

Guest column: Jason Alderman

Next generation must be more financially literate

Putting the economy right is No. 1 on the government's to-do list, and our elected leaders are busy crafting more rescue plans to loosen the credit markets and more. But another task to strengthen our financial future should be on our own list: educating Americans about personal finance. It's a job every bit as essential.

The events leading to our current financial crisis pulled back the curtain on how poorly informed many Americans remain about their own money. The gap in knowledge is especially acute among younger spenders and savers – the future of our economy.

A survey by the Jump\$tart Coalition for Personal Financial Literacy found that the average high school senior could answer only about half of the questions on a basic financial knowledge test.

Many of these young people get their first full-time job unable to balance their checkbook, judge offers for credit, or establish a habit for saving.

The economic stewards of our nation grasp the impact this will have into the future. In a speech

earlier this year, Fed Chairman Ben Bernanke said "promoting financial literacy, in particular, must be a high priority."

How, then, can we educate the next generation to make smart decisions about money?

Let's start with our schools. Today, Ohio schools are instructed to incorporate some financial literacy education into other subject matter, but 86 percent of Cincinnati parents surveyed by Visa believe all high school stu-

dents should be required to take a class devoted to smart money management.

Home is the second place where we can instill the value of saving and the smarter use of credit.

Alarmingly, almost three in 10 Cincinnati parents say they never talk to their children about using their money wisely. Instead, parents must talk about the consequences of racking up debt as well as the benefits of saving and investing, in plain language.

Finally, the financial industry can play a helpful role. The entire financial community should take a proactive approach by also lending their expertise – and



their resources – to personal finance education efforts.

For its part, Visa has developed a comprehensive financial literacy curriculum tailored to state educational standards, and provided it at no charge to teachers and parents. In the last five years, it provided more than 15,000 people in Ohio with free financial literacy education.

This task falls on the shoulders of teachers, parents and the financial industry together. After all, today's youth will soon be responsible for their own money. Their decisions will have far-reaching ripple effects for our nation's economic strength, affect-

ing everyone.

Our leaders in Washington are focused, rightly, on the future of our economy. Let's make it our job to make sure the next generation of borrowers and spenders will be prepared for that day.

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