

# Hibbs Brief

*Hibbs Institute for Business & Economic Research*

## Beyond the Budget: Financial Literacy in Tyler, TX

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This edition of the [Hibbs Brief](#) was developed in partnership with the **UT Tyler Center for Economic Education and Financial Literacy**, which sponsored a student researcher to collaborate on this study. This partnership reflects our shared commitment to promoting financial understanding and expanding economic opportunity in Tyler, Texas.

Every household budget tells a story. Across the nation, that story increasingly includes rising costs, limited savings and difficult choices between short-term needs and long-term goals. Many Americans face these challenges with little formal financial education. In 2025, fewer than half of adults can correctly answer even the most basic questions about interest, inflation and risk — fundamental concepts that shape everyday decisions.<sup>1</sup> Among younger adults, particularly Gen Z, the share drops closer to four in 10.<sup>1</sup>

Financial literacy is more than basic arithmetic. It is a blend of awareness, knowledge and behavior that enables people to make informed choices about their money.<sup>2</sup> In daily life, this means knowing how to budget, save, borrow wisely and plan for the future. But in today's rapidly evolving economy, financial literacy also requires digital fluency. Managing online banking, detecting fraud and navigating algorithm-driven financial tools are now part of the same skill set that once involved little more than a checkbook and a savings account.<sup>3</sup>

When these financial skills are absent, the effects extend far beyond individual households and ripple through the broader community. In 2025, only about 37% of Americans report having an emergency fund,<sup>4</sup> and just 35% say they have established long-term financial goals.<sup>5</sup> Limited financial knowledge often translates into higher debt, greater stress and fewer opportunities to build stability. Families who struggle to manage debt or save for emergencies are less likely to buy homes<sup>6</sup> or start small

businesses<sup>7</sup> — both key drivers of local economic growth. In this way, financial literacy is not just a personal asset; it is an important foundation of community resilience.

### The Divide Between Financial Knowledge and Access

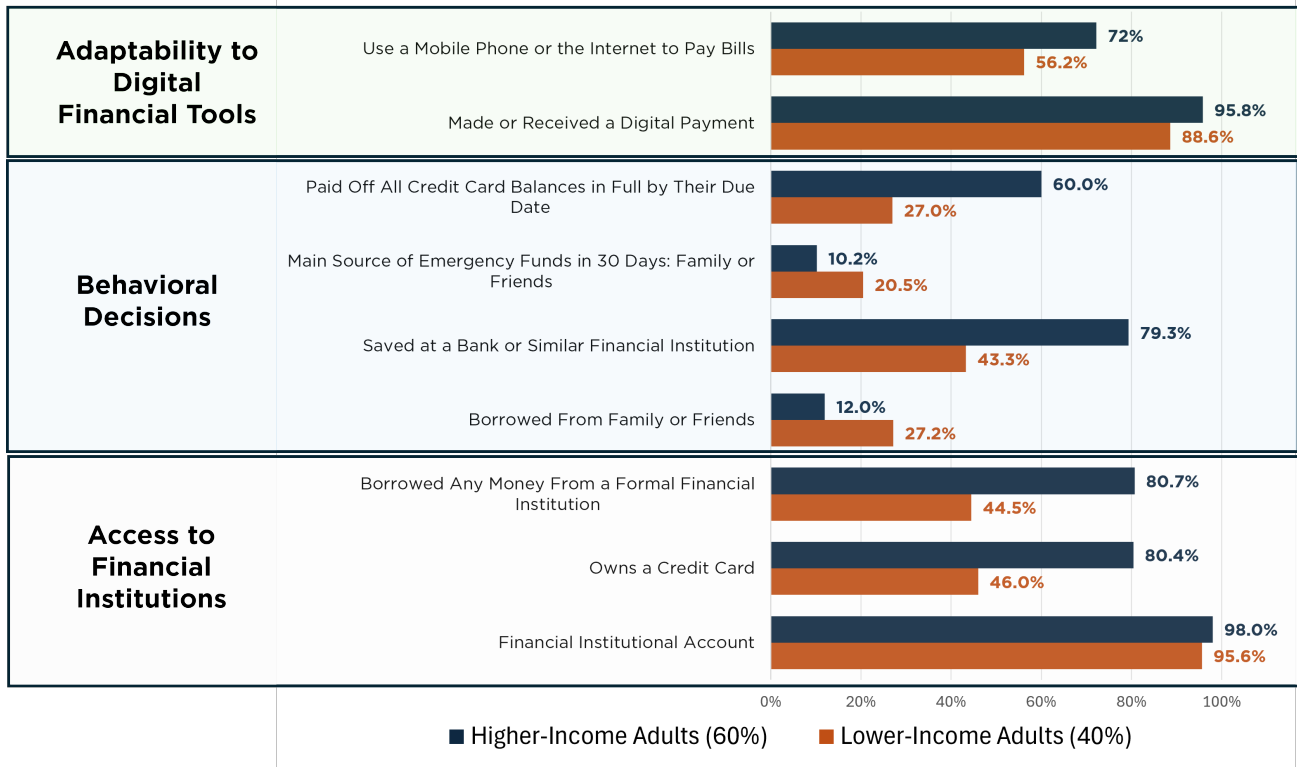
Everyday financial choices — whether paying a bill online, saving for an emergency or applying for a loan — reveal how individuals interact with the financial system. For some, these tasks are simple and routine. For others, they are shaped by limited access to banking services, inadequate digital infrastructure or uncertainty about how financial tools work. Understanding these differences helps explain why financial literacy and financial access must be considered together.

**Figure 1** highlights how financial habits and access to financial resources differ across income groups in the United States. The chart is organized into three categories: Adaptability to Digital Financial Tools, Behavioral Decisions and Access to Financial Institutions. Together, these metrics illustrate how education and resource availability shape financial opportunity.

In the first category, digital adaptability, nearly 96% of higher-income adults made or received digital payment, compared with 89% of lower-income adults. The gap widens when looking at paying bills online or by phone: 72% of higher-income adults use these methods, while only 56% of lower-income adults do so. These differences reflect not only access to technology but also varying levels of familiarity and comfort with digital finance.

The middle section of the figure highlights behavioral choices, where the divide becomes more evident. Only 27% of lower-income adults pay their credit card balances in full, compared with 60% of higher-income adults.

**Figure 1. Financial Inclusion and Literacy by Income Group in the United States (2025)**



Source: Hibbs Institute for Business and Economic Research using Global Index Database, World Bank.

Lower-income individuals are also twice as likely to rely on relatives for emergency funds, while higher-income adults are far more likely to maintain formal savings accounts.

The final section covers access to financial institutions. Among higher-income adults, nearly 98% have a financial account and about 80% hold a credit card. For lower-income adults, those shares fall to roughly 95% with an account and 46% with a credit card.

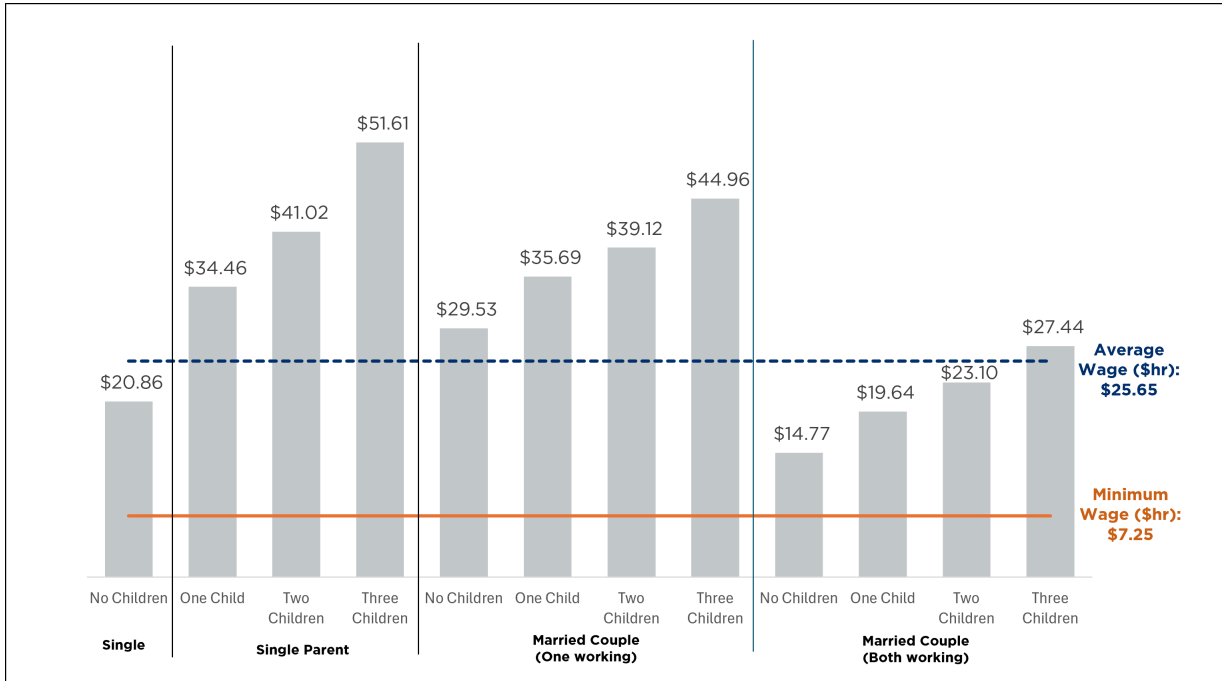
This national pattern is also visible — and in some ways even stronger — across Texas and in Smith County. In 2023, Texas ranked among the top five states with the highest share of unbanked households, at 6.5%, compared with 4.2% nationwide.<sup>8</sup> The challenge is more pronounced in Smith County, where approximately 12.1% of households are unbanked.<sup>9</sup> In many rural parts of East Texas, weak broadband connections<sup>10</sup> and limited access to digital tools make it difficult for residents to participate fully in the financial system. Without stronger infrastructure and institutional support, financial knowledge alone cannot bridge this gap. Ensuring reliable digital access and local financial services is essential for building the educational foundation and economic opportunities that lead to lasting financial capability.

### The Financial Burden Behind Everyday Decisions

Financial access is only part of the story. Lasting stability also depends on whether families earn enough to cover everyday expenses. The realities of daily costs often determine whether households can save, invest or simply keep up. Many families in Smith County, like those across the country, are facing rising living expenses that often outpace local wages, leaving little room for savings or emergency funds. Understanding these pressures helps explain why financial literacy — and the ability to apply it within real economic limits — remains critical for long-term stability.

The Living Wage Institute has developed estimates on the minimum hourly rate that a household must earn to support themselves for different family structures. **Figure 2** provides a closer look at how income and family structure shape the financial realities of Smith County households. Each bar represents the hourly wage required for different family types to meet basic living expenses such as housing, food, transportation and childcare. The dashed line marks the average local wage, while the orange line indicates the federal minimum wage of \$7.25 per hour. The differences are striking. A single adult must earn about \$20.86 per hour

**Figure 2. Living Wage by Family Structure in Smith County (2025)**



Source: Hibbs Institute for Business and Economic Research using living wage data sourced from the Living Wage Institute.

to maintain a modest standard of living — nearly three times the federal minimum wage.<sup>11</sup>

For single parents, the financial pressure is even greater: a parent with one child needs \$34.46 per hour, and one with three children requires more than \$51 per hour to cover essential costs. Even married couples face challenges. When only one adult works, the living wage ranges from \$29.53 per hour with no children to \$44.96 with three. Married couples with both adults working are in a stronger position, yet those raising three children still need to earn about \$27.44 per hour each to meet a basic standard of living.<sup>11</sup>

These numbers translate the abstract idea of “financial literacy” into lived experience. For many East Texas families, making informed financial choices matters, but structural constraints — low wages, rising costs and uneven access to affordable banking — limit what knowledge alone can achieve. **Figure 2** underscores that understanding money is only part of the equation — the ability to earn enough and participate fully in the financial system ultimately shapes whether families can build stability and resilience.

### Local Voices, Local Solutions

Behind the numbers are the experiences of real people. In Tyler, financial stress is not an abstract concept; it is part of daily life. Susan Doty, director of the UT Tyler Center for Economic Education and Financial Literacy, and Juan Ovalle, a community banker who has spent years

working with East Texas families, are some of the most renowned local voices who have captured both the challenges and the opportunities to strengthen financial education.

Doty notes that most financial programs emphasize “how-to” lessons — balancing a budget, managing credit cards or avoiding debt — but often overlook the why. “Our communities have a strong do-it-yourself mindset, where asking for help isn’t always the norm,” she explains. “We need to teach the economic way of thinking, not just mechanical steps. When people understand incentives, opportunity costs and tradeoffs, they’re better prepared to make financial decisions, even in tough situations.”

That shift in mindset is especially important in rural and under-resourced school districts. Many students in East Texas graduate without ever learning about credit scores, compound interest or the basics of investing — concepts that form the foundation for long-term stability. Doty adds that teachers often lack formal training in financial literacy themselves, making it harder to show healthy financial behavior in the classroom.

Ovalle sees the consequences of financial illiteracy every day. “You can’t build financial security when a couple is paying \$1,000 each for a car and can’t qualify for a home loan,” he says. One of the most common misconceptions he encounters is the belief that carrying a credit card balance improves a credit score. In reality, high balances and missed

payments can cause lasting harm. Ovalle emphasizes that the message “pay yourself first” should be reinforced everywhere — from schools and community centers to churches. “Most people don’t realize that saving just \$20 a week can grow into a real safety net over time.”

Both Doty and Ovalle agree on one essential point: solutions must be local. They highlight the need for culturally aware outreach, stronger partnerships with rural schools and professional development for teachers that make financial topics approachable. Above all, they call for a community-wide shift in how East Texans think about money, risk and planning.

### Building Financial Resilience in Tyler

The data and stories point to a shared reality: financial literacy is not just about knowing what to do with money — it’s about having the means and confidence to act on that knowledge. In Tyler, real progress will depend on closing the gap between understanding and access —between what people know and what they can realistically practice.

Expanding early financial education, particularly in middle and high schools, can help students build lasting financial habits before they face major decisions about work, credit or college. Strengthening partnerships among schools, local banks and community organizations can also bring practical hands-on lessons to the classrooms and neighborhoods that need them most. At the same time, improving broadband access and expanding the availability of affordable banking options will ensure that learning can translate into action.

Financial resilience grows when education, opportunity and community engagement move together. As Tyler continues to expand and attract new residents, the ability of families to manage debt, plan ahead and build savings will determine not only household well-being but also the strength of the local economy. Empowering families with the tools and access to make informed decisions is more than a financial goal — it is an investment in the long-term stability and prosperity of East Texas.

\*The Hibbs Institute gratefully acknowledges Susan Doty and Juan Ovalle for taking the time to share their perspectives with us. Their insights were invaluable and greatly contributed to the development of this project.

### End Notes

<sup>1</sup> TIAA Institute-GFLEC Personal Finance Index (P-Fin Index), 2025. <https://gflec.org/initiatives/personal-finance-index/>

<sup>2</sup> Toronto Centre. (2018, January 30). Financial Literacy [https://torontocentre.org/index.php?option=com\\_content&view=article&id=78&Itemid=99](https://torontocentre.org/index.php?option=com_content&view=article&id=78&Itemid=99)

<sup>3</sup> Engels, Christian, Kanishka Kumar, and Dennis Philip. Financial Literacy and Fraud Detection. Durham University Business School, 2019. [https://gflec.org/wp-content/uploads/2019/04/Philip\\_Dennis.pdf?x37611](https://gflec.org/wp-content/uploads/2019/04/Philip_Dennis.pdf?x37611)

<sup>4</sup> BlackRock. Emergency savings: bridging the gap between short and long-term saving. Feb 03 2025. <https://www.blackrock.com/us/financial-professionals/retirement/insights/emergency-savings-plan-resources>

<sup>5</sup> Charles Schwab & Co. Schwab’s Modern Wealth Survey 2023: Nearly Half of Americans Feel Wealthy—but With a Twist: They Don’t Measure It in Dollars & Cents. <https://pressroom.aboutschwab.com/press-releases/press-release/2023/Schwabs-Modern-Wealth-Survey-Reveals-Nearly-Half-of-Americans-Feel-WealthyBut-With-a-Twist-They-Dont-Measure-It-in-Dollars--Cents/default.aspx>

<sup>6</sup> Despard, M. R., Friedline, T., & Martin-West, S. (2020). Why Do Households Lack Emergency Savings? The Role of Financial Capability. Journal of family and economic issues, 41(3), 542–557. <https://doi.org/10.1007/s10834-020-09679-8>

<sup>7</sup> Despard, M., Friedline, T. & Martin-West, S. Entrepreneurship and Household Saving. NBER Working Paper No. 7894 (2000). [https://www.nber.org/system/files/working\\_papers/w7894/w7894.pdf](https://www.nber.org/system/files/working_papers/w7894/w7894.pdf)

<sup>8</sup> Federal Deposit Insurance Corporation (FDIC). FDIC National Survey of Unbanked and Underbanked Households. Appendix Tables, 2023. <https://www.fdic.gov/household-survey/2023-fdic-national-survey-unbanked-and-underbanked-households-appendix-tables>

<sup>9</sup> Hibbs Institute estimates using IPUMS CPS Un(der)bank supplement microdata. [https://cps.ipums.org/cps/unbank\\_sample\\_notes.shtml](https://cps.ipums.org/cps/unbank_sample_notes.shtml)

<sup>10</sup> Texas Appleseed. Broadband expansion in Texas: Breaking barriers, access and funding — what Texans can do. 2025 <https://www.texasappleseed.org/blog/broadband-expansion-texas-breaking-barriers-access-and-funding-what-texans-can-do>

<sup>11</sup> The Living Wage Institute, which started as a Massachusetts Institute of Technology (MIT) initiative, periodically produces estimates on the minimum hourly rate that a household must earn to support themselves for different family structures for every single county in the nation via their Living Wage Calculator. <https://livingwage.mit.edu/>

**The Hibbs Institute has created a [LinkedIn](#) page that frequently releases business and economic information. Follow our page for future brief updates, announcements and links to our periodic publications.**



In fall 2024, the [Hibbs Institute for Business and Economic Research](#) launched the Hibbs Internship Program, an intentional effort to cultivate the next generation of regional researchers and leaders. The program offers undergraduate students hands-on experience in economic analysis, giving them the opportunity to work directly with data and contribute to applied research on issues that matter to East Texas.

This edition of the Hibbs Brief reflects one of the first collaborations between the [Hibbs Institute](#) and the [UT Tyler Center for Economic Education and Financial Literacy](#), which sponsored a student intern to participate in this project. [Sara Maldonado](#), one of the program's inaugural interns, played a central role in the research and analysis that informed this report.

Reflecting on her experience, Sara shared:

"When I began as a research assistant with the UT Tyler CEEFL, I had already taken Personal Finance courses with the director, Ms. Susan Doty. One of the key parts of her class is the section on philanthropy and giving back, where she emphasizes the importance of taking what you've learned and reinvesting it into your community. This is something Ms. Doty truly lives out through the way she — and the center as a whole — invests in students. I'm grateful to have been a direct recipient of that investment and to carry forward the knowledge and opportunities she has given me by reinvesting them into the world."

Sara's story embodies the shared mission of the Hibbs Institute and the Center for Economic Education and Financial Literacy — to expand opportunity, build local talent and connect learning to community impact. Her experience reminds us that behind every dataset are people, and that true economic growth begins when knowledge is used to create lasting opportunity for others.

