

Harnessing the Power of Technology to Enhance Financial Literacy Education and Personal Financial Well-Being: A Review of the Literature, Proposed Model, and Action Agenda

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The number of technology-based tools for providing and accessing personal finance education has grown exponentially in recent years due to an expansion of state policies related to K-12 personal finance education as well as interest among for-profit organizations in marketing financial services. The problem is that little attention has been given to understanding *why* technology-based tools and strategies may be expected to improve financial literacy or personal financial outcomes. This project was designed to fill this gap by examining human behavior theories and their applicability to financial literacy education, as well as theoretical perspectives about learning, educational motivation, and educational accessibility that can inform the selection and design of digital pedagogies to support personal-finance-related teaching and learning.

Data for the study consisted of research and other theory-based scholarship identified through a comprehensive literature review conducted between October 2009 and August 2010. One of the main findings of the literature review is that there are a number of theories which can explain the development of financial behavior, varying in terms of the unit of analysis; for example, attributes of individuals, interpersonal interactions among individuals, group and community dynamics, and broader patterns of public thought reflecting norms and values. Together, these reflect an ecological model suggesting multiple possibilities for educational intervention. While different behavior theories may be best suited to different units of practice, the combination of personal, interpersonal, organizational, community, and policy intervention strategies may be even more effective than individual approaches utilized in isolation. Implications were provided for both practice and further research. The insights derived from the literature review should be useful in designing financial literacy interventions generally, and may arguably be particularly important for addressing the needs of financially vulnerable populations.

Endnote

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