss of her husband's job, Karen described the impact on the extracurricular activities of her kids:

I think the only thing, I don't think any homeschool activities affect—well they have affected, when my husband lost his job my kids were all in music lessons we had to stop everything because we couldn't afford it. So that affected them. They saw that it took money to buy instruments. It took money to go to those lessons. So they had to go without and they saw that. They also saw that in churches that we've been in, everything the youth group does costs money. My kids couldn't do it. So that affects them—it affects their concept of it and that affects what everyone else is doing because they are left out. They didn't have the money. So, there is a, I'd say that would be how it affected them.

Participants in the high school group differed in media usage; although some limited TV, others used it as an opportunity to talk about the latest news and foster inquiry and understanding. For extracurricular activities, kids began to participate in more charitable type activities and they

began to understand the financial costs affiliated with participating in activities—something they shared in common with the middle schoolers in this study.

Parental Perspectives

The final sensitizing concept was parental perspectives. As educators to their own children, homeschooling parents bring with them (as do all educators) a collection of their past that can be either an affirmative motive for teaching or instructing certain topics or destructive in nature, which, one would hope, leads to a new paradigm for their children. Originally, this section was posed to be titled “Parental Preparedness”; however, after the interviews were completed the term *preparedness* was found to be too specific. This phraseology implies intentional preparation to teach personal finance. What evolved out of an analysis of the data were three main themes under this new titled category of Parental Perspectives: (a) parental attitude, (b) parental experiences, and (c) parental education. Three main questions were posed to understand parents' attitudes. First, participants were asked to “Describe the importance of your child learning financial literacy concepts in relation to other subjects, such as math and reading.” Next, the researcher asked, “What part of personal money management is the most important for your children to learn and why?” Finally, participants were asked, “How do you feel your children understand personal finances at their current ages?” In the original interview, the researcher then asked questions inquiring into the parent’s preparedness to teach. The first question, “How are you satisfied with your current financial status?” was followed by “How have you prepared yourself to teach personal finance concepts?” Each participant was then asked to “Describe the changes between the way you were brought up learning about money and the way you engage your kids with money.” The final two questions were “Explain your philosophy on teaching personal finance literacy and positive financial behaviors to your children” and

“How will you determine if you were successful in teaching your child to be financial literate?”

During the coding phase, parental attitude and parental preparedness were later combined and changed to a category titled Parental Perspectives.

This category called Parental Perspectives had three themes: parental attitudes, parental experiences, and parental education. Parental attitude produced five subthemes (see Table 4.5), and the parental experiences theme was broken down into four subthemes. The theme of parental education had four subthemes emerged. Parental education, however, was not looking at one’s overall education but, rather, one's education related specifically to personal finance courses.

Table 4.5 Parental Perspectives Coding References

Name	Sources	References
Parental Perspectives		
Parental Attitude	20	262
Perception of Kids Understanding	19	87
Kids Money Personality	16	46
Determining Success	20	37
Philosophy on PF	18	33
Most important component of PF	17	31
Importance of PF	15	25
Experiences		
Adult Experiences	20	82
Modeling Financial Behaviors	15	36
Growing Up	20	45
Industry Experience	2	3
Financial Counseling	1	1
Education		
Financial Education	7	12
Dave Ramsey	6	7
Self Study	7	10
Research	2	2
No Specific Preparation	6	6
College	2	3

* These codes represent all items coded during the coding process.

The responses to the various sub-questions were opened ended to elicit open responses. Several key findings were revealed when asking these homeschooling educators questions such as, “What part of money management is the most important for your children to learn and why?” and “Explain your philosophy on teaching personal financial literacy and positive financial behaviors to your children.”

Elementary School

As discussed previously, there were three themes found in parental perspectives: parental attitude, parental experiences, and parental education. In addition, several sub-themes were found to be significant, including two that fall under the theme of parental attitude: the importance of personal finances and what parents consider to be the most important component of personal finance to teach their children.

Parental Attitude

Importance of Personal Finance

In addressing several of the above-mentioned questions, participants' answers revealed two different attitudes. First, multiple participants suggested that learning financial literacy was a life skill and just as critical to learn as subjects like reading and math. When asked to “Describe the importance of your child learning financial literacy concepts in relation to other subjects such as reading or math,” Grace eloquently described that learning about financial literacy concepts starts even before reading and writing:

It's definitely in the top 5. It certainly the earliest form of education we start with them. We don't, we don't really push really any other form of education on them at 2, I mean outside of anything they're showing an interest in. But money concepts are, so I guess it would depend on how you decide it, if you're looking at how soon we begin to teach it to them, money is probably number 1 because, well, character would be number 1 and then finances would probably be number 2 because that begins at a very early age. We don't have 2-year-old meltdowns in the store because the 2-year-old is being taught that if there's something that they want, they have to earn it by picking up their toys or helping brother with the laundry. So, it, probably next to Godly character and integrity issues, finances is the very next thing that we begin to teach them at that young of an age.

Claire outlined her thoughts about the importance of financial literacy concepts as follows:

I would say that it's a life skill so that falls in with [the] Bible. I mean, it's one of those things that we believe that everything comes from God and we are to be good stewards and to honor Him and glorify Him in all that we do and so being good stewards is one of those characters that we want to instill in our children. It's pretty high up there. I feel that

our children are still young and so that it's very broad the way that we discuss it. But as they get older it will be very important when we're going to be well prepared.

Allison broke down the basis of these life skills:

I think my philosophy in a nutshell would be twofold: you know, learn the skills because there are definitely technical skills and then you have to live those skills.

Most Important Component of Personal Finance

The second sub-theme of parental attitudes to emerge with these primary educators was an understanding of what financial concepts they consider to be the most important. As we have seen, having an understanding of financial literacy concepts is considered to be a life skill that is taught very early in life. Among the many themes of what financial literacy components are most important to teach elementary age kids, two concepts in particular stood out. First, parents of these kids want to teach them about saving; second, they want to teach their children to avoid or at least minimize the use of debt. When asked about the most important concept for her children to learn in personal financial management, Norah noted the following:

Saving money, because I think it's most important because everybody has emergencies and everybody has things that happen and if you don't have any savings to draw on, then it's very easy to get upside down very quickly. I think saving keeps a buffer and it's a way to prevent those things from becoming disasters.

Another mom, however, felt that teaching about debt was the most important. Jeannie described it as follows:

To be very careful in how much debt you carry at any time. Always live below your means.

Grace blended the two ideas well as she talked about what's most important for her to teach her kids about personal finances:

I think probably of those I would say saving because I feel like that would benefit them the most as adults—just having good work ethic of saving their money and not being impulsive shoppers, not going into debt for things but actually having a work ethic to save money first.

Parental Experiences

The second category under parental perspectives concerns parental experiences. It is important to realize the effect that the way parents were raised has on how they approach their own children about personal finances. In the interview, the participant was asked to “Describe the changes between the way you were brought up learning about money and the way you engage your kids with money.” Four of the eight participants in the elementary aged group identified that they grew up in a family that used an “abundance” of debt. Diane provided some honest assessments of her experience growing up:

Like I said, my parents were very bad with finances. They filed bankruptcy twice as a child and that was about the extent that I knew of your finances. They still aren't any better at it.

Grace described how she and her brother were raised to function on debt:

But we were definitely taught growing up and functioning financially with debt. Like, I was given a credit card when I was 8 years old that I could spend money on and then I would have to pay my mom back every month what I spend on that credit card. So, I had a credit card from the time I was 8 years old and I was taught how to operate in debt with my finances and so it never crossed my mind not to just go into debt for something I want and then pay it off later.

Unfortunately, another finding that emerged from the participants' answers suggests that there was not a solid foundation of personal finances when they entered into their marriage.

Claire explained the lack of financial understanding she had early on in her marriage:

Yes. I, when we were married, I really did not, I didn't know really anything. I don't really know that I knew how to write a check. I didn't grasp on what a dollar was worth and so consequently I didn't, I thought that I should have everything I wanted and so it took some learning to figure out, you know, what a dollar is worth.

Diane also felt she was ill-equipped to manage her finances:

I was never taught that. My parents were terrible with finances. They never did really teach me anything. When I married my husband, he's the one that does the finances and I let him take care of all of that.

Parental Education

The final section of parental perspectives was that of parental education in equipping themselves to be prepared to teach their children about personal finance. Findings revealed that these homeschooling moms fall into one of two different groups, those who took a personal finance course and those who did not. The only mentioned curriculum was that of Dave Ramsey's Financial Peace University, which was identified by three of the eight participants in the elementary age group. Grace detailed the plan she and her husband had as they were starting out:

Well, I mean really where it all began when my husband was, when we first decided we needed to operate debt free and not, you know do things more responsibly with finances, you know, we educated ourselves and you know, we went through the Dave Ramsey classes like I said. We just decided that as we were changing our paradigm of what personal finance is, that we definitely needed to, at a very young age, instill that in our children as part of their character. And you know, set on that plan.

Those who did not take a personal finance course made comments indicating that they learned about personal finances through a business school, through self-study by reading books and magazine articles, or through experience working in the financial services industry. One participant who has been involved in the financial services industry provided some background to her experience:

I mean, I had a Series 7; I had a Series 66; I had a commodities license; I had an insurance license; I had been through all of these things. I worked in a financial institution. I know how retirement accounts work and how 529s work and all the stuff that comes up.

However, Norah reflected back:

You know, I never really thought about actually sitting down and preparing myself.

Middle School

Parental Attitude

Importance of Personal Finance

When asked about where they would rank teaching their kids about personal finances in relation to more core subjects such as math and reading, parents of middle schoolers gave answers that had some commonalities. First, teaching personal finance at their kids' current ages seemed mixed in terms of importance and, specifically, in terms of whether to use a curriculum. However, almost all the participants in this group sought to incorporate a form of personal finance curriculum once their child reached high school.

Renee stated,

Well, it's hard to say that right now because they are in junior high. As far as curriculum, it doesn't fall anywhere. Now, when they're in high school it will be, it will be 100% one of the electives that they are required to have.

Haley mentioned a desire to conduct more formalized personal finance teaching with her children, although she was not specific in terms of a personal finance curriculum:

As far as, you know, it probably falls below the core subjects, especially in the early years because I don't process it as part of school. I process it more as daily living and functioning as a family. So more like, I'm processing it more as how to be a human being and surviving. So I'm not thinking of it as a curriculum. It is on my radar screen as far as what I want to see in an economics class for probably 10th grade. It's on our potential high school list. One of the electives I wanted to see was an economics/personal finance course that was about, you know, .5, a half-year credit.

4Most Important Component of Personal Finance

When asked about the most important topic of personal finance to teach their children, participants' answers closely resembled those of the elementary aged group, that is, saving and avoiding the use of debt. In addition to saving and minimizing the use of debt as important topics, understanding value was also listed as important. Emma demonstrated that for many of these moms/families, more than one topic is important:

Save. Save and be able to give. I want them to be able to save so they can invest in their future and I would say not getting into debt would be right up there in the top 3 as well. That way they can also save and give back as well to the community or church or wherever they felt like they need to give. That's important.

The idea of understanding value was introduced by describing how parents want their kids to be able to determine those things that they should spend their money on. Elizabeth explained it as follows:

I'd like them to learn how to save and how to decide what is actually worth spending their money on and make sure that is worth spending their money on.

Haley gave an additional explanation:

Value. Whether it's a thing or time or a skill and they having confidence in assigning their own value to those things. So that they'll know how much they want to invest in those things. So, really thinking about, "What value does this have to me," so they can use that to make decisions in their learning.

Parental Experiences

When exploring how the participants described their experiences growing up with money, three main commonalities were found. The first was that several participants made poor financial decisions in the past. Emma described the impact of her early spending:

I shouldn't say many, about 7 years ago we were in a very poor place financially, and we felt at that time that we had no way out. I became the stay-at-home mom, I was the one who took over paying the bills and everything, and I made some decisions that led us to be into a very poor place in debt and we wound up filing for bankruptcy.

These types of poor financial decisions could be influenced by the next most commonly cited experience, which was the lack of financial discussions the participants had with their own parents. Elizabeth talked about how both she and her husband had no instruction growing up:

Neither one of us were taught to, my parents didn't have any money so there was no teaching us anything about saving money because they had no money to save. His parents did really good but they never talked about money.

Two participants mentioned that their experiences were quite the same as their parents. Amy gave a quote from her past:

I don't really know much difference because I remember my mom talking about, "We'll be able to do this thing if we can afford it." So, that's kind of the same thing we're trying to do.

Parental Education

The final section of the Parental Perspectives section was that of parental education. The responses came in answer to the question, "How did you prepare yourself to be able to teach personal finance to your kids?" Similar to those participants in the elementary aged group, several families in middle school aged group participated in or even taught the Dave Ramsey Financial Peace University personal finance curriculum. One mom mentioned that when they wanted to learn more about a topic, then they knew where to find the information. Finally, Delores J. went to a family gathering where they watched a film about personal finances:

I did take them to a ... as a family we went and watched a video with some other families about being financially wise and using the resources that you have. That was very focused and geared.

High School

Parental Attitude

Importance of Personal Finance

The transition to high school aged brought about a more focused level of importance for these parents. Almost unanimously, participants in this group indicated that teaching personal finance was just as important as other core subjects such as reading and math. Cynthia emphasized its importance:

Well I think we, I think it's really, it's kind of like one of the most important things that they need to know to be successful. Being able to manage your finances, so I think for myself and my husband, it's really, it's one of our top goals for their education, is that when they, you know, get through college and get jobs that they know how to make financial decisions so I don't know as far as the amount of time you spend on it for school.

Karen described how she wouldn't let her kids graduate without it:

I just put it right up there with it. I would say it's pretty important. I mean like, I wouldn't let my kid graduate without doing a Dave Ramsey class. It's important enough that like, "We're going to do this class whether it kills us or not; we're going to fit it in."

Most Important Component of Personal Finance

For these moms of high school aged kids, the most important financial concepts they wanted their children to learn were budgeting and being able to give money. Although not all the participants used the word *budget*, phrases with similar meaning, such as "prioritizing needs and wants" or "live on what you make," could be categorized as part of the budgeting process. Emily said it plainly when asked what the most important topic of personal finance was:

Budgeting. If you do not budget, you will end up in trouble!

Trudy described this as the balance of living within your means:

Probably just our guiding principle that we can live within our means. We need to know what is essential, what isn't essential. We need to make sure that we have enough left over to save and enough to give. And just knowing that balance and being able to maintain that.

This type of balance, living within our means and balancing our budget, provides the opportunity to tithe or give to others, the second most important topic to the parents in this group. Kelly has seen firsthand the importance of giving:

That they would learn to be generous. Probably because I've lived overseas and I've seen so many people with so much less and although we have very little I want them to be very aware that we have more than two thirds of the world.

Parental Experiences

In terms of parental experiences, the group with high school aged children didn't show as many similarities. Some of the participants were raised in homes with parents who were always stressed about money. Cynthia, a CPA and homeschooling mother of four, talked about her parents' relationship with money:

But money was a constant source of stress in their lives and therefore in ours. We couldn't, they didn't have time to do anything really because they were working. They didn't have time. Money was always big thing, a big stressor.

For others, their parents were “comfortable,” and Emily described the way she grew up learning about money and how she was engaging her children:

No differently. My parents modeled and spoke about financial budgeting and explained why it worked.

One participant, Trudy, said that she was raised in a wealthy family. She described it as follows:

I was brought up in a wealthy household. So I was given everything on a silver platter. Really didn't want for anything. And that of course has pros and cons. Interestingly, one of the pros is that I'm not as hungry for possessions as some people are. I've lived a life where there is no, you know, wants or needs or anything. Every wish was fulfilled, and I know that doesn't really bring happiness. So that's not a big problem for me.

Parental Education

The final section of the parental perspectives is that of how they have educated themselves to teach personal finances to their kids. The overwhelming number of participants identified some form of self-education, be it researching topics or reading books or magazine articles on certain topics. One of the participants is a CPA, although when asked about how she prepared to teach her kids, Tiffani responded as follows:

So I don't know that I specifically prepared other than just it's an important topic in our house that comes up a lot.

Karen realized early in her marriage that she wasn't familiar with money, so she began to seek out financial guidance. She talked about her experience as she just started out in her marriage:

When I got married we didn't know anything about finances and pretty quickly we were trying to figure out how to make it. We weren't doing well. And we went to a Larry Burkett back in the day when he was around and sat through these classes and I thought, “Wow, I didn't know all this stuff!” How to budget money ... So we started at that time doing the Larry Burkett stuff ourselves.

Chapter 5 - Discussion

This qualitative study was designed to explore the research question, “How do homeschooling families prepare their kids to be financially literate?” using LPP as the theoretical framework in which to explore four main elements: (a) communication of financial literacy concepts, (b) engagement of tasks and behaviors affiliated with personal finance, (c) the impact of outside influences, and (d) parents' perspectives as they teach their kids. Twenty homeschooling primary educators, who in this study were all mothers, were interviewed. Of those interviewed, eight had children in the elementary age group, five had children in the middle school age group, and seven had children in the high school age group. This chapter discusses how the results, in relation to the four elements mentioned above for each of the different age groups, are similar and how they add to the existing literature. In addition, this chapter discusses the implications for homeschooling parents, other institutional educators and other financial literacy advocates. Limitations of the study and directions for future research are also addressed.

Communication

Two main communication themes, personal finance curriculum and financial discussions (structured and unstructured), were used in all three age groups. Personal finance curriculum, termed *structured communication*, is the use of a curriculum to outline and define the topics to be discussed, whereas the term *financial discussions* refers to unstructured communication, that is, the conversations or discussions that came up in everyday living. This use of terms is similar to that used in Bowen (2002); that researcher found that children learn financial matters by the intentional and unintentional strategies of adults in their lives. These intentional strategies would be classified as focused efforts to train children; as such, they are similar in nature to structured

communication. Unintentional strategies would be classified as indirect methods by which children learn personal finance concepts, such as by listening to their parents talk about money; thus, these strategies relate to unstructured communication. The most common form of communication with elementary age children was financial discussions. This finding may be due to the fact that there are few homeschooling curricula that include personal finance topics for elementary aged children. The most relevant topics of financial discussions included budgeting, debt, savings, and other family conversations about money. As with the elementary aged group, few personal finance curricula were used with middle school aged children. Financial discussions tended to revolve around work ethics, saving, and budgeting. For the high school aged group, the use of a personal finance curriculum was more popular—parents were more likely to adapt a formal personal finance curriculum or have their kids take similar courses, such as an economics course, to begin to develop sound financial knowledge. In addition, the financial discussions topics discussed were similar to those discussed with the other two age groups. In their day-to-day financial discussions about money, most families' conversations revolved around topics like budgeting, savings, debt, and family finances.

The financial topics discussed in all three age groups were similar (e.g., budgeting, saving, work ethics, and debt) and are very relevant topics to address in both structured and unstructured formats. However, two issues arise: (a) There was a lack of discussion about “how” each topic should be completed, and (b) there were only a limited number of topics discussed overall. First, during the interviews, participants did not elaborate as to the level of detail or mechanics—or the “how”—of these various personal finance topics. For example, when talking about the importance of savings, none of the participants mentioned discussing components of savings, such as saving/interest rates or the effects of compounding. One participant mentioned

having her children allocate savings to different accounts, such that saving for mid-term goals was put in their savings account at the bank and long-term saving was put in their brokerage account. The second concern is the lack of personal finance topics discussed with their kids in all age groups. According to the CFP Board of Standards, there are 78 different topics covered on the CFP Exam, a prerequisite to become a certified financial planner. Although not all of these topics should be covered with children, it would be reasonable for many of these topics to be introduced in conversation in an age-appropriate format. Although a few participants commented that they went over an insurance policy or discussed taxes with their homeschooled children, little emphasis was placed on components of personal finance such as how to invest, risk management (including all types of insurance), how to use estate planning, or how taxes work and are calculated. These findings might suggest that parents are unfamiliar with and/or lack confidence to discuss additional personal finance topics with their kids.

Engagement

The next element of the LPP framework concerns the way parents engage their children in financial behaviors. It is important to note that although communication and engagement are separate components of this study, they can both occur simultaneously and can act codependently. In other words, communication will happen before, during, and after kids engage in personal finance activities. Engagement differs from communication in that these were the actual activities that children would do related to personal finance. Elementary age kids would engage initially by separating money into categories, which helps them identify the purpose of money. Findings revealed that elementary aged children were given tasks such as dividing up any money they received into different allocations. This process could involve the use jars or containers, envelopes, or even a check register to track “deposits” and “withdrawals.” This

separation would carry over to financial institutions as kids open checking and savings accounts later in life.

Additional topics that fall under the heading of engagement were how elementary aged children received money, such as for doing chores or extra projects around the house, and how they saved or gave money away. For the middle school aged group, the main engagement topics found concerned how they received money, how they saved money, and how they incorporated financial institutions' products and services into their financial behaviors. Finally, the high school aged group was engaged in topics concerning the way they received income (note that many of the youth in this group were able to get jobs outside the home), how they were planning to use the money they received, and also how they used financial institutions to manage their money.

As with communication, the findings suggest that overall the engagement process initiated by parents focused on how kids would save, budget, or plan to use their money as well as how students incorporated and used financial institutions' products and services. The main engagement activity focus was around financial products and services like having a savings account or checking account with a debit card, although some homeschooling families opened 529 accounts and brokerage accounts for specific savings goals. In the high school aged group, parents used their own budgets to demonstrate the budgeting process to their kids. Although parents showed their kids their budget, no participants expressly stated they helped their kids establish their own budget. In a similar manner, when parents were paying their bills, some children would ask what their parents were doing, which led to an opportunity for the parents to show their children how to pay a bill online or write out a check.

Outside Influences

Overall, the findings from this research suggest that outside influences, to include TV media and extracurricular activities, have little impact on parents' teachings of personal finance. Most prevalent in all age groups was the lack of TV or cable found in participants' homes and the common theme that because their kids were not watching commercials, TV had little influence on their children's "needs and wants." A few participants mentioned family influence, peer pressure, and faith as influencers; however, there were not sufficient data to support those themes.

This generalization of no TV in the home appears to be bittersweet. Many primary educators seemed rather encouraged not to have to deal with the bombardment of commercials on TV and the influence of indulgence that commercials are designed to create. However, as Cynthia stated when discussing the influence of media on her kids' understanding of money, "So, I think it's been, probably not been like their main source of what they know and understand, but it's been a good jumping off point to learn more." Another mom talked about how watching TV has allowed her kids to hear the "lingo" or other terms of personal finances, which allows them to have a better understanding of the context of the words.

The final category was the perspective that the parents, specifically the primary educators, had in their own understanding and preparation to teach their kids about personal finances. Referring back to the LPP theoretical framework, the researcher classified the parents as the masters and their children as the newcomers. The masters were to train the newcomers in the tasks and understandings of the trade, and soon the newcomers would move closer to the center of the CoP, which here was identified as personal finance. Therefore, an exploration of parents' attitudes, experiences, and education was important.

For the elementary age group, parents' attitudes toward personal finance were that personal finance was a life skill rather than just a subject in school, and the most important topics to address were to save and avoid debt. For the middle school age group, there were mixed views regarding the importance of curriculum usage. However, an overwhelming majority indicated that they would use a curriculum for high school to teach personal finance, indicating that personal finance education is perceived as more of a school subject than a life skill. The results of this study demonstrate that there is a shift in attitudes about personal finance education that occurs as the child ages. As the child becomes more independent and emerges into adulthood, parents tend to view financial literacy education as a school subject by using personal finance curricula to bring more structure to the topic.

Parental Perspectives

The personal finance topics rated by parents of middle school aged children as most important for their children to learn mirrored those rated most important by the elementary age group, including saving money and avoiding debt. In addition, the parents of middle schoolers also placed importance on teaching their children to value their personal belongs. The topics most important were giving and budgeting resources while understanding their behavioral tendencies to balance their needs and wants. Two dominant types of backgrounds were found among the participants: (a) those who had poor financial behaviors and didn't talk about money and (b) those who were either stable or comfortable. Only one participant classified herself as being from a wealthy household. One might infer that these primary educators did not grow up with their own in-depth understanding of personal finance concepts, as it would appear that their background did not support a healthy relationship with money.

In terms of parents' own financial education, again two different groups emerged: those who self-educated themselves on various topics by reading magazines or Internet articles versus those who took a personal finance course, such as Dave Ramsey's Financial Peace University. A few individual participants had financial industry experience, and one took courses in business school. Even though there were some primary educators who had taken Dave Ramsey's personal finance course, there was little evidence that they were teaching their kids the same personal finance concepts taught in their course. Financial Peace University is a nine-lesson curriculum that covers the following topics: (a) super saving, (b) relating with money, (c) cash flow planning, (d) dumping debt, (e) buyer beware (the power of marketing on your buying decisions, (f) the role of insurance, (g) retirement and college planning, (h) real estate and mortgages, and (i) the great misunderstanding (unleashing the power of generous giving; Ramsey, 2013).

Influence on the Existing Literature

This study provides several unique characteristics that will add to the existing literature base. Foremost, in conducting the literature review, the researcher found no other qualitative research that sought to evaluate how educators and/or parents teach financial education. Thus, the present research will be one of the first to provide the literature with a qualitative viewpoint. Qualitative analysis allows researchers to provide in-depth analysis using smaller sample sizes (Patton, 2002). For example, in her report on how teens' financial knowledge relates to their parents' financial knowledge, Bowen (2002) stated, "Learning by doing, experiential learning, is another way learning occurs. Parents often teach their offspring using experiential methods." Bowen, however, did not address how parents conduct this experiential learning. The current study seeks to do just that: provide the researcher with an in-depth review of the ways parents communicate and engage their kids in financial literacy concepts.

Another gap in the financial literacy literature that this research fills is that the majority of research focuses on college students or high school students. The current research study seeks to evaluate how all three educational levels—elementary, middle, and high school—are incorporating financial literacy topics. Danes (1994) contended that previous research indicating financial education would be appropriate starting in high school dismisses the idea that educational outcomes occur in earlier life stages. One participant in this study, Grace, a homeschooling mother of four, provided a great example when she described how her family begins financial education as early as age 2 by using a chore chart and tick marks for activities and having their children receive payment for those chores at the end of each “pay period.”

Finally, the current research will add to the literature regarding the topic of homeschooling. Aside from a few dissertations using homeschooling families, little research exists that explores how homeschooling families conduct various educational practices. Much of the existing research on homeschooling has seemed to focus on either the demographics of homeschooling families or the views of homeschooling communities on certain issues. For example, Johnson, Bradley, Mendus, Burnsed, Clinton, and Tiwair (2013) studied how homeschoolers view vaccines.

The current study supports the notion that children at an early age can become active participants in the family finances (Danes, 1994; Bowen, 1995). Norah, mother of an 8-year-old, provided these comments:

And the other thing I can see, too, is when we go to the grocery store, she likes to cook, and we were buying ingredients for soup the other day. She actually sat there in the grocery store and looked at diced tomatoes and was like, "This is \$1.29 and this is organic and this one is 89 cents and it's not. And this is so many ounces and this is so many ounces. And I think I'm going to buy this one because it's cheaper even though, you know ..." And she went through this whole thing, and she bought a can of tomatoes that she picked out based on price and ingredients. I was pretty impressed.

In addition, Danes and Haberman (2007) suggested that parents may help their children with financial choices in order to assist them in the decision-making process. Support for this idea was found in an example provided by Elizabeth, homeschooler mother of two:

There's only one place that she's ever gone to that was name brand, and she likes that girls clothes shop. It's not because it was a name brand it was because it was full of girls clothes her size. She likes to go there because it was all her style and size but it doesn't matter that it costs too much, costs too little, anything like that. Although she did convince me to take her a couple of weeks ago because they were having a 50% off sale in the store. So she brought me the little flier. It did come in the mail. She said, "What do you think?" Well, I guess we can go on Monday. We looked at all the stuff that was overpriced and went straight to the clearance racks. She and I both went to the clearance racks. She knows that we're not paying \$30 for a dress. So we go to the clearance rack that was \$4 and a shirt that was \$7 and that's what we bought. So it, that's how we do it.

As reported in Chapter 2, Varcoe et al. (2010) conducted a study to determine what financial topics were most relevant to teens. They found that teens wanted to (a) know more about how to track spending, (b) learn more about insurance products, (c) understand how to obtain credit, and (d) learn how to appropriately save money. The findings of the current research suggest that parents in the elementary age group do help their kids identify various tools to save money, such as a piggy bank system, envelop system, or check register. Unfortunately, the participants in this study did not identify opportunities to develop an actual budget or spending plan with their kids, especially those in the high school age group. Only one participant talked with her high school aged children about insurance, but she provided no additional information. Finally, the consensus among the study's sample was to teach their children to avoid or minimize the use of credit, with no mention of how to help their children manage credit and when to effectively use credit. Furthermore, no participant identified helping his or her children (high school age group) obtain a credit card.

This study's main research question sought to evaluate how homeschooling parents prepare their kids to be financially literate. Remund (2012) provided the definition of financial literacy for the purpose of this study, as follows:

Financial literacy is a measure of the degree to which one understands key financial concepts and possesses the ability and confidence to manage personal finances through appropriate, short-term decision making and sound, long-range financial planning, while mindful of live events and changing economic conditions.

The most critical component of this definition draws on one's understanding of key financial concepts. As previously outlined, this study found that parents were prepared to talk about three main components of personal finance: (a) avoid the use of debt, (b) save money for future use, and (c) budget by living within your means. Using LPP as the framework for this study, the researcher implied that homeschooling parents would be masters within the CoP, which was defined as personal finances. The findings suggest that these parents might not be technical experts in personal finance, but they are experts to their children on the topics of personal finance that they do know. The three primary topics on which the parents were experts were as follows: (a) spend less than you earn (i.e., save), (b) minimize or eliminate the use of debt, and (c) create a plan or budget for your money. In other words, homeschooling parents are not equipping their kids with the "key financial concepts" in order to make "sound, long range financial planning decisions." Understanding primary home educators' limitations regarding knowledge of personal finance concepts brings forth two concerns. First, homeschooling parents should continue to expand their own knowledge base regarding the components of personal finance. Second, curriculum developers should be aware of primary educators' limitations when developing personal finance curricula.

Implications

The findings of this research study provide several implications not only for educators (either homeschooling parents or institutional educators), but also for those entities advocating and seeking to improve our youth's financial literacy. Although this study targeted homeschooling families, the three implications outlined below should be reviewed by all groups who hope to advance the financial literacy of youth.

This research found that parents have done little to prepare themselves to teach personal finance to their children. Many of the participants identified their experience in running the family finances as the way they have prepared themselves to teach personal finances to their kids. Parents, specifically homeschooling parents, should adequately prepare themselves to teach personal finances like any other subject. By familiarizing themselves with the topics and concepts of personal finance, primary home educators will be better prepared to discuss personal finance. Examples of preparations may take the form of regularly going through personal finance curricula or taking a personal finance course through a local college or university. The focus for these preparations should be to understand and gain more familiarity with the mechanics of personal finances. In other words, it is important not only to teach children to save, but also to educate them on which types of investment vehicles can or should be used for savings, the impact compound interest has on one's saving balances, and ways in which to protect from a disaster that may occur prior to reaching a savings goal. Understanding the various components and topics in personal finances is fundamental to being able to adequately and appropriately transfer that finance knowledge to youth so that they are better able to manage their finances.

The second, and probably most important, implication is to create a new shift in paradigm around what teaching personal finance is. In the elementary age group, it was common to hear that teaching their kids about money was treated as a life skill and not necessarily intentional,

whereas those in the high school aged group categorized personal finance as more of a subject in school. According to Dictionary.com, life skills can be defined as "the ability to cope with stresses and challenges of daily life, especially skills in communication and literacy, decision-making, occupational requirements, problem-solving, time management and planning." In other words, life skills are those traits that we acquire that are necessary for everyday living. Yadav and Iqbal (2009) state that life skills "enable individuals to translate knowledge, attitudes, and values into actual abilities – i.e. what to do and how to do it" (p. 62). Financial literacy could aptly be described as a life skill on the basis of the above definition; however, three main considerations should be addressed. First, with the lack of elementary age curricula to discuss personal finance in a more structured manner, parents may find it challenging to view personal finance as a core subject. This idea of personal finance as a subject might provide more structure around learning concepts and topics in personal finance for homeschooling parents. In addition, if parents view teaching personal finance as a life skill, then once the skill has been taught, there is a propensity to stop developing this skill. Similar to math, personal finance's initial concepts should continue to be introduced at age-appropriate times. Finally, little evidence supports that parents are actually showing their children "how" to incorporate financial concepts into actual abilities. Hence, personal finance should be constructed and viewed as an incremental subject, building on previously learned concepts started as early as elementary age. Findings suggest that parents do begin to introduce personal finance topics such as savings, debt use, and budgeting at the elementary age and then continue with these same types of topics as their children progress through high school. Incremental learning suggests that concepts build upon each previous lesson or topic. Establishing age-appropriate timelines to teach various personal finance topics should be created to guide the incremental learning process for parents and educators. By

implementing a plan or steps to incorporate topics of personal finance into homeschools' core content, then the act of teaching personal finance becomes intentional, especially for the elementary age group. Because no formal curriculum was used in the elementary age group by any of the participants, discussion around topics like savings, spending, or debt occurred but with little opportunity for further exploration or detailed explanations. An example might include a situation when a child wants to buy something in a store and the mom might say, "We can't afford that" and then continues walking.

Finally, this research suggests that there is a large amount of communication and engagement in the elementary years, a minimal amount in the middle school years, and a re-engagement of financial discussions in the high school years. This phenomenon could resemble an inverse curve, with increased amount of information in elementary years, only light information in middle school years, and increased information again in high school. As children are able to begin to understand and participate in discussions with their parents, these parents begin to introduce and demonstrate personal finance topics, such as how to put money away in their jar to save or that certain items cannot be purchased because parents do not have the money to do so. As kids move into the high school age bracket, there appears to be a refocus of communication and engagement with kids about money as kids obtain jobs and open up checking and savings accounts in order to manage their finances. Findings in this study demonstrate that parents will begin to include their kids in talking about the family finances in order to help them understand the effects of financial decisions. An interesting finding was that parents in the middle school aged group had fewer conversations about the mechanics of personal finance (savings, credit, etc.) and focused more on the value of hard work, while beginning to open up savings accounts at financial institutions. Two main reasons seem

consistent with these findings. First, the middle school age is the age when children have already been taught the basics about money but have not reached the age at which they can use most financial products and services independently. In addition, little in terms of financial curriculum exists for this age group that explains personal finance topics at an age-appropriate level. Therefore, this age group has little involvement in continuing to build upon the basics taught at the elementary age.

Limitations

The efficacy of any research project's results is contingent upon the limitations of the research design. Qualitative research, by its nature, has two fundamental limitations: subjective results and lack of generalizability (Whittemore, Chase, & Mandle, 2001). Qualitative research relies on the researcher to interpret and analyze the raw data in order to make conclusions. Conclusions are thus influenced by the biases and experiences of the researcher, making objective analysis almost impossible. These limitations can be addressed by the researcher being upfront about his or her own biases and implementing quality controls, such as investigator triangulation and participant verification. Qualitative research relies on small samples; therefore, the results may lack generalizability (Patton, 2002). However, generalizability is often not the intended goal of qualitative research; instead, the objective is to gain in-depth, rich knowledge about a particular subject, as in this study (Patton, 2002).

In addition to the general limitations of qualitative research, there are several limitations attributable to the design of the study. Even though the purpose of qualitative research is to uncover in-depth understandings of the phenomena, findings may be limited in usefulness within the overall financial literacy literature specific to this study. The researcher limited the method of recruitment to only two unique forums associated with homeschooling: (a) the Well-Trained

Mind forum and (b) the Old Schoolhouse forum. The Well-Trained Mind forum consists predominantly of homeschooling moms, although a few dads participate. The Old Schoolhouse forum, however, is more restricted. This forum hosts a group of homeschooling parents, mostly mothers, who actively and regularly blog about their homeschooling activities. In addition, members of the Old Schoolhouse forum have to go through an application process and must have a certain number of blog followers in order to be accepted to that forum. Both of these forums require Internet access and may not be representative of all homeschooling families. The qualitative study was conducted via video or telephone Skype interviews, rather than in person because of the location of families. Other limitations include the fact that only the primary educators were interviewed for this study. Although not intentional, fathers were not part of this study's sample as no primary educator who identified as a father volunteered to participate in the study. Because one parent, specifically fathers in this study, was excluded from the analysis, additional details and insights could have been missed. Although the spouse may not be involved in the day-to-day homeschooling functions like the primary educator, both parents are likely to communicate with their kids about money as well as guide their engagement. In addition, spouses of the primary educators would have their own perspectives related to their children. Brittany, mother of three, mentioned this very concern as it relates to teaching their kids about saving:

So far they are understanding what it means to save—it means to put money away for a certain need. But what my husband is trying to do is to teach them—right now I'm telling them it's for needs and wants and my husband wants to try not to teach them about wants but to just save and save so we have a little bit of an issue there so we are trying to agree on how to teach that to the kids.

It is important to note that all participants were female. Second, every effort was made to keep the different school-aged groups equal, the number of participants in each group was

different. There were a total of eight participants in the elementary school age group, only five for middle school, and seven for high school. Having different numbers in each age group could create an inconsistent evaluation of patterns and themes found in each grouping, particularly for the middle school aged group. There were only five participants in that group so the sample size was limited. A larger sample for this group could have provided more depth and clarity to the middle school aged analysis.

Third, this study did possess two participants who were located outside the domestic United States; one participant was from Australia and another from the Philippines. Although each state in the United States has different regulations regarding homeschooling, bringing international homeschooling participants into the study could create outlier responses. Of the 20 interviews, two were received in written form from the participants. Although the researcher used member checks as a way to determine if the participant was understood correctly, the written responses did not allow for flow of the interview and no clarifying questions could be asked of the interviewee.

Another limitation is the sample, although representative of the homeschooling population in general, predominately identified themselves as Christians, creating a bias toward their beliefs and attitudes toward money in comparison to homeschooling families that do not identify themselves as Christians. These belief systems could influence the various extra-curricular activities, the media choices used in the home, as well as attitudes of the parents, all of which could influence a child's understanding of financial literacy concepts.

Finally, the average family size for the sample was just over three kids per family, which exceeds the national average. The fact that these families are larger could influence the way that the parents communicate and interact with their children regarding money and money

management. Although the sample consisted of families with only one child to families with five children, this research did not specifically identify the differences across family size.

Future Directions

This research project adds to the literature in several key areas. First, little if any qualitative research has been conducted to determine how parents are educating their children to become financially literate. Qualitative research would add much more depth and understanding to the existing literature on financial literacy, which is almost exclusively quantitative in nature. Future research should incorporate additional qualitative research designs that interview high school aged children to gain their perspective on the influence their parents had in their understanding of personal money management. To be specific, researchers could use the four main components of this study—communication, engagement, outside influences, and parental perspectives—to determine the thoughts and attitudes of the children. These children could then be assessed using a wide variety of financial literacy measures to determine if their parents are successful in transferring financial literacy knowledge to their children.

Another option for further research could assess and measure the financial literacy aptitude of homeschooled students through a quantitative or mixed-method analysis. Homeschooled students have been excluded from many of the national financial literacy measures, such as the National Jump\$tart Coalition Financial Literacy assessment. By including the homeschooling population, comparisons can be made as to how different schooling methods prepare children to be financially literate.

Future research could replicate this study and change the sample to include both private school and public school parents. Research has outlined that homeschooled kids outperform institutionally educated students on national standardized tests, yet few other comparisons exist.

By evaluating how parents in general communicate and engage their kids with money, researchers could explore relationships and identify best practices that most appropriately and effectively enhance financial literacy among our nation's youth. Such a study would follow on the heels of Gudmunson and Danes (2011), who reviewed family financial socialization and found that parents are critical to a child's financial acumen.

Several respondents mentioned trying to explain savings as a means of delayed gratification. This study did not get enough information from participants regarding this idea of delayed gratification. However, future research could explore specifically how parents teach children to delay spending their money for future use.

As mentioned earlier, the majority of participants identified themselves as Christians. Although this study did not explore the level of religious practices or beliefs, the results could be influenced by their religious affiliation. Future research might select a sample of homeschooling families that would not identify themselves as part of a religious denomination to determine how they communicate and engage with their kids about money and money management.

Conclusion

A total of 20 participants were interviewed in an effort to determine how homeschooling parents prepare their kids to be financially literate. These participants were broken down into three groups according to the school age of their children, elementary, middle, and high school. Four main questions were addressed: (a) How do homeschooling families communicate about personal finances?, (b) how do they engage their kids with money?, (c) what outside influences affect the children's understanding of what the parents are teaching them?, and (d) how well prepared are parents to teach their kids about personal finances? LPP, a learning theory developed by Lave and Wenger (2001), was the theoretical framework that guided this study. In

terms of communication, both structured and unstructured communication were used to discuss financial concepts. Structured communication included intentionally focused dialogs about personal finance topics, such as those dialogs that typically occur when a curriculum is being used. Unstructured communication was dialog that was triggered by day-to-day circumstances and events. Engagement for elementary age children involved helping children learn ways to keep their money separate (i.e., budget or plan), save money, receive money, as well as give money away. The middle school aged group was engaged by having more opportunities to receive and save money, and they were introduced to the products and services offered by financial institutions. The high school age group engaged through a continuation of receiving money and learning to plan and budget that money on their own through the use of financial institutions' products and services.

When exploring the influence that factors outside the home had on a child's understanding of money, the two most discussed methods were TV commercials and extracurricular activities. Many of the participants did not have cable in their homes, and for those who did, media was not seen to be a negative influence on their kids. Extracurricular activities were most frequently identified as church-affiliated activities that allowed children to see tithing and offerings being given. However, these activities did not seem to have a significant influence on the children's understanding of money. Finally, parental perspectives were identified by three sub-topics: (a) parental attitude, (b) parental experiences, and (c) parental education. The elementary age group identified teaching personal finance to their kids as very important, and they thought of it as a life skill. In regards to parental experiences, parents' backgrounds were mixed, with some having grown up in homes that made poor financial decisions and others coming from a more stable environment. A few parents sought out personal

finance education for themselves. Some primary educators from the elementary age group participated in a personal finance curriculum, but overall the parents had received little in terms of personal finance education. Middle school parents did not use a personal finance curriculum with their kids, but parents of high schoolers did use such curricula. In a similar manner, the parents of middle school kids had mixed experiences and were most were unprepared in terms of their own personal finance education, with the exception of a few families who participated in Dave Ramsey's Financial Peace University personal finance curriculum. Parents in the high school age group acknowledged the importance of their own personal finance education. Their individual experiences about money were mixed, and their personal finance education was established through their own self-study and research rather than from specific personal finance curricula.

These themes, in terms of how parents communicate and engage their kids to be financially literate, suggest that parents are talking and engaging their kids in the areas of personal finance that they are comfortable with, such as the importance of avoiding debt, saving, and budgeting. One might expect that due to the flexibility homeschooling offers and the amount of time parents spend with their children, that more engagement practices would take place. This lack of engagement might suggest that little difference exists between homeschooling parents and non-homeschooling parents as it relates to building financially literate children. Parents appear not to necessarily discuss the mechanics of personal finance, but rather the subjective overview of topics previously mentioned. This situation is unfortunate because most homeschooling parents do not seem to have adequately prepared themselves to teach personal finance to their kids. In the words of Norah, a homeschooling mom of an 8-year-old, "I never really thought about actually sitting down and preparing myself."

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Appendix A - Recruitment Announcement

Greetings,

I am currently working on my PhD in Personal Financial Planning. My topic is around how homeschooling families prepare and educate their children with regard to personal finance. For my paper, I need to interview several homeschool families (via phone or Skype) across the country that have children of various ages to ask how they are teaching personal finance topics.

Would you be willing to be interviewed and share your philosophies on financial education for your children? I would like to interview the primary educator in the home whether that is mom or dad. The interview should not be longer than 30 or 45 minutes and be recorded for transcription purposes. If you're interested in helping me out can you private message me with your email with your contact info?

Don't worry, everything will be anonymous. Names will be changed for privacy and the pre-interview demographic information will be matched to the interview transcript by an ID number.

Thank you for your consideration and look forward to your participation in this much needed research.

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Appendix B - Demographic Information

Participant # _____

Q. Gender

What is your sex?

- Male
- Female

Q. Age

In what year were you born? _____

Q. Marital Status

What is your marital status?

- Now married
- Widowed
- Divorced
- Separated
- Never married

Q. Ethnicity

Please specify your ethnicity.

- Hispanic or Latino
- Not Hispanic or Latino

Q. Race

Please specify your race.

- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or Other Pacific Islander
- White

Q. Religious Affiliation

Please specify your religious affiliation?

- Protestant Christian
- Roman Catholic
- Evangelical Christian
- Jewish
- Muslim
- Hindu
- Buddhist
- Other, please specify _____
- I do not have a religious affiliation

Q. Education

What is the highest degree or level of school you have completed? If currently enrolled, mark the previous grade or highest degree received.

- No schooling completed
- Nursery school to 8th grade
- 9th, 10th or 11th grade
- 12th grade, no diploma
- High school graduate - high school diploma or the equivalent (for example: GED)
- Some college credit, but less than 1 year

- 1 or more years of college, no degree
- Associate degree (for example: AA, AS)
- Bachelor's degree (for example: BA, AB, BS)
- Master's degree (for example: MA, MS, MEng, MEd, MSW, MBA)
- Professional degree (for example: MD, DDS, DVM, LLB, JD)
- Doctorate degree (for example: PhD, EdD)

Q. Employment Status

Are you currently...?

- Employed for wages
- Self-employed
- Out of work and looking for work
- Out of work but not currently looking for work
- A homemaker
- A student
- Retired
- Unable to work

Q. Employer Type

Please describe your work.

- Employee of a for-profit company or an individual, for wages, salary, or commissions
- Employee of a not-for-profit, tax-exempt, or charitable organization
- Local government employee (city, county, etc.)
- State government employee
- Federal government employee
- Self-employed in own not-incorporated business, professional practice, or farm
- Self-employed in own incorporated business, professional practice, or farm
- Working without pay in family business or farm

Q. Household Income

What is your total household income?

- Less than \$10,000
- \$10,000 to \$19,999
- \$20,000 to \$29,999
- \$30,000 to \$39,999
- \$40,000 to \$49,999
- \$50,000 to \$59,999
- \$60,000 to \$69,999
- \$70,000 to \$79,999
- \$80,000 to \$89,999
- \$90,000 to \$99,999
- \$100,000 to \$149,999
- \$150,000 or more

Q. What are the gender and ages of your children?

- _____
- _____
- _____
- _____
- _____
- _____
- _____

Homeschooling

Q. What type of homeschooling style fits you the best?

- Classical
- Charlotte Mason
- Traditional textbook
- School at home
- Computer/Internet Based
- Un-schooling
- Unit Studies
- Other

Q. How long have you been homeschooling?

Q. Of your children, which children are homeschooled?

Q. What motivated you to choose homeschooling?

Financial Behaviors

One fundamental component of this research project is to evaluate how parents demonstrate financial behaviors to their children. The following questions will help guide the research project in terms of what financial behaviors your child “sees from you.”

Q. Please indicate which of the following do you use to manage your personal finances (select all that apply).

- Checking Account
- Savings Accounts
- Investment or brokerage Account
- Participate in my employers retirement plan (either spouse or both)
- Credit card(s)
- Life Insurance through employer
- Life Insurance outside of employer
- Professional CPA for taxes
- Financial Advisor

Q. Please indicate which of the following you use to gain information about personal financial information (select all that apply).

- Financial news shows (TV)
- Financial news print media (Magazines, Newspapers)
- Financial websites
- Co-Workers

Appendix C - Interview Guide

Participant # _____

Homeschool Parents in Relation to Financial Literacy

Semi-Structured Interview Guide

Read to All Participants prior to interview:

Thank you for taking the time to be part of this important research project. As you know, this interview is designed to explore how you, the primary educator of a homeschooling family, seek to prepare your children to be financially literate. This interview will be recorded for transcription purposes. Before we begin, let me define a few terms so that you have a good understanding of the scope of this project:

Financial Literacy – A measure of the degree to which one understands key financial concepts and possesses the ability and confidence to manage personal finances through appropriate, short-term decision making and sound, long-range financial planning while mindful of life events and changing economic conditions

Financial Education – Any Program that encompasses the knowledge, attitudes, and/or behavior of an individual toward financial topics and concepts.

Financial Knowledge – One’s aptitude to correctly answer general personal finance questions

Financial Behaviors – Any human behavior that is relevant to Money Management

Homeschooling – practice of educating children and youth during what most people call the elementary and secondary schools years, in a learning environment that is home-based and parent led.

Do you have any questions regarding these terms?

Do you have any questions before we begin our interview?

After we complete this interview, I will transcribe the conversation and send you an overview of this interview so that you can review my interpretation and provide me with an affirmation that my interpretation matches the interview.

Thank you again for taking the time with me today.

Let’s begin.

1. Homeschooling

A. Describe your homeschool to me?

Possible Follow-up Questions

I. Describe your style or method of homeschooling (i.e., unschooling, Charlotte Mason, Eclectic, etc.)?

- a. How does that method work for you?
- b. How has your style or method changed?

II. Describe the types of curriculum and resources you use in your homeschool

B. Describe your motivations to homeschool?

2. Financial Education - Communication

A. Tell me about the conversations you have regarding personal finances with your children?

Possible Follow-up Questions

- I. Where do these conversations typically take place?
- II. What topics do you discuss?
- III. How do you use a curriculum for teaching personal finances?
- IV. How do you model personal finance behavior to your children as a way for them to learn?

3. Financial Behaviors - Engagement

A. Describe the experiences and opportunities your children have to manage money? (For example, banking, jobs, allowances, monetary gifts, etc.)

Possible Follow-up Questions

- I. What interaction have your children had with a banking institution?
 - a. Do they have accounts?
 - b. Describe what types of transactions they do?
- II. How do you incorporate an allowance with your children?

a. If so, what must occur in order your child to get the allowance? (i.e. chores, etc)

III. Describe any “jobs” your children have either inside or outside the home?

a. If so, describe their work schedule?

IV. How do your children handle money when they receive it as gifts?

B. Describe how your children “plan” their finances currently?

Possible Follow-up Questions

I. How do your children differ in the way they handle their money?

4. Outside Communities of Practice

A. How have outside influences (e.g., media, extra-curricular activities, friends, etc.) impacted your child’s understanding of personal finances?

Possible Follow-up Questions

I. How has media influenced your child’s understanding of personal finance?

II. What types of media related to personal finance do your children have access to?

III. How do extra-curricular activities influence their understanding of personal finances?

IV. What types of extra curricular activities have had the most impact on their understanding of personal finances and why?

5. Attitude

A. Describe the importance of your child learning financial literacy concepts in relation to other subjects such as math and reading?

Possible Follow-up Questions

I. Do you plan on separating money management as its own subject?

B. What part of personal money management is the most important for your children to learn and why?

C. How well do you feel your children understand personal finances at their current ages?

6. Parental Preparedness

A. How are you satisfied with your current financial status?

A. How have you prepared yourself to teach personal finance concepts?

Possible Follow-up Questions

I. Describe your own understanding of financial literacy concepts?

II. How have your experiences (good and bad)?

B. Describe the changes between the way you were brought up learning about money and they way you engage your kids with money?

C. Explain your philosophy on teaching personal financial literacy and positive financial behaviors to your children?

D. How will you determine if you were successful in teaching your child to be financially literate?

7. Other

A. Was there anything else that I should have asked about, but did not?

Thank you so much for taking the time to discuss your ideas around how you plan on preparing your children to be financially literate. Once I complete the transcription I will email you an overview of the interview, I will send that to you for you to confirm that my interpretation matches what you intended for me to understand. All I will need from you is your acknowledgement that you agree with my assessment. Should you have any questions regarding my assessment, please contact me so that we can get clarification where needed. We have completed this survey and I will end the recording now. Thank you again.

Justin

Appendix D - Demographics for Participants

Table D.1 Demographics for Elementary Age Participants

Pseudo Name	School Age	State	Years		<u>Child 1</u>				<u>Child 2</u>				<u>Child 3</u>				<u>Child 4</u>				Total Kids
			Age	HS	Age	Gender	YH	CH	Age	Gender	YH	CH	Age	Gender	YH	CH	Age	Gender	YH	CH	
Allison	Elementary	TX	34	4	8	Male	4	Y	4	Male	1	Y	1	Male	0	N					3
Courtney	Elementary	TX	34	1	7	Male	1	Y	5	Male	0	Y	3	Female	0	N	2	Male			4
Norah	Elementary	TX	37	5	7	Female	5	Y													1
Diane	Elementary	TX	32	7	10	Female	7	Y	7	Female	4	Y	4	Male	2	Y	3	Female	1	Y	4
Claire	Elementary	TX	38	7	10	Female	7	Y	8	Male	5	Y									2
Grace	Elementary	TX	35	5	9	Male	5	Y	4	Female	0	Y	2	Female			0.5	Male			4
Jeannie	Elementary	AZ	40	3	7.5	Female	3	Y	6	Male	2	Y									2
Brittany	Elementary	Phil	37	4	7	Female	4	Y	6	Male	3	Y	4.8	Male	1	Y					3

Note. Years HS = Total Years Homeschooled

YH = Years Homeschooled

CH = Currently Homeschooled

Table D.2 Demographics for Middle School Age Participants

Pseudo Name	School Age	State	Child 1				Child 2				Child 3				Child 4				Total Kids			
			Age	Years HS	Age	Gender	YH	CH	Age	Gender	YH	CH	Age	Gender	YH	CH	Age	Gender		YH	CH	
Renee	Middle	TX	45	8	13	Female	8	Y	12	Male	8	Y										2
Elizabeth	Middle	CT	39	6	13	Male	6	Y	11	Female	5	N										2
Haley	Middle	TX	41	8	13	Female	8	Y	11	Male	6	Y	9	Male	4	Y						3
Amy	Middle	MI	37	7	11	Female	7	Y	8	Female	5	Y										2
Emma	Middle	PA	32	7	11	Male	6	Y	6	Male	1	Y	3	Male	0	Y	1	Female				4

Note. Years HS = Total Years Homeschooled

YH = Years Homeschooled

CH = Currently Homeschooled

Table D.3 Demographics for High School Age Participants

Pseudo Name	School Age	State	Age	Years HS	Child 1			Child 2			Child 3			Child 4			Child 5			Total Kids					
					Age	Gender	YH	CH	Age	Gender	YH	CH	Age	Gender	YH	CH	Age	Gender	YH		CH	Age	Gender	YH	CH
Cynthia	High	NC	38	5	16	Female	3	N	14	Female	4	N	13	Male	5	Y	6	Male	6	Y					4
Trudy	High	MI	44	11	23	Male	7	N	18	Female	11	N	16	Male	11	Y									3
Gina	High	AL	45	15	23	Female	1	N	21	Male	1	N	19	Female	0	N	10	Female	6	Y					4
Emily	High	AUS	41	16	20	Male	16	N	18	Female	14	N	8	Male	4	Y									3
Karen	High	OK	56	24	26	Male	12	N	24	Male	12	N	21	Female	12	N	20	Female	12	N	17	Male	11	Y	5
Kelly	High	NY	38	6	16	Female	6	Y	13	Female	6	Y	10	Female	6	Y	6	Female	6	Y					4
Jackie	High	NC	55	12	28	Male	0	N	25	Female	3	N	17	Male	10	Y									3

Note. Years HS = Total Years Homeschooled

YH = Years Homeschooled

CH = Currently Homeschooled

Appendix E - Informed Consent Template

KANSAS STATE UNIVERSITY

INFORMED CONSENT TEMPLATE

PROJECT TITLE: Homeschooling and Financial Literacy: A Qualitative Analysis

APPROVAL DATE OF PROJECT: June 2013

EXPIRATION DATE OF PROJECT: April 2014

PRINCIPAL INVESTIGATOR: CO-INVESTIGATOR(S): Justin M Henegar, PhD Candidate/Kristy Archuleta PhD

CONTACT AND PHONE FOR ANY PROBLEMS/QUESTIONS: Justin M Henegar, 210-551-8579

IRB CHAIR CONTACT/PHONE INFORMATION: Rick Scheidt, Chair, Committee on Research Involving Human Subjects, 203 Fairchild Hall, Kansas State University, Manhattan, KS 66506, (785) 532-3224

SPONSOR OF PROJECT: _____

PURPOSE OF THE RESEARCH: The purpose of this research project is to explore how homeschooling parents teach and prepare their children to be financially literate.

PROCEDURES OR METHODS TO BE USED: The data collection method for this research study will be recorded interviews with participants. The interview should last about 30 – 45 minutes and will later transcribed for analysis purposes. Each participant will receive a summary of the interview notes and asked to verify the researchers interpretation of the interviewee's responses.

ALTERNATIVE PROCEDURES OR TREATMENTS, IF ANY, THAT MIGHT BE ADVANTAGEOUS TO SUBJECT: _____

LENGTH OF STUDY: The study should consist of 12 -15 interviews lasting over a few weeks with follow up analysis consisting of several months

RISKS ANTICIPATED: Although this study shows little signs of risk or discomfort, any dialog or discussion around personal finances may lead to uncomfortable situations. The research is not seeking to determine any participants specific financial situation, but rather interview parents who homeschool in order to determine how they plan on or are preparing their children to be financially literate.

BENEFITS ANTICIPATED: The topic of financial literacy is a major concern for many different entities, to include a vast amount of both private and public governmental programs. Additionally, this research helps add to the limited literature for both financial literacy and homeschooling.

EXTENT OF CONFIDENTIALITY: Each participant will be provided with an ID number and all transcripts will be marked with the appropriate ID number. Any identifying information will be changed to protect for the participant's privacy.

IS COMPENSATION OR MEDICAL TREATMENT AVAILABLE IF _____

Last revised on May 20, 2004

INJURY OCCURS: _____

PARENTAL APPROVAL FOR MINORS: No minors will be interviewed for this study.

TERMS OF PARTICIPATION: I understand this project is research, and that my participation is completely voluntary. I also understand that if I decide to participate in this study, I may withdraw my consent at any time, and stop participating at any time without explanation, penalty, or loss of benefits, or academic standing to which I may otherwise be entitled.

I verify that my signature below indicates that I have read and understand this consent form, and willingly agree to participate in this study under the terms described, and that my signature acknowledges that I have received a signed and dated copy of this consent form.

(Remember that it is a requirement for the P.I. to maintain a signed and dated copy of the same consent form signed and kept by the participant)

Participant Name: _____

Participant Signature: _____ **Date:** _____

Witness to Signature: (project staff) _____ **Date:** _____