

Measuring a child's progress on the building blocks of financial capability

Program leaders, teachers, and communities can use the new Measurement Guide to focus their efforts on the skills, habits, knowledge, and attitudes that children need for financial well-being in the future.

Evaluating how children are progressing

Developing financial capability is an important stepping-stone on the path to adult financial well-being. Financially capable individuals have healthy money habits, stick to plans, and apply their knowledge and skills to successfully complete financial tasks. Financial capability is developed over time and is marked by milestones on the path to financial well-being.

The Bureau's [Building Blocks to Help Youth Achieve Financial Capability](#) described where and when children and young adults acquire the foundations of financial capability during childhood. Now, the Bureau's Building Blocks Measurement Guide provides researchers, program leaders, teachers, and other financial educators with ways to assess young people's progress toward each building block

outlined in the Measurement Guide. The Building Blocks Measurement Guide is available for download at consumerfinance.gov/data-research/research-reports/building-blocks-help-youth-achieve-financial-capability-measurement-guide/

Summary of the building blocks

The building blocks of youth financial capability are:

- **Executive function:** Self-control, working memory, problem-solving
- **Financial habits and norms:** Healthy money habits, typical practices, rules of thumb
- **Financial knowledge and decision-making skills:** Factual knowledge, research and analysis skills

The building blocks include attributes and abilities that begin to develop in early childhood and continue throughout the teenage years and adolescence.

How to use the Building Blocks Measurement Guide

First, the Building Blocks Measurement Guide presents age-appropriate questions that program leaders, researchers, and others can use to evaluate a child's progress toward each of the three building blocks.

Then, the Measurement Guide presents a list of existing measurement tools that are designed to gather answers to the key questions. These include examples of surveys, tasks and exercises, interviews, and more. The Measurement Guide explains how to use each tool and provides background information, sources, and special considerations.

Short illustration of how the Measurement Guide connects questions and tools

The table below shows an example of how the Measurement Guide works. The Measurement Guide identifies the age range of the child and the relevant building block, and then provides a number of key questions for each building block. For each question, the guide then lists several measurement tools that can help answer the question. By exploring all the key questions and measurement tools, program leaders, researchers, and educators can identify ways to assess young people’s progress toward each building block of financial capability.

Building block	Example of a key question	Example of studies to measure key question
Early childhood: Executive function	Does the child begin to demonstrate self-regulation, persistence, and focus?	Children’s behavior questionnaire (CBQ): Attentional focusing scale Colorado child temperament inventory (CCTI): Attention span-persistence subscale Impulsivity Kansas reflection-impulsivity scale for preschoolers (KRISP)
Middle childhood: Financial habits & norms	Does the child begin to show a positive attitude toward savings, frugality, planning, and self-control?	Big 5 personality: Conscientiousness Future orientation: Planning ahead subscale – Attitude Material values scale for children (MVS-c) Perceptions of spending Planning takes the fun out Saving attitudes scale for children Youth budgeting scale: Attitude Youth materialism scale
Teens and young adults: Financial knowledge & decision-making skills	Does the young adult grasp advanced financial processes and concepts?	Brief financial literacy assessment Financial fitness for life assessments Financial IQ

For the full set of questions and measurement tools, please turn to the report, available at: consumerfinance.gov/data-research/research-reports/building-blocks-help-youth-achieve-financial-capability-measurement-guide/

Evaluating impact and tracking progress

Youth financial educators, program leaders, and researchers can use the tools identified in the Measurement Guide to evaluate the impact of financial education programs or lessons. The data gathered in that process can then be used to track progress over time, to provide evidence of a program's strengths, and to refine program offerings and curricula. The measures can also be used by researchers, to examine and validate how the building blocks developed in childhood connect to and predict adult financial well-being.

Criteria for selecting the measurement tools

The measures in the guide were selected from existing research studies, and evaluation tools based on their alignment with the milestones and their validity for each developmental stage. The measures

represent promising means of assessing progress toward achievement of the milestones in youth. Some of the metrics have been used widely and tested by researchers in the relevant fields, while others are relatively new.

Although most of the measures in this guide have been validated, they have not been independently tested by the Bureau, and the guide does not provide benchmarks as to what constitutes a "good score" for any of the metrics. The Measurement Guide includes links and references to third-party resources or content that readers may find helpful.

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