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Reimagining Personal Finance Curricula: The Reach of HBCUs And the Power of Storytelling

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ABSTRACT

To date Americans still have common deficiencies in matters of financial literacy (Giovanetti, 2021). Is there any student, regardless of location, gender, or economic status, across all fields of study, that would not benefit from a basic working knowledge of how to manage their personal finances? And if this statement is true, why are we still lacking in legislation to promote personalfinance to be a mandatory course required for all high school graduates (Council for Economic Education, 2020)? To close this gap in financial literacy it is now time to also consider making personal finance curriculamandatory in our colleges and universities. Specifically,in Historically Black Colleges and Universities (HCBUs) where more minorities earn degrees and represent an audience who are likely to be less financially literatethan their peers (Gordon et al., 2021; Walker 2017).This review explores the creation of new personal finance curricula for HBCUs to implement with an effort to improve the level of financial literacy among the large population of minority students who attend.

PURPOSE OF THE REVIEW

This review of prior research looks at three concepts: the reach of HBCUs among minority graduates, the dual benefit of empowering person and enterprise, and the power of storytelling in the minority communities. Joining these three concepts together, this review attempts to introduce a new approach to addressing the financial literacy needs of minorities. Using the institutions, the natural synergies of partnership, and the power of storytelling, new personal finance curricula is necessary to turn the tide of economic empowerment in favor of minority communities who are often less financially literate than their peers.

QUESTIONS OF INTEREST

What questions are being asked by the dialogue of this review?

- Are HBCUs the right target for new personal finance curricula?
- Is there a positive tangible financial impact for both student and institution?
- Can messaging using storytelling on a digital platform successfully reach minoritystudents?

FINANCIAL LITERACY OF MINORITIES

Duncan& Murnane(2016) present research that shows the impact family income has on educational outcomes, noting that children from low-income families often earn lower scores in math and literacy skills from a young age. Speaking of financial literacy, Lusardi (2008) noted that "illiteracy is widespread among the general population and particularly acute among specific demographic groups, such as women, African-Americans, Hispanics, and those with low educational attainment"(p. 2). Black women specifically are often the target of predatory lending within the housing market, which is another sign of not just insufficient financial literacy levels, but also discrimination (Baker, 2014). Predatory lending for minority communities is not only a US dilemma but also prevalent for black consumers in South Africa (James, 2014).

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Research conducted by Moten (2011) sought to review if a disparity in financial literacy levels exists between senior high school students of various ethnicities and if household incomes contributed to these levels – and this assertion was statistically proven.

Research has also noted that financial literacy levels of minorities is markedly lower than their peers (Duncan & Murnane, 2016; Lusardi, 2008). To help improve this phenomenon, this review suggests that new personal finance curricula offered at Historically Black Colleges and Universities (HBCUs) could be an effective resource. But what are HBCUs? And what relevance do they have in reaching the community of minority students?

Prior to and post-Civil War in America opportunities for Blacks to further their education at colleges and universities were very few, the central mission of Historically Black Colleges and Universities was to be a place where Blacks could be affirmed and educated (Albritton, 2012). "In 2018, there were 101 HBCUs located in 19 states, the District of Columbia, and the U.S. Virgin Islands. Of the 101 HBCUs, 51 were public institutions and 50 were private nonprofit institutions" (2020, Digest of Education Statistics).In the school year ending in 2018 there were a total of 4,313 degree-granting Title IV institutions in the United States (U.S. Department of Education, 2021). This means that HBCUs represent a little more than 2% of the institutions nationally.

While HBCUs make up a small percentage of the US institutions, they continue to play a significant role in graduating a considerable amount of minority students who often have less access to more-selective post-secondary institutions (Baker et al., 2018).However, according to research, Villalobos (2021) states that the gap between expectations of furthering education compared to actual enrollment at a higher education institution that existed between various ethnicities has grown smaller over time.

While enrollment for Black undergraduate students at degree-granting postsecondary institutions did increase from 1.5 million in 2000 to 2.5 million in 2009, enrollment declined down to 2.1 million in 2019 (U.S. Department of Education, 2019/2020). In the Fall of 2019, there were a total of 16.6 million undergraduate students – at 2.1 million Blacks made up less than 13% of this population compared to the 3.5 million (21%) Hispanic students and 8.5 million (51%) White students (U.S. Department of Education, 2020).Research continues to show value in minorities attending schools where they are not distracted by racial inequality, despite the reality that predominantly White institutions are typically better resourced(Diette et al., 2021).

As HBCUs have been shown to be an impactful place to educate and influence minority students, introducingnew and invigorated personal finance curricula at these institutions may be beneficial to both student and enterprise.

THE SHARED BENEFIT

Elevating the level of financial literacy among students of HBCUs will have a dual benefit of positive impact for both the institution and the scholar, as financial instability is one of the leading causes of low graduation rates (Walker, 2017). Even prior to graduation, there is a group of minority students who qualify, and are accepted to higher education institutions, but fail to successfully transition to begin their degrees post finishing high school (Rall, 2016). College completion rates are the lowest among minority and disadvantaged students, and this lack of completion leads to increased debt for the student and unrealized revenue for the institutions (Holzer, 2018).

Lack of finance education and socioeconomic preparation in underprivileged communities is noted as being one of the reasons more minority students, although academically qualified, do not enroll, or complete degree programs at higher education institutions (Morton et al., 2018). Messaging in their neighborhoods is noted as being one potential barrier for minority students not aspiring to improve their personal finances or pursue career aspirations (Iloh, 2018).As a result of minimal resources and low financial education in minority communities, students who are academically high achievers but come from low-income families often miss the opportunity to attend colleges or universities (Tabron& Chambers, 2019).

Addressing the inequalities of financial awareness and competency for minority students will aid in improving the retention and graduation rate of the higher education institutions who serve them (Castleman& Meyer, 2019). Raising the financial literacy level of the student, aids both the institution and the scholar. Low graduation rates for low-income students are not solely attributed to lower financial literacy of the student and their surrounding communities, but it is also a product of the low amount of state or federal financial assistance given to the institutions that serve these students (Holzer, 2018).

Empowering students from underprivileged communities with personal finance curricula within the HBCUs, that is available to all undergraduatesregardless of their declared discipline, is one way to begin to change the narrative of cyclical poverty. According to Strayhorn (2017) Black students attending minority-serving institutions, like HBCUs, go on to achieve higher occupational status than their peers who attend predominantly White institutions. This higher career achievement attained by HBCUs alumni has lasting benefits for both the communities they serve and the institutions (Strayhorn, 2017).

The increased financial literacy of the students has the potential to elevate the financial power of the college or university. But what form of personal finance curricula would best serve the minority students who attend HBCUs?

ADAPTEDPERSONAL FINANCE CURRICULA

Financial literacy is a fluent area of study that continues to change, and teachers feel strongly thatpersonal finance curricula training should be on-going (Bay et al., 2014; Loibl, 2010).Results from a study that offered a workshop for teachers showed their level of understanding personal finance significantly improved post attendance (Nielsen, 2011). However, research has also shown that teaching personal finance knowledge alone is not enough to ensure improved quality of life in the future – practical application needs to be included (Alhenawi& Elkhal, 2013; Brau et al., 2015).

Storytelling has long been a cultural and effective way to communicate in the minority community (Hubbard, 1993). Translating oral expressions into literal prose requires that one understand both the culture and environment in which the story is being told (O'Neill, 2013). Botstein (2001) in conversation with two prominent African American authors notes the power of storytelling to convey political ideology and change in the community and country.

Storytelling in the black community can be infused in writings, songs, or sermons – in dissecting a literary work of the 1930s Hubbard (1993) lays out how one work seeks to reinvent the Black woman with the use of Biblical prose and social rhetoric.Literary prose of renowned authors such as Toni Morrison speak of the healing and therapeutic power storytelling has held in the African American culture and history – it is how information and truths were passed down (Visvis, 2008).The presence of storytelling is prevalent in Black churches and frequently heard in sermons and speeches, comparison of Biblical characters to common day distresses of African Americans has been an effective means to share for much of their history in America (Weathers, 2005).

Alridge (2005) argues that Hip Hop music emerged as a new way to share storytelling of the current economic, political, social, and racial climate of the day.And as an art form, storytelling of the African American culture, existence, and progression has not been limited to just music, sermons, or speeches – photography has been a strong voice to portray messages and pass down history as well (CHR, 2015). So why not use the power of storytelling to convey the important concepts of personal finance in curricula targeted for minority students?

The digital age has added a new layer of storytelling. Individuals, specifically Millennials,are increasingly getting their news and financial advice from apps on their smartphones (Bialy, 2017; Garvey & Miller, 2021). Social media platforms like Facebook and Twitter indeed can be a valid way to collect research data, with limited biases, if done correctly (Kalimeri et al., 2020; Yildiz, 2017). Mint, Venmo, Credit Karma, and Digit are among the most popular free apps used by Millennials to manage their personal finances (Best College Reviews, 2021).

However, while research shows many Millennials access a banking app for their personal checking account, the number of users who actively use other finance related apps to manage their spending and investing behaviors is significantly low (Barba, 2018; BuildFire, 2021). Yet research shows that by age, younger adults access apps on their phones on average 50 times a day, and smartphones now account for upwards of 70% of time spent on digital media (Best College Reviews, 2021).

Using a digital platform as a new form of storytelling to aid in the facilitation of personal finance curricula may prove useful for the targeted minority audience attending HBCUs.

FUTURE RESEARCH OPPORTUNITIES

This review of prior research looked at three concepts: the reach of HBCUs among minority graduates, the dual benefit of empowering person and enterprise, and the power of storytelling in the minority communities. Joining these three concepts together, this review attempted to propose a new approach to addressing the financial literacy needs of minorities.

Financial illiteracy is reportedly more widespread among minority communities (Duncan & Murnane, 2016; Lusardi, 2008). And HBCUs, though a small percentage of the total US institutions, play a major role in graduating a significant portion of minority students (Baker et al., 2018). Improving the financial literacy of minority students benefits them as individuals, but also benefits the institution and their communities as they make more sound monetary decisions (Castleman & Meyer, 2019; Tabron & Chambers, 2019). And as storytelling has strong roots in the minority community (Alridge, 2005; CHR, 2015; Hubbard, 1993; Visvis, 2008), developing personal finance curricula that leverages this approach in literary prose, music, and art could prove beneficial to increase financial literacy levels for students served by HBCUs.

Further research is needed to adequately quantify the financial and social benefits that can be achieved by offering personal finance curricula at HBCUs that is tailored specifically for the minority student, or those from underprivileged communities.

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