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Financial literacy low with seniors

Indiana's first report card assessing high school seniors' financial literacy was presented by Networks Financial Institute and Indiana State University on Tuesday, April 26, at the Indiana Financial Literacy Conference in Indianapolis.

The research, conducted by Jump\$tart, confirmed that Indiana students have much to learn about saving, spending, income and money management.

With a failure rate of 62 percent, Indiana students' performance aligned closely with the national failure rate of 66 percent.

The Jump\$tart survey tracked the financial literacy and demographics of 207 Indiana high school seniors representing 10 schools from throughout the state.

The majority -- 62 percent failed the exam with one third receiving a C or D grade and only 4 percent receiving a B grade. No one received an A grade.

Statistically there was no difference in grade by region of the state or private vs. public school, although males scored slightly higher than females.

Beyond tracking students' knowledge of saving, spending, income and money management, the survey also examined where students learn about money, how confident they are in managing their personal finances, what types of financial products and services they use and their employment and money management behaviors.

Most Indiana high school seniors completing the survey did not receive a regular allowance while growing up, although the majority reported being employed all or part of the year.

Most do not have a credit card or debit card, however, 77 percent reported having a bank account.

Student respondents reported that they primarily learn about managing their money at home and a full 64 percent of them reported feeling "very sure" or "somewhat sure" they understand most of what they need to know about managing their own finances.

Although the majority of respondents feel moderately sure about understanding and managing their own finances, very few -- 17 percent -- have taken an entire course in money management and only 60 percent have taken a portion (one week) course in money management.

"The information gathered from this research reinforces the need for financial literacy education both in the classroom and at home," said Elizabeth Coit, executive director of Networks Financial Institute. "If we expect children in Indiana to graduate high school with the ability and confidence to manage their own finances and to know the effects poor money management can have on their future, it is imperative that parents and teachers begin educating children about money at a young age and continue educating them through high school."

Networks Financial Institute was founded in 2003 with a grant from the Lilly Endowment.

The non-profit organization serves as an outreach program of Indiana State University and focuses efforts on improving financial literacy, advancing important financial issues impacting Indiana through research, education and outreach.

For more information about Networks Financial Institute, visit www.networksfinancialinstitute.org.

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