



→ Reducing the Racial Wealth Divide

Evaluating the Society for Financial Education & Professional Development's Black Learners Against National Data

October 2025



Executive Summary

The Society for Financial Education & Professional Development (SFE PD) delivers financial education to individuals of all ages and backgrounds, with an emphasis on students who attend Historically Black Colleges and Universities (HBCUs). This report assesses how Black SFE PD participants compare to White individuals of similar age, gender, education, and income on their financial knowledge, behaviors, and well-being .

Compared to White individuals of similar backgrounds, SFE PD's Black Student Ambassadors:

- Performed better on objective financial knowledge questions
- Reported higher self-rated financial knowledge
- Exhibited greater overall financial well-being
- Were more likely to report having good or excellent credit
- Were more confident in their ability to achieve their financial goals
- Were more confident in their ability to handle an unexpected \$2,000 expense
- Were better able to manage their monthly expenses
- Scored higher on a financial behavior index
- Were more likely to invest in stocks, bonds, and mutual funds in non-retirement accounts
- Used high-cost alternative financial services less frequently.

Compared to White individuals of similar backgrounds, Black individuals who participated in other SFE PD programming, but who were not Student Ambassadors:

- Performed better on two out of four objective financial knowledge questions
- Exhibited greater financial well-being
- Were more confident in their ability to achieve their financial goals
- Were more likely to invest in stocks, bonds, and mutual funds in non-retirement accounts
- Used high-cost alternative financial services less frequently.

Background

In 2024, SFEPD engaged ICF, an independent research and advisory firm, to conduct an impact evaluation of its programming. To conduct this impact evaluation, ICF used a propensity score matching (PSM) approach to construct a comparison group from respondents to the State-by-State and Investor Surveys of the 2024 National Financial Capability Study (NFCS), conducted by the FINRA Investor Education Foundation (FINRA Foundation). Specifically, ICF matched SFEPD participants to FINRA Foundation survey respondents on age, gender, household income, education, and race. This evaluation found that SFEPD participants demonstrated greater financial knowledge, behavior, and well-being than the matched comparison group. However, because members of the treatment and comparison groups were matched on race, the primary evaluation did not address SFEPD's impact on racial differences in financial knowledge, well-being, or behavior.

In contrast to the primary impact evaluation, this report explores SFEPD's impact on racial gaps in financial knowledge, well-being, and behaviors between Black and White individuals. To do so, we narrowed the treatment group to consist solely of *Black* SFEPD participants, and we created a different comparison group consisting of *White* FINRA Foundation respondents who are otherwise similar to SFEPD participants on age, gender, income, and education. SFEPD participants are divided into two distinct treatment groups:

- Student Ambassadors are participants who complete an 8-module course in personal finance developed by SFEPD. Student Ambassadors also receive training from SFEPD and continuing education from SFEPD's professional Financial Educators. After training, Student Ambassadors must individually deliver, each semester, three financial education seminars and workshops to fellow students on campus; as well as at least one event for the broader community, such as church groups or high schools; and a presentation to their family.
- Other SFEPD learners are those who attend one or more financial education workshops delivered by either Student Ambassadors or SFEPD Financial Educators.

For context, we also provide descriptive statistics for Black respondents in the comparison group from the primary evaluation, to illustrate the racial gaps existent in the national sample. This approach allows us to explore to what extent SFEPD addresses racial gaps in financial knowledge, behaviors, and well-being. Specifically, this report examines the following research questions:

1. How do Black SFEPD participants' financial knowledge compare to White individuals of similar backgrounds?
2. How do Black SFEPD participants' financial well-being compare to White individuals of similar backgrounds?
3. How do Black SFEPD participants' financial behaviors compare to White individuals of similar backgrounds?

Methods

This analysis is based on the same instrument as ICF's primary evaluation, which is a 95-item survey with questions about respondents' background, financial knowledge, financial attitudes, financial behaviors, and financial conditions drawn from the State-by-State and Investor Surveys of the 2024 National Financial Capability Study. The instrument and data collection process are described in more detail in ICF's primary evaluation report.

For this report on the racial wealth gap, the treatment group consists of 407 SFEPD respondents who identified as Black, of whom 101 were current or former Student Ambassadors and 306 were other SFEPD learners. The comparison group consists of 407 respondents to the FINRA Foundation surveys who identified as White. Respondents to both groups were matched on age, education, gender, and household income (i.e., median). We conducted our matching based on exact matching of age, where participants in both groups were matched on the same value, and then the remaining demographic variables were matched within this subgroup using PSM. Respondents were exact-matched on age because it may be related to many of the financial outcomes (e.g., financial behaviors). In short, the comparison group in this memo share the same background characteristics with SFEPD participants, except they identify as White.

Exhibit 1. Descriptive statistics for the matched analytic sample.

Student Characteristic		SFEPD (n=407)	NFCS (n=407)	Significance	Effect Size
Gender	Men	24%	24%	ns	0.00
	Women	76%	76%	ns	0.00
Income	Low Income	66%	66%	ns	0.00
Education	Some college or less (incl. Associate's degree)	82%	82%	ns	0.00
Age	Young adult (18–34 years)	97%	97%	ns	0.00

Note. Characteristics with effect size > 0.05 indicate baseline inequivalence between groups and was included as covariates in analytic models.

We also used covariates in each regression model to account for confounding factors not already accounted for through PSM. Confounding factors are underlying attributes of respondents that we hypothesize could influence the outcome variable independently of their participation in SFEPD programming. For example, we hypothesize that previous exposure to financial education would influence a respondents' financial knowledge or behaviors, independent of their participation with SFEPD. Similarly, we expect a person's household income would influence their financial well-being. By using covariates in our regression analysis, we hold these factors constant. This means that when we estimate the effect of SFEPD programming, we are reporting the effect we attribute to SFEPD, and not to underlying differences between the treatment and comparison group on these factors. Unless otherwise indicated in the findings, the covariates used in our regression analyses were:

- **Previous exposure to financial education**, specifically whether or not the person had ever participated in financial education in high school, college, or through an employer or community organization.
- **Income consistency**, specifically whether the respondent's monthly income was about the same each month or fluctuated month-to-month.
- **Employment status**, specifically whether the respondent was employed full-time or part-time, or not currently earning a wage.
- **Inheritance**, specifically whether the respondent had received an inheritance equal to or greater than \$10,000, expected to receive such an inheritance in the future, or never received nor expected to receive such an inheritance.
- **Household income**, specifically whether the respondent's household income was above or below the median income in the sample.¹

Throughout the report, we provide tables to show regression results. While our narrative explains the meaning of these findings, the exhibits also offer a consistent and quick summary of the results of our statistical analyses.

When we used logistic regression, the exhibits include:

- **The odds ratio.** This number describes the odds a Black Student Ambassador or Black other SFEPD learner, respectively, provided a specific survey answer compared to the odds a respondent in the comparison group gave this answer. An odds ratio greater than 1 means the Black Student Ambassador or Black other SFEPD learner was more likely to provide this answer, whereas odds less than 1 mean they were less likely to answer this way. Throughout the report, we provide interpretation of the odds ratio in the context of each survey question.
- **The outcome coefficient or estimate.** This value refers to a change in log-odds of selecting a specific survey response between the comparison group and Black Student Ambassador or Black other SFEPD learner. While we include this coefficient because it is a standard output in logistic regression models, it may not provide the most meaningful or intuitive interpretation on its own. For that reason, our narrative in the report focuses on the odds ratio, which provides the same estimate in a way that is easier to interpret for most readers.

When we used Ordinary Least Squares (OLS) regression, the tables include:

- **The outcome coefficient.** This number is the associated difference in the outcome variable that we attribute specifically to the treatment condition, i.e., to SFEPD programming.

For both logistic and OLS regressions, each table will also indicate:

- **Statistical significance**, abbreviated as **significance** in tables. Statistical significance describes how confident we are that differences in the outcome variable reflect actual

¹ Household income was also used in our PSM model. However, we did not reach baseline equivalence between the samples, and therefore used household income as a covariate in our regression models. This approach is in line with What Works Clearinghouse guidelines.

differences between the comparison and treatment groups, and not to random chance. We report statistical significance at three levels: $p < .05$, $p < .01$, and $p < .001$. These values refer to the probability that the observed differences between treatment and comparison groups are a result of random chance, such that $p < .01$ means we are 99% confident that the outcome is not due to random chance while $p < .001$ means we are 99.9% confident random chance does not explain differences.

- **Effect size.** While statistical significance describes whether an effect or difference is likely due to chance, effect sizes help explain the magnitude and/or strength of a relationship, effect, or difference. To estimate effect sizes, we use Cox's index for binary outcomes and Hedge's g for continuous outcomes. Resulting effect sizes are interpreted using Cohen's rule of thumb.² Exhibit 2 presents the interpretation of effect sizes according to Cohen's guidelines.

Exhibit 2. Effect size interpretations according to Cohen's guidelines.	Effect Size	Interpretation
	0.20	Small Effect
	0.50	Medium Effect
	0.80	Large Effect

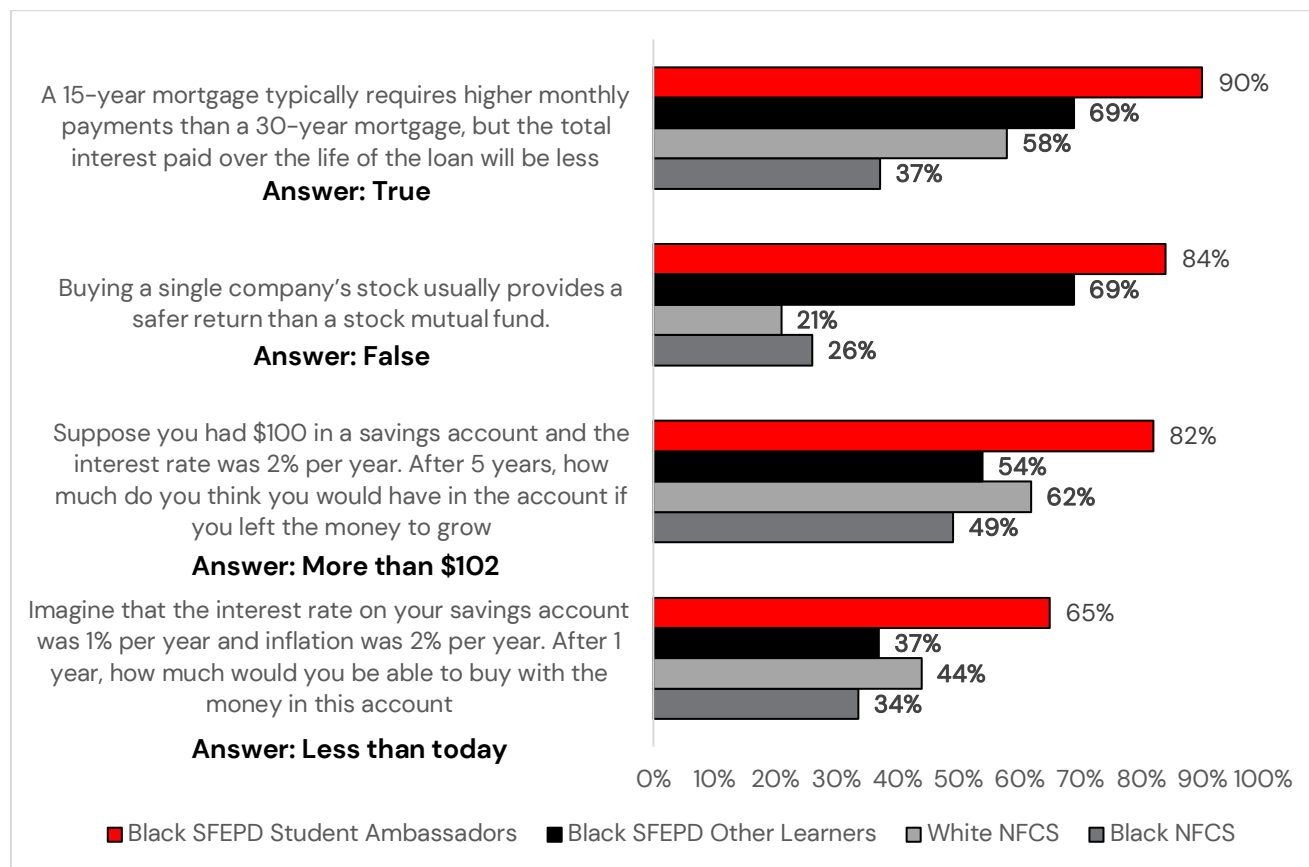
Findings

Financial knowledge

Black Student Ambassadors outperformed White individuals of similar backgrounds on four questions of objective financial knowledge. Black other SFEPD learners outperformed White NFCS respondents on two of the questions, but their overall performance was similar to White NFCS respondents across all four questions. The instrument included four objective financial knowledge questions. On each of the four questions, the majority of Black Student Ambassadors answered correctly and outperformed the comparison group, including three questions where more than 80% of Black Student Ambassadors provided the right answer. Black other SFEPD learners outperformed White NFCS respondents on the questions about mutual funds and mortgages, but not the questions about interest rates and inflation (Exhibit 3).

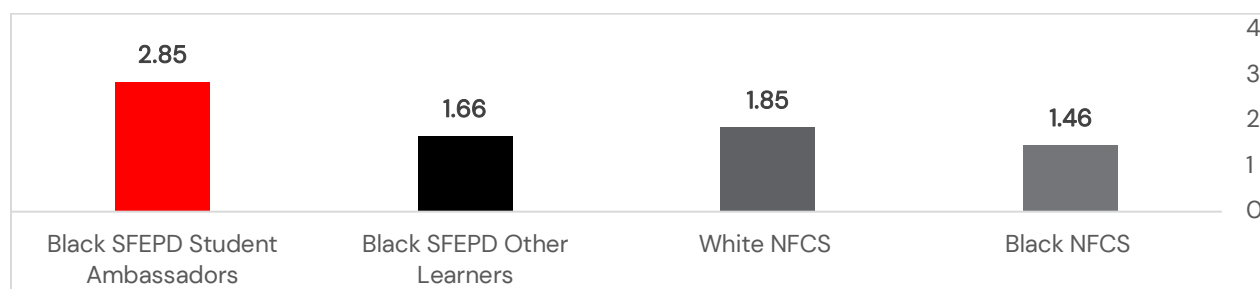
² See Cohen's *Statistical Power for the Behavioral Sciences (2nd ed.)* from 1998.

Exhibit 3. Percentage of respondents who answered objective knowledge questions correctly.



Across all four items, the mean number of correct answers by Black Student Ambassadors (2.85) was significantly higher than White NFCS respondents (1.85). The mean number of correct answers by Black other SFEPD learners was 1.66, which was less than White NFCS respondents (1.85) but more than Black respondents in the NFCS comparison group (1.46).

Exhibit 4. Mean number of correct responses to objective financial knowledge questions.



While the means in Exhibit 4 show differences between the treatment and comparison groups, regression analysis allows for more precise estimates of SFEPD's impact by controlling for additional covariates. Specifically, when controlling for previous exposure to financial education, income consistency, employment status, inheritance, and household income, we found that being a Black Student Ambassador predicted 0.72 more correct answers on the four objective questions for Black

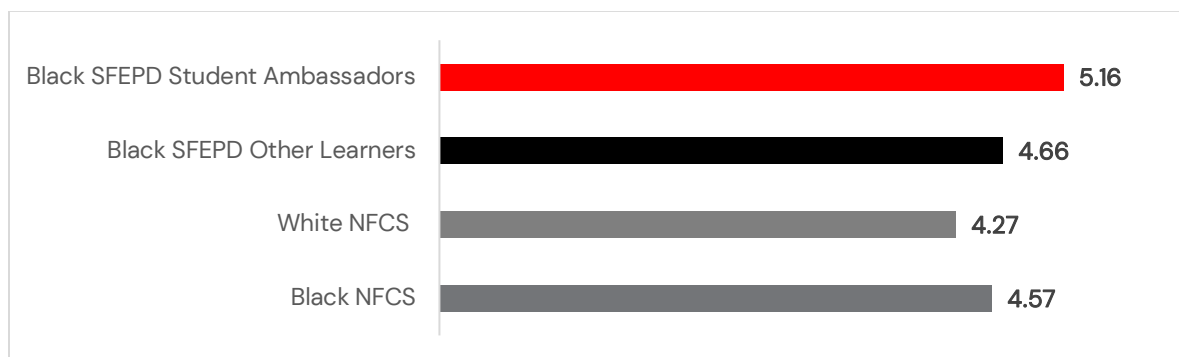
individuals compared to a White person with a similar background; this was statistically significant. There was no statistically significant difference between Black other SFEPD learners and White NFCS respondents on their performance on the four objective financial knowledge questions.

Exhibit 5: Objective financial knowledge regression output.

Treatment Condition	Outcome Coefficient	Significance	Effect Size
Black SFEPD Student Ambassadors	0.72	$p < .001$	0.21
Black Other SFEPD Learners	-0.21	NS	-0.07

Black SFEPD Student Ambassadors had higher self-rated financial knowledge than White NFCS respondents, while there was no statistically significant difference in self-rated financial knowledge between Black other SFEPD learners and White NFCS respondents. In addition to asking objective financial knowledge questions, the survey asked respondents to rate their overall financial knowledge on a 1–7 scale, where a higher number meant they felt more knowledgeable about personal finance topics. The mean self-rating among Black Student Ambassadors was 5.16 and among Black other SFEPD learners was 4.66, while the mean for White NFCS respondent was 4.27 and for Black NFCS respondents was 4.57 (Exhibit 6).

Exhibit 6. Mean self-rated financial knowledge on a 1–7 scale.



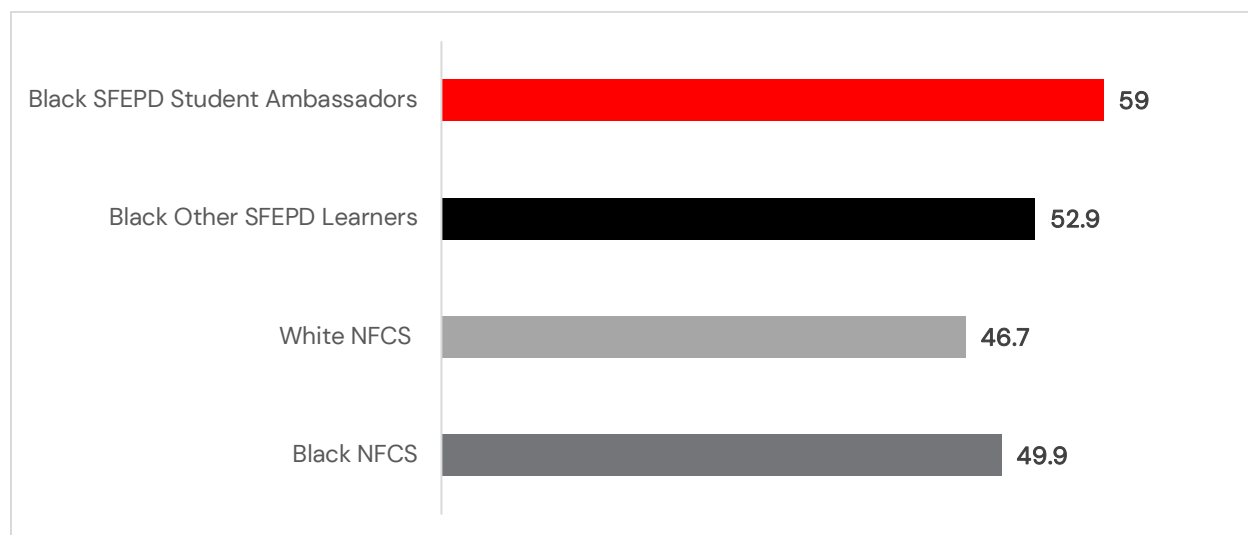
Regression analysis showed that being a Black Student Ambassador was associated with a 0.66 higher self-rated financial knowledge score compared to White NFCS respondents, even when controlling for previous exposure to financial education, income consistency, employment status, inheritance, and household income. No significant differences were observed between Black other SFEPD learners who identified and the White NFCS respondents.

Exhibit 7. Self-rated financial knowledge regression output.

Treatment Condition	Outcome Coefficient	Significance	Effect Size
Black SFEPD Student Ambassadors	0.66	$p < .01$	0.20
Black Other SFEPD Learners	0.29	ns	0.11

Financial well-being

Black Student Ambassadors and Black other SFEPD learners exhibited better financial well-being than White individuals of similar backgrounds. Financial well-being was measured using the abbreviated Consumer Financial Protection Bureau Financial Well-being Scale, which is a validated instrument that produces a standardized score between 18 and 82, where a higher score indicates greater financial well-being. Descriptive statistics show that Black SFEPD learners— especially Student Ambassadors but also Black other SFEPD learners—have higher financial well-being than both White and Black individuals of similar demographic characteristics.

Exhibit 8. Mean financial well-being scale scores of survey respondents.

We used OLS regression to more precisely estimate the impact of SFEPD participation on financial well-being (Exhibit 9). We found that being a Black Student Ambassador predicts a higher financial well-being scale score by 11.44 on the Consumer Financial Protection Bureau scale, compared to White NFCS respondents with similar demographic characteristics and controlling for financial education background, household income, family inheritance, income consistency, and employment status. There was also a significant positive effect associated with other SFEPD programming, where participation predicted a higher financial well-being of 7.08 points on the scale.

Exhibit 9. SFEPD impact on financial well-being scale score.

Treatment Condition	Outcome Coefficient	Significance	Effect Size
Black SFEPD Student Ambassadors	11.44	$p < .001$	0.36
Black Other SFEPD Learners	7.08	$p < .001$	0.27

Black Student Ambassadors reported better credit ratings than White NFCS respondents, but there was no effect on credit rating for Black other SFEPD learners. When asked to rate their credit record, a majority of Black Student Ambassadors (72%) said their rating was “good” or “very good,” which was almost double the proportion of comparable White NFCS respondents who said their credit rating was “good” or “very good” (38%). A lower proportion of Black other SFEPD learners (36%) also rated their credit as “good” or “very good.” Using logistic regression to control for covariates, we found that Black Student Ambassadors were more than 3 times more likely to have good or very good credit than the White comparison group; this was statistically significant. However, no significant effect on this behavior was observed for Black other SFEPD learners.

Exhibit 10. SFEPD impact on likelihood of “good” or “very good” credit rating.

Treatment Condition	Outcome Coefficient	Odds Ratio	Significance	Effect Size
Black SFEPD Student Ambassadors	1.23	3.43	$p < .001$	0.75
Black Other SFEPD Learners	-0.09	0.91	Ns	-0.06

Black Student Ambassadors and Black other SFEPD learners were significantly more likely than White NFCS respondents to be confident in achieving their financial goals. In addition to the standardized well-being scale, the instrument also measured respondents’ confidence in their ability to achieve their financial goals. Specifically, respondents were asked, “If you were to set a financial goal for yourself today, how confident are you in your ability to achieve it?” Just over 64% of the White NFCS respondents answered either “very” or “somewhat” confident, while almost all (92%) Black Student Ambassadors and 74% of Black other SFEPD learners were very or somewhat confident.

Using logistic regression, we found that Black Student Ambassadors and other SFEPD learners were more likely (7.66 times and 2.31 times, respectively) to feel very or somewhat confident in their ability to achieve their financial goals than the comparison group when controlling for previous experience with financial education, household income, income consistency, education, employment status, and inheritance. These findings were statistically significant (Exhibit 11).

Exhibit 11. SFEPD impact on likelihood of confidence in achieving their financial goals.

Treatment Condition	Outcome Coefficient	Odds Ratio	Significance	Effect Size
Black SFEPD Student Ambassadors	2.04	7.66	$p < .001$	1.23
Black Other SFEPD Learners	0.84	2.31	$p < .05$	0.51

Black Student Ambassadors were more confident they could come up with \$2,000 within the next month to cover an unexpected expense than White NFCS respondents. When asked how confident they were in their ability to come up with \$2,000 for an unexpected expense, a majority of Black Student Ambassadors (76%) said they could either "probably" or "certainly" come up with such funds, whereas 44% of Black other SFEPD learners and 44% of matched White NFCS respondents said the same. Using logistic regression to control for covariates, we found that Black Student Ambassadors were 2.71 times more likely to answer probably or certainly than comparable White NFCS respondents. No significant differences were found between Black other SFEPD learners and White NFCS respondents.

Exhibit 12. SFEPD impact on likelihood of confidence in coming up with \$2,000.

Treatment Condition	Outcome Coefficient	Odds Ratio	Significance	Effect Size
Black SFEPD Student Ambassadors	0.99	2.71	$p < .01$	0.60
Black Other SFEPD Learners	-0.19	0.83	Ns	-0.11

Black Student Ambassadors reported less difficulty covering their expenses and paying all their bills each month than comparable White NFCS respondents. When asked how difficult it is to cover their expenses and pay all their bills, a majority (67%) of Black Student Ambassadors said, "Not at all difficult." This was substantially higher than Black other SFEPD learners (36%) and comparable White NFCS respondents (30%). Using logistic regression, we found that the Student Ambassador program had statistically significant, positive effects on Black participants' ability to cover their monthly expenses compared to White NFCS respondents of similar backgrounds and experiences. However, there was not a statistically significant difference between Black other SFEPD learners and White NFCS respondents of similar background.

Exhibit 13. SFEPD impact on ability to pay all bills each month.

Treatment Condition	Outcome Coefficient	Odds Ratio	Significance	Effect Size
Black SFEPD Student Ambassadors	1.22	3.38	$p < .001$	0.74
Black Other SFEPD Learners	0.20	1.22	Ns	0.12

Financial behaviors

Black Student Ambassadors achieved a higher financial behavior composite score than similar White NFCS respondents, but there was no statistically significant difference between Black other SFEPD learners and White NFCS respondents. ICF created a “financial behavior and conditions composite score” based on responses to 19 items about whether or how often they exhibit positive or negative financial conditions or behaviors, such as maintaining a 3-month emergency fund or avoiding alternative financial services such as payday loans. A full description of the composite score is in the primary impact analysis report. The mean score of Black Student Ambassadors was 6.59, which was significantly higher than the mean score for Black other SFEPD learners and comparable White NFCS respondents (4.35 for each group). The mean score for Black NFCS respondents was 3.74. Results from the regression analysis yielded significant effects where being a Black Student Ambassador predicted a 1.63 higher financial behavior score than a White NFCS respondent, even when controlling for covariates like income and inheritance. However, no significant differences were found between Black other SFEPD learners and White NFCS respondents, when controlling for covariates.

Exhibit 14. Mean of financial behaviors composite scores.

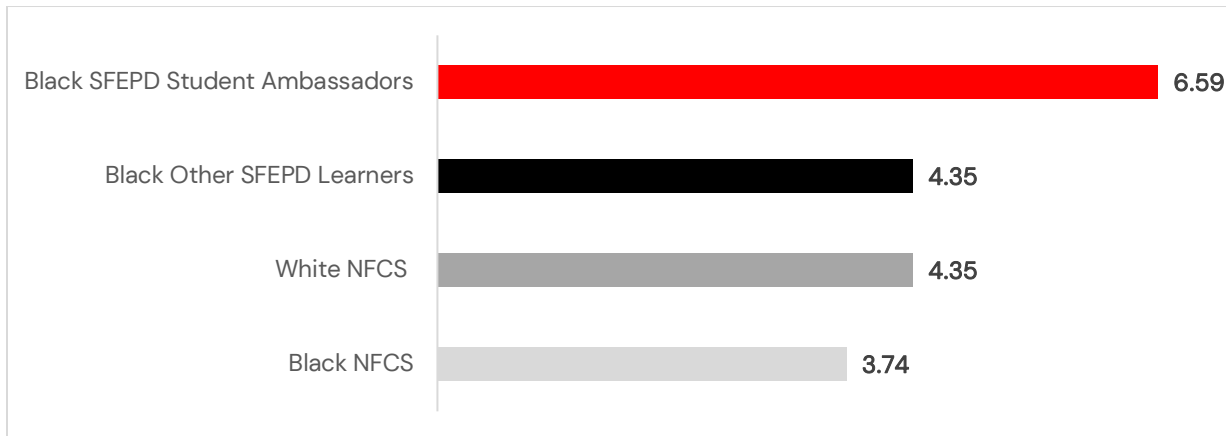


Exhibit 15. SFEPD impact on financial behavior composite scores.

Treatment Condition	Outcome Coefficient	Significance	Effect Size
Black SFEPD Student Ambassadors	1.63	$p < .001$	0.22
Black Other SFEPD Learners	-0.08	ns	-0.01

Black Student Ambassadors and Black other SFEPD learners were more likely to invest in stocks, bonds, or mutual funds outside of a retirement account than comparable White NFCS respondents. The survey asked respondents whether they have any investments in stocks, bonds, or

mutual funds held outside a retirement account. Overall, 45% of Student Ambassadors reported holding such investments, compared to 32% of Black other SFEPD learners and 23% of matched White NFCS respondents.

Regression analysis showed Black Student Ambassadors were almost 3 times more likely than comparable White NFCS respondents to report investing in stocks, bonds, and/or mutual funds outside of a retirement account. Black other SFEPD learners were almost twice as likely to report the same. These differences were statistically significant for both groups.

Exhibit 16. SFEPD impact on investments in stocks, bonds, or mutual funds outside of a retirement account.

Treatment Condition	Outcome Coefficient	Odds Ratio	Significance	Effect Size
Black SFEPD Student Ambassadors	1.02	2.78	$p < .01$	0.62
Black Other SFEPD Learners	0.69	1.99	$p < .05$	0.42

Black Student Ambassadors were almost 4 times more likely to maintain a “rainy day” fund than comparable White NFCS respondents, but there was not a significant difference between Black other SFEPD learners and the White comparison group. The survey asked respondents whether they have set aside enough money to cover 3 months of expenses in the event they unexpectedly could not earn income. The proportion of Student Ambassadors with such a fund (72%) was almost double the comparison group (37%) and Black other SFEPD learners (38%), respectively. Using logistic regression to account for covariates, we found that Student Ambassadors were almost 4 times more likely to maintain an emergency fund than White NFCS respondents with similar background and financial resources. No significant effects were observed for Black other SFEPD learners, indicating that they were similar to the White comparison group on this budgeting behavior.

Exhibit 17. SFEPD impact on maintaining a “rainy day” fund.

Treatment Condition	Outcome Coefficient	Odds Ratio	Significance	Effect Size
Black SFEPD Student Ambassadors	1.38	3.98	$p < .001$	0.84
Black Other SFEPD Learners	0.21	1.23	ns	0.13

SFEPD programming contributed to lower usage of alternative financial services. Respondents were asked how many times they used any of the following alternative financial services (AFS) in the past 5 years:

- Auto title loans
- Payday loans

- Tax refund anticipation check
- Pawn shop
- Rent-to-own store.

On average, individuals in the comparison group had used AFS 2.50 times in the past 5 years, while Black Student Ambassadors' average usage was 0.69 and Black other SFEPD learners was 0.88 times. Using OLS regression to control for covariates, we found that serving as a Student Ambassador leads to 0.8 fewer uses of AFS over a 5-year period; while other SFEPD programming is associated with a lower AFS use of .69 times. These results were statistically significant.

Exhibit 18. SFEPD impact on use of alternative financial services.

Treatment Condition	Outcome Coefficient	Significance	Effect Size
Black SFEPD Student Ambassadors	-0.80	$p < .05$	-0.15
Black Other SFEPD Learners	-0.69	$p < .05$	-0.15

There were no statistically significant differences between Black SFEPD participants (Student Ambassadors and other SFEPD learners) and comparable White NFCS respondents on other financial behaviors, including:

- Paying one's full credit card balance each month.
- Having a retirement plan such as a 401(k).
- Having tried to figure out how much one needs to save for retirement.
- Having been contacted by a debt collector.

Discussion

These findings provide compelling evidence that SFEPD's programming can help address the racial wealth gap in America. While the drivers of the racial wealth gap are complex and solutions are multifaceted, SFEPD's financial education model makes a positive difference.

Whereas national data show Black Americans perform worse on financial knowledge assessments (Blanco et al., 2022), report lower financial well-being (Consumer Financial Protection Bureau, 2022), and are less likely to engage in wealth-building behaviors than White Americans (Choukhmane et al., 2024; Barcellos & Zamarro, 2021), we found that Black SFEPD participants have similar or—on many indicators—better financial knowledge, well-being, and behaviors than White Americans of similar backgrounds.

In particular, Black Student Ambassadors outperformed their White counterparts on almost all indicators, which suggests SFEPD's intensive, culturally responsive peer-to-peer programming is an effective model for contributing to the closure of racial gaps in financial knowledge, well-being, behaviors and, ultimately, wealth. There were fewer and smaller effects for Black other SFEPD learners, which likely reflects the lower intensity of the programming. Of course, since racial

disparities exist in the overall population on financial knowledge, well-being and confidence, and wealth-building behaviors, our findings of statistical equivalence between Black other SFEPD participants and the White comparison group can be interpreted as evidence that even SFEPD's more limited programming is a promising approach to closing racial gaps in financial outcomes.

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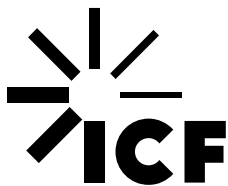
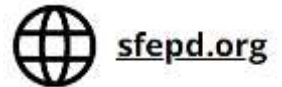
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