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## THE HOME ECONOMIST: Programs push fiscal responsibility in the young

Youth programs that teach fiscal responsibility aim to spell the difference between having financial freedom or being chained to debt.

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This week in her after-school program, teen coordinator for the Boys and Girls Clubs of Greater Miami Diana Perez will introduce junior-high kids to a few real-life financial skills -- such as knowing the difference between wanting an iPod and needing one. That's just one of the lessons packed into the curriculum and materials discount brokerage Charles Schwab has been providing these clubs across America since 2003.

"A lot of these kids get money from their parents each week," says Perez, "and now some of them say, 'I have \$100 because I started saving like you taught me to.'"

Schwab's Money Matters program, which has reached 250,000 kids across the country, is an early stride in what has become a national movement. Teach basic financial skills from kindergarten and foster fiscal responsibility through high school, the thinking goes -- before kids begin to earn money or rack up credit card debt.

Now even the U.S. Department of Education has jumped to the forefront, declaring financial literacy a priority. And many states are following along; Florida has reset classroom objectives to include financial education, while Miami-Dade County Public Schools working on a new curriculum with help from an established financial house.

"There's a real academic benefit to that," says Matthew Yale, chief of staff for U.S. Secretary of Education Arne Duncan. "When you're talking about the basics to saving and investing, there's math to that, there's reading. Where these curriculums are done well, students have outperformed their peers."

A combination of factors is pushing schools to modernize the Home Ec classes of the past. For starters, high school students are earning money and are dealing with taxes and checking accounts. Even if parents fund the way, college students may be greeted on campus by credit card companies enticing them with charge accounts.

Today, the average college student carries 4.6 credit cards and maintains an average balance of \$3,173, according to a study by Sallie Mae. Of those students with cards, 82 percent admitted to making only the minimum payments. Throw in a recession caused by an entire society -- sophisticated financial houses included -- that didn't consider financial limitations, and you have not only a reason but also a backdrop for financial education.

"This recession is the best call to action you can find," says Renee Colombo, a vice president at the Council for Economic **Education** in New York, which conducted a study proving states are increasingly requiring these courses for graduation. "It's the ultimate teachable moment."



Brett Graff is a reporter & former U.S. government covering the economic forces affecting real people.

The U.S. Department of **Education**, meanwhile, isn't going to miss the chance. It doesn't mandate curriculum but has started a new grant program, Financial **Education** for College Access and Success, which doubled its investment in financial **education** programs to total \$3.1 million.

"It's an easy issue for us to talk about because it's critical and at the end of the day, not so hard," says Yale of Secretary Duncan's office.

"And it can't start early enough. In kindergarten, kids can learn the value of a quarter, in first grade they start getting an allowance and soon, they will be saving and investing and literally saying, 'No mom, I don't want to buy this, I want to give something to charity.' "

#### THE BASICS

Tie allowances to chores, connecting work and money, while explaining the basics of saving, spending and philanthropy.

And most importantly: Practice what you preach. Avoid buying on impulse or neglecting your possessions -- a house or car -- and then paying big for repairs.

"All of this is a key to future success," Serido says. "Even if money isn't your No. 1 motivator, it's still an important part of achieving your goals, such as paying for college, buying a house. It's an essential part of everyday life. No matter how much you have."

*This is a monthly column by Miamian **Brett Graff**, a former U.S. government economist who writes about how economic forces are affecting real people.*