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Boost Financial Literacy For All, Task Force Recommends

By Elizabeth Hewitt

BURLINGTON — A task force launched by Champlain College unveiled a 13-point plan on Thursday for boosting Vermonters' understanding of personal finances.

One year after the state received a D on a national report card on financial literacy in high schools, the 20-member Vermont Financial Literacy Task Force called on lawmakers to create a commission on personal finance in an effort to bolster the state's overall economy.

"As the Great Recession has shown, a strong, healthy and vibrant Vermont economy requires financially literate citizens," said Don Laackman, president of Champlain College. "We believe that the recommendations of this task force, when implemented, will play a significant role in increasing the financial skills of students and adults throughout our state."

In addition to recommending the creation of a commission on financial education, the task force, initiated by Champlain College's Center for Financial Literacy in May, developed plans to improve financial education in schools, at college, and among adults.

Almost half of Vermonters have sub-prime credit or low credit scores, and nearly two-thirds don't have a rainy day fund. Meanwhile, educational institutions are found to be lacking when it comes to teaching students how to manage their money.

"There is some really scary data we're working with," said Bob Allen, the task force chairman and head of the Windham Foundation.

Allen, who also led the committee on improving financial literacy among adults, drew an explicit connection between an understanding of personal finances and improvement of the state's overall well-being.

"I viewed this as a unique opportunity to promote economic development statewide," Allen said.

The task force recommends introducing financial knowledge early in education. According to the group, only seven of 65 high schools have a financial literacy requirement.

The K-12 committee members spoke to the handful of Vermont educators who work financial literacy into subjects ranging from social studies to economics to calculus.

Along with calls to improve educational resources for high school students and teachers, the committee suggested that grants be made available from the state treasury to Vermont schools and supervisory unions to support the introduction of financial management courses in schools.

"For me," said K-12 committee chair Linda Tarr-Whelan, "this is an essential building block of 21st century life."

Scott Giles, president and CEO of Vermont Student Assistance Corp., chaired the committee on financial literacy at the college level.

In addition to suggesting the creation of more resources on money management and careers, the committee proposed the creation of a pilot program for child savings accounts, thereby helping more low- and middle-income families put aside funds for secondary education.

State Treasurer Beth Pearce emphasized the importance of developing a long-term strategy for improving financial literacy among Vermonters.

“Obviously in kindergarten you’re not going to talk about your 401(k) program. But we’re getting to that child early, developing good habits, and working with folks from kindergarten all the way through their golden years,” Pearce said.

With several initiatives already in place to help Vermonters look out for their personal economics, Pearce is eager to work with the task force on further steps.

“I want every citizen to have the opportunity for financial well-being,” Pearce said. “It’s not just good for the individual, but it’s good public policy for Vermont.”