



## A Step Backwards in Spreading Financial Literacy?

(March 27, 2012) — A new report shows that the financial education movement is losing momentum. Fewer states are requiring coursework. In some, they've stopped teaching economics at a time when economics is on the front page almost daily.

Even as the financial literacy movement gains steam overseas, it may be losing momentum in the U.S. In its most recent *Survey of the States* report, the [Council for Economic Education](#) found that since 2009, three fewer states require schools to test in the area of economics and one fewer state requires schools to offer a personal finance course. States requiring that students be tested on personal finance concepts fell by almost half.

This backtracking comes after a decade of growth in financial education programs in schools. In 1998, just 16 states required that a course in economics be offered to high school students and just 13 made it a requirement. Today, 25 states require an economics class and 22 make it a requirement. Both of those numbers rose again in the latest report.

But there was a significant drop in key areas. The number of states that test students on economic concepts fell to 16 from 19. That number stood at 27 in 2002. This mind-boggling retreat comes amid the worst economic downturn in several generations.



Presumably, strapped school budgets had something to do with the fall off. But can you imagine a worse time to downplay economics courses in school than during the depths of a recession?

Meanwhile, states that require a personal finance class fell to 14 from 15. That number was just one in 1998. States that require student testing in personal finance fell to five last year, from nine in 2009. That number also was just one in 1998. More states are adopting personal finance teaching standards—46, up from 44 last year and just 21 in 1998. But no more are requiring that high school students take a personal finance class to graduate; the number held at 13 in the latest survey. That number is up from one in 1998.

These numbers suggest the financial education movement may stall long before it reaches critical mass. They also reflect recent criticisms that have surfaced in the U.S., where academics disagree as to what works as it relates to teaching kids about money. Some think kids don't retain enough to make the financial education effort worthwhile. Indeed, a series of JumpStart student evaluations has shown that kids, on average, aren't getting any smarter about budgets and debt. The JumpStart test is now being re-evaluated and recently missed its cycle.

At the same time, the prominent financial education booster Lewis Mandell, a senior fellow at the Aspen Institute, even argues that such simple time-honored teaching tools as paying kids a weekly allowance may do more harm than good. He and others would prefer scarce resources be spent on financial education programs aimed at adults and in support of regulations that dictate things like clearer mortgage documents and credit card statements. This is largely what the Consumer Financial Protection Bureau is all about.

This is not the preferred approach in the 25 other countries that the OECD lists as having or developing a formal national strategy for financial literacy. Some, like Australia and Singapore, have well rounded programs designed to reach adults at work or in the community as well as kids in school. But Flore-Anne Messy, who heads the financial literacy movement at the OECD, told me that reaching kids in school is hands-down the priority in virtually all countries that are tackling this problem. Reaching kids remains a goal in the states as well—but one that may be becoming more elusive.

Source: <http://moneyland.time.com/2012/03/27/in-a-bad-economy-dont-teach-kids-economics/#ixzz1qKTsG3kb>

## Upcoming Events

### March 12 - April 13

#### **National Financial Capability Challenge**

Conducted by the Department of the Treasury in partnership with the Department of Education, the Challenge offers high school students all over the country the opportunity to test their financial smarts. Sign up now at <http://challenge.treas.gov/>

### April 2012

#### **Financial Literacy Month - *What is your organization doing?***

### Monday, April 9

#### **Meeting of the President's Advisory Council on Financial Capability Department of the Treasury, Washington, DC**

This meeting will feature a panel on how government can coordinate with the private sector to promote financial capability and to stimulate economic growth.

### April 18–20

#### **7th Annual Conference on Financial Education; Orlando**

The Institute for Financial Literacy hosts its seventh annual conference to give financial literacy educators opportunities for professional development and networking. Participants learn about current trends, best practices, and ways to promote financial education.

<http://www.financiallit.org/xpages/conference/conference.aspx>

### Friday, April 20, 2012, 9:30 am – 3:30 pm CST

#### **Interagency Rural Development Forum Chipola College Continuing Education Building; Marianna**

Hosted by the FDIC, the Federal Reserve Bank of Atlanta, and the Office of the Comptroller of the Currency (OCC). Agenda includes: asset building in rural Florida; housing & community development resources; resources for small businesses & entrepreneurs; rural economic development opportunities; and update on the Community Reinvestment Act (CRA). FREE but space is limited. For more information, contact April Atkins at [aatkins@fdic.gov](mailto:aatkins@fdic.gov).

### **Monday, April 23 - 9:00–11:00 a.m. CST (Webcast)**

#### **International Solutions to Improving Financial Literacy**

The Federal Reserve Bank of Chicago and Visa Inc. will co-host the sixth annual Financial Literacy and Education Summit. The Summit will focus on how global government and financial education leaders, in collaboration with providers, can develop these solutions to positively impact global financial literacy efforts. Register now at [www.practicalmoneyskills.com/summit2012](http://www.practicalmoneyskills.com/summit2012).

### **Tuesday, April 24**

#### **Teach Children to Save Day**

Sponsored by the American Bankers Association Education Foundation. Bank volunteers are invited to visit local classrooms and to share with students information about fundamental money skills. <http://www.aba.com/ABAEF/default.htm>

### **Thursday, April 26, 10-11 am**

#### **Florida Jump\$tart Coalition Board Meeting, Conference Call**

### **May 7-11**

#### **MoneyWi\$e Week – Jacksonville**

The First Annual Jacksonville MoneyWi\$e Week is financial education designed to help us all become more wise about money. The Week will offer programs, classes and activities for all members of the Jacksonville community, all ages and income levels. See <http://www.moneywisejax.org/>

### **Friday, May 11**

#### **Governor's Awards for Excellence in Teaching Economics, Orlando**

Sponsored by the Florida Council on Economic Education to recognize Florida's most outstanding teachers (K-12) for their creativity in presenting lessons in economics, personal finance and entrepreneurship. Opportunities are available for sponsorships and in-kind contributions. Contact Chalette Davis at (813) 289-8489 or [cdavis@fcee.org](mailto:cdavis@fcee.org) for more information.

### **Thursday, May 24, 10-11 am**

#### **Florida Jump\$tart Coalition Board Meeting, Conference Call**

### **May 30 - June 1**

#### **Florida Prosperity Partnership - Fourth Annual State Conference & Training**

#### **Loews Portofino Bay Hotel at Universal Orlando**

FPP convenes individuals and organizations with the desire to leverage their talent, resources, and passion to improve the prosperity of Florida's families. Keynote Speaker is Ruby K. Payne, Ph.D. Sign up online at [www.floridaprospertypartnership.org](http://www.floridaprospertypartnership.org)

## **News Briefs**

### **New Financial Literacy Scholarship for High School Students**

Jump\$tart's national partner, the Financial Services Roundtable, has established a college scholarship to honor students who have successfully completed a certified financial education or financial literacy course before entering college. FSR's Financial

Literacy Scholarship Review Committee will select **17 high school students** to receive **scholarships of \$5,000 each**.

Eligible students must:

- Have completed a certified financial education or a financial literacy course prior to applying and received verification of course completion;
- Be a graduating senior entering a college/university/trade school; and
- Exhibit academic success, respectable character, and financial need.

The deadline to apply is **April 24, 2012**. Interested students can learn more about the scholarship, and download the application form online at:

[http://www.fsround.org/fsr/financial\\_literacy/financial\\_literacy.asp](http://www.fsround.org/fsr/financial_literacy/financial_literacy.asp).

## US Regulators Propose Rules to Protect Against Identity Theft

(February 28, 2012, WASHINGTON, DC) — New rules proposed by federal market regulators would require mutual funds and securities and commodities brokerages to develop programs to protect investors against identity theft.

The proposal, issued jointly by the U.S. Securities and Exchange Commission and Commodity Futures Trading Commission, stems from a requirement in the 2010 Dodd-Frank Wall Street overhaul law.

That provision in the law transferred some authority over certain parts of the Fair Credit Reporting Act from the Federal Trade Commission to the SEC and CFTC. The Fair Credit Reporting law sets standards for the collection, communication, and use of information about consumers by consumer reporting agencies.

The SEC and CFTC's proposal would require certain firms they regulate to come up with a written identity theft program with certain policies and procedures. Under that program, financial firms would need to identify and detect red flags, respond to them and update the program as needed. The proposal is similar to rules that were already adopted by the FTC and several other federal financial regulators in 2007.

The SEC and CFTC issued the proposed rules after commissioners at each agency voted behind closed doors to seek public comments on the plan. The identity-theft provision in Dodd-Frank has not been considered controversial, and has not received widespread media attention.

<http://www.reuters.com/article/2012/02/28/financial-regulation-identitytheft-idUSL2E8DSA3D20120228>

## Why Giving Your Kids an Allowance May Not Teach Them Anything

(February 15, 2012, *Time*) — Parents have been paying their kids an allowance since the Industrial Revolution on the theory that it will help kids better understand budgets and spending choices as adults. Now a prominent academic says it's all been a waste of time.

Lewis Mandell has gone renegade. An esteemed educator and early proponent of teaching kids about money in the classroom, Mandell has in recent years come to see financial education as largely futile - and now he's even railing against allowance.

No kidding. Parents have been helping their kids learn how to budget and make spending choices through a weekly allowance for more than 100 years. In that time, the only controversy has been over whether to tie the kids' allowance to chores or simply pay it as an entitlement. There are good arguments on both sides.

But Mandell is changing the discussion by asserting that allowance should not be paid, period. He seems to favor a system where parents simply pay ad hoc for the things





Actually, Credit Karma's research shows that residents of blue states carry more credit card debt on average: \$6,200.70 compared to \$5,855.86 in red states. But Ulzheimer says the issue isn't gross credit card debt; it's credit card debt in relation to credit card limits.

**What 16 Points Means to Your Budget.** Still, it's only a 16 point difference -- how big a deal could that be? Well, it may not sound like a lot, but it translates into substantial additional costs to those consumers every year, says Ken Lin, CreditKarma CEO.

Want to put that money back in your pocket? Here are two lessons for those of us in red states (or with poor credit no matter where we live) to take from our blue state neighbors:

- **Don't fear credit.** Lin notes that those in blue states are more likely to leverage financial services tools, and you have to use credit to have credit. Otherwise, you're likely to have what the credit bureaus would refer to as a "thin file" -- no track record to show you're responsible.

- **Understand the impact.** Lin says this 16-point difference could equate to a hundreds of dollars a year. But that really depends on where your score falls on the spectrum. If your credit score is, say, 570, 16 points won't make much difference one way or the other because it isn't likely to push you into a better score range. If your score is 700 or above, the same applies, but for the opposite reason: It's the group whose credit scores fall between 600 and 700 that is most affected by those apparently small differences. <http://www.dailyfinance.com/2012/03/19/what-blue-states-can-teach-red-states-about-good-credit/>

## Marvel Teams Up With Visa for "Avengers" & "Spider-Man" Financial Literacy Comics

Marvel Comics and Visa Inc. have teamed up to create a new, one-of-a-kind financial literacy comic book called Avengers: Saving the Day. Combining Marvel's iconic characters, including the Avengers and Spider-Man, with Visa's financial literacy expertise, this free comic introduces children to basic money concepts.

This financial literacy comic was created by a well-known team of Marvel storytellers, including veteran writer James Asmus (Generation Hope). Fan favorite Andrea Di Vito (Avengers Academy) designed the comic which features the world's most popular superheroes including Iron Man, Thor, Spider-Man, Hulk and Black Widow. The collectors' item comic also features a new cover by comic's legend Tom Grummett.



"A wise man once said that with great power there must come great responsibility and that certainly applies to managing your finances," said Marvel editor Bill Rosemann. "In an uncertain world, understanding how to save and properly budget your hard-earned money is one of the keys to personal success. The Avengers are not only the world's greatest heroes, but they also know a thing or three about financial health. After all, Iron Man hasn't managed his vast wealth of Stark Enterprises by accident, and as Spider-Man learns, you don't have to be a millionaire to be a saving hero," said Rosemann.

Avengers: Saving The Day is being released around the world and is available in Arabic, Bahasa Indonesia, Chinese, English, French, Portuguese, Russian and Spanish. Available at no cost, both in print and online at <http://practicalmoneyskills.com/avengers/>

## Teens Can Learn to Manage Money from Parents, Teachers

(February 12, 2012) —Most high school students don't spend their time fretting over mortgages, stock prices, or their 401(k) plans, but they are at an age when smaller financial responsibilities start creeping into their lives. Many teenagers earn allowances

and begin working part-time jobs, so they need to make decisions about what to do with their money.

High school students "also begin to have a lot more of a social life," says Margaret Magnarelli, senior editor of *Money* magazine and author of the textbook *Per\$onal Finance*. "They might have a car and access to shopping and restaurants. And if they don't have a car, they want a car." Teenagers often have many desires, but they must figure out how to allot their money for the things they want, says Magnarelli, who believes the first step to their financial understanding should be taught by parents.

"When you're shopping, and your child says, 'I want X item,' you can put that item into context," says Magnarelli. "Ask, 'what would it take for you to save up to buy that? How many hours of your part-time job would it take to achieve that?'"

Parents can also help their kids understand financial responsibilities by being transparent with their own money decisions, says Magnarelli. For instance, she says parents can say, "We are not able to go to Spain for vacation this year, because if we did you couldn't go to basketball camp. So we're going to the New Jersey shore instead."

Teachers can also play a huge part in preparing students to make financial decisions, says Magnarelli, even if the school doesn't offer a personal finance course. "It's a practical skill that fits nicely into a lot of [curricula]," she says. "These kinds of lessons can be incorporated into other topics easily and smoothly." Magnarelli explains that a math teacher could show compound interest, or an economics



Financial lessons taught by both parents and teachers will go a long way in helping high school students in the future, says Magnarelli.

[http://www.huffingtonpost.com/2012/01/24/personal-finance-education\\_1227992.html](http://www.huffingtonpost.com/2012/01/24/personal-finance-education_1227992.html)

### **National Credit Union Foundation Holds “Financial Reality Fair” at Governmental Affairs Conference**

(March 29, 2012) — The National Credit Union Foundation (NCUF) held a Financial Reality Fair in conjunction with the Credit Union National Association (CUNA) Governmental Affairs Conference in Washington, DC for the second year. A Reality Fair is an interactive financial literacy tool for high school students.

The fair was held at the Cannon Office Building on Capitol Hill on March 21 with about 40 students from nearby Roosevelt Senior High School in attendance. Many others stopped by to observe the fair, including Congressman Jim Himes from Connecticut and GAC attendees during their “Hike the Hill” visits.

Student responses to a survey after the fair indicated that almost 90% will start to budget their money every month and 100% of students said it changed the way they will save and spend money.

The Reality Fair concept is a unique opportunity for students to experience some of the financial challenges they will face when they start life on their own. It's a hands-on experience in which students identify their career choice and starting salaries



*Congressman Jim Himes (2<sup>nd</sup> from left) from Connecticut stopped by the Reality Fair at GAC and is pictured here with (L-R): President/CEO of Members Credit Union Kathy Chartier, President/CEO of the Credit Union League of Connecticut Tony Emerson, and President/CEO of Northeast Family Federal Credit Union Joanne Todd.*

then complete a budget sheet requiring them to live within their monthly salary while paying for basics such as housing, utilities, transportation, clothing, and food. Additional expenditures such as entertainment and travel are factored in as well. Throughout the fair, there are many temptations for additional spending, and students must learn to balance their wants and needs to live on their own. After the students have visited the various booths covering components of independent living, students balance their budget, and then sit down with a financial counselor for review.

[http://www.ncuf.coop/home/news/subnews/2012\\_GAC\\_realityfair.aspx](http://www.ncuf.coop/home/news/subnews/2012_GAC_realityfair.aspx)

### **St. Petersburg Seminar Educates Athletes on how to hold onto their Money**

(February 19, 2012, *Tampa Bay Times*) — When Anthony Simmons hears the horror stories of professional athletes going broke, he's saddened — but not shocked. After all, it happened to him.

Simmons, drafted by the Chargers in 1984, blew through his \$122,000 contract as a rookie, buying a Mercedes and "spending every dime." As a result, he had to borrow \$7,000 from an assistant coach just to survive the first two months.

According to a 2009 article in *Sports Illustrated*, by the time they've been retired for two years, 78 percent of former NFL players have gone bankrupt or are under financial duress due to joblessness or divorce; within five years of retiring, about 60 percent of former NBA players are broke. There are many reasons: irresponsible spending, misplaced trust, divorce, bad investing, worse luck.

But Simmons believes it's also due to a lack of financial education, which is why his Pro Athlete Business Group is holding a two-day seminar at St. Pete Beach. The company is flying in more than 200 former and current athletes (including Rickey Henderson and Frank Gore) to hear guest speakers and link up with potential investment opportunities. While the NFL, NBA and Major League Baseball all have programs for rookies and resources available, certified financial planner Jason Cole said he "doesn't really see any change as far as players making smarter decisions."

"They tell you in the NFL when you sign a new contract, 60 percent of you guys are going to end up broke, divorced or homeless," Simmons said. "Those are the ones we don't hear about, we don't know about or are too embarrassed to talk about. I don't care if you make \$375,000 or \$5 million, it will hit you if you don't do anything."

<http://www.tampabay.com/sports/football/bucs/st-petersburg-seminar-hopes-to-educate-athletes-on-how-to-hold-onto-their/1216107>

### **Florida's Personal Income Jumps 4.7 percent in 2011**

(March 28, 2012, *Sun-Sentinel*) — Florida's average personal income jumped 4.7 percent in a year, from \$38,210 in 2010 to \$39,563 in 2011, according to federal estimates released Wednesday. But the Sunshine State still lagged behind the 5.1 percent state average increase, the U.S. Bureau of Labor Statistics found.

Florida's annual personal income average was about \$2,000 less than the national personal income of \$41,663, according to the BLS. The federal agency found that Florida continues to rebound from the Great Recession but its workers' earnings remain below the peaks reached before the Great Recession.

<http://www.sun-sentinel.com/business/blogs/money-sense/sfl-florida-personal-income-2011-20120328,0,2239253.story>

### **Co-Signing Your Kid's First Credit Card: Bad Idea?**

(March 28, 2012) — If your child is in college or will soon be turning 18 years old, you may have toyed with the idea of letting him or her get a credit card. But should you co-sign for that card? Financial experts offer a range of opinions on the topic.

"It's important for young people to have something to help them out if they're in trouble or facing an emergency, so I can see why some parents would want their kids to have a credit card," says Eric Bell, founder of YoBucko, a financial education website for 20-somethings.

"But when it comes to co-signing, I have mixed feelings," Bell adds. "If someone can't get a credit card on their own, there's probably a reason." Bell says he's seen plenty of young adults "spend way too much on their credit cards" and then parents wind up footing the bill or worse: the parents' own credit rating gets tarnished because they cosigned and the kids didn't pay their credit card debt as agreed.

<http://www.foxbusiness.com/personal-finance/2012/03/28/co-signing-your-kids-first-credit-card-bad-idea/>

## News from our Partners

### **InCharge and Shepherd's House Provide Free Financial Literacy Workshops to Single Mothers**

(March 20, 2012, ORLANDO) — Homeless single mothers face incredible challenges when it comes to being able to mentally, physically and financially care for their children and themselves. These responsibilities mixed with a lack of resources can be a recipe for continuous struggle. Jumpstart Partner, InCharge Debt Solutions and Shepherd's House are announcing today a partnership to provide the needed financial literacy training for these women.

The private workshops include discussions on topics such as understanding credit, how to prepare and stick to a budget, organizing one's finances, developing a savings plan and more. "These critical subjects are not always taught in our schools; so it is imperative that we educate these young women and empower them to make positive strides in their lives," noted Stacey Gray, Program Manager at Shepherd's House.

"We are extremely proud to be partnering with Shepherd's House, a program of Catholic Charities of Central Florida, which provides support to economically disadvantaged homeless single mothers," said Billie Passmore, Director of Outreach for Housing at InCharge Debt Solutions. "InCharge will offer monthly financial literacy workshops to help teach the participants how to take control of their finances and develop skills needed to become better money managers with the hope of sustaining their own place of residence one day. We are a part of the solution."

The monthly private workshops will be held at Shepherd's House in Orlando.

## Financial Literacy Research

### **The Student Loan "Debt Bomb": America's Next Mortgage-Style Economic Crisis?**

(February 7, 2012, National Association of Consumer Bankruptcy Attorneys) — In a report prepared for the National Association of Consumer Bankruptcy Attorneys, Americans now owe more on student loans than on credit cards.

The amount of student borrowing crossed the \$100 billion threshold for the first time in 2010 and total outstanding loans and exceeded \$1 trillion for the first time last year. The reason: Students and workers seeking retraining are borrowing extraordinary amounts of money through federal and private loan programs to help cover the rising cost of college and training. In many cases, parents responsible for the student loans are in or near retirement years and facing repayment demands.

How big is the danger to the U.S. economy? "Evidence is mounting that student loans could be the next trouble spot for lenders," said Dr. Andrew Jennings, chief analytics officer at FICO and head of FICO Labs.

Consider the facts:

- Individually, college seniors who graduated with student loans in 2010 owed an average of \$25,250, up five percent from the previous year.
- Borrowing has grown far more quickly for those in the 35-49 age group, with school debt burden increasing by a staggering 47 percent.
- the college education of children have jumped 75 percent since the 2005-2006 academic year.
- Parents have an average of \$34,000 in student loans and that figure rises to about \$50,000 over a standard 10-year repayment period. An estimated 17 percent of parents whose children graduated in 2010 took out loans, up from 5.6 percent in 1992-1993.
- Of the Class of 2005 borrowers who began repayments the year they graduated, one analysis found 25 percent became delinquent at some point and 15 percent defaulted. The Chronicle of Education puts the default rate on government loans at 20 percent.

With rising debt comes increased risk, both to borrowers and to the economy in general. Even in the best of economic times when jobs are plentiful, young people with considerable debt burdens end up delaying life-cycle events such as buying a car, purchasing a home, getting married and having children. Piling up student loans in middle age is even more troublesome. Aside from the simple truth that there is less time to earn back the money, it also means facing retirement years still deeply in debt. And, parents who take out loans for children or co-sign loans will find those loans more difficult to pay as they stop working and their incomes decline.

This concern is echoed by bankruptcy attorneys from across the country who report that what they are seeing at the ground level feels too much like what they saw before the foreclosure crisis crashed onto the national scene: more and consumers seeking their help with unmanageable student loan debt, and with no relief available.

<http://nacba.org/Portals/0/Documents/Student%20Loan%20Debt/020712%20NACBA%20student%20loan%20debt%20report.pdf>

### **Council for Economic Education's Survey of the States Reveals Slow Progress in Economic and Personal Finance Implementation**

(March 19, 2012, NEW YORK) — The Council for Economic Education (CEE) released its seventh *Survey of the States: Economic and Personal Finance Education in Our Nation's Schools*. The biennial report highlights the importance of economics and personal finance education by documenting its status in the United States. The report shows that while there has been progress since the first survey, over the past two years the trend has slowed, and in some cases moved backward.

The recent economic downturn has brought nationwide attention to the dangers of a financially illiterate society. But "while many states have addressed this gap in education curriculum, there is still a large segment of the American student population that is not being exposed to economic and financial education," said CEE President & CEO Nan J. Morrison.

While 22 states require an economics course for high school graduation (up from 21 in 2009), only 16 states require the testing of students' economic knowledge, three fewer than in 2009. Thirteen states require a personal finance course as a high school graduation requisite, the same since 2009. These 13 states make up approximately 25% of the U.S. population, meaning almost 75% of Americans have not received financial literacy education to date.

The 2011 Survey of the States report is available for download at <http://www.councilforeconed.org/survey2011>.

## Personnel Finance: Productivity Down, Employers Target Debt Stress

(February 3, 2012, *Time*) — Financial education advocates point to three primary places to reach those who need help with their money: in schools, the point of sale, and at work. A debate rages over the first two. But efforts to educate employees at the office are spreading fast.

The issues with school-based programs start with insufficient resources and teacher training. There are also practical concerns about which programs work. Education at the point of sale is equally controversial. Would it be helpful? Yes. Consumers are most motivated to learn when confronting an immediate problem.



Teaching folks about money in the workplace seems to have the most momentum. Companies can readily tie in money lessons with materials and counseling on benefits like health insurance, flexible spending accounts and pensions.

Companies have a big incentive to educate employees about money. In a new Society for Human Resource Management [survey](#), 83% of HR professionals said that personal financial problems have some or a large impact on the work performance of employees. More than half said that employees have dipped into retirement savings in the past 12 months to make ends meet. According to the study, employee money problems resulted in:

- 47% of HR professionals noticing employees' struggle with their "ability to focus on work."
- 46% noticing issues with "overall employee stress."
- 26% observing a negative impact on "overall employee productivity."
- 24% saying money woes are leading to "employee absenteeism and tardiness."

Can financial education at work fix all this? Digging into the specific money issues that employees cite, it seems the answer may be yes, education can fix it. According to the survey, the biggest worry was not having enough money to cover personal expenditures. Other issues cited often were insufficient retirement savings and suffocating credit card debt.

<http://moneyland.time.com/2012/02/03/personnel-finance-productivity-down-employers-target-debt-stress/>

## Survey Finds Students Unprepared for College Costs

(February 23, 2012; *Accounting Today*) — Teenagers are more worried and confused about how to fund their college tuition today, according to the third annual How Youth Plan to Fund College survey of 16 and 17-year-olds conducted by the College Savings Foundation.

78 percent of the students said it was their responsibility to pay for at least part of their college education, but the survey revealed a gap between those aspirations and their ability to save. While 74 percent of students reported they want to save for post-secondary education, only 45 percent have begun to do so. The survey also found that even of those that are saving, fewer are giving up electronics or cars.

"This is a clarion call for financial literacy," said CSF chairman Roger Michaud in a statement. "We need to better prepare both parents and their children with the skills and strategies to cope with the costs of college."

CSF, a Washington, D.C.-based nonprofit that works in support of education savings programs, also found a disconnect in survey respondents' college choices. While 78 percent of students said cost would influence their higher education plans, 21 percent - 5 percent more than last year-planned to go to private schools and fewer-45 percent, down from 51 percent-than in 2011 were planning on public schools.

On the flip side, more parents are saving for their children's college costs than last year. Of that number, 31 percent are using tax-advantaged 529 college savings plans.

But as outstanding student debt now tops \$1 trillion, students are still relying on loans. The survey found 63 percent expect to borrow to pay for college, with three quarters of those students planning to cover more than 25 percent of college costs with debt.

While almost all of students planning to borrow are concerned about their eventual debt burden, only 25 percent of that group has projected the total loan amount they will need to graduate, down from 30 percent last year. Only 20 percent have projected how much they will owe each month to pay the debt.

Many of the respondents expect financial aid (80 percent) and merit scholarships (70 percent) to assist in paying for higher education, though only 10.6 percent of full-time students at four-year schools received non-athletic scholarships in 2007-08 and the average amount of assistance was \$2,815, according to the National Postsecondary Student Aid Study at FinAid.org.

More students are talking to their parents about their involvement in funding this education than last year, up to 70 percent from 63 percent. Some of these conversations were captured in the survey's commentary:

Students do appear eager to improve their education in this area, with 51 percent wishing their current high school offered financial literacy instruction for them and their families, and 52 percent having researched tuition costs for specific colleges and post-secondary schools, up from 49 percent last year. Additionally, 35 percent said they have researched ways to save, which include personal savings and 529 college savings plans. More findings from the survey and graphed results are available at

[www.collegesavingsfoundation.org](http://www.collegesavingsfoundation.org).

## Florida Jump\$tart Coalition® for Personal Financial Literacy, Inc.



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