



The Council for Economic Education

You're never too young to learn about money

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Let's start with some definitions...

Financial Education

A **systematic approach to cultivating financial knowledge and financial decision-making skills**. Implies use of appropriate pedagogy, learning objectives, and assessment techniques as well as being of adequate duration and structure to allow the learner to incorporate new knowledge into their existing schema

Financial Literacy

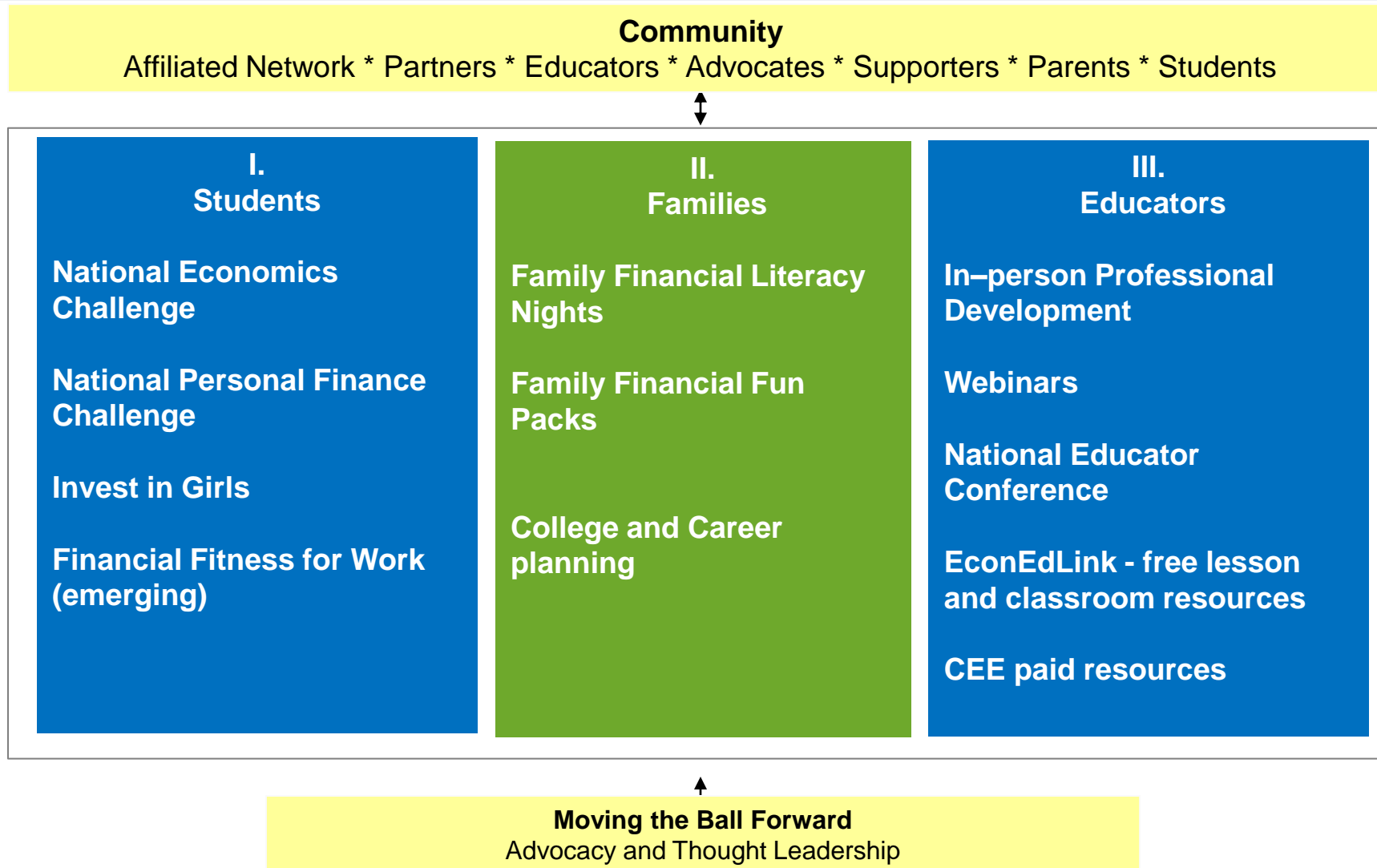
Everyday fluency in the concepts that comprise financial education. The term is often **also applied to exhibiting positive financial behaviors** in addition to having knowledge.

Foundational Concepts

- Earning Income
- Spending Money
- Saving
- Investing
- Managing Credit
- Managing Risk

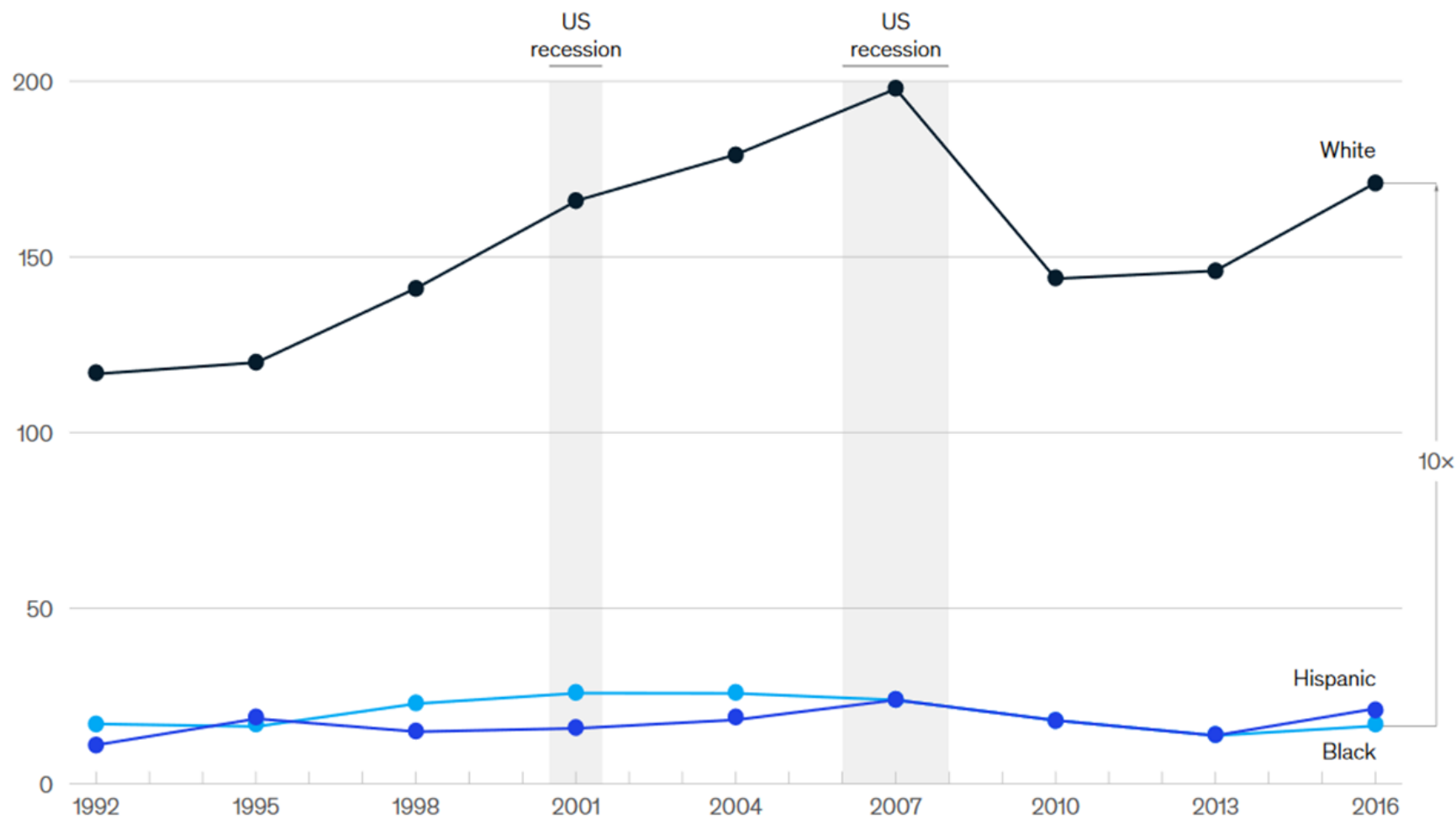
Someone who is financially literate has the necessary knowledge and skills to make sound financial decisions throughout their lives

CEE – Programs and Constituents



There is a wide and persistent gap in wealth between white and black families

Median family wealth in 1992–2016 by ethnicity/race, \$ thousand¹

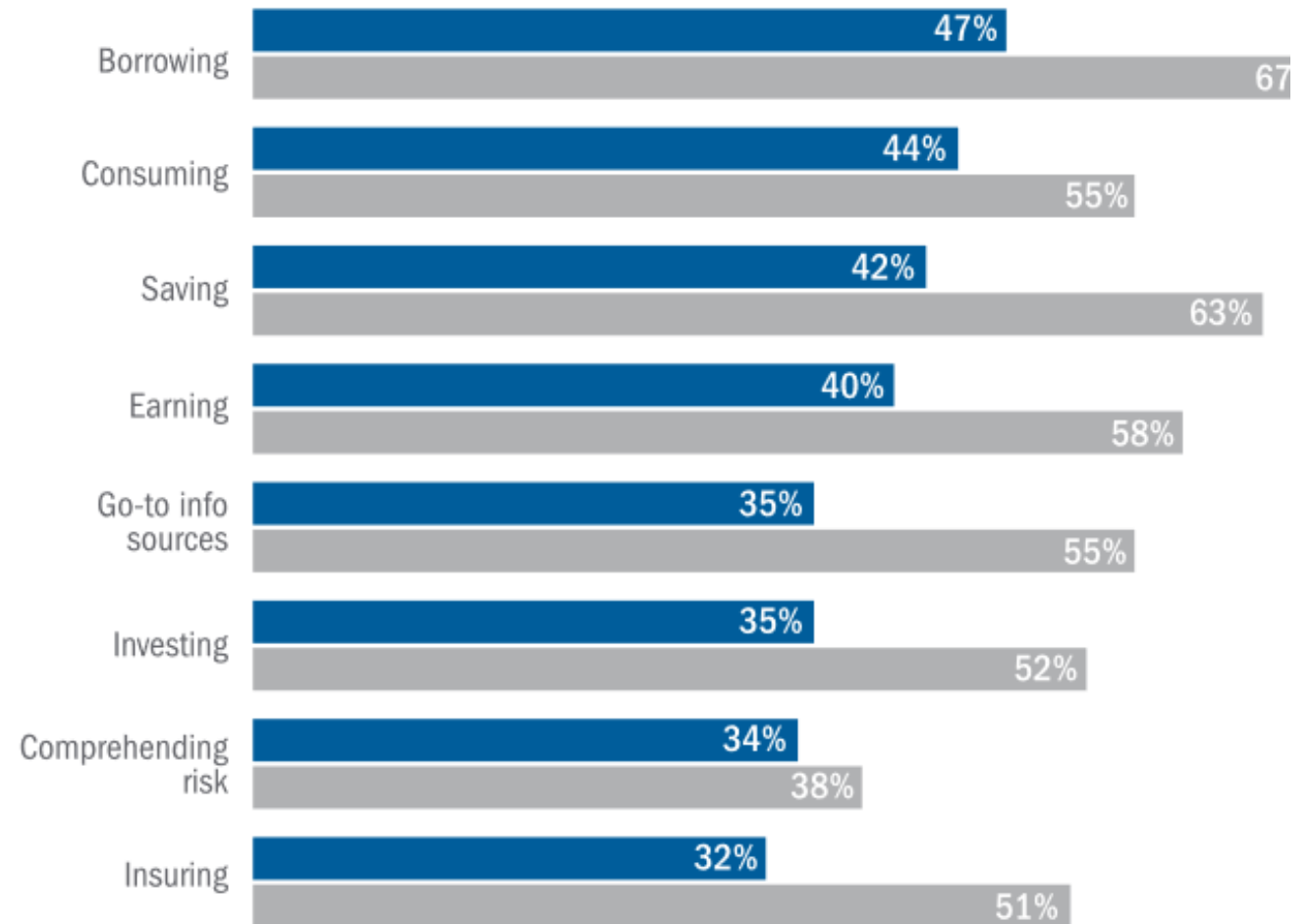


¹2016 dollars.

Source: "2016 survey of consumer finances," Federal Reserve Board, September 2017, federalreserve.gov

African-American financial literacy lags that of whites across functional areas

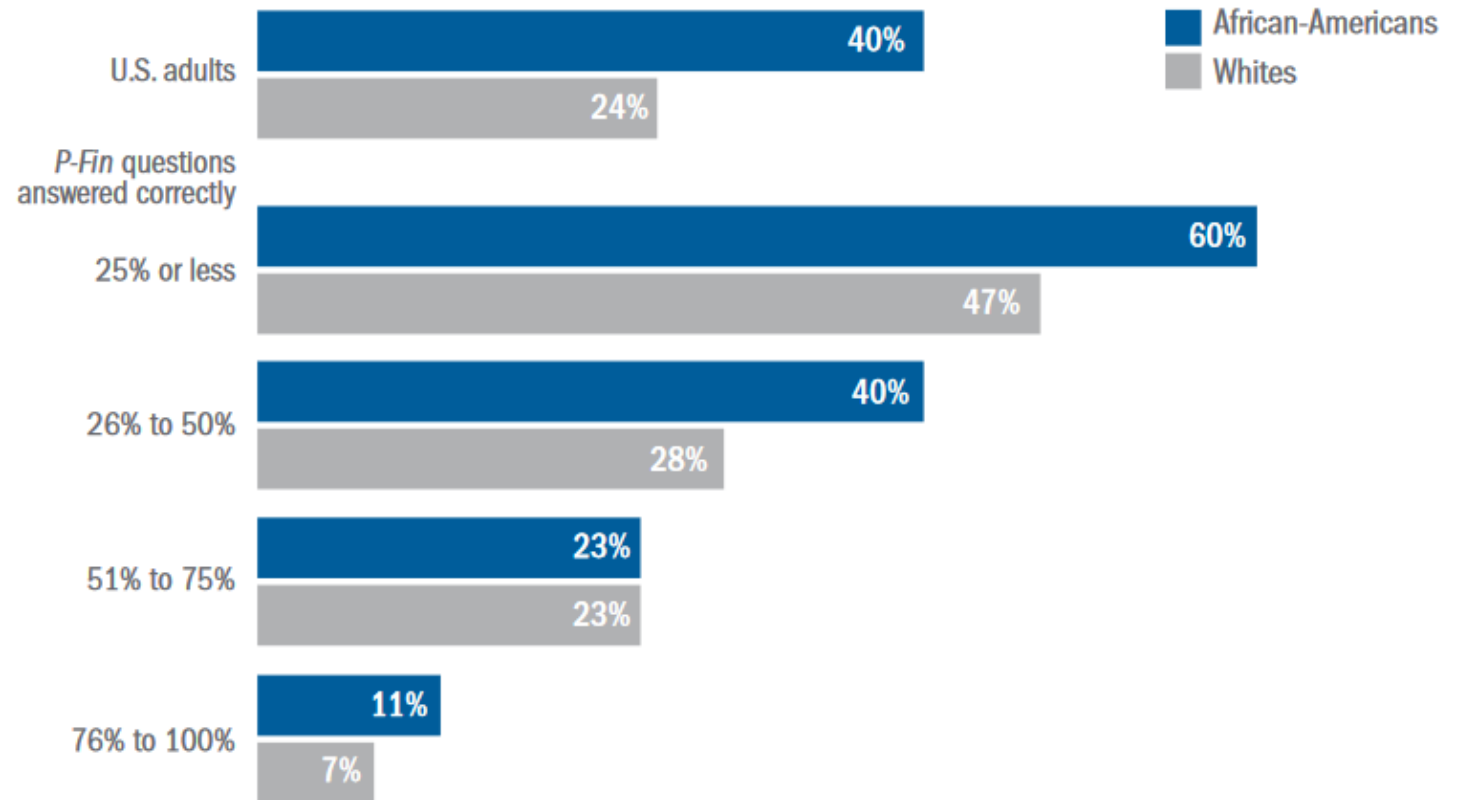
% of *P-Fin* questions answered correctly



Source: TIAA Institute-GFLEC Personal Finance Index (2019).

African-Americans with greater financial literacy are less likely to be financially fragile

% who could certainly or probably not come up with \$2,000 if an unexpected need arose within the next month.



Source: TIAA Institute-GFLEC Personal Finance Index (2019).



SURVEY of the STATES

2020

ECONOMIC AND PERSONAL FINANCE
EDUCATION IN OUR NATION'S SCHOOLS

#SURVEYOFTHESATES

Findings from CEE's 2020 Survey of the States:

- More states are requiring students to take a financial education course than ever before
- But only 21 states have such a requirement
- And many of those requirements are integrating financial education into other coursework
- In only six states is financial education taught as a standalone one-semester course

Why is this important?

There is an expanding body of research showing that requirements make a positive difference in downstream financial behaviors. Students who graduated from states with a financial education requirement tend to:

- Apply for college financial aid at a higher rate
- Be more likely to access grants and federal loans (lower-interest borrowing)
- Be less likely to hold credit card balances
- Have higher credit scores
- Have lower delinquency rates on their credit accounts

Requirements also level the playing field

In states where there is no required course, there are large gaps between schools educating higher and lower income students:

	% ACCESS		
	REQUIRED	OFFERED	TOTAL
Low FRL	10.5	61.6	72.1
High FRL	3.9	52.4	56.3

Access gap  **15.8**

How you can get involved

- **Sponsor a Family Financial Literacy Night at your local elementary school and provide volunteers (and treats!)**
- **Create and support an Access Zone – a locale where we can double down our efforts to train teachers and engage kids and families in low and moderate income neighborhoods**
- **Sponsor teachers to attend our 60th Financial Literacy and Economic Education Conference – 2021 will be virtual, 2022 blended**
- **Host / sponsor the NYS finals for the National Economics Challenge or the National Personal Finance Challenge**

The Council for Economic Education

Find us at CouncilForEconEd.org

Find teacher resources at EconEdLink.org

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