CHAPTER I
INTRODUCTION

The first chapter in any research provides an introduction. In this research, the introduction covers the background of the research, research questions, purpose of the research, scope of the research, significance of the research, key terms, and state of art. The explanations are presented as follows:

1.1 Background of the Study

In the landscape of contemporary education, reading learning materials continue to be a pivotal foundation in shaping students' academic and cognitive development. These materials are not only tools for language acquisition but are also instrumental in cultivating deeper thinking, comprehension, and learning autonomy. According to Chen and Zhang (2023), engaging with well-structured reading materials enhances students' ability to acquire, process, and retain information, enabling them to construct meaning and make connections across different domains of knowledge. This process contributes significantly to learners' intellectual development and academic achievement. Tomlinson (2024) echoes this view, emphasizing that reading is not a passive act of decoding text but an active process of interpretation that develops critical thinking which is an essential skill in both academic and real-life contexts. Furthermore, Lee and Rodriguez (2022) demonstrate that when students engage meaningfully with texts, they simultaneously foster metacognitive awareness, which plays a critical role in learning regulation and problem-solving. These insights are reinforced by Morgan et al. (2024), who asserted that the quality and depth of engagement with reading materials strongly correlated with students' academic outcomes and long-term educational success. These perspectives collectively affirmed the centrality of reading materials in fostering adaptive and lifelong learning in an increasingly knowledge-driven world.

The significance of reading learning materials has become even more pronounced in light of recent shifts in the educational ecosystem, particularly with the integration of digital technology and a move toward student-centered learning paradigms. Scholars such as Cho and Afflerbach (2015) highlight the evolution of learning materials from static, print-based resources to multimodal and interactive digital formats that combine text, visuals, audio, and interactive features. These innovations are not merely cosmetic; they represent a fundamental shift in how students consume, engage with, and make meaning from educational content. Zhu and Bouwel (2018) report that today's learners are more inclined toward digital materials that provide flexibility, accessibility, and personalized learning pathways. These preferences reflect broader generational shifts in learning behaviors, influenced by the ubiquity of technology and instant access to information. Greenhow and Lewin (2016) further argue that social media and online collaborative platforms have redefined reading as a social practice, encouraging students to read, comment, and co-construct meaning with others in digital spaces. The rapid transition to online learning during the COVID-19 pandemic, as documented by Hodges et al. (2020) and Reich and Rubinstein (2021), has only accelerated this transformation, making it essential for educators to design materials that are not only content-rich but also digitally responsive and engaging.

This evolution in reading material design is especially critical for junior high school students, particularly those in Grade 8, who are undergoing key cognitive, emotional, and academic transitions. Anderson et al. (2017) describe this stage as a pivotal moment in literacy development when learners move beyond basic reading fluency and begin to develop higher-order comprehension skills such as inference, analysis, and evaluation. At this stage, reading materials should not only challenge students intellectually but also provide scaffolding to support deeper understanding. Paris and Cunningham (2016) advocate for instructional content that maintains a balance between difficulty and accessibility in materials that are rigorous enough to promote intellectual growth but not so complex as to hinder motivation. Williams and Roberts (2018) suggest incorporating visual aids, interactive elements, and relatable content to sustain learners' interest and emotional engagement. Kintsch and Rawson (2019) argue that such materials should also be designed to foster metacognitive strategies, helping students plan, monitor, and evaluate their comprehension and learning progress. Eason and Cutting (2020) emphasize the importance of scaffolding, suggesting that materials should gradually increase in complexity and be aligned with students' evolving cognitive abilities and reading proficiency.

While reading literacy continues to be a core focus of educational practice, there has been growing recognition of the need to integrate other essential life competencies into the curriculum as one of the most critical being financial literacy. In an increasingly complex and unpredictable economic environment, the ability to understand and manage personal finances is no longer optional; it is a fundamental life skill. Lusardi and Mitchell (2014) argue that financial literacy influences not only individual well-being but also contributes to broader economic stability and resilience. The OECD (2018) reveals that individuals with stronger financial literacy are more likely to make informed decisions about saving, investing, and managing debt. Chen and Volpe (2019) find a strong correlation between financial literacy and economic resilience, especially among young people who are navigating increasingly sophisticated financial systems. Furthermore, Mandell and Klein (2020) emphasized that financial education introduced at an early age can mitigate financial stress and promote long-term responsible behavior. Huston (2021) added that financial literacy was not simply about mastering financial terminology or calculations, but about developing critical analytical skills to interpret and respond to real-world economic challenges.

In response to these growing demands, educational institutions have begun integrating financial literacy into formal curricula, not only in economics or social studies but across disciplines. Miller et al. (2019) report that schools are adopting more interdisciplinary approaches that embed financial concepts within other subject areas, including language and arts education. Graham et al. (2020) highlight that successful financial literacy programs often utilize experiential learning strategies such as simulations, real-world scenarios, and interactive decision-making games that allow students to apply financial concepts in meaningful contexts. The JumpStart Coalition (2021) suggests that effective financial literacy education should be progressive, with materials tailored to the developmental stage of learners and increasing in complexity over time. Remund (2022) emphasizes that financial education should not only transfer knowledge but also build students' confidence, emotional resilience, and critical thinking skills for navigating financial decision-making.

Aligned with these pedagogical innovations, the design and development of financial literacy learning materials have become increasingly sophisticated. Retzmann and Seeber (2016) advocate for materials that go beyond rote instruction to include rich, contextualized content that connects abstract financial concepts to students' real lives. Holt and Azevedo (2018) propose the inclusion of digital tools such as video case studies, simulations, and interactive models to enhance engagement and support deeper learning. Xiao et al. (2019) argue that effective materials must be culturally relevant, reflecting the diverse socioeconomic realities of learners. Stolper and Walter (2020) and Burns et al. (2021) highlight the need to incorporate psychological and behavioral aspects into financial education to develop adaptive learning strategies. Moreover, Jarrett and Verhage (2022) stress that financial literacy materials should be regularly updated to reflect current economic developments, financial innovations, and emerging global trends to ensure relevance and effectiveness.

Reading materials specifically designed to support financial literacy have also become increasingly multidimensional. Beal and Delpachitra (2017) argue that effective materials should integrate theoretical knowledge with narrative and applied content to make financial concepts accessible and relatable. Gerrans and Heaney (2019) demonstrate that the use of real-world scenarios, personal finance case studies, and reflective questions helps students develop a holistic understanding of financial topics. Gordon et al. (2020) advocate for the inclusion of diverse and intersectional perspectives, noting that gender, cultural background, and socioeconomic status all shape financial experiences. Potrich et al. (2021) emphasize the need to support learners in developing critical literacy that is enabling them to read, interpret, and critique financial information rather than simply consume it. Huston and Finke (2022) and Mundy et al. (2023) recommend a scaffolded approach in which materials increase in conceptual complexity while maintaining clarity and engagement, ensuring that students can grow intellectually and financially over time.

While much of the existing literature on financial literacy highlights its positive impact on economic behavior and decision-making, some studies overlook the pedagogical complexity of integrating these concepts into language instruction. For instance, while Graham et al. (2020) emphasized experiential learning in financial education, they rarely address how such methods can be adapted for use in English reading classes, particularly for younger learners. Similarly, although Huston (2021) stresses the importance of critical thinking in financial literacy, limited attention has been paid to how reading tasks themselves can be designed to cultivate these cognitive skills. This suggests a disconnect between theoretical models of financial education and practical strategies for embedding financial literacy within subject areas like English.

Despite the growing body of research on reading materials and financial literacy, notable gaps remained. Morgan and Trinh (2022) identified a lack of comprehensive studies examining the long-term impact of financial literacy reading materials across different educational contexts and student populations. Lusardi and Mitchell (2023) noted the scarcity of empirical research investigating the role of digital technologies in shaping the delivery and effectiveness of financial literacy content. Zhang and Lawson (2021) observed that personalized learning approaches particularly those that account for individual learning styles. Additionally, cognitive preferences are still underdeveloped in financial literacy instruction. Chen et al. (2022) point to a need for more interdisciplinary research that integrates educational psychology, sociology, and economics to offer a more holistic understanding of learning outcomes. Furthermore, Xiao and Porto (2021) argue that many existing materials are insufficiently aligned with the dynamic nature of today's financial landscape, which is shaped by rapidly evolving technologies and increasingly complex economic systems.

In response to these challenges, this study seeks to develop and evaluate English reading materials infused with financial literacy specifically designed for 8th-grade junior high school students. This research positions itself at the intersection of language education and life skills development, offering a practical response to the need for interdisciplinary curriculum design. By embedding financial literacy concepts into reading passages and tasks, the materials aim to enhance students' language proficiency while simultaneously cultivating financial awareness, critical thinking, and metacognitive strategies. These materials will be grounded in principles of developmental appropriateness, cultural relevance, and digital engagement, and will be tested through iterative evaluation involving learners and educators. The outcomes of this study are expected to contribute not only to the theoretical discourse on integrated literacy instruction but also to the practical implementation of curricula that prepare students for both academic success and real-world financial decision-making. In doing so, this study provides a timely and innovative contribution to the field of education, aligning with global efforts to equip young learners with the competencies they need to thrive in a complex and interconnected world.

1.2 Research Questions

This research concentrated on infusing English reading learning materials with financial literacy for 8th graders. The elaboration presented earlier in the background should become the underlying reasons on how the research questions are formulated. According to the background above, the following points are the research question formulations:

1. To what extent are financial literacy skills infused into the existing reading learning materials for 8th graders?
2. How is the process of infusing financial literacy into English reading learning materials for 8th graders?
3. How is the design of financial literacy skills infused with English reading learning materials for 8th graders?
4. How is the readability of financial literacy skills infused with English reading learning materials for 8th graders?
5. What are the results of the expert validation and users' responses toward the Financial Literacy Skills–Infused English Reading Materials for 8th Graders?

1.3 Purposes of the Study

Based on the research questions above, those are in line with the purposes of the study which are stated as follows:

1. To analyze how far the existing reading learning materials has been infused into financial literacy for 8th graders
2. To describe the process of infusing English reading learning materials with financial literacy for 8th graders
3. To design English reading materials infused with financial literacy skills

for 8th graders

4. To measure the readability of English reading materials infused with financial literacy skills for 8th graders
5. To find out the results of the expert validation and users' responses towards the use of the English reading materials-infused with financial literacy skills for 8th graders.

1.4 Scope of the Study

This scope of study is developing English reading materials infused with financial literacy for junior high school focusing on 8th graders. The focus of the study has been clarified by emphasizing that the primary objective is to develop students' reading skills (*language literacy*) through the integration of financial literacy content. Financial literacy functions as the contextual framework, while language literacy remains the main instructional focus. The existing materials will be infused into the financial literacy to encourage students' English learning reading materials. It is designed for junior high school students and teachers. The source of data are existing syllabi from schools for Junior High School the latest curriculum, related literature on financial literacy, English learning reading materials CEFR level for Junior High School, the method is DDR, and finally, the result of the study is a prototype of English reading learning materials infused with financial literacy for 8th graders junior high school.

1.5 Significance of the Study

This study provides an important opportunity to advance the understanding of English learning reading materials and financial literacy skills in a significant way. In particularly, financial literacy skills in English learning reading materials of junior high school 8 grade, the research is anticipated to provide contributions to both theoretical and practical aspects of the educational profession.

Theoretically, it should explain how English learning principles and financial literacy skills were developed and how they fit into English reading materials in senior junior school 8 graders. For other researchers, the study can expand on existing data to provide new research, and it also supports future research on financial literacy realm, so that other researchers who are interested in carrying out the study can use the results as a guideline. Practically, for students, understanding in financial literacy skills in reading activities, the study can be used to support students' learning experiences. Additionally, it is anticipated that the 21st-century cognitive competences, which place a strong emphasis on developing students' financial literacy skills, would be successfully infused into the way student study. Meanwhile, for teachers, the findings of this study can be used in English learning activities that promote 21st-century skills while teaching and learning in reading competence. Since teachers act as coaches and facilitators of inquiry and reflection, it is also helpful in providing them with references and information regarding how to apply the learning paradigm.

1.6 State of the Art

Reading learning materials play a crucial role in supporting students' academic and cognitive development, as they function not only as tools for language acquisition but also as media that foster comprehension, critical thinking, and learning autonomy. Chen and Zhang (2023) state that well-structured reading materials help learners acquire, process, and retain information effectively, enabling them to construct meaning and connect knowledge across different domains. Similarly, Tomlinson (2024) emphasizes that reading is an active interpretive process that develops critical thinking skills essential for both academic and real-life contexts. Other scholars also highlight that meaningful engagement with texts can enhance students' metacognitive awareness and learning regulation (Lee & Rodriguez, 2022; Morgan et al., 2024). In recent years, the development of reading materials has also evolved with the integration of digital technology and student-centered learning approaches, encouraging more contextual and interactive learning experiences (Cho & Afflerbach, 2015; Zhu & Bouwel, 2018; Greenhow & Lewin, 2016). These developments indicate that reading materials should not only support comprehension but also promote meaningful engagement and higher-order thinking skills.

At the same time, financial literacy has been increasingly recognized as an essential life skill that should be introduced through educational contexts. Financial literacy enables individuals to make informed financial decisions and contributes to long-term economic well-being (Lusardi & Mitchell, 2014; OECD, 2018). Several studies have explored the integration of financial literacy into school curricula through interdisciplinary approaches and contextual learning strategies (Miller et al., 2019; Graham et al., 2020; Retzmann & Seeber, 2016). However, most existing studies tend to examine financial literacy education and language learning separately, with limited attention to how financial literacy can be integrated into English as a Foreign Language (EFL) reading materials. This gap highlights the need for instructional materials that combine language learning with life skills development. Therefore, the novelty of this study lies in the development of English reading materials infused with financial literacy specifically designed for eighth-grade junior high school students. By integrating financial literacy concepts into reading texts and activities through a research and development approach, this study aims to enhance students' reading comprehension while simultaneously fostering financial awareness, critical thinking, and real-life decision-making skills.