

Financial Illiteracy Remains Problem

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The nation's economic crisis continues apace, and much of the focus remains on the government's efforts to shore up the financial services sector.

But there is another important aspect to the problem that has gone largely unmentioned: the poor financial literacy of Americans.

The crisis has highlighted the importance of everyday Americans understanding the basics of their own personal finances - especially among young people. A survey by the Jump\$tart Coalition for Personal Financial Literacy found that the average high school senior could only answer about half of the questions on a basic financial knowledge test. Many of them enter the work force unable to balance their checkbook, judge offers for credit or establish a habit for saving.

This predicament has raised alarm bells among the country's top economic officials. In a speech earlier this year, Ben Bernanke, chairman of the Board of Governors of the Federal Reserve System, said, "Promoting financial literacy, in particular, must be a high priority."

So as our leaders go about figuring out how to fix the financial system from the top, how can we better prepare the next generation to make smarter decisions about their money?

Let's start at home, where important values are conveyed to children. Alarming, one in five Springfield parents say they never talk to their children about using their money wisely, according to a survey sponsored this year by Visa. Parents should talk specifically and plainly about the consequences of racking up debt as well as the benefits of saving.

Our schools must play a key role, too. Fortunately, Missouri schools require at least a one-semester course devoted to personal finance - something supported by nearly nine in 10 Springfield parents surveyed by Visa.

Finally, the financial industry should do its part. The entire financial community should take a proactive approach by 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 provides it free to teachers and parents. In the last five years, Visa provided nearly 23,000 people in Missouri with financial literacy education at no cost.

Additionally, recently McDonald's and Visa launched the country's largest employer-based financial literacy program that will be making available free, customized money-management tools and resources to more than 500,000 restaurant-level employees throughout the majority of McDonald's 14,000 U.S. restaurants.

Parents, teachers and the leaders of the financial industry have a responsibility to our young people, but they also have a lot at personal stake, too. After all, today's youth will soon be responsible for handling their own money.

Our elected leaders are committing billions of dollars to restore confidence in our nation's financial system. Let's hope we match that commitment with our own, to educate the next generation of borrowers and spenders.

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