

DEEPENING OUR UNDERSTANDING OF THE

Financial Education



OF NATIVE YOUTH

An In-Depth Look at Native Students in Montana, New Mexico and South Dakota

Research Report At a Glance: Study Documents Low Financial Literacy Levels of Native Youth, But Reveals Strategies for Change

Personal financial skills are critical life skills regardless of an individual's race or ethnicity—but particularly for Native students. They need financial skills to help their communities survive and thrive. Without sound financial skills, Native people cannot address the devastating poverty that has characterized many of their communities since the reservation era or build on the new-found wealth that has come to some through economic success. And, given the youthfulness of the Native population overall, the student generation will be called upon more quickly than elsewhere to take a leadership role—a role for which they need to be financially equipped.

Largest Sample of Native High School Students Surveyed

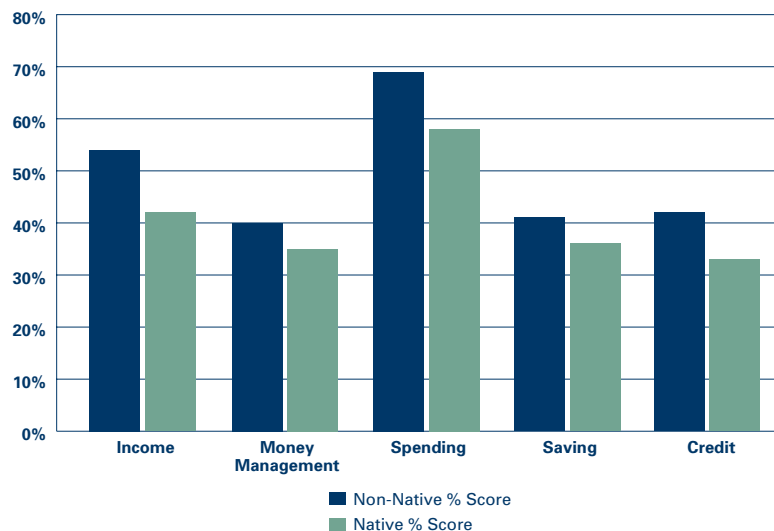
Every two years, the Jump\$tart Coalition for Personal Financial Literacy surveys high school seniors to measure their financial literacy. In partnership with Jump\$tart, this initiative used that survey instrument to take an in-depth look at the financial literacy of Native youth in states with high Native populations—Montana, New Mexico, and South Dakota. Notably, the 2008 Oweesta Jump\$tart study examines the largest sample of Native high school students ever surveyed regarding financial literacy skills. Of the 317 surveys from high school seniors collected from the three states, 228 (72%) were from Native students.

Specific Knowledge Gaps and Economic Challenges Shown

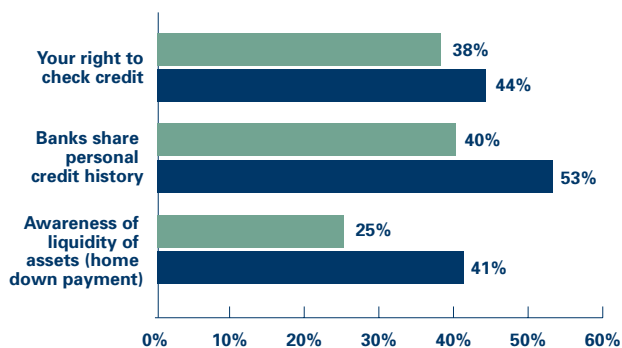
Native youth in this targeted group had significantly lower financial education scores than did non-Natives. Nearly 93% of Native seniors received a failing score (less than 60% correct), compared to 78% of non-Native students. Worse, the scores probably overstate the financial literacy of Native American youth, who are less likely to complete high school than non-Native peers.

Native youth in this sample had lower performance in every skill set and across all five domains of financial literacy. Question-by-question statistics from the special 2008 Native-focused study, point to specific knowledge gaps and highlight the challenges Native students face (see bar charts).

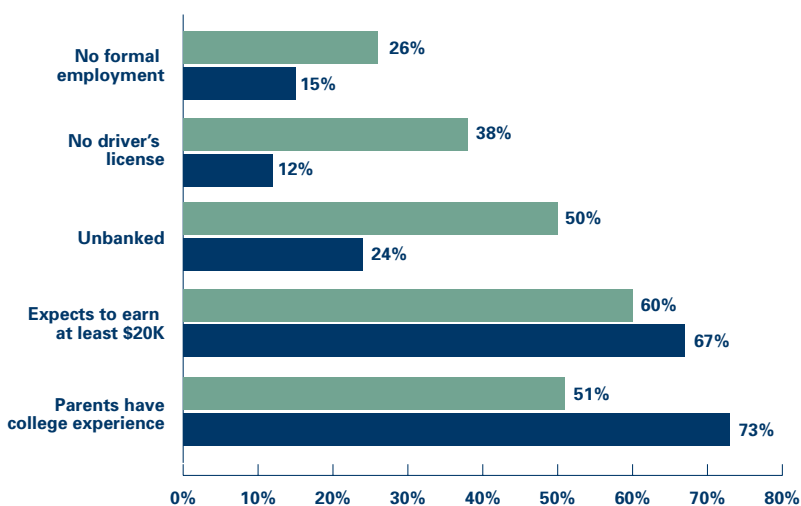
Area Scores, from the 2008 Jump\$tart Native Oversample Survey in MT, NM, and SD



Percent of students who have an understanding of key personal finance topics:



Distribution of economic factors that condition student financial literacy scores:



More generally, the 2008 Jump\$Start Native survey in Montana, New Mexico, and South Dakota shows that Native youth lag because of structural, economic, and cultural factors—that either limit their access to practical and school-based learning opportunities or diminish the effectiveness of those activities.

Solutions to Challenges Highlighted

Even as these new data lay bare the situation for Native students (particularly those living on relatively rural reservations), they direct attention to strategies for change. Using culturally competent curricula in Native-serving schools, making strong linkages between financial education and Native students' hopes and dreams, and increasing opportunities for Native youth to manage money and take responsibility for financial decisions are all promising approaches.

First Nations Oweesta Corporation (Oweesta), the Native Financial Education Coalition, and National Jump\$Start Coalition recognize the urgent need to address financial education issues in Native communities, and are working together with their many partners to change the personal financial education landscape. Especially in economic hard times, equipping Native youth with sound financial skills is to equip them with one of the most practical forms of insurance available. By pointing more precisely to the barriers and opportunities for change, these research findings improve the effectiveness of those efforts.

This study was conducted by Oweesta, in partnership with the Jump\$Start Coalition for Personal Financial Literacy, the University of South Dakota Government Research Bureau, the Harvard Project on American Indian Economic Development, and the Jump\$Start coalitions in Montana, New Mexico, and South Dakota.

Oweesta: Developing Native Assets :: Building Native Communities

First Nations Oweesta Corporation (Oweesta) is a national Native not-for-profit 501(c)(3) organization based in Rapid City, South Dakota. We are the only certified Native CDFI intermediary in the country. Our mission is **to provide opportunities for Native people to develop assets and create wealth by assisting in the establishment of strong, permanent institutions and programs, contributing to economic independence and strengthening sovereignty for all Native communities.** Utilizing an integrated asset building strategy, we help develop Native assets for indigenous peoples living on reservations, traditional Indian lands, Hawaiian homelands, and in Alaska Native villages by providing training, technical assistance, and investments. Our efforts lead to the development of strong financial institutions and asset building programs in Native communities across the country.

For more information about about Oweesta and to access this report online, please go to www.oweesta.org/youthreport2008. You can also contact Noorie Brantmeier, Research and Policy Associate at noorie@oweesta.org, 970-231-2682.

