



OFFICE OF
STATE TREASURER
DENISE L. NAPPIER

NEWS

FOR IMMEDIATE RELEASE

Friday, October 20, 2006

Nappier Backs Call by *National Association of State Boards of Education* to Require Financial Education in Schools

State Treasurer Says Connecticut Should Do More to Ensure that Children Have Basic Personal Finance Management Skills Prior to Graduation

State Treasurer Denise L. Nappier, one of Connecticut's leading advocates for financial education, especially for young people, applauded the National Association of State Boards of Education (NASBE), call for states to establish financial education as a core academic subject throughout all grades – from kindergarten through high school graduation.

A report by the association's *Commission on Financial and Investor Literacy* urges that financial and investor education "truly be part of every student's education" and calls on state boards of education to:

- Evaluate the current status of financial and investor education
- Consider infusing financial and investor education throughout the K-12 curriculum
- Provide the resources to ensure that individuals teaching financial and investor education concepts are adequately prepared
- Encourage state partnerships among educational institutions, consumer groups and non-profit organizations to obtain support for teaching financial and investor education concepts
- Develop better tools to assess financial and investor education programs

In commending the report, Nappier said "We need to move financial literacy higher up on our education 'to do' list. Whether we are policy makers, business leaders, educators, parents or concerned citizens interested in the next generation -- we have a strong common interest. The financial education of our young people is key to our economic success as a state and nation."

Results of a national *Jump\$tart* survey earlier this year showed that Connecticut high school students had an average score of only 51.2% on a nationwide survey of personal finance, about one point below the national average (52.4%).

Nappier, who has made encouraging financial education one of the hallmarks of her administration, is among the founding members who launched the *Connecticut Jump\$tart Coalition for Youth Financial Literacy* earlier this year. It grew out of a statewide summit co-sponsored by the Treasurer's Office in 2003. The *Coalition* was formed with Junior Achievement of Southwest New England, the State Department of Education, State Department of Banking, the Connecticut Association of Boards of Education, Centers for

CONTACT: BERNARD L. KAVALER
DIRECTOR OF COMMUNICATION
(860) 702-3277 FAX (860) 702-3043
BERNARD.KAVALER@PO.STATE.CT.US

Financial Education and Bank of America. It brings together public and private organizations, businesses and educators in a collaborative effort to advance financial management skills among Connecticut's young people. The statewide organization's first annual meeting was held earlier this month.

The NASBE report, "Who Will Own Our Children?," found that 49 states require economics, 38 states have some form of personal finance standards, and 9 states currently include personal finance as part of their graduation requirements.

The most recent survey of nearly 100 high schools by the Connecticut Department of Education found that just over half offer a personal finance course for credit (2003 survey) and only three schools, Hill Regional Career High School and Metropolitan Business High School in New Haven and Litchfield High School, include financial education as a graduation requirement.

"We applaud these schools for taking the lead and hope they will expand their offerings and serve as a model for others across the state. We need more students, in more schools, in more communities, learning the in's and out's of personal financial management," Nappier said. "At the same time, I recognize that in-school learning is only part of the answer. Much as drivers education includes time on the road, effective financial education needs hands-on practical experience beyond the classroom."

Citing a confluence of factors, including unprecedented levels of personal debt, the increasing elimination of pensions, and questions about the future of Social Security, the NASBE report said that individuals will need to be more savvy and proactive in managing their money as they navigate an increasingly complex financial roadmap and work to ensure a secure retirement. In addition, it calls on states to "develop and share common assessments for measuring goals," encourages a standard national framework for assessing students' knowledge of financial literacy, and urges that financial literacy concepts be included in state standards and assessment systems.

"Selecting the right banking account, investments, credit card, car loan or insurance policy can be a tremendous challenge, and quite intimidating for our young people... particularly with limited knowledge or experience. We know that practical application and experiential learning are critically important," Nappier added. "Connecticut has a foundation to build on in a myriad of non-profit financial education programs offered in many communities."

Connecticut law includes a provision that the State Board of Education shall, within available appropriations and utilizing available materials, assist and encourage local and regional boards of education to include personal financial management in the curriculum. In addition, Department of Education's personal finance standards and competencies include the following:

- Identify various forms of income and analyze factors that affect income as a part of the career decision-making process
- Develop and evaluate a spending/savings plan
- Evaluate savings and investment options to meet short-term and long-term savings goals
- Identify factors that affect the choice of credit, the cost of credit, and the legal aspects of using credit
- Identify choices available to consumers for protection against risk and financial loss

"No child should graduate from high school without a sound understanding of the basics of personal financial management. Before the cap and gown goes on, every student should have an opportunity to learn Personal Finance 101," Nappier concluded.

CONTACT: BERNARD L. KAVALER
DIRECTOR OF COMMUNICATION
(860) 702-3277 FAX (860) 702-3043
BERNARD.KAVALER@PO.STATE.CT.US