Editor's Note

In the essay "Who's Going to Teach Us," Bryanna Lindgren writes of the need for mandatory financial education. How does she draw the reader in with her hook? How does she establish *ethos* in the first paragraph? Certainly, she's passionate about her topic, and she's obviously dedicated time and energy to develop it. The author takes a seemingly humdrum topic and gives it voice and passion. How does she achieve that? Does it hold your interest? As you read, pay close attention to Lindgren's sources. Does she rely too heavily on one particular source? Does this affect the persuasiveness of her essay?

Before you read, you might consider: Have you had much of a financial education? If so, what did it entail, and who provided it? Do you feel a lack of financial knowledge in your life? Has it negatively affected you? Does Lindgren fully explore the consequences of NOT having this education?

Who's Going to Teach Us?

Bryanna Lindgren

Who's going to teach me about money? How to buy a house? How to pay taxes? I am a freshman in college and I don't know the first thing about money. Upon arriving at college, I expected to have come across a general education requirement for a personal finance class. Apparently, I was too quick to assume. I'm shocked! It is to my knowledge that each U.S. citizen is required to take an average of thirteen years of basic education including elementary, junior high, and high school. In those thirteen years, we are required to take a foreign language, driver's education, health, physical education, and some performing arts. Essentially we are being prepared to go out into the real world (college or no college) and get a job. So why no financial education? Sure, we can get jobs and acquire money without being financially literate but we lack the understanding of what we're supposed to do with that money. Our mandatory education fails to teach us about budgeting, saving, and investing our hard-earned dollars.

Maybe our country is scared of what would happen if every young individual was financially literate. Oh how the economy would change. Companies could no longer count on making money from naive consumers and the wealth could be redistributed throughout the population. As of 2001, the top 1% of households owned 40% of the financial wealth and the bottom 80% of households owned a small 9%. If financial education could be provided, imagine how those shocking statistics could change our country's economy, especially in this recession. No, the wealthy population and wealthy companies would definitely not favor this plan because that could mean that they lose a percentage of their wealth. They must shudder at the thought of living in a more competitive business world where they no longer own 40% of our country's wealth. What a scary thought that must be for them, the idea that poverty could decrease with personal finance education. Financial education would no longer depend on how much one's parents understood about money and what they chose to teach their children. Our country is not financially responsible enough to leave such a big responsibility up to a child's parents, as commonly believed by politicians (The Financial Blogger). Besides, if parents themselves were not financially educated, they would only be passing down bad habits to their children. Thus, we see the vicious cycle of poverty: the wealthy remain wealthy and the poor remain poor throughout the generations.

It is time for this vicious cycle to be stopped. Everyone deserves to learn how to handle their finances, not just the people with knowledgeable parents. Three things need to happen in order to educate young people: financial concepts need to be implemented through other high school courses such as math, there needs to be a mandatory personal finance class, and most importantly, parents need to get involved in teaching as a real world example.

Thankfully, there is already an association that is fighting to make financial education mandatory called Jump$tart Coalition for Personal Financial Literacy. Established in 1995, Jump$tart's direct objective is to encourage curriculum enrichment to ensure that basic personal financial management skills are attained during the K-12 educational experience. While I recognize that Jump$tart has made excellent progress, I believe starting financial education at the elementary level is too soon. Adding and subtracting the number of puppy dogs in a room should not be substituted with adding and subtracting money. Elementary years are made for having fun, not figuring out how to spend, save, and invest money. At the elementary age, children are getting money from the tooth fairy and excitedly spending it on their favorite candy or toy and that is the closest to money they should get. It seems cruel and unusual to have children stress about money prematurely when they will have to worry about it for the rest of their lives.

On the other hand, high school students are at the ripe and ready age to learn because they gain more financial responsibility, such as getting a job or acquiring a credit card. But just because these adolescents have gained responsibility doesn't mean they know how to be responsible! A survey administered by Jump$tart to high school seniors revealed that they have a lot to learn about important financial concepts. For example, "only forty-eight percent correctly said that a credit card holder who only pays the minimum amount on monthly card balances will pay more in annual finance charges than a card holder who pays their balance in full" ("Financial Literacy" 2). This was a fact that even I, a credit card owner, did not understand up until this point and I am probably paying the price for it at this moment.

Even as college students, we continue to lack this vital financial knowledge. As I mentioned earlier, it is wrong to assume that attending college will guarantee any sort of financial education. According to a survey done by the Jump$tart, 62% of college students correctly answered questions about financial literacy basics ("Financial Literacy"). As the rank in school increased so did the scores among college students, however the percentage change was minimal. For example, college freshmen answered 59% of the questions correctly, while college seniors recorded a 65% score of correct answers. As you can see, there was only a *six percent* difference between college freshmen and seniors. I find this to be alarming. After all the years of elementary, secondary, and higher education, students are left ill-prepared to manage their finances.

Unsurprisingly, this early lack of financial literacy can lead to long-term financial problems. "States with high numbers of adults declaring personal bankruptcy also have high numbers of twelfth graders who are illiterate when it comes to personal finance" ("Bankruptcy Rates"). Of the states that had a higher rate of bankruptcy, the corresponding high school seniors were shown to get an average 55.6% on their financial literacy tests while the states with low bankruptcy showed a 70.3% average on the test ("Bankruptcy Rates"). The correlation is no accident; financial literacy has a strong affect on the number of bankruptcy filings. Leaving school without fundamental financial skills puts young people "at high risk of becoming adults who end up over their heads" ("Today's Students"). They will be much more likely to acquire debt, go bankrupt, and be without adequate savings to retire.

Based on this evidence, it is clear that we desperately need financial education implemented into our high school curriculum. Seven states have already taken this plunge in requiring a personal-finance course for high school graduation and several more states are in the process of implementing one (Mincer 2). Of course there can be no overnight transformation since the teachers must have training in the subject matter. Aside from training, the transition is pretty smooth with Jump$tart's helpful guidelines and standards. These states have come to realize that we can no longer leave the responsibility solely up to parents, especially since experience alone is not a reasonable educator. Survey results show that applied experience has minimal effects on a young person's grasp of personal finance ("Today's Students"). By teaching the conceptual and theoretical understanding of personal finances in school, students can readily apply what they learned to real world situations. Accordingly, real world examples should be provided through the parents. "A recent survey by Hartford Financial services Group Inc. found that 70% of college students said their parents were their primary source of information about personal finance" (Mincer 2). Clearly, parents play a crucial role in their children's financial literacy, though this can be a positive or negative effect depending on how financially literate the parents are. Therefore, having financial education can benefit both the student and their parents. Jump$tart Coalition for Personal Financial Literacy and the California State Parent Teachers Association joined together to distribute copies of a new guide, *How to Raise a Money-Smart Child: A Parent's Guide*, which they hope will enhance parents' awareness of the issue and encourage them to set a good example as well as become more financially literate themselves ("California Parents"). At the cost of one dollar, this book could be the route to both the parent and child's better understanding of personal finances.

So who, now should teach me about money, how to buy a house, and how to pay taxes? The answer is clear. High schools should provide financial education in the curriculum along with a personal finance course and then parents should reinforce their children's education. This investment in early financial education can provide the foundation for individual prosperity and economic independence (qtd. in "Financial Literacy"). If our country was financially literate, we could be more responsible in taking caring of ourselves and could rely less on the government's support (Financial Blogger 2). Therefore, financial education is crucial in our current recession in order to change the wealth distribution statistics and improve our economy. Learning how to budget, save, and invest money will advance young people's ability to provide for themselves while at the same time help them to gain financial independence from their parents, student loans, and the government.

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