TEACHING THE VALUE OF MONEY

State Treasurers School Students on Importance of Personal Finance Skills

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Prudent financial management is the heart of a state treasurer’s job. Making informed choices is critical to protecting public funds. Unfortunately, many of our citizens lack the tools to make good decisions about their personal finances.

The difficulties many Americans face—home foreclosures, credit card debt, inadequate retirement savings—are due in good part to a lack of money management skills. More than two-fifths of U.S. adults gave themselves a grade of C or worse on their knowledge of personal finance, as measured by a recent Harris Interactive poll.

If we as state leaders want to help people overcome economic difficulty, one thing we must do is help our citizens become more financially literate.

And financial education should begin at a young age.

The Jump$tart Coalition, a Washington, D.C.-based nonprofit organization focusing on financial literacy, conducted a survey of more than 6,000 high school seniors in 2008 in which the students were asked basic money management questions. The average score was a woeful 48 percent.

Treasurers and other state leaders are addressing this problem by bringing money management education into elementary and high schools. They sponsor programs such as “Bank-at-School” that teach children how to manage their money with real accounts.

These state leaders also form partnerships to bring resources into the classroom. For instance, several treasurers work with VISA to offer “Financial Football,” an online game that uses National Football League teams and rules to engage students on money management topics.

In West Virginia, State Treasurer John Perdue, working with the state Department of Education and the legislature, recently launched an initiative to teach financial skills in every public school. The program, called “Net Worth,” seeks to seamlessly integrate personal finance education into the core curriculum taught throughout the state.

Finance concepts are being integrated into math, language arts and social studies classes so students can learn how they apply to many subjects. The level of difficulty is also matched to the appropriate age level, so students acquire skills at a gradual pace throughout their school years.

By the time students graduate from high school, they will understand concepts like compound interest, taking on debt cautiously and saving for the future. This knowledge is crucial for young people and adults to achieve an improved standard of living for themselves and their families.

State treasurers are joined by many others in government, not-for-profit organizations and the private sector in the effort to promote financial literacy. This is truly an area where we can cross political and state lines to make a difference for many Americans.