

MONEY MATTERS



Teaching Kids About Dollars and Sense

by Susan Molinari

(NAPSA)—Financial literacy is something in which we all have a stake—whether children, adults, moms or dads or just plain citizens of this great nation of ours. It is a key component of the American dream, enabling those who master it to control their own financial destiny throughout life.

Yet we know from a host of surveys that our children are failing to master even the most basic of money skills. Most kids can't correctly answer such simple personal money management questions as what type of loan carries the lowest interest rate and what type of savings instrument carries the highest rate.

America's Money Skills Report Card, recently released by Americans for Consumer Education and Competition (ACEC), provides one of the most compelling assessments to date of the financial savvy of the nation's youth. Nationally, only 18 percent of high school seniors surveyed passed a key 13-question personal financial issue quiz contained in the Report Card. The battery of questions examined the knowledge of high school seniors on such issues as interest rates, savings and retirement strategies, loans, credit cards and calculating net worth.

Teaching our children personal finance and financial planning skills would go a long way toward improving the money skills of our youngsters. The personal financial issue quiz was also administered to a group of seniors at Woodrow Wilson High School in the District of Columbia. Everyone of those students passed the test. They did so after just one semester of personal finance instruction that included everything from borrowing money to estate planning.

"In many respects, improving basic financial education at the



Even a basic financial curriculum can help raise students' understanding of money.

elementary and secondary school level is essential to providing a foundation for financial literacy that can help prevent younger people from making poor financial decisions that can take years to overcome," Federal Reserve Board Chairman Alan Greenspan told a recent Fed-sponsored conference on community development.

Legislation that would provide funds for the states to develop and implement financial literacy courses for our children is currently working its way through Congress.

Should this measure succeed, it will still be up to parents, working with educators and state officials, to ensure that the courses necessary to give their children a better chance of passing life's financial test tomorrow get taught in classrooms today.

ACEC National Chairperson Susan Molinari is a former member of Congress, veteran of the House Budget and Education Committees and the mother of two young children. You can learn more about financial literacy by logging onto www.acecusa.org.