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## Money 101 State pushes financial literacy in schools

By Bruce Edwards

Vermont has joined other states in rolling out a financial literacy primer for students and parents with the goal of avoiding some of the money problems that consumers often face as adults. Those financial problems are years in the making and often start at a young age with what financial experts and educators call financial illiteracy.

In Vermont, the treasurer's office is leading the effort to bring financial literacy to the schools. State Treasurer Beth Pearce said that the better educated students are about money, the greater the likelihood they'll make better choices in the future, whether it's saving for college, a home or retirement.

"As a nation we're not very good at saving," Pearce said. "If we can develop better saving habits at an early age, I think that's good for the economy and good for the individual."

Dubbed the Vermont Money Smart Child initiative, the program stresses the need for parents to educate their children about money. The treasurer's office has joined the Vermont Jump\$tart Coalition and People's United Bank to reach more than 11,000 families with the tools parents can use to teach their children about financial responsibility.

Gregg Mousley, who heads the Vermont Jump\$tart Coalition, said that in the past it has focused its efforts on reaching out to teachers and, in some cases, directly to high school students about the importance of financial responsibility. With the new initiative, the coalition for the first time is involving parents. Mousley said Money 101 is not a subject discussed around the dinner table or taught regularly in high school and college.

"So, it's one of those topics people have to learn on their own through trial and error," said Mousley, director of the resource center at the Vermont Student Assistance Corp.

Barre Technical Center is among 57 elementary, middle and high schools participating in the program. Plans are to incorporate the financial literacy component into the tech center's business leadership studies, said Penny Chamberlin, the tech center's director. She said that takes on added significance because many business programs have fallen victim to budget cuts at the six high schools that send students to the center.

From the latest fashions to electronic gadgets, young people often find themselves under pressure to keep up with their peers. Chamberlin said one of the school's business programs addresses that issue.

"So, they really talk about needs versus wants in the scheme of personal finance or success," Chamberlin said. "I think it's really important for students to understand the marketing strategies used in order to hook younger kids on various products and items, and once they understand that, they can be better prepared to make better decisions."

Mousley said young people are at a disadvantage when it comes to handling money. Lacking good money skills to begin with, he said, young consumers are then bombarded with “ample opportunity to go into debt.” He said a troubling aspect of the country’s failure to teach basic financial skills at a young age can be found in the bankruptcy statistics.

“The bankruptcy statistics are showing that the largest growing population of people filing for bankruptcy are under 25 years old, which seems like they’re barely getting started and here they are in trouble,” he said.

Schools participating in the Vermont Money Smart Child initiative receive copies of the 14-page booklet “How to Raise a Money Smart Child: A Parent’s Guide.” The booklet covers the nuts and bolts of money management: allowances, banks, budgeting, mutual funds, checking accounts, credit, credit history and paying for college.

The partnership will hold six regional Money Smart Child parent workshops around the state. The free workshops will examine five core areas of financial education; explore how parents can use teachable moments; provide specific parent-child exercises in spending choices, budgeting, credit and saving; and promote parents supporting one another in working with their children.

Regional workshops will be held in Colchester, Swanton, Barre, St. Johnsbury, Salisbury and Ludlow. The partnership will offer the workshops in other communities interested in hosting an event. Schools statewide were offered the opportunity to reserve guides for their families in early May.

The program is underwritten by People’s United Bank. The booklet was written by the Jump\$tart Coalition, a national nonprofit organization whose goal is improving the financial literacy of young people. The guide, along with some of the workshop handouts, is also available for viewing online by going to the state treasurer’s financial literacy web pages at [www.MoneyEd.Vermont.gov](http://www.MoneyEd.Vermont.gov).