



Electronic Access Conference

2002

Session 47

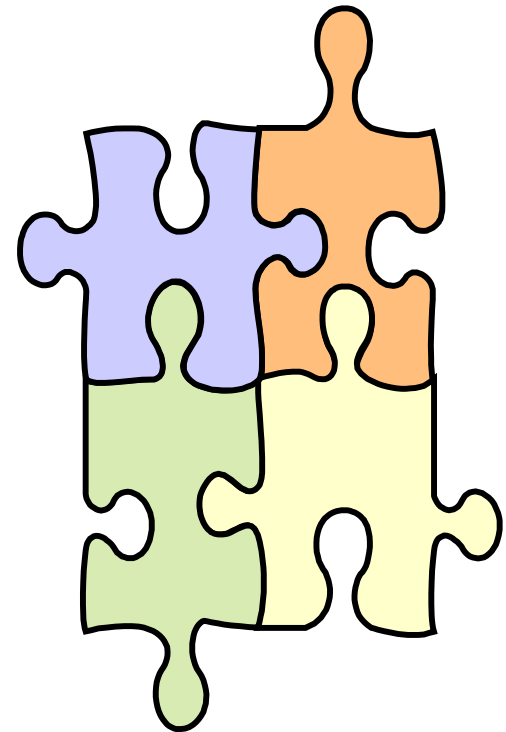
Programs for Building Early Awareness & Financial Literacy



**By Dara Duguay
Jump\$tart Coalition**

Financial Literacy Defined

Financial literacy
*refers to the basic skills
people need to manage
money and make
financial decisions.*



Statistics

- 61% of 24- 64 year-olds have no retirement savings account of any kind
- 21% of undergraduates owe between \$3,000- \$7,000 on their credit cards
- Mortgage delinquencies have surged to their highest level since 1992
- Teens spent \$173 billion in 2001, equal to Mexico's yearly exports

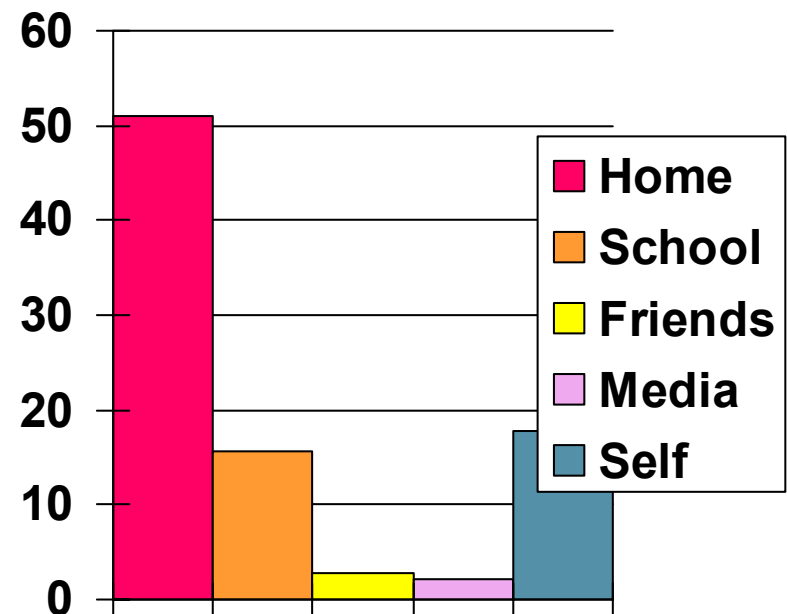
Statistics

- College students borrowed in the 90s what they did in the 60s, 70s & 80s combined
- Graduating students owe an average of \$20,402 in student loan & credit card debt
- Bankruptcies filed by those under-25 rose 96% from 1991- 1999 to 118,000
- 2001 Personal Savings Rate was 1.6%
- Non-secured consumer debt= 1.65 trillion

Jump\$tart Coalition Personal Finance Survey Results

- 2002 National Benchmark Study
- 4,024 High School Seniors
- Average Score was 50.2%-a Failing Grade
- 65% said they felt “very sure” or “somewhat sure” about ability to manage their finances

Where They Learned About Money



The Good News

- As little as 10 hours of classroom instruction can affect how teens handle their money
- 58% of students improved their spending habits
- 56% of students improved their savings habits



More Good News

Adults, age 30-49, who studied personal finance in high school had:

- ***A greater net worth – by about 1 year of income***
- ***More personal savings!***



Education and Savings: The Long-Term Effects of HS Financial Curriculum Mandates, Bernheim, B.D., Garrett, D.M., and Maki. 1997.

Major Jump\$tart Activities

- Standards and Benchmarks
- Clearinghouse
- State Coalitions



Personal Finance Standards & Benchmarks

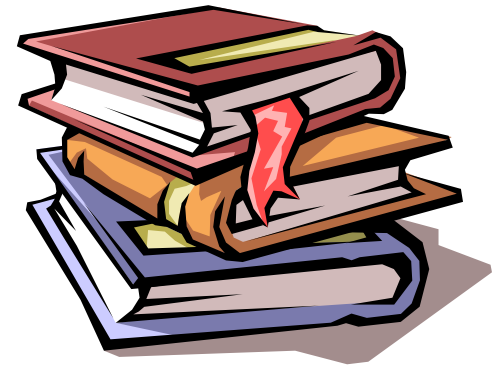
***What students need to know and
be able to do.***

- Income
- Money Management
- Spending and Credit
- Saving and Investing



Search the Clearinghouse *www.jumpstart.org*

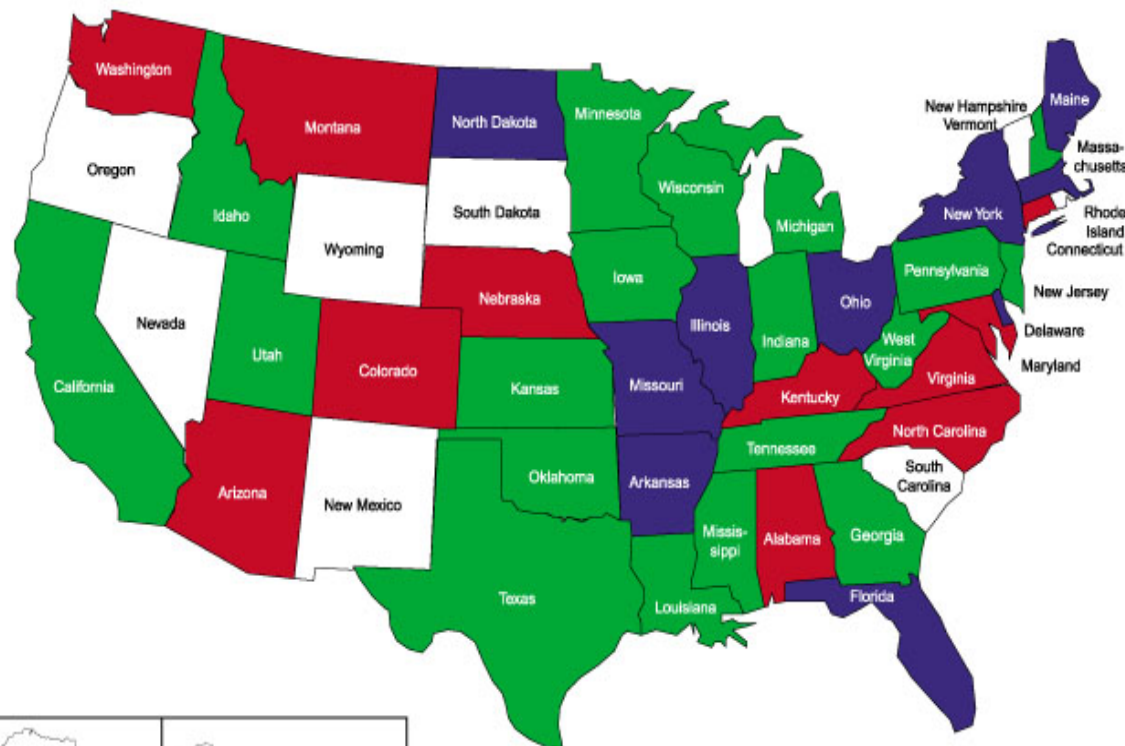
You will find:



- Personal finance materials
 - teaching guides, videos, CDs
 - textbooks, web sites and more
- Many free and low-cost sources



STATE COALITION STATUS MAP



To locate information about the state coalition in your state, go to www.jumpstart.org. Click on "Affiliates," and then click on a particular state.

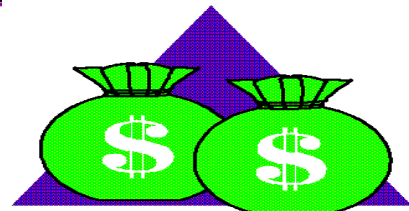
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Partnership

Please Send Money:
A Financial Survival Guide for Young Adults
By Dara Duguay

American Education Services (AES)
A Division of the Pennsylvania Higher
Education Assistance Agency (PHEAA)



Project Specifics

- *Money Matters* Interactive CD-Rom.
- One component of AES/PHEAA's public service campaign.
- Provide students with the information to plan for their financial futures now.
- Distributed at no cost to financial aid administrators.
- Selected content from *Please Send Money*.
- Interactive worksheets.



Content Examples

- Understanding Your Student Loans
- Tax Deductions
- Seven Easy Steps to Creating a Budget
- Determine Your Financial Priorities
- Managing Your Debt





Content Examples

- Paying Off Credit Balances
- The Hidden Dangers of Interest
- How to Avoid Debt
- Consequences of Default
- Money Motivators
- Millionaire by 65



What Can You Do?



- Request copy of *Money Matters*-CD-Rom
- Become familiar with content
- Encourage students visiting financial aid office to utilize the CD-Rom
- Organize workshops

Resources

- YouCanDealWithIt.com
- *Money Matters* CD-Rom
- Jump\$tart
Clearinghouse-
<http://www.jumpstart.org>
- Workshops



Contact Us

I appreciate your feedback and comments. I can be reached at:

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