



## Teens need to read up on financial literacy

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MONTPELIER -- When it comes to financial literacy, Vermont high school seniors have a lot to learn.

A nationwide survey that tested about 7,000 teenagers on the basics of personal finance and economics found Vermont high schoolers knew slightly more than their peers nationally but still failed, according to results released Thursday.

Nationally, high school seniors correctly answered only 48.3 percent of questions, while Vermont's answered 50.3 percent correctly. To pass, 60 percent of the questions had to be answered correctly.

"Obviously, we're struggling," said state Treasurer Jeb Spaulding, who outlined the Vermont findings at a Statehouse news conference, flanked by Gregg Mousley, president of Vermont JumpStart. "About half the students didn't pass the survey questions."

The 31-question Jump-Start Coalition for Personal Financial Literacy survey questioned participants in five areas -- income, money management, savings, spending and debt.

The results showed that this year's high school graduates will enter college or the working world knowing less than their older brothers and sisters did.

Only 16.8 percent knew stocks likely would offer the higher growth over 18 years of saving for a child's education, while 37.3 percent thought a U.S. savings bond -- one of the most conservative investments -- would offer the highest growth.

Almost 53 percent believed they'd have no liability for charges incurred on a stolen credit card. Liability is limited to \$50 after the issuer is notified of the theft.

Those are national figures; a breakdown of Vermont's percentages wasn't available.

Seniors at nine public high schools around the state participated, but the researchers who ran the survey didn't keep tabs on how many of those polled were from Vermont, so the sample size for the state is unknown, officials said.

The schools, meanwhile, were not identified for fear the results would embarrass them, Mousley said.

Sample questions A sample of questions from the JumpStart Coalition for Personal Financial Literacy survey:

**Which of the following is true about sales taxes?**

- a) The national sales tax percentage rate is 6 percent.
- b) The federal government will deduct it from your paycheck.
- c) You don't have to pay the tax if your income is very low.
- d) It makes things more expensive for you to buy.

**Which of the following statements best describes your right to check your credit history for accuracy?**

- a) Your credit record can be checked once a year for free.
- b) You cannot see your credit record.
- c) All credit records are the property of the U.S. Government and access is only available to the FBI and lenders.
- d) You can only check your record for free if you are turned down for credit based on a credit report.

**If your credit card is stolen and the thief runs up a total debt of \$1,000, but you notify the issuer of the card as soon as you discover it is missing, what is the maximum amount that you can be forced to pay, according to federal law?**

- a) \$500.
- b) \$1,000.
- c) Nothing.
- d) \$50.

**Many savings programs are protected by the federal government against loss. Which of the following is not?**

- a) A U.S. Savings Bond.
- b) A certificate of deposit at the bank.
- c) A bond issued by one of the 50 States.
- d) A U.S. Treasury Bond.

*Answers: d, a, d, c.*