



Jason Alderman: We Must Teach Youngsters How to Handle Money

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Our elected leaders in Washington are consumed with the difficult — and expensive — job of helping the financial services sector.

But there is another task linked to our ability to get our economy moving again: educating the next generation of spenders and savers about smart money management. The current crisis has highlighted the importance of everyday Americans understanding the basics of their own personal finances.

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

This is no small problem in the eyes of our nation's economic stewards. In a speech earlier this year, Federal Reserve Chairman Ben Bernanke said, "Promoting financial literacy, in particular, must be a high priority."

How, then, can we better prepare young people to make smart decisions about their money?

* Let's start with parents, who are ideally positioned to transmit core values. Alarming, almost a quarter of Springfield parents say they never talk to their children about using their money wisely, according to a survey sponsored by Visa this year. Parents must talk specifically and frankly about the consequences of too much debt as well as the benefits of saving.

* Next, our schools must play a central role. Today, Illinois schools are instructed to incorporate some financial literacy education into other subject matter, but more than nine in 10 Springfield parents surveyed this year by Visa believe all high school students should be required to take a class devoted to smart money management.

* Finally, the financial industry must do more. The entire financial community should proactively offer 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 at no charge to teachers and parents. In the last five years, Visa provided more than 68,000 people in Illinois with free financial literacy education.

This is a job in which we all have a stake. After all, today's youth will soon be responsible for handling their own money. Should they spend beyond their means and fail to save and invest, our nation's economic strength could be further threatened.

It's up to people outside Washington — parents, teachers and those in the financial services world — to educate our young people so we avoid that fate.

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