

## **Coming to Consensus: A Delphi Study to Identify the Personal Finance Core Concepts and Competencies for Undergraduate College Students**

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Researchers, educators, and policymakers have not reached consensus about the specific core concepts and competencies of personal finance that all undergraduate college students should possess. College is the first chance for many young adults to make significant financial decisions on their own. The financial behaviors and attitudes that young adults may acquire during their tenure at college depend not only on knowledge, skills, and behaviors developed through earlier socialization by family, peers, and school, but also, to a large extent, on what they observe, learn, and exercise while at college - away from home and their parents. A concern among researchers, educators, and policymakers is that, in general, college students may not have acceptable levels of financial knowledge and skills, nor do they demonstrate appropriate financial behaviors that exemplify positive financial decision-making to live within their means and relatively debt-free. This concern is based on prior research on college students' financial management. The purpose of this study was to identify basic knowledge, skills, and behaviors in personal finance necessary for undergraduate college students as determined by financial literacy experts.

A literature review found no prior studies which identified or established personal finance specific core concepts or core competencies for college students. Although many studies examined specific financial knowledge and behaviors, none identified the knowledge or behaviors as core concepts or competencies. Based on previous work, some researchers recommended specific personal finance concepts that college students should know and practice. Several studies addressed the "teachable moment" or "just-in-time" education. The researchers' consensus was that individuals may not find certain financial knowledge or financial concepts relevant because they do not currently need them.

The Delphi technique was used to reach group consensus on essential personal finance concepts and competencies. A panel of experts with knowledge of college students' financial literacy and needs was assembled based on their knowledge and expertise in college students' financial literacy issues and/or experience teaching personal finance to college students. A list of proposed personal finance concepts and competencies was compiled from the Financial Literacy and Education Commission, prior studies which used specific financial knowledge and behaviors in surveys of college students, and additional input from the researcher.

Descriptive statistics were used, including mean, median, standard deviation, first and third quartiles, and the interquartile range (IQR). Competencies in each personal finance concept were ranked based on means. Concepts and competencies with an  $IQR > 0$  but  $< 1$  indicated very high consensus ("automatic consensus"). Concepts and competencies with an  $IQR \leq 1$  and a majority of panel members in agreement with the median reached "acceptable consensus."

Panel members reached consensus on seven of 13 personal finance concepts. Table 1 lists the personal finance concepts which gained consensus, their mean rankings, and the number of competencies gaining consensus within each concept.

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**Table 1***Personal Finance Concepts in Consensus, Mean Rankings, and Number of Competencies by Concept in Consensus*

<b>Personal Finance Concept</b>	<b>Mean Ranking</b>	<b>Competencies in Consensus</b>
Borrowing	1.4	22/34
Budgeting	1.5	14/21
Consumer Protection	2.7	6/14
Financial Services	2.6	7/14
Insurance	1.8	17/23
Saving	1.4	5/12
Student Financial Aid	1.7	6/19

*Note.* Rankings were “Most Important (1),” “Very Important (2),” “Somewhat Important (3),” “A Little Important (4),” “Not Important at All (5),” and “Don’t Know (6).”

Panel members did not reach consensus on six of 13 personal finance concepts. Table 2 lists the personal finance concepts which did not gain consensus, their mean rankings, and the number of competencies gaining consensus within each concept.

**Table 2***Personal Finance Concepts Not in Consensus, Mean Rankings, and Number of Competencies by Concept in Consensus*

<b>Personal Finance Concept</b>	<b>Mean Ranking</b>	<b>Competencies in Consensus</b>
Credit Management	1.6	20/30
Debt Management	1.8	9/18
Employee Benefits/Income	2.4	9/19
Financial Planning	2.1	10/17
Investments	2.2	11/19
Taxes	1.7	6/16

*Note.* Rankings were “Most Important (1),” “Very Important (2),” “Somewhat Important (3),” “A Little Important (4),” “Not Important at All (5),” and “Don’t Know (6).”

Only 140 of 256 personal finance competencies gained consensus. The majority were ranked “Most Important” or “Very Important.” The rest were ranked “Somewhat Important.” There are several reasons why panelists may not have reached consensus on all of the competencies and concepts. The size of the panel was large (17 total) and the members’ experience and expertise were diverse; panelists were given no specific information about age, class ranking, type of college attended, or other details to define college students; and/or panel members may have believed that students already have those competencies before coming to college.

There are several considerations for future research. Establishing new Delphi panels to participate in the same surveys regarding undergraduate college students, undergraduate student education loan recipients, and first-generation undergraduate college students should be considered to confirm the reliability of this study. An examination of selected current undergraduate personal finance curricula using content analysis is an appropriate method to determine if the concepts and competencies identified from the study are similar to those currently being taught. Another process would entail the identification of personal finance education programs and materials that are appropriate for “best practices.” Research efforts should address college students’ perceived needs for specific personal finance concepts and competencies. A study that seeks input from undergraduate college students to examine what they would prefer to know regarding personal finance is appropriate. The research also should examine current undergraduate college students’ levels of knowledge of the personal finance concepts and competencies that were included in this study.